

SUMMARY

Summary of Report 12/2018, relating to the Metropolitan Taxi Institute, year 2016

Barcelona, 13 July 2018

The Public Audit Office for Catalonia has issued Report 12/2018, relating to the Metropolitan Taxi Institute (IMET), financial year 2016, 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 May 2018.

The work carried out was a regularity audit which included a review of IMET's annual accounts for the 2016 financial year, to check that they had been drawn up according to 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 IMET carried out its activities in accordance with applicable legislation.

IMET is a local government autonomous agency set up in 1993 by the Metropolitan Transport Entity, currently the Barcelona Metropolitan Area. Its purpose is to manage and promote the taxi service in the boroughs which make up Barcelona's metropolitan area. Its most significant functions include awarding taxi licences, governmental monitoring of the taxi service, authorising the vehicle models deemed suitable for the service, setting up and regulating the metropolitan taxi fitness tests and proposing the annual official price list applying to the service. As at 31 December 2016 there were 10,523 taxi licences for the Barcelona area.

Bearing in mind the aim, scope and methodology of the report, the Audit Office's opinion is that the annual accounts represent in all significant aspects a true and fair view of the assets and financial position of IMET as at 31 December 2016, and also of its results, cash flow and budget outturn corresponding to the financial year ending on that date.

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

- IMET's official Schedule of Staff Positions did not include the procedures for filling them, which is against statutory requirements.
- As regards the productivity bonus paid to employees, no calculations were obtained to allow the auditors to check that amounts paid out corresponded to the special effort,

exceptional activity, interest and initiative of each worker in the course of their duties, as mandated by legislation.

- The salary item corresponding to the bonus for sideways career movements was not compliant with the law, since it was regulated by the Agreement on Staff Working Conditions and this cannot be considered an adequate legal instrument for establishing and regulating a system of sideways career movements until statutory regulations based on civil service law have set out the practical details as legislation requires.
- IMET managerial staff did not draw up their annual declarations of activities and assets held. In addition four members of the Board of Directors only presented their declarations one and a half years after their appointment.
- As regards governmental procurement, several contracts analysed lacked the reports, from both the accounts comptroller and the secretary, required to set in motion the tendering process.
- The contracts relating to the metropolitan taxi fitness tests, new licences, licence terminations and complementary activities were awarded at the same time as the contracts' technical and administrative specifications were approved, which is against regulations. For these same contracts there was a failure to publish the award details in Spain's Official Journal (BOE) and in the Official Journal of the European Union.

For technical reasons these contracts were awarded using the unpublicised negotiated procedure. But in the Audit Office's opinion, no technical aspects existed to justify that these contracts could only be given to one specific supplier, even though this contractor held exclusive rights for testing taxi meters in Barcelona, because the metropolitan taxi fitness test was a service which could perfectly well be separated from the taxi meter test.

- The review of low-value contracts found that some services, such as an economic study and the handling and distribution of the journal for the sector, were periodically renewed on an annual basis. According to public procurement legislation, low-value contracts cannot last more than one year, or be subject to renewal. Therefore, awarding a succession of low-value contracts was not the most adequate approach and failed to comply with regulations, since this could be deemed a splitting-up of a contract.

The report concludes with a series of recommendations that, in the Audit Office's opinion, would help to improve the way IMET is run.

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