
SUMMARY

Summary of Report 28/2015, relating to the Baix Llobregat County Hospital, Parliamentary Resolution 938/X

Barcelona, 17 February 2016

The Public Audit Office for Catalonia has issued Report 28/2015, relating to the Baix Llobregat County Hospital, Parliamentary Resolution 938/X.

The report, which was presented by Board Member Mr Andreu Morillas, was approved by the Audit Office Board at its meeting on 15 December 2015, with one individual concurring vote.

The audit had its origin in the aforementioned parliamentary resolution, which “charges the Public Audit Office with completing Audit Report 22/2014 in respect of the building work for the Moisès Broggi Baix Llobregat County Hospital, in particular regarding the irregularities detected by the Public Audit Office, in Audit Report 29/2009, in the increase in the price of the construction contract without any justification and in the inclusion of compensatory interest payments, when this was contrary to the official tendering conditions, and also determining whether the payment of these unjustified amounts might constitute accounting liability”.

Thus, the purpose of the report was to audit the final cost of the building work for the Moisès Broggi Baix Llobregat County Hospital and its payment. The period analysed is, therefore, from the completion of the building project in December 2009 until the month of March 2015.

The Integral Health Consortium (CSI – *Consorti Sanitari Integral*) is a public sector entity of an associative nature with full legal identity independent of that of its member organisations.

The Consortium was created by Decree 240/1991 of the Government of Catalonia (*Generalitat*) as the Management Consortium for the Red Cross Hospital (*Consorti per a la Gestió de l'Hospital de la Creu Roja*) in L'Hospitalet de Llobregat.

The Government of Catalonia's Agreement of 5 November 2002 approved the name change from the Catalan Red Cross Health Consortium to the Integral Health Consortium and changed the wording of its Statutes in order to adapt them to a gradual decrease of the Red Cross' stakeholding.

The Government of Catalonia's Agreement of 27 April 2004 approved another new version of the CSI Statutes in order to adapt them to the incorporation of Baix Llobregat County

Council, Sant Joan Despí Town Council and the Catalan Health Institute as new consortium member organisations. On 25 January 2005, the CSI's Governing Council agreed to also accept L'Hospitalet de Llobregat City Council as a new consortium member.

Construction of the new Moisès Broggi Baix Llobregat County Hospital started in 2003. Management of the construction project was assigned to the company Sanitat Integral del Baix Llobregat (SIBLL), a public enterprise wholly owned by the CSI.

The main conclusions from the audit carried out can be presented as follows:

- With regard to design work, the Audit Office highlights in the report the direct awarding of several contracts to the same architectural firm that won the competition of ideas for preparing the preliminary project and the basic design for the new hospital.
- In relation to the contracts for the building work, several anomalies are noted, such as the contract actually signed with the winning company having an amount higher than the one established in the awarding process, and considerable changes being included in the project to be carried out, which, in the view of the Audit Office, constitute a novation that would have required cancelling the previous contract and starting a new tendering procedure.
- Regarding the request by Parliament concerning the existence of circumstances possibly constituting accounting liability, the Audit Office detects evidence of this type of liability in the following incidents:
 - A possible financial loss deriving from interest payments not envisaged in the official tendering conditions.
 - A possible financial loss deriving from an increase in the funding costs which contravened the system established in the official tendering conditions.
 - A possible financial loss deriving from the payment by CSI of an amount of interest corresponding to the financing of the building work accrued from 31 August 2009 to 1 December 2009, because the building had not been handed over and this was an essential requirement for interest to start accruing, according to the contract.

The conclusion about evidence existing for accounting liability is put forward on a very tentative basis and clearly stating that it only serves to suggest that some possible evidence may exist, since judging that accounting liability exists is the exclusive preserve of the accounting jurisdictional powers exercised by the Spanish Court of Audit, which has the statutory authority for determining this type of liability.

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