

SUMMARY

Summary of Report 9/2018, relating to the Catalan Waste Agency, year 2015

Barcelona, 4 July 2018

The Public Audit Office for Catalonia has issued Report 9/2018, relating to the Catalan Waste Agency (ARC), financial year 2015, 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 15 May 2018.

The audit carried out included verifying that in the audited period the entity had carried out its activities in accordance with applicable legislation. In particular, the procedures used for awarding grants, for procurement and for managing the environmental charges applied to the handling of waste residues were analysed.

According to Statutory Decree (*Decret legislatiu*) 1/2009, the Catalan Waste Agency's general objectives are to improve the quality of life for Catalonia's citizenry, to achieve a high level of environmental protection and to provide public entities with responsibilities in the relevant fields with the tools needed to intervene in and monitor waste management to ensure that it is carried out without endangering people's health, whilst minimising the environmental impact.

The ARC is an entity set up under public law, with its own separate legal identity and full powers to act in its own right, whose activities are subject to private law, notwithstanding the application of the rules of administrative law in those instances where it exercises public functions and powers; it is the successor to the Catalan Waste Board. As a result of Decree 342/2011, for the Restructuring of the Department for Territory and Sustainability, issued on 17 May 2011, the Waste Agency was assigned to that Department.

When through the Cabinet Agreement of 19 September 2006 the publicly owned company Centre per a l'Empresa i el Medi Ambient, SA (Centre for Enterprise and the Environment – CEMASA) was dissolved, the functions undertaken by this company as a reference centre for the regional activities of the Mediterranean Action Plan and all those related to that programme had to be taken on by the ARC, and the staff assigned to those activities were integrated into the ARC. At the same time the Regional Activity Centre for Consumer Affairs and Sustainable Production, functioning as an international department for the ARC, was given the responsibility for these activities.

As regards the different findings described in the report, the following can be highlighted in relation to how grants were awarded:

- In most instances the established assessment criteria were of a very general nature.

- In at least one application process the assessment reports included subcriteria that had not been publicised and whose points and weighting were not explained.
- There was insufficient justification of the points awarded.

As regards procurement, in all the files for contracts awarded using the open tendering procedure the technical selection criteria were of a very general nature and it had not been established how they were to be assessed. Subcriteria were assessed which had been included in the contract specifications but for which the scoring and weighting was not indicated. Furthermore, in the Audit Office's opinion, the evaluation reports did not give sufficient justification for the assessments made.

And in the administrative tendering specifications (PCAP) the rules relating to improvements offered were inadequate. Thus, in several procurement procedures one of the awarding criteria was the offer of contract enhancements when the PCAP had never indicated whether variants or improvements would be allowed and, if so, what requirements, limits, features and aspects of the contract were involved for them to be accepted.

Another audit finding which should be highlighted is that the PCAP did not provide adequate regulations on possible contract modifications; in some cases there was only a general reference to the stipulations of Spain's Consolidated Public Sector Contracts Act, and in other cases there was just a very general description of the aspects which could be modified. In addition, for this reason statutory requirements relating to the contracts' total estimated value were not adhered to, because the figures did not include all allowable modifications.

The contracts awarded based on framework agreements failed to comply with the requirements laid down in their documents of specifications.

As regards the audit of how the environmental charge was managed, no evidence was found that the ARC had run any checks, even just by sampling, to ensure that the details of amounts given on the declaration forms for the charge coincided with those on the input records provided by the owners of facilities, to confirm whether the charge was being collected correctly.

The report concludes by making a series of recommendations in order to resolve the issues described in the Findings section, relating to the awarding of grants, procurement and collecting the environmental charge.

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