
SUMMARY

Summary of Report 24/2021, relating to Tarragona Provincial Council's Tourist Board, year 2018

Barcelona, 22 December 2021

The Public Audit Office for Catalonia has issued Report 24/2021, relating to Tarragona Provincial Council's Tourist Board (*Patronat de Turisme*), financial year 2018, in accordance with its Annual Programme of Activities.

The report, which was presented by Board Member Mr Miquel Salazar, was approved by the Audit Office Board at its meeting on 9 November 2021.

The purpose of the assignment was a limited-scope audit of the Tourist Board, focused on auditing its income and expenditure budget outturns and reviewing its compliance with applicable legislation in the areas of accounting, the budget cycle, staffing, grants and public sector procurement, relating to year 2018.

The Tourist Board is an autonomous agency owned by Tarragona's Provincial Council (*Diputació*). It was set up in 1986 for the purpose of promoting, coordinating and encouraging tourism alongside the public and private sector actors in the Costa Dorada and Ebro Delta tourist areas.

The Tourist Board's starting budget envisaged revenues and expenditures of €7.02m and during the year modifications to budget appropriations totalling €3.29m were approved. So its final budget came to €10.31m. The budget outturn as at 31 December 2018 showed recognised revenues of €5.67m and recognised expenditures of €6.10m. The budgetary result for the financial year, after adjustments, came to €2.80m.

The most significant findings arising from the audit work carried out, as explained in section 3.1 of the report, can be summarised as follows:

- Regarding the cooperation agreement the Tourist Board signed with the airport operator Aeroports Públics de Catalunya, SLU, when arranging payments to this public enterprise the abbreviated procedure described in the budget execution rules was used, incorrectly, given the nature of the expenditure and that the amounts involved went over the established limit.
- Part of the Tourist Board's personnel expenditures, totalling €32,012, were registered as items in the Provincial Council's budget, when it should have been the Tourist Board that paid for them and accounted for them in its budget.
- The procedure habitually used by the Tourist Board to award grants and subsidies was that of direct grants, mostly to named beneficiaries specified in the budget, when accord-

ing to legislation a competitive process should be the usual procedure for awarding grants and subsidies.

- With some of the grants awarded, a number of the invoices involved were over the limit for low-value contracts, and the paperwork to justify them did not show that at least three offers had been requested or provide justification for them being unique specialist suppliers for the item in question.
- In the grant awarded to the RACC automobile association for organising the RACC Catalonia–Costa Dorada Rally, one invoice for €243,981 from the company RACC Travel, SL, for car rental, could not be validated because of lack of documentary evidence. The Tourist Board should have requested the necessary documentary proof to confirm service delivery or, if this was not forthcoming, initiated the procedure for the return of the money.
- Various breaches of regulations were found in relation to the grant awarded to the Hostelry and Tourism Business Federation for the province of Tarragona.
- The named-beneficiary grants given to the Catalan Science and Technology Park for Tourism and Leisure Foundation were for the purpose of paying personnel expenditures for this entity. This failed to comply with the objectivity, equality and non-discrimination principles laid down in Spain's General Subsidies Act. Furthermore, the documentation provided failed to justify that the personnel expenses paid for by the grant corresponded to activities relating to the grant's purpose.
- As regards procurement, the Tourist Board did not provide the paperwork for the service contract for organising the Tourism Night, costing €59,394. This expenditure item could therefore not be audited.
- The Tourist Board procured roughly 83% of recognised expenditures in budget sections 2 and 6 through direct purchases or low-value contracts. Although most of these outlays were small amounts, many corresponded to expenditures contracted out year after year for the same item and with the same supplier. Therefore, one of the procurement procedures envisaged in public procurement legislation should have been used.

In two of the low-value contracts analysed, the expenditures undertaken during the year went above the limit for low-value contracts. Because of the anomalies detected, the Audit Office considers that an improper splitting-up of contracts occurred.

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