

SUMMARY

Summary of Report 13/2017, relating to the 112 Catalonia Emergency Call Service and Management Centre, years 2014 and 2015

Barcelona, 13 September 2017

The Public Audit Office for Catalonia has issued Report 13/2017, relating to the 112 Catalonia Emergency Call Service and Management Centre (CAT112), corresponding to financial years 2014 and 2015.

The report, which was presented by Board Member Ms Emma Balseiro, was approved by the Audit Office Board at its meeting on 13 and 14 July 2017.

The regularity audit included a review of CAT112's annual accounts for the aforementioned years, to check whether they had been drawn up in accordance with the relevant financial reporting regulatory framework and, in particular, according to the accounting principles and criteria contained in that framework. It also included verifying that in the period covered by the audit CAT112 carried out its activities in accordance with applicable legislation.

CAT112 is an entity created under public law but subject to private law, which reports to the Department for Home Affairs. It was set up in 2007 and its purpose is to provide the public emergency call service and coordinate requests for emergency assistance made by any member of the public in the region of Catalonia regarding medical attention, environmental emergencies, fire fighting and rescue and public safety.

CAT112's Balance Sheet as at 31 December 2015 totalled €4.9m, a 2% reduction on the figure for 2014. The Budget Outturn for year 2014 showed realised revenues of €9.0m and recognised expenditures of €8.1m, and for 2015 it showed realised revenues of €8.5m and recognised expenditures of €8.4m.

The Audit Office's opinion, as given in the Conclusions section, is that, because of the very significant effects of the matters described in findings 2 and 3, the annual accounts for the 2014 financial year do not represent a true and fair view of the assets and financial position of CAT112, or of its results, cash flow or budget outturn. As regards year 2015, except for the matters described in the aforementioned findings and those noted in finding 4, the annual accounts represent, in all significant aspects, a true and fair view of the assets and financial position of CAT112 and also of its results, cash flow and budget outturn, according to the schedule of accounts it used.

The findings mentioned in the previous paragraph can be summarised as follows:

- Finding 1 of the report refers to the fact that CAT112 used the General Accounting Plan approved by Royal Decree 1514/2007, of 16 November, whereas as Catalan Government organisation it should have used the Catalan Government's General Public Accounting Plan, as established by the Order of 28 August 1996.
- Finding 2, on how the result for the financial year was calculated, notes how CAT112 compensated all operating expenditures with grants for current expenditure, in breach of the Catalan Government's budget acts for years 2014 and 2015, which laid down that allocations for depreciation, provisions, asset deterioration, changes in inventory and asset write-offs were not to be included. The Audit Office considers that correct compensation calculations would have meant losses of €524,727 in year 2014 and €121,545 in 2015.
- Finding 3 explains how CAT112 paid for fixed assets using grants for current expenditure to the sum of €240,729 in 2014 and €9,338 in 2015.
- Finding 4 notes that expenditures accrued in year 2016 worth €81,247 were included in the accounts for the 2015 financial year.

Other significant findings also given in the report can be summarised as follows:

- In years 2014 and 2015 the salaries of CAT112 staff included bonus payments which had not been envisaged in the VI Single Collective Bargaining Agreement for Catalan Government Staff with Labour Contracts.
- As regards governmental procurement, the audit found aspects in some administration files involving the lack of certain requisite documents, such as those relating to the reasons for choosing a particular procurement procedure and the contents and approval of the administrative and technical specifications.
- In some of the contracts reviewed, issues were detected relating to the definition of the services or goods acquired, the amounts or the dates, which meant that they should have been tendered using open or negotiated procedures
- A number of irregularities were also found in the files for certain low-value and negotiated contracts which could give rise to matters actionable through administrative and judicial proceedings. This comment is simply to indicate that some possible evidence of liability may exist, since determining it is the sole preserve of the relevant jurisdiction and authorities.

The report includes a series of recommendations that, in the Audit Office's opinion, would help to improve the running of the audited entity.

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