

## SUMMARY

### **Summary of Report 10/2015, relating to the decentralised municipal councils in the borough of Les Valls de Valira, year-end net working capital, year 2012**

*Barcelona, 8 July 2015*

The Public Audit Office for Catalonia has issued Report 10/2015, relating to the year-end net working capital (*romanent de tresoreria*) for the 2012 financial year of the decentralised municipal councils (*entitats municipals descentralitzades*) in the borough of Les Valls de Valira, in accordance with its Annual Programme of Activities.

The report, presented by Board Member Mr Joan-Ignasi Puigdollers, was approved by the Audit Office Board at its meeting on 19 May 2015.

The aim of the audit was to obtain reasonable assurance on whether the information given in the Year-End Net Working Capital Statement as at 31 December 2012, of the following seven local entities: Arcavell i la Farga de Moles, Ars, Asnurri, Bescaran, Civís, Os de Civís and Sant Joan Fumat, had been presented in accordance with the applicable accounting principles and standards.

The work met with some limitations due to the absence of certain information requested and also to some deficiencies in the information obtained, particularly relating to the exploitation of forestry resources.

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

- Only Os de Civís approved its General Account before the statutory deadline, and none of the seven local councils submitted it to the Public Audit Office within the established time period.
- The management and control of forestry exploitation rights did not comply with all the requirements laid down by regulations.
- The rules for applicants to obtain concessions for hunting rights did not adequately reflect the legal regime applicable to these special uses of public domain land.
- Budgetary revenues were not always recognised using adequate criteria.
- Some budgetary expenditures arising from public works contracts were accounted for on the basis of work certified, without adjusting the amounts to those shown on the invoices received (there had been a change in the VAT rate in force).

- Some councils met expenses that, according to the powers attributed to them, they should not have paid for.
- Bascaran Council incorrectly accounted for the return of €200,002 relating to a grant received and not justified within the required time period.
- There was no monitoring of expenditure projects carried out with earmarked funds.

The overall effects of the findings brought to light during the audit undertaken were, for each entity, as follows:

**Year-end net working capital for general expenses as at 31.12.2012**

Decentralised municipal council	Net amount as calculated by each entity	Impact of findings	Net amount as calculated by the Audit Office
Arcavell i la Farga de Moles	31,741.15	(15,760.53)	15,980.62
Ars	12,604.18	5,563.26	18,167.44
Asnurri	64,369.00	(15,915.83)	48,453.17
Bescaran	207,712.38	(204,543.09)	3,269.29
Civís	19,551.28	15,226.73	34,778.01
Os de Civís	27,286.78	(66,589.52)	(39,302.74)
Sant Joan Fumat	21,094.17	(106,445.40)	(85,351.23)

Amounts in euros.

In section 3.2 of the report the Audit Office makes a series of recommendations to improve the auditees' accounts and accounts management. These can be summarised as the need to review expenditure payments pending and, if warranted, remove items from the accounts, and also the need to request technical, financial or legal assistance and co-operation, when considered necessary, from supramunicipal entities, particularly the Department for Agriculture, Livestock, Fisheries, Foodstuffs and Nature in respect of forestry management.

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).