

SUMMARY

Summary of Report 1/2019, relating to the analysis of the accounts of the Government of Catalonia's public enterprises, consortia, foundations and non-administrative autonomous agencies for years 2015 and 2016

Barcelona, 3 April 2019

The Public Audit Office for Catalonia has issued Report 1/2019, 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 2015 and 2016, 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 12 February 2019.

The purpose of the report is to analyse the accounts of the public enterprises (statutory enterprises and limited companies), consortia, foundations and autonomous agencies of a commercial nature with a direct or indirect majority stake held by the Catalan Government, with the aim of offering an overview of this part of the public sector. Thus, the entities included in the report are those whose budgets were passed by the Catalan Government's Budget Act for 2015 (Act 2/2015, of 11 March), which was extended to cover year 2016.

The report contains four large sections providing an institutional analysis and an analysis of the financial statements, budget outturns and personnel of the entities being studied, with individual and aggregate data.

The entities included in the budget for 2015, extended to cover 2016, categorised according to their field of activity, were as follows:

Distribution of entities according to field of activity, year 2016

Entity type	Agriculture and environment	Culture and education	Infrastructures, transport and housing	Research	Health and social services	Other	Total
Commercial auton. agencies	-	1	-	-	-	1	2
Statutory enterprises	3	9	8	1	14	9	44
Limited companies	1	4	9	-	5	7	26
Consortia	2	9	11	8	17	6	53
Foundations	1	5	-	22	4	2	34
Total	7	28	28	31	40	25	159

Source: Prepared internally.

The key financial data for the analysed entities were as follows:

Entities' key financial data, year 2016

Entity type	Initial budgets (m€)	Balance sheets (m€)	Year-end results (m€)	Number of employees	Personnel expenditures / operating costs (%)
Commercial autonomous agencies	18	45	(1)	81	12.6
Statutory enterprises	6,404	12,371	82	52,193	43.0
Limited companies	1,484	4,521	(41)	4,203	34.0
Consortia	3,309	2,826	4	24,992	33.8
Foundations	576	716	1	7,594	52.2
Total	11,791	20,480	45	89,063	39.7

Source: Prepared internally.

The most significant aspects of the analysis carried out are as follows:

- Until year 2011 there was an increase in the number of entities included in the Catalan Government's Budget, which came to two hundred and eleven. After that year the number of organisations gradually decreased, coming down to one hundred and sixty in year 2014, which meant a 24.17% reduction compared to the number of entities as at 31 December 2011. In years 2015 and 2016 the number of organisations stabilised at one hundred and fifty-nine.
- The data from the different financial statements, both for the group of statutory enterprises and for the analysed entities as a whole, are difficult to compare because the annual accounts for year 2016 for IFERCAT, the Catalan public enterprise for railway infrastructures, were not available.
- In the analysed period a significant percentage of the limited companies, consortia and foundations were of small size, in terms of both the number of employees and their annual turnover.
- A significant number of statutory enterprises, consortia and foundations were mainly funded by the Catalan Government or public sector entities. Eighty-three entities in year 2014, eighty-six in year 2015 and eighty-seven in year 2016 were more than 50% funded by the Catalan Government or other public sector entities; this represented 51.9% of all organisations in 2014, 54.1% in 2015 and 54.7% in 2016.
- As regards their financial situation, during the analysed period there were several entities with negative equity. As at 31 December 2016 seven statutory enterprises, one limited company, twelve consortia and six foundations had negative equity.

In year 2016 there was one limited company whose net worth was less than two thirds of its share capital, and which had not returned to equilibrium in year 2017. Recurring negative results question the viability and capability of some entities to survive without subsidies or contributions of public money.

- The fact that these public sector entities use different accounting plans 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.