SINDICATURA DE COMPTES DE CATALUNYA
Via Laietana, 60 – 08003 Barcelona – tel. +34 93 270 11 61
sindicatura@sindicatura.cat – www.sindicatura.cat

SUMMARY

Summary of Report 17/2021, relating to the La Seu d'Urgell Holy Hospital Foundation, monitoring of the Viability Plan for 2014-2023, year 2018

Barcelona, 3 November 2021

The Public Audit Office for Catalonia has issued Report 17/2021, relating to its monitoring, in year 2018, of the La Seu d'Urgell Holy Hospital Foundation's Viability Plan for 2014-2023, in accordance with its Annual Programme of Activities.

The report, which was presented by the Chairman, Mr Jaume Amat, was approved by the Audit Office Board at its meeting on 15 October 2021.

The limited-scope audit involved a review of how the Financial Viability Plan for the Period from 2014 to 2023 had been executed by 31 December 2018 and also of the economic health and financial position of the entity on that date.

The La Seu d'Urgell Holy Hospital Foundation (*Fundació Sant Hospital de la Seu d'Urgell*) was set up on 7 August 1987. Its Board of Trustees is comprised of representatives from La Seu d'Urgell Municipal Council, the Bishopric of Urgell and the Government of Catalonia. The Foundation provides social support and healthcare services to the county of Alt Urgell (Upper Urgell).

In March 2014 the Foundation's Board of Trustees approved its Financial Viability Plan for the Period from 2014 to 2023, with the aim of reversing the dire economic and financial position of the entity, which, at the close of year 2012, had negative own funds of minus €9.62 m and negative net worth of minus €7.32 m.

After analysing the data on the Foundation's current expenditures and revenues from activities, its debt levels and its financial position at the close of year 2018, the Public Audit Office considered that, although the figures envisaged in the Financial Viability Plan for 2014-2023 had not been fully met, the economic and financial position of the Foundation as at 31 December 2018 was actually better than had been projected.

As regards fulfilment of the measures envisaged in the Plan, here is a summery of some of the most relevant facts, presented in the Conclusions section of the report:

- The contracts for the financial loans in existence before the Viability Plan envisaged debt repayments over years 2014 to 2018 of €8.14m, whereas with the new contracts signed on the basis of the measures envisaged in the Viability Plan, the amount of capital repaid was €3.93m.

- Over the 2014-2018 period the Viability Plan envisaged a 6.1% increase in personnel expenditures. The actual increase was 7.3%, €2.42m more than the projected expenditure figure.

- The cost heading Consumable Goods For Activities showed a 33.5% increase over the 2014-2018 period, whereas, according to the Viability Plan, it should have been just 6.1%. The deviation, in relation to the projected figure, meant a €2.64m increase in expenditure.

- Overall expenditure under the heading Work Carried Out By Other Companies over the 2014-2018 period went down by 11.7%, whereas, according to the Viability Plan, an increase of 6.1% was envisaged. This expenditure reduction led to savings of approximately €75,000 in relation to the planned figure.

- The cost of External Services went up by 7.0% during the period analysed, as against the 6.1% increase envisaged in the Viability Plan. This deviation was an expenditure increase of approximately €0.53m.

- In terms of income, the Viability Plan envisaged overall revenues of €71.66m for the 2014-2018 period. Actual revenues for this period came to €77.28m, which was a €5.62m increase in relation to the projected figure. There was an 13.1% increase in resources between 2014 and 2018, mainly due to the increase in revenues from the Catalan Health Service to pay for the healthcare services delivered.

- The Viability Plan envisaged an overall result for years 2014 to 2018 of €1.47m, whereas the actual cumulative result for that period was €3.29m, €1.82m above the projected figure. The figures in the Profit and Loss Statement for years 2014 and 2015 were worse than intended, but the positive results achieved from year 2016 onwards made it possible to achieve better overall profitability than had been envisaged in the Viability Plan.

- As at 31 December 2018, having applied the measures envisaged in the Viability Plan, the Foundation reported own funds of minus €6.25m, which was an improvement of €1.16m on the situation envisaged in the Plan. This positive development in equity meant that the negative net worth figure for the entity as at 31 December 2018 was minus €3.71m, instead of the minus €5.83m projected in the Viability Plan.

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