

SUMMARY

Summary of Report 6/2016, relating to local authorities' general accounts, year 2014

Barcelona, 4 May 2016

The Public Audit Office for Catalonia has issued Report 6/2016, relating to local authorities' general accounts for financial year 2014, 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 5 April 2016.

The work carried out was to verify that general accounts submitted were compliant with legislation in terms of the organisations and accounting statements included, that they had been properly approved and forwarded to the Audit Office before the deadline and that the annual accounts and statements had been correctly drawn up, by reviewing and cross-checking the accounting data presented.

The most significant findings from the work carried out are explained in the conclusions section of the report and can be summarised as follows:

- General account submission levels, as at 15 October 2015, for each type of local authority, were as follows:

Type of local authority	Number of authorities	Submitted by the deadline		Fully submitted by the deadline	
		Number	%	Number	%
Provincial councils (<i>diputacions</i>)	4	4	100	4	100
County councils (<i>consells comarcals</i>)	41	35	85	29	71
Metropolitan entities	1	1	100	1	100
Joint service entities (<i>mancomunitats</i>)	76	32	42	28	37
Town and city councils (<i>ajuntaments</i>)	947	689	73	629	66
Decentralised municipal councils (<i>entitats municipals descentralitzades</i>)	65	43	66	42	65
Totals	1.134	804	71	733	65

Out of a total of 804 local authorities that sent in their general accounts to the Audit Office before 15 October 2015, 733 fulfilled all statutory requirements for the accounts to be considered properly submitted.

These results are worse than those achieved for year 2013 for county councils, municipal joint service entities and town and city councils. They have only improved in the case of decentralised municipal councils.

The submission percentages for the different types of organisations were as follows: 100% for provincial councils and the one metropolitan entity, 85% in the case of county councils, 42% for municipal joint service entities, 73% for town and city councils and 66% in the case of decentralised municipal councils.

- In general terms, for those organisations which sent in their General Account, the level of compliance in respect of the accounting statements' contents could be better. A total of 71 general accounts, of the 804 submitted to the Public Audit Office before 15 October, were incomplete.
- The statutory deadlines, both for approving general accounts and for sending them to the Audit Office, are still not being met. The average time period between final approval of each General Account and it being submitted to the Audit Office has gone up by eight days in relation to the previous year and is now forty-one days.

In section 2.2 of the report the Audit Office makes a series of recommendations to improve the content of the accounts to be presented and submission levels. The following may be highlighted:

- Local entities, within the scope of their possibilities, should reinforce their areas of financial management, administration and accounting, and their division charged with the organisation's comptroller function, in order to achieve strict compliance with current legislation and full accountability for their finances and assets held.
- In the plenary council agreement to approve the General Account, express mention should be made of the need to send it the Public Audit Office at the earliest possible opportunity. The report recommends that this be carried out within fifteen days.
- Local authorities should not take longer than one month to send the Audit Office their justifications or explanations for the anomalies detected during the validating process of the accounting data submitted.
- Local authorities should begin the process of dissolving subsidiary organisations which have not registered any activity over the last few years and when no plans exist for this activity to be resumed in the future. There is no need to reach the end of the two-year deadline, after the "now inactive" annotation in Catalonia's Local Public Sector Register, for an organisation's entry in this Register to be cancelled ex-officio.
- For new organisations added to the Local Public Sector Register it should be mandatory to sign up to the EACAT service (extranet for Catalan government organisations).

- The Catalan Government (*Generalitat*) should establish a unified procedure for submitting and depositing the accounting and financial reports required by legislation relating to the local government sector.

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