

SUMMARY

Summary of Report 12/2017, relating to Vilanova i la Geltrú City Council, grant transfer payments, year 2015

Barcelona, 13 September 2017

The Public Audit Office for Catalonia has issued Report 12/2017, relating to Vilanova i la Geltrú City Council's grant transfer payments in financial year 2015, in accordance with its Annual Programme of Activities.

The report, which was presented by Board Member Mr Joan-Ignasi Puigdollers, was approved by the Audit Office Board at its meeting on 27 June 2017.

The aim of the assignment was a limited financial and legal compliance audit of expenditures by the City Council (not including its subsidiary entities) relating to grant transfer payments corresponding to budget groups 4 and 7 of the expenditure budget for year 2015.

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

- The City Council did not have any strategic plan for grants, specifying the objectives and outcomes which were supposed to be met by awarding them, the time period needed to achieve them, the foreseeable costs and the sources of funding.
- Some transactions were incorrectly classified in the expenditure budget. One operation was accounted for in budget group 4 under Transfers to Other Local Authorities, when the type of expenditure actually corresponded to budget group 2; in another instance, the opposite mistake occurred. In addition, a transaction involving an advance or loan to a third party was classed as a grant, when it actually corresponded to expenditure group 8.
- Several cases were detected of inadequate justification of how the amounts of contributions to other entities were calculated.
- There were deficiencies in the precise way grants to named beneficiaries were included in the budgetary accounts. For three grants awarded there was no justification in the records.
- Exceptional grants awarded were not publicised and in a few cases there was no explanation to justify the special nature of the grant.

- The annual calls for applications for grants did not include all the essential and necessary elements for a proper grant awarding procedure that, according to the Council's General Ordinance to Regulate the Awarding of Grants, they should have contained.
- The report includes numerous findings relating to the different phases of the procedure to award grants to clubs and associations. In three grant files no proof was provided to justify that the grant had been used for the intended purpose; the Council should therefore have initiated the procedure to recover the amounts awarded.
- The Council did not have regulations established concerning the separate accounts to be kept by the political groups on the Council, it did not check that statutory spending limits for the use of these municipal funds were adhered to and it had not made any arrangements for the other aspects that might be subject to audit.

In its report the Audit Office makes various recommendations for improvements to the way grants are publicised, to the procedural rules, to how the awarding process is undertaken, to the procedures for justifying and paying grants and to the procedures for managing grants and subsidies.

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