
SUMMARY

Summary of Report 9/2017, relating to the High Performance Sports Centre, year 2015

Barcelona, 5 July 2017

The Public Audit Office for Catalonia has issued Report 9/2017, relating to the High Performance Sports Centre (CAR), financial year 2015, in accordance with its Annual Programme of Activities.

This report, which was presented by Board Member Mr Jordi Pons i Novell, was approved by the Audit Office Board at its meeting on 23 May 2017.

The work carried out included the audit of the Profit and Loss Statement, the Budget Outturn and the annual Programme of Undertakings, Investments and Funding. It also included a review of compliance with applicable legislation in the areas of accounting, the budget, staff salaries and procurement, along with other significant aspects of the CAR's performance and situation.

The CAR is a public sector entity whose activities are subject to private law. It reports to the First Minister's Department (*Presidència*) of the Catalan Government (*Generalitat*) through the General Secretariat for Sport. The CAR's mission is to offer athletes with the potential for attaining a high level of sporting performance a full range of material, human, technical and scientific resources and to apply them in order to achieve high marks in top-level sporting competitions.

In 2015 the CAR had revenues of €10.07m and expenditures of €13.28m, leading to a loss of €3.21m.

As at 31 December 2015 the CAR had negative net working capital of minus €16.55m, meaning it was in a delicate financial position, resulting from insufficient contributions from government organisations and sports federations to cover the cost of services provided to athletes receiving assistance from the CAR, from the imbalance between fees charged and the cost of services, from the debt incurred in building its new facilities, from the debt payments from a seigniorial levy (*cens emfitèutic*) and from shouldering various costs which did not really pertain to the CAR.

The Conclusions section of the report presents the most significant findings arising from the audit carried out, of which the following can be highlighted:

- The cost study carried out by an external consultant in 2016 suggested that the CAR's

fees were below the cost of providing services in the majority of cases and that there were substantial differences in costs depending on which facilities were used.

- The CAR made payments to the Amics del CAR (Friends of the CAR) Sports Club for services provided by this organisation to several sports federations and private entities and for sponsoring various events. In the Audit Office's opinion, this club is an intermediary set up between the CAR and other entities to undertake activities or fund expenditures which do not pertain to the CAR.
- The CAR had various expenditure items on its books which the Audit Office considers to be tantamount to grants to third parties, awarded directly and without complying with current regulations on grants and subsidies.
- As at 31 December 2015 the CAR had an outstanding debt of € 13.53m with the Catalan Government's infrastructure company Infraestructures de la Generalitat, SAU, for the construction of its new facilities. In the 2015 financial year the CAR made no repayments on this debt.

Finally, in the Conclusions section of the report various recommendations are made which, in the view of the Audit Office, would help to resolve some of the issues mentioned in the Findings section. Prominent among these recommendations is one suggesting that a study of the activities and services provided by the CAR should be carried out to evaluate them and establish the cost per athlete, which should be charged to the sports federations, who should receive the relevant grants from different tiers of government. Furthermore, fees for services to third parties should be set which are sufficient to cover the cost of these services and a policy for discounts should be established and properly approved at the right level.

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