

# Andorra la Vella records “improper payments” to employees on leave in

The audit finds that the modifications to the processed amounts were not financed properly

ARXIU ANA



The facade of the municipal administration of Andorra la Vella

EL PERIÒDIC  
ESCALDES-ENGORDANY

The Court of Audits considers that the Municipality of Andorra la Vella made “improper” payments in 2023 when it paid salary supplements for workers who were on leave and who were not covered by any regulations, which “contradicts” the stipulations of the law on municipal finances, as specified.

On the other hand, the court also warns that the municipa-

lity’s insurance contracts, with premiums paid for an amount of 447,653 euros, have been tacitly extended without respecting the maximum legal deadlines and without being subject to the principles of publicity and competition required by law.

On another note, and with regard to public accounting, the auditing body also shows that the municipal corporation «did not have effective mechanisms to verify the legitimacy of bidders to contract with the admini-

nistration». An accusation that they consider that for the members of the contracting body, procedures should be implemented that guarantee compliance with the administrative code and the Penal Code in the sa-

### **DISTURBANCE OF BALANCE**

## 4,284,238

It is the monetary value of the deficit in the municipal budget forecasts due to poor financing.

me way.

Furthermore, the analysis highlights that the municipality does not have, in a generalized way, “tools or indicators to know in sufficient detail the cost of the services they provide and the achievement of the planned objectives”. In this sense, “the implementation of an economic and financial information system for management and efficiency” is recommended, which would thus allow

**The audit states that the municipal entity did not have effective tools in 2023 to quantify the cost of the services provided**

the verification of “not only the accounts, but also the management and compliance with the objectives”, and would allow, at the same time, to inform and evaluate the action programs related to the services provided to the citizens of the parish.

Finally, and regarding accounting, it is observed that the budget modifications processed by the municipal corporation in 2023 “did not have adequate financing”, which caused a deficit in the definitive budget forecasts of 4,284,238 euros, “a fact that is contrary to the principle of budgetary stability” that is also stipulated in the municipal finance law. ●



# Good state of the accounts in Encamp, but with a negative balance

An overvaluation of the Funicamp company is also noted

EL PERIÒDIC  
ESCALDES-ENGORDANY

The Court of Audits highlights that the accounts of the Municipality of Encamp for 2023 are reliable. Although there are some observations and recommendations, the audit indicates that, in general, the accounts and financial information of the Encamp municipality for the year 2023 correctly reflect its economic situation. It is also indicated, in other respects, that the established accounting principles are fulfilled.

The report thus highlights that the corporation has complied “reasonably” with the basic legislation relating to the administration and control of public funds that is applicable to it

## THE FIGURES

**+6,000,000**

This corresponds to the value by which the municipal budget was changed, through non-effective debt.

**-1,740,000**

This is the economic remainder deficit of the Encamp which did not incorporate all the operations.

for the annual financial year ending on December 31st., 2023. Despite this, there are some observations or problems that are detailed that need to be improved. Among these observations, there are different areas. Most are related to public accounting, although some are also found in the public procurement department or related to debt.

Regarding the first, one of the points of attention that is made



The entrance to the Encamp corporation located in Plaça dels Arinsols.

is that there has been a “violation of the requirements of article 76 of the Municipal Finance Act” (LFC) because the budget is unbalanced. According to the text, changes were made to the budget for a value of more than six million euros. The change was intended to be financed through debt, but this debt has not been carried out term, has not been specified or has not been made effective. For this reason, it is mentioned that since the debt was not formalized, this caused “the budget forecasts to be unbalanced”.

Another point within public accounting has to do with the dissolution of the Funicamp company. The court points out in this regard that, although it was decided to dissolve the com-

pany in order to advance the new concession, the accounts treat it as if it continued to operate, and this means that the value granted “is overvalued by 4,502,441 euros”. On the other hand, the court mentions that the cash balance on December 31st, 2023 was overvalued by 2,193,634 euros. This is due to not incorporating pending payments for cash transactions drawn down and an unregistered liability. In this sense, the body specifies that if these payments were taken into account, the remainder would not be positive, but negative, with a deficit of almost 1.74 million euros. Regarding public procurement, only one negative aspect stands out. The municipal administration generally complies with the procurement rules, but sometimes shortcomings appear that “although they do not prevent subsequent auditing, they hinder it, as well as making subsequent actions difficult”, specifies the Court of Audits.

Regarding debt, it is stated that the “municipality has formalized credit policies, for a joint limit of seven million euros, with three financial entities for a period of two years and maturing on June 30th, 2025, in contravention of article 52.2 of the LFC”. Also that there is a lack of effective financial control over the subsidized entities, as the mandatory audits have not been carried out.●

**Your leading real estate agency in Andorra.**

*Our experience guarantees results, realtors since 1988.*



(+376) 353 424 / (+376) 379 769

(+376) 747 747

laportella@andorra.ad

Casa Nova Olivet 10 · Ordino

www.laportella.ad

