

## **SUMMARY**

### **Summary of Report 16/2022, relating to Alt Urgell County Council, year 2019**

*Barcelona, 8 November 2022*

The Public Audit Office for Catalonia has issued Report 16/2022, relating to Alt Urgell (Upper Urgell) County Council, financial year 2019, in fulfilment of its Annual Programme of Activities.

The report, which was presented by Board Member Mr Ferran Roquer, was approved by the Audit Office Board at its meeting on 11 October 2022.

The purpose of the assignment was a limited-scope financial audit of the County Council, focused on auditing its budget outturn and reviewing its compliance with applicable legislation in the areas of accounting, the budget cycle, staffing and public sector procurement, relating to year 2019.

The County Council's starting budget envisaged revenues and expenditures of €7.12m and during the year modifications to budget appropriations totalling €1.66m were approved. So its final budget was for €8.78m. The budgetary result for the year came to €70,654.

The figures in the budget outturn as at 31 December 2019 showed recognised receipts (revenues) of €5.68m and recognised commitments (expenditures) of €5.61m.

The most significant findings from the audit undertaken can be summarised as follows:

- The public sector consortia attached to the County Council were not part of its budget and were not included in its General Account. This was a breach of statutory requirements.
- The County Council's inventory of assets had not been updated since year 2009. This meant no evidence was obtained to justify the correct valuation of the items in its fixed assets as at 31 December 2019.
- The County Council was the owner of the Oliana Primary Healthcare Centre, used by the Catalan Health Service, but was not receiving any monetary payment for this and had not formally leased it for use.
- The cooperation agreement between the County Council, La Seu d'Urgell Town Council and the Consortium for the Care of People in Alt Urgell for providing social services, signed in 2010, should have been renewed at the end of 2020, because it had exceeded the statutory time limit.

- The Schedule of Staff Positions did not show the supplementary wage items for the different positions, which was a breach of regulations.
- The in-house purchase order for school lunch catering and supervising services given to the county's public enterprise Iniciatives Alt Urgell, SA, with an expenditure totalling €222,917, was not properly approved by the relevant officials or formalised in any document detailing the conditions for the order or the prices set.
- The in-house commission for running the Montferrer Sewage Treatment Station (EDAR), for €167,613, was approved by the Plenary Council, but there was no evidence it had been properly formalised.
- The County Council paid the supplier awarded the purchase of a sludge decanter for the Montferrer EDAR an advance of 40% of the value of the contract, although that was not envisaged in the contract.
- The County Council procured several services using low-value contracts, relating to training, purchases of materials, electricity, maintenance services and writing reports, which did not show up on the print-out of low-value contracts.
- In some of the low-value contracts reviewed, certain issues were detected relating to the separate acquisition of services which should have been handled in a single contract, because they involved a succession of purchases to cover recurring or foreseeable needs. These anomalies resulted in arrangements which eluded publicity rules or other requirements which should have been met in the procurement process. For this reason, they constituted an improper splitting-up of a contract and, therefore, an infringement of articles 99.2 and 118.3 of Spain's Public Sector Contracts Act.

One of these low-value contracts also failed to comply with the ban on using low-value contracts for purchases from any one particular contractor that individually or jointly go above the maximum amounts authorised for this type of contract.

Lastly, the report includes nine recommendations which, in the Audit Office's opinion, would help to improve some of the issues mentioned in the findings.

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