REPORT

Peer Review

Tribunal de Cuentas

of Spain

2015

Tribunal de Contas de Portugal

European Court of Auditors

Tribunal de Contas

European Court of Auditors

PEER REVIEW

OF THE *TRIBUNAL DE CUENTAS* OF SPAIN

JUNE 2015

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List of Acronyms and Symbols

ENS	*Esquema Nacional de Seguridad* (Spanish National Security Framework)
IGAE	*Intervención General de la Administración del Estado* (General Intervention Board of the State Administration)
INAP	*Instituto Nacional de Administración Pública* (National Institute of Public Administration)
ISO	Information Security Officer
ISSAI	International Standards for Supreme Audit Institutions
IT	Information Technology Service
LOPD	*Ley Orgánica de Protección de Datos* (Organic Law on Data Protection)
MOU	Memorandum of Understanding
OCEX	External audit bodies of the Autonomous Regions
SAI	Supreme Audit Institution
TCu	*Tribunal de Cuentas* of Spain (Spanish Court of Auditors)

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Presentation

D. Ramón Álvarez de Miranda, President of the *Tribunal de Cuentas*:

On behalf of the peer review team, I am pleased to present the findings of the peer review that has been in progress since December 2014 (Section V, Memorandum of Understanding).

As agreed between the three Supreme Audit Institutions involved (The *Tribunal de Contas* of Portugal and the European Court of Auditors as reviewers, and the *Tribunal de Cuentas* of Spain as the reviewee), the objectives of this review concern the key areas of external financial control - independence, transparency and governance - as well as matters relating to the audit and jurisdictional functions arising from the mandate of the institution under review.

Based on the findings of the review, it is our opinion that:

- The *Tribunal de Cuentas* of Spain (hereinafter referred to as the "TCu") is a solid institution with the strengths and tools to enable it to function as a modern, transparent, independent and effective Supreme Audit Institution.

- In recent years, the TCu has made efforts to modernise and to adopt good practices in order to refine and improve the quality of its work.

- This task is not yet completed. We would therefore encourage the TCu to maintain its current course and to address the recommendations for improvement described in this report, which we consider vital for excellent performance.

The review team is aware that the TCu is not entirely in a position to implement some of the recommendations, i.e. that there are external constraints and legal restrictions to overcome in order to achieve the desired improvements.

We were pleased to note that measures were already being implemented during the course of the review to improve the functioning of the TCu.

Having received the TCu's comments, we are pleased to present our report on the peer review.

The peer review team would like to thank the TCu for its cooperation and willingness to assist at all times, as well as for the way we were treated by its entire staff.

On behalf of the peer review team,

Carlos Alberto Lourenço Morais Antunes

Vice-president of *Tribunal de Contas de Portugal*

At the request of Spain's *Tribunal de Cuentas* (TCu), Portugal's *Tribunal de Contas* and the European Court of Auditors conducted a peer review of the TCu, the main goals of which were laid down in the Memorandum of Understanding signed in October 2014.

The peer review addressed fundamental and cross-cutting issues, such as **independence**, **transparency** and **governance**, as well as more specific matters linked to the TCu's mandate (**audit** and **jurisdictional** functions) and its relations with the external control bodies of the Autonomous Regions (OCEX)
For each domain covered by this peer review, we present the respective strengths and areas for improvement, along with recommendations for making these improvements.

The review was based on generally recognised criteria governing the work of Supreme Audit Institutions (SAIs) and took into account the guidelines set out in ISSAI 5600, as well as the TCu's legal and managerial context.

It should be stressed that, in recent years, the TCu has invested **a great deal of effort in modernising and in adopting good practices**, particularly in relation to effective communication with the public and other stakeholders, and with a view to refining and improving the quality of its audit work.

The peer reviewers consider that **making progress down this path is a key** aspect in improving and becoming a more **open**, **recognised** and **efficient** Supreme Audit Institution.

Accordingly, the peer review team would like to highlight a range of the TCu's **strengths,** which are **especially valuable** in fulfilling its mission:

- The *Tribunal de Cuentas* is a **solid institution**, which is deeply rooted in Spain's history and enjoys **international recognition** within the SAI community;
- The TCu has **committed staff**, with a strong sense of responsibility, and generally adequate technical skills for its main functions;

- The TCu has a corporate culture that fosters the **intellectual and technical autonomy** of its auditors and the other staff involved in audit;
- The TCu strives to pursue a **policy of transparency and openness**, in particular through its website, where its audit reports, jurisdictional decisions and internal management data are published, and through access to local entities' accounts, which are rendered electronically;
- The audits are conducted in accordance with the TCu's established practices, procedures and quality control measures, which are generally **in line with international standards** for SAIs, in order to facilitate fair and factual reporting of audit findings;
- The TCu's audit reports are technically **well-structured** and demonstrate a sound knowledge of the facts and issues analysed, and have sufficient and **appropriate audit evidence** to support their conclusions;
- The jurisdictionall process complies with the **due process of law**, ensuring the rights and guarantees of defence;
- The **TCu's public procurement activity complies overall** with the applicable legal framework, the Law on Public Sector Contracts.

The review team also identified **areas requiring further improvement**:

In this connection, it is important to note that, in practice, both the Plenary of the TCu and its individual members have progressively assumed certain decision-making responsibilities in relation to the management and the allocation of human resources.

The Plenary of the TCu has also been acting as an instance of review for decisions taken by the TCu Management Board or by the President of the TCu, even though they have the legal power to make such decisions.

The peer review team also observed an environment of conflicts and divisions within the Court and among TCu staff.
The legal framework for appointing TCu Members complies with internationally recognised standards (ISSAI 1, 10 and 11), although it could be further strengthened, as described below.

The peer review team encountered a public perception that TCu Members are subject to political influence. However, our review did not uncover any specific circumstances potentially arising from such influence.

In view of these issues and others described in detail below, the peer review team wishes to highlight the following main recommendations:

- Develop a **corporate strategy, along with sectorial strategies**, including clear, time-bound and measurable objectives;
- Review the **appointment procedures for the Court's Members,** including defining objective criteria and detailed requirements, and rethinking the length of their mandate;
- Adopt measures applicable to staff in order to **avoid the existing tensions**, in particular to
    - establish and implement **objective appointment procedures**, and review the number of management positions and appointment procedures for these.
    - establish a **performance-based working environment,** founded on clear job descriptions and annual appraisals against predefined objectives; and
    - foster a **knowledge based working culture**, where continuous professional development is a key element;
- Work towards **timely and shorter** audit reports **that are easier to read**;
- **Harmonise working methods** and supervision, and establish a complete quality control framework;
- Develop a **system** for **following up recommendations**;
- Promote a reform of the legal framework in order to simplify the TCu's **jurisdictional procedures** and make them more **coherent and complete**;
- Review current allocations of resources and responsibilities to the Audit departments;
- Strengthen the **institutional relationship with the OCEX**;
- Obtain **accounting autonomy and publish accounts audited by an external body**;
- Develop procedure manuals for internal controls, particularly in the areas of budget and procurement;
- Establish an effective and efficient IT governance framework;
- Establish an internal audit function to inform the TCu how effective its internal control function is.

Based on its institutional strengths, the TCu should **consider how best to implement the recommendations for those areas found to be in need of further improvement**, in

particular those relating to the recognition of the TCu as a modern, transparent, independent and effective Supreme Audit Institution.

The review team is aware that some of the recommendations made - indicated throughout this report - are subject to legal restrictions and constraints from outside the TCu, particularly those requiring changes to existing laws governing the organization and functioning of the institution.

1. Background and purpose

In mid-October 2014, Portugal's *Tribunal de Contas*, the European Court of Auditors and Spain's *Tribunal de Cuentas* (**TCu**) signed a "*Memorandum of Understanding"* (MoU) laying the foundations for the peer review of Spain's Supreme Audit Institution.

The main goal of this peer review is to assess the quality and effectiveness of the work undertaken by Spain's *Tribunal de Cuentas*, and to offer suggestions where there are areas for improvement.

According to the MoU, the review was to evaluate the compliance of the TCu's activities with its legal framework and with international audit and ethical standards, in particular the ISSAI, identifying good practices and making recommendations to improve relevant aspects in the following key areas under review:

1. **INDEPENDENCE**
2. **AUDIT FUNCTION**
3. **JURISDICTIONAL FUNCTION**
4. **TRANSPARENCY**
5. **GOVERNANCE**

Based on these areas, the following review questions were agreed:

Objective	Question
I	**Does the TCu have the appropriate and effective constitutional and legal framework, as well as processes and practices in place to ensure independence of the SAI?**
II	**Are the audit standards of the TCu in line with international professional auditing standards and effectively implemented?**
II.1	Does the TCu have institutionalized standards, processes, audit manuals and implementing rules for audit planning, execution, reporting, quality control, and follow-up for financial, compliance and performance audits, as well as for the Declaration on the State's General Account and for the audit of political parties accounts?
II.2	Are these standards effectively applied and supervised?
III	**Is the jurisdictional activity of the TCu in compliance with the due process of law, and is it effective?**
IV	**Is the TCu transparent in its activity?**
IV.1	Does the TCu maintain procedures, processes, and practices in place which ensure appropriate transparency and accountability?
IV.2	Are the internal management procedures set up and function in a transparent way?
IV.3	Do the stakeholders find the activity of TCu relevant, useful and transparent?
V	**Is the internal management of the institution designed to support its core functions effectively and efficiently?**
V.1	Has the leadership of the TCu created an environment that effectively supports responsibility, accountability, and performance management of its staff?
V.2	Has the TCu set up a strategic planning and monitoring system to manage appropriately its human and financial resources in line with its overall strategy?
V.3	Are the internal management functions effectively set up in order to support the core audit functions? Areas reviewed are a) Human resource management b) Budget management c) Procurement d) Information Technology e) Internal Control

The review has been conducted in accordance with the relevant international **audit standards and good practices,** namely:

ISSAI 5600	Peer Review Guide
ISSAI 1e10	Lima and Mexico Declarations
ISSAI 20	Principles of Transparency and accountability
ISSAI 40	Quality Control for SAIs
ISSAI 100	Fundamental principles of Public Sector Auditing
ISSAI 200	Fundamental principles of financial auditing
ISSAI 300	Fundamental principles of Performance Auditing
ISSAI 400	Fundamental principles of Compliance Auditing

We have also taken into consideration the pilot version of the SAI's Performance Measurement Framework as approved by the INTOSAI Working Group on Values and Benefits of SAIs.

The peer review team has received a document entitled "*Plan Estrategico del Tribunal de Cuentas 2015-2017 — Analisis de Fortalezas, aspectos a mejorar, Oportunidades y Amenazas"* [Strategic Plan of the *Tribunal de Cuentas* – Analysis of strengths, weaknesses, opportunities and threats]. This document identifies strengths, weaknesses, opportunities and threats in the TCu's current environment. The peer review team took note of this document, which has not yet been approved by the Court.

Schedule and Methodology

The peer review has been in progress for six months. This report covers the review to date in the areas specified.

In accordance with the relevant standards, the review methodology included:

- Analysis of the TCu's **legal** and regulatory **framework**;

The **field work** was undertaken from January to March 2015, in weekly visits to the TCu's headquarters.

- Analysis of **documents produced by the TCu**;
- Verification of how this framework is **put into practice**

- **Interviews** within the TCu and with representative stakeholders;

> The peer review team conducted **60** interviews, including with all the members of the TCu's Plenary, the technical directors, the managers of support units and a sample of stakeholders, such as the joint Congress-Senate committee for relations with the TCu, the Supreme Court, the OCEX, the IGAE and bodies audited.

- Preparation, launch and analysis of **two** comprehensive **surveys**,_covering all aspects of the review (please see overview in the box below: Graphics 1-5);

Verification of **audit and jurisdictional procedures**, sampled from the respective departments;

> Verification of 33 audit and jurisdictional procedures

- Analysis of **human resources policies and practices**, focusing mainly on staff recruitment and promotion methods, as well as training strategy and practice;

> Verification of recruitment procedures from 2012 to 2014, analysis of the evolution and composition of staff

- Analysis of whether **procurement processes** comply with national rules and European Union directives;

> Verification of 11 procurement procedures

- Assessment of the **overall internal control environment,** including information and IT security.

All of these sources combined provided a comprehensive view of the TCu's **policies and practices** in relation to the review objectives, along with a **solid sense of how these are viewed by members, staff and stakeholders.**

The team received all necessary information in a **spirit of openness, cooperation, mutual respect and dialogue**.

The peers wish to thank the TCu for its cooperation. They were well received by all parties involved in the peer review exercise. The peers' discussions with the TCu were characterised by openness and a willingness to exchange information.

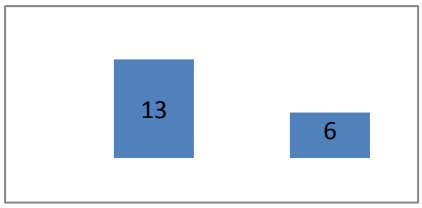
Overall view of the surveys

Survey 1

1. Target population
   1.1. Members of the Court (*Consejeros*) and Public Prosecutor (*Fiscalía*)

GRAPHIC 1 – MEMBERS AND PUBLIC PROSECUTOR

No of employees surveyed	13
Replies received	6
%	**46.2**



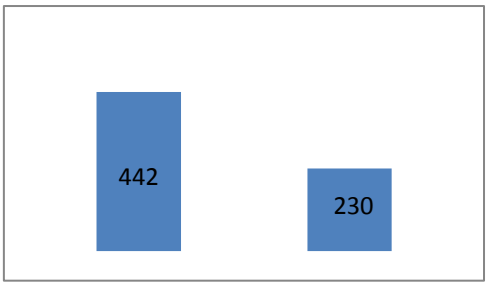
It should be noted that the peer review team had the opportunity to listen the opinions of all the Members and the Public Prosecutor in long and comprehensive interviews.

Survey 2

1.1. Positions A1 and A2 and equivalent

GRAPHIC 2 – POSITIONS A1/A2

No of employees surveyed	442
Replies received	230
%	**52.0**

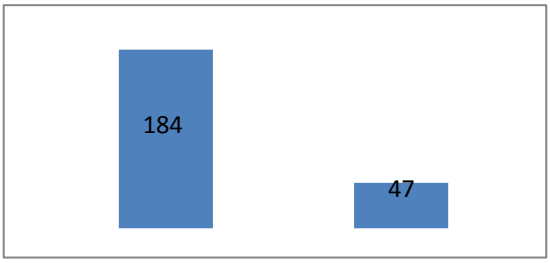


Around 50 % of staff in categories A1/A2 working in the Jurisdictional or Audit Section replied, **thus showing a significant level of participation**. This group of staff represents around 70 % of all replies.

1.2. Other support staff; Positions C1 and C2 and equivalent

GRAPHIC 3 - POSITIONS C1/C2

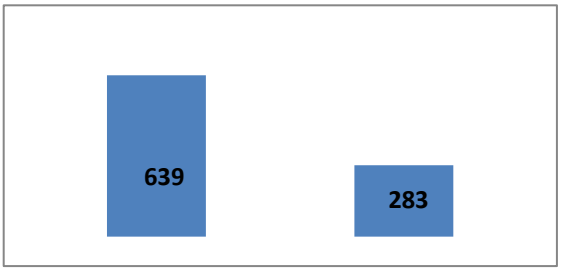
No of employees surveyed	184
Replies received	47
%	25.5



1.3. Overall results

GRAPHIC 4 – OVERALL RESULTS

No of employees surveyed	639[1]
Replies received	283
%	44.2

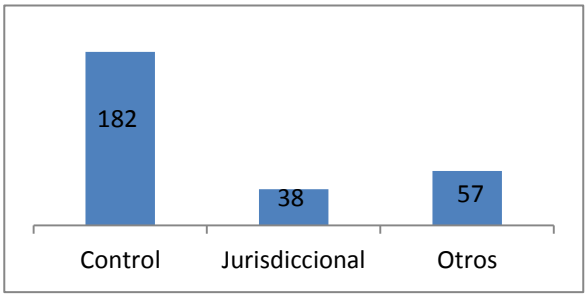


1.4. A brief profile of respondents[2]

1.4.1. Functions performed

GRAPHIC 5 – FUNCTIONS PERFORMED

Audit	182
Jurisdictional	38
Other	57
Total	277



1.4.2. Education

University degree	257	92.7 %
Total	277	

It should be noted that more than 92 % of all respondents stated that they had a university degree of at least 3 years, which underlines the **high level of qualification of TCu staff, even in lower grades.**

[1] This survey was addressed to 639 of the total of 750 staff

[2] This section doesn't apply to TCu Members and the Public Prosecutor; So, the replies amount to a total of 277.

2. The Tribunal de Cuentas of Spain

2.1. Historical, constitutional and legal framework

The *Tribunal de Cuentas* is a secular institution, the earliest origins of which can be traced back to the Middle Age.

The importance of an external audit institution for public accounts was also recognised in drawing up the Spanish Constitution of 1978, with the mandate of the *Tribunal de Cuentas* being defined in Articles 136 and 153.

Article 136 of the Spanish Constitution provides that:

> ***"1. El Tribunal de Cuentas es el supremo órgano fiscalizador de las cuentas y de la gestión económica de Estado, así como del sector público.***
>
> ***Dependerá directamente de las Cortes Generales y ejercerá sus funciones por delegación de ellas en el examen y comprobación de la Cuenta General del Estado.***
>
> ***2. Las cuentas del Estado y del sector público estatal se rendirán al Tribunal de Cuentas y serán censuradas por éste.***
>
> ***El Tribunal de Cuentas, sin perjuicio de su propia jurisdicción, remitirá a las Cortes Generales un informe anual en el que, cuando proceda, comunicará las infracciones o responsabilidades en que, a su juicio, se hubiere incurrido.***
>
> ***3. Los miembros del Tribunal de Cuentas gozarán de la misma independencia e inamovilidad y estarán sometidos a las mismas incompatibilidades que los Jueces.***
>
> ***4. Una ley orgánica regulará la composición, organización y funciones del Tribunal de Cuentas."***[3]

[3] "*1. The Court of Audit is the supreme body in charge of auditing State accounts and financial management, as well as those of the public sector.*
It shall be directly answerable to the Cortes Generales and shall exercise its duties by delegation of the latter when examining and verifying the General Accounts of the State.
2. The State Accounts and those of the State public sector shall be submitted to the Court of Audit and shall be audited by the latter.

Article 153(d) of the Constitution provides for the *Tribunal de Cuentas* to exercise economic and budgetary control over the activity of the bodies of the Autonomous Regions.

The provisions of the Constitution were complemented by the adoption of Organic Law 2/1982 of 12 May on the TCu. This law contains the main legal provisions concerning the TCu's powers, functions, composition, organisation and functioning. A more detailed legal framework concerning the functioning of the TCu was approved by means of Law 7/1988 of 5 April (on the functioning of the Tribunal de Cuentas).

Other laws, namely Organic Law 8/2007 of 4 July (on the funding of political parties) and Organic Law 5/1985 of 19 June (general electoral provisions) also contain relevant provisions concerning the mandate of the *Tribunal de Cuentas*.

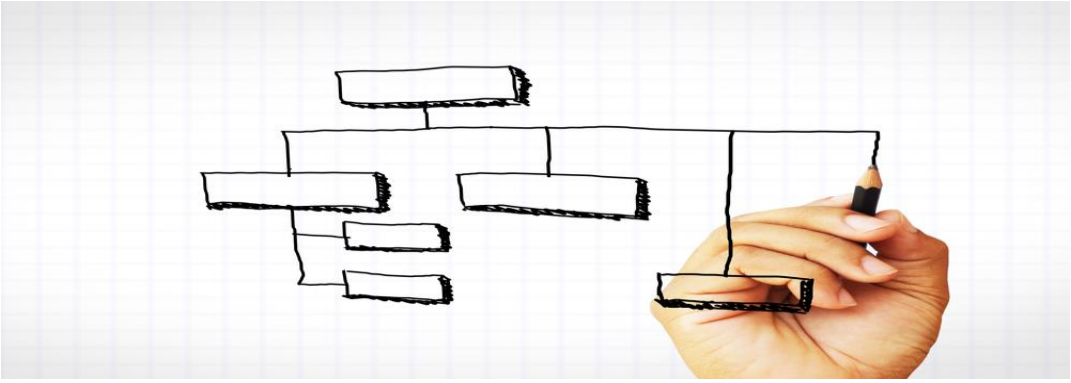
The TCu is the Supreme Audit Institution (SAI) recognised by the Spanish Constitution, responsible for auditing public sector accounts and financial management, as well as political parties' financial and economic activities, pursuant to the Organic Law on the *Tribunal de Cuentas* and Organic Law 8/2007 of 4 July on the funding of political parties. It also has the jurisdictional power to prosecute accounting liability incurred by those responsible for managing public funds.

Finally, it is important to note that the TCu enjoys **international recognition** within the SAI community and works intensively within the framework of international cooperation, most notably in its role as Secretary General of the European SAI organisation (EUROSAI).

The Court of Audit, without prejudice to its own jurisdiction, shall remit an annual report to the Cortes Generales in which it shall, when applicable, inform the latter of any infringements that may, in its opinion, have been committed, or any liabilities that may have been incurred.

3. *The members of the Court of Audit shall enjoy the same independence and protection from dismissal and shall be subject to the same incompatibilities as judges.*
4. *An organic law shall regulate the composition, organisation and duties of the Court of Audit."*

2.2. Composition and organisation of the TCu



The TCu is organised into the following bodies: President, Plenary, Management Board, Audit Section, Jurisdictional Section, Members, Public Prosecutor (*Fiscalía*) and Secretary-General.

The powers of each body are laid down in Organic Law 2/1982, which is complemented by Law 7/1988 (Law on the functioning of the *Tribunal de Cuentas*).

The **President** of the TCu is appointed by the King from among its Members at the proposal of the Plenary for a three-year period, with the possibility of reappointment. **The President** represents the TCu and, **legally, has ultimate responsibility for managing staff**, among his other powers.

The **Plenary** is composed of twelve Members (one of whom must be the President, who chairs) and the Chief Prosecutor (*Fiscal*) of the TCu. Although there is an Audit Section, it is the Plenary that is responsible for the audit function. Among its other powers, the Plenary issues resolutions against provisions and regulations laid down by other TCu bodies, including those concerning staff.

The **Management Board** is composed of the President of the TCu and the heads of its Audit and Jurisdictional Sections. Among its other powers, this body determines the working conditions of the TCu, exercises disciplinary powers in cases of gross misconduct, distributes cases among sections and appoints instructors in situations of liability for reimbursement of public funds.

The **Audit Section** is organised into seven departments: five sector departments, which are aligned, as far as possible, with the major areas of financial and economic activity in the public sector; and two territorial departments, one of which audits economic and financial activity of the Autonomous Regions and Autonomous Cities and another for local bodies.

The **Jurisdictional Section** is divided into three departments of first instance, each of them headed by a *Consejero*. There is also a Jurisdictional Chamber, comprising the head of the section and two Members from the Jurisdictional departments, which has the power to review decisions taken in first instance.

The **Members** are elected by the Parliament (six by the Congress and six by the Senate) by majority vote (three-fifths of each chamber) for a period of nine years, with the possibility of re-election. Prior to being appointed, candidates must appear before the advisory committee on appointments to their respective chamber in order to examine their suitability, and they should withdraw from any public activity.

The ***Fiscalía*** is a public prosecutor appointed by the government by the method laid down in the *Organic Statute of the Public Prosecution Service*. This body sits on Plenary sessions and votes on its decisions.

The **General Secretariat** performs managerial functions, as well as the functions of processing, documenting and registration in matters related to the powers of the President, the Plenary and the Management Board. The Secretary-General is appointed by the Plenary at the proposal of the Management Board.

The *Interventor* and the State Juridical Service also exercise supporting functions within the TCU.

First floor hall

2.1. Overall aspects of Governance

Article 20(c) of the Organic Law on the TCu provides for the President to exercise supreme authority in respect of staff serving at the TCu and to perform appropriate roles in respect of appointments, recruitment, government and general administration.

Article 2.1 of the law on the functioning of the TCu defines these powers, conferring, for example, the following authority upon the President:

> (…)
>
> *To exercise top-level inspection of the Court´s own services and secure their coordination, efficiency and good operation, taking whatever measures he deems fit in any situation and appointing the necessary staff within the limits of budget provisions and the appropriate list of posts*;

Powers relating to human resources are entrusted, in turn, to the Plenary and to the Management Board by the law on the functioning of the TCu, in some cases appearing to be in conflict with the powers granted to the President, such as:

- the power to approve the list of posts and the offer of public employment at the TCu (Plenary);
- the power to decide the qualifications required in order to hold posts (Plenary);
- the power to appoint officials in the units comprising the TCu once the appropriate selection procedures have been concluded and personal requirements have been met, and to remove them from office (Management Board).

Within this legal framework, and considering the procedures in place, we observed that **the internal management of the TCu is shared by various actors** and bodies – the President, the Plenary, the Management Board (*Comisión de Gobier*no) and the Secretary General – acting without any strict and clear delimitation of their powers and responsibilities.

We noted that, in practice, the Plenary and individual Members have increasingly assumed decision-making powers in areas such as management and allocation of human resources, and that the Plenary functions as an instance for appealing/reviewing decisions made by the Management Board and the President. Moreover, the Secretary-General has few powers in relation to overall human resources management.

This lack of clear and strict demarcation of powers has a significant impact on governance and internal management. Moreover, the TCu has not yet adopted a corporate strategy. These factors combined adversely affect the governance and internal management of the entire organisation.

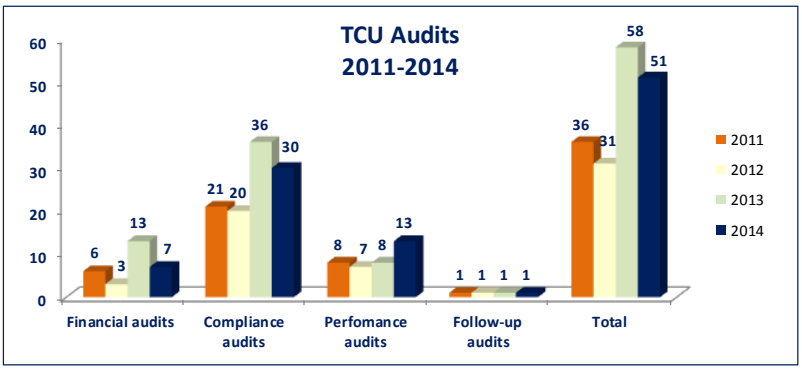
Main front detail

2.2. Some statistics and facts

Below is an overview of some facts and figures regarding the TCu's activity and resources in recent years.

Audit and control

GRAPHIC 6 –NUMBER OF TCU AUDITS 2011-2014



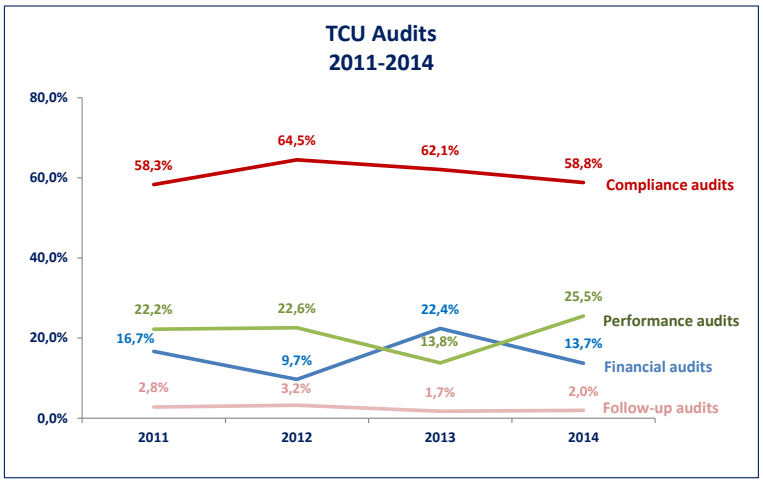
Source: 2011-2014 TCu checklists[4]

- **In 2013 and 2014, the approved number of audits showed increases of 61.1 % and 52.81 %, respectively in comparison to 2011.**

- It should be stressed that the majority of audits carried out are compliance audits, which account for nearly 60 % of all TCu audits. Only one follow-up audit is carried out each year, with only two departments performing this type of audit.[5]

[4] Audits were classified by its respective departments, based on the more prevalent type.
[5] It should be noted that the objectives of the analysis of 17 audit procedures included verifying the implementation of recommendations previously made.

GRAPHIC 7 – PERCENTAGE OF TCU AUDITS BY TYPE 2011-2014



Jurisdictional Function

TABLE 1 – JURISDICTIONAL SECTION - JUSTICE ROOM

2014 –Proceedings entered

Appeals	**18**
Recovery of public funds	14
Audit trials	1
Public action	3
Appeals under Article 48.1 of Law 7/88	**17**
Appeals under Article 46.2 of Law 7/88	**2**

2014 – Proceedings resolved

Appeals	**22**
Rulings	13
Final judgements	9
Appeals under Article 48.1 of Law 7/88	**16**
Appeals under Article 46.2 of Law 7/88	**3**

- We can see that the vast majority of procedures within the Jurisdictional Section are related to "*reintegros por alcance*" (recovery of public funds), with a limited number of other procedures;

TABLE 2 – JURISDICTIONAL SECTION - DEPARTAMENTS

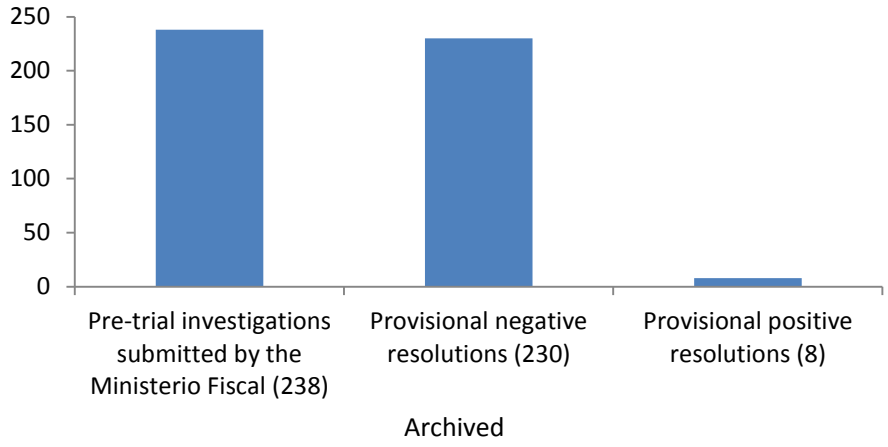
	2013	2014		
		Entered	Resolved	Pending
PRE-TRIAL INVESTIGATIONS	130	434	431	133
Passed from the Audit Section	79	200	221	58
Passed from the OCEXs	27	106	93	40
Passed from other public institutions	7	51	45	13
Public actions	16	44	49	11
Others	1	33	23	11
PROCEDURES FOR RECOVERY OF PUBLIC FUNDS	255	355	302	308
Rulings	-	-	23	-
Final judgements in declaratory phase	-	-	255	-
Final enforcement orders	-	-	24	-
CASES OF BOND CANCELLATION	0	41	38	3

- This results in a large volume of work for the Pre-trial Investigation Unit ("*Unidad de Actuaciones Previas*"), which handles pre-trial investigations in cases of recovery of public funds;

- The number of sentences (23) is small, considering the number of procedures for recovery of public funds (302);

- Another fact to be highlighted is the high number of proceedings initiated by the Public Prosecutor, compared to the number reaching a provisional positive resolution ("*liquidación provisional positiva*"), as we can see in the graphic below.

GRAPHIC 8 – STATISTICS OF THE PRE-TRIAL INVESTIGATION UNIT – 2014



Human Resources

- As of the end of 2014, the TCu had a total of 750 staff (582 permanent and temporary officials and 168 contract staff). It is organised into a Presidency (24 staff), Jurisdictional Section (108 staff), Audit Section (434 staff) and Administrative Section (184 staff).

- There are a total of 138 senior management posts (e.g. Secretary General, Manager, Comptroller, Technical Directors, Sub-directors, Deputy Sub-directors), representing 18.4 % of all staff.

  Between 2005 and 2014 the TCu used three different procedures for appointing staff: "*Oposiciones*"-competitions for new recruits, competition and free appointment for internal promotions and appointments of staff from other agencies.

- During this period, *libre designación* (free appointment) was the most frequently used procedure, accounting for 38 % of all appointments, and peaking in 2013 and 2014, **during which this procedure was used for 64 and 25 appointments respectively (75 % and 86 % of all appointments during those years).**[6]

[6] It should be noted that from 2010 to 2014, the possibility of recruiting staff via "*Oposiciones*" competitions was greatly restricted: under budgetary laws, only one in ten vacancies could be filled via such procedures.

TABLE 3 - OVERVIEW OF APPOINTMENTS BY PROCEDURE AND YEAR

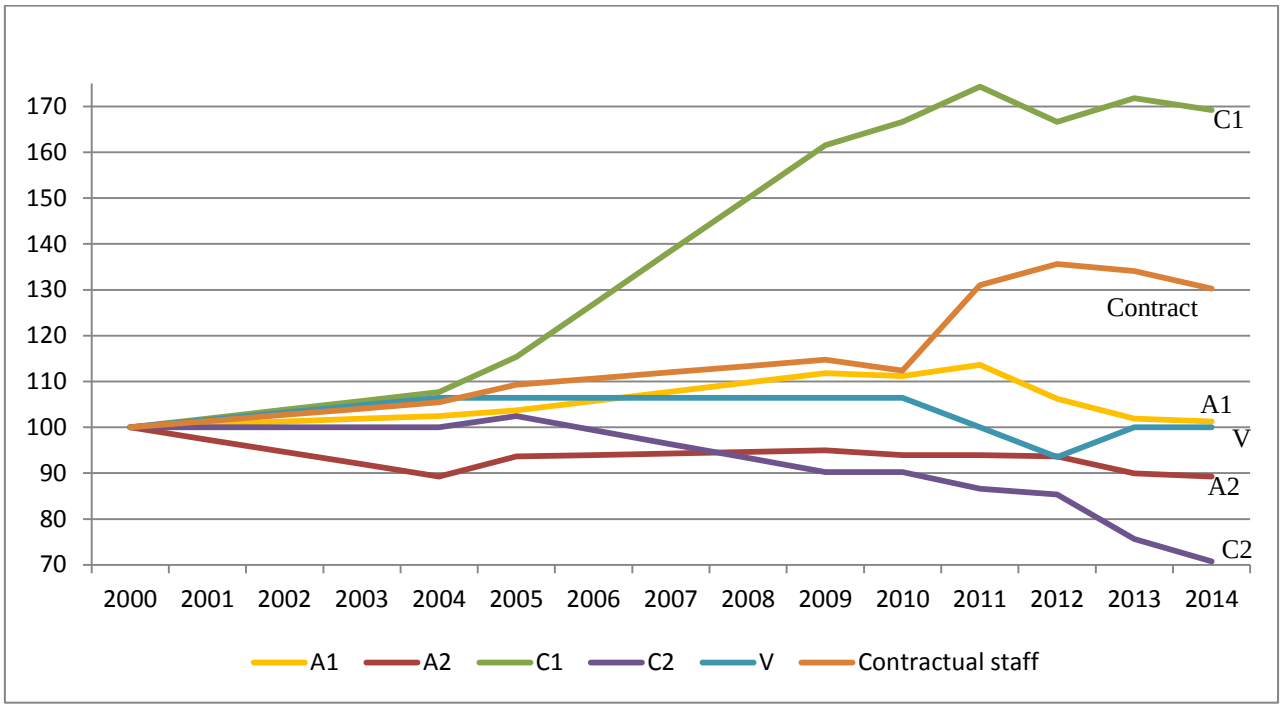
Year	*Oposiciones* competition (A1/A2)	Competition (A2/C1/C2)			Free appointment (A1)			*Oposiciones* competition for contract staff		
		(1)	(2)	Total	(3)	(4)	Total	(5)	(6)	Total
2005	13				10	2	12	3	1	4
2006					9	2	11	4	10	14
2007	16	31	16	47	7	3	10			
2008		30	11	41	27	1	28	3	5	8
2009	14				12	2	14	26	33	59
2010		33	12	45	8	3	11			
2011					2	2	4			
2012		23	7	30	15	1	16			
2013		19	2	21	56	8	64			
2014			2	2	15	10	25	2		2
TOTAL	**43**	**136**	**50**	**186**	**161**	**34**	**195**	**38**	**49**	**87**

Source: TCu

(1) Officials serving at the TCu who have obtained new jobs there via the competition procedure
(2) Officials from other ministries or agencies who have obtained Jobs at the TCu via the competition procedure
(3) Officials serving at the TCu who have obtained new jobs there via the free appointment procedure
(4) Officials from other ministries or agencies who have obtained Jobs at the TCu via the free appointment procedure
(5) Contract staff recruited by the TCu via *Oposiciones* competition for internal promotion ("*turno de promoción interna*")
(6) Contract staff recruited by the TCu via general "*Oposiciones"*, competition ("*turno libre*")

– The evolution of staff numbers since 2000 shows a relatively stable population for officials in the categories A2, C2, and V. The overall increase of staff since 2000 is due to an increase in contract staff (+42 %) as well as officials in the categories A1 (+11 %) and C1 (+94 %)

GRAPHIC 9 – INDEXED EVOLUTION OF STAFF NUMBERS BY CATEGORY (2000 = 100)



Museum

3. Strengths, issues for improvement and recommendations

3.1 Independence

Does the TCu have the appropriate and effective constitutional and legal framework, as well as processes and practices in place to ensure independence of the SAI?

Strengths

- The TCu is an institution **enshrined in the Spanish constitution;**
- The TCu has a corporate culture that enhances and ensures the **intellectual and technical autonomy** of auditors and other participants in audit procedures;
- The TCu e**xercises its powers in accordance with the constitutional and legal provisions** and its decisions are based on the law, on the evidence adduced at trial and on the observations and conclusions of the reports approved by the Plenary
- The TCu has the power to freely plan its audit activity;
- The TCu has the necessary **autonomy in recruiting and managing human resources** to fulfil its mission;
- The TCu has the **legal autonomy** to ensure the availability of essential **material resources** to carry out its tasks;
- The TCu has **free access to the information** it considers necessary for its audit activity, **with some restrictions**.

Issues for improvement

- The legal framework for the **designation and reappointment of TCu Members** could be reviewed in order to strengthen their independence;

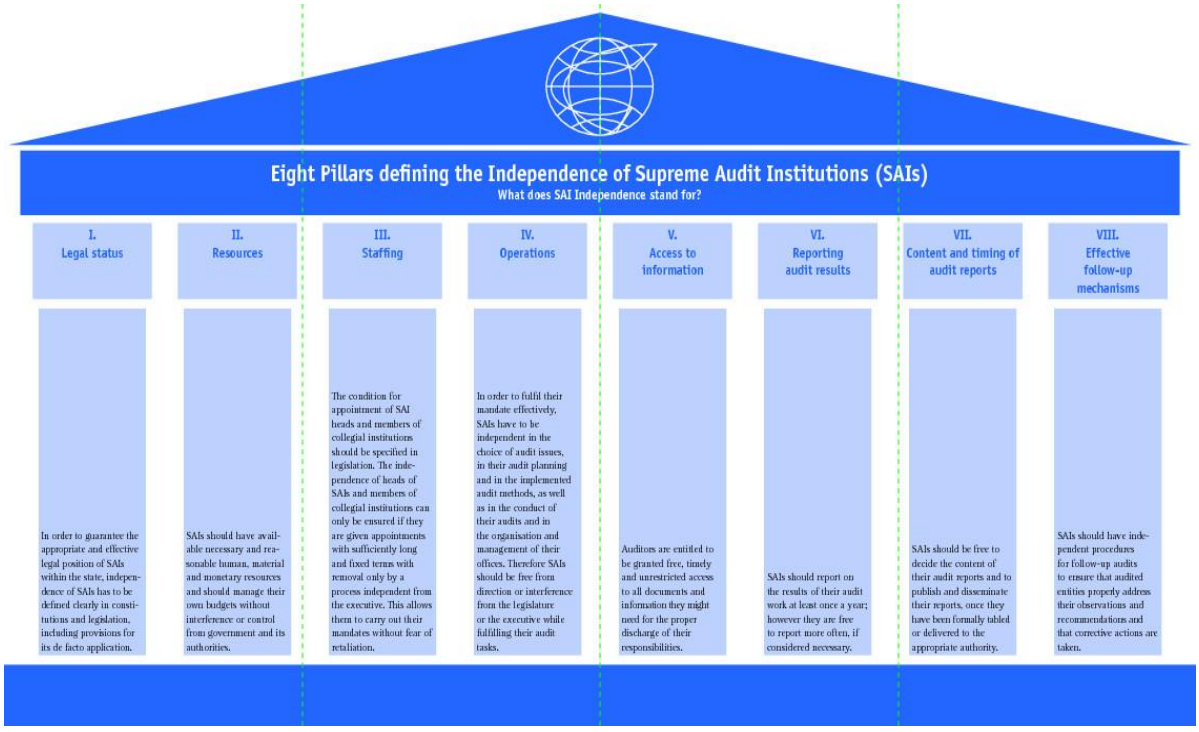
- Public perception that TCu Members' nominations are subject to political influence, although our audit did not uncover any specific circumstances potentially arising from such influence;

- There are **constraints** on access to relevant data (e.g. consolidated accounts) **for auditing political parties' accounts,** despite the amendments to the cooperation requirement laid down Organic Law 3/2015 of 30 March on the audit of political parties' financial and economic activities.

- The existence of **a unit for political parties**, overseen by two TCu Members, is an **exception** to the structure of the Audit Section;

- The **Chief Prosecutor's right to vote** in the Plenary is **not compatible** with the specific nature of his duties;

- Lack of a system of regular rotation for Members in the Audit Section.



Recommendations on Independence

1. The procedures for appointing TCu Members should be reviewed, including defining objective criteria and specifying the requirements for appointment in greater detail;
2. The duration of TCu Members' mandates should be reviewed, in particular by establishing longer-term mandates, without the possibility of reappointment, and should also consider the possibility of appointing Members non-simultaneously;
3. The Chief Prosecutor's role in the Plenary sessions should not include the right to vote, and should be limited to issuing opinions;
4. On a regular basis e.g. every three years, one TCu Member should be appointed by draw to be responsible of the area of political parties' accounts;
5. The TCu should establish a system of regular rotation for Members in the Audit Section.

N.B.: Recommendations 1, 2 and 3 require amendments to legislation

Plenum Room

3.2 Audit function

Are the audit standards of the TCu in line with international professional auditing standards and effectively implemented?

Does the TCu have institutionalized standards, processes, audit manuals and implementing rules for audit planning, execution, reporting, quality control, and follow-up for financial, compliance and performance audits, as well as for the Declaration on the State's General Account and for the audit of political parties accounts?

Are these standards effectively applied and supervised?

Strengths

- The TCu **approved a set of rules regarding the TCu's audit function** in December 2013, and a performance audit manual on 30 April 2015. Preparation of a standard manual of audit procedures and a style guide is at an advanced stage;

- **New rules on audit methodology** applicable to all departments were drawn up and approved in 2014, in accordance with the ISSAIs;

- **Committed staff**, with a strong sense of responsibility and generally adequate technical skills;
- The **audits** were c**onducted in accordance** with the TCu's **established practices**, procedures and quality control measures, which are generally in **line with international standards** for SAIs, in order to facilitate fair and factual reporting of audit findings;
- Commitment to modernisation by preparing, approving and implementing technical guidelines, such as the standardised general self-assessment questionnaire, approved in October 2014, which is a positive development as regards document quality control;
- The TCu's **audit activities** are **planned at all levels** and are carried out in accordance with its annual work programme;
- In general, **reports are technically well-structured** and demonstrate a sound knowledge of the facts and issues analysed. The reports have a logical structure and conclusions are consistent with the questions previously posed, flowing logically from the observations to the necessary related recommendations;
- The audit scope and approach, criteria applied, facts identified and analysis conducted are clearly stated in the reports;
- The TCu provides **sufficient and appropriate audit evidence** to support the conclusions in its reports;
- For all reports, **the contradictory procedure was well carried out and, from 2015 onwards, includes publication of allegations;**
- Quality control is carried out on the execution of audits in the form of comments, proposals and suggestions provided by TCu Members;
- **Auditees** and **stakeholder**s seem to **have an acceptable level of confidence** in the rigour of TCu reports and in the professionalism of audit staff;
- Implementation of an electronic audit tool for systematic and standardised supporting documentation for audits, although this tool should be more widely used by all audit staff;
- The **electronic platforms for rendering of accounts used by local bodies**, public companies and other departments of public bodies.

Issues for improvement

- The current **organisational structure** of the Audit Section **should be reviewed,** taking account of the evolution of the public sector and to the new audit environment;
- Absence of a multiannual audit plan;
- The annual audit programme does not currently include a schedule for allocating staff resources;
- There is a **lack of coordination**, **communication** and **harmonisation** among **audit departments** as regards audit practices, procedures and supervision;
- In accordance with ISSAI 100, 200, 300 and 400, the Technical Guidelines should include more detailed information for planning audit work, e.g. on risk assessment, possible sources of evidence, criteria, methodology, materiality, key project timeframes and milestones and the main focus areas;
- It is inappropriate that the Technical Guidelines are approved by the TCu's Plenary rather than the Audit Section;
- **Schedules** indicated in the Technical Guidelines **are not realistic** and are only rarely adhered to;
- Certain elements of a quality control framework as provided for by ISQC1 or ISSAI 40 do not currently exist at the TCu (for instance "Engagement Quality Control Review", in particular the part dealing with the quality of audit evidence, or quality assurance);
- **Reports are** long and generally **difficult to read**, even for very interested readers;
- In some cases, the reports should better explain the comparative importance of their various findings (materiality);
- In the majority of cases, there is an extended period of time between the start and completion of audits, limiting their usefulness and timeliness;
- The IT audit tool should be used more systematically by all audit staff;

- The TCu does not have a database for recording all recommendations. *The number of follow-up audits undertaken was very limited;*

- Only in a very limited number of cases is a risk-based approach used in addition to a systems-based approach, as required by the international standards;

- Visual aids (diagrams, graphics, tables, pictures) are not used as often as they should be in order to enhance the reader´s understanding of reports.

Recommendations on the audit function

1. The TCu should consider carrying out a study to identify current challenges in its audit environment and in the public sector, in order to adapt the organisation of its Audit Section;

2. A complete set of audit standards should be developed and disseminated, and staff should be trained on how to apply them;

3. The audit schedules in the Technical Guidelines should be adjusted to those in the annual work programme, and should be realistic;

4. The Technical Guidelines should be approved by the TCu´s Audit Section;

5. The timeliness of audits should be enhanced to ensure that they are useful;

6. The TCu should consider including an executive summary at the beginning of all of its reports to make them more accessible to a broader public;

7. A system should be established for following up on recommendations made in audit reports, including an adequate review and assessment of the extent to which they have been implemented;

8. A complete quality control framework in line with ISSAI 40 should be progressively introduced;

9. Coordination, communication and harmonisation should be ensured, along with more widespread use of IT tools in audit and control procedures;

N.B.: Recommendation 4 requires an amendment to legislation

Historical archives

3.3 Jurisdictional function

Is the jurisdictional activity of the TCu in compliance with the due process of law, and is it effective?

Strengths

- **Jurisdictional procedures** are **well organised** and documented;
- The jurisdictional process **follows due process of law**, safeguarding the defence's rights and the parties' guarantees;
- The **organisation** of the Jurisdictional Section **is** generally **appropriate** to its function;
- The departments in the Jurisdictional Section have **sufficient human resources** to carry out their tasks;
- **Committed staff** with a strong sense of responsibility and generally adequate technical skills.

Issues for improvement

- **Procedural legislation** is **neither clear nor coherent**, as it contains too many provisions for the subsidiary application of different procedural laws (civil and administrative);
- The inappropriate adoption of too broad a definition of *reintegro por alcance* (recovery of public funds) has caused distortions and delays within the jurisdictional procedure;

- **Members** from the **Jurisdictional Section** should not discuss or **vote** on **audit reports,** in order to ensure the **impartiality of its jurisdictional decisions;**
- The functional relationship between the Audit Section, the Public Prosecutor, the Pre-trial Investigation Unit and the Jurisdictional departments is not effective due to insufficient communication;
- The Pre-trial Investigation Unit does not have an adequate institutional framework for performing its functions;
- The Pre-trial Investigation Unit is not adequately structured, in terms of human and material resources, to respond promptly and effectively to the many requests it receives;
- **Inexistent sanctions for abusive litigation**;
- There is no reason for the existence of three separate secretariats in the Jurisdictional Section, since all processes are distributed equitably;
- An electronic procedure management system should be put place for accounting-related jurisdictional procedures.

Justice Room

Recommendations on jurisdictional function

1. Members in the Jurisdictional Section should not discuss or vote on audit reports;

2. Legislation should be amended in order to adopt a single procedure covering both recoveries of public funds audit trials;

3. Pre-trial investigations should be the responsibility of the Pre-trial Investigation Unit, under the supervision of the Public Prosecutor*;*

4. The Pre-trial Investigation Unit should have adequate human resources, considering the volume and relevance of its work;

5. An electronic management system regarding jurisdictional procedures should be put in place;

6. The creation of a single secretariat for the Jurisdictional Section should be considered;

7. The TCu should have the power to impose penalties in cases of fiscal infringement without damage to public finances, such as:
    - failure to implement the TCu's recommendations without justification;
    - Infringement of public procurement rules.

N.B.: Recommendations 1, 2, 3 and 7 require amendments to legislation

3.4 The *Tribunal de Cuentas* and the OCEX

Strengths

- The legal framework for auditing public bodies sets out the cooperation required between the TCu and the OCEX, with these bodies being required to undertake specific control work when deemed necessary by the TCu, along with the obligation to report the findings of their activity;

- Implementation of a platform for rendering the accounts of local bodies.

- The existence of agreements and coordination committees between the TCu and the OCEX.

Issues for improvement

- The overlapping of the TCu's external control functions with those of the OCEX may result in **some duplication** of and **gaps** in audit activities;

- **Joint audit activities** and methodologies should be **defined in greater detail**;

- The **limited number** of **joint audits** (four in 2013-2014);

- There are situations where **the TCu is not aware of reports by the OCEX** and, consequently, does not take account of them when exercising its own control function in concomitant areas;

- There is no **standard procedure for informing the OCEX** of the outcome of accounting liability procedures arising from audits.

Recommendations on the TCu and the OCEX

1. Engagement with the OCEX should be enhanced in order to develop a constructive and productive dialogue and thereby avoid overlaps and gaps in activities;

2. Cooperation and coordination with the OCEX should be further expanded in order to optimize the external audit of the public sector;

3. The results of accounting liability procedures should be communicated to the OCEX concerned in a timely manner.

Parliament

3.5 Transparency and accountability

Is the TCu transparent in its activity?

Does the TCu maintain procedures, processes, and practices in place which ensure appropriate transparency and accountability?

Are the internal management procedures set up and function in a transparent way?

Do the stakeholders find the activity of TCu relevant, useful and transparent?

Strengths

- In recent years, the TCu has adopted a **policy of openness towards the public**;
- The TCu has a section on transparency on its general website with information that, in some areas, goes **beyond its legal obligations;**
- The tool for **electronic rendering of local authorities' accounts** enables the **public** to **consult** this information directl. Publishing the TCu's annual Activity Report (*Memorias*) enables the public and other stakeholders (such as legislature, executive and jurisdictional) to find out about the work carried out by the institution;
- **Audit reports** and **jurisdictional decisions** are **published** on the website.

Practices in the reviewing SAIs

Tribunal de Contas of Portugal

The annual accounts of the *Tribunal de Contas* are audited by an external audit institution chosen by international public tender every three years. The opinion on these accounts is published in the Annex to the *Tribunal*'s annual reports, and is then sent to Parliament and published.

European Court of Auditors

Pursuant to the Financial Regulation, the ECA must render its accounts annually, which must be audited by an independent external body appointed for this purpose. Based on its own checks and those undertaken by the internal auditor, external auditors provide an opinion on the reliability of the ECA's accounts and the effectiveness of its financial management. This report is published and sent to the European Commission, the Council and the Parliament, which examine it as part of the budgetary discharge procedure.

Issues for improvement

- The TCu still has not drawn up and implemented a **strategic plan**;
- Insufficient **internal communication**;
- The **Intranet** lacks adequate structure and does not contain the information required in order to be used **as a knowledge sharing tool;**
- There is no corporate **Risk Management Plan** for the area of governance**;**
- There are no internal **procedures and practices** for preventing and dealing with possible **conflicts of interest**;
- **Excessive** use of the **"free appointment"** procedure;
- The quality control framework is only partly in place;
- The TCu does not have its own separate accounts, despite the formal steps it has taken to remedy this lack.

Recommendations on Transparency and Accountability

1. The TCu should proceed with the implementation of strategic planning;

2. A communication policy should be developed;

3. The Intranet should be adapted for use as a knowledge-sharing tool;

4. An code of ethics should be established, including tools for preventing and dealing with conflicts of interest;

5. The TCu should consider approving and publishing a Risk Management Plan for the area of governance, with a methodology suitable for achieving its strategic objectives.

6. The TCu should ensure that it has its own separate accounts, which should be audited by an independent external body.

Main staircase

Main entrance

3.6 Internal management

Is the internal management of the institution designed to support its core functions effectively and efficiently?

Has the leadership of the TCu created an environment that effectively supports responsibility, accountability, and performance management of its staff?

Has the TCu set up a strategic planning and monitoring system to manage appropriately its human and financial resources in line with its overall strategy?

Are the internal management functions effectively set up in order to support the core audit functions? Areas reviewed are

(a) Human resource management

(b) Budget management

(c) Procurement

(d) Information Technology

(e) Internal Control

3.6.1 Human resources management

Strengths

- The staff working in the area of HR have **appropriate qualifications** and are **sufficient** in number;
- The **approval** of the first equality plan for men and women at the TCu by the Plenary in its meeting of 29 September 2014.
- The TCu's recruitment procedures are defined by law, made public and generally promote diversity;
- "***Oposiciones***" competitions are generally **well organised**, follow **clearly defined criteria** and candidates undergo a comprehensive assessment before being appointed. Moreover, the selection boards are composed of internal and external members and the assessments are carried out anonymously. This type of recruitment procedure is **very objective;**
- There is a **good gender balance** between TCu staff in management positions (W: 47 %, M: 53 %);
- The TCu prepares an **annual training plan** outlining the training activities planned for the coming year, and publishes the conditions under which staff can attend these training sessions. The plan is based on a consultation process with all units;
- The TCu **organises training for new staff** recruited via "*Oposiciones*" competitions;
- The training organised for auditors consists of courses on the general accounting plan and annual accounts, information systems in public administrations, Monetary Unit Sampling and, since 2015, on applying the TCu's audit standards.

Practices in the reviewing SAIs

A report is published annually containing the main human resources indicators and statistics, such as:

- **Total employees;**
- **Distribution by gender;**
- **Distribution by career path;**
- **Distribution by level of education;**
- **Distribution by age group;**
- **Level of absenteeism;**
- **Rotation;**
- **Career development;**
- **Professional training.**

Issues for improvement

- The TCu does not have a **human resources strategy**.
- The various legal provisions applicable to TCu staff cause conflicts and divisions;
- The **ratio of staff to managers** (1:4.4) is too low (see table below);
- As regards job rotation, the average period of time spent by employees in the same post is excessive (see Graphic 10 for details). **Criteria and procedures to promote staff rotation have not been established.** The lack of a job rotation policy becomes critical where employees in particularly sensitive posts/roles are not rotated on a regular basis;
- Internal communication of the Plenary and Management Board decisions regarding staff matters;
- Although staff evaluation is required by the Staff Regulations for Civil Servants, the TCu **does not have a system for setting objectives and appraising performance;**
- Performance-related pay is not linked to objectives but to physical presence. The salary portion that is supposed to be performance-related is distributed equally to all staff in the same category;
- The most comprehensive and objective staff recruitment procedure, "*Oposiciones*", only led to a small number of admissions;
- According to the law, the **free appointment** procedure should be limited to a small number of public-sector posts, and each nomination should be justified based on candidates' experience in relation to the specific job description;
- In the TCu, "free appointment" is the only procedure used for all appointments in grades 28 to 30. This means that, for the period 2005-2014, 38 % of all appointments were made using this procedure. Moreover, the assessment of candidates is performed by one individual person and **does not follow clear and objective criteria**.
- The TCu does not have a detailed **job description** for different types of posts, as required for the recruitment and evaluation of staff.
- The annual training plan does not follow any strategic approach.
- The TCu's annual training programme does **not cover training for all skills** needed (e.g. presentation skills, interview skills, ethics, performance management and leadership). Participation by TCu officials in training offered by the Institute

Nacional de Administración Pública (INAP) and other external training – which covers some of these skills – is very limited.

- International training standards in the field of audit require 120 hours of continuing professional development in every three years. In the training programmes for 2013 and 2014, the TCu limited training attendance to 30 hours per year.
- Management tools for monitoring and evaluating the impact of professional development and staff training have not been adequately implemented.
- The annual assessment of staffing needs is based on the number of vacant posts available. It does not include an **analysis of the real needs** of the different TCu units.

TABLE 4 – TRAINING 2013/2014

Training	2013	2014
Budget spent in Euro (Line 162.00)	25 234	35 160
Number of courses organised in the TCu	13	15
Courses related to audit	9	9
Number of training requests	1 011	1 351
Number of approved requests	498	887
Number of participants that completed the training	387	669
Training hours for internal training	5 911	9 197

GRAPHIC 10 – PERCENTAGE OF STAFF WITH MORE THAN X YEARS ON THE SAME POST

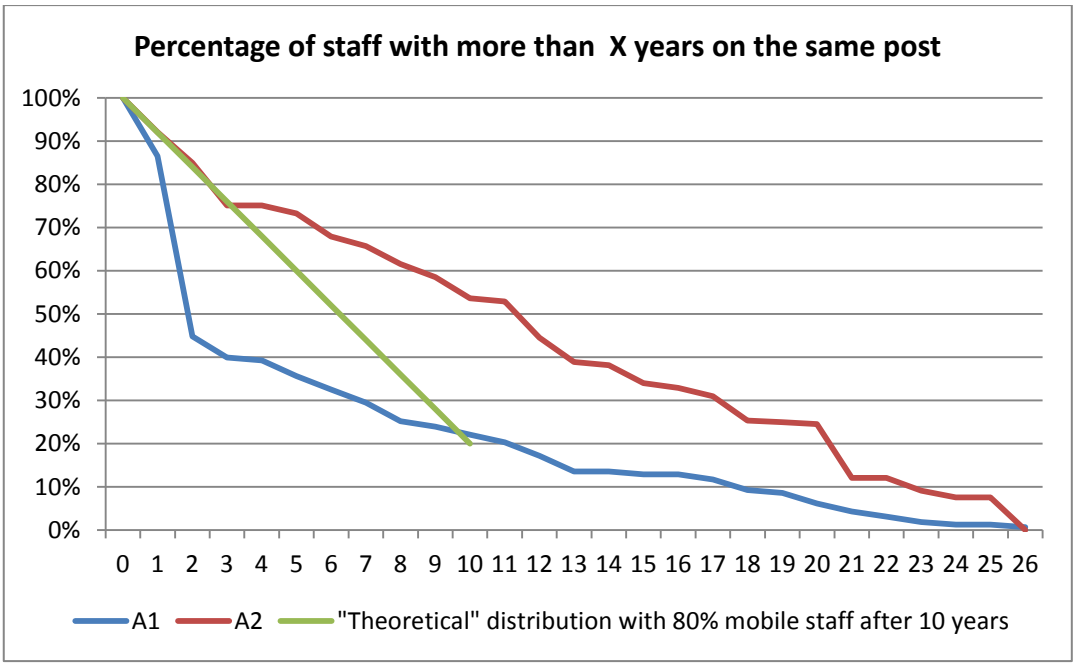


TABLE 5 – RATIO OF STAFF TO MANAGERS.

	Total managers	Other staff	Total	Ratio of staff to managers
Presidency	7	17	24	2,4
Jurisdictional Section. Presidency	5	36	41	7,2
Department 1	4	16	20	4,0
Department 2	4	16	20	4,0
Department 3	3	24	27	8,0
Audit Section. Presidency	5	14	19	2,8
Department 1	14	43	57	3,1
Department 2	13	45	58	3,5
Department 3	12	38	50	3,2
Department 4	9	44	53	4,9
Department 5	15	42	57	2,8
Department 6	17	44	61	2,6
Department 7	13	47	60	3,6
Political Parties	3	16	19	5,3
Public Prosecutor	2	6	8	3,0
Intervention	1	3	4	3,0
Secretariat-General	11	161	172	14,6
Tribunal de Cuentas	**138**	**612**	**750**	**4,4**

Library

Recommendations on human resources management

1. A **human resources strategy** should be developed as part of the TCu's overall long-term strategy. This guiding document should serve to define sector priorities, e.g. in training, and include measurable and time-bound objectives to be monitored on an annual basis using key performance indicators;

2. **A redefinition of the legal statute applicable to TCu staff should be proposed, as well as updating human resources policies and procedures,** in order to:

- make ***"Oposiciones"*** competitions the main recruitment procedure, reserving the free appointment procedure for duly justified exceptional cases. Such jobs should not lead to a permanent position at the TCu;
- define **objective requirements and criteria** for filling posts, favouring technical and specialist skills (e.g. experience gained in audit, accounting and overall control functions), including a clear and accurate definition of responsibilities for each post, as well as a **comprehensive job description**;
- create a **more performance-oriented environment**, establishing a performance appraisal system for staff and the managers, to be used for promotions and performance-related pay;
- introduce a **rotation policy**, particularly for Members in the Audit Section and respective audit staff, based on law (Article 81 of Law 7/2007 of 12 April) and international standards.

3. Enhance the internal communication of the Plenary and Management Board decisions regarding HR-related matters*;*

4. A **minimum number of training hours per auditor/year** should be established, in line with international standards;

5. The scope of training courses offered by the TCu should be broadened, based on a participative needs assessment, taking into account new audit areas, ethics, performance management and leadership, taking account of the training offered by the INAP.

N.B.: Part of recommendation 2 requires an amendment to legislation

3.6.2. Budget management and internal control

Strengths

- The Comptroller´s control function, which ensures the legality and regularity of transactions within the existing legal framework;
- Competent staff and adequate assignment of roles and responsibilities relating to budget and financial activities;
- The TCu's internal IT system used for financial and budgetary management, as well as for reporting in this area, is adequate.

Issues for improvement

- The TCu does not have its own separate accounts, as these form part of the accounts of the Spanish public administration, which are managed by the accounts office within the competent Ministry.
- Internal control standards and procedure manual for internal financial and budgetary management;
- The TCu does not have an internal audit function to inform the institution about its risk management and the quality of its internal control operations;

Recommendations on Budget management and internal control

1. An independent internal audit function should be established;

2. Formal budgetary and internal control policies and procedures should be adopted.

Interior corridor

3.6.3 Procurement

Strengths

- Adequate financial resources allocated for the TCu´s acquisitions;
- Committed and competent staff, ensuring efficient management of procurement processes;
- In general, procurement processes are adequately organised and documented, including all relevant elements of each procedure;
- The TCu´s procurement activity complies overall with the applicable legal framework, the law on Public Sector Contracts*;*
- Goods and services are generally procured in response to the TCu´s operational needs and are of the required quality and standard;
- Initiatives taken by the TCu to renegotiate certain financially important contracts have ultimately helped to bring about cost reductions;
- The TCu acquires goods and services through the national centralised acquisition system. This allows it to benefit from economies of scale.

Issues for improvement

- The TCu does not have multiannual procurement planning based on needs assessments, in line with the institution’s strategy;
- Absence of internal procedure manuals to assist management on procurement;
- Insufficient follow-up and monitoring of proper performance of contracts in accordance with the specified terms;
- There is scope to improve competition for certain contracts by ensuring wider publicity.

Recommendations on procurement

1. Multiannual planning should be introduced for procurement activity based on needs assessments, in line with an overall corporate strategy;

2. Internal control mechanisms should be established to ensure efficient follow-up and monitoring of contract performance, including the possibility of a specialist team and guidance manuals;

3. The TCu should consider publicizing its tendering procedure more widely, particularly for major contracts, in addition to publication in official journals.

3.6.4 IT assessment

Strengths

- The reorganisation and centralisation of the IT service decided upon in February 2015 provides the opportunity to establish better governance and increase efficiency in this area;
- The creation of a top-level committee ("*Comisión de estrategia* TIC"), which could function as an IT steering committee;
- The TCu has committed and competent IT staff;
- Development of an overall IT infrastructure, including the construction and availability of new offices;
- Existence of the IT Security Committee

Issues for improvement

- Lack of a consolidated annual plan and budget for IT;
- Absence of IT risk and security management;
- Current dispersion of applications and servers across the TCu;
- Personal data protection laws (LOPD) and essential items in the Spanish National Security Framework (ENS): security policy, risk analysis and risk management, biennial security systems audit;
- Lack of an independent Information Security Officer (ISO) and of an information security function within the TCu.

Recommendations on IT assessment

Concerning IT governance:

1. The TCu should ensure implementation of the major IT reform decided upon in February 2015;

2. Strategic IT governance priorities should be established and approved by the IT Steering Committee ("*Comisión de Estrategia TIC*");

Concerning security:

3. Objectives should be formally set to address the "*Esquema Nacional de Seguridad*" (ENS) and the Organic Law on Data Protection (LOPD);

4. An independent information security function should be created, with an Information Security Officer (ISO);

Concerning development and maintenance of applications:

5. Programming (project selection) and a project management methodology should be defined and put in place;

6. The availability of qualified IT staff from the central unit should be ensured for all TCu services.