

Report 2014

TRIBUNAL DE CUENTAS



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Letter from the President

As the external supervisory body of the economy and finance of the Spanish public sector, the Court of Audit is a cornerstone for the proper functioning of our democratic system. With its dual function (audits and prosecution of accounting liability), our Institution is responsible for ensuring the proper use of public resources by those who manage them and for implementing the necessary mechanisms so that, in the case of damages to said resources, they are reinstated to the Treasury through their effective return to citizens.

With all the importance the work of the Court of Audit may have for society, I am aware that our Institution is not very familiar to most citizens. Perhaps our efforts to work to the highest standards in quality, in a way that corresponds to social interest and governed by the highest international standards, have, for quite some time, kept us distant from a society that legitimately demands not only information about the rigour and professionalism of its institutions, but also more details about what they do and how they do it.

Fortunately, for some time now, we have been working on a process of change that cannot be reversed. We are fully immersed in a period governed by three principles we consider fundamental: transparency, good governance and the modernisation of our work procedures.

Accordingly, our modernisation is aimed at promoting the work done by the Court of Audit in a more effective and efficient way and our commitment to transparency and good governance aims to turn both practices into our guiding principles.

Our vocation for transparency has given rise to the document I am presenting here: the 2014 Report on the Court of Audit, with information based on the Annual Report of the Court of Audit for the year 2014, which was approved by the Plenary Session of the Court on 26 March 2015. However, the content is given by way of a summary and focused more on dissemination.

We present this document separated into three parts because the progress made by our Institution in 2014 has followed the same number of approaches. Thus, we offer a summarised account of the activities carried out in our two action areas: auditing



(including the rendering of accounts and its evolution of recent years, with data that is essential for auditing public bodies) and the prosecution of accounting liability (which guarantees repayment of funds that have been used inappropriately to the Treasury).

We also explain some of our actions in the area of transparency, including those developed internally and those that correspond to collaboration with peer institutions.

Finally, in 2014, some of the legislative amendments that have been passed have given our Institution a more dynamic role, but we must point out that the necessary allocation of resources required by the Court of Audit is an issue on which there is still ample room for improvement.

I hope this report is of interest to you and helps you gain a better understanding of the essential work carried out by the Court of Audit.

Thank you very much.

Ramón Álvarez de Miranda

C.1



Activity Indicators

1.1 Audit Function

1.1.1 Public sector accounts and contracts rendered to the Court of Audit

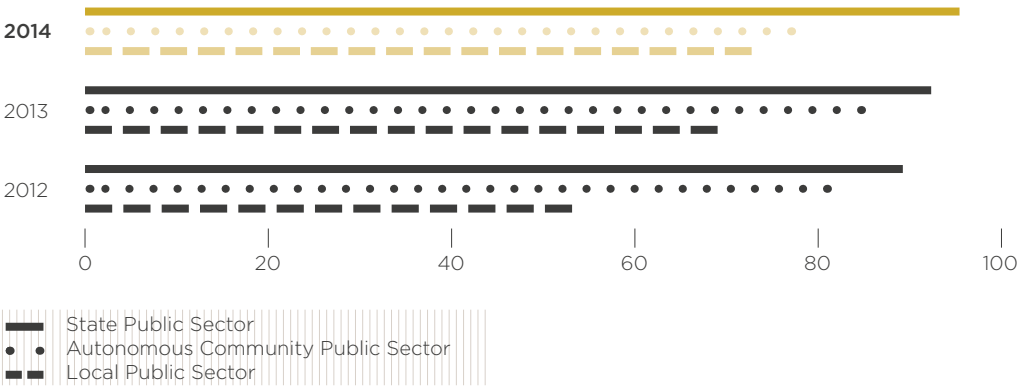
One of the essential elements for the audit function is the availability of information on the economic and financial management of public sector entities, through the rendering of accounts, which is configured as a legal duty. The Court of Audit promotes the conditions and takes the actions necessary to foster compliance with this duty, which provides increasing levels of accountability.

Accounts for the year 2013 rendered in 2014

Public entities	Accounts rendered	Accounts not rendered	Total entities	Percentage rendered
State Public Sector	407	27	434	94%
Autonomous Community Public Sector (*)	209	63	272	77%
Local Public Sector	7,226	2,760	9,986	72%

(*) Rendered directly to the Court of Audit (Autonomous Communities and Cities of Cantabria, Castilla-La Mancha, Extremadura, La Rioja, Región de Murcia, Ceuta and Melilla).

Accounts rendered (%)



There is also a legal obligation to send the Court of Audit information on procurement by public sector entities. This duty includes sending annual lists of the contracts awarded and extracts from each procurement record within three months of its formalisation, extension, modification or termination.

Records of contracts formalised and sent in 2014

Public entities	Contracts (Nº records)	Amount (thousands of euros)
State Public Sector	1,584	4,277,872
Social Security System	359	202,563
Autonomous Community Public Sector (*)	175	466,605
Local Public Sector	140	239,089
Total	**2,258**	**5,186,129**

(*) Sent directly to the Court of Audit (Autonomous Communities and Cities of Cantabria, Castilla-La Mancha, Extremadura, La Rioja, Murcia, Ceuta and Melilla).

1.1.2. Audit Programme

When designing the audit programme for 2014, the Plenary Session of the Court of Audit has given special consideration, among other matters, to selecting areas that are most relevant in the economic and financial management of the public sector and to bringing the time horizon of the audits in line with said year as far as possible.

The annual programme also included several audits of certain public actions taken as a result of the crisis. These included the financial restructuring undertaken by the *Fondo de Restructuración Ordenada Bancaria* (Fund for the Restructuring of Spanish Banks), the Bank of Spain and the Deposit Guarantee Fund; the actions carried out by

the State Agency for Tax Administration under the Plan for the Prevention of Tax Fraud and for the effective recovery of tax debts; the management and supervision procedures applied to certain benefits, such as unemployment or those paid by the Salary Guarantee Fund; and the restructuring of state public business and foundation sectors, including measures to define objective needs for staff and activities concerning vocational training for employment.

Audits on particularly relevant areas were also scheduled, such as those concerning procurement and subsidies; actions related to plans to rebalance and adjust the economy and finances of the autonomous communities and cities; the management of the Supplier Payment Plan; measures adopted pursuant to laws on dependency; and expenses executed by local authorities without budgetary provision, among other matters.

Audit Activity 2014

Audit initiative	Number of reports adopted
Legal mandate	10
Parliamentary request	10
Court of Audit initiative	35
Total (*)	**55**

(*) In addition to the Memorandum of Court Actions 2013

Audit Activity 2014

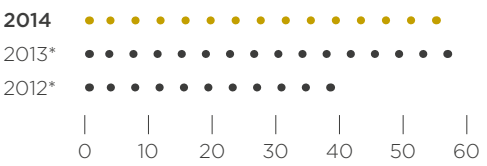
Audit area	Number of reports adopted
State Public Sector	31
Autonomous Community Public Sector	13
Local Public Sector	9
Political Parties	2
Total (*)	**55**

(*) In addition to the Memorandum of Court Actions 2013

1.1.3 Audit activity

The following are the figures for the audit activity carried out by the Court of Audit in **2014**, set out in terms of audits approved by the Plenary Session of the Institution, showing the corresponding **initiatives** and **areas.**

Audit activity



Number of reports adopted

(*) In addition to the Memorandum of Court Actions for the previous year

1.1.4
Entities and areas audited

State Public Sector

- Aena-Aeropuertos, S.A. Transactions involving equity and incorporation.
- State Tax Agency. Execution of the Plan for the Prevention of Tax Fraud in 2010, 2011 and 2012.
- Spanish Agency for Health Protection in Sport.
- National Securities Market Commission. Economic and financial management 2013.
- Departments of the Ministry of Employment and Social Security in Europe.
- General Council of the Judiciary.
- Casa Árabe Consortium and its International Institute of Arab and Muslim World Studies, 2011 and 2012.
- Sefarad-Israel Centre Consortium, 2011 and 2012.
- State Public Sector Procurement in 2012.
- Procurement by certain state foundations, 2012.
- Procurement by the Management Bodies and Common Services of the Social Security, 2010.
- Contracts for institutional advertising and communication signed by ministerial departments and agencies in the area of State Economic Administration, 2010, 2011 and 2012.
- Service level agreements signed by the Management Bodies and Common Services of the Social Security, 2011 and 2012.
- Direct management agreements by and between the State Water Companies and the Ministry of the Environment and Rural and Marine Affairs, 2010-2011.
- Corporación RTVE and its companies, between 1/1/2010 and 31/12/2011.
- Declaration on the General State Accounts, 2012.
- Non-financial State companies. Adaptation of procurement procedures to the legal framework after the coming-into-force of the Revised Law on Public Sector Procurement.
- Entities of the Social Security system. Management and supervision of temporary disability.
- Salary Guarantee Fund. Management and supervision of benefits paid, 2013.
- Fund for the Restructuring of Spanish Banks, Deposit Guarantee Fund and the Bank of Spain.Actions related to bank restructuring, 2009-2012.
- Teatro Real Foundation, 2012.
- Tripartite Foundation for Employment Training. Management in relation to the subsystem of professional training for employment in the area of training offered.
- Cervantes Institute, 2012.
- Institute of Cinematography and Audio-visual Arts, 2011.
- Carlos III Health Institute. Subsidies awarded in the field of Strategic Action for Health (Spanish acronym: AES) of the National R&D plan.

- Prado Museum, 2012.
- Occupational Accident and Disease Insurance Companies of the Social Security. Non-financial assets, with particular reference to the segregation of third-party prevention services.
- Strategic Subsidy Plans drawn up by the administrative and political ministries of the State.
- Renfe-Operadora and General State Administration. Economic and financial relations, 2011 and 2012.
- SEPES Public Land Entity. Long-term investments in group and associate companies and inventory of real estate assets, 2010 and 2011.
- Universidad Nacional de Educación a Distancia (National University of Distance Education), 2012.

Autonomous Community Public Sector

- Autonomous City of Ceuta, 2010 and 2011.
- Autonomous City of Ceuta, 2012.
- Autonomous City of Melilla, 2012.
- Autonomous Community of Cantabria, 2010 and 2011.
- Autonomous Community of Cantabria, 2012.
- Autonomous Community of Extremadura, 2010 and 2011.
- Autonomous Community of Extremadura, 2012.
- Autonomous Community of La Rioja, 2010 and 2011.
- Autonomous Community of La Rioja, 2012.
- Management and supervision measures adopted by the autonomous communities for the proper implementation of the Law on the Promotion of Personal Autonomy and Care for People in Situations of Dependency.
- Autonomous Community Public Sector, 2010 and 2011.
- University of Extremadura, 2010 and 2011.
- University of La Rioja, 2010 and 2011.

Local Public Sector

- Actions carried out by local authorities on account of the State Fund for Employment and Local Sustainability.
- Actions taken by the Court of Audit to promote accountability on a local scale.
- Local Authorities of Cartagena. Collection management in local authorities of municipalities with populations of more than 100,000 inhabitants in autonomous communities without their own External Supervisory Body.

- Procurement by the local authorities in the Autonomous Community of the Region of Murcia, 2012.
- Procurement by the local authorities in the Autonomous Community of the La Rioja, 2012.
- Contracts awarded by local authorities in autonomous communities without their own External Supervisory Body. Incidents arising during execution, 2012.
- Effectiveness of enforcement actions to ensure fulfilment of commercial obligations by local authorities.
- Remuneration and management systems providing and promoting auditor positions at local authorities.
- Local Public Sector, 2012.

Political Parties

- Accounts for the European Parliament elections.
- Financial statements of political parties and contributions received by associated foundations and associations, 2012.



1.1.5
Actions related to the auditing of international organisations

- External Audit of the Pan-American Health Organisation, 2013.
- Audit on national participation in European Combat Aircraft.
- Eurofighter Typhoon programme.
- Participation in the College of Auditors of the European Defence Agency (EDA).
- Participation in the Board of Supervisors of the Organisation for Joint Armament Cooperation (OCCAR).
- Participation in the College of Auditors of the Athena Mechanism for Financing Military Operations of the European Union.
- Participation in the Audit Board of the European Organisation for the Safety of Air Navigation (EUROCONTROL).
- Participation in the project on strengthening external supervision of NATO.
- Participation in the Peer Review of the International Board of Auditors for NATO (IBAN).



Meeting prior to the signing of the report of the Peer Review of the International Board of Auditors for NATO (IBAN) by the Presidents of the Supreme Audit Office of Poland and the Court of Audit.

1.2 Prosecution of Accounting Liability function

In addition to auditing, the Court of Audit carries out a function for the prosecution of accounting liability. The requirement of accounting liability applies to those who collect, manage, keep or use public funds or bills, as well as individuals or entities receiving subsidies, loans or other aid from the public sector.



1.2.1 Jurisdictional activity

Overall in 2014, the Prosecution Section's work has led to the resolution of **1,143 cases.**

The jurisdictional function is generally exercised by a process that is resolved at first instance by the director of one of the three **Prosecution** Instance Departments and which is susceptible to appeal before the **Chamber** of the Court of Audit, which also solves the appeals provided in Articles 46.2 and 48.1 of its Functioning Act.

In 2014, the breakdown of the jurisdictional activity carried out by the three Instance Departments of the Prosecution Section and the Chamber was as follows:

Instance Departments of the Prosecution Section (*). Cases heard in 2014

	Dept. One	Dept. Two	Dept. Three	Total
Cases pending at 31/12/2013	104	104	177	**385**
Cases opened in 2014	303	260	267	**830**
Cases resolved in 2014	269	215	287	**771**
Cases pending at 31/12/2014	138	149	157	**444**

(*) The departments hear the preliminary investigations and resolve the following at first instance: deficit-recovery procedures, accounts proceedings and, at one single instance, cases for the cancellation of bonds.

In addition, under the Presidency of the Prosecution Section there is a **Preliminary Proceedings Unit,** responsible for processing most of the investigation work for deficit-recovery procedures. However, the Court of Audit occasionally delegates such actions to other bodies or officials.

Chamber (*). Cases heard in 2014

Cases pending at 31 December 2013	15
Cases opened in 2014	37
Cases resolved in 2014	41
Cases pending at 31 December 2014	11

(*) The Chamber resolves on the appeals filed against the judgments at first instance, as well as the other appeals provided in Law.

The investigations carried out in 2014 by the Court of Audit and other external supervisory bodies are listed below:

Preliminary proceedings (*). Investigations processed in 2014

Pending investigation (at 31/12/2013)	Investigations opened	Investigations resolved	Pending investigation (at 31/12/2014)
281	300	331	250

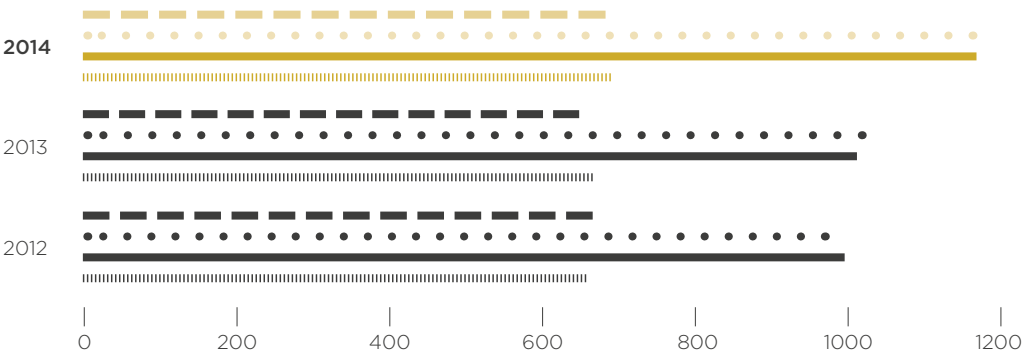
(*) Preliminary phase of the proceedings in which the amount of the damages is specified, the alleged perpetrators are identified and the evidence of the various configuring elements of accounting liability is collected.

The total figures for the cases opened, resolved and pending in the Chamber, the Instance Departments and the Preliminary Proceedings Unit in 2014 are as follows:

Chamber, Instance Departments and Preliminary Proceedings Unit. Cases heard in 2014

	Chamber, Instance Depts. and Preliminary Proceedings Unit
Cases pending at 31/12/2013	681
Cases opened in 2014	1,167
Cases resolved in 2014	1,143
Cases pending at 31/12/2014	705

Chamber, Instance Departments and Preliminary Proceedings Unit. Number of cases heard



The most important procedures for accounting liability in terms of number and amount are those relating to deficit-recovery procedures, which were as follows in 2014:

Deficit-recovery procedures (*) 2014

	Preliminary Proceedings Unit
Preliminary Proceedings opened	300
Provisional liquidation proceedings	331
Total amount recovered (€)	**14,692,294.76**

(*) Procedure whereby liability is sought for unjustified debit balances of the accounts or, in general terms, the absence of cash or justification in the accounts to be rendered by the parties responsible for managing public funds.

Deficit-recovery procedures. 2012-2013-2014

	Preliminary Investigations Unit		
	2012	**2013**	**2014**
Preliminary investigations opened	286	246	300
Provisional liquidation proceedings	255	306	331
Total amount recovered (€)	**31,482,773.51**	**16,873,994.77**	**14,692,294.76**



From left to right: Antonio María Álvarez-Buylla, Dean of the Society of Court Agents of Madrid; Ramón Álvarez de Miranda, President of the Court of Audit; Juan Carlos Esteve, President of the General Council of Court Agents of Madrid; and the Counsellors Felipe García Ortiz, María Antonia Lozano Álvarez, Javier Medina Guijarro and José Manuel Suárez Robledano.



Opening ceremony of the course titled "Relations between the Constitutional Court, the Supreme Court and the Court of Audit" with the participation of the Counsellors Felipe García Ortiz and José Manuel Suárez Robledano.

1.2.2 Actions taken as an administrative body

In 2014, the Prosecution Section adopted a series of agreements to provide greater flexibility, transparency and modernisation for its structure and operation. The actions included the following:

- The computer project for the implementation of the **LEXNET application** (secure document exchange platform) for notices served to parties and representatives involved in proceedings.

- Implementation of the **electronic edict** in the electronic office to publish resolutions related to parties whose abodes or whereabouts are unknown or when so provided in law.

- The signing of the **agreement** with the **Directorate General of the Land Registry** so that the officials appointed for said purpose can access the land registry database as part of relevant procedures in the executive phase of proceedings or in accordance with any precautionary measures ordered.

- The signing of an **agreement** by and between the **Court of Audit,** the **General Council of Court Agents** and the **Society of Court Agents of Madrid** for auctions to be held by the Society of Court Agents under the Civil Procedure Law.

- **Course in La Coruña:** "Relations between the Constitutional Court, the Supreme Court and the Court of Audit".

1.3 Organisation and Management of Human and Technical Resources



Plenary Session of the Court of Audit. From left to right: Enriqueta Chicano Jávega, Manuel Aznar López, María Antonia Lozano Álvarez, Lluís Armet i Coma, Felipe García Ortiz, Javier Medina Guijarro, Ana Puy Fernández, Ramón Álvarez de Miranda García, Olayo Eduardo González Soler, María Dolores Genaro Moya, María José de la Fuente y de la Calle, Ángel A. Algarra Paredes, José Manuel Suárez Robledano and Margarita Mariscal de Gante y Mirón.

1.3.1
Plenary Session of the Court of Audit

Members of the Plenary Session (July 2012-2014)

President	• Ramón Álvarez de Miranda García
Counsellors	• Javier Medina Guijarro (President of the Audit Section) • Felipe García Ortiz (President of the Prosecution Section) • Lluís Armet i Coma • María Antonia Lozano Álvarez • Manuel Aznar López • Enriqueta Chicano Jávega • Margarita Mariscal de Gante y Mirón • José Manuel Suárez Robledano • Ángel A. Algarra Paredes • María José de la Fuente y de la Calle • María Dolores Genaro Moya
General Secretary	• Ana Puy Fernández
Chief Auditor	• Olayo Eduardo González Soler

1.3.2
Team working for the Institution

Professional Team 2014 (31/12/14)

Classification	Men	Women	Total
Civil servants	192	361	**553**
Employees	99	69	**168**
Temporary workers	2	29	**31**
Total	**293**	**459**	**752**

Professional Team 2012 - 2013 - 2014

Classification	2012			2013			2014		
	Men	Women	**Total**	Men	Women	**Total**	Men	Women	**Total**
Civil servants	202	383	**585**	193	368	**561**	192	361	**553**
Employees	103	72	**175**	102	71	**173**	99	69	**168**
Temporary workers	3	26	**29**	3	28	**31**	2	29	**31**
Total	**308**	**481**	**789**	**298**	**467**	**765**	**293**	**459**	**752**

Offer of Employment 2012 - 2013 - 2014

Category	Places		
	2012	**2013**	**2014**
Civil servants	-	-	30
Employees	-	-	2
Temporary workers	-	-	-
Total	-	-	**32**

Budget. 2012 - 2013 - 2014

Heading	Budget			Expenses		
	2012	**2013**	**2014**	**2012**	**2013**	**2014**
Personnel Expenses	52,303,800.00	51,612,010,00	52,247,180.00	46,171,131.48	48,154,267.73	47,046,939.70
Ordinary operating expenses	8,002,952.57	9,243,430.79	7,473,600.92	7,778,295.03	8,177,120.47	6,676,828.63
Current transfers	1,498,570.00	331,753.14	68,460.00	361,779.41	328,760.50	67,401.78
Investments	649,000.00	668,004.50	1,995,790.00	594,791.93	611,069.03	1,931,734.08
Credits	135,200.00	135,200.00	135,200.00	135,200.00	135,200.00	135,200.00
Total	**62,499,522.57**	**61,990,398.43**	**61,920,230.92**	**55,041,197.85**	**57,406,417.73**	**55,858,104.19**

1.3.3
Budget

The budget of the Court of Audit is part of the General State Budget. More specifically, it corresponds to Section 03 of the expense budget thereof.

For year 2014, the Court of Audit had a budgetary credit of **61,920,230.92 euros.** However, the sum of the amount spent and invested by the Institution that year stood at **55,858,104.19 euros,** i.e. a saving of 9.79% of the total budget: **6,062,126.73 euros.**

This reduction is in line with the cost containment applied by the Court of Audit and, accordingly, in 2013, the percentage of the reduction in spending compared to the total budget was **7.39%**.

2014 Budget

Item	Budget	Expenses	Percentage of execution (%)	Credit balance /€
Personnel expenses	52,247,180.00	47,046,939.70	90.05	5,200,240.30
Ordinary operating expenses	7,473,600.92	6,676,828.63	89.34	796,772.29
Current transfers	68,460.00	67,401.78	98.45	1,058.22
Investments	1,995,790.00	1,931,734.08	96.79	64,055.92
Credits	135,200.00	135,200.00	100.00	-
Total	**61,920,230.92**	**55,858,104.19**	**90.21**	**6,062,126.73**

Percentage execution (%)			Credit balance/€		
2012	**2013**	**2014**	**2012**	**2013**	**2014**
88,27	93,30	90,05	1,059,248.52	3,457,742.27	5,200,240.30
97,19	88,46	89,34	224,657.54	1,006,310.32	796,772.29
25,68	99,10	98,45	1,136,790.59	2,992.5	1,058.22
91,65	91,48	96,79	54,208.07	56,935.47	64,055.92
100,00	100,00	100,00	-	-	-
88,07	**92,61**	**90,21**	**7,458,324.72**	**4,583,980.7**	**6,062,126.73**

1.4 Institutional relations

1.4.1 Relations with Parliament



The Court of Audit submits all the reports, memorandums, motions and notes approved by the Plenary Session to Parliament as part of its auditing function. It also submits the Annual Audit Programme and amendments thereto as agreed during the year. Said Programme includes, among others, the audits performed by the Court of Audit as requested by Parliament.

In 2014, the President of the Court of Audit has appeared **eight times** before the Joint Congress-Senate Committee for Relations with the Court of Audit to present a total of **49 audit reports,** including the Declaration on the General State Accounts for the year 2012.

As a result of these appearances, this year the Joint Committee adopted a total of **47 parliamentary resolutions** addressed to the Government, the Public Administration, the audited public entities and the Court itself. Their purpose was to remedy the deficiencies, faults and irregularities brought to light in the various audit reports produced by the Court of Audit.

Likewise, throughout 2014 the President of the Court of Audit has appeared before other parliamentary committees to report on matters related to the Institution.

First, he appeared before the Constitutional Committee of the

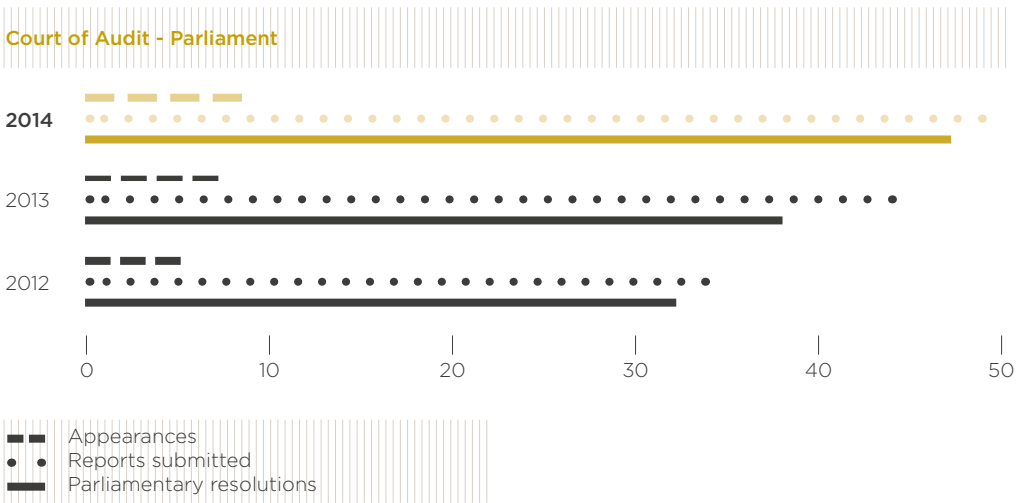


Appearance of the President of the Court of Audit before the Joint Congress-Senate Committee for Relations with the Court of Audit.

Parliament in order to report on initiatives on democratic regeneration and the fight against corruption that were in Parliament, including amendments to laws regulating political parties and the Act of on the Court of Audit.

He also appeared before the Joint Committee for Relations with the Court of Audit to provide the necessary clarifications in Parliament on various reports in certain media that affected matters related to the Institution.

Finally, he attended a hearing before the Committee for monitoring and evaluating the agreements of the Pact of Toledo to report on the bill amending the revised text of the General Social Security Act in relation to the legal regime governing Occupational Accident and Disease Insurance Companies, a matter in which the Court of Audit has actively exercised its audit function.



1.4.2
Relations with the External Supervisory Bodies of the Autonomous Communities



Presidents of the Court of Audit and the External Supervisory Bodies of the Autonomous Communities (OCEX).

The Court of Audit coordinates its audits with the External Supervisory Bodies (OCEX) of the autonomous communities in which they exist, albeit under different names. Following the abolition in 2014 of the Audit Office of Castilla-La Mancha, the auditing of the autonomous and local entities of said autonomous community is now carried out directly by the Court of Audit.

In 2014, there were two meetings between the Presidents of the Court of Audit and the OCEX with the aim of improving the results of the supervision work carried out in the public sector. Besides the exchange of relevant supervision programmes and the coordination of joint actions, the meetings between the Court of Audit and the OCEX have been used to work on the implementation of common procedures and techniques to exploit synergies and adapt international auditing standards applied by higher audit institutions to the situation in Spain.

All this focuses on optimising accountability and the results of the

audits. Here, special mention must be made of the Platform for the Accountability of Local Authorities, which involves the Court of Court of Audit and most of the OCEX. The Accountability Portal is an instrument designed to promote the transparency of local public sector accounts.

There has also been a meeting of the Coordination Committee at the autonomous level of the Court of Audit and the OCEX, in which common auditing areas, such as public universities, were discussed. There have also been two meetings of the Coordination Committee at local level, as well as relevant meetings of the Committee as provided in clause five of the cooperation agreement signed in 2007. Attendees addressed issues related to matters subject to coordinated auditing and the management of the Platform and Portal for the Accountability of Local Authorities.

Regarding the latter, in 2014 addenda to the relevant bilateral cooperation agreements were signed by and between the Court of Audit and the OCEX of the autonomous communities of Galicia, the Canary Islands and the Balearic Islands for the single rendering of the accounts of local authorities, extending the effect thereof to the submission of annual lists of contracts. A new cooperation agreement was also signed by and between the Court of Audit and the Audit Office of Catalonia, continuing the spirit of the previous agreement between the two institutions. The Court and eight OCEX[1] also signed a new agreement on the conditions of use, operation and maintenance of the Platform and Portal for the Accountability of Local Authorities, replacing the previous agreement of 2007.

1 OCEX of the Autonomous Communities of Valencia, Canary Islands, Madrid, Balearic Islands, Castile-Leon, Asturias, Galicia and Aragon.

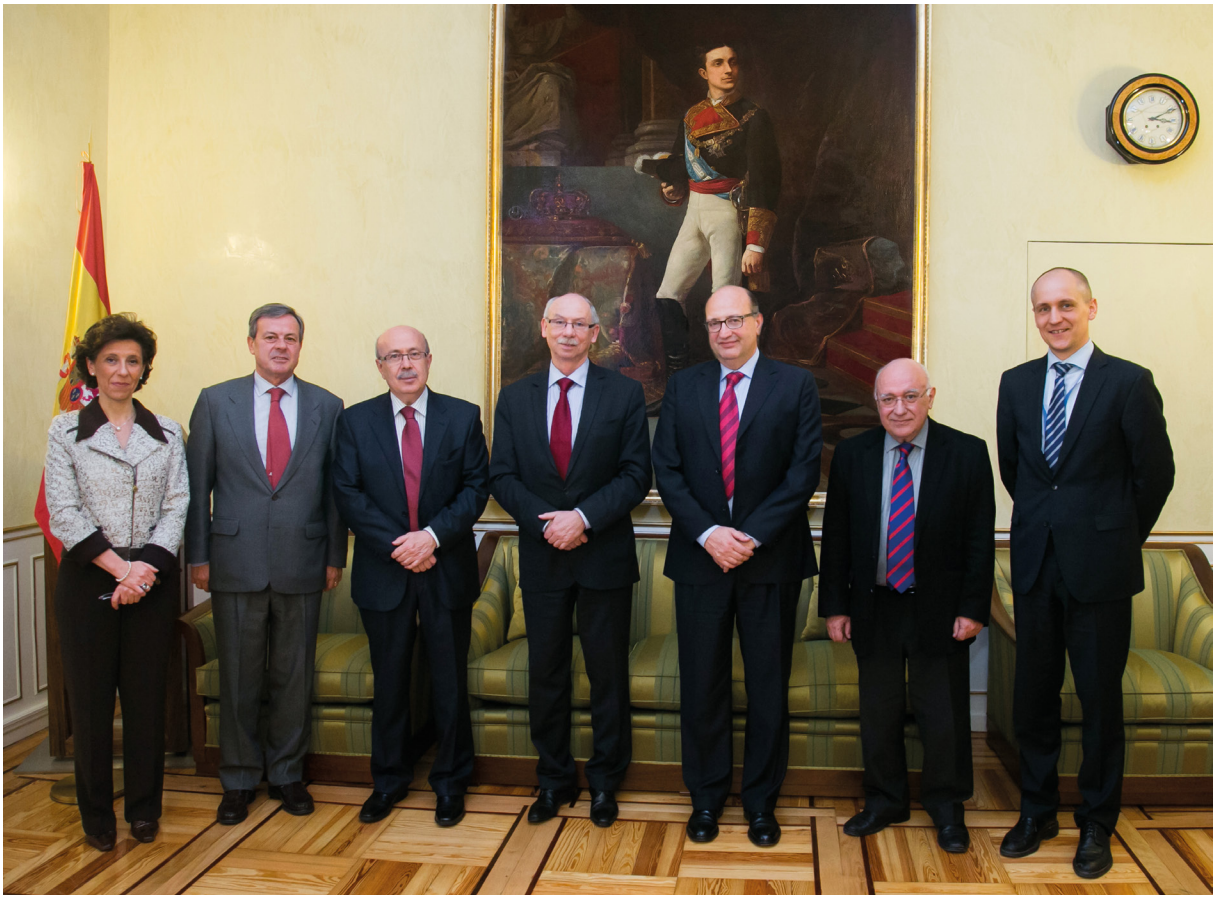


Signing of the agreement by and between the Court of Audit and the Audit Office of Catalonia.



Coordination meeting of the Court of Audit with the External Supervisory Bodies of the Autonomous Communities.

1.4.3
Institutional visits



Visit to the Court of Audit by the European Commissioner for Financial Programming and the Budget, Janusz Lewandowski.

In 2014, there have been several visits to the Court of Audit by various representatives of international institutions and organisations, including:

- European Commissioner for Financial Programming and the Budget, Janusz Lewandowski.
- Delegation of the Higher Court of Auditors of the Islamic Republic of Iran.
- Delegation of the Audit Office of Jordan.
- Parliamentary Delegation of the Hashemite Kingdom of Jordan.
- President of the Court of Auditors of the Union of the Federative Republic of Brazil and President of OLACEFS, Minister Augusto Nardes.
- President of the International Board of Auditors for NATO, Charilaos Charisis.
- Delegation of the Court of Auditors of the Republic of Turkey.
- Delegation of the Court of Auditors of the Republic of Korea.
- Members of the Contractual and Commercial Section, A400M Programme (OCCAR).

1.4.4 Other institutional activities

- Audience given by HM King Philip VI of Spain to the President of the Court of Audit.
- Award of the Grand Cross of the Order of Isabella the Catholic to the Emeritus President of the Court of Audit, Manuel Núñez Pérez, by the Minister of Foreign Affairs and Cooperation, José Manuel García-Margallo y Marfil.
- Seminar on the requirement for liability arising from audit reports, attended by the Public Prosecutor, Eduardo Torres-Dulce Lifante.
- Presentation of the 2013 Annual Report of the European Court of Auditors in the Senate.



Audience given by HM King Philip VI of Spain to the President of the Court of Audit.



Handshake between the President of the International Board of Auditors for NATO (IBAN), Charilaos Charisis, and the President of the Court of Audit, Ramón Álvarez de Miranda, after signing the Memorandum of Understanding for the IBAN peer review.

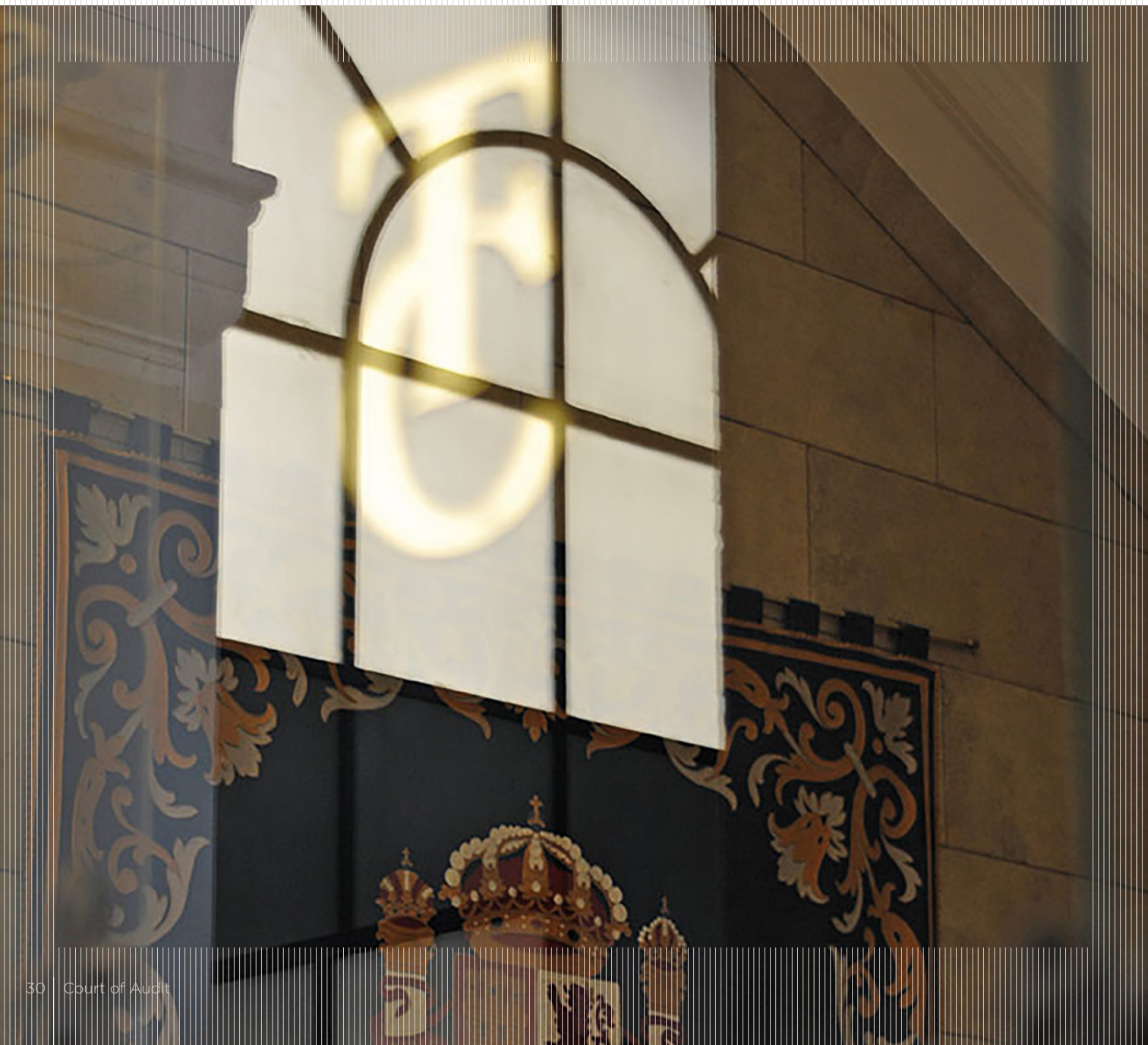


Manuel Núñez Pérez, Emeritus President of the Court of Audit, with José Manuel García-Margallo y Marfil, Minister of Foreign Affairs and Cooperation.



Presentation of the Annual Report of the European Court of Auditors for the year 2013 in the Senate.

C.2



Measures of transparency and good governance

In 2014, the Court of Audit has continued working towards its goal of improving its work in two action areas, i.e. auditing and prosecution. It has also striven to turn transparency and good governance into guiding principles of its work. Accordingly, the actions carried out this year include:

- The approval of the **1st Plan of Equality for Women and Men,** a programme open to review and evaluation that seeks to prevent inequalities and cover every area of the Institution's work. In the same vein, the Court of Audit has created a specific internal body for processing complaints of harassment.

- The Court of Audit forms part of the **Council of Transparency and Good Governance,** through the appointment of the Counsellor María José de la Fuente as a member of its Committee on Transparency and Good Governance.

- Improved electronic access and transparency by creating a **new website,** an **electronic office** and a **transparency portal.** All these actions have been designed to provide citizens with access to public information and for the completion of auditing procedures by electronic means, together with the prosecution activities or general work of the Court of Audit.

- In order to promote transparency and knowledge of the functions and activities of the Court of Audit for the general public, the Institution has created and launched a **Communications Department.**

- The voluntary decision to undergo a **Peer Review,** consisting of an external and independent evaluation in 2015 by international peer audit institutions to analyse its performance and procedures.

- Modification **of the general terms of access** to higher and technical bodies of the Court of Audit in order to facilitate the incorporation of new staff, as well as the reform of the composition of the classification boards, with most members coming from institutions not related to the Court.

- IT improvements **with** a dual purpose: to ensure an infrastructure capacity that supports present and future modernisation projects; and to reduce the Institution's costs in this area. Here, after public tender, the annual communications bill in 2014 was cut by **47%.**

- The Court of Audit has been actively involved in promoting the process for democratic regeneration and the fight against corruption undertaken by

public institutions in Spain. Other collaborations include the publication of the **Report on the Bill for the Organic Law on the Supervision of the Economic and Financial Activities of Political Parties** and the aforementioned appearance by the President of the Institution before the **Parliamentary Constitutional Committee in April 2014.**





Reception by the President and other members of the Plenary Session of the Court of Audit of the Committee for Transparency and Good Governance, chaired by Esther Arizmendi.



Signing of the Memorandum of Understanding for the Peer Review of the Court of Audit of Spain by the Court of Auditors of Portugal and the European Court of Auditors.



Working meeting of the Transparency Committee at the Court of Audit.

C.3



Legislative amendments

3.1 New legislation affecting the proceedings conducted in the Court of Audit

The adoption in September 2014 of the **Law on the Streamlining of the Public Sector and other administrative reform measures** led to the amendment of the Functioning Act of the Court of Audit, including a new additional provision eleven.

More specifically, it provides that all bills and regulatory draft provisions on its legal regime or the exercise of its audit or jurisdictional functions will be submitted for report by the Court of Audit. The Institution has a term of 30 days (which, in emergencies, will be 15 days) to respond to the Executive, which must send the Court's report to Parliament in the case of draft bills.

Secondly, it provides for the possibility whereby, to carry out its functions, the Court of Audit may adopt the creation of territorial sections in the Autonomous Communities that do not have an external supervisory body.

Moreover, it regulates requirements for access to the Senior Corps of Attorneys and Auditors of the Court of Audit, requiring, in addition to the criteria of the general laws on public service, the title of Bachelor Degree in Law, in the case of the former, or Doctor, Graduate, Engineer or Architect, as provided for entry to the Corps of Subgroup A1, in the latter.

Furthermore, on 10 December 2014, Title I of the **Law on Transparency, Access to Public Information and Good**

Governance came into effect with regard to public information. To comply with the requirements of said law, a Transparency Portal was created on the website of the Court of Audit to provide citizens with central access to information about the Court that may be of interest. The information provided goes beyond that required by said Law; indeed, most of the information was already available on the Institution's website. Furthermore, an agreement was also reached in 2014 on the procedure for citizens to exercise their right to access public information held by the Court of Audit. It is now possible to use the Institution's Electronic Office to request the right of access by electronic means.

With the establishment of the Electronic Office of the Court of Audit, which took place in March 2014, communication with stakeholders has also been developed, together with the possibility of various procedures, including the bulletin board for edicts and electronic announcements. In particular, the Office includes a link to the Portal for the Accountability of Local Authorities, managed by the Court in conjunction with most OCEX.

