

## ACCOUNTABILITY AND TRANSPARENCY IN PUBLIC AIDS AND SUBSIDIES

(Manuel Núñez Pérez,  
President of the Spanish Court of Audit and Secretary General of EUROSAI)

### ABSTRACT

The reason for the existence and operation of the public sector is based, among other reasons, on the support to be given to those situations that require special attention. It contributes that way to a better distribution, as well as to boosting initiatives for a greater economic and social projection. The coverage of this dual purpose is developed through a variety of performances and public decisions that can be considered integrated in the generic concept of public aids or subsidies.

An approach to this generic concept offers a great diversity of public measures which, in different forms, can be classified as public aids and, consequently, a high number of public agents involved in granting them and different regulations in each case that may be applied, depending on whether they are benefits or tax exemptions, financial support, direct aids to a number of situations in need of public assistance or support to private initiatives in the field of research or economic production that may have a major economic or social projection.

The granting of public aids and subsidies is a clear expression of the welfare state. It shows also the condition of the public sector as promoter of activities, encouraging private sector participation in areas of great social sensitivity and significant economic importance.

A common feature of these diverse activities is that they cross the border of the strict public sector sphere and there is a clear relationship between the public and private sectors, becoming the private sector agents the managers of certain public funds.

These circumstances highlight the importance of public management to be fully transparent in these fields, the necessary availability of precise regulation and the need of procedures clearly defined for ensuring the principles of openness, competition and objectivity, as well as the objectives to be achieved in each case. It is essential that accountability of public managers in processing and granting aids as well as the one that private recipients assume in their use and justification, are clearly defined.

The Paper of the Spanish Court of Audit, in addition to these general considerations, will incorporate a reference to the new Spanish regulations on this topic, modified under the recommendations issued by our SAI, and the performances that our Court of Audit is developing in the audit of aids and grants, as well as the demand of responsibilities arising from them.

*Tribunal de Cuentas de España*  
(tribunalcta@tcu.es)