
SUMMARY

Summary of Report 10/2017, relating to the analysis of the accounts of the Government of Catalonia's public enterprises, consortia, foundations and non-administrative autonomous agencies for years 2013 and 2014

Barcelona, 26 July 2017

The Public Audit Office for Catalonia has issued Report 10/2017, relating to the analysis of the accounts of the public enterprises, consortia, foundations and non-administrative autonomous agencies of the Government of Catalonia (*Generalitat*) for financial years 2013 and 2014, in accordance with its Annual Programme of Activities.

The report, which was presented by the Chairman, Mr Jaume Amat, was approved by the Audit Office Board at its meeting on 23 May 2017.

The purpose of the report was to undertake an analysis of the accounts of the Government of Catalonia's non-administrative sector, to provide an overall picture of this sector where the Catalan Government has a direct or indirect majority equity holding. Thus, the entities covered by the report were those whose budgets were approved as part of the corresponding budget act passed for each financial year. Non-administrative public sector entities where the Catalan Government had only a minority equity holding were not included.

The annual accounts presented in this report have not been audited by the Public Audit Office. The Audit Office has only audited some of the entities covered by this report, in accordance with its Annual Programme of Activities.

The report was drawn up using information received from the entities and information submitted by the Catalan Government's Comptroller General's Office (*Intervenció General*). Other sources were also consulted, such as the database compiled by the Directorate-General for Catalan Government Property relating to Catalan public sector organisations.

In order to offer information providing a clear picture of their actual financial situation, for each type of entity the report includes both individual and aggregate balance sheets, profit and loss accounts and budget outturns for financial years 2013 and 2014. The same information for year 2012 is also given for comparison purposes.

The report has the following sections:

- An analysis of the non-administrative public sector's institutions, showing the year they were set up, the Catalan Government's equity holding, who they report to, the type of activity and the stated aims of each organisation.
- An analysis of the individual and aggregate financial statements using different ratios for balance sheets and operating statements.
- An analysis of budget outturns, both for individual entities and in aggregate, plus ratios and key data relating to realised revenues and recognised expenditures.
- An analysis of personnel, with key data relating to human resources at each of the organisations analysed: average number of staff, personnel expenditure, average expenditure per employee and the proportion of personnel expenditure within overall operating expenses.

Basic aggregate data for the 2014 financial year for the different types of entity can be seen in the following tables:

Distribution of the entities according to field of activity

Entity type	Agriculture and environment	Culture and education	Infrastructures, transport and housing	Research	Health and social services	Other	Total
AACIF	-	1	-	-	-	1	2
SE	3	9	8	1	13	9	43
LC	1	5	11	-	7	6	30
Consortia	2	7	10	11	17	3	50
Foundations	1	5	-	23	4	2	35
Total	7	27	29	35	41	21	160

Key financial data for year 2014

Entity type	Budget (m€)	Balance Sheet (m€)	Year-end results (m€)	Number of employees	Personnel expenditure / operating costs (%)
AACIF	17	47	(1)	90	12.7
SE	3,967	19,933	(119)	11,785	20.0
LC	1,347	4,712	(90)	4,635	33.4
Consortia	3,022	2,431	(5)	22,454	34.0
Foundations	574	930	1	7,198	52.6
Total	8,927	28,053	(214)	46,162	30.2

Source: Prepared internally.

Key:

AACIF: Autonomous agencies of a commercial, industrial, financial or similar nature

SE: Statutory enterprises

LC: Limited companies

With the perspective of the analyses undertaken for years 2010 to 2014 we can conclude that, after a period of growth in the number of public sector organisations which culminated in 2011 with 211 entities, by the end of 2014 there had been a 24.2% reduction in the number of entities and a 9.3% reduction in staff numbers, in fulfilment of the Catalan

Government's action programme which envisaged simplifying, streamlining and redefining its public sector as a whole.

However, this reduction did not lead to significant changes in the percentage of public sector funding required by these entities, which continued to fluctuate between 27% and 30% for the entire period of 2010 to 2014.

The report's most outstanding conclusions are as follows:

- Until year 2011 there was an increase in the number of entities included in the Catalan Government's Budget. After that year the number of organisations gradually decreased, coming down to 160 in year 2014, which meant a 24.17% reduction compared to the number of entities as at 31 December 2011.
- A significant percentage of joint stock companies, consortia and foundations were of small size, both in terms of staff numbers and financially in terms of their annual turnover.
- A considerable number of non-administrative agencies were mainly funded by the Catalan Government or by other public sector entities. When considered as a whole, in the 2014 financial year the public sector funding of these organisations ranged between an average of 7.04% for autonomous agencies of a commercial, industrial, financial or similar nature and 33.81% for foundations. The percentage for the aggregate of all the organisations analysed in year 2014 came to 28.42%.
- Individually, there were 106 organisations in year 2012, 91 in 2013 and 83 in 2014 which were more than 50% funded by the Catalan Government or other public sector entities; this worked out as 52.7% of all organisations in 2012, 52.9% in 2013 and 51.9% in 2014.
- The fact that these non-administrative public sector entities use different schedules of accounts means that they apply different criteria for accounting for the public resources they manage. This makes analysing their aggregate results complicated.

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