
SUMMARY

Summary of Report 19/2017, relating to La Bisbal d'Empordà Town Council, budgetary year-end net working capital for 2015

Barcelona, 19 December 2017

The Public Audit Office for Catalonia has issued Report 19/2017, relating to La Bisbal d'Empordà Town Council's budgetary year-end net working capital (*romanent de tresoreria*) for 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 25 October 2017.

The aim of the assignment was to audit the financial activity of La Bisbal d'Empordà Town Council (not including its subsidiary entities) corresponding to the 2015 financial year but limited to a review of its budgetary Year-End Net Working Capital Statement.

The report considers that the Council presented budget figures more optimistic than those that actually existed by €336,391; this corresponds to the difference between the budgetary year-end net working capital for general expenditures as calculated by the Council and as calculated by Public Audit Office.

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

- It was not possible to verify the amounts registered as Council revenues pending collection as at 31 December 2015 that were managed by XALOC .
- Significant differences were detected between the information received from El Baix Empordà County Council relating to the town's tax receipts and other public law revenues, and the recognised revenues pending collection on the Town Council's books. The Town Council overstated recognised revenues pending collection to the sum of €531,268.
- The Town Council did not have aggregate information broken down for different financial years and revenue headings for pre-deadline voluntarily-filed tax receipts and post-deadline executory tax receipts pending collection at the start and close of year 2015.
- Amounts were detected under three headings –Advances to Staff, Bonds and Deposits Held and Salary Payments Withheld– for which the Town Council was totally or partially unable to provide adequate explanations.

- The utility company awarded the municipal water supply concession compensated the official rates for water supply, sewage and water treatment which it collected against the amounts it charged the Town Council for managing rate collection. Since these were public law revenues, they should have been fully paid over to the Town Council; they should never have been kept in compensation for other amounts due from the Council.
- The figures recorded under the debtor item Inland Revenue VAT Payments Pending were not supported by the ledger items and did not coincide with the amounts on the tax payment forms. The Town Council registered a net amount of €98,789 of VAT Recoverable from the Inland Revenue, when in actual fact it should have recorded €48,015 of VAT Payable to the Inland Revenue.
- The balance of doubtful debts outstanding as at 31 December 2015 calculated by the Town Council was overvalued compared to the Audit Office's estimate by €341,163.
- The positive funding deviation figures under the heading Excess Earmarked Funding, in the Year-End Net Working Capital Statement as at 31 December 2015, did not match up with the amounts reported in the section on earmarked funds in the Council's Notes to the Annual Accounts for year 2015.

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