



# Local good governance and accountability in Spain

## Buen gobierno local y rendición de cuentas en España

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### Abstract

Accountability is one of the fundamental requirements within the general parameters of good governance and transparency. Local government in Spain offers a particularly interesting case study, due to the breadth of the sample to be analyzed and the regulatory changes of recent years. For this, the Spanish regulation of good governance is examined, with special attention to local government and the effective degree of compliance with the duty of accountability to external audit institutions. The methodology used combines legal and budgetary analysis of the main indicators of the budget cycle. The main conclusion points out the low degree of compliance with legal obligations in Spanish local government, mainly municipalities. The causes are multiple and varied, some of which are trying to combat the recent legislation on transparency and good governance, both central and regional. In the local government, greater clarity is needed in the internal rules and procedures that make it possible to comply more effectively with legal requirements, adapting in particular to the size of each administration concerned, given the municipal atomization in Spain. The dissemination and communication of results is another fundamental variable to promote compliance with these obligations. Ultimately, in the face of serious and repeated breaches, coercive measures and sanctions would be an effective measure, as the audit institutions have recommended.

### Resumen

La rendición de cuentas es una de las exigencias fundamentales dentro de los parámetros generales del buen gobierno y de la transparencia. El sector público local en España ofrece un caso de estudio especialmente interesante, por la amplitud de la muestra a analizar y por los cambios normativos de los últimos años. Para ello, se examina la regulación del buen gobierno en la normativa española, con especial atención al sector público local y al grado efectivo de cumplimiento del deber de rendición de cuentas ante las instituciones de control externo. La metodología empleada combina el análisis jurídico con el de los principales indicadores del ciclo presupuestario. La principal conclusión señala el bajo grado de cumplimiento de las obligaciones legales en los municipios españoles. Las causas son múltiples y variadas, algunas de las cuales está tratando de combatir la reciente legislación de transparencia y buen gobierno, tanto estatal como autonómica. En el sector público local se precisa una mayor claridad en las normas y procedimientos internos que permitan cumplir con mayor eficacia las exigencias legales, adaptándose en particular al tamaño de cada administración concernida, dada la atomización municipal. La difusión y la comunicación de los resultados es otra variable fundamental para impulsar el cumplimiento de estas obligaciones. En última instancia, antes graves y reiterados incumplimientos, podrían ser eficaces las medidas coercitivas y sanciones que han recomendado las instituciones de control externo.

### Keywords | palabras clave

Good governance, transparency, accountability, external control, local government, Spain, audit, Court of Auditors. Buen gobierno, transparencia, rendición de cuentas, control externo, gobierno local, España, fiscalización, Tribunal de Cuentas.

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## 1. Introduction

The Dictionary of the Spanish language defines ethics in one of its meanings as the “set of moral norms that govern the conduct of the person in any aspect of life”. In legal terms, responsibility refers to the “existing capacity in every active subject of law to recognize and accept the consequences of a freely event”. A third notion, which is governance, is the “art or way of governance that aims to achieve lasting economic, social and institutional development, promoting a healthy balance between the state, civil society and the market of the economy”. Synthesis within the public sector leads to the principle of transparency, the duty of accountability and, by extension, the broad concept of good governance and the need to promote institutional quality.

Although there is more updated literature (Villoria Mendieta, 2014), an allusive starting point would be the aspiration of good governance that was reflected seven centuries ago in Italian painting, an excellent example being the allegory of Lorenzetti, located in the Palazzo Comunale de Siena<sup>1</sup>, described by García Pelayo (2009, p. 1239):

Justice, enlightened by wisdom, integrates men into harmony, and from it into the corporation or mystical body of the commune under the impersonal and abstract rule of the common good, which, constantly inspired by political virtues, ensures a peaceful order from which all violence, except evildoers, is excluded without pressure, the taxes of citizens and the submission of the lords of the camp.

Jumping almost 500 years since that pictorial reference, the tenor of article 6 of the Spanish Constitution of 1812 is also remarkable for its symbolism, when in its literality Spanish citizens were forced to “love the homeland” and to “be fair and beneficial”.

The European Commission (2001) opened a wide-ranging path under the concept of governance, under which ideas such as openness (transparency and communication of public actions), participation (systematic involvement of citizenship), responsibility (clarification of the role of each agent), effectiveness (decisions at the appropriate scale and at the appropriate time, producing the desired results) and coherence (between different policies) are taken into account. At present, and once surpassed some historical moments and even passing fads (Irwin, 2013), it is clear the general framework in the United Nations<sup>2</sup> Sustainable Development Goals, which advocates a comprehensive and cross-cutting conception of ethics, the transparency and good governance, being an explicit goal (number 16.6) to “create at all levels effective and transparent institutions that are accountable”.

Regarding transparency, it must refer to the one that is sufficient and useful, avoiding the areas of darkness or impunity, but also the excessive flow of information without order, systematization or control. In Spain, the numerous information gaps and the dispersion of valuable information have been traditional sources of fiscal indiscipline (Barea Tejeiro, 1997). Even today, data from the International Monetary Fund (Wang *et al.*, 2015, p. 10) show that Spain remains being one of the countries in the world where the degree of completeness and comprehensibility of its public finance statistics is lower. Therefore, it is not about transparency referring to a multitude

1 Also see Skinner (2009) and González García (2016).

2 For more information, check the United Nation's website: <http://bit.ly/2MSghqh>.

of data, figures and reports of low added value, reduced accessibility and low target interest (except for certain minority groups), if so, transparency could degenerate into what has been called information overload or —using bastard neologisms— infoxication and cheating.

In Spain, the 2001 budgetary stability legislation provided a wake-up call on public transparency, placing this principle as one of the keys to the service of budgetary stability. It is not true that it was not an absolute novelty either, since this general principle had already been included for two decades in basic administrative legislation and in some sectoral rules related to urban planning, subsidies, personnel, the environment or government procurement, among others. However, all of this legislation had a partial approach and even suffered from excessive voluntarism, without providing sanctions or measures for non-compliance, and without the citizen having fully guaranteed their right of access to the national information, within the framework of Article 105 of the Spanish Constitution and the concordant European supranational legislation. That gap would cover two fundamental rules.

On the one hand, the first big change would come in 2012 with the Organic Law 2/2012, of April 27, on Budgetary Stability and Financial Sustainability (LOEPSF), which was an undoubted reinforcement of transparency as a paradigm of public management, within the broader framework of the new constitutional principle of budgetary stability, mandatory for all levels of government and for all members of the public sector.

The second major change was given by Law 19/2013 of December 9 on transparency, access to public information and good governance (LTAIBG), whose three aspects are already clear in the same title. Its introduction<sup>3</sup> recognizes the Spanish regulatory delay in the areas of transparency and the right of access to public information (“Spain could not stay on the sidelines any longer”), although at the same time it is stated that the new law “does not part of nothingness or fill an absolute void, but delves into what has already been achieved, addressing its shortcomings, remedying its shortcomings and creating a legal framework commensurate with the times and citizens”. The fact is that the combined effect of LOEPSF and LTAIBG has meant a substantial improvement in the degree of transparency of public institutions in Spain, among which local government has not been an exception. Some recent empirical studies have found this significant progress, particularly in the area of economic-financial and budgetary information, also investigating the determinants and differential causes of such transparency with mixed results.<sup>4</sup>

The general legislator also incorporated in the same legal body the rules on good governance, so that, again citing its introduction, “purely programmatic principles and without legal force are incorporated into a rule with the rank of law

3 The complete text can be consulted on <https://bit.ly/36ff9ok> (October 1st, 2019).

4 These Works can be cited Serrano-Cinca *et al.* (2009), Cárcaba García and García-García (2010), Guillamón *et al.* (2011), Esteller-Moré and Polo Otero (2012), Albalade del Sol (2013), Caamaño-Alegre *et al.* (2013), Frías Aceituno *et al.* (2013), García-Sánchez *et al.* (2013), Vila i Vila (2013), Campos Acuña and Caamaño Alegre (2015), Suárez Pandiello and Fernández Llera (2017) and Tejedero-Romero and Ferraz Esteves Araujo (2018). Likewise, Arapis and Reitano (2018) provide a useful international reference (59 countries) and Bearfield and Bowman (2017) of the local level

and move to inform the interpretation and application of a sanctioning regime to which all public leaders are subject”, also referring to the “exemplariness” in their conduct. In this way, a traditional approach to public worker ethics based on the so-called “soft law”, blurred in codes of conduct or ethics, recommendations of good practices or even the use of pure practice as a source is left behind. Since then, it will be the hard law that obliges senior officials and assimilated to modify behaviors (Descalzo González, 2017), in a similar application to what had been happening for public employees by their own official regulations, statutory (García Jiménez, 2018). Otherwise, new specific sanctions may be imposed for conflicts of interest, inadequate economic-budgetary management or disciplinary offences.

It should be emphasized that at the beginning of 2019, almost all autonomous communities had in force their laws of transparency and/or good governance,<sup>5</sup> with the intention to extend the requirements of basic state regulations, although in some cases with little effective improvement and not always with application to the respective local public sector (Ridao Martín, 2014; INAP, 2016). Other regulatory and development rules, as well as “soft right” provisions in the various entities or groupings in the regional or local field, are added to them. It could be said that, having been Spain one of the last countries of the European Union to have specific transparency legislation, as well as one of the few that merge it into the same legal text with the rules on good governance, the opposite situation of legislative inflation is currently just occurring (Bassols Coma, 2015).

The objective of this work is to analyze good governance in Spanish regulations, with special attention to the local public sector and one of its most concrete manifestations, such as accountability. Section 2 reviews the regulation of good governance in basic state legislation, applicable throughout Spain. Section 3 discusses the state of accountability of local entities, from a regulatory point of view and their effective compliance. The last section shows the conclusions.

## 2. Development of good governance in Spanish basic legislation

The LTAIBG establishes two preconditions listed with principles of good governance (general and action), enforceable of people who hold the status of high office or assimilated at all levels of government. Those who are considered high-ranking or assimilated under the regional or local implementing regulations, even members of the governing boards are included, but without affecting the status of elected office. The subjects shall adapt their activity to those principles and, at the same time, shall inform the interpretation and application of the penalty regime for non-compliance. A major criticism of these legal principles of good governance is because of its vagueness, at least for three reasons. First, by the idle reference to mandatory observance with regard to the provisions of the Spanish Constitution and in the rest of the legal system, with particular respect for fundamental rights and public freedoms. Second, by the no less obvious reference to those principles of good governance on

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5 The Transparency Board and Good Government (<https://bit.ly/2MU6vEr>) publishes disaggregated and updated information.

the interpretation and application of the sanctioning regime. Third, by the intrinsic indeterminacy of the principles set out, some of which were already in the legal order (including transparency) or were part of elementary rules or codes of good conduct.

The main novelty of the LTAIBG is in the criminalization of very serious financial and budgetary management violations, which by simplicity could be called “good economic governance” (Palomar Olmeda, 2014). The list does not appear to follow a particular order, although many of these blaming conduct directly causes for non-compliance with general budgetary regulations or LOEPSF. Non-existent or flawed accountability would be one more infringement for violations of general budgetary regulations, although because of its special status it seems appropriate to place it with its own category.

Violations will be punished with the declaration of non-compliance and its publication in the corresponding official newsletter for general knowledge, as well as with the non-collection of compensation in the event of termination of the charge, if scheduled. In addition, people sanctioned shall also be dismissed from the office they hold and for any position of high office or assimilated for a period ranging from five to ten years. In addition, the amounts received or improperly paid shall be refunded and the Treasury shall be obliged to compensate. Liability shall be required in an administrative procedure, further letting know the Court of Auditors in case of the proceedings of accounting liability procedure, all without prejudice to the referral to the judicial or timely prosecutors, if evidence of crime or violation of any special administrative rule is found. All sanctions shall be measured according to the principle of proportionality and additional criteria, such as the seriousness of the danger caused, the intensity of the damage caused, the adverse consequences for the Treasury or, in the reverse sense, the will for remediation and reparation.

According to Campos Acuña (2014, p. 23) basic legislation of good governance, originated in response to a noticeable social demand, has resulted in a sanctioning regime of complex practical application, further aggravated by the entry into force of the subsequent autonomic legislation. Among other execution problems, the author cites the possible perverse or abusive use of the citizen complaint procedure “in personal or political key” (sic), issues of a jurisdictional and procedural nature, or the role of elected officials when committing punishable offences. In recent years, this regulation has been supplemented by rules related to the exercise of high office, both at the state level and in several autonomous communities, almost always to the exclusion of the local public sector. The effective impact on local government is not absolute, although assumptions are found in Law 7/1985, of April 2, Regulatory of the Bases of the Local Regime. Thus, for members of the full-time local corporations and for the management, limitations are established on the exercise of private activities during the two years following the end of their term of office, authorizing compensation in the first case where they are unable to carry out their professional activity, nor receive economic remuneration for other activities. Another example of intended good governance is the limits on the retribution of local corporation members and staff serving local entities, as well as limitations on the number of public office that can be dedicated.

**Table 1. FEMP Code of Good Local Government**

<b>Objectives</b>	<ul style="list-style-type: none"> <li>• Integrate the ethical dimension in the functioning of local entities</li> <li>• Incorporate the strategies of citizen participation and open government</li> <li>• Define the basic lines that should preside the local public management</li> <li>• Strengthen the standards of conduct in the exercise of public responsibilities</li> <li>• Delimit guidelines for the appropriate relationship between the areas of government and administration</li> </ul>
<b>Structure</b>	<ul style="list-style-type: none"> <li>• Principles of good local government (11)</li> <li>• Standards of conduct for the improvement of local democracy (14)</li> <li>• Ethical commitments on conflicts of interest (6)</li> <li>• Regime of incompatibilities and remuneration</li> <li>• Government and administration: relations between elected officials and public employees</li> <li>• Measures for the improvement of participatory democracy</li> <li>• Framework for citizen participation 2.0</li> </ul>

Source: FEMP, 2015.

In the local public sector, the continuity of good governance legislation should be sought in the codes of ethics, conduct or good governance that have been approved by the entities or their most representative associations, in particular, the Spanish Federation of Municipalities Provinces (FEMP) and territorial counterparts. As the basic reference, Table 1 has summarized the FEMP Code of Good Local Government, whose main objective is to establish the principles to be respected in the performance of government and administration political responsibilities, as well as those of local management, setting commitments that reflect recommended standards of conduct and reinforcing the democratic quality of local institutions. Undoubtedly, the local world moves every day from the “soft right” to the law, and vice versa.

### 3. Non-compliance with the accountability obligation

Local accountability in Spain has its historical roots in the primal supervisory institutions of medieval Europe, which included, among others, the Chamber of Comptos of Navarra or the *Mestre Racional* within some peninsular kingdoms. With the end of the Old Regime, the Declaration of the Rights of Man and Citizen of 1789 recognized that “the Society has the right to hold all its public agents accountable for its administration”. Already at the contemporary stage, this generic duty was to be modulated and concrete in the accountability of public external control institutions<sup>6</sup> (ICEX), not only as an ethical and democratic demand, but also as one of the great citizen concerns and political priorities, even more so in recent years, on the occasion of the so-called Great Recession. Consequently, this public duty has ended up mutating into obligation, within the ordinary parameters of budgetary management, transparency and good governance, as the Court of Auditors has clearly stated (2014):

Accountability is the mechanism through which the managers of the entity respond to the economic and financial management developed to those who provide their resources and

6 Under this name, the Court of Auditors – the supreme auditing body – and the regional external control bodies are jointly appointed in Spain (<https://bit.ly/2MTOKoI>).

respond to the information needs of users [of such information...]: the national parliament, the Court of Auditors, the autonomous legislative assemblies, the regional external control bodies, the managers, the internal supervisory bodies, the users of public services, the political representative bodies, the economic and financial analysts, rating services, national or international public organizations, taxpayers and citizens in general.

In short, accountability is not a simple administrative procedure, but a conduct required of every public manager and political manager, with legal consequences, even personal – arising from non-compliance (Teré Pérez, 2015).

Accountability begins with the provision of systematized and reliable economic-financial information on the origin and use of public resources in a given temporal area. Obviously, accountability does not begin or be exhausted in this act of handing out figures and documents, but it is associated with the continuous and loyal collaboration between the controller and the controlled, both in the pre-stage and after-stage, in order to facilitate the proper examination (through audit evidence) and the issuance of an assessment allocated judgement (with opinion and recommendations) by ICEX, based on the evidence obtained.

Thus, the main function of ICEX is auditing, understood as the “set of actions of the Court of Auditors [or other ICEX] to verify the submission of public sector economic and financial activity to the principles of legality, efficiency, economy and, where appropriate, other well-managed individuals” (Tribunal de cuentas, 2013). Following this criterion, the term “supervision” is used in the International Standards of Higher Audit Institutions adapted to Spain<sup>7</sup> to designate the constitutional, statutory or legally assigned function to ICEX, reserving the term “audit” to one of the techniques— not the only one—to perform this function.<sup>8</sup>

**Table 2. Compliance with legal deadlines in municipalities (% of the total)**

	Budget <sup>*1</sup>	Settlement <sup>*2</sup>	General account <sup>*3</sup>	Accountable <sup>*4</sup>	Municipalities considered
<b>2009</b>	11.8%	46.5%	42.5%	10.1%	6.897
<b>2010</b>	12.4%	53.7%	51.0%	29.6%	7.147
<b>2011</b>	13.8%	66.0%	63.5%	40.6%	7.291
<b>2012</b>	13.9%	74.3%	76.1%	52.7%	7.355
<b>2013</b>	26.7%	78.9%	75.0%	51.2%	7.382
<b>2014</b>	32.7%	71.7%	69.7%	47.9%	7.367
<b>2015</b>	34.1%	66.6%	66.0%	42.5%	7.274
<b>2016</b>	32.2%	71.8%	70.3%	50.9%	7.035
<b>2017</b>	33.3%	80.1%	80.8%	59.0%	5.850
<b>Mean</b>	<b>23.3%</b>	<b>67.6%</b>	<b>66.0%</b>	<b>42.6%</b>	<b>7.066</b>

\*1. Budget approved before 31/12/(t-1). \*2. Remission of budget settlement before 31/03/(t+1). \*3. General account approved in plenary before 01/10/(t+1). \*4. General account paid before 15/10/(t+1). Source: Development and Accountability Portal (<https://bit.ly/2BMn4vs>) [February 22, 2019].

7 Known as ISSAI-ES an available on <https://bit.ly/346vs56>.

8 The exact delimitation can be found in the introduction of ISSAI-ES 100 to 400. On this terminological precision also see Fernández Llera (2009).

Despite the relevance of the above, the effective degree of accountability of local authorities in Spain and the fulfilment of the legal deadlines for processing the general account and the annual budget remain very unsatisfactory, as shown by the figures in Table 2, referring exclusively to the municipal level.<sup>9</sup>

On average, in the period 2009-2017 the annual budget was approved in time by less than a quarter of the Spanish municipalities, although in recent years the improvement has been substantial, but it is still very insufficient. As a sign of this broad and recurrent non-compliance, the 2014 financial year can be cited: only 34% of the municipalities approved the budget in a timely period; 60% did so out of time (with an average delay exceeding four months); another 4% approved the annual budget with the year already expired (which, in addition to being illegal, is useless); and the remaining 2% did not even approve any budget (Tribunal de cuentas, 2016). By extrapolating these proportions to the whole of the Spanish municipal plant, the reality would be showing that about 500 municipalities are placed in a situation of blamable illegality every year, another 5000 work with budgets diminished in their validity 12-month validity, and just over 2500 – out of a total of 8000 – show accurate compliance with the annual budget timeframe. The damage to transparency and good governance is evident, as automatic extension operates in thousands of cases, many of them repeated year after year, which makes this legal institution of an extraordinary nature a regular thing, undermining planning, control and accountability.

For its part, the approval of the budgetary settlements shows a greater degree of compliance with the deadline, something that has undoubtedly been able to influence the restriction imposed by Law 2/2011 of March 4 on the Sustainable Economy, which could retain the fundamental revenues from participation in State taxes to non-compliant local entities. This restriction has imposed an added cost for non-compliance, since until its entry into force the remission of the budgetary settlement was very neglected in the management priorities. However, the best data in the series is slightly over 80% (in 2017), which points to a wide margin of improvement to achieve full compliance.

Thirdly, the fulfilment of the duty of approval of the general account in the municipal plenary have showed high and increasing values in recent years, with a profile almost identical to that of the liquidation referral, but without a mediation sanction added for non-compliance. Other works (Fernández Llera, 2015) have advocated the opportunity for the plenary debate of the general account not to cease to be substantive under the democratic principle, but at the same time the requirement of majority approval is eliminated, with the need for an approval and subsequent *referral*, which is not *accountable* to ICEX by the Mayor-Presidency). It should be recalled that the general account, as a true image of management, previously formed and validated by the local internal control body, should not allow a vote against, if not for spurious political reasons. Even clearer, the political opposition should be able to vote against the management carried out by the local government (censorship motion

9 The local public sector in Spain consists of municipalities, commonwealths of municipalities, minor local entities (sub-municipal) and others of a higher or lower nature. In any case, the significance of the data of the municipalities is very high, since they represent about 80% of the local public sector budget.

or trust issue) or against planned management (strategic plans or annual budgets), but not against the management recorded in the accounting documents, under the obvious premise of their technical correction.

Finally, the index of term accountability to ICEX is quite low, which is better understood after finding the degree of compliance in the previous phases of the budget cycle. In this respect, progress has been substantial in recent years, but the 100% rate is still very far away. The coercive and sanctioning measures adopted in recent years (including the aforementioned serious infringement for lack of accountability, or the requirement of accountability for a local entity to be able to access subsidies, among others) appear to have had some effect, but not all that would be expected. The key issue lies in self-conviction about the fulfilment of all legal obligations throughout the budget cycle, as well as reliable internal control. However, where persuasion is not sufficient, proven mechanisms, such as specific audit reports or disclosure of breaches, should be used as a reputational or political sanction. And, if it is not already sufficient, then additional steps will need to be taken towards coercive mechanisms, enforcement or sanction, without prejudice to the requirement of administrative or criminal responsibilities for political and/or technical leaders (Fernández Llera, 2015).

**Table 3. Synthetic indexes of overall compliance of municipalities (% of the total)**

	Simple Average <sup>*1</sup>	With external weights <sup>*2</sup>	With internal weights <sup>*3</sup>	Municipalities considered
<b>2009</b>	27.7%	19.5%	33.4%	6.897
<b>2010</b>	36.7%	30.1%	42.8%	7.147
<b>2011</b>	46.0%	38.4%	53.7%	7.291
<b>2012</b>	54.3%	46.1%	63.3%	7.355
<b>2013</b>	57.9%	50.2%	65.6%	7.382
<b>2014</b>	55.5%	49.0%	61.4%	7.367
<b>2015</b>	52.3%	45.9%	57.5%	7.274
<b>2016</b>	56.3%	50.2%	62.2%	7.035
<b>2017</b>	63.3%	56.3%	70.4%	5.850
<b>Media</b>	<b>49.9%</b>	<b>42.7%</b>	<b>56.6%</b>	<b>7.066</b>

\*1. Each compliance item weighs the same (25%). \*2. Compliance items weight 31.25%, 18.75%, 6.25% and 43.75%, respectively, \*3. Compliance items weight 11.67%, 33.92%, 33.07% and 21.35%, respectively Source: Own elaboration and Accountability website (<https://bit.ly/2BMn4vs>) February 22, 2019].

Taking a simple index of global compliance by fiscal year (table 3), bypassing the population size of municipalities – as the law does – and weighing each of the four items identically, it is observed that the average for the period 2009-2017 does not reach even 50%, although since 2012 it is already above that threshold, obtaining the best mark in the last year considered. However, it seems plausible that not all

compliances have the same importance to the local manager, either because of their differential political importance or because of the seriousness of the institutional, financial and personal consequences arising from the breach. Therefore, two alternative synthetic indices have been constructed, modifying the weights of each item.

In the first, *ad hoc* has been incorporated to the lowest weighting for plenary approval of the general account, since non-compliance has no consequence. The referral of the last settlement (in case of non-compliance, there could be withholding of basic funds), the timely approval of the budget (as a strategic annual planning document) and, finally, as the most relevant, the accountability of the general account on time (as the culmination of the budget management cycle, in addition, with serious consequences for non-compliance) are still important. The overall index drops to 42.7% and it only exceeds 50% in three exercises in the series.

In the second, to circumvent the possible criticism for the discretion or manipulation of the previous one, internal weights, calculated from the respective historical averages of compliance (period 2009-2017) were used in each of the four items. In this way, the revealed preference on the importance attributed to each of them is incorporated robustly. With this ordination, the referral of the settlement is placed as the most important issue, almost at the same level as the plenary approval of the general account (in the latter case, probably, for its greater ease, not so much by its subjective assessment), followed by the overall account and, finally, the approval of the annual budget, thus becoming the least relevant compliance item. Thus, the overall index rises to 56.6%, with only two exercises below 50% and with a top in the last year considered to be 70.4%.

Inquiring into the causes of low accountability, ICEX often conclude in their horizontal reports that this gap does not always respond to a single pattern, not even objective parameters related to the size of the jurisdiction. Rather, as shown in Table 4, the reasons alleged are multiple, which suggests rather a lack of established culture of transparency and accountability, presenting excuses, apologies or pretexts<sup>10</sup> that do not reach the concept of allegation, as understood in the latter concept in audit. In most local entities, the lack of human resources is the main motivation exposed, although its relative importance has declined in favor of a more diversified profile of reasons, including the delay due to the lack of approval of the accounts of entities (9% in 2016), computer incidents arising from the use of new telematics platforms or renewed accounting plans (9% in 2016), and even the absence of any concrete cause (14% in 2016). On the other hand, the problems of lack of plenary agreement of approval of the general account, along with the absence or change of the local auditor as in charge of forming the general account, are easily solved if this political procedure is dispensed with and/or support and assistance is available at all times for local internal control tasks.

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10 When there were attacks to the ICEX by the prosecutor, on an alleged lack of empathy (<https://bit.ly/2PpAmpR>).

**Table 4. General causes of non-accountability on time**

	2014	2015	2016
Computer incidents	3%	10%	9%
Lack of approval of dependent entity accounts	3%	6%	9%
Lack of human resources	72%	53%	48%
Lack of material resources	0%	0%	2%
Lack of full agreement / Absence or change of local intervention	7%	19%	13%
Delay in budget settlement	7%	4%	5%
No specific cause	7%	8%	14%

Note: the figures refer to all local entities, not just local councils, although the differences are very small, since the latter account for 80% of the local public sector. Source: Tribunal de cuentas (2018).

As a culmination of this heading, it is necessary to recall a compendium of recommendations from ICEX (in particular: Tribunal de Cuentas, 2003, 2014) which, because of their relevance and reiteration over several years<sup>11</sup>, are covered perennially:

- Regulatory homogenization of the deadlines for accountability of local entities throughout Spain, establishing June 30 as a general reference of the following financial year to which the accounts relate.
- Promotion of legislative measures aimed at reducing current processing and accountability of local budgets and general accounts, seeking to improve economic-financial planning and to bring accountability and control closer to management, with criteria of transparency and opportunity.
- Promotion of legislative measures aimed at reducing current processing and accountability of local budgets and general accounts, seeking to improve economic-financial planning and to bring accountability and control closer to management, with criteria of transparency and opportunity.
- Strengthening the accountability obligation in a timely manner through legislative measures that involve effective consequences of immediate and direct implementation in case of non-compliance. In particular, the updating of the amount of the penalty fines and the establishment as an indispensable requirement for the access by local entities and their dependent entities to public aid and subsidies stand out for their effectiveness.
- Personal and material reinforcement of local intervention bodies, especially after the entry into force in 2018 of the internal control regulation and the legal regime of these officials.
- Intensified effective support of supra-municipal, provincial and regional bodies to local entities, especially the smallest, so that they can meet the demand for accountability in all their terms.

11 Similarly, the reports of the regional external control bodies and formal statements of June 21, 2017, on legal amendments to promote the reduction of public sector accountability deadlines and on measures to stimulate accountability of local authorities (<https://bit.ly/2MTOKoI>).

- Review of the plenary approval mechanism of the general account to prevent its possible rejection for political reasons, involving a deterioration of accountability.

#### 4. Conclusions and discussion

Good governance, transparency and accountability— whether the latter as modalities of the former or as their own categories — are no longer mere aspirations or lower-ranking public duties, in order to transmute into high demands. Its compliance involves tasks and resources- which is obvious - and non-compliance can lead to sanctions or corrective and coercive measures, but in any case the higher good is quantified in the social benefit derived from rational and sound public, transparent management. This is predicable from the public sector as a whole and each of its members, but it is of crucial importance at the local level, because of the multitude of existing entities, because of its importance in providing basic public services for the citizenship and, also, because of the low rate of compliance with budgetary and economic-financial accountability obligations.

The budget and the general account need to return to the priority agenda, including its political (such as elements of planning, management and accountability), technical (with the reinforcement of internal control bodies and ICEX) and academic (with the solvent doctrinal and empirical studies on budgetary institutions, as Alesina & Perotti, 1996).

In the search for complete accountability, regardless of its exact formalization in specific legal, ethical or conduct standards, it is necessary to imbue all public managers, as well as bodies and supervisory institutions from this culture. This is also the broad mandate of the United Nations Sustainable Development Goals. In this context, the conclusions and recommendations presented for the Spanish case would be quite extrapolated to the scope of other Latin American countries, with the necessary considerations that may follow in each case (Almeida Sánchez, 2014).

In Spain, accountability has traditionally been regulated in the legislation of Local Finance and its derived legislation, together with all matters relating to public expenditure and revenue, which have undoubtedly enjoyed greater interest and political preponderance, subsuming the first ones in a certain abandonment. Perhaps this has been one of the reasons why the most recent legislation of transparency and good governance – both basic and regional – have also prevented the strengthening of this obligation, and may instead have met its requirements by incorporating many of ICEX's repeated recommendations. Similarly, at the local level, greater clarity is needed in the internal rules and procedures to enable legal requirements to be more effectively met, adapting in particular to the size of each administration concerned, given the municipal atomization.

There is ample room for improvement to meet existing obligations, which does not prevent further progress in defining new demands that exceed them, for example, to bring the audit closer to the management carried out over time, as well as to improve their quality. They would be unequivocal signs of institutional quality, signs of accountability and reliability, and evidence of ethics, transparency and good governance.

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