

2008 ACTIVITIES REPORT

AND

2009 ACTION PLAN

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I. PRESENTATION

This 2009 Activities Report reflects the Official Audit Office's huge scope of activities throughout the past fiscal year. Nevertheless, the desire to increase controls and extend them to all possible public sector bodies and odd corners is easily perceptible in our society and augments without any doubt in these difficult times of economic crisis. Therefore, our institution redoubles its efforts to control and audit public economic and financial management in all its extension and complexity and to comply with the requirements of the Andalusian Parliament, as is shown by our multiple appearances before several committees. In spite of the aforementioned, the Audit Office is not eternally elastic, but is obliged to rationalize its resources, using them in the best possible way in accordance with technical criteria. Moreover, it has to try to coordinate as much as possible its activities with other control bodies that have the same target and purpose.

In order to achieve this, in the past fiscal year we signed a collaboration agreement with the State Court of Auditors, aimed at implementing and extending the use of new technologies in the submittal of statements of accounts by Andalusian Local Authorities. This performance has several aspects which should be highlighted: in the first place, as mentioned before, it means that we collaborate with the highest Spanish external control body in favour of the submittal of statements of accounts and management transparency; in the second place, it reflects the high degree of qualification achieved by the Audit Office staff, responsible to a great extent for the development and definition of a computer tool whose usefulness is widely recognized and in the third place, it clearly shows the institution's desire to achieve a more transparent Andalusian public sector and a higher-quality economic and financial management.

This explains as well the extensive presence of the Official Audit office in all meetings and initiatives which benefit the mentioned goals. To mention a few, we participated in the First Meeting of Electronic Invoicing, XBRL and Public Contracting Experts, which took place in Seville and was co-organized by the Audit Office, and in the Third National Public Auditing Conference, last autumn in Pamplona.

We'd also like to highlight the start of the First Master's Degree in Public Sector Auditing in October 2008 in collaboration with the Regional Ministry of Economic Affairs and Finance and the Federation of Andalusian Municipalities and Provinces. This Master's Degree expresses the interest of the Audit Office in contributing to train sufficient experts whose dedication and professional know-how make it possible to improve procedures and introduce adequate reforms at any time and its desire to enhance the transparency of the Audit Office's procedures and functions, guiding as well this 2008 Activities Report.

II. ACTIVITY OF THE OFFICIAL AUDIT OFFICE DEPARTMENTS

The Andalusian Official Audit Office, an instrument of democracy, supports the Andalusian Parliament in its political control of the Regional Government Administration. As stated by the law which regulated its creation, the target of the Office is to verify whether public means are correctly managed in a due manner which meets high quality standards. Being a Regional Government Body, the Office is one of the bodies that allow measuring the level of integration of the regional government's faculties and powers.

The field of activity of the Audit Office comprises all bodies and agencies forming part of the Andalusian Public Sector, that is to say:

The Andalusian Regional Government Administration and the autonomous agencies, public companies and all other bodies answerable to it.

The Local Authorities in the Andalusian territory, as well as the autonomous agencies and public companies answerable to them.

Andalusian Public Universities.

Andalusian Chambers of Commerce and other institutions mostly financed by public funds.

Another way of defining the field of activity of the Official Audit Office from a material viewpoint refers to public funds as all those managed by the Public Sector, including grants, loans, guarantees and any type of aids granted to whatever individual or legal entity, with a public or private character.

The highest collegiate governing body of the Audit Office is the **Plenum**, composed by seven Counsellors elected by voting by a majority of three fifths of the members of the Andalusian Parliament. All groups represented in the Andalusian Parliament, except the Mixed Group have the right to propose at least one of the elected members. The **Chief Counsellor** shall be appointed by the Prime Minister of the Regional Government of Andalusia at the proposal of the Plenum of the Official Audit Office for a three-year mandate, with the possibility to get re-elected.

The counsellors direct the control and inspection activities, from proposing the work to be included in the Action Plans until the submittal to the Plenum of both the drafts and final versions of the entrusted scheduled reports, and in the light of the counterclaims presented by the audited entity. The Counsellors direct the Auditors and auxiliary audit staff necessary for an efficient performance of the Auditors.

The Andalusian Audit Office consists of three main Departments, one corresponding to the Regional Government of Andalusia, controlling and inspecting the Regional Administration, another one to Public Bodies and Companies, controlling and inspecting this type of bodies created by both the Regional Administration and Local Authorities and one corresponding to Local Authorities, dedicated to municipal governments and county councils. The work is performed by a staff specialized in public fund audits and control. Staff members are selected in accordance with the general Government Employment regime.

As such, the Audit Office is organized in homogeneous audit areas, not only considering the nature of the audited bodies, but also taking into account other circumstances such as their number, the managed budget volume, etc. Moreover, this division in separate areas allows a

balanced allocation of the institution's human resources, with each department receiving practically one third of the staff. Two counsellors, who are responsible for the work performed by the Audit Office auditors and technical staff, head each department.

The **Coordination** Department, placed under the direct responsibility of the Chief Counsellor, is in charge of the follow-up of the Action Plan and processing of the approved reports.

The coordination tasks are completed by the **Technical Committee**, composed by four Auditors, advising the Plenum and supervising the quality of the control and inspection work, both in the planning phase and in the final drafting phase.

The following is a list of the members of the different Official Audit Office Departments at the end of 2008:

Coordination Department:

The Chief Counsellor

Rafael Navas Vázquez

Andalusian Regional Government Control and Inspection Department:

Counsellors

Eduardo Rodríguez Melgarejo

Ricardo Sánchez Virués de Segovia

Local Authorities Control and Inspection Department:

Counsellors

Carmen Iglesias García de Vicuña

Antonio Marmolejo Ledesma

Public Bodies and Companies Control and Inspection Department:

Counsellors

Rafael Rodríguez Bermúdez

Mariano Pérez de Ayala y Conradi

To constitute the **Plenum** of the Official Audit Office, the presence of at least five Counsellors is required, one of them the Chief Counsellor or his legal substitute; the Plenum's basic faculty is the provisional and final approval of control and inspection reports. Each year the Plenum previously approves the next Action Plan and the institution's proposed budget, as well as the Activities Report and the preceding year's budget outturn. As to the personnel, the

Plenum approves the proposed staff and salaries for their submittal to the Parliament's Presiding Committee, agrees on public job vacancies and in regard to disciplinary measures, decides on the possible dismissal of Office staff members.

Throughout 2008 a total of **sixteen meetings** took place, adopting in all **ninety-six** agreements. Most of these agreements referred to auditing issues and the remaining ones tackled various subjects: budgetary, human resources, contracting or institutional relations, all of them issues for which the Plenum is empowered.

The **Executive Committee**, the other collegiate governing body foreseen in the Official Audit Office Law, has faculties with regard to human resources issues. As such, it approves the bases for selection test announcements and job reserve procedures, has disciplinary powers and performs a general monitoring of the General Secretariat's human resources management.

Throughout 2008 the Executive Committee held **seven** ordinary and six extraordinary meetings, adopting in all **fifty-one** agreements.

Throughout 2008, the Committee was composed as follows:

Chief Counsellor

Rafael Navas Vázquez

Counsellors

Carmen Iglesias García de Vicuña,

Eduardo Rodríguez Melgarejo and

Antonio Marmolejo Ledesma

The Secretary-General of the Official Audit Office, Mrs. Milagros Carrera Garcia, designated by the Plenum, attends all meetings of both the Plenum and the Executive Committee. She also acts as Personnel Manager and is responsible for the internal regulations of the Audit Office services and sections, without prejudice to the superior authority of the Plenum and the Chief Counsellor and the powers of the Executive Committee and the Counsellors.

III. AUDIT ACTIVITY

The control function entrusted by law to the Andalusian Official Audit Office has a clearly technical character. As such, its assignment consists of the application of scientific know-how on an objectifiable reality. Auditing is the technique used by the Institution to perform this function.

This public audit activity, which is in fact the institution's core activity, stresses the aspects of compliance with the law, aimed at improving the management of public resources. Therefore all its recommendations and indications, aimed at proposing the most adequate solutions, are extremely important. All this without forgetting its instrumental character, serving as a support for the general political control performed by the Andalusian Parliament.

The definition of the Andalusian Official Audit Office as a technical body also assumes the performance of its activities in accordance with the references and parameters applicable on the financial, budgetary and accounting reality subject to the office's analysis.

The control and inspection reports issued by the Andalusian Official Audit Office state the following:

Compliance with the legal regulations applicable on the economic and financial activities of the Public Sector and with the applicable accounting principles.

The level of achievement of the set targets and of the principles of effectiveness, economy and efficiency in public management performance.

The detected existence of infringements, abuses or irregular practices.

The corrective measures to be taken to improve the economic and financial management of the inspected bodies.

Based on the data included in the statements of accounts, the Audit Office approves every year general reports on each of the sub-areas of the Andalusian public sector. More specifically, three reports of this type are drawn up:

The report on the Autonomous Region's General Account, including the control and inspection of the Interterritorial Compensation Fund and of Administrative Contracting by the Regional Government of Andalusia. This report serves as a basis for discussion and approval by the Andalusian Parliament of the statements of accounts submitted by the Cabinet of the Regional Government, as well as for the adoption of resolutions aimed at the improvement of public management.

The general report on the Andalusian Public Sector.

A report on the statements of accounts by County Councils and City Governments of municipalities with more than fifty thousand inhabitants.

Like all other reports approved by the Audit Office, these three are sent to the Court of Auditors and then included in the latter's reports to the Spanish Parliament on Autonomous Regions and Local Authorities.

Moreover, each year the Official Audit Office approves a set of specific reports linked to its medium and short-term programming policy. The Audit Office's aim is to achieve a balanced action in all areas of the Andalusian public sector, with an adequate distribution in both time and space and to enable it to assess the quality and regularity of the Andalusian public sector's economic and financial management.

The reports are limited to an objective description of the obtained evidence, avoiding value judgments and seeking to achieve a clear and concise statement. They contain a brief introduction of the inspected body or issue, the pursued scope and aims, as well as a reference to the methodology that was used, possible limitations of the scope of work and doubts on some aspects which could not be fully clarified, a sorted description of the obtained information and a chapter with conclusions and recommendations.

Throughout 2008, the activities of the Official Audit Office complied with the guidelines of the strategic control and inspection plan drawn up by the institution in 2007. Concerning the most relevant actions carried out by the institution's different control and inspection departments, we highlight the following:

REGIONAL GOVERNMENT OF ANDALUSIA

The task of controlling economic and financial activities conferred by law on the Andalusian Official Audit Office, cannot or should not be limited to the writing of the corresponding control and inspection reports, but should also comprise the correction of detected errors and recommendations to the audited bodies and agencies on how to improve their management.

Considering the aforementioned, the Andalusian Regional Government Control and Inspection department drew up two reports, one on the possible persistence of the shortcomings detected in the corresponding previous report and one verifying the degree of implementation of the recommendations.

As such, in the follow-up report of the recommendations comprised in the control and inspection report on the second phase of the Doñana Operative Programme, we divided the conclusions and recommendations in two big groups: one general and related to the second phase of the Doñana Operative Programme, affecting the Directorate-General of European Funds and a second one, referring to specific audited actions.

The follow-up of the recommendations included in the control and inspection report on subsidies granted to private companies within the framework of the programme 62.A "Fostering of industrial development" had the same goals and objectives.

The expense budget outturn illustrates the employed programme resources and objectives, as well as the repercussion of eventual modifications of the budget on said objectives; therefore, the Andalusian Regional Government Control and Inspection department drew up a report on the budget programme "Sports activities and promotion".

This report valued the programme's fulfilment of its sole objective, "the progressive generalization of physical exercise and sports activities in Andalusia, within the framework of the regional government's powers in the organization of sports activities and sports promotion."

In accordance with articles 48 and 49 of the Andalusian Electoral Law 1986 of 2 January, modified by the 5/1994 of 3 May and the Law 6/1994 of 18 May, the Andalusian Official Audit Office has to make a pronouncement about the regularity of the electoral accounting of parties, federations, coalitions and voter associations that fulfilled the requirements for receiving subsidies of the Autonomous Region of Andalusia or applied for advances of funds to be charged to these subsidies.

In order to comply with these provisions, the Andalusian Regional Government Control and Inspection department, with the invaluable help of the Coordination department, drew up a report on the expenses incurred by the political parties with a presence in the Andalusian Parliament, the appropriateness of these expenses, considering the applicable legislation and the subsidies which they could rightfully receive according to the provisions of the aforementioned law.

Just as in the previous fiscal years, the department drew up a report on the Autonomous Region's General Account, including the control and inspection of the Interterritorial Compensation Fund and of Administrative Contracting by the Regional Government of Andalusia, in which conclusions are drawn about the regularity of the economic and financial activities and accounting of the Regional Government's General Administration, the autonomous regional government agencies and public companies, administrative contracting performed by the General Administration and the management of Interterritorial Compensation Funds.

LOCAL AUTHORITIES

Throughout 2008, the most important actions undertaken by the Local Authorities department were linked to fields of activity on which the Andalusian Official Audit Office has been focusing its efforts over the last years: telematic statements of accounts, the performance of public services offered by the different administrations and urban planning.

Continuing with the Institution's effort of previous years to incorporate new technologies in the control, inspection and statements of accounts, in July 2007 we signed a **Collaboration Agreement with the Court of Auditors** to implement coordination measures for telematic submittal of the General Accounts of Local Authorities. By virtue of this agreement, the accounts submitted to the Andalusian Official Audit Office shall be considered as well as submitted to the Court of Auditors, avoiding the hitherto mandatory double submittal by local authorities. This agreement establishes a sole statement of accounts, safeguards the powers of both control bodies, simplifies the submittal of accounts by local bodies, avoids the duplication of control and inspection proceedings and guarantees knowledge by both control bodies of the submitted accounts.

A new resolution, approved by the Plenum of the Andalusian Official Audit Office, was published in the Official Gazette of the Regional Government of Andalusia (no. 190 of 23 September 2008), replacing the former resolution. The aim of this resolution is to legalize and foster the telematic submittal of statements of accounts.

Regarding the performance analysis of public services supplied by local administrations, in 2008 we approved the report on the *Performance analysis of the fire-fighting service in towns with a population between 20,000 and 50,000 inhabitants*. According to the 2006 census, forty-seven Andalusian municipalities are included in this bracket.

In view of the different ways of organizing the fire prevention and fighting services in these towns, five city governments which supply the service directly, three consortiums and one community of different municipalities, the last two being supramunicipal organizations, were analysed.

The analysis was performed using a set of management indicators, which served to assess the functions performed by the fire prevention and fighting services within the framework of the Andalusian Emergency Management Law; the organization and management of the human and material resources of these services; the composition and determination of expenses incurred by these services in 2006 and the results of activities carried out in the same year.

Since 1999 the Andalusian Official Audit Office especially controls the town planning activities of the autonomous region's municipalities, due to the close links between their

financing and their urban development. In this sense the Second National Public Sector Auditing Conference in Seville in 2006, proved that the revenues generated by this urban development represented 30 % of the economic resources of town governments.

Throughout 2008 we approved two reports on town planning agreements in the provinces of Almeria and Huelva.

To determine the specifically audited municipalities, we used the same criterion as in the *Report on municipal land resources*, agreed on by all external control bodies. The starting point is all municipalities with more than 15,000 or eventually 20,000 inhabitants, selecting those with the highest population growth throughout the last years.

Using these parameters, we selected the towns of El Ejido (Almeria) and Almonte (Huelva).

In the first town, we audited the agreement signed with the business entity Promociones Murcia y Almería S.L. (MURAL). According to this agreement, the El Ejido town council modified the valid town development plan, approved a detailed urban design project and stated the “singular” character of the building that is being constructed. These decisions allowed a commercial plot to be modified in a residential plot. The Regional Government of Andalusia contested these decisions before the administrative court, but at the time of approval of the report no definitive resolution was taken.

In the Huelva province, we audited five agreements signed by the Almonte town council throughout the fiscal years 2005 and 2006. With these agreements, the town council tried to resolve specific situations that required modification of the urban design parameters included in the valid town planning project.

In general, the legal procedures stipulated in the Andalusian Territorial Planning Law were respected, although some breaches or deficiencies in the valuation of land development projects, as well as the lack of explanation of the cash conversion of these development projects were detected.

Throughout 2008, the Local Authorities department of the Official Audit Office has undertaken actions to enhance the knowledge of new financial information exchange formats and their implementation in accounts reception procedures. To this end, the office co-organized a training conference on “*XBRL as a financial information exchange standard for the public sector*” in collaboration with the Valentin de Madariaga Foundation. This conference took place on 17 April.

We also participated in the debate that took place on 26 November “*XBRL: A solution for the exchange of financial statements in public administrations and private companies*”, during the First Meeting of Electronic Invoicing, XBRL and Public Contracting Experts, held in Seville and organized by the Andalusian Official Audit Office and ETICOM, the Andalusian Information Technology Business Association.

On 13 November, staff members of the Local Authorities department spoke at the Annual XBRL Spain Conference about the financial information exchange methods developed by the Andalusian Official Audit Office and the current projects for reception in XBRL format of the information transmitted by local and regional trading corporations.

The Andalusian Official Audit Office's Local Authorities department also participated in the Third National Public Auditing Conference in Navarre on 30 September, 1 and 2 October, in the workgroup on "Indicators used as public management audit tools".

PUBLIC BODIES AND COMPANIES

As decided by the Plenum of the Official Audit Office, the Public Bodies and Companies Department is in charge of the control and inspection of the bodies and companies run by the Andalusian Regional Government and Local Authorities and of Andalusian public universities.

To this aim, the department concentrated its efforts on control and inspection of economic and financial activities, carrying out regularity audits, and on the verification through operating audits of the compliance of public activities with the principles of economy, efficacy and efficiency.

Among the regularity audits of public companies on a local level we highlight the Empresa Limpieza Publica y Protección Ambiental SAM (LIPASAM), run by the Seville City Council, the Municipal Company for Business Projects and Activities of Malaga (PROMALAGA) and the Town Planning Department of the City of Jaen.

In regard to companies run by the regional administration, we approved definitive regularity audits for the companies Canal Sur Televisión S.A. and Empresa Publica Turismo Andaluz S.A. (TURASA), starting to audit as well other regional public companies, for example the companies belonging to the group formed by SANDETEL (Andalusian Telecommunications Development Company) and its subsidiaries SADESI (Andalusian Information Society Development Company) and CITANDALUCIA (Andalusian Innovation and Technology Transfer Centre).

Apart from regularity audits, we also performed operating audits, focused on the health sector. This group includes the report called "Comparative analysis of the management of the local hospitals of Riotinto (Huelva) and Montilla (Cordoba)" and the report on the "Purchase and implementation cost of surgical prostheses". Both are horizontal audits, referring to activities performed in the same period by different entities or centres.

The goal of the first audit type is to undertake a comparative analysis of the management performance in 2007 of two public hospitals (Montilla and Riotinto), both integrated in the regional public hospital network, in order to determine whether the different legal system and functional dependence also causes differences in efficacy, efficiency, savings, equity and healthcare quality.

The analysis in operating audits is jointly performed with external control bodies of other autonomous regions (Catalonia, Galicia and the Basque Country).

Throughout 2008, the Plenum of the Andalusian Official Audit Office has approved the following **definitive** controls and inspections:

REGIONAL GOVERNMENT OF ANDALUSIA

General Account, Administrative Contracts and Interterritorial Compensation Fund. 2006

Compliance with the recommendations included in the Andalusian Official Audit Office reports of previous fiscal years (grants to private companies, industrial development).

Compliance with the recommendations included in the Andalusian Official Audit Office reports of previous fiscal years (second phase of the Doñana Operative Programme)

Fulfilment of the targets of the budget programme “Sports activities and promotion”.

Compliance with the recommendations included in the Andalusian Official Audit Office reports of previous fiscal years (Libraries Service)

Control and inspection of electoral expenses for Andalusian parliamentary elections 2008

Aid programme for special action areas

Compliance with the recommendations included in the Andalusian Official Audit Office reports of previous fiscal years (enforceable tax collection management).

Regularity audit of the Andalusian Railways Management Company

Regularity audit of Canal Sur Television S.A., 2006

Regularity audit of the Foundation Red Andalucía Emprende

Regularity audit of the Empresa Publica Turismo Andaluz S.A. (TURASA)

LOCAL AUTHORITIES

Town planning agreement signed between MURAL S.L. and the El Ejido Town Council

Specific areas of the Huelva County Council

Benalmadena Town Council (Malaga)

Annual report on the Andalusian local public sector 2005

Urban design plan of the Almonte town council

Sanlucar de Barrameda town government

Performance analysis of fire-fighting services in municipalities with a population between 20,000 and 50,000 inhabitants

Regularity audit of the Cadiz Bay Transport Consortium. 2005

Regularity audit of Autobuses de Cordoba S.A. (AUCORSA)

Regularity audit of the Empresa Limpieza Publica y Protección Ambiental S.A.M (LIPASAM)

Moreover, between the end of 2008 and the submittal of this Report, the Plenum also approved the following definitive reports:

Service Charters offered by the Andalusian Regional Government Administration

INFOCA Plan

General Account, Administrative Contracts and Interterritorial Compensation Fund. 2007

Control of municipalities with between 10,000 and 50,000 inhabitants that did not submit their statements of accounts between 2002 and 2004

The provisionally approved reports, awaiting counterclaims by the controlled and inspected entities or the Audit Office's analysis of these counterclaims, are:

Regularity audit of the Poniente Hospital in Almeria

Town government of Roquetas de Mar (Almeria)

Integral audit of the Jaen North primary healthcare district

Comparative analysis of the management of the local hospitals of Riotinto and Empresa Publica Alto Guadalquivir

The controls and inspections which are finished and now being processed for their provisional approval by the Plenum are:

Regularity audit of the Jean Town Planning Department

The programmed audits in different stages of progress are:

Grants to private companies, families and non-profit institutions. Beneficiaries in the segment 0.3 to 0.6 million €

Financial tutelage of Municipal Governments in Andalusia

Regularity audit of the association of municipalities Bajo Guadalquivir 2005

Fulfilment of the targets of the budget programme "Family assistance service"

Control and inspection of the home help service in cities with a population between 50,000 and 100,000 inhabitants

The fiscal revenues of the Regional Government of Andalusia. Special reference to outstanding balances.

Hydraulic infrastructure contracting and management by the Andalusian Water Management Agency

Regularity audit of the Empresa Municipal de Iniciativas y Actividades Empresariales de Malaga S.A. (PROMALAGA)

Annual report on the Andalusian local public sector 2006

Statements of accounts of county councils and city governments of municipalities with more than 50,000 inhabitants. 2006

Adaptation of the general territorial planning schemes to the Andalusian Territorial Planning Law in municipalities with more than 50,000 inhabitants

Compliance with the recommendations included in Official Audit Office reports of previous years (aid for the modernization and promotion of agribusiness)

Control of municipalities with between 5,000 and 10,000 inhabitants that did not submit their statements of accounts between 2003 and 2005

Grants to private companies, families and non-profit institutions. Beneficiaries in the segment 0.1 to 0.3 million €

Regularity audit of the Empresa Promoción del Desarrollo Economico y Turistico S.A. (PRODETUR)

Regularity audit of the Sociedad Andaluza para el Desarrollo de las Telecomunicaciones S.A. (SANDETEL)

Regularity audit of the town of San Fernando (Cadiz)

Regularity audit of the town of Mojacar (Almeria)

Consultancy, counselling and service contracts in towns with between 25,000 and 50,000 inhabitants

Regularity audit of the Andalusian Educational Infrastructures and Services Agency

Shared control and inspection of purchase and implementation expenses for surgical prostheses

Preliminary study for the control and inspection of personnel contracts in the Andalusian public sector

Regularity audit of the Instituto Andaluz de Investigación y Formación Agraria, Pesquera, Alimentaria y de la Producción Ecologica (IFAPA)

IV. JURISDICTIONAL ACTIVITY

The Court of Auditors, although exclusively in charge of accounting jurisdiction, that is to say of the judgement of the accountability of persons or entities handling public property or effects, can nevertheless delegate the start of preliminary proceedings prior to jurisdiction to an Official Audit Office. Some of last year's proceedings are highlighted below:

1).- Preliminary Proceedings started in previous years and completed in this fiscal year.

No. 32/08, deriving from the Control and Inspection Report of the Andalusian Social Services Foundation for the fiscal year 2004. The Provisional assessment was carried out with a negative result and in its writ of 4 September 2008 the Court of Auditors dismissed the proceedings.

No. 33/08, deriving from the Control and Inspection Report of the Almeria City Government for the fiscal year 2003. The Provisional assessment was carried out with a negative result and in its writ of 4 September 2008 the Court of Auditors dismissed the proceedings.

2).- Preliminary proceedings started or prepared in 2008:

No. 89/03, referring to the Town Planning Department of the City Government of Sanlucar de Barrameda. We are waiting for the submittal of guarantees by the presumptive liable persons or, if necessary, the eventual start of separate seizure proceedings.

No. 47/07, deriving from the Control and Inspection Report on the City Government of Arcos de la Frontera. A provisional assessment was carried out on 12 November 2008; as a consequence of the statements made by the participants in this clearing, we made another presumptive liable person responsible. At the same time we were informed of the existence of criminal proceedings in regard to the facts subject of the current preliminary proceedings. One of the parties in these criminal proceedings is the Arcos de la Frontera City Council and the lower trial court in charge is Court no. 1 of Arcos de la Frontera. We are currently waiting to receive the documentation requested from this lower trial court in order to proceed with the provisional assessment.

No. 111/07, deriving from the Control and Inspection Report on the Lebrija Town Government. We did not receive all required documents, but in view of the time passed, the provisional assessment will soon be carried out.

No. 120/07, deriving from the Control and Inspection Report on the International Circus School Consortium in Granada. Having received the required documentation from the department in charge of control and inspection, the provisional assessment will soon be carried out.

No. 146/07, deriving from the control and inspection report on the municipal government of Jodar, fiscal year 2003. A 28 January 2009 a positive provisional assessment was carried out.

No. 95/08, deriving from the control and inspection report on land resources management by the mixed company SOMIXUR S.A., created by the Algeciras City Government, fiscal years 1996-2004.

Nos. 110/08, 118/08 and 119/08, deriving from the Control and Inspection Report on subsidies granted by the Regional Government of Andalusia to private companies, families and non-profit institutions, fiscal year 2003. We are waiting for the documentation requested from the department in charge of the control and inspection.

Nos. 137/08, 146708 and 155/08, deriving from the control and inspection report on municipal land resources, fiscal year 2004

No. 138/08, deriving from the control and inspection report on the Andalusian Employment Agency, fiscal year 2004

No. 154/08, deriving from the control and inspection report on the Cadiz Tourism Agency, fiscal year 2005.

No. 156/08, deriving from the control and inspection report on the Jaen County Council, fiscal year 2003

No. 157/08, deriving from the control and inspection report on the University of Cadiz, fiscal year 2003

No. 182/08, deriving from the horizontal audit report on environmental issues in certain municipalities, fiscal year 2005

No. 183/08, deriving from the control and inspection report on specific areas of the Cordoba City Government, fiscal year 2006

No. 198/08, deriving from the regularity audit report on the company Gerencia de Compras y Contratación de Marbella S.L., fiscal year 2004-2005

No. 199/08, deriving from the control and inspection report on the Third Andalusian Research Plan, fiscal years 2000-2003

All these proceedings were carried out by the Legal Department of the Official Audit Office.

In regard to judicial issues, the CCOO trade union filed two appeals before the administrative chamber of the Superior Court of Justice of Andalusia in Seville:

In one case, against the resolution of the Plenum of the Andalusian Official Audit Office of 28 November 2007, which partially set aside the right of appeal formalized against the resolution of the institution's Chief Counsellor of 18 July 2007, announcing a specific competition for posts. The appeal in question is now in the testimony phase.

And in the other case, against the resolution of the Andalusian Official Audit Office of 19 December 2007, regulating working hours. In this case, the claim is currently being formulated.

The legal department is also in charge of the publication of legal reports, checking of deeds, reports on Administrative Clause Specifications and contracts and Collaboration Agreements signed by the Official Audit Office.

V. RELATIONS WITH THE ANDALUSIAN PARLIAMENT

The control and inspection work of the Andalusian Official Audit Office is turned into reports which are submitted to the Andalusian Parliament and sent to each of the audited institutions. These reports include any detected infringement, abuse or irregular practice, as well as the advisable corrective measures for improved economic and financial management.

The Regulations of the Andalusian Parliament regulate the processing of the Official Audit Office reports after their submittal. They are first published in the Official Bulletin of the Parliament, so that all parliamentary groups can read them and then submitted to the corresponding Committee, depending on the report's contents.

The different Groups can propose resolutions that will be submitted to the Committee's approval, and possibly to the Parliamentary Plenum's approval, if referring to the General Account. Resolutions are published in the Parliament's Official Bulletin and also sent to the Official Audit Office and the audited body. Agreements concerning the General Account, reached by the Parliament's Plenum, are also published in the Official Bulletin of the Regional Government of Andalusia.

Throughout 2008 the following appearances took place:

Appearance on 2 September 2008 before the Economic Affairs and Finance Committee:

2007 Activities Report and 2008 Action Plan

2006 General Account, Administrative Contracting and ICF

Appearance on 4 September 2008 before the Innovation, Science and Business Committee:

Third Andalusian Research Plan 2000-2003

Appearance on 18 September 2008 before the Cultural Affairs Committee:

Compliance with the recommendations included in the control and inspection report on the Directorate-General for Cultural Heritage Institutions: the Libraries Service.

Appearance on 7 October 2008 before the Housing and Territorial Planning Committee:

Public housing projects in municipalities with more than 100,000 inhabitants, fiscal years 2003-2005

Appearance on 28 October 2008 before the Housing and Territorial Planning Committee:

Municipal land resources management, corresponding to the fiscal year 2004

Appearance on 30 October 2008 before the Employment Committee

Specific areas of the Andalusian Employment Agency, fiscal year 2004

Appearance on 9 December 2008 before the Housing and Territorial Planning Committee:

Specific urban planning agreements of the Town Planning Agency of the Seville City Government

VI. EXTERNAL RELATIONS

In 2008, the Official Audit Office's activities related to external relations have been widespread and varied. For several years the Institution set up an information policy establishing close relations with mass media and institutions and citizens in general

The Official Audit Office is now considered much closer to citizens and an interesting source of information for mass media.

Hereunder, we list some of the most relevant aspects of 2008:

The President of the Andalusian Parliament visits the Official Audit Office:

Last May, the President of the Andalusian Parliament, Mrs. Fuensanta Coves, visited the Andalusian Official Audit Office's head office and was welcomed by the members of the institution's plenum.

During her visit, the President, who signed the Office's distinguished visitors' book, showed her interest in the institution's operating and management model and received information about our future projects.

The Chairman of the Court of Auditors

In July the Chairman of the Court of Auditors, Mr. Manuel Nuñez and the Chief Counsellor of the Official Audit Office, Mr. Rafael Navas, signed a collaboration agreement for the implementation of telematic submittal of the General Accounts of local authorities in Andalusia.

This agreement shall make the mandatory submittal of accounts by Andalusian local authorities easier, since it avoids double submittal.

Relations with other external control bodies and the Court of Auditors

The close relations of the Official Audit Office with the other regional control bodies are specified in a Collaboration Agreement, establishing among others two basic cooperation lines: training and dissemination.

Throughout 2008 we participated in various events and conferences organised by several of the country's external audit bodies, highlighting our participation in the preparatory meetings of the Third National Public Auditing Conference, our attendance of the prize award ceremony of the review Auditoría Pública in Valencia, of various conferences given by chairmen of these bodies and of the Third National Public Auditing Conference in Navarre.

Throughout the year we had several meetings with the Court of Auditors to coordinate various actions.

First Master's Degree in Public Auditing

The Official Audit Office organized the First Master's Degree Course in Public Auditing, in collaboration with the Regional Ministry of Economic Affairs and Finance and the Andalusian Federation of Municipalities and Provinces (FAMP). The goal of this course is to promote know-how of the economic, financial and control scope of public administrations.

The Master's Degree Course, with a 500-hour duration and a highly practical approach, is meant for bachelors of law and economics with knowledge of accounting as well as for civil servants with economic and financial management experience.

The Master's Degree Course is structured in three different blocks, with the first one containing legal issues which outline the legal public sector regime, a second one about the accounting framework of the administration – state, regional and local – and the field of activity of public companies and a third block going deeply into audit practices.

Closure of the Fourth Public Auditing Introduction Course

The Andalusian Official Audit Office organized the fourth Public Auditing introduction course in Cordoba, in collaboration with the Professional Association of Economists of Cordoba, Cajasur, the Cordoba County Council and the Andalusian Public Administration Agency.

The course was based on the practical experience gathered by the Official Audit Office for more than fifteen years. This way we try to transmit the Institution's guidance and work methodology to audit experts.

Review Auditoría Pública

This review is a joint publication of all external audit bodies existing in the country (Navarre, Catalonia, Valencia, Galicia, the Basque Country, Andalusia, the Canary Isles, Castile-La Mancha, Madrid, the Balearics, Castile-Leon and Asturias). The review offers articles, information and interviews on public management audits and control, accounting, legality and in general all aspects of public management and their supervision. Its website received a total of 135,900 visits throughout 2008.

The review was included in the ISOC directory of reviews of the Superior Scientific Research Council (CSIC), containing the scientific production published in Spain since the seventies.

Likewise, the review was also incorporated into the Latindex regional information system, in its directory and catalogue, aiming at enhancing the accessibility and improving the quality of publications produced in Latin America, the Caribbean, Spain and Portugal.

Signing of a technological collaboration agreement for the financial sector with the Valentin de Madariaga Foundation

The Andalusian Official Audit Office and the Valentin de Madariaga y Oya Foundation signed an agreement for the promotion of joint scientific, technical, training and research activities in issues of common interest.

Within the framework of this agreement, we are going to set up a series of initiatives, among which we highlight the use of the XBRL financial communication standard, developed by the MP Industrial Corporation, for information exchange among different bodies and institutions, adapted to the new chart of accounts. This technology is meant to improve the efficiency of accounts auditing procedures and as such, enhance the transparency of the use of public funds.

A result of this agreement was the Conference *XBRL as a financial information exchange standard in the public sector*, which took place in April.

Renewal of the agreement with Cajasol for the granting of scholarships and the prize award for the best doctoral thesis

Last November, the Chief Counsellor of the Andalusian Official Audit Office, Mr. Rafael Navas, and the President of the savings bank Cajasol, Mr. Antonio Pulido, signed an agreement at the Cajasol head office in Seville for the renewal of the existing agreement for contribution and participation in the financing of training and dissemination activities. Said agreement forms part of the educational, research and development actions of the Social Activities Fund of the savings bank, which among other activities grants scholarships, awards a prize for the best doctoral thesis and finances publications and training courses which shall be given by both the Official Audit Office and the Cajasol Social Activities Fund.

Research scholarship

The Andalusian Official Audit Office granted a research scholarship to Juan José Romero of the University of Granada. His research subject shall be “Accounts and management control of local administration public services, especially referring to public companies”.

The work shall be carried out in the Public Finance and Fiscal Law department of the University of Granada, under the guidance of Professor María José Fernandez Paves. The proposed research implies a detailed study of the legal regime deriving from accounts and management control of local administration public services.

The goal of this scholarship award is to achieve a close link between the work of researchers and the issues handled by the Andalusian Official Audit Office, focusing on the control of the legality, economics and efficiency of financial management in the public sector.

VII. MANAGEMENT OF THE OFFICIAL AUDIT OFFICE SERVICES

HUMAN RESOURCES

Jobs List

At the proposal of the Andalusian Official Audit Office, the Andalusian Parliament's Presiding Committee authorized a staff modification, shown in the next table:

AUDIT STAFF				
STAFF INCREASE	NAME OF THE POST	GROUP	LEVEL	
1	Auditor	A	28	
1	Auditor	A	27	
1	Audit Specialist	B	26	
1	Audit Specialist	B	25	

The next chart shows the evolution of the number of posts and their occupancy throughout 2008:

CIVIL SERVANTS	ON 01-01-2008		ON 31-12-2008	
	No. of posts	Unfilled vacancies	No. of posts	Unfilled vacancies
Auditors	27	7	29	3
Lawyer	4	--	4	--
University Graduates	9	1	9	--
Total Group A	40	8	42	3
Audit Specialists	32	--	34	14
Professional Training Graduates	7	--	7	--
Total Group B	36	--	39	6
Audit Assistants	19	1	19	2
Clerks	18	--	18	--
Total Group C	37	1	37	2
Auxiliary Staff	12	2	12	2
Total Group D	12	2	12	2

EMPLOYEES	ON 01-01-2008		ON 31-12-2008	
Category	No. of posts	Unfilled vacancies	No. of posts	Unfilled vacancies
Auxiliary staff	4	--	4	--
Total Group IV	4	--	4	--
Assistants	11	--	11	1
Total Group V	11	--	11	1

As to the salaries paid to the institution's staff, they were increased in accordance with the percentage established in the applicable regulations.

Access to the different Categories of the Andalusian Official Audit Office:

The Executive Committee announces and approves the dispositions for the announcements of access selection tests to the different Staff Categories of the Andalusian Official Audit Office. The following announcements took place in 2008:

Internal promotion:

The selection processes announced throughout 2007, listed hereunder, finished and the candidates who passed the selection tests occupied their posts:

Four posts in the Auditors Category (Official Gazette of the Andalusian Regional Government no.155, 7 August 2007)

One post in the Audit Specialists Category (Official Gazette of the Andalusian Regional Government no.155, 7 August 2007)

One post in the University Graduates Category, option General Administration (Official Gazette of the Andalusian Regional Government no.152, 2 August 2007)

Open competition:

Using this procedure, through a public competition system, selection tests were announced in 2007 to fill three audit specialist vacancies (Official Gazette of the Andalusian Regional Government no. 155, 1 August 2007), of which only one got filled.

Job reserve

As to the job reserve for civil servants, the following happened.

By free designation:

A post of Auditor, level 28 (Official Gazette of the Andalusian Regional Government no.67, 4 January 2008)

A post of Executive Secretary, level 20 (Official Gazette of the Andalusian Regional Government no. 33, 15 February 2008)

Competitions for posts:

One Audit Specialist, level 26 (Official Gazette of the Andalusian Regional Government no. 3, 4 January 2008)

One Auditor, level 27 (Official Gazette of the Andalusian Regional Government no. 40, 26 February 2008)

One Auditor, level 27; one Audit Specialist, level 26; one Audit Specialist, level 25 and one Audit Assistant, level 21 (Official Gazette of the Andalusian Regional Government no. 249, 17 December 2008)

Work-life balance

In order to improve the work-life balance of our staff, at the beginning of 2008 we started with new working hours, co-existing with the extended working hours, as a voluntary option for members of our staff. As a result, 82.20 percent of our employees chose the new option.

DOCUMENTATION SERVICE

One of the activities of the documentation service was especially important in 2008: the **Comprehensive File Management Promotion Scheme of the Andalusian Official Audit Office**. This scheme was designed as a tool for the adoption of streamlining administrative measures.

The goal of this initiative is to structure, integrate and foster the usual file management activities performed by the service, trying to achieve a bigger repercussion in and involvement of all departments of the institution.

The scheme includes three main working lines:

The computerization and proceedings project, fostering their homogenisation and simplifying.

The electronic file management standardization project, based on the next putting into service of an institutional file operating and backup system.

And finally, the creation of an Administrative File Qualification Committee by the Andalusian Official Audit Office (**CCDACCA**), meant as a valuation tool.

The creation of information circuits is in line with the same idea of corporate information integration. Data and corporate information flow in a controlled manner through these circuits.

We are also drawing up manuals and user guides, serving as reference tools for file management. We finished the "*Access and service standards for General Register users*" and soon also the "*Electronic file management system: user manual*" and the "*Guide for standardization of General Register field contents*" shall be ready.

To complete this series of activities of the documentation service in 2008, we performed a statistical selection of significant indicators:

Internal information demand indicators

YEAR	2003	2004	2005	2006	2007	2008
No. of internal queries	262	379	470	620	1290	1266

External information demand indicators

YEAR	2007	2008
Internet website access	4539	15070
No. of Internet downloads		23294

The Documentation tab of the institutional website is ranked second in the access ranking after Reports.

Proactive information dissemination indicators

YEAR	2007	2008
No. of internal alerts		508
No. of newsletters	144	146

Administrative file processing indicators

YEAR	2003	2004	2005	2006	2007	2008
No. of recorded and distributed files	2271	3292	3205	3161	3114	3656
No. of recorded outgoing files	2264	3738	2740	1774	1964	1261
TOTAL	4535	7030	5945	4935	5078	4917
Total electronic incoming records						935
CCLL records						862
JA records						73
No. of file boxes transferred to the Central Archive and inventorized					463	209

Finally, we should add that within the framework of this file management integration process of the Andalusian Official Audit Office, the **authentication of documents**, as well as the issuing of **electronic signatures** has been exclusively delegated to the Documentation Service.

External relations:

Throughout 2008, we fulfilled all requirements to be part of the Documentation Centres and Specialized Libraries Network of the Regional Government of Andalusia.

COMPUTER SERVICE

Hereunder we list the most relevant activities performed by the computer service of the Andalusian Official Audit Office throughout 2008, aimed at achieving the targets scheduled for the fiscal year in question.

Systems and Operations:

New backup system: A new backup system was installed. This new system is fully automated and for storage, it combines the tape drive with a magnetic disc, optimising the backup and restoration times and augmenting the storage capacity.

New communications and wiring: The whole wiring which connects all workstations and equipment of the computer room was renovated. With this action we constructed the new SAN (Storage Area Network) network that comprises the backup system and disc storage, interconnected through optical fibre, resulting in a significant improvement of reading and writing speed and information security.

Antivirus: We installed an antivirus application to protect mail servers, applications and pc's. The antivirus application gets automatically updated for the local network and remote computers. Moreover, the application includes a filter and antispam module, greatly improving the antivirus security in e-mail and avoiding the reception of spam messages.

[W@rda](#) File Manager: In accordance with the specifications of its collaboration agreement with the Regional Government of Andalusia, we implemented the [W@rda](#) File Manager in order to organize, sort and distribute all electronic documentation to the different departments and work teams. The Documentation Service collaborated in the set-up of parameters and the testing of this file manager.

Verification service: The Andalusian Official Audit Office has a registration verification office, where users can obtain an electronic signature recognized by the National Mint (FNMT).

Oracle Advanced Services: From this year on, the institution has a technical advanced services support tool supplied by Oracle Iberica. This tool guarantees the availability of the telematic submittal of statements of accounts, the @ries register, file manager, corporate databases and new signature servers which shall be operating in the first half of 2009.

Development and implementation of applications:

Sorolla: Sorolla is a software programme, developed by the Ministry of Economic Affairs and Finance, for the management and control of extra-budgetary expenses, integrated in the accounting information. This tool is updated each day through the technical support tool of the aforementioned ministry and adds the electronic transfers via the Internet through the link with banks and savings banks. This system is an essential element of the work performed by the General Secretariat of the Institution.

Public-Service Commissions: Analysis, development and implementation by the personnel of the institution of the new Public-Service Commissions application which incorporates a new user interface, task flow, electronic file processing and automatic form generation in a Web environment. This is a further step towards a paperless office.

Compliance with recommendations: Analysis, development and implementation by the personnel of the institution of a new application for the management and monitoring of the recommendations included in the audit reports. The use of this application shall be extended to all audit teams of the different departments, since the tool in question intervenes in the

draw-up of the reports through the monitoring and management of all documents incorporated into the audit reports.

ACL Software: The ACL software is a tool used by the audit teams, allowing to perform comprehensive audit testing and to validate internal controls in an organization.

Windows servers update: The Audit Office continues updating its equipment and has purchased new licenses for Windows 2008 Servers and Microsoft Office 2007.

VIII. TRAINING AND DISSEMINATION ACTIVITIES

Continuous training is a set of training activities for Public Administrations, aimed at improving the capacities and qualifications of civil servants, allowing at the same time a higher efficiency and better quality of the supplied services and the personal and professional development of public administration employees.

Therefore, continuous training is both an obligation and a right for civil servants, linked to their promotion and professional career, and also a tool used to modernize the Public Sector.

One of the aspects stressed by the Control Bodies of the Autonomous Regions, as defined in the Declaration of the Presidents of the Official Audit Offices of these Regions, is human resources management and the staff's adaptation to the new needs of changing times, making it necessary to foster the motivation and training of civil servants.

The Andalusian Official Audit Office needs highly skilled staff to carry out its work and the annual Training Scheme which takes into account the training needs stated by all and each of the institution's Departments and Services adapts this training to the employees' real necessities, making it efficient and authentic.

TRAINING

The 2008 Training Scheme, approved by the Office's Plenum in the session held on 20 May, included the execution of activities classified in three different groups:

In-house training activities, comprising all activities related to the Financial, Accounting and Audit Departments, as well as to the Computer Department.

External training activities, including activities for the General Administration and Documentation Departments, and all courses, seminars or conferences without any direct relation with the areas mentioned in the previous paragraph or offered by the Andalusian Public Administration Agency or any other official body.

Other training activities, comprising courses or activities, organized or coordinated by the Official Audit Office and offered to personnel that does not belong to the Institution.

Furthermore, just as in other years, the Training Scheme also included **Language training**.

In all, 24 training activities were carried out in the first group; 24 in the second one, 1 in the third group and 5 language training activities.

In-house training activities totalled 1,665 training hours, of which 1,500 correspond to courses or activities related to the Financial, Accounting or Audit Department and 165 to the Computer Department.

Financial, Accounting and Audit Department:

- Modifications of the New General Chart of Accounts
- Basic town planning course
- Management indicators. Practical cases
- The new Law on Public Sector Contracts. Control of administrative contracting
- Course on public subsidies
- Application in practice of the new Contracts Law
- Budget stability for local bodies and agencies
- Conference on the economics and taxability of public companies
- Conference on control and accounting in local agencies
- Fifth course on intervention and treasury functions in local bodies and agencies. Practical aspects
- Assessment of public policies: procedures, methods, practices and standards
- Thirteenth AECA Meeting. Accounting: Heading for the future!
- Starting with ACL. Version 7.0
- Seminar on how to end a fiscal year and a year of account; fiscal year 2008
- The new chart of accounts
- Basic public auditing course. Online.

Computer Department:

- CITRIX Presentation Server 4.0
- Service architecture: integration and development of applications
- Development of applications in public environments
- Installing and Configuring the Microsoft Windows Vista Operating System
- Seminar on CITRIX for technical applications delivery tour 08
- Microsoft TechNet Security Academy
- Sun Microsystems: Ninth Meeting of users within the Regional Government of Andalusia
- Web programming with PHP.

External training activities comprised 24 activities, totalling 1,648 training hours.

Broken down, 179 hours belong to courses or activities attended by Documentation Service personnel, for example the online course on Contents and knowledge management, totalling 100 training hours; a course on the Implementation of telematic procedures in the Andalusian Regional Government, organized by the Andalusian Public Administration Agency; the Web 2.0 Seminar; a seminar on social networks, organized by the International San Telmo Institute and a course on Copyright, legal implications of library services.

1,140 hours correspond to training activities for the General Administration staff and the rest of the personnel, for example: a course on the Basic Statute of Public Employees; a course on interpersonal communication; how to speak in public; Introduction to non-sexist language use; Electronic public contracting; the SOROLLA system; Management of direct payment files; Executive capacities; a Seminar on personal data protection and a first-aid course.

Finally, within the Specific Activities, the annual visit to the European Court of Auditors took place; we attended the Third National Public Sector Auditing Congress organized by the Navarre Official Audit Office and FIASEP, which took place on 30 September, 1 and 2 October.

Other training activities refers to the organization of courses given by Official Audit Office staff members to third persons, corresponding in this fiscal year to the Fourth Edition of the Public Audit Introduction Course: the experience of the Andalusian Official Audit Office. This course was given in Cordoba from November 2007 to April 2008, with 60 training hours.

As to **languages**, the academic course at the British Institute continued, a second level course was organized at the Office itself and a Speaking course, attended by some counsellors of the institution and the higher-intermediate level Speaking course that already started last year. Furthermore, two of the Institution's employees followed a 150-hour English course on the Internet. Training hours totalled 1,729 hours in 2008.

DISSEMINATION

Staff members of the Official Audit Office have participated in a great many forums, seminars and events of which the following are highlighted, apart from those already mentioned in some chapters of this report:

- Seventh Course on financial and budget management in Local Finance, organized by the CEMCI in Granada
- Conference on municipal public companies in 2010, by IIR Spain in Madrid
- Sampling techniques used in auditing, organized by the Navarre Official Audit Office
- Conference of public administration experts, organized in Seville by the Cajasol Research Institute
- Fourth Conference on economic and financial coordination with local authorities
- Town planning economic management seminar, organized in Madrid by FIASEP
- Eighth Conference on health management, organized in Madrid by the Healthcare Promotion Institute

IX. 2009 ACTION PLAN

The Official Audit Office and the Andalusian Parliament initiate control and inspection procedures. Nevertheless, the Regional Government or Local Bodies, subject to the agreement of their respective plenary sessions, can also request control and inspection audits through the Economic Affairs, Finance and Budget Committee. To perform this control and inspection work, the Action Plan is developed at the proposal of the different Departments, taking into consideration external requests, after which the Plenum discusses which reports shall be drawn up throughout the fiscal year. Nevertheless, in spite of this pre-established Action Plan, a new control and inspection procedure can be included at any time, whose result shall then be attached in an extraordinary report.

The 2009 Action Plan is the following:

- General Account, Administrative Contracting and Interterritorial Compensation Fund 2008
- Achievement of the objectives of the budget programme “Family Help Service”
- Capital transfers in the budget of the Regional Government of Andalusia
- Efficacy and efficiency in the management of the European Funds of the MAC 2000-2006. Control and inspection of a programme financed with ERDF funds
- Monitoring of the recommendations on the subsidy granted to “International Andalusian Solidarity”, included in the report on Grants to private companies, families and non-profit institutions (beneficiaries in the segment 0.6 to 1.8 M€).
- Compliance with the recommendations included in the Report on the application of SEC95 on the Regional Public Sector in Andalusia
- Grants to private companies, families and non-profit institutions. Beneficiaries in the segment 0.03 to 0.01 M€
- Human Resources management in the Regional Government of Andalusia. Special reference to the SIRHUS programme
- Evaluation and monitoring of drawings subject to justification in the Regional Government of Andalusia
- Compliance with the recommendations included in the control and inspection report of pharmaceutical expenditures in the Andalusian Health Service hospitals. 2002
- Compliance with the recommendations included in the control and inspection report of rest homes partially subsidized by the Andalusian Social Services Agency. 2002
- Compliance with the recommendations included in the regularity audit of the Empresa Mancomunada del Aljarafe S.A. (ALJARAFESA), 2004
- Annual report on the Andalusian Local Public Sector. 2007
- Statements of accounts by County Councils and municipal governments of municipalities with more than 50,000 inhabitants. 2007
- Control and inspection of internal instructions in regard to public contracting approved by the city government awarders and dependent entities in province capitals
- Control and inspection of municipal consumer and user protection services in specific municipalities
- Equal opportunities policies in specific county councils and municipalities
- Control and inspection of rates and public prices in specific municipalities
- Town planning schemes in the province of Granada
- Regularity audit of the municipal government of Velez-Malaga (Malaga)
- Regularity audit of the city government of Andujar (Jaen)
- Funeral services management in Andalusia. Public companies in Malaga, Cordoba and Granada. City government of Seville and Federation of Municipalities of Cadiz

- Investment plan for Andalusian universities. Universities of Seville, Granada and Malaga.
- Long-term plan 2006-2010
- Regularity audit of the Municipal Company for Public Housing of Granada (VISOGSA)
- Comparative analysis of management policies in two regional hospitals
- Analysis and monitoring of the Andalusian Health Service budget department (serv. 06 “Other services and centres”). State-assisted services
- Subsidies by the Andalusian Youth Agency
- Investment programme in renewable energies and energy efficiency of the Andalusian Energy Agency
- Regularity audit of the Empresa Publica de Deporte Andaluz S.A.
- Town planning department of Huelva
- Subsidies of the Three Mediterranean Cultures Foundation
- Regularity audit of the Public Broadcasting Company Canal Sur Radio.

X. 2008 BUDGET OUTTURN OF THE OFFICIAL AUDIT OFFICE

In accordance with article 35 of the Law on the Andalusian Official Audit Office, this activities report includes our budget outturn corresponding to the fiscal year 2008. Hereunder you'll find a summary of the main aspects:

The initially allocated appropriations in the 2008 Budget of the Andalusian Official Audit Office amounted to 9,921,996.00 € representing a 6.84 % increase (634,563 €) compared to the initial 2007 budget. This increase was mostly the result of:

- The increase in Personnel Expenses amounting to 393,600.00 € (5.90 % compared to Chapter I of 2007), represents 4.24 % of the total increase, due to a salary increase of our personnel.
- The increase of current expenditures in goods and services amounting to 65,342.00 € (3.20 % compared to Chapter II of 2007), representing 0.70 % of the total increase in 2008.
- Chapter IV increased with 31,294 € (77.40 % compared to the same Chapter in 2007), representing 0.34 % of our total budget increase in 2008.
- As to Chapter VI "Real Investments", initial appropriations increased with 143,007.00 € (29.03 % compared to the same Chapter in 2007), representing 1.54 % of our total budget increase in 2008.

The definitive appropriations amounted to 9,795,085 € decreasing with 126,911 € in comparison with the initial appropriations, due to the following modifications:

- 1.- Generation of appropriations for a total amount of 47,060.00 € due to different revenues, broken down as follows:
 - 35,060.00 € coming from the CAJASOL contribution in accordance with the Collaboration Agreement signed on 26 July 2007, earmarked for the co-financing of training and dissemination activities organized by the Andalusian Official Audit Office. Of this amount, as per 31 December 2007 20,660.00 € figured as earmarked treasury carryover.
 - 12,000.00 € coming from the savings bank CAJASUR, to collaborate in the financing of the "Fourth Edition of the Public Audit Introductory Course". This amount was also included in the earmarked treasury carryover as per 31 December 2007.
- 2.- Appropriation transfers to Section 02 "Andalusian Parliament" for a total amount of 173,971.00 € We highlight the following:
 - 68,971.00 € resulting from the participation of the Andalusian Official Audit Office in the annual announcement of the Andalusian Parliament to contribute to the financing of third-world projects, an item which was increased.
 - Throughout the settled fiscal year, we recorded liabilities for a total amount of 8,888,786.45 €, a 90.75 % execution of the expense budget in respect to the definitive appropriations. The included table shows the degree of execution of each Chapter. In regard to current operations, the amount of recorded liabilities throughout the fiscal year 2008 represents 91.47 % of the definitive appropriations of Chapters I to IV of the expense budget.

The Andalusian Official Audit Office participates in the financing of the maintenance costs of the Cinco Llagas Hospital, seat of the Office and of the Andalusian Parliament, in accordance with the percentages agreed upon by the Executive

Committee of the Collaboration Agreement signed between both Institutions. The biggest expenses correspond to the cleaning and security of the building, with a smaller amount for maintenance of the building and its installations.

In regard to Chapter IV, the following should be highlighted:

- Payment of a total sum of 12,900.00 € as monthly allowances to the beneficiaries of a research scholarship
- 7,440.00 € as contribution to travel and transport costs of persons who work as interns in the institution, due to the agreement signed with the Albatros Andalusia Foundation.

As to the execution of the Investment Chapter, the recorded liabilities amount to 78.76 % of the definitive appropriations of Chapter VI.

Within this Chapter, the biggest investments executed during the fiscal year were the following:

- Purchase of computer equipment, for an approximate amount of 113,000.00 €
- Supply of communication equipment and wiring for an amount of 75,000.00 €
- Purchase and installation of a backup system, for an amount of 125,000.00 €
- Implementation of the following computer applications:
 - [W@rda](#) File Management system with an approximate cost of 11,500.00 €
 - Telematic submittal of statements of accounts, for an amount of 69,000.00 €

In regard to the revenue budget, the total sum of recorded dues amounts to 9,974,106.70 €

The Andalusian Official Audit Office is basically financed through quarterly transfers received from the Regional Government of Andalusia, consisting of current transfers and capital transfers, according to the type of operation they're financing. The revenues received through these transfers by the Treasury throughout the considered period and corresponding to the 2008 Budget amounted to 8,941,292.00 € and 650,700.00 € with no outstanding receivable on 31-12-2008.

Likewise and apart from the revenues mentioned in the previous paragraph on revenues generation, coming from agreements and covenants with other entities, the Treasury received the following quantities throughout 2008:

24,000.00 € coming from CAJASOL, to finance training and dissemination activities (Agreement of 11 November 2008)

23,743.00 € coming from transfers by the review *Auditoria Publica*, to compensate administrative expenses, since the Andalusian Official Audit Office was in charge of the management of the Fourteenth Agreement with Regional External Control Bodies.

As to bank interests, the revenues booked throughout the fiscal year 2008 amounted to 196,506.85 €

Within Chapter III of Revenues, we highlight the recording of the following dues, as well as of their collection:

On the one hand, the refund resulting from the adjustment of the fixed telephony invoice, in accordance with the agreement signed with the Compañía Telefonica de España, corresponding to the fiscal years 204 to 2007, for an amount higher than 41,000.00 €

On the other hand, the revenues coming from the registration fees of participants in the “Fourth Introductory Public Audit Course”, amounting to 10,150.00 €

The Cash Statement at the end of the year presents a balance of 1,975,458.76 €

Throughout the fiscal year refundable advances were granted to the personnel (Chapter VIII of Expenses) for an amount of 79,419.58 € with cash refunds over the same period (Chapter VIII of Revenues) amounting to 72,894.55 €

After the reclassification at the end of the fiscal year of long-term advances which become due next year into short-term advances, their balances as per 31 December 2008 amount to 53,501.90 € and 21,420.72 € respectively.

The quantity figuring as budget creditors balance at the closing of the financial year, amounting to 695,314.87 €, corresponds to acknowledged outstanding liabilities stemming from expense management.

As to closed budgets, the outstanding liabilities amounting to 249,310.85 € have been fully wiped out, the quantity of 89,485.00 € figuring as outstanding claims on 31 December 2007 having been collected by the Official Audit Office’s Treasurer Department.

**2008 BUDGET EXECUTION CHART OF THE
ANDALUSIAN OFFICIAL AUDIT OFFICE
(IN THOUSANDS OF EUROS)**

	Definitive appropriations	Recorded liabilities	% rec. liab./ def. appr.
CHAP. I	7,093.54	6,706.44	94.54 %
CHAP. II	1,998.83	1,610.48	80.57 %
CHAP. IV	24.51	22,34	91.15 %
CHAP. VI	596.88	470.10	78.76 %
CHAP. VIII	81.32	79.42	97.66 %
TOTAL	9,795.08	8,888.78	90.75%