

RECENT EXPERIENCES OF PERFORMANCE AUDITING IN THE SPANISH COURT OF AUDIT

The legal statute of the Spanish Court of Audit and Performance Auditing

The Spanish Court of Audit has its focus on the whole Spanish Public Sector, including

All territorial levels: State, regions with autonomy and municipalities.

All legal forms: Administration, stock companies, and public financial institutions.

The Court Of Audit is a historical institution,

Its origins goes back to first half of the XIX th century,

Its present-day configuration undoubtedly derives of the Constitution of 1978, actually in vigour.

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The legal statute of the Spanish Court Of Audit and Performance Auditing

Spanish Constitution (1978).

Art 136.

" supreme overseeing body to evaluate.... economic management ... of public-sector "

The Court of Audit's Organic Law (1982),

Law to develop the Constitution, which needs a special majority in the Parliament for approval

Art. 9,1:

It will be supervised the subjection of operation to principles of legality, efficiency and economy.

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The legal statute of the Spanish Court Of Audit and Performance Auditing

Art. 13,1:

It will be evaluated the rationality of government expenditure, based in efficiency and economy criteria"

Art. 14,1:

The Court of Audit will propose courses of action to improve public sector management

Conclusion:

From more than 30 years, the Court Of Audit has had legal mandate to evaluate not only accounts or compliance to law, but also efficiency, efficacy and economy, and to propose measures for improvement

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Departmental organization of the Spanish Court of Audit and Performance Auditing

Departmental structure is due to a mixed criteria:

Territorial levels (state, regions, municipalities)

In accordance with the entities' juridical and economical features,

There exist seven Sectoral departments .

All entities of the public sector are assigned to a Department which carries out the common control on them.

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Departmental organization of the Spanish Court of Audit and Performance Auditing

This common control is shown at mandatory annual reports, that examine aspects of regularity.

Inside the departments, organization is more complex and there exist some units specialized in various subjects:

Public procurement

Financial audit

Performance auditing, etc

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Programming controls and Performance Auditing

Besides annual reports, other audits of specific characteristics are made, to them we are going to refer later.

All audits, regardless of which category they belong, are jointly collected in the annual program.

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Programming controls and Performance Auditing

A control **starts up** officially through inclusion in the annual program.

It be **encouraged by** either the self-same Court of Audit or by the Parliament

As early as this moment the features of the evaluation becomes **defined** in broad outlines.

Often references be included to **performance issues** .

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Programming controls and Performance Auditing

The next step in this process is a **planning draft**, in which the audit will be accurately defined: The Technical Directrix:

Entity's brief analysis

Objectives

Scope

Staffs

Schedule

Usually, auditing entities or specific features contemplates **assessment of economy, efficiency and efficacy,**

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Programming controls and Performance Auditing

Commonly, objectives don't exclusively relate to performance auditing, **but financial regularity and internal control** too.

In the other hand, **analyzing operational procedures** is so much usual as assessing compliance with law and internal control.

The predominant model is the **comprehensive auditing**, and suchlike they will be the ones that we will take to exam later on.

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Some specific examples.

We will **check objectives and scope** and will confront them with the results obtained, from the point of view of performance auditing.

Reconversion of mining sector on the decline

Objet And Scope of the audit: Set of measures that aim to make to transfer workers to other productive sectors:

- Training measures
- Allowance of grants

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Reconversion of mining sector on the decline

Clear objective:

Assessing the effects on the new hirings.

End-results:

Reconversion has taken place.

New jobs have found by monitored workers' in high proportion.

The measures were adequate and have been effective.

But the self-same economic dynamics has also come together in it.

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Reconversion of mining sector on the decline

End-results:

We have not set apart the impact of every aspect.

We do not have a reliable estimate of the effect of the public policies.

The cause of this situation is that the Entity audited, in spite of having a draft study made suitable on the target population, has not taken it to effect.

Measuring instruments can not efficaciously distinguish what part of reconversion has been due to public policies.

Therefore, it would not be possible to accomplish a reliably cost-benefit analysis

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Main parameters of Public University

Objective:

Evaluating management of the superior educational public service, according to criteria of efficacy, efficiency and economy

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Main parameters of Public University

Found limitations:

Some Universities have not fixed objectives neither elaborated indicators

There doesn't exist an accounting information system that enables the costing individualized by branches, subjects of study, etc, We need to turn to estimates.

A large extent of Departaments by subjects of knowledge hold financial management of investigation, so they bring forward not homogeneous data.

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Main parameters of Public University

Analysis:

Educational activity's indicators:

Academic offer

Academic demand

Registered students

Imparted credits

By branches of knowledge

Territorial distribution.

Rate of abandon

Years until attaining awarding of title

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Main parameters of Public University

Investigative activities' indicators:

Initialized projects

Finalized projects

Projects duration

Financial sources of projects

Incomes to University from investigative projects

Specialized magazines publication

Patents obtained

Projects distribution by branches of knowledge

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Main parameters of Public University

Applied resources indicators

Academic staff

Administrative staff

Material assets employees by University

Buildings

Computers

Costs by student

Costs till awarding title

Other issues:

Restaurants

Residences

Sales of publications

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Main parameters of Public University

Sample of Findings:

- It is in Health Sciences where the existing offer finds itself completely saturated
- In Humanities, it appreciates the bigger capacity surplus, approximately a 40%.
- Costs by student are increasingly high.

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Municipal public services

Numerous reports are destined to analyze municipal public services, between other ones::

Slaughterhouses

Collection and treatment of solid waste, etc

Depending of size of the municipality, the law imposes provision of determined services.

Forms of public services management. Can be various:

Directly by the municipality,

Through concession,

Mixed enterprises, etc.

The realized analysis depends on the available data and features of the service.

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Municipal public services

Slaughterhouses:

Economic assessment of the applied human and material resources.

Stratification of the municipal Services in terms of determined features, such like: size, dominant economic activities, etc.

Activity indicators, such like number of sacrificed heads of livestock, etc.

Economic evaluations and indicators on income and expenditures

Comparison between results by different ways of management.

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Municipal public services

Waste collecting and treating :

Analyzing plans and programs and compliance with their respective objectives

Ratios that put in relation:

Processed physical units.

Incurred expenses

Applied resources

Population of the affected municipalities.

Analysis of the outcome data

Analysis of the degree of accomplishment of programmed objectives.

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Promotional services aimed to social re-insertion of underprivileged people.

Objet and scope:

Allowance of grants to avoid social exclusion of unemployed without right to economic perceptions

Training to promote labour re-insertion.

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Promotional services aimed to social re-insertion of underprivileged people.

Objective:

Verifying the management procedures in reference to the principles of efficacy, efficiency and economy

Criteria of analysis:

Number of contracts subscribed in the course of monitoring

Sample of findings:

Only 26 % of targeted population obtained some contract
95 % of contracts were temporary