
SUMMARY

Summary of Report 9/2016, relating to town and city council expenditures incurred without budget allocations, year 2013

Barcelona, 8 June 2016

The Public Audit Office for Catalonia has issued Report 9/2016, relating to town and city council expenditures incurred without budget allocations in year 2013, in accordance with its Annual Programme of Activities.

The report, which was presented by Board Member Mr Joan-Ignasi Puigdollers, was approved by the Audit Office Board at its meeting on 19 April 2016.

This aim of this assignment was to audit expenditures not included in the budget which were accounted for, or should have been accounted for, in the accounting statements of a selected sample of town and city councils and some of their subsidiary entities at the close of the 2013 accounting year.

The most significant findings arising from the work carried out are explained in section 3.1 of the report and may be summarised as follows:

- Twelve municipal councils recognised budgetary liabilities from financial year 2013 in the first months of year 2014. There were also three municipalities that registered operations in the budget outturn after 1 March, the deadline for closing the budget outturn. As regards the year end closure of accounts, five municipal councils closed their accounts after 15 May, the deadline for drawing up the entities' financial statements and accounts for the year.
- In all but eleven cases, the town and city councils in the reviewed sample made payments on recognised expenditures corresponding to the budget outturn for year 2013 after 31 December and charged them to that 2013 budget outturn, instead of charging them to payments relating to financial years already ended, as required by accounting rules.
- Ten municipal councils had no manual for internal control procedures or gave no information on whether they had one. A large number of town and city councils stated that the expenditure comptrollership function was not carried out in all expenditure phases. A large majority of town and city councils in the sample gave no information relating to financial auditing.
- None of the reviewed municipal councils had any liability proceedings under way.

The most significant recommendations which councils are advised to consider in order to improve internal control functions, as stated in section 3.2 of the report, can be summarised as follows:

- Procedure manuals and organisational rules, and circulars or instructions for closing accounts at the end of the year, need to be drawn up and approved.
- Reasonable cut-off dates should be set for registering all accounting operations to enable the budget outturn to be closed and general accounts to be drawn up before the established deadlines.
- Human resources allocated to monitoring and internal auditing tasks need to be reinforced.

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