



REPUBLIC OF SLOVENIA  
COURT OF AUDIT

# AUDIT REPORT

## Meeting objectives of launching Public-Private Partnership

**Performance audit**

Audited period: 1 January 2007 to 31 December 2016

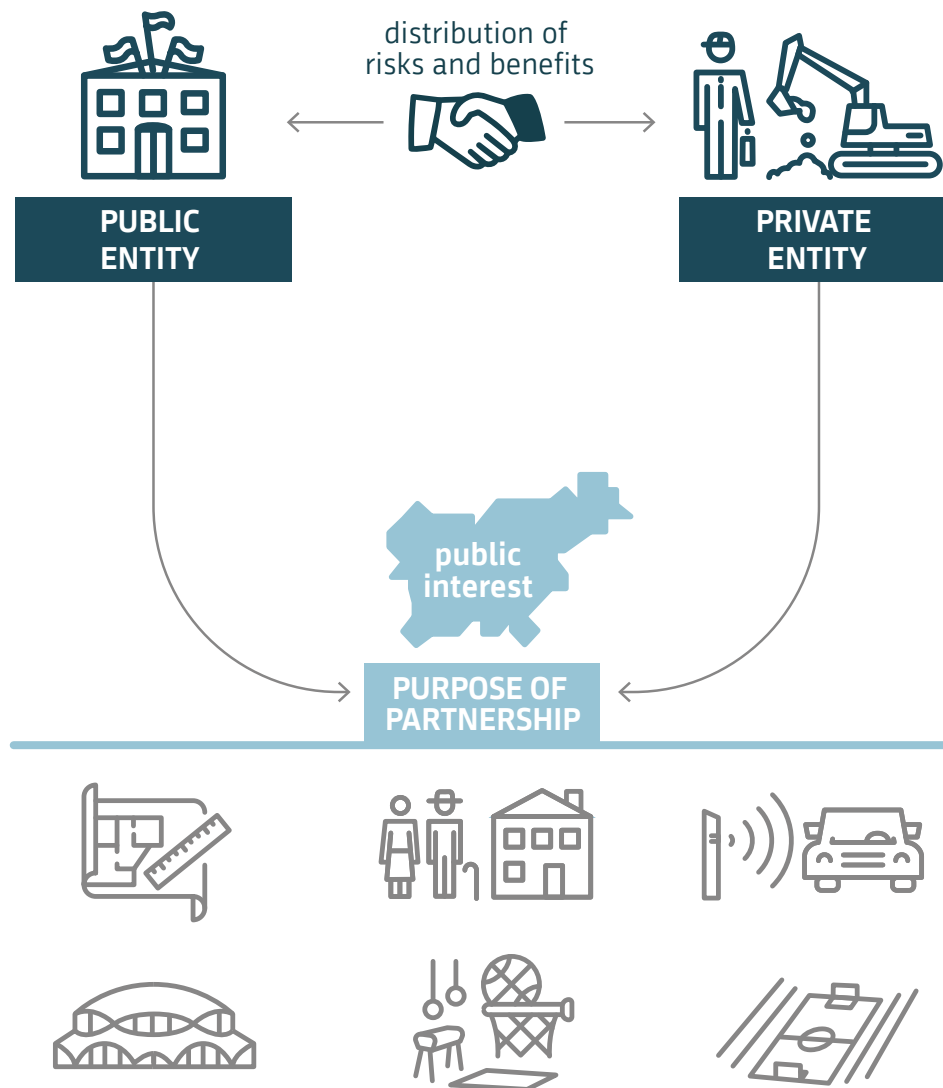
The term PPP has no internationally accepted uniform definition, though all of them have in common:



private investments in public projects or vice versa, where public and private entity share risks and benefits.



**Definition** as laid down by Public-Private Partnership Act **does not include a transfer of risk** between public and private entities.



# Did the Government of the Republic of Slovenia and the Ministry of Finance provide the conditions to implement PPP?



## REGULATIONS

- ⊖ no clear definition of the term
- ⊖ unregulated transfer of risks
- ⊖ undetermined control
- ⊖ no sanctions for infringers



Consequently, **public entities did not report to the Ministry** on the undertaken forms of PPP



## ORGANISATIONAL SUPPORT

- ⊖ no Government Council for PPP appointed
- ⊖ **inactive** and understaffed **organisational unit** at the Ministry



For the entire area there were **only two employees** covering **1/10 of working time**.



## IMPLEMENTATION SUPPORT

- ⊖ no relevant education and **trainings, manuals, guidelines** and standards
- ⊖ no **analyses** of the implemented projects
- ⊖ no **records** on projects and **reporting**



The **Ministry prepared the last annual report** on the undertaken forms of PPP **for the year 2009**.



The Government and the Ministry **failed to provide the conditions** to implement PPP.

## THE PURPOSE

### of Public-Private Partnership Act

is to enable and promote private investments in constructions, maintenance respectively managing facilities and investments in other projects of public interest.



17 sustainable development goals of the United Nations

- the Government did not adopt strategic objectives
- the Ministry did not define appropriate objectives
- 1 only one PPP infrastructural project at the national level

## OPINION OF THE COURT OF AUDIT

The Government and the Ministry of Finance were not effective in achieving the objectives of launching PPP.



## Demands of the Court of Audit



The Government has to appoint members of the Government Council for PPP.



The Ministry has to carry out an analysis of situation and weaknesses in the concerned field and an analysis of causes for the lack of interest in PPP.



LINKS TO  
AUDITS



speed cameras  
Municipality of Maribor



borrowing  
Municipality of Mokronog - Trebelno



sports hall  
Municipality of Kranj



Stožice stadium and hall  
Municipality of Ljubljana



sports facilities  
Municipality of Log - Dragomer



establishment of a building right  
municipalities of Dol pri Ljubljani,  
Slovenska Bistrica, Lenart

**Audits of already undertaken PPP projects** at the **local level** showed no examples of good practice.