

SUMMARY

Summary of Report 33/2016, relating to Montgat Town Council, expenditures not included in the budget, year 2014

Barcelona, 29 March 2017

The Public Audit Office for Catalonia has issued Report 33/2016, relating to Montgat Town Council's expenditures not included in the budget in financial year 2014, 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 22 December 2016.

The purpose of the audit was to review expenditures relating to the 2014 financial year at the Town Council (not including its subsidiary entities) undertaken without having being included in the budget.

The most significant findings from the audit carried out, as explained in section 3.1 of the report, can be summarised as follows:

- In the official Schedule of Staff Positions for 2014, the post of Treasurer was not reserved for local government officials with a civil service qualification valid for the whole of Spain.
- As at 30 September 2016 Montgat Town Council had still not submitted its General Account for years 2013 and 2014 to the Audit Office; nor had it approved the Council Budget Outturn for 2015 or drawn up the General Account for that year.
- During 2014, the Town Council's Comptroller's Office (*Intervenció*) did not undertake any activities in its ex ante monitoring and reviewing role, concerning whether budget allocations existed or whether they adequately corresponded to the nature of the expenditure or commitment being envisaged.
- In the year audited, the Council's Comptroller's Office did not issue any objections regarding the undertaking of expenditures, the recognition of expenditure commitments or the ordering of payments, based on there being insufficient budget allocations or these not being in the appropriate line items.
- The existence of expenditure commitments arising from transactions not yet allocated to budgetary execution, recorded under item 413, Creditors for expenditures pending apportionment to the budget, distorts the figures for the Budget Outturn and for

budgetary Year-End Net Working Capital (*Romanent de tresoreria*), because the balance for that item is not taken into account in calculating these two figures.

- At the end of the audit fieldwork the files still to be processed for the non-judicial recognition of expenditures (corresponding to expenditures pending apportionment to the budget recorded in the accounts as at 31 December 2014) amounted to €74,855.
- Of the expenditures registered under item 413, Creditors for expenditures pending apportionment to the budget, €202,011 were commitments undertaken with no budget line item existing in the Expenditure Budget, which meant that they had to be validated at a plenary Council meeting.
- The Town Council incorrectly accounted for expenditure commitments totalling €68,133 in the Budget Outturn for 2014. These commitments corresponded to expenditures which had accrued that year, but the invoices for them had 2015 dates and this was the year that the invoices were validated.

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