
SUMMARY

Summary of Report 16/2020, relating to La Garrotxa County Council, year 2017

Barcelona, 28 October 2020

The Public Audit Office for Catalonia has issued Report 16/2020, relating to La Garrotxa County Council (*Consell Comarcal*), financial year 2017, in accordance with its Annual Programme of Activities.

The report, which was presented by Board Member Mr Miquel Salazar, was approved by the Audit Office Board at its meeting on 30 September 2020.

The audit, a limited-scope financial audit, focussed on a review of the Budget Outturn and compliance with applicable legislation in the areas of accounting, the budget cycle, staff salaries and governmental procurement, in relation to financial year 2017.

The starting budget for year 2017 envisaged revenues and expenditures of €16.33m. During the year modifications to budget appropriations totalling €2.87m were approved, bringing the final budget to €19.20m.

The Budget Outturn as at 31 December 2017 reported recognised receipts (revenues) of €17.16m and recognised commitments (expenditures) of €17.13m.

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

- Two modifications to budget appropriations were put into the accounts before their final approval, and the paperwork for them did not clearly justify that it was impossible to postpone the expenditure and carry it over to the next year, as regulations require.

For the majority of supplements to budget appropriations arranged during the 2017 financial year the County Council did not include in the files the mandatory comptrollership reports on how they affected budget stability.

- Revenues from municipal councils for the delivery of basic public services, totalling €2.82m, should have been accounted for in section 4 of the revenue budget, instead of putting them in section 3. And in addition, the €2.93m in revenues which the Council received from the Catalan Water Agency, for providing the water treatment service, corresponded to transfers of funds for current or capital expenditures, depending on whether they were to fund operating costs or capital investments. They should therefore have been accounted for in section 4 or section 7 of the revenue budget, instead of in section 3.

- The County Council reported in its Budget Outturn a revenue item of €770,509 from the Single Works and Services Plan (PUOSC) and expenditures of €775,286 corresponding to the public works carried out by town and city councils. According to public sector accounting principles, capital grants transferred on from the PUOSC should have been accounted for off-budget.
- The two public sector consortia attached to the Council are in-house service providers for it. In the review of the amounts which the Council transferred to them for services rendered the audit found that no signed agreement with them existed to establish the arrangements and conditions pertaining to in-house commissions.
- As regards personnel expenditure, the Schedule of Staff Positions for year 2017 was not publicised, and it did not include supplementary wage items or specify procedures for filling the different positions. The workforce list was made public, although it did not provide the job titles of the different posts, as mandated by statutory requirements.
- As regards governmental procurement, in several of the contract files audited certain formalities had been omitted, such as the certificate confirming available budgetary funds and the ex ante comptrollership report.
- In year 2017 the County Council did not carry out any tendering procedure for the scheduled passenger transport services in La Garrotxa, which generated expenditures totalling €145,835.
- In two of the contracts reviewed, the administrative tendering specifications clearly laid out the criteria which depended on value judgements and the maximum score for each of them, but failed to include the subcriteria which would be assessed to provide each offer's score. However, these subcriteria were adequately described in the technical report which assessed the offers, and they were decisive in deciding who the contracts were awarded to.
- In the review of how the contract for the design, turnkey construction and running of a composting plant for organic waste and sludge in Olot was executed, the audit detected contract modifications which meant that the conditions that this contract was actually executed under did not correspond to the ones initially specified. These modifications –which had not been clearly, precisely and unambiguously envisaged as procurement law requires– led both to a time extension for the contract, allowing it to run for twenty years instead of fifteen, and also to a 29.1% increase in the actual cost of the service for year 2017. All these alterations to the contract specifications meant substantial modifications to the essential features of the contract. Furthermore, none of these modifications were formalised in an administrative agreement.
- In some of the low-value contracts analysed certain anomalies were detected relating to the contracts' object or purpose, amounts, dates or contract types, which constituted an infringement of article 86 and article 99, subsection 2, of Spain's Consolidated Public Sector Contracts Act; this therefore led to the view that an improper splitting-up of contracts had occurred.

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