

SUMMARY

Summary of Report 11/2015, relating to the Institute for Diagnostic Imaging, year 2013

Barcelona, 8 July 2015

La Public Audit Office for Catalonia has issued Report 11/2015, relating to the Institute for Diagnostic Imaging (IDI) for the financial year 2013, in accordance with its Annual Programme of Activities.

The report, presented by Board Member Mr Andreu Morillas, was approved by the Audit Office Board at its meeting on 19 May 2015.

In December 1990 the Catalan Government (*Generalitat*) authorised the Catalan Health Service (CatSalut) to set up the public enterprise Magnetic Resonance Centre at the Vall d'Hebron Health Complex (*Ciutat Sanitària Vall d'Hebron*), attached to the CatSalut as a statutory entity, with its own separate legal identity and governed by private sector legislation. Its main aim was the management, administration and delivery of high technology diagnostic services, using magnetic resonance techniques, in the sphere of the Vall d'Hebron Health Complex.

In November 1992 the Catalan Government authorised the CatSalut to modify the name and statutes of the Magnetic Resonance Centre at the Vall d'Hebron Health Complex, in view of the need to extend its aim and the sphere in which it carried out its activities. Thus the organisation came to be known as the Institute for Diagnostic Imaging (IDI). It maintained the same legal status and links to the CatSalut as before.

In accordance with article 2 of its Statutes, the basic aim of the Institute is to manage, administer and deliver services in the fields of diagnostic imaging and nuclear medicine.

In 2012 the IDI Board of Directors approved a proposal to transform the Institute into the organisation which would manage all the services providing radiological diagnosis and treatment and nuclear medicine offered by the Catalan Health Institute (ICS). In this framework in April 2013 an agreement was signed to undertake overall management of ICS diagnostic imaging and nuclear medicine services, in the regions of Girona, Tarragona and Terres de l'Ebre (the area around the river Ebro).

In 2013 the IDI was in charge of a total of thirty-eight technological teams distributed in different ICS centres incorporating IDI units. Its workforce comprised 364 people.

The Institute's Balance Sheet as at 31 December 2013 showed assets and liabilities totalling €43.59 m and in that year it made a profit of € 1.15 m. The final budget for 2013 was for €35.68 m.

In accordance with the report's aim, scope and methodology, in the view of the Public Audit Office, except for the effects of circumstances described in findings 2 and 5, the annual accounts represent, in all significant aspects, a true and fair view of the assets and financial position of the IDI as at 31 December 2013, and also the results and cash flow for the financial year ending on that date, according to the financial reporting regulatory framework applied and, in particular, the accounting principles and criteria contained within this framework.

In section 3 of the report there is a summary of the main findings and recommendations from the work carried out, of which the following may be highlighted:

- The value of the spaces held on loan in the different hospital complexes where the IDI carries out its activities has not been accounted for in the Buildings (*Construccions*) sub-category in the Balance Sheet (finding 2). There are also building works included in the assets which have been carried out in spaces whose use has not been formally acquired by a loan agreement. In addition, where there *are* formal loan agreements, these are for a thirty year period, and the depreciation of investments made there should have been adjusted to this time scale.
- The IDI does not adhere to budgetary execution procedure on a timely basis. Instead, during the year and at the year-end it draws up budget outturns by transferring amounts, along with any necessary adjustments, from the Operating Statement in the financial accounts. This means that budgetary monitoring of operations is inadequate (finding 5).
- In the area of procurement, the organisation used the negotiated procedure to award eleven contracts for services or supplies. In these cases, there is no evidence that the official in charge of procurement actually negotiated prices with those tendering.
- In 2013 at least six suppliers invoiced the IDI for amounts over and above those awarded, for the same time period, in the corresponding procurement procedures. The IDI also made purchases relating to the supply of radiopharmaceuticals and other materials for treatments without using the proper procurement procedures. It also awarded extensions to existing contracts for supplies of consumables when extension options had not been included in the specifications or the contracts signed in 2011.
- The IDI directly awarded certain services, such as legal consultancy, quality certifications or services relating to training for, and improvements in, quality management, which would have necessitated the use of procedures open to competitive tendering.
- In the area of personnel management, the report includes five findings relating to the hiring of temporary staff without including written justification of the urgent need for them

in the files; services provided by external personnel under conditions which could constitute a de facto employment relationship; staff undertaking complementary activities not envisaged in current collective bargaining agreements or without the wage items being authorised by the official empowered to do so; senior managers' pay items not initially envisaged in their contracts or not formally authorised by the relevant official and, lastly, one instance of incompatibility with another job held in the public sector.

The Audit Office has included seven recommendations in its report. These relate to improving and updating the auxiliary registers of assets; the need to formalise extensions to certain official agreements; improving procedures for internally monitoring the fulfilment of contracts; the need to include maintenance in the initial contracts for equipment when this can only be carried out by the supplier; the advisability of the Institute organising an employment pool for hiring temporary staff; regulating the role of external personnel providing outsourced services and, finally, establishing the necessary procedures for the Board of Directors to approve all additional or modified wage items requiring such approval.

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