

Study of the EUROSAI Task Force on Municipality Audit

Summary of the answers to the questionnaire of the Spanish members of EURORAI

I. Preliminary note

The Spanish Constitution dated 1978 guarantees the principle of autonomy of the different nations and regions which make up the Spanish State. This principle takes shape in the territorial organization of the State, which since then is made up of municipalities, provinces and autonomous regions. These entities manage their own interests in an autonomous way.

Under the Constitution, Spain is divided into seventeen autonomous regions or communities, each of them with its own government and parliament. Each nation or region has its own competences, which very often differ from one region to another and, therefore, regional public sector audit institutions have different characteristics and duties. In addition, there are two Autonomous Cities: Ceuta and Melilla.

Since 1984 most autonomous regions have set up – in the use of their self-governing powers – audit institutions, which depend on their respective regional parliaments, in order to make possible the external audit of the regional public sector. Up to now twelve autonomous communities – Andalusia, Aragon, Asturias, the Balearic Islands, Basque Country, the Canary Islands, Castile and León, Catalonia, Galicia, Community of Madrid, Navarre and Valencian Community – have established regional public sector audit bodies. In 2014 in Castile-La Mancha the regional parliament approved the abolition of the autonomous audit office established in 1993, justifying its decision on dubious grounds of austerity in public spending, greater efficiency, and in order to avoid unnecessary duplication with the relevant state bodies. For the rest of autonomous communities and autonomous cities, the audit of regional and local accounts is carried out directly by the Tribunal de Cuentas del Estado (State Court of Audit).

The tasks of the regional audit institutions are determined by their respective constitutive acts. Their main duty is to audit the economic, financial and accounting activity of the regional public sector, although all of them also have the power to audit local authorities, without excluding the jurisdiction of the Court of Audit to audit the entire public sector, at state, regional and local level. There are coordination arrangements between the Court of Audit and the audit institutions of the autonomous regions to ensure the most effective results and avoid duplication in audit actions.

Regional audit institutions have no jurisdictional powers. Only the Court of Audit can judge the accounting liability of those responsible for public monies or assets, since the Constitutional Court has declared that this is the solution which most adequately conforms to the Constitution.

Nevertheless, in accordance with the provisions of the acts which created the different regional audit institutions and parallel provisions of the Court of Audit Organic and Functioning Laws, the regional audit bodies – by delegation of the Court – are empowered to conduct certain preliminary proceedings prior to the judgement of accounting liability.

Moreover, in the event of regional audit institutions detecting – during the performance of their audit task – evidence of accounting liability (infringements, misuse or dubious practices) of those who collect, use, administer, keep in due care, manage or handle public goods, monies or assets, the audit bodies will refer without delay the matter to the Court of Audit for its feasible prosecution.

For the reasons mentioned above, the autonomous communities of Castile-La Mancha, Cantabria, Extremadura, Murcia and La Rioja as well as the autonomous cities of Ceuta and Melilla have not been included in the summary.

II. Overview of the responses

I. GENERAL INFORMATION

1. Describe the system of local government in your region:

1.1. What kinds of local authorities (municipalities or other) are there, and how many?

Law 7/1985 of 2 April governing the Bases of Local Administration (hereinafter LRBRL) contains the regulations governing Local Government in Spain. According to its article 3, local authorities are: the municipality, the province and the island in the Balearic and Canary archipelagos. Also the districts or other entities gathering several municipalities, metropolitan areas and the associations of municipalities.

The municipality is the basic form of the territorial organization of the State. Municipal government and administration are the responsibility of the municipal council, made up of the mayor and the councillors. Municipalities may set up territorial decentralized management bodies with a different denomination depending on the autonomous community.

The province is a local entity determined by the grouping of municipalities. In the pluriprovincial autonomous communities the province's government and autonomous administration is incumbent on the provincial council or other representative bodies.

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| Andalusia | <p>Situation in 2016: 1,602 entities (local authorities and their special-purpose sector)</p> <p>Local authorities:</p> <ul style="list-style-type: none"> - 8 provincial councils - 778 municipalities - 67 municipal associations - 40 local autonomous entities <p>Bodies dependent on or attached to local authorities:</p> <ul style="list-style-type: none"> - 393 mercantile companies - 218 autonomous agencies - 55 consortia - 43 foundations and non-profit institutions |
| Aragon | <p>As of 1 January 2018, the Aragonese local public sector comprises:</p> <ul style="list-style-type: none"> - 3 provinces - 32 districts - 731 municipalities - 40 municipal associations - 44 minor local authorities <p>Those bodies dependent on local authorities have not been taken into account.</p> |
| Asturias | <ul style="list-style-type: none"> - 78 municipalities - 16 municipal associations - 39 rural parishes (minor local authorities) <p>Those bodies dependent on local authorities have not been taken into account.</p> |
| Balearic Islands | <p>As of 31 December 2017: 192 entities (local authorities and their special-purpose sector)</p> <p>Local authorities:</p> <ul style="list-style-type: none"> - 4 islands (one of which is also a municipality) - 66 municipalities (not including the municipality of Formentera) - 5 associations of municipalities - 1 minor local authority <p>Some of these local authorities have created a special-purpose sector (bodies dependent on or attached to them) comprised of:</p> <ul style="list-style-type: none"> - 43 autonomous agencies - 29 mercantile companies and publicly-owned enterprises (EPE) - 17 attached consortia - 27 foundations and associations |

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| Canary Islands | <ul style="list-style-type: none"> - 7 islands and bodies dependent on them - 88 municipalities and bodies dependent on them - 11 municipal associations |
| Castile and León | <p>Situation in 2015:</p> <p>Local authorities: 4,754</p> <ul style="list-style-type: none"> - 9 provinces - 1 district - 2,248 municipalities - 274 municipal associations and other associative bodies - 2,222 minor local authorities <p>Bodies dependent on them: 198</p> <ul style="list-style-type: none"> - 40 autonomous agencies - 67 mercantile companies - 2 publicly-owned enterprises - 52 consortia (10 not yet attached) - 31 foundations - 6 associations |
| Catalonia | <p>Local authorities: 1,128</p> <ul style="list-style-type: none"> - 4 provinces - 42 districts - 1 metropolitan authority - 948 municipalities - 68 municipal associations - 65 decentralized municipal authorities (minor local authorities) <p>Bodies dependent on them: 701</p> |
| Galicia | <p>Situation in 2015:</p> <p>Local authorities: 362</p> <ul style="list-style-type: none"> - 4 provinces - 314 municipalities - 35 municipal associations - 9 minor local authorities <p>Bodies dependent on them: 64</p> <ul style="list-style-type: none"> - 23 autonomous agencies - 23 mercantile companies - 18 consortia |
| Community of Madrid | <p>As of 31 December 2015:</p> <p>Local authorities: 225</p> <ul style="list-style-type: none"> - 179 municipalities - 44 municipal associations - 2 minor local authorities <p>Bodies dependent on or attached to local authorities:</p> <p>Dependent bodies: 110</p> <ul style="list-style-type: none"> - 29 autonomous agencies - 80 mercantile companies - 1 publicly-owned enterprise <p>Attached bodies: 9</p> <ul style="list-style-type: none"> - 6 consortia - 3 foundations |

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| Navarre | <p>Local authorities: 701</p> <ul style="list-style-type: none"> - 272 municipalities - 63 municipal associations - 19 groups of municipalities - 347 councils (minor local authorities) - 7 minor local authorities <p>Those bodies dependent on local authorities have not been taken into account.</p> |
| Valencian Community | <p>Local authorities:</p> <ul style="list-style-type: none"> - 3 provinces - 2 metropolitan areas - 542 municipalities - 61 municipal associations <p>Bodies dependent on them</p> <ul style="list-style-type: none"> - 66 autonomous agencies - 117 public mercantile companies - 6 publicly-owned enterprises (EPE) - 48 consortia - 25 foundations - 9 other non-profit institutions |
| Basque Country | <p>Local authorities:</p> <ul style="list-style-type: none"> - 3 provinces - 251 municipalities - 62 groups of municipalities and municipal associations - 338 councils (minor local authorities) <p>Those bodies dependent on local authorities have not been taken into account.</p> |

1.2. What scope of activities and responsibilities do the municipalities have? What are their tasks and what role does central government have at local level?

1.- The municipality is the basic local authority in the State's territorial organization. It has legal status and full capacity to fulfil its aims (article 11.1 LRBRL).

In managing their interests, and within the scope of their competence, the municipalities can promote activities and provide whatever public services may contribute to meeting the needs and aspirations of the local community concerned. These responsibilities are exercised as own competencies, among which are included a number of services that must be provided and which are assessed according to the size of the municipality required to provide them; to this framework must be added any powers that either the central or regional administrations may delegate to this level.

The following are the inherent functions or responsibilities of the local authorities, according to the LRBRL:

- a) Urban development: urban planning, management, execution and discipline. Protection and management of the historic heritage. Promotion and management of social housing with financial sustainability criteria. Conservation and renovation of buildings.
- b) Urban environment: in particular, public parks and gardens, urban solid waste management and protection against noise, light and atmospheric pollution in urban areas.
- c) Drinking water supply to homes and waste water disposal and treatment.
- d) Road infrastructure and other amenities owned by it.
- e) Assessment and information of situations of social need and immediate care of persons in a situation or at risk of social exclusion.
- f) Local police, civil protection, fire prevention and extinguishment.
- g) Traffic, vehicle parking and mobility. Urban public transport.
- h) Information and promotion of tourism of local interest and scope.
- i) Fairs, wholesale markets, markets, auctions and street trading.
- j) Public health protection.
- k) Cemeteries and funeral activities.
- l) Promotion of sport and sporting and leisure facilities.
- m) Promotion of culture and cultural facilities.
- n) Participation in monitoring compliance with compulsory school attendance and cooperation with the corresponding education authorities to obtain the necessary plots to build new schools. Conservation, maintenance and security of locally-owned buildings intended as pre-schools, primary or special needs education centres.

- ñ) Promotion within its municipality of citizen participation in the efficient and sustainable use of information and communication technologies.
- o) Actions to promote equality between men and women and against gender violence.

Together with these responsibilities, the LRBRL also anticipates the possibility that the State and the Autonomous Communities may delegate further powers to the local authorities. They must be able to justify that such delegation will improve public management or reduce duplication, and the Administration delegating them must detail the resources (financial, human and material) that it is making available to the local authority, their scope and duration, as well as the system of delegation in place. According to the LRBRL, the responsibilities conferred by delegation, either by the State or by the Autonomous Communities are:

- a) Monitoring and control of environmental pollution.
- b) Protection of the natural environment.
- c) Provision of social services, promotion of equal opportunities, and prevention of violence against women.
- d) Conservation or maintenance of healthcare centres owned by the Autonomous Community.
- e) Creation, maintenance and management of publicly-owned preschools in the first cycle of pre-school education.
- f) Performance of complementary activities in schools.
- g) Management of cultural facilities owned by the Autonomous Community or the State, strictly subject to the scope and conditions that are derived from Article 149.1.28^a of the Spanish Constitution.
- h) Management of the sporting facilities owned by the Autonomous Community or the State, including those located in schools when used outside class times.
- i) Inspection and sanction of commercial establishments and activities.
- j) Tourism promotion and management.
- k) Communication, authorisation, inspection and sanction of public entertainment events.
- l) Calculation and collection of taxes specific to the Autonomous Community or the State.
- m) Registration of associations, companies or entities in the administrative registers of the Autonomous Community or of the State Administration.
- n) Management of unified information and administrative procedures offices.
- o) Cooperation with the education authorities through the associate centres of the National University of Distance Education.

2.- The municipality enjoys autonomy for its purposes, but the State possesses the legislative competence and the financial guardianship which can be transferred to the Autonomous Communities.

1.3. How are municipalities structured? What are the most important institutions (legislative or executive etc.) and what are the principles governing their formation and their authority?

Unlike the central administration of the State and the Autonomous Communities, local authorities do not have the capacity to pass laws; in other words, they do not enjoy legislative capacity. Their regulatory capacity is limited to regulatory implementation of the laws issued by the above powers.

Municipal government and administration lie with the Municipal Council, made up of the Mayor and the Councillors, the number of which depends on the size of the population.

The municipal government and administration consists of:

- *Mayor*, Deputy Mayors and Plenary Council
- The *Councillors* are elected by universal suffrage and they, in turn, elect the Mayor
- The *Plenary Council* is made up of all Councillors and is chaired by the Mayor.
 - The *Local Governing Body*, established in all municipalities with a population of more than 5,000 inhabitants and, where agreed, in those with fewer.
 - The *Special Suggestions and Demands Commission*, in all high-population municipalities and in any other that agree to establish it.
 - The *Special Accounts Commission*, made up of councillors from the different political groups represented on the Plenary Council, which provides information on the annual accounts before they are submitted to the Plenary Council for approval.

There are also other bodies for providing studies and reports or for consulting on issues for which a Plenary Council decision is required, as well as for monitoring the work of the Mayor, the Local Governing Body and those Councillors who hold delegated powers.

Other local authorities have governing bodies as determined by the laws of the autonomous communities (in the case of districts and metropolitan areas), statutes (in the case of municipal associations) or the Law governing the Bases of Local Administration itself. The local authorities below municipal level must in all cases have a single-person directly-elected executive and a collegiate monitoring body.

Among the most important functions of the Mayor are the following:

- a) Head the municipal government and administration
- b) Represent the municipal council
- c) Call and chair plenary sessions
- d) Direct, inspect and promote municipal services and works
- e) The development of the economic management in line with the approved budget.

The Plenary, comprised of all of the councillors, has, among others, the following functions:

- a) The control and audit of the governing bodies
- b) Determining own resources of a tax nature; approval and amendment of budgets; incurring expenditure in the matters of its responsibility and approving accounts.

In general, the Local Governing Body is responsible for:

- a) Assisting the Mayor in the exercise of his/her functions
- b) The functions that the Mayor or other municipal body delegates to it or that are conferred on it by law.

In high-population municipalities the most important competences of the Local Governing Body are:

- a) The adoption of the draft ordinances and regulations
- b) The approval of the draft budget
- c) The approval of the urban planning instruments projects
- d) Granting of any kind of permission
- e) The development of the economic and personnel management.

2. Describe the general legal bases for the audit and control system at local level – in other words, how it is structured and which organisations are involved (institutions, departments or others). (Additional images or overviews are welcome):

2.1. Which organisations are involved in the administrative and financial supervision as well as in the budgetary control (preparation and implementation of the municipal budget) of local authorities? How do they participate?

- a) Internally
 - From a legal perspective, generally the municipal Secretary General supervises the agreements.
 - From the economical-financial (and budgetary) point of view as well as in terms of legality review, which is inherent to every act of economic impact, the control falls to the Internal Auditor. It is first and foremost an ex-ante control, but not only. The Municipal Internal Audit Department exercises its role with complete autonomy with regard to the municipal bodies, entities and executive positions whose management it is auditing, and has full access to the accounts and to any documents necessary for the exercise of its duties. The head position is appointed from among local government officers with national qualification.

b) Externally

Outside of the local administration, both the State and the Autonomous Community have a duty of administrative and financial supervision: the State performs controls of compliance with the budgetary stability in the approval and implementation phases and the Autonomous Community carries out financial guardianship functions in the budget adoption phase. In the Basque Country, the provincial councils' functions include the financial guardianship of the municipalities. External audit lies with the external audit institution of the Autonomous Community and the State Court of Audit.

2.2. Do the municipalities have an audit committee? If so, what are its roles and responsibilities in the audit system at local level?

An audit committee in the strict sense is not provided for legally. The municipal plenary controls and oversees the actions of the executive bodies without prejudice to the examination of the lawfulness of the agreements and decisions adopted by the local authorities exercised by the courts. There is also the Special Accounts Committee of the local authority, which is made up of members of the different political groups represented on the Plenary Council.

2.3. How is the internal audit system of local government organized? What is its relationship with the external audit system?

Internal control of local authorities falls to the Internal Audit Department, run by a nationally-accredited public official. If any deficiencies are detected, this official will inform the department in question, the Mayor or the body's Plenary Council. This control includes both the local authority and any bodies dependent on it.

There are two methods of exercising internal control:

- An auditing function, which can be carried out by means of prior regular supervision and audit, or prior limited audit.
- A financial control function, with different schemes depending on the case: permanent control (sometimes ex-ante and others complementary to the auditing function) or public auditing (always ex-post and subject to the national and international auditing principles), both including efficiency evaluation.

The auditing function is aimed at auditing all activities of the local authorities and their autonomous bodies where these give rise to the recognition and settlement of obligations and rights or expenditure of an economic nature, revenues and payments arising therefrom, and collection, investment and application, in general, of the public funds administered, with the aim of adapting management to the applicable provisions in each case.

Exercise of the stated function comprises:

- a) Critical or prior audit of any action, document or file likely to produce rights and obligations of an economic nature or the movement of stock funds.
- b) Formal audit of the payment order. Formal audit consists of the verification of compliance with the legal requirements necessary for the adoption of the agreement by examination of all the mandatory documents which must have been placed in the file.
- c) Material audit of the payment. During the material audit the real and effective use of the public funds is checked.
- d) Material audit and verification of investments and the application of subsidies.

The aim of financial control is to verify the economic and financial operation of the services of the local authorities, their autonomous bodies and their dependent mercantile companies. Financial control provides information on the adequate submission of financial information, compliance with applicable rules and guidelines and the degree of efficiency and effectiveness in achieving the intended objectives. Auditing procedures will be implemented in accordance with public sector auditing standards.

The aim of the efficiency evaluation is to regularly verify the degree of compliance with objectives and analyse the operational cost and performance of the respective services or investments.

In terms of the relationship with the external audit system, this occurs when either the Court of Audit or the regional audit institution concerned requires documentation or information to undertake a report into a concrete issue or to conduct an audit. The Office of the Comptroller General of the State Administration (which is the internal supervisory agency with the task of supervising the state public administration and of managing the public accounts) may also request the external audit reports which have been produced.

In addition, the Internal Audit Department annually sends the Court of Audit and, as the case may be, the relevant regional audit institution any resolutions and agreements adopted by the President of the Local Authority and by the Plenary contrary to the objections raised by the internal auditors, as well as a summary of the main anomalies detected in terms of income. The stated documentation should be accompanied, where appropriate, by supporting reports submitted by the local authority.

2.4. How is the external audit system of local government organized? Which bodies are involved (state, regional/local audit institutions or private firms of auditors, etc.)?

The local authorities submit their annual accounts to the State Court of Audit and the regional audit institutions. Both the Court of Audit and the majority of the audit institutions of the autonomous communities receive the accounts of the local authorities electronically through a common accounts submission platform, which avoids duplication of submission. Following its review, the audit institutions issue a report on the local public sector.

Furthermore, in their annual action plans the Court of Audit and the regional audit institutions plan their local government audits in order to avoid duplication.

The possibility of the European Court of Auditors acting as an additional audit body should also be noted. Private auditors only participate in cases provided for by law and insofar as they are contracted by the respective public sector audit institutions. Some local authorities as well as a significant part of local public companies are also audited on a voluntary basis by private auditors.

3. Was any analysis, audit or other research of the external auditing system of municipalities carried out in your country (by SAI, other institutions or organisations)? If yes, please outline the main findings of such a research.

This has not been done to date. But it is clear, nonetheless, that the issue has been considered in one way or another in some cases, for example in articles in specialist reviews. The observatory on submission of accounts is also noteworthy, as it publishes levels of submission of accounts by region, population sector etc., on the portal www.rendiciondecuentas.es.

4. Please give details on whether there are currently any changes or plans to improve the existing external system for auditing municipalities in your country:

Apart from being something that is under constant consideration by the different external public sector audit institutions of the Spanish state, there is no known express or formal improvement plan in progress in this regard. The Court of Audit and the audit institutions of the autonomous communities have recently proposed legislative measures to encourage the submission of accounts of local authorities. On the other hand, there are different initiatives to modify the laws of some regional audit institutions.

II. THE ROLE OF THE REGIONAL AUDIT INSTITUTION IN THE EXTERNAL AUDITING OF MUNICIPALITIES

1. Describe the legal framework and provide general information on the regional external public sector audit institution:

1.1. Which authority establishes this institution, appoints its heads, employs its staff and provides funding?

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| Andalusia | <p>The Andalusian Statute of Autonomy establishes the Audit Office of Andalusia (<i>Cámara de Cuentas de Andalucía</i>). Legislation passed by the Parliament of Andalusia established the Audit Office in 1988 as a technical body dependent on the Parliament which is in charge of the external audit of the economic, financial and accounting management of public funds in the Andalusian Autonomous Community. The Parliament of Andalusia elects the seven members of the collegiate governing body (Plenum) of the Audit Office by a majority of three-fifths. Auditors and the rest of staff of the Audit Office are selected by the Office itself through public procedures which guarantee equality and merit in appointments. Funding is integrated every year in General Budget Bill of the Autonomous Community and is managed with full autonomy by the institution itself.</p> |
| Aragon | <p>The Aragon Statute of Autonomy establishes the Audit Office of Aragon (<i>Cámara de Cuentas de Aragón</i>). Legislation passed by the Parliament of Aragon established the Audit Office in 2009 as the body responsible for the external audit of the economic, financial, accounting and operational management of the public sector of the Autonomous Community of Aragon. The Audit Office of Aragon reports directly to the Parliament of Aragon and exercises its functions by delegation thereof. The Parliament of Aragon elects the three members of the collegiate governing body (Board) of the Audit Office by a majority of three-fifths. In line with its budgetary forecasts, the Audit Office draws up a list of posts, comprising career civil servants, temporary officers, employees and temporary employees, in accordance with the provisions of the legislation of the Autonomous Community of Aragon regarding public employment. The Office's staff are selected through a public call for applications, using exam and/or merit-based systems, ensuring that principles of equality, merit, capacity and publicity are in all cases guaranteed. The budget of the Audit Office is approved by the Parliament of Aragon for subsequent inclusion in the General Budget of the Autonomous Community of Aragon, it being this latter that provides the funding for the Office's activity.</p> |
| Asturias | <p>The Statute of Autonomy of the Principality of Asturias establishes the Audit Office of the Principality of Asturias (<i>Sindicatura de Cuentas del Principado de Asturias</i>). Legislation passed by the Parliament of Asturias established the Audit Office in 2003 as the body responsible for the external audit of the economic and financial activity of the public sector in the Principality of Asturias. The Audit Office reports directly to the Parliament of Asturias and exercises its functions by delegation of the latter when examining and verifying the General Accounts of the Principality. The Parliament of Asturias elects the three members of the collegiate governing body (Board) of the Audit Office by a majority of three-fifths. Staff are selected by the Audit Office itself through recruitment systems applicable to the public sector governed by the principles of equality, merit and ability. The financing of the Audit Office of the Principality of Asturias lies with the Autonomous Community.</p> |
| Balearic Islands | <p>The Statute of Autonomy of the Balearic Islands establishes the Audit Office of the Balearic Islands (<i>Sindicatura de Cuentas de las Islas Baleares</i>). Legislation passed by the Parliament of the Balearic Islands established the Audit Office in 2004 as the body responsible for the external audit of the economic, financial and accounting activity of the public sector in the Balearic Islands. The Audit Office reports organically to the Parliament of the Balearic Islands, exercises its functions with complete independence and is subject solely to the legal system. The Parliament of the Balearic Islands elects the three members of the collegiate governing body (Board) of the Audit Office by a majority of three-fifths. Staff are selected by the Audit Office itself through public procedures which guarantee equality and merit in appointments. The Audit Office prepares and approves its budget proposal and sends it to the Government of the Balearic Islands for the purposes of its inclusion as an independent section in the General Budget Bill of the Balearic Islands Autonomous Community. After its approval by the Parliament of the Balearic Islands, the execution of the budget lies with the Audit Office's bodies. Consequently, the financing of the Audit Office lies with the Balearic Islands Autonomous Community.</p> |
| Canary Islands | <p>The Statute of Autonomy of the Canary Islands establishes the Audit Office of the Canary Islands (<i>Audiencia de Cuentas de Canarias</i>). Legislation passed by the Parliament of the Canary Islands established the Audit Office in 1989 as the body responsible for the external audit of the economic, financial and accounting management of the public sector in the Canary Islands Autonomous Community. The Audit Office reports organically to the Parliament of the Canary Islands and exercises its functions with autonomy. The Parliament of the Canary Islands elects the five members of the collegiate governing body (Plenum) of the Audit Office by a majority of three-fifths. The personnel who works at the Audit Office is selected by the Office itself. The financing of the Audit Office of the Canary Islands lies with the Autonomous Community.</p> |

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| Castile and León | <p>The Statute of Autonomy of Castile and León establishes the Audit Office of Castile and León (<i>Consejo de Cuentas de Castilla y León</i>). Legislation passed by the Parliament of Castile and León established the Audit Office in 2002 as an institution dependent on the Parliament which performs external audit functions of the economic, financial and accounting management of the public sector of the Autonomous Community and other public entities in Castile and León. The Parliament of Castile and León elects the three members of the collegiate governing body (Plenum) of the Audit Office by a majority of three-fifths on the first ballot or absolute majority should a second voting be necessary. Personnel is employed by the Audit Office itself. The budget of the Audit Office is approved by the Parliament of Castile and León.</p> |
| Catalonia | <p>The Statute of Autonomy of Catalonia establishes the Audit Office of Catalonia (<i>Sindicatura de Cuentas de Catalunya</i>). Legislation passed by the Parliament of Catalonia established the Audit Office in 1984 as the external body auditing the accounts, the economic management and the financial control of the <i>Generalitat</i> of Catalonia (generic name covering the different self-government institutions under which Catalonia is politically organized), the local authorities and the rest of the public sector in Catalonia. It has its own legal status and is hierarchically subordinate to Parliament, although it exercises the tasks entrusted to it with full functional independence from Parliament and from the whole public sector in Catalonia, which the Audit Office is responsible for auditing. The Parliament of Catalonia elects the seven members of the collegiate governing body (Plenum) of the Audit Office by a majority of three-fifths. The staff are civil servants employed by the Audit Office. Funding is provided through the autonomous community's general budgets. The budget proposal is drawn up by the Audit Office and approved directly by Parliament.</p> |
| Galicia | <p>The Audit Office of Galicia (<i>Consello de Contas de Galicia</i>) was created by Galicia's Statute of Autonomy. Legislation passed by the Parliament of Galicia in 1985 established the Audit Office as the external body auditing the accounts and the economic, financial and accounting management, exercising its function in relation to the execution of the revenue and expenditure programmes of the public sector of the Autonomous Community and advising the Parliament of Galicia on economic matters. The five councillors which make up the collegiate governing body (Plenum) are appointed by the Parliament of Galicia by a majority vote of three fifths, holding office for a period of six years. The Auditors and the other staff of the Audit Office are selected by the Audit Office itself by means of public procedures (exam and merit-based system or any of the legal proceedings for career staff) which guarantee equality and merit in appointments. Funding of the Audit Office is established every year in the General Budget Bill of the Autonomous Community, which is managed by the Audit Office with complete autonomy.</p> |
| Community of Madrid | <p>The Statute of Autonomy of the Community of Madrid establishes the Audit Office of the Community of Madrid (<i>Cámara de Cuentas de la Comunidad de Madrid</i>). Legislation passed by the Parliament of Madrid established the Audit Office in 1999 as a body dependent on the Parliament responsible for exercising the economic and budgetary control of the public sector of the Community of Madrid. When performing its duties, the Audit Office acts with full independence and in accordance with the legal system. The Parliament of Madrid elects the President and the other members of the collegiate governing body (Board) by a majority of two-thirds in two successive ballots. In the first ballot the President is elected and in the second ballot the two Councillors through a voting en bloc. The staff are civil servants and temporary personnel employed by the Audit Office. Each year, the Audit Office draws up and approves its draft budget - which forms a specific and distinct section within the Draft General Budget Bill of the Community of Madrid - for processing and, as the case may be, approval by the Madrid Assembly.</p> |
| Navarre | <p>The Audit Office of Navarre (<i>Cámara de Comptos de Navarra</i>), the oldest court of audit of the Spanish State, was established in 1365 through an Ordinance issued by the King Charles II of Navarre. The Audit Office had a period of inactivity of more than one hundred and forty years and was re-established in 1980 by the Parliament of Navarre as a technical body dependent on the Parliament which is in charge of auditing the economic and financial management of the public sector of the Chartered Community and of all those funds which are considered public funds. From the beginning it was given a total functional autonomy. The President is elected by the Parliament of Navarre. The first ballot requires an absolute majority of the votes and a second a simple majority. The personnel who works at the Audit Office is selected by the Office itself. The financing of the Audit Office lies with the Chartered Community and is managed with full autonomy by the institution itself.</p> |
| Valencian Community | <p>The Statute of Autonomy of the Valencian Community establishes the Audit Office of the Valencian Community (<i>Sindicatura de Cuentas de la Comunidad Valenciana</i>). Legislation passed by the Parliament of the Valencian Community established the Audit Office in 1985 as the body in charge of the external economic and budgetary control of the financial activity performed by the public sector of the Valencian Community, together with the accounts that provide the basis for this activity. The Audit Office is accountable to the Valencian parliament but operates with complete independence when it comes to perform its tasks. The Parliament of the Valencian Community elects the three members of the collegiate governing body (Board) of the Audit Office by a majority of three-fifths. The personnel who works at the Audit Office is selected by the Office itself. The Parliament approves the budget for the Autonomous Community in which are included the allocations for the Audit Office based on the draft presented by the latter.</p> |
| Basque Country | <p>The Audit Office of the Basque Country (<i>Tribunal Vasco de Cuentas Públicas</i>) is established in 1988 by Law of the Basque Parliament as supreme audit body of the financial and accounting activities performed by the Basque public sector. The Basque Parliament elects the seven members of the collegiate governing body (Plenum) of the Audit Office with the favourable vote of the absolute majority of members of parliament. The personnel who works at the Audit Office is selected by the Office itself. Funding is transferred by the Basque Government, in line with the budget approved by Parliament.</p> |

1.2. Which authority is the institution accountable to? How is the accountability organized (by submitting annual reports etc.)?

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| Andalusia | The Audit Office reports every year to the Parliament of Andalusia. The Audit Office's accounts are audited every year by another regional audit institution, specifically the Audit Office of the Balearic Islands. |
| Aragon | The results of the Audit Office's auditing activity are presented in a report that is submitted to the Parliament of Aragon and the State Court of Audit. The report is published in the Official Gazette of the Parliament of Aragon. When reports refer to the economic and financial management of local authorities, they are also sent to the local authorities in question. The results of the activities of the Audit Office are set out in an annual report that the Board sends to the Parliament of Aragon during the first quarter of each year. This report, and any resolutions the Parliament of Aragon may subsequently adopt in this regard, are published in the "Official Gazette of Aragon" and the Official Gazette of the Parliament of Aragon. |
| Asturias | The Audit Office reports every year to the Parliament of the Principality of Asturias. |
| Balearic Islands | The Audit Office reports every year to the Parliament of the Balearic Islands. In the first three months of each financial year, the Audit Office drafts an annual report describing all the activities carried out in the preceding year, which includes a global analysis of the conclusions derived from the audit work, the proposed measures it considers appropriate for the improvement of the economic and financial management of the public sector, and a reference to the measures or actions adopted by the competent bodies to that effect. The annual report is sent to the Parliament's Bureau so that it passes it on to the competent committee in the area of finance and budget. Together with the annual activity report, the Audit Office sends to Parliament the settlement of its budget for the previous financial year. Every quarter, the Audit Office informs the Parliament about the modifications relating to the appropriations of the budget. |
| Canary Islands | Relations between the Audit Office and the Parliament of the Canary Islands take place via the Budget and Finance Committee which can request reports and opinions to be delivered. The Audit Office exercises the review of the General Accounts of the Autonomous Community of the Canary Islands by delegation of Parliament. Once the relevant report has been received, the Parliament's Bureau arranges for its publication in the Official Gazette of the Parliament of the Canary Islands and submits it to the Budget and Finance Committee for its opinion to be drawn up in accordance with the procedure laid down in the Rules of Procedure of the Parliament of the Canary Islands. |
| Castile and León | The Audit Office submits its audit reports to the Finance Committee of the Parliament of Castile and León. It also produces an annual activity report, although there is no analysis or discussion of this report provided for in current legislation. |
| Catalonia | The Audit Office reports solely to the Parliament of Catalonia. The Audit Office is accountable for its audit work to the relevant parliamentary committee for each and every one of the audit reports once completed and approved. Those reports relating to the sphere of the regional public sector are for presentation, debate and resolution of the committee, whereas the other reports, those relating to the local public sector, if appropriate and as expressly determined, are for presentation and debate in the committee but without the possibility of passing any resolutions that would be binding upon the local authority audited, in view of the principle of local autonomy recognized in the State Constitution and in Catalonia's Statute of Autonomy. The Audit Office gives an account on its management to Parliament by issuing an annual explanatory report of the different activities implemented over the course of the year, with a special focus on the reports it has approved in that year. The Audit Office also submits its annual accounts reports to Parliament. |
| Galicia | The results of the Audit Office's auditing activity are set out in a series of reports sent to the Parliament of Galicia, with copies also sent to the State Court of Audit, the Government of Galicia and the authorities, organisations and entities concerned. When reports refer to the economic and financial management of local authorities, they are also sent to the local authorities in order to make their respective plenaries aware of them. The reports are published via the online portals of the Audit Office and the Parliament of Galicia. The "Galician Official Gazette" publishes the corresponding announcement containing the link to gain access to the full text of the reports. The results of the Audit Office's activities are collated in an annual report that the Audit Office sends to the Parliament of Galicia. |
| Community of Madrid | Audit reports, along with the comments and documentation presented by the auditees, are included in an annual report which the Audit Office sends to Parliament by 31 December each year. The annual report and the audit reports are published in the "Official Gazette of the Community of Madrid" and are dealt with by Parliament in accordance with the provisions of its Rules of Procedure. Any resolutions Parliament may adopt in relation to these reports are also published in the "Official Gazette of the Community of Madrid". Furthermore, according to its regulatory law, the Audit Office must submit a report of its activities performed in the previous financial year to the Madrid Assembly by 1 April each year. The President of the Audit Office has to submit the budget settlement for the Office by the end of the first quarter of the financial year following the year to which the settlement refers. The same regulation also establishes the Audit Office's obligation to submit an audit programme annually to Parliament. |
| Navarre | The Audit Office submits its reports and is accountable to the Parliament of Navarre. |
| Community of Valencia | The Audit Office submits its reports to the Parliament of the Community of Valencia. The review of the accounts of the Audit Office rests with the Valencian Parliament to which these accounts are submitted together with the annual report not later than 30 June following the end of the relevant financial year. |
| Basque Country | The Audit Office reports to the Basque Parliament via an annual report. In addition, the Audit Office's accounts are audited by a private auditor. |

2. Define the legally established mandate for the regional audit institutions when auditing municipalities:

2.1. What kind of local authorities can the audit institution inspect (including companies owned by municipalities, etc.)?

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| Andalusia | The Audit Office may audit all the municipalities and all agencies, foundations, companies etc. where these municipalities hold a participation, without any limitations. |
| Aragon | Its subjective scope of action is set out in the Law on the Audit Office of Aragon and in the Regulation governing its Organisation and Functioning. It covers the entire public sector of Aragon, including, among others, the local authorities of Aragon and their public bodies. This is in addition to the agencies, consortia, companies, foundations, associations and other entities with own legal status in which the authorities that form part of the Aragonese local public sector participate, either directly or indirectly, through major involvement in their capital, their endowment or in the formation of their own resources, or through major financing of their activities, or through the capacity to appoint more than half the members of the management, administration or control bodies. It is the responsibility of the Audit Office to audit all public funds, this being understood as those funds managed by the public sector in Aragon, as well as those managed by private natural or legal persons as a consequence of receiving a grant, loan, support or other assistance from the Aragon public sector. |
| Asturias | The Audit Office can audit all local authorities (municipalities, municipal associations, minor local authorities) and those bodies dependent on them (mercantile companies and foundations which are majority-owned by them). |
| Balearic Islands | The subjective scope of action of the Audit Office extends to the public sector of the Balearic Islands, which is comprised of: a) The Administration of the Balearic Islands Autonomous Community. b) The island councils and local authorities located in the Balearic Islands. c) The University of the Balearic Islands. d) Any agency, body, entity, foundation or company, with a majority holding or effective control, either direct or indirect, of any of the entities cited in the previous sections, irrespective of whether they are governed by public or private law. Besides this, the scope of action of the Audit Office includes the auditing of: a) Contributions to consortia, foundations or agencies from any of the entities referred to in the previous section. b) Grants, loans, guarantees and other economic aid awarded by public sector bodies of the Balearic Islands to any natural or legal person. c) Direct and personal tax exemptions and benefits granted by any public sector body of the Balearic Islands. d) The electoral accounts of the political formations that stand for elections to the Parliament of the Balearic Islands. e) The financial controls and audits conducted on any public sector agent in the Balearic Islands. |
| Canary Islands | The Audit Office can audit all the local authorities forming part of the territory of the Canary Islands, as well as the autonomous agencies and mercantile companies dependent on them. This includes any other body or entity which administers or uses public monies or assets coming from the abovementioned entities. Finally, those natural or legal persons who are beneficiaries of grants, loans, guarantees or any other kind of public assistance awarded by the entities mentioned above are subject to the action of the Audit Office within the appropriate exercise of its functions. |
| Castile and León | In accordance with the Law of the Audit Office of Castile and León, the following are subject to its audit: a) The local authorities within the territorial scope of the Autonomous Community, as well as the public sector bodies forming a part thereof. b) Mercantile companies in which the entities being subject to audit have an aggregate capital holding of more than 50%. c) Foundations in whose endowment all the entities being subject to audit have a share of more than 50%. d) Consortia when the economic contribution in money, assets or industry on the part of one or more of the subjects included in the above paragraphs accounts for more than 50% or there has been a commitment, at the time of its formation, to finance the consortium to an amount of more than 50%. The Audit Office of Castile and León also audits grants, contributions to the funding of entities, cash provisions without any consideration, loans, guarantees and other assistance from the entities referred to in the paragraph above and received by natural or legal persons as well as direct and personal tax exemptions and benefits. |
| Catalonia | The Audit Office can audit all existing local authorities: the 1,128 local bodies which, including their dependent bodies, makes a total of 1,829 entities subject to audit. |
| Galicia | The subjective scope of action is set out in the Audit Office Law and in its internal regulations. It covers the entire public sector of the Autonomous Community of Galicia, including, among others, the local authorities of Galicia and their entities or bodies, whatever their legal form. The local public sector is also made up of the entities or bodies, whatever their legal form, in which local authorities have a majority holding or in which public control is involved. Private individuals or legal entities that are beneficiaries of grants, loans, guarantees or any other type of public aid awarded by the aforementioned authorities also remain subject to the actions of the Audit Office. |
| Community of Madrid | The Audit Office may audit any bodies that make up the Community of Madrid's local public sector. Its scope of action covers the local authorities within its territorial remit, their autonomous agencies and public entities and companies, regardless of whether they are governed by public or private law. |
| Navarre | The Audit Office can audit the whole economic and financial management of the local authorities in Navarre (municipal associations, municipalities and councils) and their dependent bodies. |
| Community of Valencia | The Audit Office can audit all local authorities forming part of the territory of the Community of Valencia and those bodies dependent on them which are in the following situation: it is majority-owned or funded primarily by the <i>Generalitat</i> (generic name covering the different self-government institutions under which the Community of Valencia is politically organized), local authorities |

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| | and/or Valencian public universities, or when their combined minority shareholding entails majority shareholding in a single entity; the <i>Generalitat</i> , local authorities and/or Valencian public universities control its management or appoint more than half of the members of their administrative, management, or supervisory body. |
| Basque Country | All local authorities as well as the bodies dependent on them, when the public holding in these is more than 50%. |

2.2. What types of audits may be carried out (performance, financial, compliance etc.)?

Any kind of audit can be conducted by the regional audit institutions; it is them who determine which audit and the scope of it.

2.3. What is the scope (subject matter) of each type of audit (municipal budget execution, financial statements, use and management of municipal assets etc.)?

Every audit determines its scope, which can be of an audit of financial statements, compliance, performance, information technology etc.

The aim of financial auditing is to verify whether the financial statements of the body being audited are adequately prepared in accordance with applicable accounting principles and whether they give a true picture of the financial situation and assets.

The compliance audit verifies whether the entity audited complies with the current legislation applicable for the management of public funds.

The aim of the performance audit is to determine the efficacy with which pre-established objectives are being achieved and the efficiency and economy with which resources are being used and obtained, with the aim of making recommendations for improvements in future management.

The aim of the IT audit is to evaluate the information systems (computer processes and non-digitised information systems) with the aim of determining strengths and weaknesses and be able to propose improvements to solve existing problems.

If the aim of the audit is a dual legal and financial one, it becomes a regularity audit. If performance is added to this, it becomes a comprehensive audit.

3. Describe how the regional audit institution implements the audit mandate in practice according to the type of audit:

3.1. Financial audit (3.1.1. - 3.1.4.)

3.1.1. Describe the main aspects of planning and organizing the financial audit in municipalities;

3.1.2. Is the financial audit carried out in all local authorities of the region or only in selected ones? Is the financial audit performed annually? What is the approximate number of financial audits per year?

3.1.3. Is the financial audit performed separately or together with the compliance (or other) audit?

3.1.4. What types of documents does the audit institution prepare for reporting the result of the financial audit (audit report, opinion etc.)? Which are the entities these documents are submitted to?

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| Andalusia | Financial audits are usually conducted jointly with legal compliance audits (these are the so-called regularity audits). 69 reports of this type were approved during the period 2012-2018, which represents 79 per cent of all the action approved by the Audit Office for the period. |
| Aragon | <p>1.- The Audit Office conducts financial audits jointly with compliance audits. The technical guidelines approved for each audit set out the scope, focus, timetable and resources to be used. The nature and scope of planning will depend on the size and complexity of the entity or activity to be audited and the prior experience of the auditing team. Planning of the audit actions commences with the implementation of preliminary activities aimed at finding out about the authority, activity or area to be audited and its environment as well as the preliminary identification and assessment of the risk, establishing the areas of work and setting a materiality threshold. In <u>financial audits</u>, the activity to be undertaken consists of examining the financial statements in order to verify the reasonableness of the accounting information. Checks are made to ensure that the account is in line with accounting principles and standards with the aim of guaranteeing a true image of the financial situation and assets. Furthermore, an analysis is made, in particular, of the main figures or those of greatest risk in the financial statements of the balance sheet, the profit/economic result, the statement of change in net worth, the cash flow statement, the state of budget implementation, cash flow surplus and the financial report.</p> <p>2.- The Audit Office of Aragon began conducting audits in the 2011 financial year and, to date, financial audits have been conducted of the main municipal councils, the three provincial councils and the districts in Aragon. In the case of the municipal councils, specific financial and economic aspects of two of the three provincial capitals have been audited and those of municipal councils for areas with more than 8,000 inhabitants. Local government audits have been anticipated in all audit programmes. Approximately two or three local authorities are audited each year. In addition to specific audits of certain local authorities approved each year in the audit programmes, the Audit Office also reviews the annual accounts of all of Aragon's local authorities that submit their general account through the platform.</p> |

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| | <p>During this review validations of the account are made that may prevent it from being sent in addition to non-arithmetic validations related to the composition, content, budget approval deadlines, payment or the general account, incorporation of further cash flow documentation or cost reporting and arithmetic validations by which inconsistencies are detected in the figures of the accounts submitted.</p> <p>A report is produced annually on the formal accounts checks and the level of compliance with the obligation to provide accounts. Likewise the main budgetary, economic and financial magnitudes are analysed in aggregate form.</p> <p>3.- The results of the audits conducted by the Audit Office of Aragon are noted in reports that are sent to the local authorities audited. These reports are sent also to the Spanish Parliament (Congress of Deputies) and the Court of Audit for control purposes.</p> |
| Asturias | <p>3.1.1. See enclosed diagram.</p> <p>3.1.2. A selection is made; almost all audits conducted in the local sphere are regularity audits.</p> <p>3.1.3. Jointly.</p> <p>3.1.4. Audit report which includes opinion. It is sent to the audited body.</p> |
| Balearic Islands | <p>Main planning and organizational aspects of the financial audit of local authorities in the Balearic Islands</p> <p>The main planning and organizational aspects of the financial audit of local authorities are the following:</p> <ul style="list-style-type: none"> - <u>Annual programme of actions.</u> The audit initiative lies with the Audit Office, which has to draw up the annual programme of actions, the execution of which has to permit sufficient judgment to be made regarding the quality and regularity of the economic and financial management of the public sector in the Balearic Islands. In the last quarter of each year, the Board of the Audit Office approves the programme of actions to be carried out in the following financial year, and it takes into account the budgetary allocations and the available resources in the corresponding financial year. Once approved by the Board of the Audit Office, the annual programme of actions is referred to the Parliament of the Balearic Islands and the State Court of Audit for the purposes of information and coordination, respectively. In the event that the Board of the Audit Office amends the annual programme of actions, it informs the Parliament of the Balearic Islands and the State Court of Audit on this. - <u>Technical guidelines for each audit.</u> The members of the Board propose to the Board of the Audit Office the approval of the technical audit guidelines, which establish the criteria, the techniques and the specific work programmes that must be carried out in each action. - <u>Work plan.</u> The member of the Board managing the audit action, assisted by the departmental head, is responsible for establishing the work plan according to the technical audit guidelines approved by the Board. To draft the Work Plan and the work programmes to be carried out, the "Audit instruction on relative importance and materiality" of the Audit Office and the rules that the Audit Office has adopted as its own will be applied: ISSAI-ES 100, ISSAI-ES 200, ISSAI-ES 1000, ISSAI-ES 1003 and ISSAI-ES 1700. - <u>Drafting and approval of reports.</u> Once the audit has been concluded and in accordance with the scope and content established in the Law and the Rules of Procedure of the Audit Office, actions must then proceed as follows: <ul style="list-style-type: none"> a) The departmental head produces the initial draft report and submits it to the member of the Board in charge of the audit. b) According to the abovementioned initial draft, the member of the Board produces the provisional draft report, which is submitted for the approval of the Board of the Audit Office. c) Once approved, the provisional report is sent to the accountable entity so that it can, within the period established to this effect, which may under no circumstance exceed one month, formulate its comments and submit the documents it considers relevant in relation to the audit conducted; or, as the case may be, set out the measures that it has adopted or plans to adopt with reference to the observations or recommendations made in the provisional report. The same hearing will be granted to the persons who have held the post in the body legally representing the entity in question during the period covered by the audit. d) This hearing period may be extended through a ruling of the President of the Audit Office, adopted at the proposal of the member of the Board in charge of the audit, with the prior request of the representative of the audited body; in this case, the extension may not exceed a period equal to the one initially established. e) After having seen the comments and the documents provided, the member of the Board in charge of the audit decides whether it is appropriate to agree on new checks or proceedings, along with their scope of application. The results of these actions are submitted again to the hearing procedure, if they entail substantial alterations to the content of the provisional report initially approved. f) On receiving the comments and, as the case may be, after having carried out the proceedings and complementary actions, the member of the Board produces the final draft report, which, together with the provisional report and the comments, is referred to the Board through the President of the Audit Office. g) In cases where the deadline for submission has passed, and the extension as the case may be, and no comments regarding the provisional report have been received, the provisional report becomes final after the Board has been apprised of it at the next meeting. h) The Board of the Audit Office is responsible for ruling on the final draft report. <p>Annual financial audit of local authorities and approximate number of audits conducted per year</p> <p>With the available human and material resources, the Audit Office cannot carry out the annual financial audit of all of the local authorities of the Balearic Islands, which amount to 76. The approximate amount of financial audits of general accounts of local authorities carried out per year is between five and seven, depending on the approved programme of actions and availability.</p> <p>The financial audit separate or together with the compliance audit</p> <p>The financial audit is conducted separately in some cases, i.e. a financial audit is carried out on the general account of a local authority for a specific financial year. However, in other cases, regularity audits are conducted, which include the financial and compliance audit for one or more consecutive financial years of the same local authority.</p> <p>Document drawn up by the Audit Office to report on the results of the financial audit and the bodies to which this document is sent</p> <p>The document drawn up by the Audit Office to report on the results of the financial audit is a report which is sent to the Parliament, the audited body and the State Court of Audit.</p> |

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| Canary Islands | <p>3.1.1. The planning is about identifying the objectives pursued, the scope, the type of audit and the methodologies used to achieve these goals. This planning encompasses the following elements:</p> <p>a) The performance of the preliminary work. b) Work programmes. c) The preparation of a draft of Technical Guidelines for approval by the Plenum of the Audit Office of the Canary Islands.</p> <p>The planning should allow that the entire audit team has a global overview of the activity subject to audit, as well as of the basic accounting and administrative procedures applied by the body subject to audit.</p> <p>In recurrent audits such as financial audits and compliance/regularity audits, when circumstances so require and justify, the preliminary work basically focuses on:</p> <p>a) Updating the existing documentation on the audited body's regulations, procedures and management systems. b) In the case of significant changes of systems or procedures, to assess their effect and impact in the stage of work planning and implementation. c) Evaluate the changes in control systems. d) Carry out the preliminary analytical review, as a continuation of the previous ones. e) Assess the implementation of recommendations issued in the last audit report made.</p> <p>3.1.2. It is not carried out. 3.1.3. Yes. 3.1.4. A draft report is forwarded to the audited body for comment. The final draft is submitted again to the audited body, the State Court of Audit and the Parliament of the Canary Islands.</p> |
| Castile and León | <p>3.1.1. The planning and organization phase is common to all types of audit. Generally, in addition to the legislative analysis and analysis of the general and organizational structure of the body audited, the Audit Office analyses the efficiency of the internal control systems on legality and regularity by evaluating the structures and procedures for economic and financial management. To this end, the Audit Office may gather and use data corresponding to any internal audit or control function undertaken in the bodies subject to audit.</p> <p>3.1.2. They are not conducted in all local authorities, as there is no legal requirement to do so.</p> <p>3.1.3. Audits of local authorities are usually combined and, in many cases, horizontal. In terms of quantity:</p> <ul style="list-style-type: none"> • with aspects which are predominantly financial and individually, an average of four or five are audited in each annual plan; • without detriment to reviews of more than 1,200 local authorities annually in relation to key aspects of their accounting statements in the context of the annual report on submission of the general account; • financial aspects are also included in the context of horizontal audits. <p>3.1.4. An audit report is issued and sent to the audited body and to the Parliament of Castile and León.</p> |
| Catalonia | <p>The planning and organization of a financial audit differs little from that of other audits. The report to be produced has to be included in the annual audit plan approved by the Audit Office and published at the end of the previous year. Each planned report has to contain certain essential data: type, subject, object, period - besides work team and timetable. At the start of the work, prior notification needs to be given to the body to be audited. An initial contact meeting is held at which the body being audited is asked to prepare a series of documents and information. A planning document is drawn up for the work to be conducted, including the work programme and procedures and checks to be conducted, each step being supervised while it is conducted in the field. Finally an initial draft report is produced and submitted for technical review to be carried out jointly with the body being audited. From this moment on this report passes to the examining Audit Office member so that the provisional draft report can be submitted in the first instance to the Plenum of the Audit Office. It is then sent as a draft report to the body audited so that it can, if appropriate, make comments. The draft report, together with the comments made, is debated and finally approved by the Plenum.</p> <p>Financial audits are not conducted in all of Catalonia's local authorities, only in selected cases. Each year, the annual audit plan includes a number of financial audits. On average, there may be around 10 reports produced a year that include auditing of a financial nature, either on its own or combined with other kinds of audit and in relation to local authorities or their dependent bodies; it can therefore be assumed that, bearing in mind that there are always some reports of a horizontal nature, the number of bodies affected by these audits may total more than 100 in all.</p> <p>When financial audits are undertaken jointly with other kinds of audit - legality, performance -, the report is generally a joint report, rather than several separate reports.</p> <p>Financial audit reports, like any other kind of report, are disseminated and made publicly available through their publication. The report is sent to Parliament and to the audited body; if it is a dependent body the report is also generally sent to its parent body for information.</p> |
| Galicia | <p>3.1.1. The planning and organization phase is common to all types of audit and comprises the following aspects:</p> <ul style="list-style-type: none"> - Approval of the annual work plan. Once approved by the Audit Office, this is communicated to the Parliament of Galicia and the State Court of Audit. - Appointment of a technical manager for the audit with proof of compliance with ethical requirements. - Implementation of preliminary work. - Drafting of a proposed planning document which determines the overall strategy of the audit, its objectives, scope, audit risks, team, timings and schedule, among other aspects. - Drafting of the work programme. In order to draft the work plan and the work programmes, the regulations that the Audit Office has adopted as its own shall apply: ISSAI-ES 100, ISSAI-ES 200, ISSAI-ES 1000, ISSAI-ES 1003 and ISSAI-ES 1700. - Drafting and approval of reports. Once the audit is completed, the team leader writes an initial draft report or document and sends it to the member of the Plenum (Councillor). Once he/she has reviewed this, the Councillor submits this report to the Audit Section for approval. After this approval, the initial draft report or document is referred to the audited body so that it can, within the period established to this effect, submit comments and present any documents that it considers relevant to the audit carried out. |

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| | <p>Once the submissions received have been viewed and the appropriate amendments have been made, the Councillor presents the initial draft with the comments of the audited body to the Audit Section, which becomes then a draft report that is submitted to the Plenum of the Audit Office for approval. Once the final report has been approved and an executive summary has been drawn up, the accountable entity, the Parliament of Galicia and the State Court of Audit are informed and the report is then published on the institutional website.</p> <p>3.1.2. Local authorities are required to submit their annual accounts via the Submission Platform, and the financial statements that the annual accounts comprise are analysed to ensure consistency between them.</p> <p>The analyses and checks are agreed between the State Court of Audit and all external public sector audit institutions of the Autonomous Communities, including the Audit Office of Galicia. Secondly, the financial audit of any local authority may be approved as part of the annual audit schedule. In this case, the analyses and checks are conducted in line with the Public Sector Auditing Principles and Standards approved by the Spanish External Public Sector Audit Institutions Coordination Commission.</p> <p>3.1.3. These audits are conducted jointly because, when a financial audit is conducted, checks are made to ensure that all management operations and procedures have been undertaken in accordance with the applicable rules and provisions.</p> <p>3.1.4. The corresponding audit report is prepared to communicate the results and is sent to the audited body to put forward its comments before final approval and publication, as set out in point 3.1.1.</p> |
| Community of Madrid | <p>3.1.1. The main planning and organizational aspects of a financial audit in the municipalities are common to all audits conducted by the Audit Office, the difference being their objectives. These objectives are noted in document called “Technical Audit Guidelines”. This document sets out the audit’s objective, establishing the areas and procedures to be followed to achieve this, depending on whether it is a financial audit, compliance audit, efficiency audit or any other kind of audit.</p> <p>The procedure followed by the Audit Office when conducting audits is the following:</p> <ol style="list-style-type: none"> 1. The Board approves the Audit Schedule for each year including, in addition to compulsory and general audits, proposals made by the Audit Office itself and by the Regional Parliament. 2. The President then assigns each member of the Board (Councillor) the appropriate audits. 3. The Councillor, together with the Head of the Audit Unit, establishes the priority order for conducting the audits allocated to that financial year. 4. The stages to be followed in each audit are as follows: <ol style="list-style-type: none"> a. Inform the person responsible that an audit of their body has been agreed in the annual audit schedule, indicating the name of the body and the Councillor assigned to it. b. Provide subsequent communication on the kind of audit and the people who will be undertaking it stating, where appropriate, the person who will coordinate it and requesting, in turn, a contact person to be responsible for providing the documentation required by the Audit Office and also indicating the person responsible for each area who can answer any questions that may arise. c. Prepare the audit’s Technical Guidelines. This includes, firstly, a short summary indicating the most significant aspects of the local authority to be audited and its legal framework. Secondly, the general procedures that must be followed to obtain the anticipated results, according to the schedule approved by the Board of the Audit Office, whether financial, performance, efficiency audit, etc. Finally, the Guidelines include the number of people to be involved in the audit, their job category and the forecast of the completion date. d. Approval of the Technical Guidelines by the Audit Office’s Board. e. Implementation of the work programmes to achieve the results set out as objectives and implementation of the field work. f. Drafting of the memoranda setting out the most relevant and significant conclusions of the interviews, checks, supervisions and analyses conducted for each of the areas around which the audit is structured. g. Production of an “Initial Draft Audit Report” containing an analysis of all the memoranda. h. Submission of the “Initial Draft Audit Report” to the body audited, for the purpose of formulating any comments it may deem necessary, within the time frame stipulated by the Councillor responsible, along with documentation supporting and justifying said comments. i. Once the comments have been received, they are analysed and verified in order to produce a “Response to Comments” document. Where appropriate, the Initial Draft Report is amended or nuanced and a new Draft Report is produced with the approved amendments requested by the audited body. j. Submission of the Initial Draft Report to all the members of the Board, along with the Draft Report with the amendments approved, the Comments properly speaking and the “Response to Comments” document so that, where appropriate, they can make whatever Observations they feel appropriate regarding changes or nuances to be made to the Draft Report. k. Approval by the Board, once all of the audit’s supporting documentation has been considered and any relevant amendments made. l. Submission of the Report to the Madrid Assembly, once approved by the Board of the Audit Office, together with the Comments made by the body audited. <p>3.1.2. Firstly, all local authorities are required to submit their annual accounts through a Submission Platform, and the financial statements that the annual accounts comprise are analysed to ensure consistency between them.</p> <p>The analyses and checks are agreed between the State Court of Audit and all external public sector audit institutions of the Autonomous Communities, including the Audit Office of the Community of Madrid.</p> <p>Secondly, the financial audit of any local authority may be approved as part of the annual audit schedule. In this case, the analyses and checks are conducted in line with the Public Sector Auditing Principles and Standards approved by the Spanish External Public Sector Audit Institutions Coordination Commission.</p> <p>An average of six financial audits are undertaken each year.</p> <p>3.1.3. These audits are conducted jointly because, when a financial audit is conducted, checks are made to ensure that all management operations and procedures have been undertaken in accordance with the applicable rules and provisions.</p> <p>3.1.4. The corresponding Audit Report is prepared in order to communicate the results.</p> <p>The report is sent both to the body audited and to the Madrid Assembly, along with, as stated, the comments made by the body audited, and also to the State Court of Audit.</p> |

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| Navarre | The Audit Office of Navarre draws up about 20 audit reports at local level, especially on larger authorities and those which are the object of the request by the Parliament of Navarre or the local authority itself. Furthermore, the Audit Office also prepares each year a report on the situation of the local sector as a whole for the Parliament and Government of Navarre. The local authorities subject to audit include more or less 50 per cent of the population of Navarre and of the local authority budgets. The Audit Office issues an audit report for each audited local authority. This report is also forwarded to the Parliament and Government of Navarre. |
| Community of Valencia | <p>3.1.1.</p> <p>a) Knowledge of the environment and internal control assessment. b) Identification of risks and level of materiality c) Elaboration of audit programmes d) Composition of the audit team e) Time estimate f) Elaboration and approval of the planning report.</p> <p>3.1.2. In some of them. Although a coherence and consistency check of all accounts presented is carried out and an annual joint report is prepared. In addition, specific annual reports are prepared on procurement, agreements and objections expressed by local internal auditors, which affect the entire local public sector. Altogether between 10 and 15 financial audits are carried out per year in the local public sector.</p> <p>3.1.3. In general, jointly.</p> <p>3.1.4. A report which is sent to the audited local authority, the Valencian Parliament and the State Court of Audit.</p> |
| Basque Country | <p>3.1.1. All audits begin with the approval of a planning document that covers the main features of the municipality and its main areas of risk. Specific aspects requiring attention in the audit, given the stated risk analysis, are also included. Materiality levels, the type of staff who will carry out the work and the hours anticipated for it are also established. This planning document is approved by the Plenary of the Audit Office. The main areas for analysis are the following: Expenditure: recording of different expenditure by correct heading, amount and period. Analysis of contingencies and provisions. Income: Recognition in accordance with the tax settlements made; recognition of grants received and record of diversion of funds. Non-current assets: Monitoring and recording of material and financial assets. Creditors: Appropriate recording of budget creditors; analysis of the existence of non-budget creditors. Debtors: review of the provisions for doubtful debts. Cash flow: Bank account reconciliations and appropriate recording of lending operations.</p> <p>3.1.2. Financial audits are conducted only in selected local authorities. This usually relates to a municipality of more than 150,000 inhabitants (there are 3, so one of them is audited every three years), other municipalities of more than 40,000 inhabitants (in all there are 6), and around 7/8 of the other municipalities. One supramunicipal entity is also usually audited.</p> <p>3.1.3. They are conducted jointly.</p> <p>3.1.4. A report is issued that includes two opinions: one on the authority's accounts and the other on its compliance with legislation governing its economic and financial activity. This document is sent: to the body audited, to the Basque Parliament, to the General Councils of the Historic Territory to which it belongs, and to the State Court of Audit.</p> |

3.2. Compliance audit (3.2.1. - 3.2.3.)

3.2.1. Describe the main aspects of planning and organizing the compliance audit in municipalities. Is the compliance audit performed separately or together with financial or performance audits?

3.2.2. If the compliance audit is performed separately:

- Does the audit cover one topic in all local authorities of the region or in several of them (horizontal audit), or is the scope of the audit limited to one local authority (municipality)?
- Is the compliance audit performed annually? What is the approximate number of compliance audits per year?

3.2.3. What types of documents does the audit institution prepare for reporting the result of a compliance audit (audit report etc.)? Which are the entities these documents are submitted to?

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| Andalusia | <p>Generally, as mentioned in section 3.1., this type of report (compliance report) is carried out jointly with the financial audit. However, in the last financial years the number of audits which only deal with legality aspects has increased. Most of these audits cover several municipalities, grouped according to population number, although in larger municipalities (provincial councils and city councils of provincial capitals), specific legality actions are indeed carried out (as, for instance, observance of the principle of transparency, signed contracts and agreements, etc.).</p> <p>Likewise, in recent years, along with the analysis of legal compliance also aspects concerning performance audits are analysed. Three reports combine both aspects: slaughterhouse and market services, internal audit of the economic and financial management in certain municipalities and advertising activity in certain municipalities.</p> <p>Specifically, during the 2012-2018 period, 11 actions concerning legal compliance have been carried out and at least one action of this type has been included in the action plan for each financial year. Out of these 11 actions, eight cover a group of municipalities and the other three concern a particular local authority.</p> <p>Along with the audit report the result of the work is communicated to all municipalities which are included in the audit scope.</p> |
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| Aragon | <p>1.- The Audit Office conducts compliance audits jointly with financial audits. Planning of compliance audits is set out in technical guidelines as described in section 3.1. Compliance audits analyse verification of legal compliance in the production and approval of the budget, budget settlement and the submission of the general account with regard to deadlines, structures and content. Alignment with the current regulatory provisions governing internal control, and with areas of staffing, contracting, subsidies, defaults and budgetary stability is verified.</p> <p>3.- The results of audits conducted by the Audit Office of Aragon are noted in reports that are sent to the local authorities audited and to the Parliament of Aragon and the State Court of Audit for control.</p> |
| Asturias | The diagram and the responses are the same as those in section 3.1. |
| Balearic Islands | <p>Main planning and organizational aspects of the compliance audit of local authorities in the Balearic Islands and its conducting separately or jointly with the financial audit</p> <p>The main planning and organizational aspects of the compliance audit of local authorities in the Balearic Islands are practically the same as in section 3.1. with the following differences:</p> <p>– <u>Work plan</u>. To draft the Work Plan and the work programmes to be carried out, the “Audit instruction on relative importance and materiality” of the Audit Office and the rules that the Audit Office has adopted as their own will be applied: ISSAI-ES 100, ISSAI-ES 400 and ISSAI-ES 4000.</p> <p>The compliance audit is conducted separately in some cases, i.e. a regularity audit is carried out of certain aspects of the activity of a local authority or a sample of local authorities or on all authorities. It is especially conducted separately when it is the Parliament of the Balearic Islands, either in plenary or through the competent committee in the area of finance and budget, that promotes a specific compliance audit to be conducted by the Audit Office.</p> <p>In other cases, regularity audits are conducted, which include the financial and compliance audit for one or more consecutive financial years of the same local authority.</p> <p>Compliance audit conducted separately, their frequency and number</p> <p>In the majority of cases, the compliance audit is conducted on the activity carried out by a single local authority or on this and its dependent entities. However, in some cases, horizontal audits are conducted on all the local authorities in the Balearic Islands, or on a sample of these.</p> <p>With the available human and material resources, the Audit Office cannot carry out an annual compliance audit of all of the local authorities of the Balearic Islands, which number 76. The approximate number of compliance audits of general accounts of local authorities carried out per year is between three and five, depending on the approved programmes of actions and availability.</p> <p>Document drawn up by the Audit Office to report on the results of the compliance audit and the bodies to which this document is sent</p> <p>The response is the same as in section 3.1.</p> |
| Canary Islands | <p>3.2.1. The response is the same as in section 3.1.1.</p> <p>3.2.2. Both types are performed. Each year a comprehensive and an individualized report are produced on the submission of the general account by local authorities and consortia.</p> <p>3.2.3. The response is the same as in section 3.1.4.</p> |
| Castile and León | <p>3.2.1. The response is the same as in section 3.1.1.</p> <p>3.2.2. Most of the local government audits conducted by the Audit Office are combined which means that they all include, albeit not exclusively, aspects of regularity.</p> <p>3.2.3. The response is the same as in section 3.1.4.</p> |
| Catalonia | <p>The planning and organization of a compliance/regularity audit differs little from other audits, and this question has already been answered in section 3.1.1 above. When compliance/regularity audits are undertaken jointly with other kinds of audit - performance -, the report is generally a joint one, rather than separate reports.</p> <p>Given the above response, 3.2.2 has not been answered. In any case, any audit report, regardless of its nature and depending on its purpose, can focus solely on a single authority, such as a local group, just the parent entity or any dependent body - all, some or just one-, plus any possible combination thereof; in addition, the scope may cover all of its activities or just some areas. In addition, any audit report can focus not just on one local authority but on the entire group of local authorities, including their dependent bodies or any subgroup thereof - horizontal reports.</p> <p>In terms of communicating the results and who these documents are sent to, it has already been noted that this is the same for all kinds of report and this has been answered in section 3.1.4 above.</p> |
| Galicia | <p>3.2.1. The response is the same as in section 3.1.1.</p> <p>3.2.2. Most of the local government audits conducted by the Audit Office are combined which means that they all include, albeit not exclusively, aspects of regularity.</p> <p>3.2.3. The response is the same as in section 3.1.4.</p> |
| Community of Madrid | <p>3.2.1. A compliance audit is normally conducted together with a financial or performance audit and a section on “Applicable Legal Framework” is included in the corresponding special audit report. Non-compliances are noted throughout the report.</p> <p>3.2.2. Both types are performed. A Report on the Submission of Accounts of Local Authorities in the Community of Madrid is produced each year covering all the local authorities of the Community of Madrid.</p> <p>3.2.3. The response is the same as in section 3.1.4.</p> |
| Navarre | The responses are the same as those expressed in section 3.1. |

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| Community of Valencia | <p>3.2.1. The response is the same as in section 3.1.1.</p> <p>3.2.2. Jointly.</p> <p>3.2.3. The response is the same as in section 3.1.4.</p> |
| Basque Country | <p>3.2.1. See section 3.1.1</p> <p>The main areas for review are the following: Budgets: Approval in the time and the form established by regulations; budgetary amendments approved by the relevant body. Staff: Staff selection processes; pay increases in line with the regulations. Contracting: Selection procedures of contractors in accordance with the Public Sector Contracts Law; monitoring of contract implementation (analysis of changes made). Subsidies: Approval in accordance with the General Subsidies Law; approval and publication of regulatory bases, where appropriate; justification of the choice of beneficiaries and justification of their activity. Tax revenues: Adaptation to regulation of tax ordinances on local taxes and granting of deferrals and part-payments. Indebtedness: Compliance with legal limitations and information or approval, as appropriate, by the Provincial Council. Urban planning: Legality of the signed Urban Planning Agreements and management of the Public Land Assets.</p> <p>The compliance audit is conducted jointly with the financial audit.</p> <p>3.2.2. As an example of a horizontal audit we can mention the analysis of the local accounts that is conducted in the diagnostic report for each financial year (see 6.2). The remaining compliance audits are conducted jointly with the financial audits and are limited to one local authority (together with all the entities it has a majority holding in). Between 8 and 10 are conducted every year.</p> <p>3.2.3. See section 3.1.4.</p> |

3.3. Performance (Value for money) audit (3.3.1. - 3.3.4.)

3.3.1. Describe the main aspects of planning and organizing the performance audit in municipalities.

3.3.2. What are the types of performance audits according to the audit scope?

- audits that cover one topic in all local authorities of the region or in several of them (horizontal audit);
- audits whose scope is limited to one local authority (municipality);
- other(s).

3.3.3. Is the performance audit carried out annually? What is the approximate number of performance audits per year?

3.3.4. What types of documents does the audit institution prepare for reporting the result of the performance audit (audit report etc.)? Which are the entities these documents are submitted to?

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| Andalusia | <p>Generally, this type of report concerns several municipalities and analyses the rendering of a particular service whose provision is compulsory for the municipalities. When planning these audits it is usual to send a questionnaire to every entity which is included in the scope of the work, in order to gain knowledge about the activity or service to audit, as well as of the resources available for providing the service. Therefore, the organization of this audit is divided in two large areas, a general one and another area related to the analysis of economic data.</p> <p>During the 2012-2018 period, four performance audit reports have been adopted by the Audit Office: one of them refers to cultural activities in municipalities with a particular number of inhabitants; the other three reports concern the services provided by provincial councils to municipalities and the services provided to municipalities by the provincial councils of Almería and Jaén, respectively.</p> <p>The result of the work performed is communicated through the audit report to all municipalities which are included in the audit scope.</p> |
| Aragon | No performance audits have thus far been conducted when auditing the local authorities. |
| Asturias | The diagram and answers are the same as those in section 3.1. Audits exclusively focused on the performance have not been carried out at local level by the Audit Office. |
| Balearic Islands | <p>Main planning and organizational aspects of the performance audit of local authorities in the Balearic Islands and its conducting separately or jointly with the financial audit</p> <p>The main planning and organizational aspects of the performance audit of local authorities in the Balearic Islands are practically the same as in section 3.1. with the following differences: – <u>Work plan</u>. To draft the Work Plan and the work programmes to be carried out, the “Audit instruction on relative importance and materiality” of the Audit Office and the rules that the Audit Office has adopted as their own will be applied: ISSAI-ES 100, ISSAI-ES 300, ISSAI-ES 3000.</p> <p>Types of performance audit according to the scope</p> <p>In the majority of cases, the performance audit is conducted on a specific activity carried out by a single local authority. However, in some cases, horizontal performance audits have been planned on all the local authorities in the Balearic Islands, or on a sample of these.</p> <p>Frequency and number of performance audits per year</p> <p>With the available human and material resources, the Audit Office cannot carry out annual performance audits of all of the local authorities of the Balearic Islands, which number 76. The approximate number of performance audits conducted per year is one, depending on the approved programme of actions and availability, although in many financial years, its execution has not been possible for a variety of circumstances.</p> |

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| | <p>Document drawn up by the Audit Office to report on the results of the performance audit and the bodies to which this document is sent</p> <p>The response is the same as in section 3.1.</p> |
| Canary Islands | <p>3.3.1. The response is the same as in section 3.1.1.</p> <p>3.3.2. - 3.3.3. The topics are chosen when there is opportunity for coordination with the Spanish Court of Audit or by well-founded reasons approved by the Plenum of the Audit Office. Currently two audits are planned: one environmental audit in municipalities with a population of more than 10,000 inhabitants and another audit on the management of solid urban waste by municipal councils of municipalities with more than 20,000 inhabitants. Neither of the audits are limited to a single entity.</p> <p>3.3.4. The response is the same as in section 3.1.4.</p> |
| Castile and León | <p>3.3.1. The response is the same as in section 3.1.1.</p> <p>3.3.2. To date, five horizontal audits have been carried out that were partially or totally performance-oriented. These included audits of slaughterhouses and markets, water management, municipal land assets, internal control structures and internal control functioning. Audits are being conducted of the Provincial Councils' housing stock and these combine compliance and performance.</p> <p>3.3.3. The year's scheduled work is set out in an Annual Audit Plan. There is great variation but it can be estimated that, since the Audit Office has been in existence, there has been one specifically performance-oriented audit each year, although recent plans have increased this to four. In any case, most of the Audit Office's reports do include aspects of a performance audit, either internal control analysis or performance indicators.</p> <p>3.3.4. The response is the same as in section 3.1.4.</p> |
| Catalonia | <p>The planning and organization of a performance audit differs little from other audits, and so this question has already been answered in section 3.1.1 above.</p> <p>The scope of performance audits can be any of the possible combinations, whether it is an individual audit or it focuses on all local authorities or a subgroup thereof.</p> <p>Few management audits are conducted and not every year. On average there may be one performance audit a year.</p> <p>In terms of communicating the results and who these documents are sent to, it has already been noted that this is the same for all kinds of report and this has been answered in section 3.1.4 above.</p> |
| Galicia | <p>No performance audits have thus far been conducted when auditing the local authorities.</p> |
| Community of Madrid | <p>3.3.1. The planning and organizational aspects of a performance audit are the same as for other kinds of audit; what changes are the work programmes and procedures to be implemented to obtain the results.</p> <p>3.3.2. Horizontal audits are normally conducted across a sample of local authorities selected according to a specific criterion, such as: being in a certain section of the population, failing to meet some legal precept, specific municipal responsibility, etc. All authorities selected undergo the same tests to ascertain the procedures followed by each authority and the extent to which there are inefficiencies, so that this can be included in the report. A financial and compliance audit is usually conducted of one local authority.</p> <p>3.3.3. There is no established annual figure but they are included in the Audit Schedule when considered appropriate by the Board of the Audit Office.</p> <p>3.3.4. The response is the same as in section 3.1.4.</p> |
| Navarre | <p>The responses are the same as those expressed in section 3.1.</p> |
| Community of Valencia | <p>3.2.1. The planning includes a prior analysis of the risks in the areas to be audited, as well as assessment of the usefulness and feasibility of the audit. Likewise, the planning should provide answers to the following questions:</p> <ul style="list-style-type: none"> • What is going to be audited (area/entity, objectives, scope)? • Which is the risk in accordance with internal control assessment evaluación del control interno? • Which will be the means available and which will be the audit procedures? • How long will the audit last? • Where will it be carried out? • Which will be the structure of the report? <p>The planning comprises two main steps:</p> <p>A) A preliminary study, which allows to weigh the risks which are significant for sound management, define the objectives, the audit approach and methodology, and determine the feasibility and usefulness of the audit. The preliminary study should be confirmed with the audited entity.</p> <p>B) An audit plan, which shall be prepared after determining whether the conduct of the performance audit is feasible and useful. This plan defines the audit work to be implemented, in other words, the audit scope, objective and methodology as well as the necessary resources and the key stages to be achieved.</p> <p>3.2.2. They are carried out horizontally.</p> <p>3.3.3. Between 4/5 performance audits are carried out annually.</p> <p>3.2.4. The response is the same as in section 3.1.4.</p> |
| Basque Country | <p>Not conducted in the last 5 years.</p> |

3.4. Other audits in municipalities (if other than those mentioned in 3.1.-3.3. are performed)

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| Andalusia | No audits other than those described in the previous sections are conducted in municipalities. |
| Aragón | No audits other than those described in the previous sections are conducted in municipalities. |
| Asturias | No audits other than those described in the previous sections are conducted in municipalities. |
| Balearic Islands | No audits other than those described in the previous sections are conducted in municipalities. |
| Canary Islands | No audits other than those described in the previous sections are conducted in municipalities. |
| Castile and León | No audits other than those described in the previous sections are conducted in municipalities. |
| Catalonia | No audits other than those described in the previous sections are conducted in municipalities. |
| Galicia | No audits other than those described in the previous sections are conducted in municipalities. |
| Community of Madrid | No audits other than those described in the previous sections are conducted in municipalities. |
| Navarre | No audits other than those described in the previous sections are conducted in municipalities. |
| Community of Valencia | Internal control auditing |
| Basque Country | Not conducted in the last 5 years. |

4. Describe which entities recommendations are addressed to once the audit is complete. Can the regional audit institution adopt any measures with regard to the audited municipalities (production of administrative acts, commencement of legal proceedings or other)?

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| Andalusia | <p>Recommendations are addressed to the audited bodies.</p> <p>No measures are adopted concerning the audited municipalities. However, the last action plans contain follow-up actions concerning recommendations included in previous reports at local level. Similarly there are several actions whose scope comprises those municipalities which have not submitted accounts in recent years.</p> <p>If any indications of accounting or criminal liability are detected during the course of an audit then the information is assessed and sent to the competent court.</p> |
| Aragón | <p>The recommendations are sent to the authorities audited and are set out in audit reports.</p> <p>When the Board of the Audit Office notes the existence of reasonable grounds for accounting, criminal or administrative liability during an audit, the following will take place:</p> <p>a) if the evidence relates to accounting liability then it is made known to the State Court of Audit. Accounting liability will be made public, and any complaint or testimony must be sent to the Court of Audit.</p> <p>b) if the evidence relates to criminal liability then the actions are made known to the Public Prosecutor's Office of the Autonomous Community of Aragón.</p> <p>c) if the evidence relates to administrative liability then it is made known to the hierarchical superiors of those allegedly responsible and to the authorities that have powers of supervision and control in this regard.</p> |
| Asturias | <p>Recommendations are brought to the attention of the audited body and they are followed up over time. Precisely at this time a report on the follow-up of recommendations at local level is being prepared. Recommendations are also brought to the attention of the Asturias Parliament and the State Court of Audit.</p> <p>If any indications of accounting or criminal liability are detected during the course of an audit then the information is assessed and sent to the competent court.</p> |
| Balearic Islands | <p>The recommendations are sent to the authorities audited and are set out in audit reports.</p> <p>Therefore, the Audit Office does not adopt any measure with regard to the audited municipalities such as the drafting of administrative proceedings, start of legal actions or others, except if, in the exercise of its audit work, the Audit Office discovers the existence of reasonable grounds for accounting, criminal or administrative liability. If the Board of the Audit Office appreciates prima facie evidence related to accounting responsibility, it must make this known to the Court of Audit for the purpose of prosecution. Should the facts constitute an offence, it must inform the Public Prosecutor's Office of them. In the event of a possible administrative liability, it must inform the hierarchical superiors that have the responsibilities of supervision or control.</p> |
| Canary Islands | <p>Recommendations are addressed to the audited bodies and they are drawn up in audit reports.</p> <p>If municipalities do not cooperate with the external audit bodies, they may be required of the legal duty to do so. Once the request has been made, if the municipality concerned does not respond to this call within 15 days, the Audit Office will inform the Treasury of the Autonomous Community which will withhold 2 per cent of the payments that may apply to the Administration or body that has failed to comply. Once the legal obligation to cooperate is fulfilled, the withholding of payments is lifted.</p> <p>If any indications of accounting or criminal liability are detected during the course of an audit then the information is assessed and sent to the competent court.</p> |

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| Castile and León | The recommendations are sent to the authorities who must implement them, usually the municipal or provincial council audited, but there may also be recommendations to regional authorities if necessary. If any indications of accounting or criminal liability are detected during the course of an audit then the information is assessed and sent to the competent court. |
| Catalonia | The recommendations emerging from our audit reports at local level are aimed purely and directly at the audited body, and its stakeholder bodies and management boards are the only ones competent to consider them, bearing in mind the constitutional principle of autonomy recognised to the local authorities. Nonetheless, in some cases these recommendations may also be aimed at considering possible legislative changes, for which only the regional or central administration are competent. The only actions to be actively taken by the Audit Office are possible complaints regarding accounting liability, made via the State Court of Audit, or regarding criminal liability, made via the Public Prosecutor's Office. |
| Galicia | Recommendations are brought to the attention of the audited body and are followed up. A report on the follow-up to the recommendations at the local level is currently being prepared. The recommendations are also known by the Parliament of Galicia and the State Court of Audit. If any signs of accounting or criminal liability are detected during the course of an audit, this information is sent to the competent court. |
| Community of Madrid | The recommendations contained in the reports are sent to the body being audited and to the Madrid Assembly, which deals with them in line with the provisions of its Rules of Procedure. In addition, the Audit Office follows up the recommendations, consulting the bodies audited with regard to the measures adopted in order to implement the Office's recommendations. If any indications of accounting or criminal liability are detected during the course of an audit then the information is assessed and sent to the competent court. |
| Navarre | Recommendations made in reports issued by the Audit Office are addressed to the local authority itself and also to the Government and Parliament of Navarra for the approval of legislation and regulations which may help improve local public management. The sole actions to be taken actively by the Audit Office are possible complaints for accounting liability through the State Court of Audit or criminal proceedings through the prosecutor's office. |
| Community of Valencia | Recommendations which are incorporated in the report are addressed essentially to the audited body but the Valencian Parliament and the State Court of Audit are also informed accordingly. It is legally envisaged to follow up on the recommendations. If any indications of accounting or criminal liability are detected during the course of an audit then the information is assessed and sent to the competent court. |
| Basque Country | The recommendations are sent to the authorities audited and are set out in audit reports. If any indications of accounting or criminal liability are detected during the course of an audit then the information is assessed and sent to the competent court. |

5. Is there a practice of evaluation of the quality control systems of the regional audit institution in order to improve it (i.e. is there a legal requirement to appoint institutions to conduct peer reviews, does the regional institution initiate peer reviews and does it invite other institutions to perform this task on a voluntary basis etc.?) Please describe shortly.

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| Andalusia | The Audit Office has been the subject of a peer review which has been carried out by the Audit Office of Catalonia and the Audit Office of the Valencian Community. |
| Aragón | No external review actions have thus far taken place of the organization and/or functioning of the Audit Office. |
| Asturias | No |
| Balearic Islands | The regulatory rules of the Audit Office, the Law and the Internal Rules of Procedure do not establish any type of quality control of the audits it conducts, such as a peer review system. In addition, the Audit Office has not adopted any quality control standard, such as the NIA-ES 220 related to the quality control of the audit of financial statements, nor has it established any internal instruction or quality handbook that puts in place quality control systems, policies and procedures that provide a reasonable certainty that: (a) the Audit Office and its personnel comply with professional standards and the applicable legal and regulatory requirements (b) the reports issued by the Audit Office are adequate according to the circumstances. Therefore, the Audit Office has not established any quality control system of the audits that it conducts, nor does it voluntarily carry out any type of peer review. |
| Canary Islands | No peer review has been carried out. |
| Castile and León | This is not provided for |
| Catalonia | There is no legal requirement to designate institutions for peer reviews. The Audit Office has nonetheless recently commenced a review process of another regional audit institution. |
| Galicia | No |
| Community of Madrid | There is no legal requirement but, in practice, peer reviews have been voluntarily conducted between the audit institutions of the autonomous communities. The Audit Office has also collaborated in peer reviews made of the State Court of Audit. |

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| Navarre | No, the accounts and financial management of the Audit Office are reviewed annually by a private audit firm which issues a report. This report along with the accounts of the Audit Office are sent annually to the Parliament of Navarre for review. |
| Community of Valencia | No |
| Basque Country | No |

6. Describe other functions of the regional audit institution and the kinds of documents issued in relation to municipalities but not related to audit.

6.1. What additional functions (other than auditing) does the regional audit institution perform with respect to municipalities? Which documents does the institution prepare in order to implement these functions (for example, an opinion on the draft budget, the findings necessary for the municipality to take decisions regarding taking-out loans etc.)? Are these functions imposed by legal acts or are they carried out upon the initiative of the institution itself?

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| Andalusia | To advise the Parliament of Andalusia on matters within its competence. |
| Aragon | In addition to its auditing role, the Audit Office of Aragon has a consultative role as well as any other roles the State Court of Audit may delegate to it. In accordance with the Law by which it was created, it is for the Audit Office to issue opinions and resolve queries that may be requested from it by public sector bodies in Aragon in relation to public accounting and economic, financial and operational management. The Parliament of Aragon may also request the advice of the Audit Office with regard to legislative initiatives when the content relates to the abovementioned matters. The results of this consultative function are set out in non-binding answers or opinions which, in addition to being provided to the body asking for them, are included in the Audit Office's annual report. The Audit Office may, by delegation of the Court of Audit, conduct investigations related to prosecutions for accounting liability. The Audit Office does not currently perform such functions. In addition to these functions, the Audit Office of Aragon issues certificates to local authorities in Aragon confirming that they are up-to-date with their duty to provide accounts in accordance with the applicable regulations, a necessary requirement for obtaining grants in line with the Subsidies Law in Aragon. |
| Asturias | The Law on the Audit Office provides that in exercising its advisory role for the Parliament of the Principality of Asturias or the Local Authorities, it is the Audit Office which issues all reports and opinions on budgetary matters, public accounting, internal and external audit at the request of the Plenary of the Parliament or its Committee responsible for economic and budgetary matters. In the case of local authorities, prior agreement of the Plenary of the local authority will be required. Likewise, following a decision of the Plenary or the Committee responsible in terms of economic and budgetary matters, the Government of the Principality may call on Parliament to request an opinion from the Audit Office on proposed draft provisions of general nature whose content deals with any of the matters listed above. In carrying out this role reports are produced. Furthermore, regularly the members of the Board of the Audit Office appear before the Parliament of the Principality of Asturias to advise on different matters, audit reports produced and draft standards. |
| Balearic Islands | The regulatory rules of the Audit Office establish other functions related to the municipalities besides audits, such as the consultative function and the functions that may be delegated to it by the State Court of Audit and the external audit institutions of the European Union. In the <u>consultative function</u> the Parliament of the Balearic Islands, in plenary or through the competent committee in the area of finance and budget, may require the advice of the Audit Office with regard to specific matters related to its responsibilities. Similarly, by means of an agreement adopted by the absolute majority of the members of its senior collegiate body, all parts of the public sector may urge the Parliament to request, by agreement of the competent committee in the area of finance and budget, that the Audit Office establish the criteria applicable to specific matters of its audit function. The exercise of the consultative function may not be to the detriment of the fulfilment of the annual programme of actions of the Audit Office and will be carried out according to the availability of resources and to the execution of the tasks under way. The Audit Office may, <u>by delegation</u> , carry out <u>audit functions</u> requested by the Court of Audit, and it will adjust its actions to the terms in which this delegation occurs, under the provisions of the Law on the Functioning of the Court of Audit. The Audit Office will, similarly, carry out all those audit actions that are delegated to it by the external audit institutions of the European Union, in accordance with the applicable legislation. These delegations will be on the condition of its acceptance by means of agreement of the Board of the Audit Office and its inclusion in the programme of actions. <u>By delegation</u> of the Court of Audit, the Audit Office may, within its scope of responsibilities, undertake investigative actions related to <u>prosecutions for accounting liability</u> . This delegation may be requested by the Board of the Audit Office or it may be proposed by the Court of Audit; in this case, the acceptance of the Audit Office by means of the appropriate agreement will be necessary. |
| Canary Islands | The Law on the Audit Office and its implementing regulation indicate the following functions: <ul style="list-style-type: none"> • Prosecution procedure • Advice and consultation issued through opinions and answers • Report on and recommend good administrative, accounting, and financial practices as a means of prevention of corruption. |
| Castile and León | In addition to its auditing role, the Audit Office of Castile and León has a consultative role as well as any other roles the State Court of Audit may delegate to it. |

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| | Additionally, the Audit Office assesses the complaints submitted by individual and municipal authorities, appraises them and sends them on to the competent court. |
| Catalonia | The Audit Office has no functions related to the municipal level other than producing audit reports. The consultative function that it was previously attributed by law, in the form of issuing requested opinions, existed until 2010 but has now been removed. |
| Galicia | <p>1- To issue opinions and answers on public accounting and economic and financial management matters requested by the institutions and entities of the autonomous public sector, and to respond to Parliament's queries on the Autonomous Community's budget and its execution and settlement, and to issue an opinion, at the request of Parliament or the Regional Government, on draft regulations affecting public income or expenditure.</p> <p>2- To issue optional reports, at the request of the competent Regional Ministry of Finance, as required by the competent audit body in relation to the subject matter of the Administration that is responsible for the financial supervision of the local authorities in Galicia in order to resolve the discrepancies submitted to this body by the persons who hold the presidency of the local authorities through the procedure regulated in the State regulations.</p> <p>3- Competencies in the field of corruption prevention: the Audit Office has the following competences in relation to the prevention of corruption:</p> <p>a) To cooperate with the administrations subject to the Audit Office's scope of action and make proposals to them for the preparation of codes of conduct and internal risk management manuals to guarantee the ethical behaviour of public managers.</p> <p>b) To request information from administrations regarding their corruption prevention systems, checking the adequate structure and implementation of integrity policies and suggesting improvements that guarantee transparency and reduce opportunities for fraud. In this sense, it must systematically evaluate the corruption risk prevention plans put in place by the institutions and entities of the public sector of the Autonomous Community, in which they must analyse the activities in which a greater incidence of risk is detected.</p> <p>c) To advise Parliament, the Regional Administration and the administrations subject to the Audit Office's scope of action on regulatory or internal instruments for the prevention and repression of corruption.</p> <p>d) To stimulate citizen awareness and participation in favour of transparency and ethical behaviour in the public sector and encourage the establishment of self-regulatory mechanisms within the private sector in order to avoid irregular practices, in particular in companies that tender for and award contracts, are concessionaires of public services and beneficiaries of public grants and aid.</p> |
| Community of Madrid | <p>According to its implementing regulation, the Audit Office has a consultative function as well as an auditing one, and so it has a role of advising the Madrid Assembly, issuing opinions on Drafts, Bills of Law and provisions of a general nature when asked to do so by the Assembly Committee with responsibility for budgets.</p> <p>The Audit Office also issues opinions on proposed draft provisions of a general nature when asked to do so by the Government, through the Assembly.</p> <p>The opinions issued by the Office may refer to the following areas:</p> <p>a) Budgetary procedures.</p> <p>b) Public accounting.</p> <p>c) Internal and external audit.</p> |
| Navarre | In addition to individual audit reports concerning the accounts and the economic management of municipalities audited, the Audit Office issues an annual report on the situation of the local public sector in Navarre as a whole and another report on the objections formulated by local internal auditors in exercising their internal control duties. |
| Community of Valencia | Generally no other functions are performed. However, the Audit Office's regulations establish other tasks concerning municipalities, apart from the audit task, such as advisory role and those functions delegated by the State Court of Audit, when appropriate. |
| Basque Country | Response to specific consultations undertaken by institutions forming part of the Basque public sector. A technical opinion is submitted, approved by the Plenum of the Audit Office. Only the advice given to the Basque Parliament is imposed by Law. |

6.2. Which other documents does the regional audit institution prepare with respect to municipalities (surveys, instructions or overviews etc.)?

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| Andalusia | The Audit Office participates in the management and use of the Portal on Submission of Accounts (Accountability Website) which offers timely and detailed information on the economic and financial situation of local authorities (https://www.rendiciondecuentas.es/en/index.html). |
| Aragon | <p>The Audit Office of Aragon drafts instructions on submission of accounts and transmission of contracts and agreements. The most recently approved are the following:</p> <ul style="list-style-type: none"> • Instruction 3/2015 on electronic submission of Local Authority accounts, from 2015 onwards. • Instruction 2/2016 on the transmission of information on contracting. • Instruction 1/2017 on the transmission of information on agreements. <p>The Audit Office also participates in the management and use of the Portal on Submission of Accounts (Accountability Website) which offers timely and detailed information on the economic and financial situation of local authorities (https://www.rendiciondecuentas.es/en/index.html).</p> |
| Asturias | The Audit Office participates in the management and use of the Portal on Submission of Accounts (Accountability Website) which offers timely and detailed information on the economic and financial situation of local authorities (https://www.rendiciondecuentas.es/en/index.html). |
| Balearic Islands | The Audit Office produces different documents with regard to the local authorities of the Balearic Islands, among which the following are the most notable: |

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| | <p>- <u>Instructions</u> on different aspects related to the local authorities of the Balearic Islands, which include the following:</p> <ul style="list-style-type: none"> • Instruction regulating the submission of the General Account of the local authorities of the Balearic Islands in computerised form and the electronic procedure for submission. • Instruction relating to sending the contractual information of the local public sector in the Balearic Islands to the Audit Office. • Instruction relating to sending the information about the agreements concluded by the entities of the local public sector in the Balearic Islands to the Audit Office. • Instruction relating to the local authorities of the Balearic Islands sending information online, for which no specific procedure is enabled through the electronic submission of accounts platform. <p>- <u>Specific reports</u> not related to financial or legal compliance audits. Most notable among these are:</p> <ul style="list-style-type: none"> • Reports on the consolidation of the General Accounts of the local authorities for each financial year. • Reports on the submission of accounts of the local public sector in the Balearic Islands for each financial year. • Reports on the agreements and rulings contrary to the objections that the local internal auditors have formulated. • Report on specific aspects of the General Account of the local authorities. • Report on specific aspects of the contractual activity of the municipal councils of the Balearic Islands. • Report on the local authorities that have not submitted the general account. • Report on the management and control of the municipal land assets resources. <p>- <u>Monthly summaries</u> on the submission of accounts and on the compliance with other obligations that the local authorities of the Balearic Islands have with the Audit Office:</p> <ul style="list-style-type: none"> • Summary of the submission of the general accounts of the local authorities to the Audit Office since 2003. • Summary of local authorities that have not submitted the General Account to the Audit Office. • Summary of local authorities that have not sent the lists of contracts to the Audit Office. • Summary of local authorities that have not sent the lists of agreements to the Audit Office. • Summary of the internal audit departments of local authorities that have sent the information about agreements and rulings contrary to objections made. <p>- <u>Opinions</u> issued on the basis of the consultative function with regard to the criteria to apply to the specific cases of its audit function, for example:</p> <ul style="list-style-type: none"> • Opinion on the nature of the annual financial contributions of the members to the Pitiús Cooperation Fund, the Menorcan Cooperation Fund and the Mallorcan Solidarity and Cooperation Fund. <p>- <u>Motions</u> addressed to the Parliament of the Balearic Islands:</p> <ul style="list-style-type: none"> • Motion on the submission of accounts by the local authorities of the Balearic Islands. <p>- <u>Press releases</u> to report on the local authorities of the Balearic Islands that have not fulfilled an obligation they have with the Audit Office, advise of the deadlines for complying with these obligations or advise of the publication of an audit report on the Audit Office website.</p> <p>- <u>Calendar of obligations</u>: every year, the Audit Office website publishes a calendar with information on the periods that local authorities have in which to comply with each of the obligations with the Audit Office.</p> <p>The Audit Office also participates in the management and use of the Portal on Submission of Accounts (Accountability Website) which offers timely and detailed information on the economic and financial situation of local authorities (https://www.rendiciondecuentas.es/en/index.html).</p> |
| Canary Islands | <p>The Audit Office participates in the management and use of the Portal on Submission of Accounts (Accountability Website) which offers timely and detailed information on the economic and financial situation of local authorities (https://www.rendiciondecuentas.es/en/index.html).</p> |
| Castile and León | <p>No other documents are required by law although there is active cooperation and guides or instructions are produced and published on the website for the effective submission of the municipalities' annual accounts to the Audit Office.</p> <p>The Audit Office participates in the management and use of the Portal on Submission of Accounts (Accountability Website) which offers timely and detailed information on the economic and financial situation of local authorities (https://www.rendiciondecuentas.es/en/index.html).</p> |
| Catalonia | <p>The Audit Office does not produce any specific documents but, in addition to all audit reports already approved, publishes the annual accounts of local authorities and their dependent bodies on its website, including instructions for preparing these accounts and how to send them to the Audit Office. Instructions are also provided on that same website for the submission of contracts and agreements. Finally, municipalities are provided with a technical note for the purpose of estimating the debit balances of doubtful debts.</p> <p>The Audit Office participates in the management and use of the Portal on Submission of Accounts (Accountability Website) which offers timely and detailed information on the economic and financial situation of local authorities (https://www.rendiciondecuentas.es/en/index.html).</p> |
| Galicia | <p>The Audit Office participates in the management and use of the Portal on Submission of Accounts which offers timely and detailed information on the economic and financial situation of local authorities (https://www.rendiciondecuentas.es/en/index.html).</p> <p>The Audit Office prepares a report on the general accounts of all the local authorities of the Autonomous Community.</p> <p>All the detailed information regarding the submission of accounts can be viewed on the website of the Galician Audit Office, information that can be browsed using the filters made available to the user and which is structured in the following sections:</p> <ul style="list-style-type: none"> - General overview of submission of accounts: a scorecard that provides an overview of the overall submission of the general account for the selected financial year. - State of the submission of accounts of the local sector in Galicia: information on the detail of the submission of the general account selected You can select one entity and one financial year, one entity and several financial years, several entities and several financial years or any other combination available with the filters. - Evolution of the submission of accounts: general overview of the evolution of compliance with the obligation for submission of general accounts throughout the financial years. |

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| | <p>All the detailed information regarding the financial situation of the local public sector in Galicia (as well as at national level) is also available, and is structured in the following sections:</p> <ul style="list-style-type: none"> - Individual information concerning the General Account of the entities of the local sector: tour of the annual accounts integrated in the general account: balance sheet, economic outturn account, statement of changes in equity, cash flow statement, budget settlement statement and notes to the accounts. - Analysis of the General Account of local authorities: comparison between projected and achieved figures for both income and expenditure, analysis of the temporal evolution of the budgets, functional analysis of the expenditure budget, analysis and evolution of the main budgetary figures: budgetary result, cash surplus, financial debt. - Aggregated information from the local sector: this section presents a set of aggregated analyses based on data extracted from the general accounts of local authorities. - Comparative analysis of the general accounts of local authorities: this section presents a set of comparative analyses of different figures and indicators for the selected local authorities. |
| Community of Madrid | <p>See reply in section 6.1.</p> <p>The Audit Office participates in the management and use of the Portal on Submission of Accounts (Accountability Website) which offers timely and detailed information on the economic and financial situation of local authorities (https://www.rendiciondecuentas.es/en/index.html).</p> |
| Navarre | <p>Sometimes the Audit Office produces reports of a horizontal nature concerning the management by municipalities in Navarre of matters such as administrative procurement, personnel management, distribution of current transfers made by the Government of Navarre, mutual societies and special civil service pension funds, income, urban planning, etc.</p> |
| Community of Valencia | <p>The Audit Office participates in the management and use of the Portal on Submission of Accounts (Accountability Website) which offers timely and detailed information on the economic and financial situation of local authorities (https://www.rendiciondecuentas.es/en/index.html). The Audit Office prepares a report on the general accounts of all local authorities in the Community of Valencia.</p> |
| Basque Country | <p>Annual report on the accounts of the local authorities of the Basque Community (referring to the 251 municipalities and 64 supramunicipal authorities). Their extent is:</p> <ul style="list-style-type: none"> - Analysis of the content of the 2015 general accounts. This analysis has served as a basis for determining the degree of compliance with legislation of the local authorities, in terms of their duty to inform. - Specific analysis of the balance sheets, profit and loss accounts and budget settlements that form part of the general accounts of the municipalities and supramunicipal authorities, verifying that they contain all information required by applicable legislation and that all documents they comprise are consistent among and between each other. - Specific analysis of the balance sheets, profit and loss accounts and budget settlements of the municipalities and supramunicipal authorities to obtain indicators of an economic and financial nature. |

7. Describe how the independence of the audit institution is ensured: guarantees, legal provisions and procedures that ensure independence and objectivity of the institution's executive duties (funding principles, appointment of heads for terms of office, rotation of auditors etc.).

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| Andalusia | <p>The members of the Plenum (Councillors) enjoy independence and irremovability from office, recognized by the law.</p> <p>Councillors are appointed by a majority of three-fifths of the Parliament sitting in plenary.</p> <p>The post is incompatible with the performance of any other public or private activity.</p> <p>A person who in the previous year has handled public funds or has been awarded grants or has been in charge of inspecting or auditing public sector revenue and expenditure in Andalusia cannot be appointed as member of the Board.</p> |
| Aragon | <p>In accordance with its Regulation governing Organization and Functioning, the Audit Office reports directly to the Aragon Parliament, and acts to fulfil its purpose with functional independence and full management capacity.</p> <p>In terms of the members of the Audit Office, under the Law of the Audit Office of Aragon:</p> <ul style="list-style-type: none"> • No-one can be appointed a member of the Audit Office if, during the two years immediately prior, they have held a position as member of the Aragon Government or Vice-Minister, General Comptroller, Director-General of Budgets or Director-General of Taxes for the Administration of the Autonomous Community of Aragon. • The term in office of the members of the Audit Office is six years, with the possibility of re-election. • The regime of incompatibilities of high office in the Administration of the Autonomous Community of Aragon is applicable to members of the Audit Office. • Being a member of the Audit Office is incompatible with that of being a Member of the Aragon Parliament; Deputy in the Congress of Deputies of the Spanish State; Senator; Member of the State Court of Audit, Ombudsman of Aragón; Ombudsman of Spain; any other political office or administrative function of the State, Autonomous Communities and local authorities or their organisations, consortia, companies, foundations, associations and other public bodies or partly-owned companies, whatever their legal form; and with the implementation of managerial or executive functions in political parties, trade unions and business associations, or in professional associations; and with the exercise of their profession or of any other remunerated activity. • Without detriment to the causes of abstention and challenge provided for in the regulations governing the legal system of public administration, the members of the Audit Office shall refrain from auditing acts or cases in which they have been involved in any way prior to their appointment. <p>With regard to the staff of the Audit Office, its Regulation on Organization and Functioning regulates the duty of confidentiality in the following terms "All staff in the service of the Audit Office are obliged to keep strict confidentiality of the facts, actions or documents they may come to know about through their work".</p> |
| Asturias | <p>The Law of the Audit Office of the Principality of Asturias provides that "In carrying out its tasks, the Audit Office shall act in full respect of the legal system and shall enjoy full functional independence to achieve its purposes" and "In exercising their functions, the Members of the Board shall act in complete autonomy and independence and shall be considered a public authority for the determination of administrative and criminal liability of those who act wrongly against them while on active service or as a result of it".</p> |

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| | <p>This independence is reflected in the majorities required for the appointment of the Members of the Board (three-fifths of the votes cast in Parliament); the duration of the terms of office (6-year terms, for a maximum of two consecutive terms); regime of incompatibilities and, in general, their legal status.</p> |
| Balearic Islands | <p>The Organic Law reforming the Statute of Autonomy of the Balearic Islands, establishes the following with regard to the Audit Office: The Audit Office is comprised of three Counsellors (Members of the Board), elected by the Parliament by a majority of three-fifths of the MPs.</p> <p>The Law relating to the Audit Office of the Balearic Islands, establishes the following:</p> <p><u>Initiative and promotion of proceedings</u> The audit initiative lies with the Audit Office, which draws up the annual programme of actions approved by the Board, in accordance with the provisions of this law, the execution of which has to permit sufficient judgment to be made regarding the quality and regularity of the economic and financial management of the public sector in the Balearic Islands. This initiative may not be lessened by the right of request set out in the following sections. The Parliament of the Balearic Islands, either in plenary or through the committee with responsibilities in terms of finance and budget, may promote the audit activity of the Audit Office. This initiative may refer to any of the parts of the public sector within the scope of this law, or to any recipient or beneficiary of public grants from it. Similarly, the parts of the public sector within the scope of this law may request the Parliament to urge the Audit Office, by agreement of the competent committee in the area of finance and budget, to conduct an audit of them, through their respective governing bodies, on the terms set out in the Internal Rules of Procedure of the Audit Office. In the case of local authorities, the prior agreement of the plenary of the corporation will be required, adopted by absolute majority of the legal number of members that comprise it.</p> <p><u>Election of the Members of the Board</u> The Members of the Board, of which there are three, are elected by the Parliament of the Balearic Islands by means of majority vote of three-fifths of its members, and they are persons of recognised competence who hold a degree in law, economics, business management and administration, chartered accountancy or equivalent, or are members of the civil service of whom a higher academic degree is required for their entry, and who have over ten years' accredited professional experience. The duration of the term of office is a period of six years, and they may be re-elected.</p> <p><u>Status of board members</u> In the performance of their functions, the board members enjoy independence and irremovability from office and they have the status of public authority. Appointment as board member will, as the case may be, entail special leave of absence or equivalent from their profession or institution of origin. The disciplinary responsibility of the board members is regulated in the Internal Rules of Procedure and their declaration lies with the Parliament of the Balearic Islands.</p> <p><u>Incompatibilities of board members</u> Members of the Board perform their functions under a system of absolute and exclusive dedication, in which case, the post of board member is incompatible with the performance of any other public or private activity other than the administration of their own personal or family assets. In addition, the post of board member is incompatible with the following: a) Member of the Parliament of the Balearic Islands. b) Member of the Spanish Congress of Deputies or Senator. c) Any post with a representative mandate. d) Any political post or post in the civil service of the State, the Autonomous Communities or local authorities, and their entities, organisations and public or related companies, whatever their legal form. e) Member of any of the advisory or consultative institutions of the Balearic Islands Autonomous Community. f) Managerial or executive functions in a political party, trade union confederation, business organisation or professional association. However, the post of board member is compatible with the activities of literary, artistic, scientific or technical production and creation and the publications derived from this, as well as occasional collaboration and attendance as speaker at congresses, seminars, workshops, conferences or courses of a professional nature, providing they are not the consequence of an employment or service provision relationship or may entail a detriment to the strict fulfilment of his duties. Also compatible, under identical conditions, is his participation in activities of non-profit-making cultural, educational, scientific or charitable entities.</p> <p><u>Abstention and challenge of board members</u> The causes of abstention and rejection set out in the Law relating to the legal system of the public administrations and the common administrative procedure, applies to board members. In addition, board members will abstain from the audit of any act or procedure in which they have acted or participated prior to their appointment as a member of the Audit Office.</p> <p><u>Loss of the status of board member</u> Members of the Board lose their status for the following reasons: a) End of the term of office. b) Renunciation. c) Incapacity or disqualification declared in final ruling. d) Unexpected incompatibility or non-fulfilment of their duties, appreciated by the plenary of the Parliament by majority of three-fifths of its members. In cases a) and b) of the above section, the board member will continue to perform his functions until the person succeeding him takes over. In the case of section d) the hearing of the person concerned and the report of the Board of the Audit Office prior to the adoption of the agreement by the Parliament will be compulsory. Should vacancies occur before the end of the term of office, the President of the Audit Office will make this known to the President of the Parliament so that they may, in accordance with the provisions of this title, make the appropriate appointment for the time that remains of the term of office.</p> |

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| | <p>Budget and financing of the Audit Office The Audit Office drafts and approves its budget proposal and sends it to the Government of the Balearic Islands for the purposes of its inclusion as an independent section in the General Budget Bill of the Balearic Islands Autonomous Community.</p> <p>With regard to the abstention and challenge procedure, the Internal Rules of Procedure of the Audit Office of the Balearic Islands establishes the following: In the event of abstention or that any interested person promotes the rejection of a board member due to their incurring any of the causes defined by the Law on the Audit Office, the President of the Audit Office must inform the Board as soon as possible for the latter to adopt the appropriate agreement.</p> |
| Canary Islands | <p>The Counsellors-Auditors (Members of the Plenum) of the Audit Office enjoy independence and irremovability. They are appointed from among persons of recognised standing in relation to the functional sphere of the audit body. Pursuant to the Law of the Audit Office of the Canary Islands, the Counsellors-Auditors must refrain from or may be objected to when one of the following circumstances occurs:</p> <ol style="list-style-type: none"> When they have a personal interest in the matter or enterprise, or an outstanding litigation or service relationship with an interested party. When they have relationship within the fourth degree of consanguinity or second of affinity with any of the accountable persons. When they have been responsible for the administration, management, inspection and audit of the revenue or expenditure under audit. Any other reason or circumstance which might undermine their objectivity or independence of judgement. <p>Lastly, the Auditors are considered a public authority for the determination of administrative and criminal liability of those who act wrongly against them while on active service or as a result of it.</p> |
| Castile and León | <p>The Law regulating the Audit Office of Castile and León sets out the following system for appointing the members of the Plenum (Councillors):</p> <p>Requirements for the selection of Councillors</p> <ol style="list-style-type: none"> The Councillors of the Audit Office are appointed from among public officials belonging to civil service corps for which admission requires a higher academic degree, or from among lawyers and economists with recognised competence in the tasks of the Plenum and with more than ten years of professional. No-one may be appointed a Councillor of the Audit Office if, in the two years prior to their appointment, they were involved in any of the following: <ol style="list-style-type: none"> Authorities or officials with a role of leadership, management, inspection or audit of finances in any of the authorities and bodies belonging to the Castile and León public sector. Presidents, directors and members of the Boards of Directors or collegiate managerial bodies of Castile and León public sector entities. Individuals who, exceptionally, administer, gather or hold funds or public assets. Any other person who, in accordance with this Law, is accountable to the Audit Office. <p>Regime of incompatible activities</p> <ol style="list-style-type: none"> The status of member of the Castile and León Audit Office is incompatible, in all cases, with: <ol style="list-style-type: none"> Any political office or representative mandate in the State, Autonomous Communities, Local Authorities, European Union or International Organisations or similar position or post in the public sector of any of said bodies. The exercise of directive or executive functions in political parties, trade unions or business associations. The holding, directly or through third parties, of positions in companies or societies engaged in activities that obtain contracts from the Public Administration or are subsidised by them, concession holders thereof, lessees or administrators of monopolies or companies with public sector participation. The performance, during their term, of any responsibility, function or activity referred to in section 2 of the requirements for the selection of Councillors. The members of the Audit Office may choose between performing their role full or part-time, guaranteeing in all cases their full availability to undertake their duties in a timely and efficient manner, and guaranteeing their impartiality and independence in the fulfilment of their public function. Full-time members of the Audit Office may not exercise, either themselves or through substitution, any other professional, commercial, industrial or working activity, public or private, self-employed or salaried, or remunerated by fees, commission or in any other way, other than the administration of their own assets. Activities of literary, artistic, scientific, technical or research production and creation and publications deriving therefrom are, however, compatible, as are occasional collaboration and attendance as a speaker at congresses, seminars, workshops, conferences or courses of a professional nature, provided that they are not a consequence of any employment relationship or rendering of services and that they do not impair the strict fulfilment of their duties. <p>Their term in office is four years. They may only lose their status as members of the Audit Office for the following reasons:</p> <ol style="list-style-type: none"> Through death. Through resignation. By completing their term in office, without detriment to their possible re-election. Due to incapacity declared by final judicial ruling. Through disqualification to exercise political rights declared by final judicial ruling. Through conviction for a crime in a final judgement. For non-fulfilment of the duties of the position as assessed by the Castile and León Parliament. For incompatibility arising as decided by the Castile and León Parliament under the terms provided by the regime of incompatible activities. <p>Loss of status of member of the Audit Office due to a breach of the obligations of the position or for incompatibility by circumstance will be declared by a three-fifths majority of the Plenary of the Castile and León Parliament, in a session convened for that purpose, which the affected Member may attend and speak before prior to the vote. The debate will be at the initiative of the President of Parliament, two Parliamentary Groups or a fifth of the MPs.</p> <p>In addition, the Audit Office staff are, in all cases, career officials, having accessed this career through selective tests conducted along lines of equality, merit and ability.</p> |

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| Catalonia | The independence of the Audit Office is guaranteed by law, in the law establishing it, and it is fully independent from the bodies that are subject to its auditing powers. Its funding comes solely, as previously stated, from Parliament and not from the bodies subject to audit. Members of the Plenum are appointed by Parliament for a six-year period with the possibility of renewal for one further period only. The auditors may rotate between the different departments of the Audit Office. |
| Galicia | <p>The councillors (members of the Plenum) enjoy independence and irremovability, which is recognised by law:</p> <ol style="list-style-type: none"> 1. The five councillors are appointed by the Parliament by a majority vote of three fifths, holding office for a period of six years. Should any such vacancies open up, they shall be filled in accordance with the above provisions and for the remainder of the term of office. 2. The councillors are independent and irremovable and are appointed from among members of the State Court of Audit, certified auditors, magistrates, public prosecutors and civil servants belonging to corps classified in subgroup A1, and from among persons with a degree in law, economics or equivalent qualifications of recognised competence and who have practised for more than twelve years in the areas for which the Audit Office is responsible. 2 bis. Persons to whom any of the following have applied in the last six years may not be appointed as councillors: <ol style="list-style-type: none"> a) Have been members of the Parliament of Galicia, the Spanish Congress of Deputies, the European Parliament, the Government of Galicia or local government. b) Have been a member of the executive bodies of political parties or organisations representing workers or employers. 3. Persons to whom any of the following have applied in the last two years may not be appointed as councillors: <ol style="list-style-type: none"> a) The executive staff and employees of the public sector of Galicia that had been in charge of the management, inspection or internal audit of the income and expenditure of that sector. b) The chairmen or women, directors and members of the boards of directors or equivalent bodies of the entities that make up the public sector of Galicia. c) Individuals who, exceptionally, have administered, collected or keep in due care public funds or assets. d) Persons receiving grants from public funds. e) Any other person who has had the status of entity accountable to the Audit Office. f) The beneficiaries of direct and personal tax guarantees or exemptions granted by any of the entities that make up the public sector of Galicia. 4. Six months prior to the expiration of the term of office of the councillors, the President of the Audit Office shall address the Presidency of the Parliament of Galicia, requesting the appointment of new councillors. On receipt of such a communication, within a maximum period of six months, the Parliament of Galicia shall, after taking the appropriate steps, proceed to the vote laid down in paragraph 1 of this article. 5. The maximum age for councillors is 72 years of age. 6. The candidates proposed by the parliamentary groups to be members of the Audit Office will have to appear before the corresponding committee of the Parliament of Galicia to examine their suitability for the post in accordance with its regulations. 7. The members of the Audit Office are subject to the same transparency obligations as those required by current regulations for councillors of the Government of Galicia. <p><u>Regime of incompatible activities</u></p> <ol style="list-style-type: none"> 1. The members of the Audit Office are subject to the same causes of incapacity, incompatibility and prohibitions established for judges in the Organic Law on the Judiciary. 2. The status of Councillor of the Galician Audit Office is incompatible with: <ol style="list-style-type: none"> a) That of a member of the Parliament of Galicia or any other regional parliament. b) That of a member of the Spanish Congress of Deputies. c) That of Senator. d) That of a member of the Court of Audit. e) That of the Galician Ombudsman. f) That of the Ombudsman of Spain. g) Any political or administrative office of the State, autonomous communities and local authorities or their dependent entities, whatever their legal form. h) The performance of managerial or executive functions in political parties, trade union centres, business organisations and professional associations. i) That of a member of any of the advisory bodies of the Government of Galicia. j) The performance of their profession or any other remunerated activity. 3. If the appointment falls to any of the persons referred to in the previous section, they must resign from their post or function before taking office. 4. The appointment of the members of the Audit Office shall imply, if applicable, the declaration of the interested party in the situation of special services or equivalent in the career or corps of origin. <p><u>Abstention and challenge</u></p> <p>The following grounds for abstention and rejection apply to councillors:</p> <ol style="list-style-type: none"> a) Having a personal interest in the matter or in the company or entities concerned, or having a pending litigious matter or service relationship with a concerned party. b) Being related to the fourth degree of consanguinity or to the second degree of affinity to any of the accountable entities or directors of the entities referred to in Article 2(1)Article 14(b) c) Having a close friendship with or showing hostility towards some of the persons indicated in the previous section. <p><u>Responsibility</u></p> <p>The disciplinary responsibility of the President of the Audit Office and of the councillors must be established by the internal regulations of the Audit Office.</p> <p><u>Loss of status</u></p> <p>Councillors of the Audit Office of Galicia lose their status for the following reasons:</p> |

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| | <p>a) On account of death or by resignation presented to and accepted by Parliament. b) On termination of office on expiration of the term. c) Due to incapacity declared by final judicial ruling. d) Through disqualification to exercise political rights declared by final judicial ruling. e) Through conviction for a crime in a final judgement. f) For failure to comply with the obligations of the office in accordance with the internal regulations of the Audit Office. g) Having reached the age set as the maximum limit of stay.</p> <p>In addition, the institutional Code of Ethics of the Audit Office was approved on 13 November 2017 (Galician Official Gazette no. 234, of 12 December 2017).</p> <p>The code establishes the ethical principles and values at the institutional level, as well as the responsibilities and ethical commitments of the institution's employees to achieve the institutional objectives and places particular emphasis on the exemplary conduct and excellent performance of its members and the staff at its service.</p> <p>The code was created as a necessary complement to reinforce the professional practice derived from the principles and rules of public auditing applicable to the Audit Office in order to improve its technical standards and the independence, impartiality and competence of the institution's staff.</p> |
| Community of Madrid | <p>The Audit Office exercises its role independently, which is essential to ensure that it can inform the Regional Parliament and citizens without running the risk of suffering interference from governments or the bodies being audited.</p> <p>Precisely for this reason, the law establishes a legal status for members of the Board (Councillors), ensuring their independence, irremovability and a strict regime of incompatibilities, which guarantee that they can exercise their duties impartially, without receiving orders, recommendations or instructions from any official or public authority likely to influence their decisions.</p> <p>There are two types of measure adopted by the Law of the Audit Office to guarantee its independence:</p> <ul style="list-style-type: none"> - Measures to ensure the individual independence of Councillors, such as: <ul style="list-style-type: none"> - Guarantee of independence and irremovability from post, except for accredited disqualifying reasons (incapacity or disqualification by court ruling, serious breach of duty as determined by a three-fifths majority of the Regional Parliament, etc.). - Six-year term in office, as opposed to four years for the parliamentarians who elect them, meaning that a change in majority in Parliament is insufficient to alter the Audit Office's composition. - Strict regime of incompatible activities applicable to the post and a requirement of at least five years without having held a managerial role in the public sector being audited or in the private sector where grants were received from said public sector. - They do not intervene in audits of acts or cases they have previously been involved in. - No affiliation to political parties or other organisations that receive public grants. - Professional requirements for election are that they must be a public official with a higher education or economists or lawyers with ten years of accredited experience in the private sector. - Measures to guarantee the independence of the institution as a whole: <ul style="list-style-type: none"> - Functional independence, which gives it the capacity to decide on the planning, implementation and rules of the audit. - Organizational and budgetary autonomy established by Law. It produces its own draft budget. <p>It is 90% run by specialist civil servants selected by objective means.</p> |
| Navarre | <p>The Audit Office is a one-person body headed by a President who is appointed by the Parliament of Navarre by absolute majority in the first voting and simple majority in the second voting. The President is selected from amongst persons with relevant professional expertise and is subject to a series of incompatibilities. He/she has judicial status. Furthermore, all auditors and technical staff have passed a competition. When approving the reports, the President must take into account the opinion of the auditors responsible for the audit work and that of the other auditors of the Audit Office. In the case that they disagree with a particular audit, they may record their discrepancies in writing in the final report and forward them to the Parliament of Navarre. The Audit Office guarantees especially the independence and technical rigour of its reports as an essential aspect of the credibility of its work.</p> |
| Community of Valencia | <p>The Law regulating the Audit Office of the Valencian Community establishes that the Audit Office is accountable to the Valencian parliament but operates with complete independence when it comes to perform its tasks.</p> <p>According to its operational independence, the Audit Office exercises in any case the following powers:</p> <ol style="list-style-type: none"> 1. The preparation and adoption of its own draft budget. Once the draft budget is processed and approved by the appropriate bodies, it is included in the budget of the Autonomous Community as an independent section. 2. The regulation of whatever affects its governance and organization, in accordance with the budget appropriations authorised by the Valencian Parliament for this purpose. 3. The regulation of the internal rules applicable to its personnel, without prejudice to the general rules that may apply. <p>The Audit Office also approves its own annual programme of action and its Audit Manual.</p> <p>The Audit Office is made up of three Members of the Board (Counsellors), elected by the Valencian Parliament for a period of six years, renewable once, by a majority of three-fifths of the MPs.</p> <p>The members of the Board enjoy independence and irremovability from office and must perform their functions with absolute and exclusive dedication. Their activity is not compatible with the exercise of any other post, office, representation, or commercial, professional, industrial profession or activity of a public or private nature, as independent professionals or as employees. Their activity is, nonetheless, compatible with the administration of their own personal assets, literary, artistic, scientific and technical creation and publications deriving therefrom as well as</p> |

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| | <p>the occasional participation in seminars, courses or conferences. Under no circumstances they can receive more than one remuneration of a fixed and periodic nature from the abovementioned compatible activities.</p> <p>No-one can be appointed a member of the Audit Office if he/she falls into the following categories during the four years immediately prior to the date of appointment:</p> <ul style="list-style-type: none"> a) Government members or elected offices in representative institutions. b) Persons with a role of leadership or management of finances in any of the authorities and bodies subject to audit by the Audit Office as well as elected representatives. c) Presidents, directors and members of the boards of directors or collegiate managerial bodies of public sector entities which form part of the Valencian public sector. d) Individuals who, exceptionally, administer, gather or hold funds or public assets. e) Persons who have been beneficiaries of grants, guarantees or direct and personal tax exemptions through the Valencian public sector, awarded on the basis of discretionary criteria or not based on regulated and public procedures. <p>Both the Members of the Board and the staff of the Audit Office have to perform their duties in accordance with the values and ethical principles of integrity, independence and objectivity, professional competence and diligence, and confidentiality. To this end, in 2015 the Board of the Audit Office approved the Code of Ethics of the Audit Office based on the International Code of Ethics for public sector auditors approved by the International Organisation of Supreme Audit Institutions (INTOSAI).</p> |
| Basque Country | <p>According to the Law on the Audit Office of the Basque Country:</p> <p>To be elected a member of the Audit Office of the Basque Country, you need to hold a degree and possess recognised competence in the Audit Office's functions, backed up in all cases by 10 years of professional experience. The members of the Basque Audit Office are elected by the Plenary Assembly of the Basque Parliament, requiring a favourable vote by an absolute majority of its members. Being a member of the Basque Audit Office to all intents and purposes means being a public office holder.</p> <p>The members of the Audit Office enjoy the same independence and irremovability as judges and are subject to the same reasons for incapacity, the same incompatibilities and prohibitions, and have the same possibilities for abstention and challenge, where appropriate, as those that are established for judges. Their mandate lasts six years from the moment they are elected.</p> <p>The only reasons for losing their status as member of the Basque Audit Office are as follows:</p> <ul style="list-style-type: none"> a) Death or end of the period of their mandate. b) Resignation accepted by the Basque Parliament. c) Incapacity or incompatibility. d) Serious breach of the obligations of the post. <p>Parliament may suspend Audit Office members from their duties and rights during any investigative procedure which, where appropriate, may take up to six months. The suspension will be effective from the moment it is agreed, although it will need to be published for general information in the Official Gazette of the Basque Country within five days. The suspension will also automatically, and for the same length of time, result in a suspension from any post occupied by the suspended member within the Audit Office organization. In the case of paragraph d), the loss of status of Audit Office member will take place by virtue of an assessment of serious breach of duty by two-thirds of the Basque Parliament.</p> <p>In addition, the Law regulating the Code of Conduct and Conflicts of Interest in Public Office is also applicable to members of the Basque Audit Office.</p> <p>In addition to this legislation, the Audit Office has an approved audit procedures manual in which it sets out the different actions aimed at guaranteeing the independence and objective nature of the work and reports issued.</p> <p>All audit reports are subject to the technical control of another Audit Office department (each member of the Basque Audit Office is responsible for one department), and this consists of reviewing the audit work to determine whether it has been conducted in accordance with generally accepted auditing standards and procedures and whether it has fulfilled the scope and objectives of the work as set out in the planning document. The aspects to be considered when examining the working papers are therefore:</p> <ul style="list-style-type: none"> ○ whether the audit's conclusions – either qualifications or limitations – are inadequate, insufficient or poorly supported or argued. ○ whether generally accepted audit procedures have not been applied. ○ whether there are significant weaknesses in internal control that have been insufficiently considered, and which may significantly affect the levels of evidence that need to have been obtained. ○ whether there is a lack of consistency between the conclusions in the working papers, and the arguments set out in the audit summaries or memoranda or the explanatory notes to the report. ○ whether there are typing errors, errors of internal consistency or style. <p>The report is then reviewed and passed onto the Chief Auditors of each department, discussing where appropriate any discrepancies not resolved by the technical control.</p> <p>The report is then analysed by the Plenum of the Audit Office (comprising 7 members/councillors elected by the Basque Parliament).</p> <p>Following its approval, it is sent to the body audited so that it can state any disagreement with the report (comments).</p> <p>The comments are analysed by the report drafting team, accepting those considered relevant (correcting the report) and explaining the reasons for rejecting those that are not.</p> <p>This report, together with the auditee's comments and the report drafting team's remarks, are analysed once more by the Chief Auditors, and then by the Plenum and, if approved by a majority of this latter, it is issued and published. This report will include all the rejected comments, as well as disagreements (casting vote) that may be raised by any of the members/councillors.</p> |