
SUMMARY

Summary of Report 20/2015, relating to Programme 661, Entrepreneurship and business promotion, year 2012

Barcelona, 28 October 2015

The Public Audit Office for Catalonia has issued Report 20/2015, relating to Programme 661, Entrepreneurship and business promotion, in financial year 2012, in accordance with its Annual Programme of Activities.

The report, which was presented by Board Member Ms Emma Balseiro Carreiras, was approved by the Audit Office Board at its meeting on 22 September 2015.

The audit was carried out on the part of the programme run by the Economy and Finance Secretariat at the Department for the Economy and Knowledge of the Government of Catalonia (*Generalitat*).

The purpose of the work carried out was to analyse the end-of-year Report for this budgetary programme and the extent to which its objectives had been met, and also to check that the programme had been run in compliance with applicable legislation.

Act 1/2012, of 22 February, passed the Catalan Government's Budget for 2012, which included Programme 661, within the programme budgeting for the Catalan Government in Expenditure Area 6, Promoting and Regulating Productive Sectors, and Policy 66, Business Development. The programme had a total cost of €43.48m and was 17% managed by the Department for Business and Employment and 83% managed by the Department for the Economy and Knowledge; of this latter part 86.2% (€31.13m) corresponded to expenditure managed by the Economy and Finance Secretariat.

In the Conclusions section of the report there is a summary of the main findings from the work carried out, of which the following can be highlighted:

- The end-of-year Report on this budgetary programme does not provide data on resource inputs and outputs. Nor is an analytical accounting system in place to allow performance in terms of efficiency and economy to be assessed. From the analysis carried out, it was clear that the Report on this budgetary programme was more a formality than a management tool.
- The descriptions given in the Report of the diagnosis of the situation and the programme's mission meet with the guidelines laid down in the Catalan Government's Planning and Strategic Budgeting Guide. However, the definitions of strategic and operational objec-

tives, though basically coherent, were very generic and made no reference to any time scale. Moreover, the indicators do not meet all the requirements laid down by the Guide and therefore do not allow an adequate assessment of the extent to which the programme's objectives have been fulfilled.

- Five disbursements of funds to different entities should have been legally qualified as grants or subsidies and been subject to the General Subsidies Act (Act 38/2003 of 17 November) and to Royal Legislative Decree 887/2006 of 21 July (which approved the Regulations pertaining to the General Subsidies Act) and also to the consolidated Catalan Public Finance Act.
- The formal agreement for one grant did not include justifying the overall cost of the subsidised activity, in breach of the provisions of article 95.b of the consolidated Catalan Public Finance Act.

The report recommends that the budgetary programme specifies strategic and operational objectives more carefully, so that they represent a challenge for public sector performance, and that indicators are better defined and explicitly linked to operational objectives, so that effectiveness can be properly assessed. It also recommends broadening the information contained in the guides on how to use the budgetary programme and putting in place a cost accounting system, these being useful tools for managing human and material resources in an economical and efficient manner.

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