

SUMMARY

Summary of Report 1/2020, relating to the Catalan Institute for Water Research Foundation, year 2017

Barcelona, 11 March 2020

The Public Audit Office for Catalonia has issued Report 1/2020, relating to the Catalan Institute for Water Research Foundation (ICRA), financial year 2017, in accordance with its Annual Programme of Activities.

The report, which was presented by Board Member Mr Jordi Pons i Novell, was approved by the Audit Office Board at its meeting on 11 February 2020.

The work undertaken for this limited scope audit included auditing ICRA's current and capital expenditures and debt levels and reviewing its compliance with basic legislation applying to the areas of accounting, the budget cycle, staffing and procurement.

ICRA is a foundation which was set up by the Government of Catalonia (*Generalitat*) on 26 October 2006. Its aim is to achieve scientific excellency at the highest level in the field of water and water resources. It is recognised as one of Catalonia's research centres (the CERCA group).

In 2017 ICRA, according to its Statement of Earnings, had operating revenues of €4.68m and operating expenditures of €4.31m. In that year it had an average workforce of 68 persons.

The Conclusions section of the report presents the most significant findings arising from the audit carried out, of which the following can be highlighted:

- ICRA's Statutes did not include a reference to which government administration it was to be attached to, as required by the Public Sector Legal Regime Act (Act 40/2015).
- ICRA had a Schedule of Staff Positions which had not been approved by the Board of Trustees and it did not have approved wage tables giving all the different salary items for each employee category.
- ICRA did have an internal document, not approved by the Board, establishing total pay for the different categories with a wage figure or a wage range, but it did not indicate the criteria for determining specific wages assigned within each range (when, in some cases, the difference between the minimum and maximum amounts was over 40%).

- In some instances the wages actually paid were not in line with the provisions of this internal document determining pay levels or with the variable pay structure used for transfer projects approved by ICRA's management.
- ICRA had on its staff two researchers seconded from ICREA (the Catalan Institution for Research and Advanced Studies Foundation) with whom it had signed part-time job contracts. This was contrary to the terms of the cooperation agreement between ICREA and ICRA. The Audit Office considers that their having two signed job contracts (one with ICREA and another with ICRA) gave rise to salary duplications for the same activity, and that the additional pay items which ICREA researchers on secondment to ICRA were entitled to receive ought to have been paid by ICREA, notwithstanding the compensation which ICRA should then have paid ICREA.
- The deputy manager wage bonus corresponding to year 2014, recognised as an amount due in a document signed on 25 May 2017, was not compliant with the law.
- In June 2019 the transparency section of the ICRA website did not include the information on staff envisaged in articles 8 and 9 of the Transparency, Access to Public Information and Good Governance Act (Act 19/2014, of 29 December).
- As a consequence of the regulatory regime in place, ICRA's personnel expenditure did not show the cost of staff posted there on secondment, whose wages were paid by the entity they were seconded from.
- ICRA acquired consumables on a recurring basis through direct purchases which, although they were individually below the limit for low-value-contracts, cumulatively represented large sums of money. Contracts or framework agreements should have been drawn up and signed for these supplies following applicable procurement procedures.

Finally, in the Conclusions section of the report various recommendations are made which, in the view of the Audit Office, would help to resolve some of the issues mentioned in the Findings section.

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