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## **PUBLIC PRIVATE PARTNERSHIPS IN CATALONIA. IMPACT ON AUDIT WORK**

### Outline of presentation:

The types of public private partnership used in Catalonia are presented first of all, making a distinction between the traditional types, largely concerning the local public sector, and the new types, principally applied by the Government of the Autonomous Community of Catalonia (Generalitat de Catalunya).

The main characteristics of each of the PPP types are reviewed next, along with the implications for the budget and public sector debt and some examples of each of these are presented.

The last part relates to the implications of each of the new PPP types for the work of public sector auditors, bearing in mind the applicable legal framework and the different planning, selection, award and performance phases.

### Summary:

The types of public private partnership used in Catalonia result from the need to maintain and, if possible, increase investment in public infrastructures, as well as the need for alternative financing to the traditional debt, so that the deficit is not affected either, in accordance with the European System of Accounts.

Until 2003, the alternative methods of financing to the traditional system were based on two tools: the creation of commercial companies and organisations dependent on the administration, acting in their own names and on behalf of the authorities and with financial standing as they are not taken into account in the calculation of public deficit and the use of new figures with the participation of a third party outside the administration involving or supposing a method of payment or obtainment of resources; so, deferred payment (German system) and emphyteutic lease.

The changes in the European System of Accounts and undertakings of the administration in terms of infrastructure were the motives behind the use of three types of public private partnership as from 2005: concessions, building rights and operating leasing.

These new public private partnerships suppose a challenge for public sector audit bodies, which must adapt and, if applicable, extend the scope and methodology used to complete their assignments.