

SUMMARY

Summary of Report 32/2016, relating to XALOC, an autonomous agency of Girona Provincial Council, year 2013

Barcelona, 29 March 2017

The Public Audit Office for Catalonia has issued Report 32/2016, relating to XALOC, an autonomous agency of Girona Provincial Council (*Diputació*), for financial year 2013, in accordance with its Annual Programme of Activities.

The report, which was presented by Board Member Ms Maria Àngels Servat, was approved by the Audit Office Board at its meeting on 13 December 2016.

The work carried out was a regularity audit which included a review of XALOC's annual accounts for the 2013 financial year, to check that they had been drawn up in accordance with the applicable 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 XALOC had carried out its activities in accordance with applicable legislation.

XALOC is a local government autonomous agency set up by Girona Provincial Council. It was established in 2002, with the main aim of administering local taxes and other public law revenues for local government bodies in the province of Girona which had delegated their tax collecting powers to the Provincial Council.

In year 2013, 58.4% of the 221 town and city councils in Girona had entrusted some or all of their tax administration arrangements and their voluntarily-filed revenue collection to XALOC, 52% had delegated their executory tax collection, 95.5% their tax inspections and 43.4% their property registry for levying the property tax (IBI).

XALOC's budget for the 2013 financial year amounted to € 11.69m. Recognised revenues as at 31 December totalled €8.74M, of which 43.9% corresponded to revenues from services rendered to town and city councils in the province and 55.5% to transfers received from Girona Provincial Council to cover the service's running costs. Recognised expenditures came to €7.44m, of which 50.6% were personnel expenses and 21.3% expenditures on goods and services.

The analysis of the tax administration operations undertaken by XALOC showed that the organisation managed to collect approximately 90% of recognised revenues, for taxes whose administration and collection had been delegated to it, in the first three years; collection within the same year stood at around 80%, the remainder being achieved in the two subsequent years.

The Audit Office's opinion, given in section 3.1 of the report, is that the annual accounts represent in all significant aspects a true and fair view of XALOC's assets and financial position as at 31 December 2013, and also of its results and its budget outturn corresponding to the financial year ending on that date.

The most significant findings arising from the audit carried out can be summarised as follows:

- Various anomalies were found in the procedures used by XALOC in tax administration and collection which affected the Statement of Changes and Position of Resources Administered on Behalf of Other Public Entities.
- As regards how governmental procurement was managed, in some of the contracts reviewed there were anomalies relating to the contract subject matter, amounts, dates or contract type which amounted to breaches to the Consolidated Public Sector Contracts Act and, therefore, the conclusion that there had been an improper splitting up of a contract.
- The changes during the execution phase of the building contract for refurbishing the office and general usage floors of XALOC's premises represented a substantial modification of the contract; these should therefore have been tendered out using one of the procedures envisaged by legislation.

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