

## **PEMPAL IACOP Plenary Meeting**

### **Impactful Internal Audit Reporting and Insights from Spain**

March 3-5, 2026, Madrid, Spain



### **Session 1**

**Host Country Experience: Brief introduction to public financial management (PFM) and PIC in Spain**

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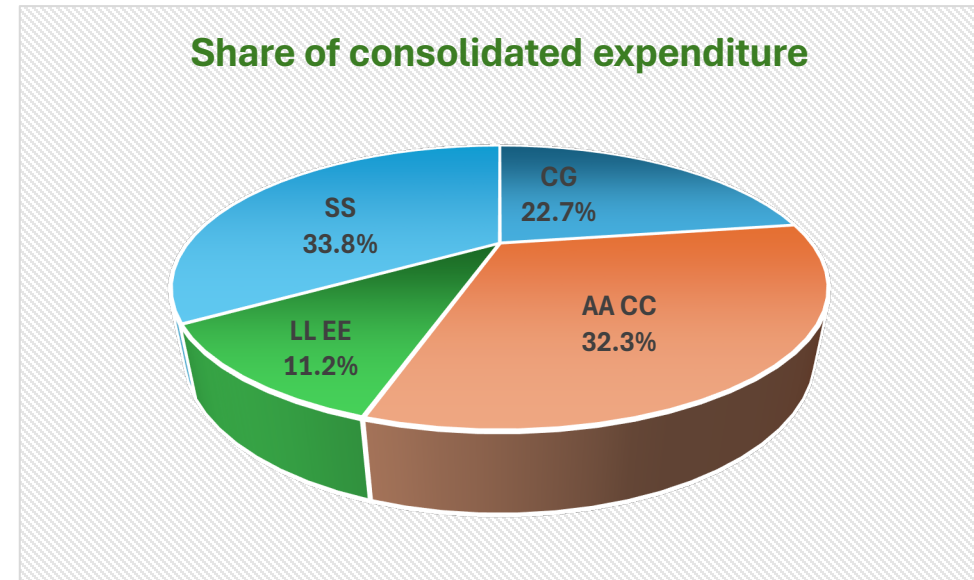
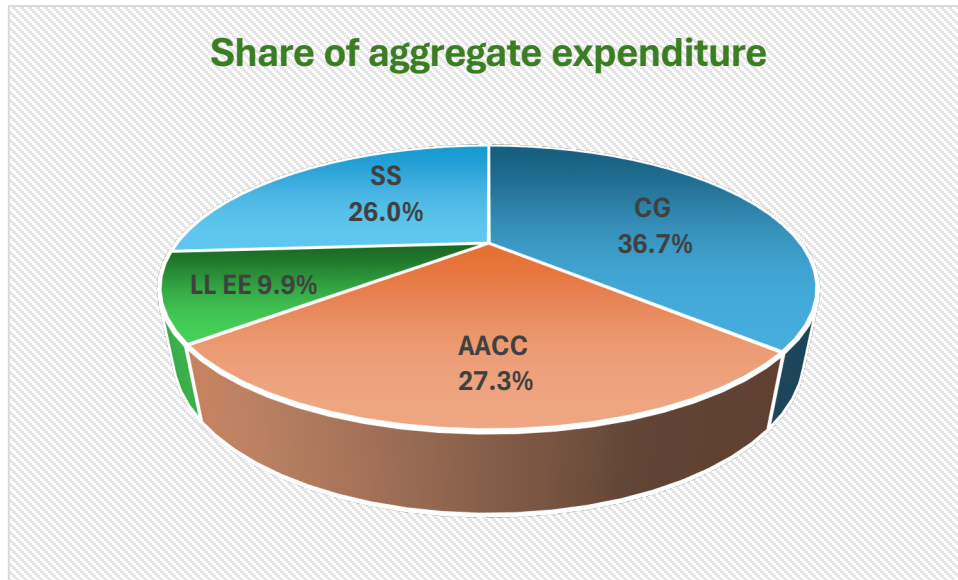




# RESOURCES MANAGED BY EACH LEVEL OF THE SPANISH GOVERNMENT

	Resources	Expenditures	% Resources	% Expenditures	Consolidated Expenditures	% consolidated expenditures
Central Government	310.916	357.208	33,7%	36,7%	163.729	22,7%
Regions (Autonomous Communities)	264.177	266.102	28,6%	27,3%	233.567	32,3%
Local Entities	103.412	96.830	11,2%	9,9%	80.993	11,2%
Social Security	244.538	253.090	26,5%	26,0%	244.557	33,8%
<b>Aggregate</b>	<b>923.043</b>	<b>973.230</b>	<b>100,0%</b>	<b>100,0%</b>	<b>722.846</b>	<b>100,0%</b>

€ Millions



# SPANISH CONTROL BODIES

## *Internal control and audit bodies*

Intervención General Central Government

- Intervención General de la Defensa
- Intervención General de la Seguridad Social.

Regional Intervenciones Generales (17).

Local Intervención

## *External control bodies*

National Court of Auditors and Regional courts

European Institutions

International organizations

## *Other control bodies*

AIREF (Spanish fiscal council)

Procurement Oversight Office (OIRESCON)

National Commission on Markets and Competition

Council of Transparency

## *Prosecutor Offices*

European Public Prosecutor's Office (EPPO)

Spanish antifraud prosecutors office

# SPANISH PUBLIC BUDGETING FRAMEWORK

## BUDGETARY REGIMES

**FOR  
EXPENDITURE**

- **A) Limitative and binding Budget.**  
For Core central Government (Ministries), constitutional bodies and most administrative public entities.
- **B) Estimate Budget**  
For commercial public entities and some administrative public entities

**REVENUE  
BUDGET  
IS AN  
ESTIMATE**

## BUDGETARY PRINCIPLES

**BUDGETARY  
FINANCIAL STABILITY.**

**BUDGETARY  
UNIVERSALITY**

**BUDGETARY  
ANNUALITY (YEARLY)**

**BUDGETARY  
FINANCIAL STABILITY**

# THE ROLE OF THE NATIONAL ACCOUNTING OFFICE, WITHIN IGAE IN SPAIN

1. IT IS THE ACCOUNTANT ITSELF OF THE CORE CENTRAL STATE
2. IT IS THE ACCOUNTING SETTER FOR THE WHOLE ADMINISTRATIVE PUBLIC ENTITIES WITHIN THE LOCAL SECTOR, THE SOCIAL SECURITY SECTOR AND THE CENTRAL STATE SECTOR
3. AS FOR COMMERCIAL PUBLIC ENTITIES SUBJECT TO THE PRIVATE ACCOUNTING FRAMEWORK (PGC), THE ONC HAS THE POWER TO ADAPT OR DEVELOP THE PGC FOR THOSE PUBLIC COMMERCIAL ENTITIES.
4. IT IS THE COMPILER OF THE NON FINANCIAL NATIONAL ACCOUNTS OF THE WHOLE GOVERNMENT (S.13) AND THE OTHER PUBLIC FINANCIAL STATISTICS ACCORDING TO ESA-2010.

# THE FOUR DIMENSIONS OF THE PUBLIC ACCOUNTING

## THE FOUR PUBLIC ACCOUNTING FRAMES

1. **ACCRUAL** FOR COMPILING BALANCE SHEET, INCOME STATEMENT AND CAHANGE IN EQUITY STATEMENT

2. **CASH** FOR THE COMPILATION OF THE CASH FLOW STATEMENT

3. **BUDGETARY ACCOUNTING** FOR THE COMPILATION OF THE BUDGETARY EXECUTION STATEMENT. IN THE MIDWAY FROM CASH TO ACCRUAL.

4. **ESA-2010** FOR PUBLIC FINANCIAL STATISTICS

# PUBLIC OR COMMERCIAL ACCOUNTING PRINCIPLES PUBLIC ENTITIES ARE SUBJECT TO

THE ULTIMATE AIM OF EVERY REFORM OR ACCOUNTING AMENDMENT HAS BEEN

1. THAT THE PUBLIC ACCOUNTING FRAMEWORK IS CLOSE, DESPITE DE DIFERENCES, AS MUCH AS POSIBLE TO THE PRIVATE ACCOUNTING FRAMEWORK, GOVERNED BY ACCRUAL SINCE THE EIGHTIES

2. THAT THE PUBLIC ACCOUNTING FRAMEWORK IS ALLIGNED, TO A LARGE EXTENT, TO IPSAS

# THE TRANSITION FROM THE BUDGETARY EXECUTION STATEMENT TO WARDS THE INCOME STATEMENT AND BALANCE SHEET UNDER ACCRUAL

## 1. The recording of the expenditure accrued but not imputed to the budget. The 413 account

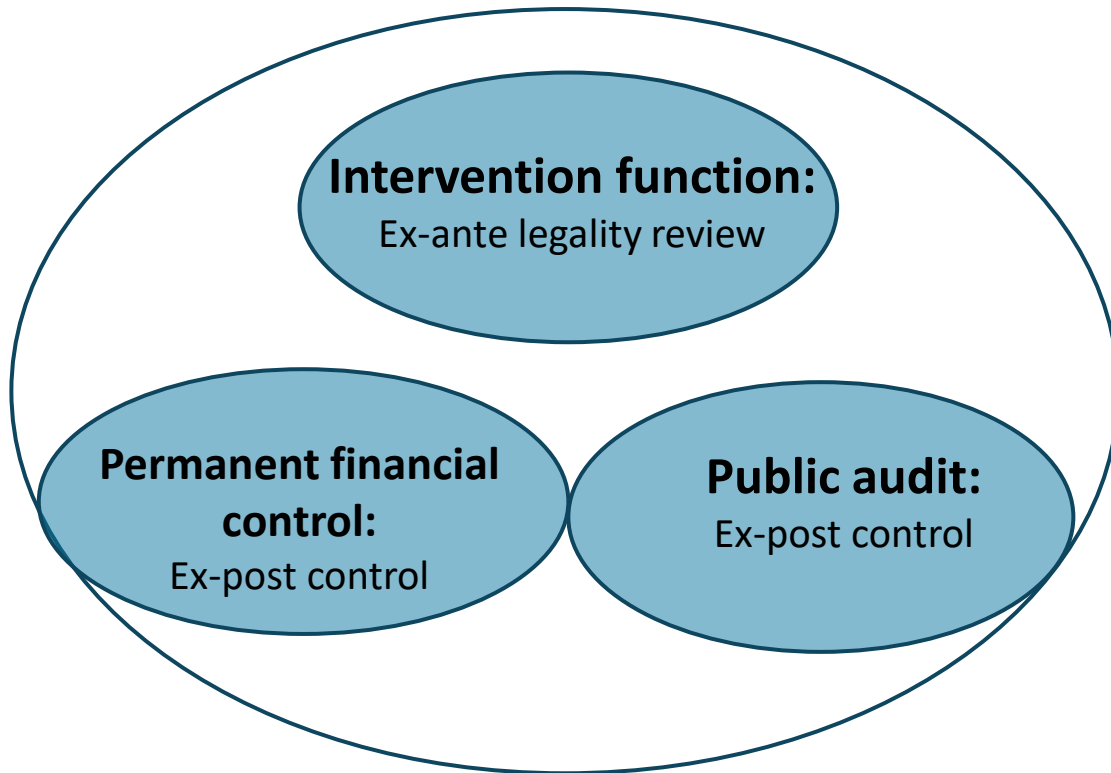
- Because there is no adequate, or sufficient budgetary appropriation
- Because the legal formalities to impute an expenditure to the Budget have not been completed before the end of the fiscal year (31st December)
- Because it is not possible to impute those expenditures to the Budget of the fiscal year in which the expenditure accrued, Among others goods and services delivered in December

## 2. The recording of income accrued in fiscal year t when the cash claim arises in year t+1. The account 441 "receivables for income accrued but not imputed to the budget.

## 3. Other: depreciation, amortisation, impairments, provisions, interest expenditure and income....

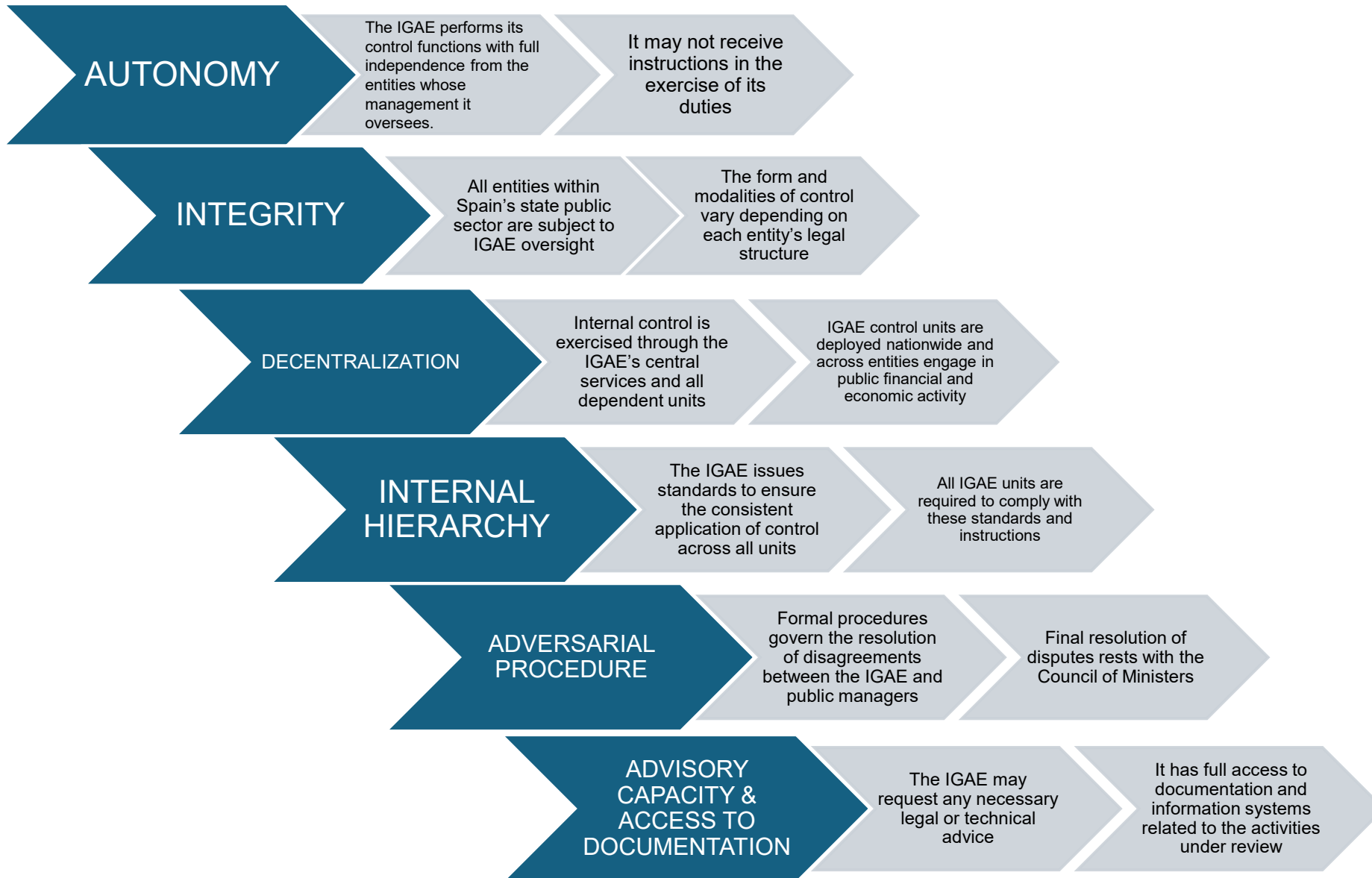
# THE INTERNAL CONTROL MODEL OF SPAIN'S STATE PUBLIC SECTOR

## Types of internal control



	Intervention Function	Permanent Financial Control / Public Audit
Purpose	Ensure / Prevent	Correct / Reorient
Reference Framework	Legality	Legality + Economy, Effectiveness, and Efficiency
Timing	Ex-Ante	Ex-Post
Initiated By	Management Body	IGAE
Scope	Individual Acts	Overall Activity
Effect	Direct (Suspensive)	Indirect (Non-Suspensive)
Controlled Entities	Core central Government (Ministries), and most administrative public entities.	All Public Sector

# PRINCIPLES GOVERNING THE EXERCISE OF INTERNAL CONTROL BY THE IGAE



# GUARANTEES OF INDEPENDENCE IN INTERNAL CONTROL

The IGAE's functions, powers, and control modalities are established by laws enacted by Parliament.

The IGAE independently determines and incorporates control actions into its Annual Control Plan based on risk criteria

The IGAE prepares annual summary reports for senior public financial authorities, outlining key control results and corrective measures

- ❖ IGAE personnel are legally required to act with objectivity and maintain confidentiality regarding all matters encountered during control activities.

This **legal principle** is supported by specific regulations designed to:

- ✓ Ensure the independence of IGAE personnel
  - ✓ Ensure public confidence in the reliability of results and reports
  - ✓ Guarantee the technical and professional development of independence standards in accordance with ethical principles, particularly integrity and objectivity
- ❖ Recognition of independence alone is insufficient; it is reinforced through regulations that:
    - ✓ Identify risks
    - ✓ Establish internal safeguard and control systems
    - ✓ Prevent situations or actions that could cast doubt on compliance

**Thanks for your attention!**

<https://www.igae.pap.hacienda.gob>