

SUMMARY

Summary of Report 15/2016, relating to Parc Taulí Health Corporation in Sabadell, years 2012, 2013 and 2014

Barcelona, 7 September 2016

The Public Audit Office for Catalonia has issued report 15/2016, relating to Parc Taulí Health Corporation in Sabadell, for financial years 2012, 2013 and 2014, in accordance with its Annual Programme of Activities.

The report, which was presented by Board Member Mr Andreu Morillas, was approved by the Audit Office Board at its meeting on 28 June 2016.

This regularity audit included a review of the Corporation's annual accounts for years 2012, 2013 and 2014, to check that they had been drawn up in accordance with the applicable financial reporting regulatory framework, and a review of legal compliance in relation to the procurement of construction work, services and supplies and to personnel expenditure.

Parc Taulí Health Corporation is a consortium formed by the Government of Catalonia (*Generalitat*), Sabadell City Council and the Autonomous University of Barcelona. In 2014 it served a registered population of 393,720 persons in nine municipalities in Western Vallès and had a workforce of 2,865 staff.

The Corporation's Balance Sheet showed assets and equity plus liabilities totalling €138.49m, €136.15m and €115.59m at the close of years 2012, 2013 and 2014 respectively.

Income and expenditure in the Corporation's budgets were set at €223.50m in year 2012, €218.42m in year 2013 and €218.48m in year 2014.

The Audit Office's opinion is that, except for the lack of information on the matters described in finding 3, the annual accounts represent in all significant aspects a true and fair view of the Corporation's assets and financial position at the close of the financial years audited, and also of the results, cash flow and budget outturns corresponding to those years, according to the financial reporting framework applied and, in particular, the accounting principles and criteria contained therein.

The most significant findings from the audit work carried out, as reported in section 3.1, can be summarised as follows:

- Finding 3 refers to the fact that in the Notes to the annual accounts for the years audited there is lack of information on the breakdown or calculations for earmarked funding deviations which led to adjustments to the Budgetary Result and to the Year-End Net Working Capital (*Romanent de tresoreria*).
- In year 2014 the Corporation wrote back €0.79m into revenues from excess provisions. The cancellation of this provision should have been accounted for directly in Net Worth, without it going through the Profit and Loss Account. If this had been recorded correctly, instead of breaking even the Result for the year would have been a loss of €0.79m.
- In relation to procurement, the Audit Office pointed out that services had been supplied to the Corporation for amounts in excess of those awarded in tendering processes by a difference totalling €8.71 m. In 2014 the Corporation started to implement a procedure to monitor the amounts actually invoiced by suppliers in connection with awarded contracts.
- Anomalies were detected in relation to the refurbishing work done to the Santa Fe building and to the third floor of the Taulí building; both suffered delays in respect of the completion times stipulated in the contracts, even though meeting completion deadlines was one of the awarding criteria. For the work done to the Taulí building, the final invoice included an item for € 11,826.72m, which was not deducted from the guarantee furnished by the contractor, even though this was an expense to be borne by that company.
- In the area of personnel, various findings were made concerning performance related pay awards to management and other members of staff, and regarding a specific temporary bonus paid for work undertaken outside normal working hours.
- In the period covered by the audit, the Corporation held three formal agreements with the Hospital General de Catalunya to send in medical staff to provide assistance in the specialist areas of angiology and vascular surgery, paediatric neurology and paediatric surgery. However, the contract between the Catalan Health Service (CatSalut) and this hospital to provide healthcare for patients in the public health system did not include these three specialties. The Audit Office considers that these arrangements might constitute a seconding of Corporation employees to the Hospital General de Catalunya without any proper legal basis.

In section 3.2 of the report, Recommendations, the Audit Office emphasises the advisability of signing the additional clauses to the service-provider agreement with the CatSalut before the start of the year, of including a report justifying the expenditure in procurement files and of approving a manual of recognised pay items before the budget comes into operation.

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