

SUMMARY

Summary of Report 5/2018, relating to the Anti-Fraud Office of Catalonia, year 2015

Barcelona, 16 May 2018

The Public Audit Office for Catalonia has issued Report 5/2018, relating to Catalonia's Anti-Fraud Office (OAC), financial year 2015, 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 27 March 2018.

The work carried out was a limited audit of the OAC; it included a review of its financial and budgetary year-end report and of its legal compliance in year 2015.

Act 14/2008, of 5 November, set up the OAC, 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 from conduct involving conflicts of interest or private usage of information obtained by personnel working in the public sector in the discharge of their duties.

The Office is bound by its own specific regulations and the rules of implementation it has established, by its Rules of Operation and Internal Regulations and, where applicable, by the Parliament of Catalonia's Statutes of Internal Regulations and Governance.

The OAC is an entity set up under public law, with its own separate legal identity and full powers to act in its own right, which reports to the Catalan Parliament. The OAC features in a separate section of the Catalan Government Budget.

Included below are the most significant findings arising from the audit work carried out, which are as follows:

- The irregularities brought to light in findings 12, 14, 16 and 18 could give rise to matters actionable through administrative or judicial proceedings. This statement is made on a strictly tentative basis and only serves to say that some possible evidence may exist, because determining these matters is the sole preserve of the relevant jurisdictional authority.
- The OAC only used off-the-shelf office suites to manage its budget, its public procurement and its register of invoices received. This is a clear sign that the entity's budgetary

execution, accounting and procurement arrangements were deficient and not very trustworthy.

- From the audit of the OAC's budget management it can be highlighted that modifications to budget appropriations were not handled in accordance with current legislation and the OAC applied € 468,122 of unincurred expenditures to the 2015 budget, corresponding to budgeted expenditures whose appropriations were not fully used.
- The OAC did not apply measures to rein in expenditure equivalent to those adopted by the Government of Catalonia (*Generalitat*); this fact affects the legal validity of expenditures such as the staff quality bonus –comparable to a productivity bonus– or their restaurant vouchers.
- The OAC's official Schedule of Staff Positions featured fifty-six posts which could be held by civil-service personnel, labour staff or discretionary appointees. All posts were designated to be filled by direct appointment. The Audit Office considers that the personnel regime for these positions and the procedures used for filling them were not compliant with the law.
- The appointments of civil-service personnel brought in to the OAC during year 2015 did not adhere to basic central government legislation as established in article 21 of Spain's Budget Act for Year 2015, which required there to be exceptional and urgent circumstances. The OAC brought in civil-service staff by direct appointment, without any public calls for applications to fill the posts, therefore not ensuring the basic principles of publicity, competition, merit and capacity, as laid down in current legislation.
- The Audit Office considers that the OAC's director, as a senior official, was not entitled to the employee bonus awarded after three year's service at the OAC. He was only entitled to seven three-year bonuses already accrued in other civil service positions. He was therefore overpaid €49.086, because seven three-year bonuses he had accrued in the Judiciary were equated with ones awarded at the OAC. The OAC did not correctly calculate the three-year bonuses accrued in other government organisations for its civil-service personnel eligible for them.
- The amount used as a basis for calculating the three-year bonuses of OAC staff was irregularly increased every time a new bonus fell due, because the amount included salary, previous three-year bonuses accrued at the OAC and three-year bonuses accrued in other government organisations.
- The OAC's Director and Assistant Director received quality bonuses of €20,005 and €9.721 respectively. The Audit Office's view is that, as senior officials, they were not entitled to this employee bonus. In addition, the OAC's Director, and the Head of Administration, Human Resources and Budgeting awarded themselves percentages above the 5.0% established in the rules for calculating quality bonuses without any justification.
- The OAC had no arrangements set up to monitor the hours worked by its staff.

- The senior officials did not draw up their declaration of activities or their declaration of assets and stakeholdings. For the rest of staff, the OAC did not provide the Audit Office with the declarations of activities which, according to applicable legislation, they should have drawn up.
- The OAC recorded expenditures for supplies and services without having undertaken the corresponding procurement procedure.

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