

SUMMARY

Summary of Report 4/2020, relating to the Montserrat Mountain Trust, year 2017

Barcelona, 13 May 2020

The Public Audit Office for Catalonia has issued Report 4/2020, relating to the Montserrat Mountain Trust (PMM – *Patronat de la Muntanya de Montserrat*), financial year 2017, in accordance with its Annual Programme of Activities.

The report, which was presented by Board Member Mr Jordi Pons i Novell, was approved by the Audit Office Board at its meeting on 22 April 2020.

The regularity audit included a review of the Trust's annual accounts for year 2017, to check that they had been drawn up in accordance with the relevant financial reporting regulatory framework and, in particular, the accounting principles and criteria contained in that framework. It also included verifying that in the period covered by the audit the entity had carried out its activities in accordance with applicable legislation.

The PMM's purpose is to manage Montserrat Mountain's Nature Reserve (*Parc Natural*) by carrying out activities of a general interest and exercising its powers within the area's boundaries.

In year 2017 the PMM had realised revenues of €4.09m and recognised expenditures of €4.26m. As at 31 December of year 2017 the PMM's personnel comprised tenured civil service staff (one employee), staff on labour contracts (sixteen employees), the manager and the director of the Montserrat Mountain Nature Reserve.

Bearing in mind the aim, scope and methodology used for this report, as specified in the Introduction, the Audit Office's opinion is that, except for the possible effects of the limitations described in findings 1 and 2 and the effects deriving from finding 3 in the Conclusions section of the report, the annual accounts represent, in all significant aspects, a true and fair view of the assets and financial position of the PMM as at 31 December 2017, and also of its results and budget outturn corresponding to the financial year ending on that date, in accordance with the applicable financial reporting regulatory framework and, in particular, the accounting principles and criteria contained in that framework.

The Conclusions section of the report also presents the most significant findings arising from the audit carried out, of which the following can be highlighted:

- The report gives details of several adjustments which mean that budgetary year-end net working capital (*romanent de tresoreria*) as at 31 December 2017 and the result for year 2017 were overvalued by 87,546€ and 15,575€ respectively.
- The figure for the increase to the manager's grade-related wage item, because of new powers assigned to the post, was not approved by the Executive Committee, as was required, and the award included back-pay for a time prior to when those new powers were granted. Furthermore, no evidence was provided for how the amount of this increase was determined. In addition, the manager also received a salary item for length of service to which he was not entitled.
- The PMM paid its staff certain wage bonuses which did not conform to applicable legislation.
- The PMM recorded expenditures worth €175,884 which, in the Audit Office's opinion, were grants awarded directly without following statutorily established procedures.
- In the report there are various findings relating to how grants to Montserrat Abbey totalling €2.00m were awarded, administered and reported as correctly spent – the report concludes that the awarding procedure was not compliant with statutory regulations for grants and subsidies, adequate justification of correct usage of the grants was not provided, and public procurement legislation was not followed.
- The report describes various findings relating to the object or purpose of contracts, the amounts, dates or types of contract used, or their recurring nature, which constituted a breach of article 86.2 of Spain's Consolidated Public Sector Contracts Act (passed by Royal Legislative Decree 3/2011, of 14 of November); the report therefore concludes that an improper splitting-up of contracts occurred.

Finally, in the Conclusions section of the report various recommendations are made which, in the view of the Audit Office, would help to resolve some of the issues mentioned in the Findings section.

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