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## **SUMMARY**

### **Summary of Report 20/2020, relating to the Catalan Anti-Fraud Office, years 2010-2018, Parliamentary Resolution 214/XII**

*Barcelona, 4 November 2020*

The Public Audit Office for Catalonia has issued Report 20/2020, relating to the Catalan Anti-Fraud Office (OAC), financial years 2010-2018, Parliamentary Resolution 214/XII, in accordance with its Annual Programme of Activities.

The report, which was presented by the Chairman, Mr Jaume Amat, was approved by the Audit Office Board at its meeting on 14 October 2020.

By passing Resolution 214/XII, the Parliament of Catalonia asked the Public Audit Office to produce an audit report on the Anti-Fraud Office for years 2010 to 2016. The Audit Office Board decided to extend the time scope for the audit to cover years 2017 and 2018, in order to revise the status of findings and recommendations it made in Report 5/2018, referring to the OAC in year 2015.

The limited scope audit included a review of personnel expenditures for the 2010-2018 period, a review of low-value contracts awarded in year 2018, and the situation prevailing as at 31 December 2018 for the findings and recommendations from Report 5/2018.

The Catalan Anti-Fraud Office Act (LOAC – Act 14/2008, of 5 November) created this entity with the aim of preventing and investigating possible specific instances of the illegal use or application of public funds or any other irregular benefits obtained by personnel working in the public sector.

The Conclusions section of the report includes the most important findings arising from the audit and a table detailing its follow-up of the findings described in Report 5/2018. The most significant findings can be summarised as follows:

- For the 2012-2016 period, the Audit Office found no evidence that the OAC had applied measures to rein in expenditure equivalent to those laid down in legislation in force at the time. This affected the legality of certain personnel expenditure items, such as annual bonuses, the quality-work bonus and meal tickets. In the 2017-2018 period the OAC did apply the relevant expenditure limitation measures, as required by the Catalan Government's Budget Act for year 2017 and its extension to cover year 2018.
- The salary items in the OAC's wage tables did not conform to legislation in force at the time.

- The OAC's director, on leave for special missions from his post in the judiciary, and the OAC's senior officials, on leave for special missions from their civil service posts in the Catalan Government, had the right to be paid the three-year bonuses corresponding to the civil service grade they belonged to, but not those established by article 96 of the Statutes for the Internal Running and Governing of the Parliament of Catalonia (ERGI) which, according to article 26.1 of the LOAC, were applicable to the OAC's general staff but not to the officials appointed to run it. During years 2010-2018, the OAC's senior officials (the director, assistant director and divisional directors) were paid three-year bonuses just like the OAC's general staff.
- In the period from 2010 until May 2018 the OAC calculated and paid the three-year bonuses to its staff using as the starting figure their salary plus their three-year bonuses previously accrued at the OAC plus their three-year bonuses accrued at other government organisations. The OAC's director initiated an ex-officio review of eighteen civil servant personnel files and in June 2018, as a precautionary measure, suspended payments of excess amounts improperly paid out as three-year bonuses to the staff involved.
- During years 2010 to 2018, the OAC's salary arrangements did not envisage any productivity bonus as stipulated by the ERGI. A decree by the director converted this bonus into an OAC staff bonus with the title of quality-work bonus. Thus, the pay decisions ordered by the director over the period 2010 to 2018 were not compliant with the law.

In the period from 2010 to 2016, the decisions by the director were based on considering the Agreement on Parliamentary Staff Working Conditions to be directly applicable to OAC staff. The Audit Office considers that this approach had no proper legal basis. And these decisions by the director did not establish objectives. So there were no details or reports evidencing how objectives had been met.

In years 2010 to 2016 the director, the assistant director and the divisional directors were paid the quality-work bonus, when they were not eligible to be awarded it. For years 2017 and 2018, the decisions issued by the director did not consider the quality-work bonus in the Agreement on Parliamentary Staff Working Conditions to be directly applicable, and excluded the director, assistant director and divisional directors from being awarded this bonus. In addition, these decisions established objective criteria for each of the divisional directors, with percentages and a template giving details of the objectives which each person was to achieve.

- In the review of low-value contract files for year 2018 an improper splitting-up of low-value contracts was detected, which constituted a breach of article 118.1 of the Public Sector Contracts Act.

From the audit work carried out, the conclusion was that, as at 31 December 2018, of the twenty-six findings which the Public Audit Office had included in its audit report 5/2018 on the OAC:

- Eleven issues had been resolved.
- Eight issues had been partially resolved.
- Seven issues remained to be dealt with.

The recommendations relating to some issues which came to light during the audit work carried out on the OAC's accounts for the period from 2010 to 2018 are as follows:

1. The OAC needs to arrange its wage structure in accordance with ERGI article 95.
2. The OAC ought to clearly define and specify in its regulations the role of its senior officials.
3. The report recommends that the OAC regularises the off-budget balance showing un-realised expenditures (provisions) from years 2012-2016.
4. The OAC needs to formalise a sublease agreement with the Catalan Government for the building it occupies.

This summary is solely for information purposes. The audit report (in Catalan and Spanish) can be consulted at [www.sindicatura.cat](http://www.sindicatura.cat).