7 ANNEXES TO THE STRATEGIC REPORT

Annex 1 – For each Programme, NFP graphs showing the Chronogram of Calls/ Activities carried out in 2014.

Annex 2 – For each Programme, NFP Analysis of Donor Countries' Partnership at Project Level.

Annex 3 – Audit Authority's Annual Report and Opinion 2014.

Annex 4 – Programmes Evaluation Report covering 2013 by NFP. Outsourced 2014.
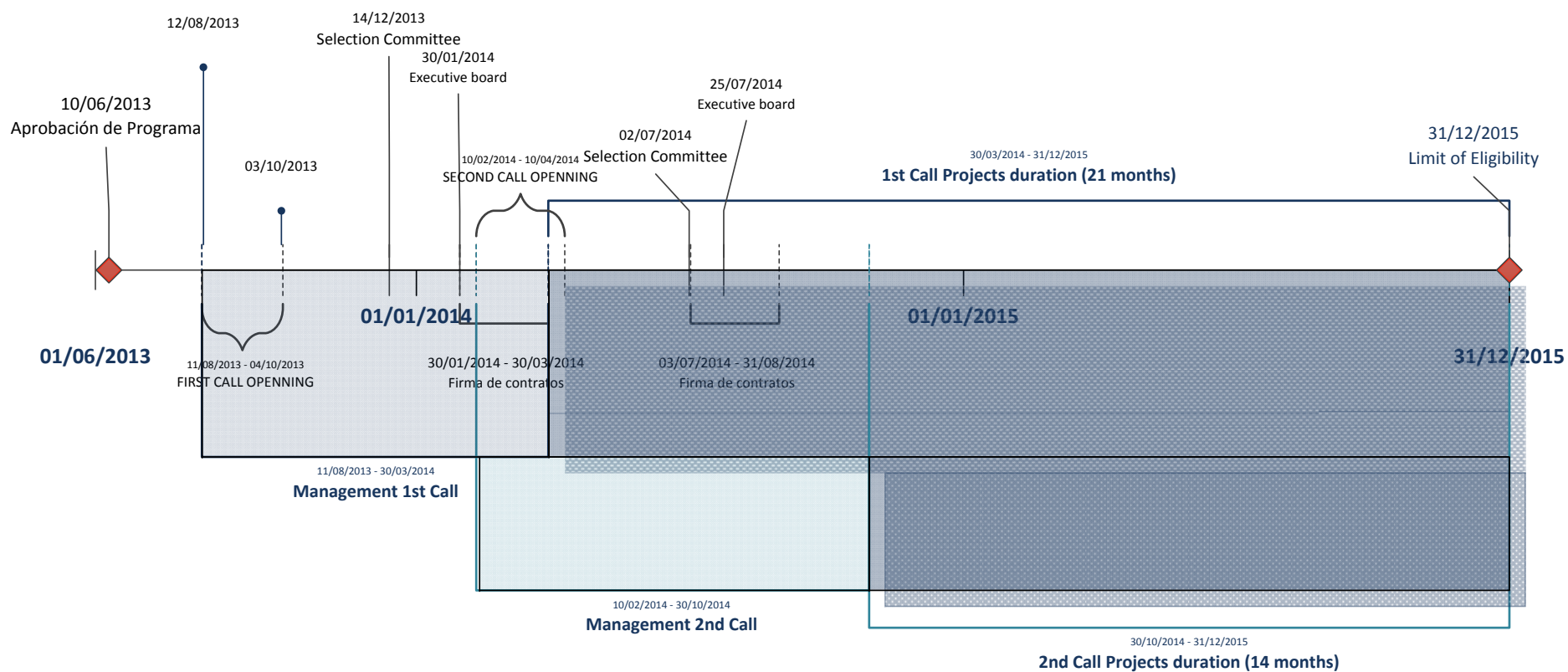
Annex 5 – Bilateral Relations fund at National level – Spain. Work Plan 2015/2016.

Annex 1- Strategic Report 2014

For each Programme, NFP Analysis of Donor Countries' Partnership at Project Level
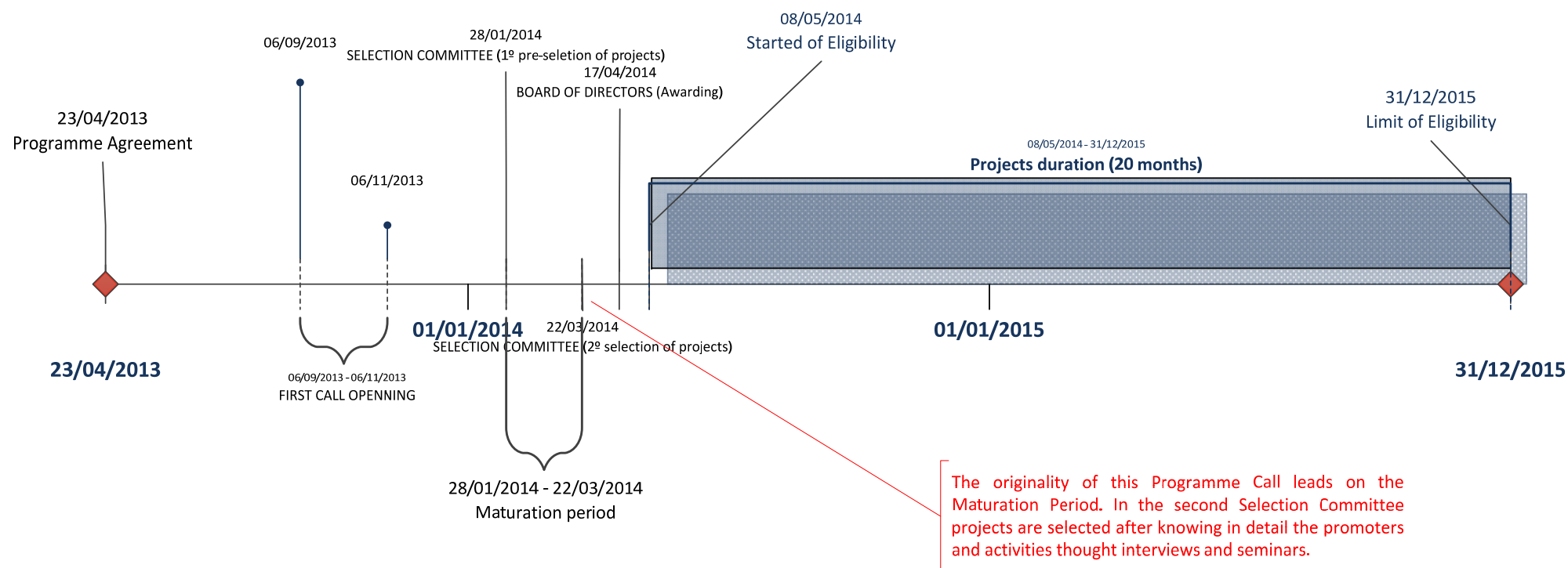
ES 02: Environmental and Climate change-related Research and Technology.

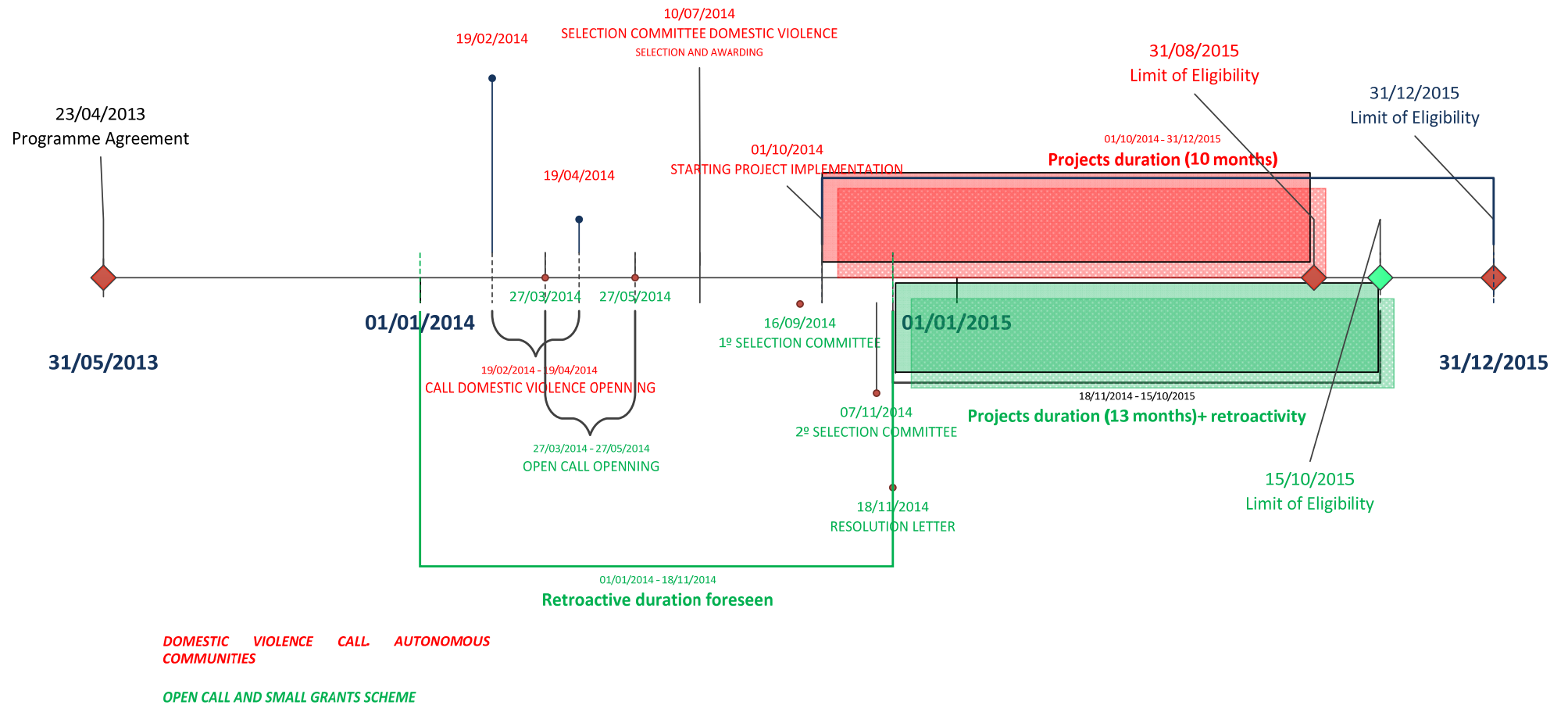**ES02 CALL FOR PROPOSALS CHRONOGRAM EEA GRANTS 2009-2014**

12/08/2013

14/12/2013
Selection Committee

30/01/2014
Executive board

25/07/2014
Executive board

10/06/2013
Aprobación de Programa

02/07/2014
Selection Committee

31/12/2015
Limit of Eligibility

03/10/2013

10/02/2014 - 10/04/2014
SECOND CALL OPENNING

30/03/2014 - 31/12/2015
1st Call Projects duration (21 months)

01/01/2014

01/01/2015

01/06/2013

11/08/2013 - 04/10/2013
FIRST CALL OPENNING

30/01/2014 - 30/03/2014
Firma de contratos

03/07/2014 - 31/08/2014
Firma de contratos

31/12/2015

11/08/2013 - 30/03/2014
Management 1st Call

10/02/2014 - 30/10/2014
Management 2nd Call

30/10/2014 - 31/12/2015
2nd Call Projects duration (14 months)

ES 03: NGO's for social action. Active Citizenship.

ES03 CALL FOR PROPOSALS CHRONOGRAM EEA GRANTS 2009-2014

08/05/2014
Started of Eligibility

06/09/2013

28/01/2014
SELECTION COMMITTEE (1º pre-seletion of projects)

17/04/2014
BOARD OF DIRECTORS (Awarding)

31/12/2015
Limit of Eligibility

23/04/2013
Programme Agreement

06/11/2013

08/05/2014 - 31/12/2015
Projects duration (20 months)

23/04/2013

01/01/2014

22/03/2014
SELECTION COMMITTEE (2º selection of projects)

01/01/2015

31/12/2015

06/09/2013 - 06/11/2013
FIRST CALL OPENNING

28/01/2014 - 22/03/2014
Maturation period

The originality of this Programme Call leads on the Maturation Period. In the second Selection Committee projects are selected after knowing in detail the promoters and activities thought interviews and seminars.

ES 04: Gender Equality and Work Life Balance

ES04 CALL FOR PROPOSALS CHRONOGRAM EEA GRANTS 2009-2014

10/07/2014
SELECTION COMMITTEE DOMESTIC VIOLENCE
SELECTION AND AWARDING

19/02/2014

31/08/2015
Limit of Eligibility

31/12/2015
Limit of Eligibility

23/04/2013
Programme Agreement

19/04/2014

01/10/2014
STARTING PROJECT IMPLEMENTATION

01/10/2014 - 31/12/2015
Projects duration (10 months)

27/03/2014   27/05/2014

01/01/2014

16/09/2014
1º SELECTION COMMITTEE

01/01/2015

31/05/2013

31/12/2015

19/02/2014 - 19/04/2014
CALL DOMESTIC VIOLENCE OPENNING

18/11/2014 - 15/10/2015
Projects duration (13 months)+ retroactivity

07/11/2014
2º SELECTION COMMITTEE

15/10/2015
Limit of Eligibility

27/03/2014 - 27/05/2014
OPEN CALL OPENNING

18/11/2014
RESOLUTION LETTER

01/01/2014 - 18/11/2014
Retroactive duration foreseen

DOMESTIC VIOLENCE CALL. AUTONOMOUS COMMUNITIES

OPEN CALL AND SMALL GRANTS SCHEME

ES 05: Conservation and Revitalisation of Cultural and Natural Heritage

ES05 CHRONOGRAM OF ACTIVITIES EEA GRANTS 2009-2014

15/12/2014
**GOVERNING COUNCIL
EXECUTIVE COMMISSION
CONTRACTING BOARD
FEDERICO GARCIA LORCA CONSORTIUM**

24/03/2014
**GOVERNING COUNCIL
FEDERICO GARCIA LORCA CONSORTIUM**

31/12/2015
Limit of Eligibility

23/09/2013
Programme Agreement

01/12/2014 - 31/03/2015
Equipment Contracting+ Works

**05/06/2015
Inaguration of the FGL Centre**

01/01/2014

01/01/2015

31/03/2015 - 31/12/2015
Activity Plan

23/04/2013

26/01/2015
**GOVERNING COUNCIL
FEDERICO GARCIA LORCA CONSORTIUM**

31/12/2015

ES 06: Cultural Diversity and Cultural Exchange

ES06 CRONOGRAMA CONVOCATORIAS EEA GRANTS 2009-2014

01/09/2013
Started of Eligibility

01/09/2014
End of Eligibility

31/07/2015
End of the Programme

01/05/2013
Programme Agreement

16/05/2013 - 16/07/2013
CALL OPENNING

01/09/2013 - 01/09/2014
Projects implementation (12 months)

01/01/2014   22/03/2014
SELECTION COMMITTEE (2º selection of projects)

01/01/2015

01/09/2014 - 31/12/2014
VERIFICATION OF PROJECT CONDITIONS

01/05/2013

31/12/2015

ES 07: NILS Science and Sustainability

ES07 CALLS CHRONOGRAMS EEA GRANTS 2009-2014

08/08/2013

04/12/2013
FINAL AWARD RESOLUTION (Universities)

16/01/2014
SELECTION COMMITTEE IM-CM-2013

21/02/2014
IM-CM-2013 RESOLUTIONS

01/09/2014
STARTING IMPLEMENTATION Erasmus +

30/06/2015
End Erasmus+ Eligibility

30/11/2015
Last date of Eligibility

04/06/2013
Programme Agreement

08/08/2013   07/10/2013

20/10/2013

01/09/2014 - 30/06/2015
Projects duration Erasmus+ (10 months)

04/06/2013

01/01/2014

01/01/2015

08/08/2013 - 07/10/2013
STUD-INSTIT-2013 CALL OPENNING

08/08/2013 - 20/10/2013
ABEL-IM-CM-2013

01/01/2014 - 28/02/2014
ABEL-IM-CM-2014

21/04/2014 - 30/11/2015
Maximum Stage duration (19 months)

31/12/2015

01/01/2014   28/02/2014

12/06/2014
SELECTION COMMITTEE IM-CM-2014

01/09/2014 - 30/11/2015
Maximum Stage Duration (15 months)

24/06/2014
IM-CM-2014 RESOLUTIONS

04/07/2014 - 20/09/2014
ABEL-IM 2 -2014

02/02/2015
IM 2 2014 FINAL RESOLUTION

08/08/2013 - 30/06/2014
Preparatory visits aplications

Bilateral call- Preparatory Visits

CALL STUD-INSTIT-2013 to Universities with Erasmus+

ABEL- IM-CM.- 2014 – Individual and Coordinated Mobility

ABEL- IM-CM.- 2013 – Individual and Coordinated Mobility

ABEL- IM 2 2014 – Individual Mobility

01/04/2015 - 30/11/2015
Maximum Stage Duration (8 months)

Annex 2- Strategic Report 2014

For each Programme, NFP Analysis of Donor Countries' Partnership at Project Level

ES02- Two Open Calls- Participant entities of DPC-201

ES02 Donor Partnership Entities- % of Projects signed

Icelandic R&D Entities

ICELAND UNIVERSITY
INNOVATION CENTER ICELAND
SAUDSKINN EHF

Norwegian R&D Entities
23% (27)

Spanish R&D Entities
75% (137)

- ARENA SMART GRID SERVICES y HJELLNES CONSULT CAMBI, AS
- CENTRO VESTFORSK
- CERPOTECH
- DNV GL
- DRESSER RAND
- eSMART SYSTEMS
- FUGRO OCEANOR
- KAST
- MAMMOET NORGE AS
- MOTION AS
- NOFIMA
- NORMEC
- NORSK INSTITUT FOR VANNFORSKNING (NIVA)
- NORSK INSTITUTT FOR LUFTFORSKNING
- NORWEGIAN FOREST AND LANDSCAPE INSTITUTE
- NORWEGIAN GRAPHITE
- NORWEGIAN UNIVERSITY OF SCIENCE AND TECHNOLOGY
- POWER BOOST AS
- SCANDINAVIAN ELECTRIC (SCEL)
- SIMRAD TECHNOLOGY FOR SUSTAINABLE FISHERIES
- SINTEF
- SPEED OPTION
- STATENS VEGVESEN
- ULSTEIN
- UNIVERSITY OF BERGEN
- UNIVERSITY OF OSLO

The entities from donor countries that participate in, at least, one of the projects under implementation (some of them participating in some of them, as SINTEF)

CDTI have signed a high number of contracts with universities and research centers, so these projects clearly contribute to produce a transfer of knowledge from universities and research institutions to companies, and this transfer will materialize in new developments for the market.

The most important Spanish, Norwegian and Icelandic universities and research centers are involved in relevant R&D projects impliying a high technical quality.

The final number of contracts signed that have agreements with entities from donor countries is 50 (34 from the first call and 16 from the second) of which 46 are Norwegian and 4 Icelandic. Since the two companies of the first call that don't develop finally the project had an agreement with a Norwegian company and that other company from the second call communicated that they will not sign the contract with the Norwegian company, the number of projects being developed in collaboration with entities from donor countries is 47 (43 Norwegian and 4 Icelandic).

These institutions include the main universities (Universities of Bergen and Oslo, Polytechnic University of Madrid, Polytechnic University of Catalonia, Iceland University) and research centers (Center Vestfosrk, Norsk Institut for Luftforskning, Superior Council of Scientific Investigations (CSIC), Research Centre for Energy, Environment and Technology (CIEMAT)…)

ES03- Open Call- Projects in Partnership with Donor Countries- 2014-15

During 2014, the bilateral relations have been strengthened by 2 (out of 38 awarded in total) projects in partnership with organizations from the Donor Countries:

```
CA-52  e-Citizen  →  Aim: to empower local population through volunteering
                          ├─ Ideenbanken (Norway)
                          └─ Siderurgia Integral Workers Foundation
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```
No Hate Speech Network  ─  Aim: to create a network for the erradication of women´s violence
                               ├─ LLH -Landsforenigen for lesbik og homofil frijoring -(Norway)
                               ├─ SAMTOKIN'78 (Iceland)
                               └─ State Federation of Lesbians, Gays, Transsexual and Bisexuals (FELGTB)
```

The first one, under outcome 1- *"Active Citizenship"* is CA-052 Project **"eCitizen"** promoted by Siderurgia Integral Workers Foundation, with **The Ideas Bank Foundation from Norway** as one of its partners.

This Project aims at diagnosing and generating tools to empower the local population through volunteering, especially elders. In this regard, the Ideenbanken from Norway has prepared a thorough visit to Oslo where the Project Promoter and the rest of the partnership shared different approaches to this field.
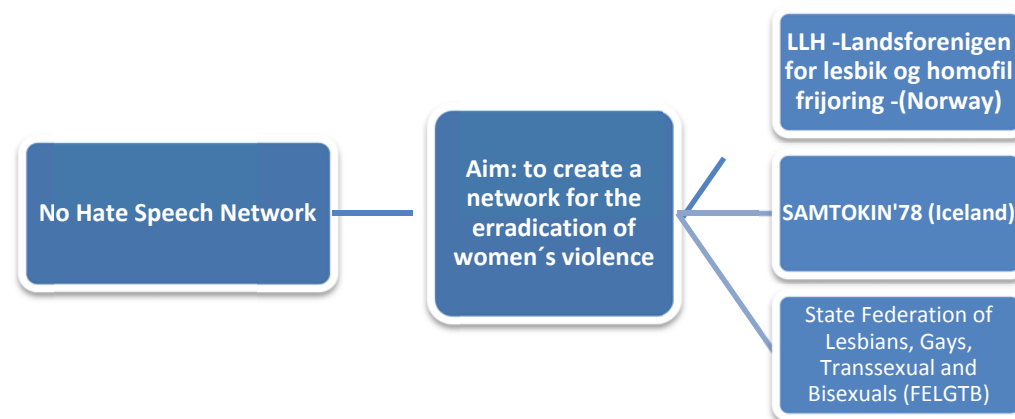
Within outcome 2- *"Increasing involvement of NGO's in policy"* that promote the creation of new cross coalitions, in particular, we highlight the **No Hate Speech Network** promoted by the State Federation of Lesbians, Gays, Transsexual and Bisexuals (FELGTB), consisting of prosecutors, state security forces, media, enterprises, administration and NGO, where two organizations participating are coming from donor countries: **SAMTOKIN'78 from Iceland and LLH (Landsforenigen for lesbik og homofil frijoring) from Norway.** The participation of NGOs in Norway and Iceland allow sharing experiences on hate crimes between countries and promoting the exchange of tools.

ES04- Open Call- Participant Entities of DPC in Projects in Partnership with Donor Countries- 2014-15

ES04 Donor Partnership Entities- % of total Project with Partner

LIKESTILLINGSSENTERET (CENTRE OF EQUALITY); 6%

BERGEN UNIVERSITY; 6%

BIFRÖST UNIVERSITY (ICELAND); 6%

ENTITY OSLO AND AKERSHUS UNIVERSITY COLLEGE OF APPLIED SCIENCES; 6%

ODAL NAERINGSHAGE UTVIKLING AS; 58%

FEIG KVENNAI ATVINNULIFINE (ICELAND); 3%

LO NORWAY; 6%

OSLO KRISESENTER; 6%
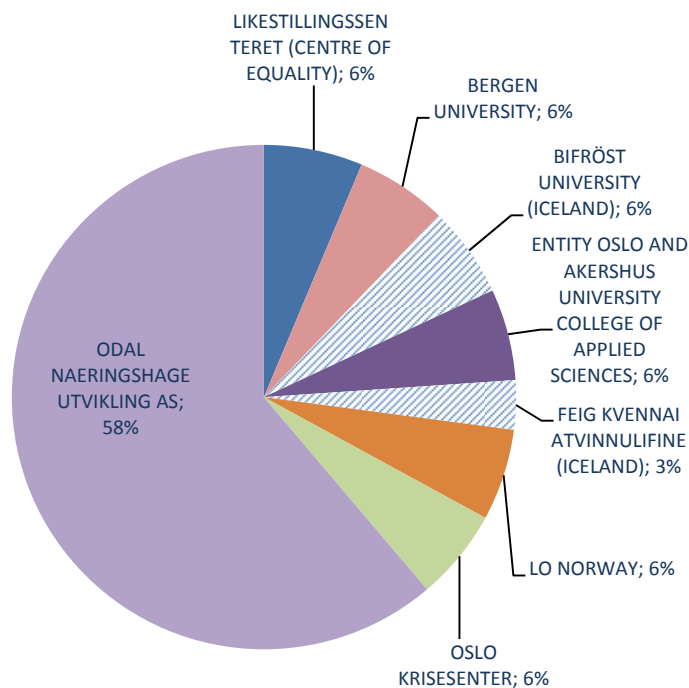
The final number of projects selected in the ES04 Open Call is 61 but without a doubt the number of beneficiaries will be much bigger. 40 out of 61 have at least one partner and 16 projects have donor country partner, representing 26,3% of the total.

Two projects have an Icelandic partner (Bifrost University and Feig Kvennai Atvinnulifine) and 15 projects have a Norwegian partner. One of the projects have two donor country partner (one from Iceland and one from Norway).

It should be notice that **Odal Naeringshage Utvikling AS** is partner in 10 out of the 16 projects with donor country partner. Odal is a Norwegian entity that promote women entrepreneurship in cooperation with important Norwegian agents. For that reason, Odal cooperates with 10 Spanish projects within the ES04 Call focused on female entrepreneurship, so very good results can be expected. The Odal long history helping to develop projects to foster women entrepreneurship will provide valuable knowledge to the Spanish projects.

Besides, just to give two examples, Bergen University is partner in one project that aims at improving employability of immigrant women; and Oslo Krisesenter will cooperate in a project whose objective is to improve the social and labour situation of rural women.

ODAL NAERINGSHAGE UTVIKLING AS

- **FUNDACIÓN MUJERES** — To increase women's participation in entrepreneurship.
- **FUNDACIÓN ANDANATURA** — Apply to the rural women entrepreneurship all the knowledge acquired by Andanatura in the Nature Business Models
- **ASOCIACIÓN DE TRABAJADORAS YAUTÓNOMAS** — The analysis and exchange of best practices, among institutions in Spain and Norway.
- **AYUNTAMIENTO DE CÁDIZ** — Facilitate access to training and employment through the incorporation of measures to promote the reconciliation of work, family and personal life
- **FEDERACIÓN DE LA MUJER RURAL** — Support for women in rural areas who want to start or build a business
- **IDEALOGA INTERVENCIÓN COMUNITARIA** — To improve the employability and social conditions and quality of life of women belonging to groups in risk of exclusion.
- **FEDERACIÓN GALICECAN** — Motivation, information and training to improve women employability.
- **ASOCIACIÓN SIBILA** — Intervention with women who return to the labour market after a period taking care of family responsibilities
- **ASOCIACIÓN DE MUJERES EMPRESARIAS IBEROAMERICANAS PACHAMAMA** — Promotion of equality between men and women in working life.
- **ASOCIACIÓN IDEM** — Improvement of the situation of rural women

- **LO NORWAY** — **CONFEDERACIÓN SINDICAL DE COMISIONES OBRERAS** — Detect and combat the pay gap between women and men in business
- **LIKESTILLINGSSENTERET (CENTRE OF EQUALITY)** — **FUNDACIÓN ASISTENCIAL PARA LA FORMACIÓN ESTUDIOS AFIES** — Strengthen female entrepreneurship initiatives, based on mentoring methodologies in Norway.
- **ENTITY OSLO AND AKERSHUS UNIVERSITY COLLEGE OF APPLIED SCIENCES** — **AYUNTAMIENTO DE GANDIA** — New approaches and methodologies that promote the creation of innovative enterprises by women in emerging sectors.
- **FEIG KUENNAI (ICELAND)** — **AYUNTAMIENTO DE CADIZ** — To improve the social anFacilitate access to training and employment through the incorporation of measures to promote the reconciliation of work, family and personal life.
- **UNIVERSIDAD DE BERGEN -NORUEGA** — **ASOCIACIÓN CULTURAL DE DEFENSA DE VALORES AFRICANOS ACUDEVAO** — Employment of immigrant women struggling through a vocational training program.
- **UNIVERSIDAD DE BIFRÖST (ICELAND)** — **FEDERACIÓN DE MUJERES Y FAMILIAS DEL ÁMBITO RURAL AMFAR** — To improve the social and labour situation of rural women
- **OSLO KRISESENTER** — **FEDERACIÓN DE ASOCIACIONES DE MUJERES RURALES FADEMUR** — To improve the social and labour situation of rural women

ES06- Category one- Cooperation beetween Art Institutions- 2014

ES06 Donor Partnership Projects- % amount granted Donor States Entities

ES06 Donor Partnership Projects- % amount granted Types of intervention and countries

Regarding the programme ES06 -Cultural diversity and cultural exchange, carried out by the Norwegian Embassy in Spain, a roughly 70% of the budget in institutional cooperation between Spain and donor countries is going to Norway. Each institution collaborates with one Spanish art institution.

Nevertheless the participation of institutions from Iceland and Liechtenstein is important in this area of artistic institution collaboration. Both countries have a similar participation in terms of budget.
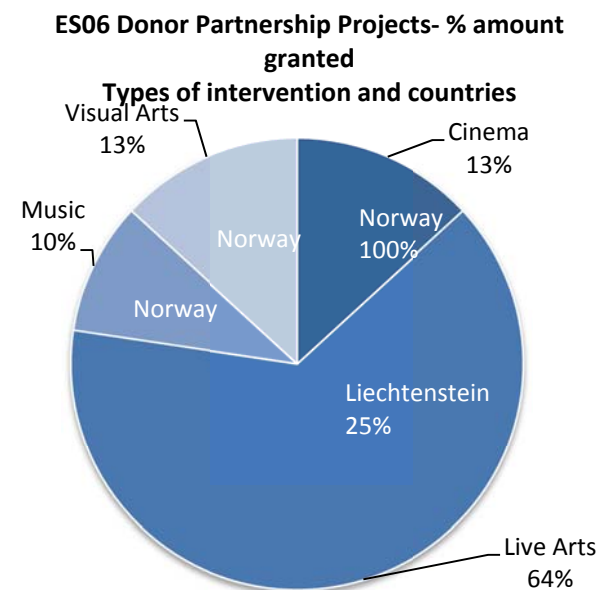
Regarding the types of intervention by country, Norway participates in all of them. The entire amount devoted to Music, Visual Arts and Cinema goes exclusively to this country.

Norway participates also in the field of Live Arts, sharing collaboration with the other two donor countries.

All the projects (8) in this call have partnership with donor countries.

Five **Norwegian Cultural Institutions** take part in the Programme what means a 62% of the participating entities.

OSLO GAY & LESBIAN FILM FESTIVAL	—	FUNDACIÓN TRIÁNGULO	—	CINEMA
DRAMATIKKENS HUS NORWAY	—	MEINE SEELE S.L. (DRAFT.INN)	—	LIVE ARTS
LOTTE KONOW LUND	—	PORTRAIT EXPERIENCE SCP	—	LIVE ARTS
MUSIC NORWAY	—	LA ESCALERA DE JACOB	—	MUSIC
THE HAUKELAND COLLECTION	—	TENERIFE ESPACIO DE LAS ARTES	—	VISUAL ARTS
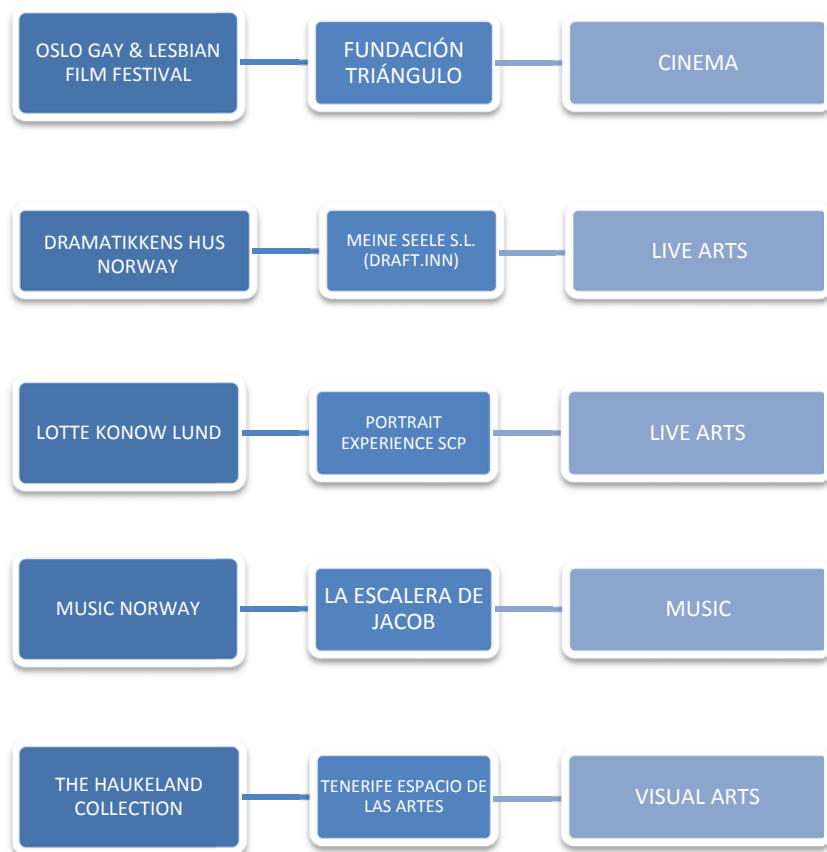
Iceland, with a 25% of the donor partners Cultural Institutions has its participation focus on lives art field.

KRISTINN R. OLAFSSON	—	ARJÉ	—	LIVE ARTS
SOLHEIMAR	—	AFANIAS	—	LIVE ARTS
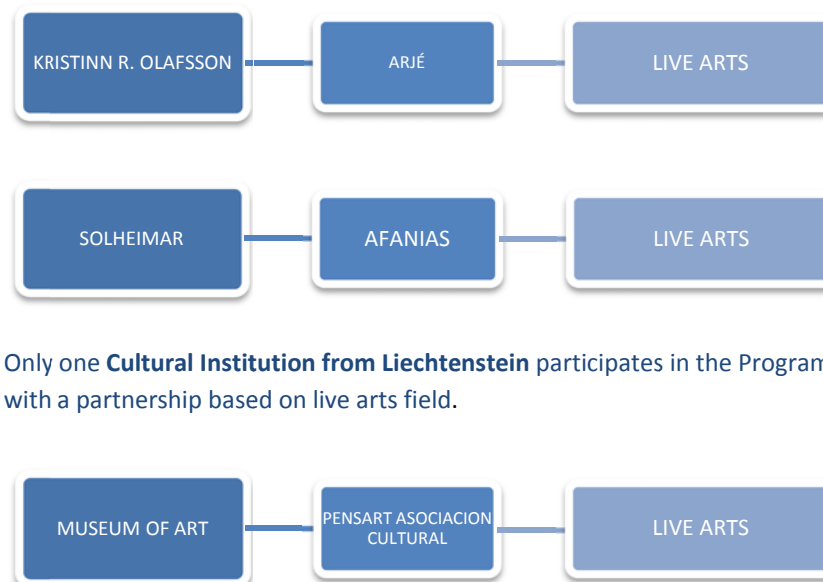
Only one **Cultural Institution from Liechtenstein** participates in the Programme with a partnership based on live arts field.

MUSEUM OF ART	—	PENSART ASOCIACION CULTURAL	—	LIVE ARTS

with two Spanish universities in three partnership projects. No projects have been received with partner from Liechtenstein.

ES07- Coordinated Mobility of Researches.

ES07- Coordinated Mobility Donor Partner nº projects

ES07- Coordinated Mobility Donor Partners amount awarded
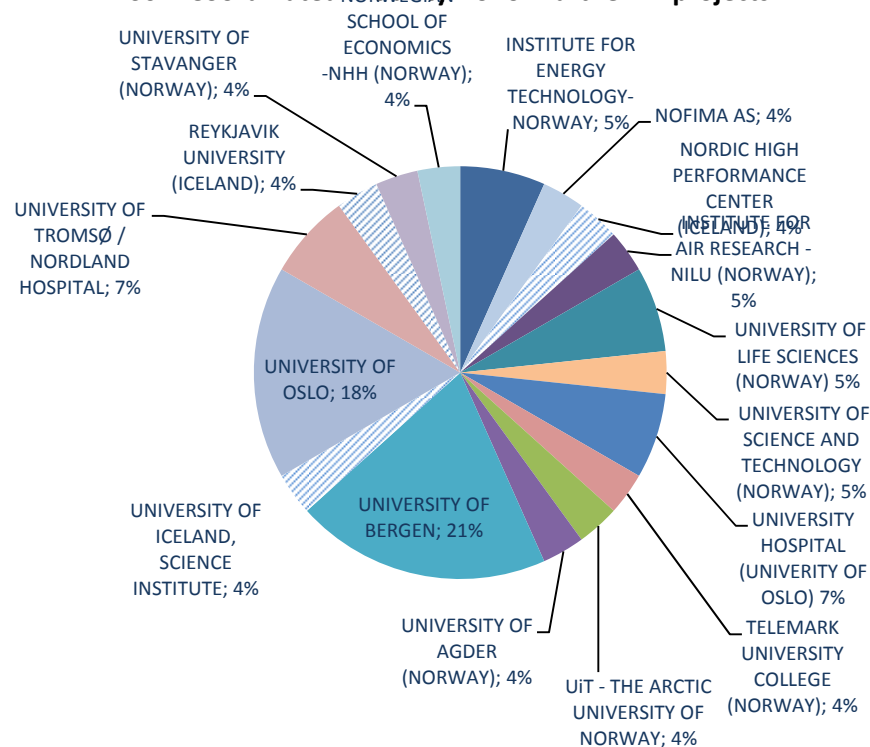
It should be notice the Norwegian activity on scientific partnership that participates in the 90% of the total awarded projects in the modality of Coordinated Mobility of Researchers. Only two Norwegian Universities participate in the 47% of the Research Projects with Partner. Iceland participates

Regarding the amount awarded highlight one single project with the University of Reykjavik, (Devoted to Mathematics modelling) with 9% of the total amount awarded.

UNIVERSITY OF OSLO
- UNIVERSIDAD DE VALENCIA — Thinking Emotions Mindfully
- UNIVERSIDAD COMPLUTENSE DE MADRID — Oxidative stress, superoxide anic
- UNIVERSIDAD JAUME I — Fuzzy Mathematics for Evaluatin Environmental Impactsn
- UNIVERSIDAD DE EDUCACIÓN A DISTANCIA — Analysis of focal brain patholog using novel knowledge based algorithms
- UNIVERSITAT DE LES ISLES BALEARS — Development of novel coating strategies for osseointegration

UNIVERSITY OF LIFE SCIENCES
- INSTITUTO DE AGROQUÍMICA Y TEC. DE ALIMENTOS — Molecular interactions modulating microbiota that influence the host health
- UNIVERSIDAD COMPLUTENSE DE MADRID — Biodiesel Production for aviation

UNIVERSITY OF STAVANGER
- CSIC - CENTRO NACIONAL DE BIOTECNOLOGÍA — The specificity of the protei phosphatase in plant signalli

UNIVERSITY OF BERGEN
- INSTITUTO DE RECURSOS NATURALES Y AGROBIOLOGÍA DE SEVILLA — Integrative analysis of extremophiles in search for new biotechnological solutions.
- INSTITUTO DE CIENCIAS MATEMÁTICAS ICMAT — Discrete Mechanics, Geometric Integration, and Lie-Butcher Series
- UNIVERSIDAD DE ZARAGOZA — Numerical simulation in deformable porous media. Application to carbon dioxide storage.
- UNIVERISDAD COMPLUTENSE DE MADRID — Stochastic dynamics in ecology
- INSTITUTO DIAGNOSTICO AMBIENTAL IDAEA-CSIC — Assessment of the toxicity of sediments from the Mediterranean basin.
- UNIVERSIDAD CARLOS III DE MADRID — No title

TELENORWEGIAN SCHOOL OF ECONOMICS -NHH
- UNIVERSIDAD COMPLUTENSE DE MADRID — Population Dynamics Modeling of Collapsed Fisheries.

INSTITUTE FOR ENERGY TECHNOLOGY
- **IMDEA ENERGIA** — The specificity of the proteChecking the actual sustainability of renewables. Developing of new tools.
- **UNIVERSIDAD COMPLUTENSE DE MADRID** — Sustainable oxide materials and nanostructures for energy related applications.

UNIVERSITY OF AGDER
- **UNIVERSIDAD COMPLUTENSE DE MADRID** — Simulation of the three phosphorylation steps of several nucleoside reverse transcriptase inhibitors of HIV

NORWEGIAN UNIVERSITY OF SCIENCE AND TECHNOLOGY
- **UNIVERSIDAD DE SANTIAGO DE COMPOSTELA** — Efficient management of energy resources

NORWEGEIN INSTITUTE FOR AIR RESEARCH - NILU
- **INSTITUTO DE QUÍMICA FÍSICA ROCASOLANO** — Sea-ice changes and implications for Arctic atmospheric

OSLO UNIVERSITY HOSPITAL (UNIVERSITY OF OSLO)
- **UNIVERSIDAD DE CÓRDOBA** — Cognitive radio with Medium Reservation in Hospital Environment
- **UNIVERSIDAD DE SALAMANCA** — Pathogenesis of Chronic Lymphocytic Leukemia."

TELEMARK UNIVERSITY COLLEGE (NORWAY)
- **UNIVERSIDAD AUTÓNOMA DE MADRID** — Health risks of cyanobacteria and cyanotoxins in Norway and Spain

UiT - THE ARCTIC UNIVERSITY OF NORWAY
- **UNIVERSIDAD DE GRANADA** — Sustainable development as an innovation opportunity in management model of public organizations.

UNIVERSITY OF AGDER (NORWAY)
- **UNIVERSITAT POLITÈCNICA DE CATALUNYA** — Active control of vibrations in structures subject to multidirectional dynamic excitations: Application to floating wind turbines.

UNIVERSITY OF TROMSØ / NORDLAND HOSPITAL
- **UNIVERSIDAD CARLOS III DE MADRID** — Sustainability of cardiology services: economic evaluation in communication and remote monitoring of people with pacemakers.

It is particularly noteworthy the interest of the Universities of Oslo and Bergen as well as the University of Life Sciences from Norway because they are partners of different Spanish research Departments in different projects. In total 14 Norwegian Research Centres are in partnership with 20 Spanish Research Centres.

TELEMANORDIC HIGH PERFORMANCE CENTER (ICELAND)	UNIVERSIDAD CATÓLICA SAN ANTONIO DE MURCIA	Discovery of novel blood anticoagulants using hybrid artificial intelligence techniques
UNIVERSITY OF ICELAND, SCIENCE INSTITUTE	UNIVERSIDAD COMPLUTENSE DE MADRID	Flows and blows of the Icelandic past: application of rock magnetism to unravel transport dynamics of Neogene volcanic eruptions in eastern Iceland
REYKJAVIK UNIVERSITY (ICELAND)	UNIVERSIDAD COMPLUTENSE DE MADRID	Methods for the development sustainable systems (mathematics)

3 entities from Iceland, Icelandic Science Institute, University of Reykjavik and Telemanord High Performance Centre are partners in three projects with 2 Spanish Universities, Complutense of Madrid and Catolica San Antonio de Murcia.

Annex 3- Strategic Report 2014

Audit Authority's Annual Report and Opinion 2014.

MEMORANDUM

YOUR REFERENCE

OUR REFERENCE: DIVISION III (Mechanism EEE 2009-2014)

DATE: Madrid, December 29th 2014.

ISSUE: Annual Audit Report 2014 referring to EEE Financial Mechanism 2009-
                      2014 Audit Strategy.

RECIPIENT: Deputy General Directorate for European Territorial Cooperation and Urban
                      Development- National Focal Point

Please find enclosed the documentation:

- Annual Audit Report of 2014 corresponding to EEA 2009-2014 Financial
  Mechanism Audit Strategy

- Opinion on 2014 control and audits corresponding to EEA 2009-2014
  Financial Mechanism Audit Strategy

NATIONAL AUDITOR
HEAD OF DIVISION

Signature: Rafael Cortes Sanchez.

<u>ANNUAL AUDITING REPORT FOR THE YEAR 2014 CORRESPONDING TO THE AUDITING STRATEGY OF THE FINANCIAL MECHANISM OF THE EURPEAN ECONOMIC AREA 2009-2014 (DRAWN UP IN ACCORDANCE WITH ARTICLE 4.6. SECTION 1. LETTER E) INSERT i) OF THE REGULATIONS ON THE APPLICATION OF THE 2009-2014 FINANCIAL MECHANISM OF THE EUROPEAN ECONOMIC AREA (EEA))</u>

1. Introduction

The report is issued in relation with the auditing strategy of the 2009-2014 Financial Mechanism of the European Economic Area. The audit authority responsible for drawing up this report is the *Intervenclon General de la Administracion del Estado* (IGAE).

The period used for examining the random sample of declared expenditure goes from 1st January to 31st December.

The version of the audit applicable to the period is that of 29th May 2014.

The programme areas included in this report are given below:

PROGRAMME AREAS	AUTHORITIES/PROGRAMME OPEERATOR
Technical Assistance and Bilateral Relations	Subdirección General de Cooperación Territorial Europea y Desarrollo Urbano (National Focal Point)
ES02 Programme: Climate Change	CDTI
ES03 Programme: NGO Fund	NGOs' Social Platform
ES04 Programme: Gender Equality	Secretaria de Estado de Igualdad-Instituto de la Mujer
ES05 Programme: Cultural and Natural Heritage	Ministerio Educación, Cultura y Deporte
ES07 Programme: Scholarships	Universidad Complutense de Madrid

The approved audit strategy does not include the ES06 Programme-Cultural Exchange, whose operator is the Norwegian Embassy in Spain.

The National Focal Point of the programmes is the *Subdirecclon General de Cooperación Territorial Europea y Desarrollo Urbano*, which belongs to the *Direccion General de Fondos Comunitarios* of the *Ministerio de Hacienda y Administraciones Públicas*.

The Certifying Authority is the *Subdirección General de Certificación y Pagos*, belonging to the *Dirección General de Fondos Comunitarios* of the *Ministerio de Hacienda y Administraciones Públicas*.

The issuing of this report has been done based on the audits of systems and the audits on declared expenditure made by the audit authority itself (IGAE) including the sample of expenditure items to be audited. **Annex 1** includes the total control data.

No audit was made for the ES05 Programme-Cultural and Natural Heritage in the period given above, as no expenditure was declared in the year 2013.

The National Focal Point has also been asked for information concerning changes in the management and control systems, following the evaluation of article 4.8.3 of the Regulation on the European Economic Area (EEA) 2009-2014 Financial Mechanism.

2. Changes in the management and control system

The changes in the management and control system and the changes in the descriptions of organisms notified by the National Focal Point since the initial evaluation are included in **Annex 2** of this report.

3. Changes in the audit strategy

Annex 3 of this report includes the table from Annex II of the audit strategy, as there have been no changes since the initially approved strategy.

4. System audits

4.1. General aspects of the system audits

In order to carry out the system audits, the "Guide for management and control system audits" drawn up by the IGAE was used, which was based on the evaluation of management and control systems by the European Commission.
There are four categories for the evaluation of the effectiveness of the systems:

- Category 1. It works well; only minor improvements are necessary. There are no deficiencies, or only minor ones, and they have no significant impact on the working of the system.

- Category 2. It works, but certain improvements are necessary. Certain deficiencies have been found, but they have only a moderate impact on the working of the system.

- Category 3. It works partially. Substantial improvements are required. Deficiencies have been found which had led, or might lead, to irregularities and they have a significant impact on the system.

- Category 4. Essentially, it doesn't work. Deficiencies have been found that lead to irregularities, they are systemic and have a broad scope.

The evaluation was carried out for the following key dispositions:

1. Definition, assigning and separation of functions
2. Communication strategy and information activities
3. Verifications of adequate management
4. Appropriate audit track
5. Trustworthy accounting, supervision and financial information systems in computer format
6. Preventive and corrective measures required where systemic errors are detected by the audit.

Annex 4 of this report includes data regarding the system audits carried out and the global conclusion.

4.2. Description of the basis for selecting the audits in the context of the audit strategy

The audits were selected in accordance with the criteria given in section IV.1 of the audit strategy document and in accordance with the timetable given in Annex II of said document.

4.3. Conclusions on systems. Details by subprojects.

Subproject: Technical assistance and bilateral relations - National Focal Point

In view of the results obtained in the audits carried out this year, a global opinion has been given to the system: "It works, but certain improvements are necessary" (category 2).

5. Audits on declared expenditure
5.1. General aspects of the audits on declared expenditure

Annex 5 includes the data regarding the audits on declared and audited expenditure, plus the results, conclusion and follow up.
More specifically, it includes the following tables:

- Table 5.1 includes information on declared expenditure, audited costs for the sample, details of the result of the audit on declared expenditure, sample error rate and projected error.

- Table 5.2 shows the systemic errors found in the audit on declared expenditure.

5.2. Description of the basis for secting the samples

In accordance with the provision of operations to be carried out by each Programme operator, a non-statistical sample method was used covering a minimum of 10% of the declared expenditure for the audit year, guaranteeing that all the programmes were represented and selecting the expenditure items with the greatest financial amount.
These audits included audits on declared expenditure not included in specific projects (bilateral relations, complimentary actions, management costs, programme preparation costs, technical assistance).

5.3. Conclusions taken from the results of the audits with regard to the effectiveness of the management and control systems. Details per subproject.

For the 5 programmes and the National Focal Point, the control percentage for the controlled expenditure corresponding to the random sample of the declared expenditure within the year in question was 63.68%.
The figure for irregular expenditure that was found in the random sample for all of the subprojects was 5,706.80 euros, which is a percentage of 1.44%.

Subproject: Technical Assistance and Bilateral Relations /National Focal Point

The irregular expenditure detected in the random sample was 3,103.40 euros, which means a sample error rate of 2.51%.
As a result of the foregoing, the projected error for the subproject is 4,262.21 euros, which means 2.51%.

Subproject ES02: Climate Change /CDTI

The irregular expenditure detected in the random sample was 0 euros, which means a sample error rate of 0%.
As a result of the foregoing, the projected error for the subproject is 0 euros, which means 0%.

Subproject ES03: NGO Fund/NGOs' Social Platform

The irregular expenditure detected in the random sample was 1.143,4 euros, which means a sample error rate of 2.74%.
The irregular expenditure can be considered to be an anomalous error and corresponds to the purchasing of real estate which is not eligible and which is not reproduced in the rest of the project.
Given its consideration as an anomalous error, this figure should be excluded from the random errors to be projected.
As a result of the foregoing, the projected error for the subproject is 1.143,45 euros, which means 1.42%.

Subproject ES04: Gender Equality/*Secretaria de Estado de Igualdad-Instituto de la Mujer*

The declared expenditure corresponding to the sample was 200,000 euros and corresponds to an advance, so the control of the real declared expenditure should be done in later years. The control carried out in the audit year showed the effectiveness of the disbursement and that it corresponded to the approved operation. There is, therefore, no irregular expenditure and the error rate is 0%.

Subproject ES05: Cultural and Natural Heritage/*Ministerio Educación Cultura y Deporte*

No audit was carried out as there was no declared expenditure in the year of reference.

Subproject ES07: Scholarships /Universidad Complutense de Madrid

The irregular expenditure detected in the random sample was 1,459.95 euros, which means a sample error rate of 13%.
A systemic error was detected for the amount of 1,372.04 euros and this should be excluded from the random errors to be projected.
As a result of the foregoing, the irregular expenditure for the random sample to be projected is 87.91 euros. The projected error of the project is 1,502.52 euros, which means 8.98%.
However, if the systemic error is excluded, the projected error of the project is 0.78%.

5. Follow up of the audit activity of previous years

There was no audit activity in previous years due to the fact that during the year 2012 no
Expenditure at all was declared to the FMC and no programme agreement was approved from those laid down in article 5.7 of the Regulation and in article 2 c) of the Memorandum of Understanding (MoU) regarding the programme areas identified in Annex B of the MoU. No management and control system was implemented in 2012 which might have been subject to audit.
In the first six months of 2013 the IGAE carried out the activities laid down in article 4.8 of the Regulation, regarding the setting up of management and control systems.

7. More information. Conclusions

In accordance with the foregoing and more specifically in accordance with the results of the management and control audit results and the audits on the declared expenditure, the final conclusion of this report on the system is as follows:

FAVOURABLE OPINION

With regard to the aforementioned examination and the period in question, it is considered that the management and control system established for the Programmes complies with the requirements laid down in article 4.1 of the Regulation on the 2009-2014 Financial Mechanism of the European Economic Area (EEA) and it worked efficiently enough to offer reasonable guarantees concerning the correction of the declared expenditure presented to the Financial Mechanism Committee and, consequently, reasonable guarantees concerning the legality and regularity of the transactions involved in the following subprojects:

Subproject: Technical Assistance and Bilateral Relations /National Focal Point

a) When deciding on the opinion to give, the results of the controls given in Annex 1 were taken into account.
b) In view of the audit results concerning the declared expenditure, the sample error rate was 2.51% with a projected error for the project of 2.51 %.
c) According to information provided by the National Focal Point, there is a commitment to withdraw the amount detected in the audit as being irregular, this being 3,103.40 euros, and consequently the residual error is 1,158.81 euros which means 0.68%, which is below the established materiality level.
d) Taking into account the foregoing, the final conclusion on the system is favourable.

Subproject ES02: Climate Change /CDTI

a) When deciding on the opinion to give, the results of the controls given in Annex 1 were taken into account.
b) In view of the audit results concerning the declared expenditure, the sample error rate was 0% with a projected error for the project of 0 %.
c) Taking into account the foregoing, the final conclusion on the system is favourable.

Subproject ES03: NGO Fund/NGOs' Social Platform

a) When deciding on the opinion to give, the results of the controls given in Annex 1 were taken into account.
b) In view of the audit results concerning the declared expenditure, the sample error rate was 2.74% with a projected error for the project of 1.42%, which is below the established materiality level.
c) Taking into account the foregoing, the final conclusion on the system is favourable.

Subproject ES04: Gender Equality/*Secretaria de Estado de Igualdad, Ministerio Educación, Cultura y Deporte.*

a) When deciding on the opinion to give, the results of the controls given in Annex 1 were taken into account.
b) In view of the audit results concerning the declared expenditure, the sample error rate was 0% with a projected error for the project of 0%.
c) Taking into account the foregoing, the final conclusion on the system is favourable.

OPINION WITH RESERVATIONS

With regard to the aforementioned examination and the period in question, it is considered that the management and control system established for the Programmes complies with the requirements laid down in article 4.1 of the Regulation on the 2009-

2014 Financial Mechanism of the European Economic Area (EEA) and it worked efficiently enough to offer reasonable guarantees concerning the correction of the declared expenditure presented to the Financial Mechanism Committee and, consequently, reasonable guarantees concerning the legality and regularity of the transactions involved, with the exception of the aspects detailed below for each case and the following subprojects:

Subproject ESO7 Programme: Scholarships/*Universidad Complutense de Madrid*

a) When deciding on the opinion to give, the results of the controls given in Annex 1 were taken into account.
b) In view of the audit results concerning the declared expenditure, the sample error rate was 13% and a systemic error was detected, consequently the projected error for the project is 8.92%.
c) Most of the error detected derived from the systemic error given in table 5.2 attached hereto.
d) Taking into account the foregoing, the final conclusion on the system is favourable, with the exception of the expenditure declared as indirect costs.

Madrid, 29th December, 2014

ANNEX 1: CONTROLS TAKEN INTO ACCOUNT TO THE ISSUANCE OF THE AUDIT OPINION.

Organism/ Programme O.	Audits of the Quality Control System		Audits of Expenditure Declared		Dictamen
	Started in the year	Draft/ Finalised	Foreseen in the sample	Draft/ Finalised	
Technical Assistance and Bilateral Relations/(National Focal Point)	1	1	1	1	Sin salvedades
ES02: Climate Change /(CDTI)	0	0	1	1	Sin salvedades
ES03: NGO's Funds/ NGO's Social Platform	0	0	1	1	Sin salvedades
ES04: Gender Equality / State Secretariat of Equality – Women's Institute	0	0	1	1	Sin salvedades
ES07: Exchange Scholarships / Complutense University Madrid	0	0	1	1	Con salvedades

ANNEX 2: CHANGES IN THE MANANGEMENT AND CONTROL SYSTEMS

Organism/ Programme O.	Changes Submitted	Comments
National Focal Point/ Technical Assistance and Bilateral Relations	Addition of a description of the management of National Focal Point, Certifying Authority and Audit Authority Technical Assistance expenses.	
State Secretariat of Equality – Women's Institute /ES04:Gender Equality	Law 15/2014 of 16 September of Public Sector rationalization and other administrative reforms, eliminates the Equality of Opportunities General Directorate that was the body designed as Programme Operator and its tasks are taken up by the Women's Institute and for the equality of Opportunities.	There is not yet a Royal Decree that provides a new organizational structure for Woman's Institute and Equal Opportunities.

ANNEX 3: TIMETABLE SET OUT IN THE AUDIT STRATEGY.

Audited Bodies	Audits of the Quality Control System to carry out in the audit year		
	2013-2014	2014-2015	2015-2016
G.S. European Territorial Cooperation and Urban Development (National Focal Point)	X		
G.S.of Certifying and Payments		X	
CDTI			X
NGO's Social Platform		X	
State Secretariat of Equality – Women's Institute		X	
Ministry of Education Culture and Sports.			X
Complutense University of Madrid			X

ANNEX 4: AUDITS ON THE QUALITY CONTROL SYSTEMS CARRIED OUT IN THE CURRENT AUDIT YEAR

Audited Body	Reference (Nº ES)	Programme	Definitive Report Date	Audit Situation	Key Elements NFP/P.O.						General opinion
					1	2	3	4	5	6	
G.S. European Territorial Cooperation and Urban Development (National Focal Point)	ES01	Technical Assistance and Bilateral Relations	29/12/2014	Concluded	2	1	2	2	2	2	It works but some improvements

ANNEX 5: AUDITS ON EXPENDITURE DECLARED

Table 5.1 Results of audits on expenditure declared

Subpopulation	Expenditure declared in the year of reference	Audited expenditure in the year of reference for the random sample	Irregular expenditure in the random	Percentage of Audited expenditure	% Error RATE	Systemic Amount detected delimitated/ Anomalous amounts not withdrawn	% Error when projecting population	% Error projected in population
Technical Assistance and Bilateral Relations NFP	169.809,01	128.466,55	3.103,40	75,65%	2,51%	0	2,51%	2.51%
ES02:Climate Change/(CDTI)	37.503,00	14.189,00	0	37,83%	0%	0	0%	0%
ES03:Funds for NGO's/ NGO's Social Platform.	80.288,00	41.684,00	1.143,45	51,92%	2,74%	. 1.143,45	0%	1,42%
ES04:Gender Equality. / State Secretariat of Equality- Women's Institute	316.836,00	200.000	0	63,12%	0%	0	0%	0%
ES05: Cultural and natural heritage/Ministry of Education, Culture and Sports.	0							
ES07:Exchange Scholarship/ Complutense University, Madrid	16.728,00	11.228,00	1.459,95	67,12%	13,00%	1.372,04	0,78%	8,98%
	621.164,01	195.567,55	5.706,80	63,68%	1,44%	-	-	-

Table 5.2 Systemic errors detected delimitated in certificated expenditure audits

Subpoblación	Affected Body	Scope	Short description of systemic errors	Delimitated amount that affects the population	Delimitaded amount of expenditures not included in the population
ES07 : Exchange Scholarships	Complutense University of Madrid	Charge of indirect costs not coherent with the established criteria.	Additional indirect costs declared regarding to the established criteria.	1.372,04	0

Implementation of the EEA Financial Mechanisms 2009-14
Spain –Strategic Report 2014 (Covering 1st January 2014- 31st December 2014)

INTERVENTION OF THE
GENERAL STATE
ADMINISTRATION

NATIONAL AUDIT OFFICE

Annual opinion in accordance with article 4.6 , paragraph (1), point (e), clause (ii), of the Regulation on the implementation of the European Economic Area (EEA) 2009-2014 Financial Mechanism

To the Financial Mechanism Committee

INTRODUCTION

The undersigned, Jesus Fernández-Molina del Barco, representative of the Audit Authority has examined the operation of the management and control systems established for the programmes financed by the 2009-2014 Financial Mechanism of the European Economic Area (EEA) and for the National Coordinator (National Focal Point), 2013 period, to give an opinion on the efficiency of the operation of these systems to provide reasonable guarantees on the correctness of the statements of expenditure presented to the Financial Mechanism Committee and, consequently, reasonable guarantees of legality and regularity of the connected transactions.

SCOPE OF THE OPINION

The examination was conducted according to the audit strategy of the 2009-2014 Financial Mechanism of the European Economic Area, on the declared expense in 2013 and is included in the enclosed annual audit report in accordance with Article 4.6, paragraph 1, letter e), clause i) of the Regulation on the implementation of the European Economic Area (EEA) 2009-2014 Financial Mechanism.

The approved audit strategy does not cover the ES06-Cultural Exchange programme whose operator is the Embassy of Norway in Spain.

For the ES05 Programme-Revitalisation of Cultural and Natural Heritage, audits have not been carried out in the previously indicated period, there being no expenditure declared in 2013.

OPINION

FAVOURABLE OPINION

With regard to the aforementioned examination and the period in question, it is considered that the management and control system established for the Programmes complies with the requirements laid down in article 4.1 of the Regulation on the 2009-2014 Financial Mechanism of the European Economic Area (EEA) and it worked efficiently enough to offer reasonable guarantees concerning the correction of the declared expenditure presented to the Financial Mechanism Committee and, consequently, reasonable guarantees concerning the legality and regularity of the transactions involved in the following subprojects:

Implementation of the EEA Financial Mechanisms 2009-14
Spain –Strategic Report 2014 (Covering 1st January 2014- 31st December 2014)

INTERVENTION OF THE
GENERAL STATE
ADMINISTRATION
NATIONAL AUDIT OFFICE

- Technical Assistance and Bilateral Relations / National Focal Point

-ES02: Climate Change/CDTI

-ES03: NGO Fund/NGOs Social Platform

-ES04: Gender Equality / Ministry of Equality, Women's Institute

OPINION WITH RESERVATIONS

With regard to the aforementioned examination and the period in question, it is considered that the management and control system established for the Programmes complies with the requirements laid down in article 4.1 of the Regulation on the 2009-2014 Financial Mechanism of the European Economic Area (EEA) and it worked efficiently enough to offer reasonable guarantees concerning the correction of the declared expenditure presented to the Financial Mechanism Committee and, consequently, reasonable guarantees concerning the legality and regularity of the transactions involved, with the exception of the aspects detailed below for each case and the following subprojects:

-ES07: Scholarships/University Complutense of Madrid, relating to the expenses declared as indirect costs.

Madrid, December 29, 2014

THE DIRECTOR OF THE ONA

Signed: Jesús del Barco Fernández-Melina

Annex 4- Strategic Report 2014

Programmes Evaluation Report covering 2013 by NFP. Outsourced 2014.

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Quality assessment of the systems and procedures carried out by the Centro para el Desarrollo Tecnológico Industrial in its capacity as the Operator of the "Ciencia y Tecnología en Medio Ambiente y Cambio Climático" Programme, presented by the Mecanismo Financiero EEA-GRANTS 2009-2014.

Year: 2013

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I. INTRODUCTION

The Memorandum of Understanding signed by Spain with the Donor States on 15 November 2011 establishes that in Spain the Subdirección General del Fondo de Cohesión y Cooperación Territorial Europea, known today as the Subdirección General de Cooperación Territorial Europea y Desarrollo Urbano, belonging to the Dirección General de Fondos Comunitarios del Ministerio de Hacienda y Administraciones Públicas, shall act as the National Focal Point (hereinafter, NFP) for the programmes co-funded by the EEA (European Economic Area) Financial Mechanism 2009-2014 (EEA Grants). Its responsibilities include ensuring the previously named programmes are controlled properly. It was with this objective that an external Monitoring Agent was hired.

The NFP has hired Grant Thornton, S.L.P. as an External Monitoring Agent to verify the quality of the operations and procedures in view of the objectives set by the EEA Grants in relation to the "Ciencia y Tecnología en Medio Ambiente y Cambio Climático" Programme and the applicable standards.

The quality verification was performed on those projects and activities whose operations are contained in the Interim Financial Reports (hereinafter, IFR) for 2013, presented by the Centro para el Desarrollo Tecnológico Industrial (hereinafter, CDTI), as the Programme Operator (hereinafter, PO), as well as verifying the systems to prepare the estimate of expenditure and calculate the advance payments. Accordingly, the assessed management corresponds to the 2013 period.

On 31 December 2013, the Programme Operator's Management and Control Systems Document was not at a definitive stage, since it was pending assessment and approval of the Intervención General de la Administración del Estado (hereinafter, IGAE), as Audit Authority (AA), belonging to the Ministerio de Hacienda y Administraciones Públicas, as well as its subsequent assessment by the Financial Mechanism Office (hereinafter, FMO).

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II. GENERAL CONSIDERATIONS

II.1 Control identification

Form of Intervention	European Economic Area Financial Mechanism 2009-2014
Programme Operator	Centro para el Desarrollo Tecnológico Industrial (CDTI)
Programme	Ciencia y Tecnología en Medio Ambiente y Cambio Climático
Programme Number	ES02
Donor Programme Partners	Innovation Norway
Estimated Total Cost of the Programme	€18,472,132.00
Total eligible costs of the Programme	€18,472,132.00
Co-financing (funding sources and percentages)	Mecanismo financiero del EEA Grants: 98.6080%
Year analysed	2013
National Focal Point	Subdirección General de Fondos de Cohesión y Cooperación Territorial- MINHAP
Certifying Authority	Subdirección General de Certificación y Pagos – MINHAP
Audit Authority	Intervención General de la Administración del Estado (IGAE) – MINHAP
Irregularities Report Authority (AII)	Subdirección General de Fondos de Cohesión y Cooperación Territorial- MINHAP
Programme Operator Data	Centro para el Desarrollo Tecnológico Industrial (CDTI) c/Cid nº4 – 28001 Madrid www.cdti.es

II.2. Grant regulation

- Memorandum of Understanding (MoU), signed in Madrid by Spain and Norway on 15 November and in Brussels by Iceland and Liechtenstein on 18 November, entering into effect on 19 November 2011.

- Protocol 38b to the European Economic Area Agreement.

- Regulation on the implementation of the Financial Mechanism 2009-2014, adopted on 13 January 2011 and confirmed on 18 January, modified on 4 January 2012, 14 March 2013 and 1 July 2014.

- Agreement to Implement the "Ciencia y Tecnología en Medio Ambiente y Cambio Climático" Programme, within the framework of the EEA Grants 2009-2014.

- Guidelines and manuals adopted by the Financial Mechanism Committee.

- General Subsidies Law 38/2003, of 17 November. Applying entities shall be required to respect part of the provisions contained in the Law.

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III.   OBJECTIVE AND SCOPE OF THE WORK

III.1.- Objective

The general objective of the control work is to verify the reasonability, appropriateness and adequacy of the management and control processes applied by the Operator to develop the Programme.

Generally speaking, said purpose is broken down into the verification of the following aspects:

- Functional independence among the grant/project managers and the expenditure verifiers
- The projects/activities are those selected for the Programme
- The verification procedures used by the Programme Operator are appropriate
- The audit trail is appropriate and sufficient
- An appropriate IT tool is used
- Horizontal and cross-sectional risks and issues
- The procedures used to prepare the IFR are appropriate.

The report herein states the results of a quality assessment of the management and control processes the Operator applied to develop the Programme. Due to its nature, the work does not have the character of an Accounts Audit and neither is it subject to Law 12/2010, on Accounts Audits, we do not issue an auditing opinion under the terms set forth in the previously mentioned regulation.

III.2.- Scope

The work consists in assessing the quality of the implementation of the Programme as regards the objectives contained in the regulation of the EEA Grants. For this purpose, the verification has been carried out on the processes and activities that are the source of the expenditure corresponding to the period from the beginning of the programme until 31 December 2013 (IFR No.1 and IFR No. 2).

Specifically, the expenditure contained in the IFR on which our control actions were based was the following:

IFR	Amount	Expense concept
1st	€37,502.00	Programme Management Bilateral Relations
2nd	€414,963.00	Programme Management Bilateral Relations

In addition, an analysis was made of the advance payments and the methodology used to estimate the expenditure for each IFR.

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III.3.- Limitations

During the control actions, there were no evident limitations in the scope of the work that prevented us from performing our assessment of the systems fairly.

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IV.   RESULTS OF THE STUDY

We verified the quality of the systems and procedures implemented by the CDTI, in its capacity as the Programme Operator, basing our assessment on personal interviews with the people responsible for the Programme in the headquarters of the Entity, as well as studying the provided documentation, which is summarised as an Annex to the report herein.

The assessment was structured in seven assessment components, as shown previously in Section III.1 of this Report. The scope given to each assessment component, as well as our assessment of the fairness of the systems and procedures existing in 2013 are developed throughout this section of the Report. It must be taken into account that our evaluation was obtained after taking into account that the assessment period is in its initial stage, when the Programme was launched and, therefore, the procedures were being planned and developed and were generally still being consolidated.

The evaluation of each one of the assessment components was performed in line with the following concepts and scale:

Legend	Description
✗	Insufficient compliance or significant deficiencies in the stipulated aspects of the management during the indicated period. The Programme Operator finds it difficult to offer sufficient guarantees it will be able to perform these aspects of their tasks in the analysed period. It is recommended new procedures or fundamental improvements are implemented in those that already exist in relation to the considered aspects.
✔	Sufficient compliance in the considered period. However, these proposed aspects need to be monitored by the Programme Operator because they could lead to insufficiencies in the future.
✔	Appropriate compliance (although some aspects of minor importance stand out, which could be susceptible to improvement to some degree, but improvements could be introduced).
✔ ✔	Good compliance
✔ ✔ ✔	Compliance according to the best practices
N/A	Procedure or component that is not subject to validation; that is, it is not applicable
(..)	In some aspects the programme's degree of maturity and development does not allow to make an assessment of the procedures, processes and actions carried out, meaning that on the date of the study, it is not possible to reach a conclusion as regards whether or not the assessed aspect adapts to the applicable regulation.

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Assessment component 1: Functional independence between the grant/project managers and the expenditure verifiers

The individual aspects upon which this component has been controlled affect the elements that figure below. We have indicated evaluations for the different items which make up the component. In addition, in the event the result of the assessment is different, then the corresponding comment is given.

Assessed Aspect	Evaluation	Comment
Definition of the structure	✔	
• Definition of the organisational chart of the units of the Programme Operator that are involved in the management and control of the EEA GRANTS Mechanism. • Definition of a work flowchart of the units of the Programme Operator that are involved in the management and control of the EEA GRANTS Mechanism.		Fair definition in accordance with the level of development and maturity of the Programme in 2013
Definition of functions	✔	
• Assignment of functions at a divisional level and, if applicable, at a work post level, defined in writing. Publication and distribution among employees. • Establishment of appropriate policies and procedures for authorising and approving operations at an appropriate level.		Fair definition in accordance with the level of development and maturity of the Programme in 2013.
Adequacy of human resources	✔	
• Identification of the staff in charge of managing the programme. (Distinguishing between own staff and external staff). • Existence of a study that assesses the adequacy of the assigned measures or, if applicable, the assessment of the adequacy of measures. • Established policies for managing and assuming the tasks in question are low.		The incorporation of the human resources that make up the team expected to execute the management and control tasks of the EEA Mechanism Funds had not been completed in 2013, although the team was completed during the first quarter of 2014.
Classification of Human Resources:	✔	

• Evaluation of the human resources classification:
   ○ Level of training
   ○ Hierarchical and decision level within the organisation
   ○ Experience in fund management
   ○ Level and capacity in language-related matters.
		Levels of academic aptitude and appropriate experience for managing the funds

Separation of functions (Good Governance)	✔	
• Existence of a separation between the people or units in charge of the following functions:		Definition and application of policies aimed at reasonably ensuring the functions are separated in the

Assessed Aspect	Evaluation	Comment
o Project management o Expenditure verification o Payment procedures o Accounting. • Support and documentation of the policy established for matters related to separating functions. • The staff involved in the Mechanism management must be aware of these policies.		Fund management and control.
Conflict of Interests (Good Governance)	✔	
• Policies directed towards mitigating the risks of conflicts of interests. • Publication of these policies at an organisational level. • The staff involved in the Mechanism management must be aware these policies exist, as well as the protocols for ensuring they are complied with.		Definition and application of policies aimed at mitigating the risk of conflict of interests in the Fund management and control.
Decentralization/delegation of functions	✔	
• Compliance of the applicable regulation in the selection processes and hiring of the decentralised or delegated service/task providers. • Existence of decentralised task supervision and monitoring procedures. Level of establishment and its compliance.		The processes for decentralising/delegating functions have been carried out and are properly supervised and controlled.
Hiring and selection of Human Resources	✔	
• Existence of regulations and procedures for hiring, training, motivation, assessment and remuneration. • Adaptation of the procedures for employee recruitment, valuing the candidate's adaptation to the requirements of the post. • Policies established as regards motivation, complaints/suggestions and improvements in the method of work. • Analysis of measures directed towards work-life balance.		The entity has not established policies regarding motivation, complaints/suggestions and improvements in the work method. It has been ascertained that the Intranet offers a system for processing them and meetings are held periodically with the programme managers. As regards work-life balance policies, they have been established in the analysed Entity.
Human Resources Training	✔	
• Existence and development of training plans, which include specific training actions that provide added value to the programme management. • Processes to assess how the training levels adapt to the tasks to be developed.		The training policies carried out are considered appropriate; guaranteeing the knowledge of Fund management is constantly updated.
Provision of Technical Means	✔	

Assessed Aspect	Evaluation	Comment
• Existence of a work conditions study. • Assessment of the physical and IT equipment the Programme Operator has at its disposal for executing its tasks. • Deficiency detection systems. • Analysis of the opinion given by the staff in charge of the Programme in respect to whether the provision of technical means adapts to the tasks to be carried out.		The provision of technical means and the early detection of insufficiencies are considered appropriate due to the temporary features of the Fund management and control.

In view of the foregoing, the quantitative evaluation of the Assessment Component 1 is displayed below in an analysis that is compared with the rest of Programme Operators:

Assessment Component 1

The documentation used as a basis for the assessment mentioned above is detailed in Annex I of the Report herein.

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Continuing with the previously described method, the assessment of this component is presented below.

Assessed Aspect	Evaluation	Comment
Predefined Projects	N/A	
• Definition of controls aimed at verifying that the expenditure declared for predefined Projects comply with the criteria approved by the Programme Agreement, or by the document of approval.		The Programme has not established any Predefined Projects.
Bilateral Activities	✔	
• Definition of controls aimed at verifying that the expenditure declared for Bilateral Activities comply with the criteria approved by the Mechanism for such actions.		Control systems that guarantee expenditure is linked to the execution of bilateral activities.
Legality of Processes for Project Announcements	✔	

• The project announcement procedures are in accordance with the legislation on subventions.
• The grant announcements specify
  ○ The conditions that have to be met in order to be eligible to receive funding
  ○ The project selection criteria that are going to be weighted
  ○ The procedures and terms for evaluating the projects
  ○ Beneficiaries' obligations and rights
  ○ Description of the organs and commissions in charge of selecting the projects
  ○ The objective and possibilities for creating networks with entities of the donor countries
  ○ That the acceptance of funds implies accepting to disseminate a summary of the project and the main contact details.
		Appropriate compliance with the regulations on grant-related matters during the stages of the project announcement procedures developed in 2013.

Compliance with the Programme objectives by way of the selection of projects	✔	
• Implementation of systems that guarantee the projects adapt to the general and particular objectives assigned in the programme.		Control systems that ensure the projects adapt to the programme's objectives.
Appropriate procedures for evaluating projects.	✔	

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Assessed Aspect	Evaluation	Comment
• There are verification procedures and jobs that ensure the selected projects company with the Announcement and Resolution for granting the aid.		The established assessment procedures and processes are considered appropriate for their purpose.
Programme Management – Controlling the linkage between expenditure and the project	✔ ✔	
• Existence of procedures that guarantee the declared expenditure really corresponds to the project.		The operator's experience in managing R&D projects results in the implementation of highly successful management procedures. The IT management and control application for the EEA Mechanism Funds has been highly developed. The application established two control filter levels that offer a high level of security and guarantee the expenditure authorisation procedures. It offers a direct link between expenditure and the projects. All this implies levels of transparency in the management of the EEA Mechanism Funds.
Programme Management – Profitability factor	✔ ✔	
• Implementation of policies that are directed towards handling expenditure under the profitability factor, thus ensuring efficiency.		Financial limits have been established in accordance with the kind of expenditure incurred (trips, allowances...), which ensure the tasks are carried out under the profitability factor. This aspect stands out because the Entity is not legally required to carry out the procedure.

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In view of the foregoing, the quantitative evaluation of the Assessment Component 2 is displayed below in an analysis that is compared with the rest of Programme Operators:

Assessment Component 2

The documentation used as a basis for the assessment mentioned above is detailed in Annex I of the Report herein.

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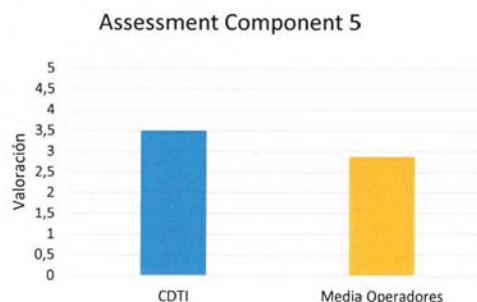**Assessment component 3: The verification procedures used by the Programme Operator are appropriate**

Continuing with the previously described method, the assessment of this component is presented below.

Assessed Aspect	Evaluation	Comment
Existence of a procedure for controlling expenditure	✔	
• Establishment of administrative verification procedures for 100% of the expenditure declared in the IFR (the check-lists can be manual or computerised or any other system can be used). If that is not the case, there is a review procedure that includes a report model, sampling systems which guarantee that a risk analysis forms the basis for selecting the expenditure. Evidence of the applied sampling system and the selected expenditure has been preserved.		The control systems and procedures carried out on the IFRs corresponding to expenditure handled in 2013 are considered to be susceptible to improvement. Taking into account that the expenses correspond to the programme management, the amount is not high and the Programme is at its initial stage, the fact the control is not perfect does not imply a high risk. The IGAE, acting as the Audit Authority, reviewed and authorised the control lists in 2014.
Existence of appropriate control lists for verifying expenditure	✔	
• Existence of control documents/reports which contain the scope and results of the verifications carried out. • The established control systems ensure the verification of the following aspects: o The expense has neither been paid nor justified previously or in other projects or against other funds. o The expense is real and has been made o Reconciliations are made between the supporting documentation and the expense statements. o Conceptual eligibility of the expenditure.		Although in 2014 this aspect has been rectified because the management and control systems were approved by the IGAE in 2013, which is the analysed period, this aspect could have been improved.
Existence of a control procedure prior to the expense statement	✔	
• Existence of control systems that prevent continuing with the justification and statement of expenses if the control lists have not been completed or the pending issues have been resolved.		This aspect is affected by what was mentioned in the previous aspect being assessed.
Identification of the responsibility and periodicity of the controls	✔	

Assessed Aspect	Evaluation	Comment
• The established control documents/reports specify the person who is responsible for carrying out and supervising the controls, the manifested observations, as well as the date on which the controls were performed.		The procedures for identifying the responsibility and periodicity of the controls implemented as from IFR2 are considered appropriate.
Existence of an in-field control plan	(..)	
• Establishment of a programme/plan for verifying projects/activities *in situ*.		At the time this control was performed, the programme had not reached a level of development and execution that allowed verifications to be carried out in situ; consequently, at the moment, this aspect is not susceptible to assessment.
Appropriate coverage of the in-field controls	(..)	

• Definition of the sampling system to be developed for selecting the projects/activities upon which the verifications will be made.
 • The sampling system is representative, ensuring the selection is made by means of applying risk criteria, as well as a random system.
 • The applied sampling system is the one that was previously defined.
 • File and safeguard the applied sampling system and the selection.
 • The coverage of the verifications *in situ* ensures that the control levels have reached the following targets:
    ○ Verification of 5% of the amount declared in the IFR for projects (defined by announcement or predefined)
    ○ Verification of 25% of the amount declared in the IFR for concepts other than projects that have been verified in the field.
 • The degree of coverage of the initially planned visits has really been reached.
		The same as the previous comment.

In-field control certificates: the existence of a model, completeness and appropriateness	(..)	
• Establishment of a visit/work programme certificate model that contains the scope and procedures of the verifications to be carried out. • The scope of the certificate covers verifications that have been performed physically or financially. • The verification of projects/activities does not only cover the expenditure to be declared but also the expenditure declared in previous certificates.		The same as the two previous comments.

In view of the foregoing, the quantitative evaluation of the Assessment Component 3 is displayed below in an analysis that is compared with the rest of Programme Operators:

Assessment Component 3

The documentation used as a basis for the assessment mentioned above is detailed in Annex I of the Report herein.

Assessment component 4: The audit trail is appropriate and sufficient.

Continuing with the previously described method, the assessment of this component is presented below.

Assessed Aspect	Evaluation	Comment
Procedures that guarantee separate accounting	✔ ✔	
• The accounting system makes it possible to identify each transaction related to the projects/actions and identify the certified amounts and payment of the public contribution to the promoter or the beneficiary. • Se conservan registros contables detallados que permiten comprobar los gastos realizados en sus distintas fases y los agentes que los han realizado.		The IT application for managing and controlling the Funds ensures the expenditure will be properly managed and accounted for separately.
Traceability of controlled expenditure	✔ ✔	
• Flowchart which gives details of the process and verification of the documents. (Staff knows about this flowchart, which is updated as appropriate). • Definition of an appropriate filing system of the documentation that justifies the entire management process. • Express instructions exist for the project promoters and beneficiaries for preserving the administrative documentation of the records.		
Audit trail between expenditure and controls made	✔	
• The control systems make it possible to identify the controlled amount and the result of the verification for statement purposes.		The tools implemented for controlling expenditure offer the possibility to appropriately trace the controlled and validated amounts.
Documentation filing system	✔	
• Definition and establishment of procedures used for filing and safeguarding original supporting documentation.		The systems and procedures established for the filing of documentation guarantees their existence and safeguards the supporting documentation.
Identification and classification of irregular expenditure	✔	
• The implemented procedures make it possible to obtain evidence of the expenditure that is rejected and considered irregular.		The Programme Operator has performed retrospective controls of the expenditure declared in 2013 and has

Assessed Aspect	Evaluation	Comment
• A procedure (random or systematic) has been established that identifies the nature of each error that appears. • The work systems give evidence of the origin and cause of the errors that appear.		adjusted a declared amount in the IFR1 and IFR2 that had been wrongly calculated (staff expenditure). However, the origin of the error is not clearly documented. This makes it possible to establish its nature, isolate it and prevent possible future errors. The documentation of the calculation process shows certain deficiencies in the verified error. An improvement is recommended in future financial periods. The time-card system is currently undergoing modification which, according to the Programme Operator, will reduce the risk of error in future statements.
Monitoring of incidents and irregularities	✔	
• There are work procedures for performing tasks addressed towards investigating and quantifying the errors considered to be systematic. • The implemented work procedure for analysing errors does not only investigate and quantify the verified error, but also others of a similar nature that could have been made (for example, the quantification of systematic errors).		The deficiencies mentioned in the previous aspect do not guarantee the effectiveness of the systems for monitoring errors and preventing future weaknesses. According to the programme operator, the improvements to the IT application implemented in 2014 will represent a sufficient prevention system.
Error analysis and management.	✔ ✔	
• The procedures ensure the different stakeholders are informed of the errors, not only by way of the corresponding IFRs, but also by notifications made prior to when the errors are declared.		The detected financial error was corrected in the first IFR that was submitted after the date the error was discovered.

In view of the foregoing, the quantitative evaluation of the Assessment Component 4 is displayed below in an analysis that is compared with the rest of Programme Operators:

Assessment Component 4

The documentation used as a basis for the assessment mentioned above is detailed in Annex I of the Report herein.

Assessment component 5: An appropriate IT tool is used.

Continuing with the previously described method, the assessment of this component is presented below.

Assessed Aspect	Evaluation	Comment
Adaptation of the management and control IT application	✔ ✔	
• A management tool has been defined for the programme, which is either integrated in the Entity's general systems or a system has been created *ad hoc* for the programme management. • The implemented systems ensure the Fund management will be appropriately developed. • The people responsible for developing the management tools have been identified. • The implemented tools have a role and permission policy.		The IT application implemented for managing and controlling the Funds ensures appropriate levels of security as regards the traceability of the information and documentation support.
The control systems guarantee the completeness of the information	✔ ✔	
• The implemented tools record the level of progress of the jobs, the information they contain, the documentation pending inclusion and the documentation that cannot be incorporated and which is preserved in a physical format.		
Information transmission between the application and the general systems	✔ ✔	
• The management tools make it possible to load and extract information for analysing and drawing up reports.		The IT system is used for loading and extracting information for analysing and preparing reports.
Application supervision given by IT professionals	✔ ✔	
• The tools implemented by the Programme Operator are supervised by IT experts, who either work for the organisation or are external.		INDRA offers CDTI professional services at an organisational level for developing and improving its IT applications.
Back-up protocols for the particular application	✔	
• A protocol for generating back-up copies has been established, which makes it possible to recover the information in the event of disaster or loss. • The tools give evidence of the interventions performed on them, giving evidence of versions and the liability of the actions.		Because the particular application is a module of the Programme Operator's general application, which has already been positively assessed in previous points, it also benefits from the protocols and security and recoverability possessed by the Entity's general

Assessed Aspect	Evaluation	Comment
		application.
External accreditation certificate of the Entity's general systems	✔	
• The Entity's general systems possess some type of external accreditation (ISO, AENOR, etc.).		The information security systems have not been accredited by any of the existing external accreditation standards (ISO, AENOR, etc.). We stress that this condition would be desirable but not obligatory.

In view of the foregoing, the quantitative evaluation of the Assessment Component 5 is displayed below in an analysis that is compared with the rest of Programme Operators:

Assessment Component 5

The documentation used as a basis for the assessment mentioned above is detailed in Annex I of the Report herein.

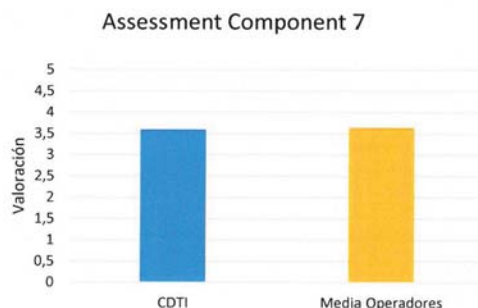**Assessment component 6: Horizontal and cross-sectional risks and issues.**

Continuing with the previously described method, the assessment of this component is presented below.

Assessed Aspect	Evaluation	Comment
Programme risk analysis	✔	
• A management and risk analysis system has been established for the functions performed. • The organisation has implemented a risk management policy, which may be either proactive or reactive.		The Programme Operator appropriately identifies its risks via its programme proposal. Subsequently, by way of the Annual Report, it identifies the current situation of said risks and the planned actions for mitigating them.
Work plan to mitigate risks	✔	The risks have been quantified in those cases when, due to their nature, the possibility exists. The annual report monitors these risks, setting forth the current situation in respect to the initial situation.
• There is a work protocol that assesses the detected risks and depending on their level it contemplates the implementation of a work plan designed to overcome said risks.		
Identification of risks in the Annual Report	✔	
• The Annual Report expresses the Programme Operator's main risks.		
Identification of risk measurement indicators	✔	
• The indicators used for detecting risks are appropriately supported and offer guarantees that no significant risk for the programme will be omitted.		
Advertising the funds of the EEA Mechanism in the management.	✔	
• The grant announcements indicate the participation in the Mechanism. • A website that is independent from the Programme Operator's website has been created for the Mechanism. • The website refers to the participation in the Mechanism. • The Programme Operator's public actions refer to the participation in the Mechanism funds. • The Project Calls (announcement, selection and resolution processes) as well as the other project selection processes are published on the Programme Operator's website and/or other official media (Transparency). • The tender procedures (call and selection and resolution processes) carried out by the Programme Operator are published on the Programme Operator's website and other official means (Transparency). • During the Programme Operator's activity the website is mentioned with the		In the activities developed by the Programme Operator, it is considered that appropriate actions have been performed for making the Funds of the EEA Financial Mechanism visible. The Programme Operator has carried out its tender and announcement procedures in such a way appropriate compliance with the principle of transparency is assured.

Assessed Aspect	Evaluation	Comment
aim of increasing its representativeness. • The website acts as a platform for guaranteeing transparency in the management of the Mechanism funds.		
Advertising and Communication Plan.	✔	
• An Advertising and Communication Plan has been established and approved. • The Advertising and Communication Plan has been appropriately approved, as regards manner and time. • The content of the Advertising and Communication Plan has sufficient scope to satisfy the requirements set forth in the applicable regulations.		The Programme Operator has drawn up an Advertising and Communication Plan, in accordance with the content set forth in Annex IV of the Mechanism Regulations.
Assessment of gender equity in the Programme	✔ ✔	
• The Programme Operator has been subjected to a process analysis as regards its recruitment policy from a gender perspective in its work as Programme Operator. • The analysis performed has not shown significant findings. • As a consequence of the comments made about certain aspects, the Programme Operator has established an action plan aimed at improving them.		The CDTI, like the rest of Programme Operators, has been object of an analysis for incorporating gender mainstreaming in the programme. This analysis has led to a series of recommendations for the Programme Operator. The Programme Operator has conducted an analysis, response and action plan in respect to the recommendations established in the analysis on the incorporation of gender mainstreaming into the Programme.
Implementation and execution of policies related to good governance.	✔	
• The Operator complies with the general principles for granting the permission to attend (participation and inclusion in the Programme), Rendering of Accounts, transparency in its acts and purposes, efficiency and effectiveness, Rule of Law and absence of corruption. • The Programme Operator has to establish and maintain procedures for preventing, identifying and managing corruption cases and bad management. Said procedures must respond in a quick and professional manner to the irregularity indicators, bad management and corruption (Point 2.7.1 of the Programme Operator's Manual). • The Programme Operator has established procedures for complying with the regulations on matters related to public procurement.		Implementation of a code of ethics and conduct at all levels, which sets the principles of action aimed at good governance and appropriate and transparent management.

Assessed Aspect	Evaluation	Comment
Implementation of a policy for environmental sustainability in the Programme Operator and Programme Management.	✔	
• The Programme Operator possesses some external accreditation (ISO, AENOR, etc...) with regard to its environmental policies. • Manuals have been implemented in the entity, which describe the policy to be followed as regards Environmental Sustainability. • If the Entity has implemented its own environmental policies, the people involved in carrying out the tasks of the Programme Operator are aware of them and apply them. • The Programme Operator's management entails performing actions directed towards environmental sustainability; for example, preference is given in the announcements of projects that specialise in this area/subject, work management and policies that are sensitive to the environment (document printing policies, recycling, paperless policies, etc.)		Environmental sustainability is an intrinsic part of the definition itself of the Programme. In this way, in the announcement published in 2013, the Selection Committee chose over 30 projects related to the environment. The Entity has no intrinsic accreditation systems for environmental regulations, although we have been given information about the different measures for dealing with environmental sustainability at the Entity's level.
Assessment of the social sustainability of the Programme	(..)	
• In this regard, by means of the programme indicators the Programme Operator has established measurement systems. • There is evidence that the development of the Programme properly complies with the social sustainability that was anticipated when the Programme was approved. • The programme has been designed so the results affect a sufficient number of people (because the groups are large or because they are significant in themselves) in relation to the resources employed. • The social consequences of this programme have been designed to last a long time or even make their results have a multiplying effect. • The Programme Operator itself promotes the "lessons learnt" effect for other programmes and activities (meetings, memorandums, feed-back).		When the control herein was conducted, the programme had not reached the necessary level of development and execution for making verifications as regards the Programme's social and economic sustainability.
Assessment of the economic sustainability of the Programme	(..)	
• In this regard, by means of the programme indicators the Programme Operator has established measurement systems. • There is evidence that the development of the Programme properly complies with the social sustainability that was anticipated when the Programme was approved.		We reiterate the comment made in the previous aspect.

Assessed Aspect	Evaluation	Comment
• The programme has had positive effects as regards the creation of jobs. • The programme has created an environment that favours development and the offering of essential services. • A cost-benefit analysis of the programme has been carried out. • The Programme Operator analyses the results obtained in respect to the expenditure, considering alternative solutions. • Once the support of the Mechanism has finalised, other supports from other entities (public or private) have been managed.		

In view of the foregoing, the quantitative evaluation of the Assessment Component 6 is displayed below in an analysis that is compared with the rest of Programme Operators:

Assessment Component 6

The documentation used as a basis for the assessment mentioned above is detailed in Annex I of the Report herein.

Assessment component 7: Appropriate procedures for drawing up an IFR.

Continuing with the previously described method, the assessment of this component is presented below.

Assessed Aspect	Evaluation	Comment
Existence and compliance of a procedure for issuing an IFR	✔	
• The Programme Operator receives the verifications, reports and audits of its management of the expenditure to be certified in the IFR. • The Programme Operator has reviewed all the verifications, reports and audits received.		As mentioned in the assessment component number 3, there were certain control deficiencies in the first IFRs, however, retrospective controls have subsequently been carried out, which have adjusted the errors that could have initially been made.
Feedback between the Entity and other participants	✔	
• The Programme Operator has agreed to carry out procedures for issuing the necessary information about the verifications made by the entities that participate in the execution of co-financed actions.		There is appropriate communication as regards channels and terms between the Programme Operator and the other entities that participate in some way in the Mechanism.
Established actions for calculating the estimated expenditure	✔	
• There are procedures for calculating the estimated expenditure which ensure that the calculations have not been made randomly.		The Programme Operator has established suitable calculation systems, in order to be able to make fair estimates of the amounts to be requested.
Procedures for communicating and coordinating with the NFP	✔	
• The Programme Operator holds periodical meetings with the NFP or other Programme Operators to receive instructions (in the case of the NFP) and make comments about management aimed at the appropriate rendering of the IFRs.		In the same way as the rest of the participating Entities, there is appropriate communication between the Operator and the NFP, as regards channels and terms with the other entities that participate in some way in the Mechanism.
Appropriate control of the advance payments	✔	
• The Programme Operator has established a control procedure of the advance payments received and the comparison with the executed expenditure.		The control procedures established for the advance payments are appropriate as regards the calculation of the generated interest and the control of the sum of these advance payments and the Programme's level of execution.
Existence of a sole account for controlling funds and the interest	✔	

Assessed Aspect	Evaluation	Comment
• The Programme Operator has established a sole bank account for managing the Funds and the interest generated by the remaining balance of advance payments.		Establishment of a sole bank account for managing the Funds and the interest generated by the remaining balance of the financial advances.

In view of the foregoing, the quantitative evaluation of the Assessment Component 7 is displayed below in an analysis that is compared with the rest of Programme Operators:

Assessment Component 7

The documentation used as a basis for the assessment mentioned above is detailed in Annex I of the Report herein.

Madrid, December 9th, 2014

Grant Thornton, S.L.P.

Pablo Merello Lafuente
Socio

ANEX I
TABLE OF CONTENTS SUPPORT DOCUMENTATION DELIVERED BY PROGRAMME OPERATOR

Documento	Componente de evaluación que soporta el documento						
	1	2	3	4	5	6	7
• Manual de Gestión y Control del CDTI – Versión 1 – 28/04/2014	✕	✕	✕	✕	✕	✕	✕
• Propuesta de Programa	✕						
• Acuerdo del Programa	✕						
• Acuerdo de Implementación del Programa	✕						
• Documento "Competencias de las diferentes direcciones del CDTI con la nueva estructura funcional del centro"	✕					✕	
• Listado de Personal propio imputado en los IFR1 e IFR2	✕						
• Ficha de control horario de personal propio	✕	✕					
• Documentación del procedimiento de selección e incorporación del personal encargado de la gestión del programa. 　o Convocatoria del proceso 　o Acta del proceso de selección 　o Acta final del proceso de selección 　o Contrato de la técnico contratada	✕					✕	
• IX Convenio Colectivo del CDTI	✕					✕	
• Código ético y de conducta del CDTI	✕					✕	
• Plan de Formación General de la entidad	✕						
• Plan de Prevención de riesgos laborales del CDTI	✕						
• Evidencias documentales de la presencia en la intranet de manuales y documentos de instrucciones	✕					✕	
• Plan de Relaciones Bilaterales		✕					
• Informe sobre las actuaciones bilaterales en el ámbito del Mecanismo Financiero del Espacio Económico Europeo (EEA-GRANTS)		✕					

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Documento	Componente de evaluación que soporta el documento						
	1	2	3	4	5	6	7
• Análisis sobre la incorporación del mainstreaming de género en el programa	X					X	
• Recomendaciones sobre la incorporación del mainstreaming de género en el programa	X					X	
• Aportaciones del CDTI a las recomendaciones sobre la incorporación del mainstreaming de género en el programa	X					X	
• Procedimiento para la declaración de gastos de viajes y desplazamientos		X	X			X	

• Documentación soporte de uno de los gastos de viaje declarados
  o Justificantes de gasto y pago
  o Evidencias de registro en la aplicación de gestión
  o Evidencias de los procesos de autorización del gasto
		X	X			X	

• Normativa específica de contratación del Centro para el Desarrollo Tecnológico Industrial (CDTI)		X	X			X	

• Documentación soporte de uno de los gastos declarados en concepto de adquisición de bienes con terceros
  o Justificantes de gasto y pago
  o Evidencias de registro en la aplicación de gestión
  o Evidencias de los procesos de autorización del gasto
		X	X			X	

• Primera convocatoria para la presentación de proyectos de I+D cofinanciados por el Mecanismo Financiero del Espacio Económico Europeo (EEA-GRANTS) dentro del programa de ciencia y tecnología en medio ambiente y cambio climático		X					
• Guía para solicitantes de proyectos de I+D cofinanciados por el mecanismo financiero del espacio económico europeo (EEA-GRANTS) dentro del programa de ciencia y tecnología en medio ambiente y cambio climático		X					
• Modelo de ficha de evaluación proyecto / empresa EEA GRANT		X					
• Modelo de contrato a suscribir entre el CDTI y las empresas beneficiarias		X					
• Acta de comité de selección de proyectos correspondiente a la primera convocatoria de proyectos.		X					
• Anexo al acta de comité de selección de proyectos correspondiente a la primera convocatoria de proyectos		X					

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Documento	Componente de evaluación que soporta el documento						
	1	2	3	4	5	6	7
• Convenio específico de colaboración entre el Ministerio de Economía y Competitividad y el Centro para el Desarrollo Tecnológico Industrial (CDTI) para la evaluación científico-técnica a realizar por la Agencia Nacional de Evaluación y Prospectiva de las solicitudes que se presenten a las convocatorias de los programas gestionados por el CDTI		X	X				
• Adenda al convenio específico de colaboración entre el Ministerio de Economía y Competitividad y el Centro para el Desarrollo Tecnológico Industrial (CDTI) para la evaluación científico-técnica a realizar por la Agencia Nacional de Evaluación y Prospectiva de las solicitudes que se presenten a las convocatorias de los programas gestionados por el CDTI		X	X				

• IFR1
  o Documento firmado
  o Check – List del Operador del Programa correspondiente al IFR1
  o Informe de control retrospectivo del IFR1
				X			X

• IFR2
  o Documento firmado
  o Check – List del Operador del Programa correspondiente al IFR2
  o Informe de control retrospectivo del IFR2
				X			X

• Informe anual de ejecución del Programa						X	
• Correos electrónico detallando las medidas medioambientales implantadas por el Operador de Programa						X	
• Plan de Comunicación		X				X	
• Evidencias de las medidas de publicidad y comunicación adoptadas por el Operador de Programa		X				X	
• Documento de comentarios emitidos por el personal de IT del Operador de Programa					X		
• Contrato de apertura de cuenta única para la gestión del Programa							X
• Manual usuario Descripción de Estructura del metadata DWH-GPPCDTI (Manual de usuario de la aplicación)					X		

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Documento	Componente de evaluación que soporta el documento						
	1	2	3	4	5	6	7
• Política de evaluación ex - post de proyectos (incluye cuestionarios, informes de resultados y pantallazos de la herramienta informática)						✕	

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Quality assessment of the systems and procedures carried out by the Plataforma de ONG de Acción Social in its capacity as the Operator of the "Programa de Ciudadanía Activa" Programme, presented by the Mecanismo Financiero EEA-GRANTS 2009-2014.

Year: 2013

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I. INTRODUCTION

The Memorandum of Understanding signed by Spain with the Donor States on 15 November 2011 establishes that in Spain the Subdirección General del Fondo de Cohesión y Cooperación Territorial Europea, known today as the Subdirección General de Cooperación Territorial Europea y Desarrollo Urbano, belonging to the Dirección General de Fondos Comunitarios del Ministerio de Hacienda y Administraciones Públicas, shall act as the National Focal Point (hereinafter, NFP) for the programmes co-funded by the EEA (European Economic Area) Financial Mechanism 2009-2014 (EEA Grants). Its responsibilities include ensuring the previously named programmes are controlled properly. It was with this objective that an external Monitoring Agent was hired.

The NFP has hired Grant Thornton, S.L.P. as an External Monitoring Agent to verify the quality of the operations and procedures in view of the objectives set by the EEA Grants in relation to the "Programa de Ciudadanía Activa" Programme and the applicable standards.

The quality verification was performed on those projects and activities whose operations are contained in the Interim Financial Reports (hereinafter, IFR) for 2013, presented by the Plataforma de ONG de Acción Social (hereinafter, Plataforma ONG), as the Programme Operator (hereinafter, PO), as well as verifying the systems to prepare the estimate of expenditure and calculate the advance payments. Accordingly, the assessed management corresponds to the 2013 period.

On 31 December 2013, the Programme Operator's Management and Control Systems Document was not at a definitive stage, since it was pending assessment and approval of the Intervención General de la Administración del Estado (hereinafter, IGAE), as Audit Authority (AA), belonging to the Ministerio de Hacienda y Administraciones Públicas, as well as its subsequent assessment by the Financial Mechanism Office (hereinafter, FMO).

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II. GENERAL CONSIDERATIONS

II.1 Control identification

Form of Intervention	European Economic Area Financial Mechanism 2009-2014
Programme Operator	Plataforma de ONG de Acción Social
Programme	Programa de Ciudadanía Activa
Programme Number	ES03
Estimated Total Cost of the Programme	€4,666,322.00
Total eligible costs of the Programme	€4,666,322.00
Co-financing (funding sources and percentages)	Mecanismo financiero del EEA Grants: 98.25% Plataforma de ONG de Acción Social: 1.75%
Year analysed	2013
National Focal Point	Subdirección General de Fondos de Cohesión y Cooperación Territorial- MINHAP
Certifying Authority	Subdirección General de Certificación y Pagos – MINHAP
Audit Authority	Intervención General de la Administración del Estado (IGAE) – MINHAP
Irregularities Report Authority (AII)	Subdirección General de Fondos de Cohesión y Cooperación Territorial- MINHAP
Programme Operator Data	Plataforma de ONG de Acción Social c/ Tribulete, 18 (local) 28012 - Madrid

II.2. Grant regulation

- Memorandum of Understanding (MoU), signed in Madrid by Spain and Norway on 15 November and in Brussels by Iceland and Liechtenstein on 18 November, entering into effect on 19 November 2011.

- Protocol 38b to the European Economic Area Agreement.

- Regulation on the implementation of the Financial Mechanism 2009-2014, adopted on 13 January 2011 and confirmed on 18 January, modified on 4 January 2012, 14 March 2013 and 1 July 2014.

- Programme Agreement "Fondo ONG" betwen donor states –Iceland, Liechtenstein y Norway- and beneficiary state –Spain Kingdom- within the framework of the EEA Grants 2009-2014.

- Agreement to Implement the "Programa de Ciudadanía Activa" Programme, within the framework of the EEA Grants 2009-2014.

- Guidelines and manuals adopted by the Financial Mechanism Committee.

- General Subsidies Law 38/2003, of 17 November. Applying entities shall be required to respect part of the provisions contained in the Law.

III. OBJECTIVE AND SCOPE OF THE WORK

III.1.- Objective

The general objective of the control work is to verify the reasonability, appropriateness and adequacy of the management and control processes applied by the Operator to develop the Programme.

Generally speaking, said purpose is broken down into the verification of the following aspects:

- Functional independence among the grant/project managers and the expenditure verifiers
- The projects/activities are those selected for the Programme
- The verification procedures used by the Programme Operator are appropriate
- The audit trail is appropriate and sufficient
- An appropriate IT tool is used
- Horizontal and cross-sectional risks and issues
- The procedures used to prepare the IFR are appropriate.

The report herein states the results of a quality assessment of the management and control processes the Operator applied to develop the Programme. Due to its nature, the work does not have the character of an Accounts Audit and neither is it subject to Law 12/2010, on Accounts Audits, we do not issue an auditing opinion under the terms set forth in the previously mentioned regulation.

III.2.- Scope

The work consists in assessing the quality of the implementation of the Programme as regards the objectives contained in the regulation of the EEA Grants. For this purpose, the verification has been carried out on the processes and activities that are the source of the expenditure corresponding to the period from the beginning of the programme until 31 December 2013 (IFR#1 and IFR#2).

Specifically, the expenditure contained in the IFR on which our control actions were based was the following:

IFR	Amount	Expense concept
1st	€80,288.00	Programme Management Complementary Action Preparation of programme proposal
2nd	€58,905.00	Programme Management Complementary Action Bilateral Relations

In addition, an analysis was made of the advance payments and the methodology used to estimate the expenditure for each IFR.

III.3.- Limitations

During the control actions, there were no evident limitations in the scope of the work that prevented us from performing our assessment of the systems fairly.

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IV.   RESULTS OF THE STUDY

We verified the quality of the systems and procedures implemented by the Plataforma ONG, in its capacity as the Programme Operator, basing our assessment on personal interviews with the people responsible for the Programme in the headquarters of the Entity, as well as studying the provided documentation, which is summarised as an Annex to the report herein.

The assessment was structured in seven assessment components, as shown previously in Section III.1 of this Report. The scope given to each assessment component, as well as our assessment of the fairness of the systems and procedures existing in 2013 are developed throughout this section of the Report. It must be taken into account that our evaluation was obtained after taking into account that the assessment period is in its initial stage, when the Programme was launched and, therefore, the procedures were being planned and developed and were generally still being consolidated.

The evaluation of each one of the assessment components was performed in line with the following concepts and scale:

Legend	Description
✖	Insufficient compliance or significant deficiencies in the stipulated aspects of the management during the indicated period. The Programme Operator finds it difficult to offer sufficient guarantees it will be able to perform these aspects of their tasks in the analysed period. It is recommended new procedures or fundamental improvements are implemented in those that already exist in relation to the considered aspects.
✔	Sufficient compliance in the considered period. However, these proposed aspects need to be monitored by the Programme Operator because they could lead to insufficiencies in the future.
✔	Appropriate compliance (although some aspects of minor importance stand out, which could be susceptible to improvement to some degree, but improvements could be introduced).
✔ ✔	Good compliance
✔ ✔ ✔	Compliance according to the best practices
N/A	Procedure or component that is not subject to validation; that is, it is not applicable
(..)	In some aspects the programme's degree of maturity and development does not allow to make an assessment of the procedures, processes and actions carried out, meaning that on the date of the study, it is not possible to reach a conclusion as regards whether or not the assessed aspect adapts to the applicable regulation.

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Assessment component 1: Functional independence between the grant/project managers and the expenditure verifiers

The individual aspects upon which this component has been controlled affect the elements that figure below. We have indicated evaluations for the different items which make up the component. In addition, in the event the result of the assessment is different, then the corresponding comment is given.

Assessed Aspect	Evaluation	Comment
Definition of the structure	✔	
• Definition of the organisational chart of the units of the Programme Operator that are involved in the management and control of the EEA GRANTS Mechanism. • Definition of a work flowchart of the units of the Programme Operator that are involved in the management and control of the EEA GRANTS Mechanism.		Fair definition in accordance with the level of development and maturity of the Programme in 2013
Definition of functions	✔	
• Assignment of functions at a divisional level and, if applicable, at a work post level, defined in writing. Publication and distribution among employees. • Establishment of appropriate policies and procedures for authorising and approving operations at an appropriate level.		Fair definition in accordance with the level of development and maturity of the Programme in 2013
Adequacy of human resources	✔	
• Identification of the staff in charge of managing the programme. (Distinguishing between own staff and external staff). • Existence of a study that assesses the adequacy of the assigned measures or, if applicable, the assessment of the adequacy of measures. • Established policies for managing and assuming the tasks in question are low.		The incorporation of the human resources that make up the team expected to execute the management and control tasks of the EEA Mechanism Funds had not been completed in 2013, although the team was completed during the first quarter of 2014.
Classification of Human Resources:	✔	
• Evaluation of the human resources classification: ○ Level of training ○ Hierarchical and decision level within the organisation ○ Experience in fund management ○ Level and capacity in language-related matters.		Levels of academic aptitude and appropriate experience for managing the funds
Separation of functions (Good Governance)	✔	
• Existence of a separation between the people or units in charge of the following functions:		Definition and application of policies aimed at reasonably ensuring the functions are separated in the

Assessed Aspect	Evaluation	Comment
o Project management o Expenditure verification o Payment procedures o Accounting. • Support and documentation of the policy established for matters related to separating functions. • The staff involved in the Mechanism management must be aware of these policies.		Fund management and control.
Conflict of Interests (Good Governance)	✔ ✔	
• Policies directed towards mitigating the risks of conflicts of interests. • Publication of these policies at an organisational level. • The staff involved in the Mechanism management must be aware these policies exist, as well as the protocols for ensuring they are complied with.		Adoption of preventive measures for ensuring independence and conflict of interests in the management of the EEA Mechanism funds. A measure that stands out is being excluded from participating in the Programme for the organisations that make up Plataforma ONG.
Decentralization/delegation of functions	✔	
• Compliance of the applicable regulation in the selection processes and hiring of the decentralised or delegated service/task providers. • Existence of decentralised task supervision and monitoring procedures. Level of establishment and its compliance.		The processes for decentralising/delegating functions have been carried out and are properly supervised and controlled.
Hiring and selection of Human Resources	✔	
• Existence of regulations and procedures for hiring, training, motivation, assessment and remuneration. • Adaptation of the procedures for employee recruitment, valuing the candidate's adaptation to the requirements of the post. • Policies established as regards motivation, complaints/suggestions and improvements in the method of work. • Analysis of measures directed towards work-life balance.		The Entity has established formal procedures for recruitment and staff management. Due to the Programme's short duration and the temporary nature of the contracts associated to it, there is suitable compliance with these matters. In regard to work-life balance, the Programme Operator has a policy for flexible working hours established by formal written approval.
Human Resources Training	✔	
• Existence and development of training plans, which include specific training actions that provide added value to the programme management. • Processes to assess how the training levels adapt to the tasks to be		At the start of the period no training plan had been formalised. The training plan must identify the training needs and actions that cover said deficiencies, as well

Assessed Aspect	Evaluation	Comment
developed.		as include a list of the formalised actions and the results obtained from them. Plataforma ONG has taken this recommendation into account and is currently preparing supporting documents that mention these needs, in order to start applying it.
Provision of Technical Means	✔ ✔	
• Existence of a work conditions study. • Assessment of the physical and IT equipment the Programme Operator has at its disposal for executing its tasks. • Deficiency detection systems. • Analysis of the opinion given by the staff in charge of the Programme in respect to whether the provision of technical means adapts to the tasks to be carried out.		The provision of technical means and the early detection of insufficiencies are considered appropriate due to the temporary features of the Fund management and control.

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In view of the foregoing, the quantitative evaluation of the Assessment Component 1 is displayed below in an analysis that is compared with the rest of Programme Operators:

Assessment Component 1

The documentation used as a basis for the assessment mentioned above is detailed in Annex I of the Report herein.

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Assessment component 2: The projects/activities are those selected for the Programme

Continuing with the previously described method, the assessment of this component is presented below.

Assessed Aspect	Evaluation	Comment
Predefined Projects	(..)	
• Definition of controls aimed at verifying that the expenditure declared for predefined Projects comply with the criteria approved by the Programme Agreement, or by the document of approval.		In 2013 no actions were taken that were linked to the Programme's predefined Project. According to what is stated in the Annual Report, it is going to start in June 2014 and its implementation is expected to be complete in 2015.
Bilateral Activities	✔ ✔	
• Definition of controls aimed at verifying that the expenditure declared for Bilateral Activities comply with the criteria approved by the Mechanism for such actions.		It is worth pointing out that the management of the bilateral activities is linked to success, weighting this component in accordance with the presentation of joint proposals between Spanish promoters and promoters from the Donor Countries.
Legality of Processes for Project Announcements	✔	

• The project announcement procedures are in accordance with the legislation on subventions.
• The grant announcements specify
   ○ The conditions that have to be met in order to be eligible to receive funding
   ○ The project selection criteria that are going to be weighted
   ○ The procedures and terms for evaluating the projects
   ○ Beneficiaries' obligations and rights
   ○ Description of the organs and commissions in charge of selecting the projects
   ○ The objective and possibilities for creating networks with entities of the donor countries
   ○ That the acceptance of funds implies accepting to disseminate a summary of the project and the main contact details.
		Appropriate compliance with the regulations on grant-related matters during the stages of the project announcement procedures developed in 2013.

Compliance with the Programme objectives by way of the selection of projects	✔ ✔	

Assessed Aspect	Evaluation	Comment
• Implementation of systems that guarantee the projects adapt to the general and particular objectives assigned in the programme.		Establishment of a project maturity period during which promoters may improve and define the projects, significantly affecting the cross-sectional and horizontal issues.
Appropriate procedures for evaluating projects.	✔ ✔	
• There are verification procedures and jobs that ensure the selected projects company with the Announcement and Resolution for granting the aid.		What was described in the previously assessed aspect is also considered a good practice that stands out as regards project assessment procedures
Programme Management – Controlling the linkage between expenditure and the project	✔	
• Existence of procedures that guarantee the declared expenditure really corresponds to the project.		The control systems implemented by the Programme Operator ensure that the expenditure handled in the Programme management is linked to this activity, as well as its reasonableness.
Programme Management – Profitability factor	✔ ✔	
• Implementation of policies that are directed towards handling expenditure under the profitability factor, thus ensuring efficiency.		Financial limits have been established in accordance with the kind of expenditure incurred (trips, allowances...), which ensure the tasks are carried out under the profitability factor. This aspect stands out because the Entity is not legally required to carry out the procedure.

In view of the foregoing, the quantitative evaluation of the Assessment Component 2 is displayed below in an analysis that is compared with the rest of Programme Operators:

Assessment Component 2

The documentation used as a basis for the assessment mentioned above is detailed in Annex I of the Report herein.

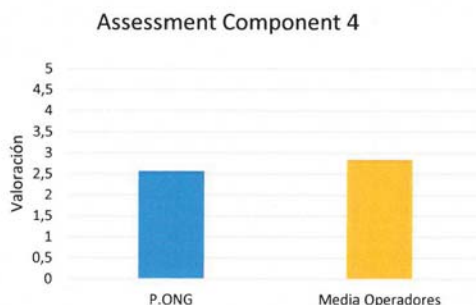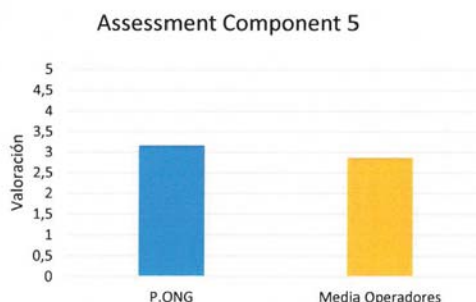**Assessment component 3:** The verification procedures used by the Programme Operator are appropriate

Continuing with the previously described method, the assessment of this component is presented below.

Assessed Aspect	Evaluation	Comment
Existence of a procedure for controlling expenditure	✔	
• Establishment of administrative verification procedures for 100% of the expenditure declared in the IFR (the check-lists can be manual or computerised or any other system can be used). If that is not the case, there is a review procedure that includes a report model, sampling systems which guarantee that a risk analysis forms the basis for selecting the expenditure. Evidence of the applied sampling system and the selected expenditure has been preserved.		The control systems and procedures carried out on the IFRs corresponding to expenditure handled in 2013 are considered to be susceptible to improvement. Taking into account that the expenses correspond to the programme management, the amount is not high and the Programme is at its initial stage, the fact the control is not perfect does not imply a high risk. The IGAE, acting as the Audit Authority, reviewed and authorised the control lists in 2014. The control carried out by the Plataforma ONG for the moment in time stated herein was based on the procedures established in the Platform itself, and the checklist provided by the Certifying Authority was added (included in the Management and Control System as Annex 8: Programme Operator's checklist). The Platform has undertaken to perform the review in question in a retrospective manner and it will complete the previously mentioned checklist.
Existence of appropriate control lists for verifying expenditure	✔	

• Existence of control documents/reports which contain the scope and results of the verifications carried out.
 • The established control systems ensure the verification of the following aspects:
   ○ The expense has neither been paid nor justified previously or in other projects or against other funds.
   ○ The expense is real and has been made
   ○ Reconciliations are made between the supporting documentation and the expense statements.
		This aspect is affected by what was mentioned in the previous aspect being assessed.

Assessed Aspect	Evaluation	Comment
○ Conceptual eligibility of the expenditure.		
Existence of a control procedure prior to the expense statement	✔	
• Existence of control systems that prevent continuing with the justification and statement of expenses if the control lists have not been completed or the pending issues have been resolved.		This aspect is affected by what was mentioned in the previous aspect being assessed.
Identification of the responsibility and periodicity of the controls	✔	
• The established control documents/reports specify the person who is responsible for carrying out and supervising the controls, the manifested observations, as well as the date on which the controls were performed.		The procedures for identifying the responsibility and periodicity of the controls implemented as from 2014 are considered appropriate.
Existence of an in-field control plan	(..)	
• Establishment of a programme/plan for verifying projects/activities *in situ*.		At the time this control was performed, the programme had not reached a level of development and execution that allowed verifications to be carried out in situ; consequently, at the moment, this aspect is not susceptible to assessment.
Appropriate coverage of the in-field controls	(..)	

• Definition of the sampling system to be developed for selecting the projects/activities upon which the verifications will be made.
 • The sampling system is representative, ensuring the selection is made by means of applying risk criteria, as well as a random system.
 • The applied sampling system is the one that was previously defined.
 • File and safeguard the applied sampling system and the selection.
 • The coverage of the verifications *in situ* ensures that the control levels have reached the following targets:
   ○ Verification of 5% of the amount declared in the IFR for projects (defined by announcement or predefined)
   ○ Verification of 25% of the amount declared in the IFR for concepts other than projects that have been verified in the field.
 • The degree of coverage of the initially planned visits has really been reached.
		The same as the previous comment.

In-field control certificates: the existence of a model, completeness	(..)	

Assessed Aspect	Evaluation	Comment
and appropriateness		
• Establishment of a visit/work programme certificate model that contains the scope and procedures of the verifications to be carried out. • The scope of the certificate covers verifications that have been performed physically or financially. • The verification of projects/activities does not only cover the expenditure to be declared but also the expenditure declared in previous certificates.		The same as the two previous comments.

In view of the foregoing, the quantitative evaluation of the Assessment Component 3 is displayed below in an analysis that is compared with the rest of Programme Operators:

Assessment Component 3

The documentation used as a basis for the assessment mentioned above is detailed in Annex I of the Report herein.

Assessment component 4: The audit trail is appropriate and sufficient.

Continuing with the previously described method, the assessment of this component is presented below.

Assessed Aspect	Evaluation	Comment
Procedures that guarantee separate accounting	✔	
• The accounting system makes it possible to identify each transaction related to the projects/actions and identify the certified amounts and payment of the public contribution to the promoter or the beneficiary. • Se conservan registros contables detallados que permiten comprobar los gastos realizados en sus distintas fases y los agentes que los han realizado.		The Entity's accounting systems make it possible to trace in detail the operations performed in the Programme.
Traceability of controlled expenditure	✔	
• Flowchart which gives details of the process and verification of the documents. (Staff knows about this flowchart, which is updated as appropriate). • Definition of an appropriate filing system of the documentation that justifies the entire management process. • Express instructions exist for the project promoters and beneficiaries for preserving the administrative documentation of the records.		The procedures established by the Programme Operator can appropriately localise and identify the expenditure declared for both the application systems and the physical format.
Audit trail between expenditure and controls made	✔	
• The control systems make it possible to identify the controlled amount and the result of the verification for statement purposes.		The tools implemented for controlling expenditure offer the possibility to appropriately trace the controlled and validated amounts.
Documentation filing system	✔	
• Definition and establishment of procedures used for filing and safeguarding original supporting documentation.		The systems and procedures established for the filing of documentation guarantees their existence and safeguards the supporting documentation.
Identification and classification of irregular expenditure	✔	
• The implemented procedures make it possible to obtain evidence of the expenditure that is rejected and considered irregular. • A procedure (random or systematic) has been established that identifies the nature of each error that appears.		As mentioned in the first evaluated aspect of the previous assessment component, the Programme Operator has not performed a retrospective review of the IFRs corresponding to 2013 with the new lists

Assessed Aspect	Evaluation	Comment
• The work systems give evidence of the origin and cause of the errors that appear.		implemented, meaning it is not possible to assess these aspects. It is recommended that this process is carried out.
Monitoring of incidents and irregularities	✔	
• There are work procedures for performing tasks addressed towards investigating and quantifying the errors considered to be systematic. • The implemented work procedure for analysing errors does not only investigate and quantify the verified error, but also others of a similar nature that could have been made (for example, the quantification of systematic errors).		The Plataforma de ONG de Acción Social has undertaken to perform the retrospective review of these aspects, in order to verify that the procedure was the appropriate one.
Error analysis and management.	✔	
• The procedures ensure the different stakeholders are informed of the errors, not only by way of the corresponding IFRs, but also by notifications made prior to when the errors are declared.		

In view of the foregoing, the quantitative evaluation of the Assessment Component 4 is displayed below in an analysis that is compared with the rest of Programme Operators:

Assessment Component 4

The documentation used as a basis for the assessment mentioned above is detailed in Annex I of the Report herein.

Assessment component 5: An appropriate IT tool is used.

Continuing with the previously described method, the assessment of this component is presented below.

Assessed Aspect	Evaluation	Comment
Adaptation of the management and control IT application	✔	
• A management tool has been defined for the programme, which is either integrated in the Entity's general systems or a system has been created *ad hoc* for the programme management. • The implemented systems ensure the Fund management will be appropriately developed. • The people responsible for developing the management tools have been identified. • The implemented tools have a role and permission policy.		The IT application implemented for managing and controlling the Funds ensures appropriate levels of security as regards the traceability of the information and documentation support.
The control systems guarantee the completeness of the information	✔	
• The implemented tools record the level of progress of the jobs, the information they contain, the documentation pending inclusion and the documentation that cannot be incorporated and which is preserved in a physical format.		
Information transmission between the application and the general systems	✔ ✔	
• The management tools make it possible to load and extract information for analysing and drawing up reports.		The IT system is used for loading and extracting information for analysing and preparing reports.
Application supervision given by IT professionals	✔ ✔	
• The tools implemented by the Programme Operator are supervised by IT experts, who either work for the organisation or are external.		The operational management tools (files designed within a Microsoft Office environment) have been created by an external expert who, by means of "orders" (design, functionality and security orders), develops and updates the management application.
Back-up protocols for the particular application	✔	
• A protocol for generating back-up copies has been established, which makes it possible to recover the information in the event of disaster or loss. • The tools give evidence of the interventions performed on them, giving		The supervision of the previously mentioned operational tools includes making back-up copies. In addition, the Programme Operator's staff makes copies of the

Assessed Aspect	Evaluation	Comment
evidence of versions and the liability of the actions.		information in external physical units, which are safeguarded outside the Programme Operator's premises.
External accreditation certificate of the Entity's general systems	✔	
• The Entity's general systems possess some type of external accreditation (ISO, AENOR, etc.).		The information security systems have not been accredited by any of the existing external accreditation standards (ISO, AENOR, etc.). We stress that this condition would be desirable but not obligatory.

In view of the foregoing, the quantitative evaluation of the Assessment Component 5 is displayed below in an analysis that is compared with the rest of Programme Operators:

Assessment Component 5

The documentation used as a basis for the assessment mentioned above is detailed in Annex I of the Report herein.

Assessment component 6: Horizontal and cross-sectional risks and issues.

Continuing with the previously described method, the assessment of this component is presented below.

Assessed Aspect	Evaluation	Comment
Programme risk analysis	✔	
• A management and risk analysis system has been established for the functions performed. • The organisation has implemented a risk management policy, which may be either proactive or reactive.		The Programme Operator appropriately identifies its risks via its programme proposal. Subsequently, by way of the Annual Report, it identifies the current situation of said risks and the planned actions for mitigating them.
Work plan to mitigate risks	✔	The risks have been quantified in those cases when, due to their nature, the possibility exists. The annual report monitors these risks, setting forth the current situation in respect to the initial situation.
• There is a work protocol that assesses the detected risks and depending on their level it contemplates the implementation of a work plan designed to overcome said risks.		
Identification of risks in the Annual Report	✔	
• The Annual Report expresses the Programme Operator's main risks.		
Identification of risk measurement indicators	✔	
• The indicators used for detecting risks are appropriately supported and offer guarantees that no significant risk for the programme will be omitted.		
Advertising the funds of the EEA Mechanism in the management.	✔ ✔	
• The grant announcements indicate the participation in the Mechanism. • A website that is independent from the Programme Operator's website has been created for the Mechanism. • The website refers to the participation in the Mechanism. • The Programme Operator's public actions refer to the participation in the Mechanism funds. • The Project Calls (announcement, selection and resolution processes) as well as the other project selection processes are published on the Programme Operator's website and/or other official media (Transparency). • The tender procedures (call and selection and resolution processes) carried out by the Programme Operator are published on the Programme Operator's		In the activities developed by the Programme Operator, it is considered that appropriate actions have been performed for making the Funds of the EEA Financial Mechanism visible. These activities have been carried out in such a way the FMO itself has recognised that they could be an example for the rest of the operators. The Programme Operator has carried out its tender and announcement procedures in such a way appropriate compliance with the principle of transparency is assured.

Assessed Aspect	Evaluation	Comment
website and other official means (Transparency). • During the Programme Operator's activity the website is mentioned with the aim of increasing its representativeness. • The website acts as a platform for guaranteeing transparency in the management of the Mechanism funds.		
Advertising and Communication Plan.	✔	
• An Advertising and Communication Plan has been established and approved. • The Advertising and Communication Plan has been appropriately approved, as regards manner and time. • The content of the Advertising and Communication Plan has sufficient scope to satisfy the requirements set forth in the applicable regulations.		The Programme Operator has drawn up an Advertising and Communication Plan, in accordance with the content set forth in Annex IV of the Mechanism Regulations.
Assessment of gender equity in the Programme	✔ ✔	
• The Programme Operator has been subjected to a process analysis as regards its recruitment policy from a gender perspective in its work as Programme Operator. • The analysis performed has not shown significant findings. • As a consequence of the comments made about certain aspects, the Programme Operator has established an action plan aimed at improving them.		Plataforma ONG, like the rest of Programme Operators, has been object of an analysis for incorporating gender mainstreaming in the programme. This analysis has led to a series of recommendations for the Programme Operator. The recommendations made in the previously mentioned analysis do not show significant weaknesses. An action plan was carried out to specifically improve gender mainstreaming in the programme and work regarding this issue was started.
Implementation and execution of policies related to good governance.	✔	
• The Operator complies with the general principles for granting the permission to attend (participation and inclusion in the Programme), Rendering of Accounts, transparency in its acts and purposes, efficiency and effectiveness, Rule of Law and absence of corruption. • The Programme Operator has to establish and maintain procedures for preventing, identifying and managing corruption cases and bad management. Said procedures must respond in a quick and professional manner to the irregularity indicators, bad management and corruption (Point 2.7.1 of the Programme Operator's Manual).		The United Nations Progress Report is available. It consists in a biannual report by means of which the Entity gives information about the actions performed in the implementation of the 10 Principles of the Global Compact. The Operator does not provide evidence of the establishment and maintenance of the procedures for preventing, identifying and managing cases of corruption and bad management. Said procedures should offer a

Assessed Aspect	Evaluation	Comment
• The Programme Operator has established procedures for complying with the regulations on matters related to public procurement.		quick and professional response to the irregularity, bad management and corruption indicators.
Implementation of a policy for environmental sustainability in the Programme Operator and Programme Management.	✔	
• The Programme Operator possesses some external accreditation (ISO, AENOR, etc…) with regard to its environmental policies. • Manuals have been implemented in the entity, which describe the policy to be followed as regards Environmental Sustainability. • If the Entity has implemented its own environmental policies, the people involved in carrying out the tasks of the Programme Operator are aware of them and apply them. • The Programme Operator's management entails performing actions directed towards environmental sustainability; for example, preference is given in the announcements of projects that specialise in this area/subject, work management and policies that are sensitive to the environment (document printing policies, recycling, paperless policies, etc.)		The Entity has no intrinsic accreditation systems for environmental regulations, although we have been given information about the different measures for dealing with environmental sustainability. This is not considered to be a significant weakness because the Programme Operator has established complementary measures for the respect and management of the environment, as confirmed in the evaluation published in the United Nations Progress Report.
Assessment of the social sustainability of the Programme	(..)	
• In this regard, by means of the programme indicators the Programme Operator has established measurement systems. • There is evidence that the development of the Programme properly complies with the social sustainability that was anticipated when the Programme was approved. • The programme has been designed so the results affect a sufficient number of people (because the groups are large or because they are significant in themselves) in relation to the resources employed. • The social consequences of this programme have been designed to last a long time or even make their results have a multiplying effect. • The Programme Operator itself promotes the "lessons learnt" effect for other programmes and activities (meetings, memorandums, feed-back).		When the control herein was conducted, the programme had not reached the necessary level of development and execution for making verifications as regards the Programme's social and economic sustainability. It is worth noting that one of the Programme Operator's objectives is to provide the NGOs with instruments for assessing continuous improvement and making a final evaluation of the programme's effects. During the first stages of the Programme, the Programme Operator used some grids (assessment and work templates) for this purpose and now it has reached a period for defining many more grids and documents, although they still not have reached a final systemisation.
Assessment of the economic sustainability of the Programme	(..)	
• In this regard, by means of the programme indicators the Programme Operator has established measurement systems.		We reiterate the comment made in the previous aspect.

Assessed Aspect	Evaluation	Comment
• There is evidence that the development of the Programme properly complies with the social sustainability that was anticipated when the Programme was approved.		
• The programme has had positive effects as regards the creation of jobs.		
• The programme has created an environment that favours development and the offering of essential services.		
• A cost-benefit analysis of the programme has been carried out.		
• The Programme Operator analyses the results obtained in respect to the expenditure, considering alternative solutions.		
• Once the support of the Mechanism has finalised, other supports from other entities (public or private) have been managed.		

In view of the foregoing, the quantitative evaluation of the Assessment Component 6 is displayed below in an analysis that is compared with the rest of Programme Operators:

Assessment Component 6

The documentation used as a basis for the assessment mentioned above is detailed in Annex I of the Report herein.

Assessment component 7: Appropriate procedures for drawing up an IFR.

Continuing with the previously described method, the assessment of this component is presented below.

Assessed Aspect	Evaluation	Comment
Existence and compliance of a procedure for issuing an IFR	✔	
• The Programme Operator receives the verifications, reports and audits of its management of the expenditure to be certified in the IFR. • The Programme Operator has reviewed all the verifications, reports and audits received.		As mentioned in the assessment component number 3, there were certain control deficiencies in the first IFRs.
Feedback between the Entity and other participants	✔	
• The Programme Operator has agreed to carry out procedures for issuing the necessary information about the verifications made by the entities that participate in the execution of co-financed actions.		There is appropriate communication as regards channels and terms between the Programme Operator and the other entities that participate in some way in the Mechanism.
Established actions for calculating the estimated expenditure	✔	
• There are procedures for calculating the estimated expenditure which ensure that the calculations have not been made randomly.		The Programme Operator has established suitable calculation systems, in order to be able to make fair estimates of the amounts to be requested.
Procedures for communicating and coordinating with the NFP	✔	
• The Programme Operator holds periodical meetings with the NFP or other Programme Operators to receive instructions (in the case of the NFP) and make comments about management aimed at the appropriate rendering of the IFRs.		In the same way as the rest of the participating Entities, there is appropriate communication between the Operator and the NFP, as regards channels and terms with the other entities that participate in some way in the Mechanism.
Appropriate control of the advance payments	✔	
• The Programme Operator has established a control procedure of the advance payments received and the comparison with the executed expenditure.		The control procedures established for the advance payments are appropriate as regards the calculation of the generated interest and the control of the sum of these advance payments and the Programme's level of execution.
Existence of a sole account for controlling funds and the interest	✔	
• The Programme Operator has established a sole bank account for managing		Establishment of a sole bank account for managing the

Assessed Aspect	Evaluation	Comment
the Funds and the interest generated by the remaining balance of advance payments.		Funds and the interest generated by the remaining balance of the financial advances.

In view of the foregoing, the quantitative evaluation of the Assessment Component 7 is displayed below in an analysis that is compared with the rest of Programme Operators:

Assessment Component 7

The documentation used as a basis for the assessment mentioned above is detailed in Annex I of the Report herein.

Madrid, December 9th, 2014

Grant Thornton, S.L.P.

Pablo Merello Lafuente
Socio

ANEX I
TABLE OF CONTENTS SUPPORT DOCUMENTATION DELIVERED BY PROGRAMME OPERATOR

Documento	Componente de evaluación que soporta el documento						
	1	2	3	4	5	6	7
• Manual de Gestión y Control de PONG – Versión 1 – 30/04/2014	×	×	×	×	×	×	×
• Propuesta de Programa	×						
• Acuerdo del Programa	×						
• Acuerdo de Implementación del Programa	×						
• Proceso de aprobación conjunto con el FMO de las contrataciones de personal llevadas a cabo	×					×	

• Documentación de selección de actividades bilaterales:
  o Formulario de solicitud
  o Parrilla de evaluación de proyectos de fondo semilla
  o Modelo de acta de reunión
  o Modelo de carta de aprobación
  o Modelo de condiciones de aceptación y uso del fondo semilla
  o Modelos de Informes de Justificación Técnica y Económica del fondo semilla
     Check list justificación proyectos fondo semilla
		×					

• IFR1
  o Documento firmado
  o Plantilla en excell
  o Desglose de gastos de IFR1
  o Declaración de costes indirectos
  o Detalle método de cálculo de clave de reparto de costes indirectos
			×	×			×

• IFR2
  o Documento firmado
  o Plantilla en excell
  o Desglose de gastos de IFR2
  o Declaración de costes indirectos
			×	×			×

Documento	Componente de evaluación que soporta el documento						
	1	2	3	4	5	6	7
o Detalle método de cálculo de clave de reparto de costes indirectos							

• Documentación soporte de dos de los gastos de viaje declarados (uno de personal propio y otro de personal contratado)
  o Justificantes de gasto y pago (incluye informes de actividades realizadas)
  o Evidencias de los procesos de autorización del gasto
		×					

• Requerimientos de funcionalidades de la aplicación informática					×		
• Actas de reuniones con las asistencias técnicas contratadas		×					

• Proceso de contratación de Asistencia Técnica (Fresno Consultores).
  o Invitaciones para la preparación del programa,
  o Propuesta de adjudicatario (Fresno Consultores)
  o Acta de resolución de concurso
  o Acta del primer informe de Fresno Consultores a la junta directiva
		×				×	

• Guía para los promotores de proyecto de implementación del Programa		×					
• Contrato firmado con promotores de proyecto		×					
• Fichas de evaluación de proyectos		×					
• Documento de comentarios emitidos por el personal contratado para el IT Operador de Programa					×		
• Parrillas de autoevaluación inicial de todos los proyectos en lo referido a sostenibilidad social, económica y medioambiental		×					
• Ficha de aprobación de gastos instaurada en 2014			×	×			
• Informe de auditoría y Memoria de actividades de 2013						×	
• Informe de Progreso de la ONU - Pacto Mundial 2011						×	
• Declaración de no conflicto de intereses presentada por los licitadores concurrentes a los procedimientos de subcontratación	×						
• Primera convocatoria de subvenciones - Programa de Ciudadanía Activa		×					
• Guía del candidato a la convocatoria de subvenciones		×					
• Documento base para el Equipo EEA - Versión 0.2	×						

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Documento	Componente de evaluación que soporta el documento						
	1	2	3	4	5	6	7

• Proceso de contratación de Asistencia Técnica de evaluadores (Agroconsulting)
  o Invitación
  o Parrilla de evaluación y baremación de propuestas
  o Acta de adjudicación
  o Convenio suscrito
		✕				✕	

• Guía de Evaluadores		✕					
• Presentaciones de actuaciones formativas de evaluadores		✕					
• Evidencias de actividades formativas recibidas	✕						
• Informe anual de ejecución del Programa						✕	
• Evaluación de riesgos laborales	✕						
• Plan de Comunicación		✕				✕	
• Evidencias de las medidas de publicidad y comunicación adoptadas por el Operador de Programa		✕				✕	
• Norma para una gestión transparente permanente de la plataforma de ONG de Acción Social	✕					✕	
• Análisis sobre la incorporación del mainstreaming de género en el programa	✕					✕	
• Recomendaciones sobre la incorporación del mainstreaming de género en el programa	✕					✕	
• Evidencia apertura de cuenta única para la gestión del Programa							✕

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Quality assessment of the systems and procedures carried out by the Secretaria de Estado de Servicios Sociales e Igualdad, belonging to the Ministerio de Sanidad, Servicios Sociales e Igualdad in its capacity as the Operator of the "Programa de Igualdad de Género y Conciliación" Programme, presented by the Mecanismo Financiero EEA-GRANTS 2009-2014.

Year: 2013

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I. INTRODUCTION

The Memorandum of Understanding signed by Spain with the Donor States on 15 November 2011 establishes that in Spain the Subdirección General del Fondo de Cohesión y Cooperación Territorial Europea, known today as the Subdirección General de Cooperación Territorial Europea y Desarrollo Urbano, belonging to the Dirección General de Fondos Comunitarios del Ministerio de Hacienda y Administraciones Públicas, shall act as the National Focal Point (hereinafter, NFP) for the programmes co-funded by the EEA (European Economic Area) Financial Mechanism 2009-2014 (EEA Grants). Its responsibilities include ensuring the previously named programmes are controlled properly. It was with this objective that an external Monitoring Agent was hired.

The NFP has hired Grant Thornton, S.L.P. as an External Monitoring Agent to verify the quality of the operations and procedures in view of the objectives set by the EEA Grants in relation to the "Programa de Igualdad de Género y Conciliación" Programme and the applicable standards.

The quality verification was performed on those projects and activities whose operations are contained in the Interim Financial Reports (hereinafter, IFR) for 2013, presented by the Secretaria de Estado de Servicios Sociales e Igualdad, belonging to the Ministerio de Sanidad, Servicios Sociales e Igualdad (hereinafter, S.E. Servicios Sociales e Igualdad), as the Programme Operator (hereinafter, PO), as well as verifying the systems to prepare the estimate of expenditure and calculate the advance payments. Accordingly, the assessed management corresponds to the 2013 period.

On 31 December 2013, the Programme Operator's Management and Control Systems Document was not at a definitive stage, since it was pending assessment and approval of the Intervención General de la Administración del Estado (hereinafter, IGAE), as Audit Authority (AA), belonging to the Ministerio de Hacienda y Administraciones Públicas, as well as its subsequent assessment by the Financial Mechanism Office (hereinafter, FMO).

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II. GENERAL CONSIDERATIONS

II.1 Control identification

Form of Intervention	European Economic Area Financial Mechanism 2009-2014
Programme Operator	Secretaria de Estado de Servicios Sociales e Igualdad, pertenecientes al Ministerio de Sanidad, Servicios Sociales e Igualdad
Programme	Programa de Igualdad de Género y Conciliación
Programme Number	ES04
Donor Programme Partners	Defensor del Pueblo para la Igualdad y contra la Discriminación de Noruega (LDO)
Estimated Total Cost of the Programme	€11,989,706.00
Total eligible costs of the Programme	€11,989,706.00
Co-financing (funding sources and percentages)	Mecanismo financiero del EEA Grants: 85.00%
Year analysed	2013
National Focal Point	Subdirección General de Fondos de Cohesión y Cooperación Territorial-MINHAP
Certifying Authority	Subdirección General de Certificación y Pagos – MINHAP
Audit Authority	Intervención General de la Administración del Estado (IGAE) – MINHAP
Irregularities Report Authority (All)	Subdirección General de Fondos de Cohesión y Cooperación Territorial-MINHAP
Programme Operator Data	Secretaria de Estado de Servicios Sociales e Igualdad, pertenecientes al Ministerio de Sanidad, Servicios Sociales e Igualdad C/Alcalá, 37 – 28014 Madrid

II.2. Grant regulation

- Memorandum of Understanding (MoU), signed in Madrid by Spain and Norway on 15 November and in Brussels by Iceland and Liechtenstein on 18 November, entering into effect on 19 November 2011.

- Protocol 38b to the European Economic Area Agreement.

- Regulation on the implementation of the Financial Mechanism 2009-2014, adopted on 13 January 2011 and confirmed on 18 January, modified on 4 January 2012, 14 March 2013 and 1 July 2014.

- Agreement to Implement the "Programa de Igualdad de Género y Conciliación" Programme, within the framework of the EEA Grants 2009-2014.

- Guidelines and manuals adopted by the Financial Mechanism Committee.

- General Subsidies Law 38/2003, of 17 November. Applying entities shall be required to respect part of the provisions contained in the Law.

- Real Decreto Legislativo 3/2011, de 14 de noviembre, por el que se aprueba el texto refundido de la Ley de Contratos del Sector Público.

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III. OBJECTIVE AND SCOPE OF THE WORK

III.1.- Objective

The general objective of the control work is to verify the reasonability, appropriateness and adequacy of the management and control processes applied by the Operator to develop the Programme.

Generally speaking, said purpose is broken down into the verification of the following aspects:

- Functional independence among the grant/project managers and the expenditure verifiers
- The projects/activities are those selected for the Programme
- The verification procedures used by the Programme Operator are appropriate
- The audit trail is appropriate and sufficient
- An appropriate IT tool is used
- Horizontal and cross-sectional risks and issues
- The procedures used to prepare the IFR are appropriate.

The report herein states the results of a quality assessment of the management and control processes the Operator applied to develop the Programme. Due to its nature, the work does not have the character of an Accounts Audit and neither is it subject to Law 12/2010, on Accounts Audits, we do not issue an auditing opinion under the terms set forth in the previously mentioned regulation.

III.2.- Scope

The work consists in assessing the quality of the implementation of the Programme as regards the objectives contained in the regulation of the EEA Grants. For this purpose, the verification has been carried out on the processes and activities that are the source of the expenditure corresponding to the period from the beginning of the programme until 31 December 2013 (IFR#1 and IFR#2).

Specifically, the expenditure contained in the IFR on which our control actions were based was the following:

IFR	Amount	Expense concept
1st	€316,836.00	Pre-defined Projects Programme Management Preparation of programme proposal
2nd	€1.141.192.00	Pre-defined Projects Programme Management

In addition, an analysis was made of the advance payments and the methodology used to estimate the expenditure for each IFR.

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III.3.- Limitations

During the control actions, there were no evident limitations in the scope of the work that prevented us from performing our assessment of the systems fairly.

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IV. RESULTS OF THE STUDY

We verified the quality of the systems and procedures implemented by the S.E. Servicios Sociales e Igualdad, in its capacity as the Programme Operator, basing our assessment on personal interviews with the people responsible for the Programme in the headquarters of the Entity, as well as studying the provided documentation, which is summarised as an Annex to the report herein.

The assessment was structured in seven assessment components, as shown previously in Section III.1 of this Report. The scope given to each assessment component, as well as our assessment of the fairness of the systems and procedures existing in 2013 are developed throughout this section of the Report. It must be taken into account that our evaluation was obtained after taking into account that the assessment period is in its initial stage, when the Programme was launched and, therefore, the procedures were being planned and developed and were generally still being consolidated.

The evaluation of each one of the assessment components was performed in line with the following concepts and scale:

Legend	Description
✗	Insufficient compliance or significant deficiencies in the stipulated aspects of the management during the indicated period. The Programme Operator finds it difficult to offer sufficient guarantees it will be able to perform these aspects of their tasks in the analysed period. It is recommended new procedures or fundamental improvements are implemented in those that already exist in relation to the considered aspects.
✔	Sufficient compliance in the considered period. However, these proposed aspects need to be monitored by the Programme Operator because they could lead to insufficiencies in the future.
✔	Appropriate compliance (although some aspects of minor importance stand out, which could be susceptible to improvement to some degree, but improvements could be introduced).
✔ ✔	Good compliance
✔ ✔ ✔	Compliance according to the best practices
N/A	Procedure or component that is not subject to validation; that is, it is not applicable
(..)	In some aspects the programme's degree of maturity and development does not allow to make an assessment of the procedures, processes and actions carried out, meaning that on the date of the study, it is not possible to reach a conclusion as regards whether or not the assessed aspect adapts to the applicable regulation.

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Assessment component 1: Functional independence between the grant/project managers and the expenditure verifiers

The individual aspects upon which this component has been controlled affect the elements that figure below. We have indicated evaluations for the different items which make up the component. In addition, in the event the result of the assessment is different, then the corresponding comment is given.

Assessed Aspect	Evaluation	Comment
Definition of the structure	✔	
• Definition of the organisational chart of the units of the Programme Operator that are involved in the management and control of the EEA GRANTS Mechanism. • Definition of a work flowchart of the units of the Programme Operator that are involved in the management and control of the EEA GRANTS Mechanism.		Fair definition in accordance with the level of development and maturity of the Programme in 2013
Definition of functions	✔	
• Assignment of functions at a divisional level and, if applicable, at a work post level, defined in writing. Publication and distribution among employees. • Establishment of appropriate policies and procedures for authorising and approving operations at an appropriate level.		Fair definition in accordance with the level of development and maturity of the Programme in 2013
Adequacy of human resources	✔	
• Identification of the staff in charge of managing the programme. (Distinguishing between own staff and external staff). • Existence of a study that assesses the adequacy of the assigned measures or, if applicable, the assessment of the adequacy of measures. • Established policies for managing and assuming the tasks in question are low.		The provision of human resources for managing and controlling the Programme had been complete since practically the start of the management.
Classification of Human Resources:	✔	

• Evaluation of the human resources classification:
  ○ Level of training
  ○ Hierarchical and decision level within the organisation
  ○ Experience in fund management
  ○ Level and capacity in language-related matters.
		The levels of the assigned staff's training and technical qualifications are considered appropriate. However, we will mention further on that it would have been recommendable to previously analyse whether or not the training was suitable for managing and controlling the Funds.

Separation of functions (Good Governance)	✔	
• Existence of a separation between the people or units in charge of the		Definition and application of policies aimed at

Assessed Aspect	Evaluation	Comment
following functions: ○ Project management ○ Expenditure verification ○ Payment procedures ○ Accounting. • Support and documentation of the policy established for matters related to separating functions. • The staff involved in the Mechanism management must be aware of these policies.		reasonably ensuring the functions are separated in the Fund management and control.
Conflict of Interests (Good Governance)	✔	
• Policies directed towards mitigating the risks of conflicts of interests. • Publication of these policies at an organisational level. • The staff involved in the Mechanism management must be aware these policies exist, as well as the protocols for ensuring they are complied with.		The Government employees in the Central Administration of the State who perform tasks associated to the Programme management are subject to the rules against the incompatibilities for preventing and resolving conflicts of interests, which are followed closely by the General Inspection of the Ministry of Health, Social Services and Equality; an extreme which is considered appropriate. However, it is recommended to obtain an express written statement of Independence, which also declares there are no conflicts of interests, for each member of staff responsible for performing management duties in the activities defined in the Programme Agreement that do not belong to the public service, as well as expressly demanding the statement of independence in future recruitment procedures, if applicable.
Decentralization/delegation of functions	✔	
• Compliance of the applicable regulation in the selection processes and hiring of the decentralised or delegated service/task providers. • Existence of decentralised task supervision and monitoring procedures. Level of establishment and its compliance.		The process for delegating or decentralising tasks must safeguard the principle of concurrence. We have verified management tasks are hired following the method of entrustment as an instrumental means at the service of administration. The fact no open contracts have been drawn up makes it difficult to ensure the factor of profitability and benefits of a better technical offer.

Assessed Aspect	Evaluation	Comment
		However, since the Programme Operator is a ministerial department subject to limitations and demands regarding the hiring of staff, the short period for implementing the programme and the amounts adjusted to the performance of activities, the management is considered appropriate.
Hiring and selection of Human Resources	✔	
• Existence of regulations and procedures for hiring, training, motivation, assessment and remuneration. • Adaptation of the procedures for employee recruitment, valuing the candidate's adaptation to the requirements of the post. • Policies established as regards motivation, complaints/suggestions and improvements in the method of work. • Analysis of measures directed towards work-life balance.		Because the Programme Operator is a department of the General Administration of the State, jobs are created by taking into account the mechanisms established in the Basic Statute governing Public Employment. This implies that the suitability of the posts for managing and controlling the funds has not been analysed. As a result, the Programme Operator has created the jobs in accordance with the procedures established by the General Administration of the State. Evaluate the fact that in staff transfer procedures, value is given to experience in similar posts and training.
Human Resources Training	✔	
• Existence and development of training plans, which include specific training actions that provide added value to the programme management. • Processes to assess how the training levels adapt to the tasks to be developed.		The assigned staff has attended training actions, since the Programme considers training is important for both the recipients and the employees who comprise the management structure.
Provision of Technical Means	✔	
• Existence of a work conditions study. • Assessment of the physical and IT equipment the Programme Operator has at its disposal for executing its tasks. • Deficiency detection systems. • Analysis of the opinion given by the staff in charge of the Programme in respect to whether the provision of technical means adapts to the tasks to be carried out.		The provision of technical means and the early detection of insufficiencies are considered appropriate due to the temporary features of the Fund management and control.

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In view of the foregoing, the quantitative evaluation of the Assessment Component 1 is displayed below in an analysis that is compared with the rest of Programme Operators:

Assessment Component 1

The documentation used as a basis for the assessment mentioned above is detailed in Annex I of the Report herein.

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Assessment component 2: The projects/activities are those selected for the Programme

Continuing with the previously described method, the assessment of this component is presented below.

Assessed Aspect	Evaluation	Comment
Predefined Projects	✔	
• Definition of controls aimed at verifying that the expenditure declared for predefined Projects comply with the criteria approved by the Programme Agreement, or by the document of approval.		The controls established by the Programme Operator properly guarantee that the expenditure associated to the predefined projects comply with the criteria approved by the Programme Agreement.
Bilateral Activities	✔	
• Definition of controls aimed at verifying that the expenditure declared for Bilateral Activities comply with the criteria approved by the Mechanism for such actions.		Control systems that guarantee expenditure is linked to the execution of bilateral activities.
Legality of Processes for Project Announcements	(..)	

• The project announcement procedures are in accordance with the legislation on subventions.
• The grant announcements specify
  ○ The conditions that have to be met in order to be eligible to receive funding
  ○ The project selection criteria that are going to be weighted
  ○ The procedures and terms for evaluating the projects
  ○ Beneficiaries' obligations and rights
  ○ Description of the organs and commissions in charge of selecting the projects
  ○ The objective and possibilities for creating networks with entities of the donor countries
  ○ That the acceptance of funds implies accepting to disseminate a summary of the project and the main contact details.
		In 2013 no project announcement procedures had commenced; therefore, in this case the assessment of this aspect does not apply.

Compliance with the Programme objectives by way of the selection of projects	(..)	
• Implementation of systems that guarantee the projects adapt to the general and particular objectives assigned in the programme.		The same as the previous comment.

Assessed Aspect	Evaluation	Comment
Appropriate procedures for evaluating projects.	(..)	
• There are verification procedures and jobs that ensure the selected projects company with the Announcement and Resolution for granting the aid.		The same as the two previous comments.
Programme Management – Controlling the linkage between expenditure and the project	✔	
• Existence of procedures that guarantee the declared expenditure really corresponds to the project.		The control systems implemented by the Programme Operator ensure that the expenditure handled in the Programme management is linked to this activity, as well as its reasonableness.
Programme Management – Profitability factor	✔	
• Implementation of policies that are directed towards handling expenditure under the profitability factor, thus ensuring efficiency.		The Programme Operator's work policies guarantee the tasks are performed under the principles of profitability.

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In view of the foregoing, the quantitative evaluation of the Assessment Component 2 is displayed below in an analysis that is compared with the rest of Programme Operators:

Assessment Component 2

The documentation used as a basis for the assessment mentioned above is detailed in Annex I of the Report herein.

Assessment component 3: The verification procedures used by the Programme Operator are appropriate

Continuing with the previously described method, the assessment of this component is presented below.

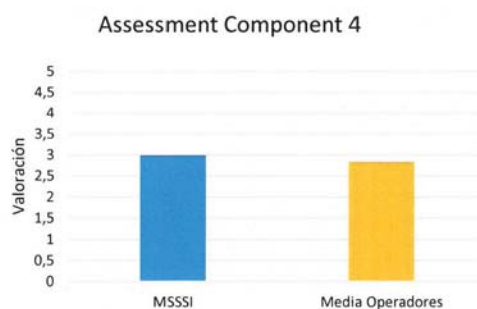| Assessed Aspect	Evaluation	Comment
Existence of a procedure for controlling expenditure	✔	
• Establishment of administrative verification procedures for 100% of the expenditure declared in the IFR (the check-lists can be manual or computerised or any other system can be used). If that is not the case, there is a review procedure that includes a report model, sampling systems which guarantee that a risk analysis forms the basis for selecting the expenditure. Evidence of the applied sampling system and the selected expenditure has been preserved.		The control systems and procedures carried out on the IFRs corresponding to expenditure handled in 2013 are considered to be susceptible to improvement. However, an external auditing firm has subsequently been hired which has performed the control of the IFR#2, and a retrospective control of the IFR#1, which substantially mitigates the risk of this incident in the future.
Existence of appropriate control lists for verifying expenditure	✔	

• Existence of control documents/reports which contain the scope and results of the verifications carried out.
 • The established control systems ensure the verification of the following aspects:
   ○ The expense has neither been paid nor justified previously or in other projects or against other funds.
   ○ The expense is real and has been made
   ○ Reconciliations are made between the supporting documentation and the expense statements.
   ○ Conceptual eligibility of the expenditure.
		The implemented control lists are considered appropriate; they provide details of the scope and results of the verifications that have been performed. The scope of the verifications is considered appropriate as regards coverage and the level of control.

Existence of a control procedure prior to the expense statement	✔	
• Existence of control systems that prevent continuing with the justification and statement of expenses if the control lists have not been completed or the pending issues have been resolved.		As mentioned in the first aspect evaluated in this assessment component, there were certain weaknesses in the IFR#1, which have since been rectified.
Identification of the responsibility and periodicity of the controls	✔	
• The established control documents/reports specify the person who is responsible for carrying out and supervising the controls, the manifested		The procedures for identifying the responsibility and periodicity of the controls implemented as from IFR#2

Assessed Aspect	Evaluation	Comment
observations, as well as the date on which the controls were performed.		are considered appropriate.
Existence of an in-field control plan	✔	
• Establishment of a programme/plan for verifying projects/activities *in situ*.		The Programme Operator has formalised and approved an On-Site Verification Plan, which covers the predefined projects that were executed in 2013. Likewise, the Programme Operator has established an "Guía para el seguimiento de proyectos sobre el terreno" (On-Site Project Monitoring Guide) (Controller's Manual).
Appropriate coverage of the in-field controls	✔	

• Definition of the sampling system to be developed for selecting the projects/activities upon which the verifications will be made.
 • The sampling system is representative, ensuring the selection is made by means of applying risk criteria, as well as a random system.
 • The applied sampling system is the one that was previously defined.
 • File and safeguard the applied sampling system and the selection.
 • The coverage of the verifications *in situ* ensures that the control levels have reached the following targets:
   ○ Verification of 5% of the amount declared in the IFR for projects (defined by announcement or predefined)
   ○ Verification of 25% of the amount declared in the IFR for concepts other than projects that have been verified in the field.
 • The degree of coverage of the initially planned visits has really been reached.
		It has been verified that the two documents mentioned in the previous aspect, which have been formally approved by the Programme Operator, establish and define the points assessed in this aspect.

In-field control certificates: the existence of a model, completeness and appropriateness	✔	
• Establishment of a visit/work programme certificate model that contains the scope and procedures of the verifications to be carried out. • The scope of the certificate covers verifications that have been performed physically or financially. • The verification of projects/activities does not only cover the expenditure to be declared but also the expenditure declared in previous certificates.		It is established in Annexes III and IV of the document, "Guía para el seguimiento de proyectos sobre el terreno" (On-Site Project Monitoring Guide)

In view of the foregoing, the quantitative evaluation of the Assessment Component 3 is displayed below in an analysis that is compared with the rest of Programme Operators:

Assessment Component 3

The documentation used as a basis for the assessment mentioned above is detailed in Annex I of the Report herein.

Assessment component 4: The audit trail is appropriate and sufficient.

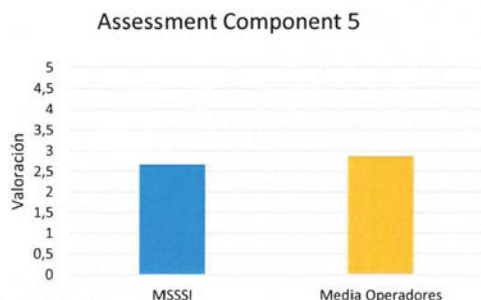Continuing with the previously described method, the assessment of this component is presented below.

Assessed Aspect	Evaluation	Comment
Procedures that guarantee separate accounting	✔	
• The accounting system makes it possible to identify each transaction related to the projects/actions and identify the certified amounts and payment of the public contribution to the promoter or the beneficiary. • Se conservan registros contables detallados que permiten comprobar los gastos realizados en sus distintas fases y los agentes que los han realizado.		The Entity's accounting systems make it possible to trace in detail the operations performed in the Programme.
Traceability of controlled expenditure	✔ ✔	
• Flowchart which gives details of the process and verification of the documents. (Staff knows about this flowchart, which is updated as appropriate). • Definition of an appropriate filing system of the documentation that justifies the entire management process. • Express instructions exist for the project promoters and beneficiaries for preserving the administrative documentation of the records.		The procedures established by the Programme Operator can appropriately localise and identify the expenditure declared for both the application systems and the physical format. The hiring and application of control procedures by an external auditing firm, as well as the supporting documentation of the work the firm has carried out, offer reasonable guarantees as regards the audit trail and traceability of the information.
Audit trail between expenditure and controls made	✔	
• The control systems make it possible to identify the controlled amount and the result of the verification for statement purposes.		The Operator transfers advance payments to the project beneficiaries with the aim of making it easier to perform the planned actions. These advance payments are declared in the IFRs as eligible expenses in the execution of the project. The beneficiary will subsequently justify the received amount, at which moment the eligible expense becomes true. This can generate corrections in the amounts declared as eligible expenses, as well as distort the degree of financial

Assessed Aspect	Evaluation	Comment
		handling with the degree of the project's real progress; therefore, it is recommended to not to link these indicators to the declared amount, but to the expenditure that was really handled by the promoters and beneficiaries.
Documentation filing system	✔	
• Definition and establishment of procedures used for filing and safeguarding original supporting documentation.		The systems and procedures established for the filing of documentation guarantees their existence and safeguards the supporting documentation.
Identification and classification of irregular expenditure	✔	
• The implemented procedures make it possible to obtain evidence of the expenditure that is rejected and considered irregular. • A procedure (random or systematic) has been established that identifies the nature of each error that appears. • The work systems give evidence of the origin and cause of the errors that appear.		The work procedures implemented by the Programme Operator make it possible to identify, classify and monitor errors. In the retrospective control tasks carried out on the IFR#1, an insignificant error in an amount was found.
Monitoring of incidents and irregularities	✔	
• There are work procedures for performing tasks addressed towards investigating and quantifying the errors considered to be systematic. • The implemented work procedure for analysing errors does not only investigate and quantify the verified error, but also others of a similar nature that could have been made (for example, the quantification of systematic errors).		
Error analysis and management.	✔	
• The procedures ensure the different stakeholders are informed of the errors, not only by way of the corresponding IFRs, but also by notifications made prior to when the errors are declared.		There is no evidence that the detected erroneous amounts have been adjusted in the IFRs that were drawn up after the errors were detected. Although it is true that the amount is minimal, it is recommended to implement a feasible procedure that can detect any discrepancy between real and declared amounts, regardless of their amount. This will prevent discrepancies from appearing in the future.

In view of the foregoing, the quantitative evaluation of the Assessment Component 4 is displayed below in an analysis that is compared with the rest of Programme Operators:

Assessment Component 4

The documentation used as a basis for the assessment mentioned above is detailed in Annex I of the Report herein.

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Continuing with the previously described method, the assessment of this component is presented below.

Assessed Aspect	Evaluation	Comment
Adaptation of the management and control IT application	✔	
• A management tool has been defined for the programme, which is either integrated in the Entity's general systems or a system has been created *ad hoc* for the programme management. • The implemented systems ensure the Fund management will be appropriately developed. • The people responsible for developing the management tools have been identified. • The implemented tools have a role and permission policy.		By hiring TRAGSA, the Programme Operator has been able to establish an application *ad hoc* for the Programme management.
The control systems guarantee the completeness of the information	✔	
• The implemented tools record the level of progress of the jobs, the information they contain, the documentation pending inclusion and the documentation that cannot be incorporated and which is preserved in a physical format.		It is recommended to improve the guarantees that the information contained in the IT systems will be controlled. Control warnings should be introduced that automatically give information about the time elapsed and which information still has to be loaded. Likewise, it should contain marks that inform the manager that the loaded information referring to a specific project is complete to date.
Information transmission between the application and the general systems	✔	
• The management tools make it possible to load and extract information for analysing and drawing up reports.		The processes for loading and extracting information for analysing and preparing reports could be better. The Programme Operator is recommended to monitor the system. As regards loading and extracting the IFRs, although no files for exchanging information with the Certifying Authority will be designed until said authority has an appropriate tool, it is recommended to automatically generate it within the Programme

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Assessed Aspect	Evaluation	Comment
		Operator's own system.
Application supervision given by IT professionals	✔	
• The tools implemented by the Programme Operator are supervised by IT experts, who either work for the organisation or are external.		As mentioned above, the Programme Operator has hired TRAGSA to manage and supervise the implemented application.
Back-up protocols for the particular application	✔	
• A protocol for generating back-up copies has been established, which makes it possible to recover the information in the event of disaster or loss. • The tools give evidence of the interventions performed on them, giving evidence of versions and the liability of the actions.		The Programme Operator's back-up procedures are applied to the management tool of the Programme. In addition, the TRAGSA staff keeps stable copies of the different versions of the implemented tool.
External accreditation certificate of the Entity's general systems	✔	
• The Entity's general systems possess some type of external accreditation (ISO, AENOR, etc.).		The information security systems of the Entity have accredited by external accreditation standards ISO 270001.

In view of the foregoing, the quantitative evaluation of the Assessment Component 5 is displayed below in an analysis that is compared with the rest of Programme Operators:

Assessment Component 5

The documentation used as a basis for the assessment mentioned above is detailed in Annex I of the Report herein.

Assessment component 6: Horizontal and cross-sectional risks and issues.

Continuing with the previously described method, the assessment of this component is presented below.

Assessed Aspect	Evaluation	Comment
Programme risk analysis	✔	Although the Programme Operator has identified risks of a diverse nature, we recommended the running of the Programme is fully reviewed in order to identify all the possible risks that could appear during the execution of the Programme, widening the scope with respect to those identified in 2013. In respect to the risks that were identified by the Annual Report, the current situation of the previously mentioned risks is shown, as well as the actions planned for mitigating them. The risks have been quantified in those cases when, due to their nature, the possibility exists. The annual report monitors these risks, setting forth the current situation in respect to the initial situation.
• A management and risk analysis system has been established for the functions performed. • The organisation has implemented a risk management policy, which may be either proactive or reactive.		
Work plan to mitigate risks	✔	
• There is a work protocol that assesses the detected risks and depending on their level it contemplates the implementation of a work plan designed to overcome said risks.		
Identification of risks in the Annual Report	✔	
• The Annual Report expresses the Programme Operator's main risks.		
Identification of risk measurement indicators	✔	
• The indicators used for detecting risks are appropriately supported and offer guarantees that no significant risk for the programme will be omitted.		
Advertising the funds of the EEA Mechanism in the management.	✔ ✔	In the activities developed by the Programme Operator, it is considered that appropriate actions have been performed for making the Funds of the EEA Financial Mechanism visible.
• The grant announcements indicate the participation in the Mechanism. • A website that is independent from the Programme Operator's website has been created for the Mechanism. • The website refers to the participation in the Mechanism. • The Programme Operator's public actions refer to the participation in the Mechanism funds. • The Project Calls (announcement, selection and resolution processes) as well as the other project selection processes are published on the Programme Operator's website and/or other official media (Transparency). • The tender procedures (call and selection and resolution processes) carried out by the Programme Operator are published on the Programme Operator's website and other official means (Transparency). • During the Programme Operator's activity the website is mentioned with the		

Assessed Aspect	Evaluation	Comment
aim of increasing its representativeness. • The website acts as a platform for guaranteeing transparency in the management of the Mechanism funds.		
Advertising and Communication Plan.	✔	The Programme Operator has drawn up an Advertising and Communication Plan, in accordance with the content set forth in Annex IV of the Mechanism Regulations.
• An Advertising and Communication Plan has been established and approved. • The Advertising and Communication Plan has been appropriately approved, as regards manner and time. • The content of the Advertising and Communication Plan has sufficient scope to satisfy the requirements set forth in the applicable regulations.		
Assessment of gender equity in the Programme	✔	According to the Gender Report provided, the Programme Operator should, "(...) increase the number of males in the team. Or at least be aware of this weakness (...)". Therefore, being aware of the limitations previously mentioned in this report, which affect the Ministerial departments as regards staff recruitment, it is recommended to make specific reference to this weakness in the 2014 Annual Report and carry out actions to mitigate this risk. In reference to equality, this Programme should be especially transparent as regards its limitation, even if they are, or could be, justified.
• The Programme Operator has been subjected to a process analysis as regards its recruitment policy from a gender perspective in its work as Programme Operator. • The analysis performed has not shown significant findings. • As a consequence of the comments made about certain aspects, the Programme Operator has established an action plan aimed at improving them.		
Implementation and execution of policies related to good governance.	✔	Although the Programme Operator, as such and as a member of the State Administration, complies with the requirements in this regard, the establishment of a written protocol is recommended, which should include these extremes in the Project Promoters. In the considered period and within the scope of the Project Promoters, the Operator does not provide evidence of the establishment and maintenance of the
• The Operator complies with the general principles for granting the permission to attend (participation and inclusion in the Programme), Rendering of Accounts, transparency in its acts and purposes, efficiency and effectiveness, Rule of Law and absence of corruption. • The Programme Operator has to establish and maintain procedures for preventing, identifying and managing corruption cases and bad management. Said procedures must respond in a quick and professional manner to the irregularity indicators, bad management and corruption (Point 2.7.1 of the		

Assessed Aspect	Evaluation	Comment
Programme Operator's Manual). • The Programme Operator has established procedures for complying with the regulations on matters related to public procurement.		procedures for preventing, identifying and managing cases of corruption and bad management. Said procedures should offer a quick and professional response to the irregularity, bad management and corruption indicators.
Implementation of a policy for environmental sustainability in the Programme Operator and Programme Management.	✔	The Entity has no intrinsic accreditation systems for environmental regulations, although we have been given information about the different measures for dealing with environmental sustainability at the Entity's level.
• The Programme Operator possesses some external accreditation (ISO, AENOR, etc...) with regard to its environmental policies. • Manuals have been implemented in the entity, which describe the policy to be followed as regards Environmental Sustainability. • If the Entity has implemented its own environmental policies, the people involved in carrying out the tasks of the Programme Operator are aware of them and apply them. • The Programme Operator's management entails performing actions directed towards environmental sustainability; for example, preference is given in the announcements of projects that specialise in this area/subject, work management and policies that are sensitive to the environment (document printing policies, recycling, paperless policies, etc.)		
Assessment of the social sustainability of the Programme	(..)	When the control herein was conducted, the programme had not reached the necessary level of development and execution for making verifications as regards the Programme's social and economic sustainability.
• In this regard, by means of the programme indicators the Programme Operator has established measurement systems. • There is evidence that the development of the Programme properly complies with the social sustainability that was anticipated when the Programme was approved. • The programme has been designed so the results affect a sufficient number of people (because the groups are large or because they are significant in themselves) in relation to the resources employed. • The social consequences of this programme have been designed to last a long time or even make their results have a multiplying effect. • The Programme Operator itself promotes the "lessons learnt" effect for other programmes and activities (meetings, memorandums, feed-back).		
Assessment of the economic sustainability of the Programme	(..)	

Assessed Aspect	Evaluation	Comment
• In this regard, by means of the programme indicators the Programme Operator has established measurement systems.		
• There is evidence that the development of the Programme properly complies with the social sustainability that was anticipated when the Programme was approved.		
• The programme has had positive effects as regards the creation of jobs.		
• The programme has created an environment that favours development and the offering of essential services.		
• A cost-benefit analysis of the programme has been carried out.		
• The Programme Operator analyses the results obtained in respect to the expenditure, considering alternative solutions.		
• Once the support of the Mechanism has finalised, other supports from other entities (public or private) have been managed.		

In view of the foregoing, the quantitative evaluation of the Assessment Component 6 is displayed below in an analysis that is compared with the rest of Programme Operators:

Assessment Component 6

The documentation used as a basis for the assessment mentioned above is detailed in Annex I of the Report herein.

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Continuing with the previously described method, the assessment of this component is presented below.

Assessed Aspect	Evaluation	Comment
Existence and compliance of a procedure for issuing an IFR	✔	
• The Programme Operator receives the verifications, reports and audits of its management of the expenditure to be certified in the IFR. • The Programme Operator has reviewed all the verifications, reports and audits received.		Although during the period of study it is confirmed that the Programme Operator received the management verifications, reports and audits of the expenditure to be certified in the IFR, their review lacks the extremes mentioned in assessment components numbers 3 and 4. The human errors detected (albeit small amounts) could be avoided in the future by introducing the recommended warnings in the IT systems, which would improve the quality of the review performed by the Programme Operator.
Feedback between the Entity and other participants	✔	
• The Programme Operator has agreed to carry out procedures for issuing the necessary information about the verifications made by the entities that participate in the execution of co-financed actions.		There is appropriate communication as regards channels and terms between the Programme Operator and the other entities that participate in some way in the Mechanism.
Established actions for calculating the estimated expenditure	✔	
• There are procedures for calculating the estimated expenditure which ensure that the calculations have not been made randomly.		The Programme Operator has established suitable calculation systems, in order to be able to make fair estimates of the amounts to be requested.
Procedures for communicating and coordinating with the NFP	✔	
• The Programme Operator holds periodical meetings with the NFP or other Programme Operators to receive instructions (in the case of the NFP) and make comments about management aimed at the appropriate rendering of the IFRs.		In the same way as the rest of the participating Entities, there is appropriate communication between the Operator and the NFP, as regards channels and terms with the other entities that participate in some way in the Mechanism.
Appropriate control of the advance payments	✔	
• The Programme Operator has established a control procedure of the advance payments received and the comparison with the executed expenditure.		The control procedures established for the advance payments are appropriate as regards the calculation of

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Assessed Aspect	Evaluation	Comment
		the generated interest and the control of the sum of these advance payments and the Programme's level of execution.
Existence of a sole account for controlling funds and the interest	N/A	
• The Programme Operator has established a sole bank account for managing the Funds and the interest generated by the remaining balance of advance payments.		Not applicable. The deposits to the Ministry are made via the Treasury (the opening of any account does not apply) and the Treasury accounts do not generate interest. In 2013, the Certifying Authority had not issued any payments to Project Promoters.

In view of the foregoing, the quantitative evaluation of the Assessment Component 6 is displayed below in an analysis that is compared with the rest of Programme Operators:

Assessment Component 7

The documentation used as a basis for the assessment mentioned above is detailed in Annex I of the Report herein.

Madrid, December 9th, 2014

Grant Thornton, S.L.P.

Pablo Merello Lafuente
Socio

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ANEX I
TABLE OF CONTENTS SUPPORT DOCUMENTATION DELIVERED BY PROGRAMME OPERATOR

Documento	Componente de evaluación que soporta el documento						
	1	2	3	4	5	6	7
• Manual de Gestión y Control de MSSSI – Versión 1 – 09/05/2014	×	×	×	×	×	×	×
• Propuesta de Programa	×						
• Acuerdo del Programa	×						
• Acuerdo de Implementación del Programa	×						
• Leyes soporte de la política de conflicto de intereses: ○ Ley 7/2007, de 12 de abril, del Estatuto Básico del Empleado Público ○ Ley 30/1992, de 26 de noviembre, de Régimen Jurídico de las Administraciones Públicas y del Procedimiento Administrativo Común ○ Ley 5/2006, de 10 de abril, de regulación de los conflictos de intereses de los miembros del Gobierno y de los Altos Cargos de la Administración General del Estado. ○ Real Decreto Legislativo 3/2011, de 14 de noviembre, por el que se aprueba el texto refundido de la Ley de Contratos del Sector Público.	×						
• Procedimiento de contratación de Asistencia técnica para las labores de verificación de gastos: ○ Certificado de ausencia de medios ○ Propuesta de autorización del gasto ○ Acuerdo de inicio del expediente ○ Pliego de cláusulas Administrativas ○ Pliego de prescripciones técnicas ○ Invitaciones a licitadores ○ Informe propuesta de adjudicación ○ Contrato y pliegos firmados		×				×	
• Manual de justificación de gastos, incluye plantillas y modelo de informe de auditoría		×	×	×			
• Procedimiento de contratación de Asistencia técnica – Encomienda de gestión		×				×	

Documento	Componente de evaluación que soporta el documento						
	1	2	3	4	5	6	7
TRAGSATEC							

• IFR1
  o Documento firmado
  o Plantilla en excell
  o Check-List de verificaciones
  o Informe de verificación de gastos
  o Detalle de certificación
				×			×

• IFR2
  o Documento firmado
  o Plantilla en excell
  o Check-List de verificaciones
  o Informe de verificación de gastos
  o Detalle de certificación
				×			×

• Informe anual de ejecución del Programa						×	
• Análisis sobre la incorporación del mainstreaming de género en el programa	×					×	
• Recomendaciones sobre la incorporación del mainstreaming de género en el programa	×					×	
• Informes de auditoría sobre proyectos predefinidos		×	×	×		×	
• Ley 19/2013, de 9 de diciembre, de transparencia, acceso a la información pública y buen gobierno.						×	
• Listado de personal participante en la gestión y control del Mecanismo	×						

• Normas y procedimientos medioambientales
  o Plan de destrucción de papel de la Entidad
  o Plan de Contratación Pública Verde de la Administración General del Estado
  o Plan de recogida selectiva de residuos Ministerio de Sanidad, Servicios Sociales e Igualdad
						×	

• Documento descriptivo del equipamiento técnico del Operador de Programa	×						
• Plan de Comunicación		×				×	
• Plan de Divulgación para Promotores de Proyecto		×				×	

Documento	Componente de evaluación que soporta el documento						
	1	2	3	4	5	6	7
• Informe de resultados del seminario de búsqueda de promotores de proyecto		×					
• Plan de Controles de Visitas in situ			×				
• Guía para el seguimiento de proyectos sobre el terreno			×				
• Informe de verificación in situ realizada			×				

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Quality assessment of the systems and procedures carried out by the Secretaria de Estado de Cultura belonging to the Ministerio de Educación, Cultura y Deporte in its capacity as the Operator of the "Programa para la conservación y revitalización del patrimonio cultural y natural" Programme, presented by the Mecanismo Financiero EEA-GRANTS 2009-2014.

Year: 2013

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I. INTRODUCTION

The Memorandum of Understanding signed by Spain with the Donor States on 15 November 2011 establishes that in Spain the Subdirección General del Fondo de Cohesión y Cooperación Territorial Europea, known today as the Subdirección General de Cooperación Territorial Europea y Desarrollo Urbano, belonging to the Dirección General de Fondos Comunitarios del Ministerio de Hacienda y Administraciones Públicas, shall act as the National Focal Point (hereinafter, NFP) for the programmes co-funded by the EEA (European Economic Area) Financial Mechanism 2009-2014 (EEA Grants). Its responsibilities include ensuring the previously named programmes are controlled properly. It was with this objective that an external Monitoring Agent was hired.

The NFP has hired Grant Thornton, S.L.P. as an External Monitoring Agent to verify the quality of the operations and procedures in view of the objectives set by the EEA Grants in relation to the "Programa para la conservación y revitalización del patrimonio cultural y natural" Programme and the applicable standards.

The quality verification was performed on those projects and activities whose operations are contained in the Interim Financial Reports (hereinafter, IFR) for 2013, presented by the Secretaria de Estado de Cultura, belonging to the Ministerio de Educación, Cultura y Deporte (hereinafter, SEC), as the Programme Operator (hereinafter, PO), as well as verifying the systems to prepare the estimate of expenditure and calculate the advance payments. Accordingly, the assessed management corresponds to the 2013 period.

On 31 December 2013, the Programme Operator's Management and Control Systems Document was not at a definitive stage, since it was pending assessment and approval of the Intervención General de la Administración del Estado (hereinafter, IGAE), as Audit Authority (AA), belonging to the Ministerio de Hacienda y Administraciones Públicas, as well as its subsequent assessment by the Financial Mechanism Office (hereinafter, FMO).

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II. GENERAL CONSIDERATIONS

II.1 Control identification

Form of Intervention	European Economic Area Financial Mechanism 2009-2014
Programme Operator	Secretaria de Estado de Cultura, perteneciente al Ministerio de Educación, Cultura y Deporte
Programme	Programa para la conservación y revitalización del patrimonio cultural y natural
Programme Number	ES05
Estimated Total Cost of the Programme	€4,805,882.00
Total eligible costs of the Programme	€4,805,882.00
Co-financing (funding sources and percentages)	Mecanismo financiero del EEA Grants: 85.00%
Year analysed	2013
National Focal Point	Subdirección General de Fondos de Cohesión y Cooperación Territorial-MINHAP
Certifying Authority	Subdirección General de Certificación y Pagos – MINHAP
Audit Authority	Intervención General de la Administración del Estado (IGAE) – MINHAP
Irregularities Report Authority (AII)	Subdirección General de Fondos de Cohesión y Cooperación Territorial-MINHAP
Programme Operator Data	Secretaria de Estado de Cultura, perteneciente al Ministerio de Educación, Cultura y Deporte. Plaza del Rey, 1 – 28071 Madrid

II.2. Grant regulation

- Memorandum of Understanding (MoU), signed in Madrid by Spain and Norway on 15 November and in Brussels by Iceland and Liechtenstein on 18 November, entering into effect on 19 November 2011.

- Protocol 38b to the European Economic Area Agreement.

- Regulation on the implementation of the Financial Mechanism 2009-2014, adopted on 13 January 2011 and confirmed on 18 January, modified on 4 January 2012, 14 March 2013 and 1 July 2014.

- Agreement to Implement the "Programa para la conservación y revitalización del patrimonio cultural y natural" Programme (PIA), within the framework of the EEA Grants 2009-2014.

- Guidelines and manuals adopted by the Financial Mechanism Committee.

- General Subsidies Law 38/2003, of 17 November. Applying entities shall be required to respect part of the provisions contained in the Law.

- Real Decreto Legislativo 3/2011, de 14 de noviembre, por el que se aprueba el texto refundido de la Ley de Contratos del Sector Público.

III. OBJECTIVE AND SCOPE OF THE WORK

III.1.- Objective

The general objective of the control work is to verify the reasonability, appropriateness and adequacy of the management and control processes applied by the Operator to develop the Programme.

Generally speaking, said purpose is broken down into the verification of the following aspects:

- Functional independence among the grant/project managers and the expenditure verifiers
- The projects/activities are those selected for the Programme
- The verification procedures used by the Programme Operator are appropriate
- The audit trail is appropriate and sufficient
- An appropriate IT tool is used
- Horizontal and cross-sectional risks and issues
- The procedures used to prepare the IFR are appropriate.

The report herein states the results of a quality assessment of the management and control processes the Operator applied to develop the Programme. Due to its nature, the work does not have the character of an Accounts Audit and neither is it subject to Law 12/2010, on Accounts Audits, we do not issue an auditing opinion under the terms set forth in the previously mentioned regulation.

III.2.- Scope

The work consists in assessing the quality of the implementation of the Programme as regards the objectives contained in the regulation of the EEA Grants. For this purpose, the verification has been carried out on the processes and activities that are the source of the expenditure corresponding to the period from the beginning of the programme until 31 December 2013 (IFR#1).

Specifically, the expenditure contained in the IFR on which our control actions were based was the following:

IFR	Amount	Expense concept
1st	€44,766.00	Programme Management

In addition, an analysis was made of the advance payments and the methodology used to estimate the expenditure for each IFR.

III.3.- Limitations

During the control actions, there were no evident limitations in the scope of the work that prevented us from performing our assessment of the systems fairly.

IV. RESULTS OF THE STUDY

We verified the quality of the systems and procedures implemented by the SEC, in its capacity as the Programme Operator, basing our assessment on personal interviews with the people responsible for the Programme in the headquarters of the Entity, as well as studying the provided documentation, which is summarised as an Annex to the report herein.

The assessment was structured in seven assessment components, as shown previously in Section III.1 of this Report. The scope given to each assessment component, as well as our assessment of the fairness of the systems and procedures existing in 2013 are developed throughout this section of the Report. It must be taken into account that our evaluation was obtained after taking into account that the assessment period is in its initial stage, when the Programme was launched and, therefore, the procedures were being planned and developed and were generally still being consolidated.

The evaluation of each one of the assessment components was performed in line with the following concepts and scale:

Legend	Description
✗	Insufficient compliance or significant deficiencies in the stipulated aspects of the management during the indicated period. The Programme Operator finds it difficult to offer sufficient guarantees it will be able to perform these aspects of their tasks in the analysed period. It is recommended new procedures or fundamental improvements are implemented in those that already exist in relation to the considered aspects.
✓	Sufficient compliance in the considered period. However, these proposed aspects need to be monitored by the Programme Operator because they could lead to insufficiencies in the future.
✓✓	Appropriate compliance (although some aspects of minor importance stand out, which could be susceptible to improvement to some degree, but improvements could be introduced).
✓✓✓	Good compliance
N/A	Procedure or component that is not subject to validation; that is, it is not applicable
(..)	In some aspects the programme's degree of maturity and development does not allow to make an assessment of the procedures, processes and actions carried out, meaning that on the date of the study, it is not possible to reach a conclusion as regards whether or not the assessed aspect adapts to the applicable regulation.

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The individual aspects upon which this component has been controlled affect the elements that figure below. We have indicated evaluations for the different items which make up the component. In addition, in the event the result of the assessment is different, then the corresponding comment is given.

Assessed Aspect	Evaluation	Comment
Definition of the structure	✔	
• Definition of the organisational chart of the units of the Programme Operator that are involved in the management and control of the EEA GRANTS Mechanism. • Definition of a work flowchart of the units of the Programme Operator that are involved in the management and control of the EEA GRANTS Mechanism.		Fair definition in accordance with the level of development and maturity of the Programme in 2013
Definition of functions	✔	
• Assignment of functions at a divisional level and, if applicable, at a work post level, defined in writing. Publication and distribution among employees. • Establishment of appropriate policies and procedures for authorising and approving operations at an appropriate level.		In 2013 the functions corresponding to the management and control of the Funds to be carried out by the Programme Operator's participating units had not been defined in writing and formally approved in a Management and Control Manual. The AA approved said system on 17 October 2014, thus complying with the terms set forth in the Regulation on the implementation of the EEA Grants.
Adequacy of human resources	✔	
• Identification of the staff in charge of managing the programme. (Distinguishing between own staff and external staff). • Existence of a study that assesses the adequacy of the assigned measures or, if applicable, the assessment of the adequacy of measures. • Established policies for managing and assuming the tasks in question are low.		The provision of human resources for managing and controlling the Programme had been complete since practically the start of the management. However, it needs to be pointed out that there is a high staff turnover in the Programme analyst position.
Classification of Human Resources:	✔	

• Evaluation of the human resources classification:
    ○ Level of training
    ○ Hierarchical and decision level within the organisation
    ○ Experience in fund management
		Levels of academic aptitude and appropriate experience for managing the funds.

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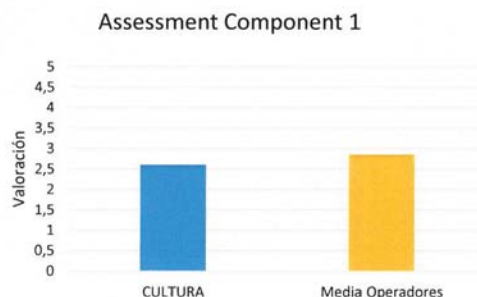| Assessed Aspect	Evaluation	Comment
○ Level and capacity in language-related matters.		
Separation of functions (Good Governance)	✔	

• Existence of a separation between the people or units in charge of the following functions:
    ○ Project management
    ○ Expenditure verification
    ○ Payment procedures
    ○ Accounting.
 • Support and documentation of the policy established for matters related to separating functions.
 • The staff involved in the Mechanism management must be aware of these policies.
		Definition and application of policies aimed at reasonably ensuring the functions are separated in the Fund management and control.

Conflict of Interests (Good Governance)	✔	
• Policies directed towards mitigating the risks of conflicts of interests. • Publication of these policies at an organisational level. • The staff involved in the Mechanism management must be aware these policies exist, as well as the protocols for ensuring they are complied with.		The Government employees in the Central Administration of the State who perform tasks associated to the Programme management are subject to the rules against the incompatibilities for preventing and resolving conflicts of interests, which are followed closely by the General Inspection of the Ministry of Education, Culture and Sport; an extreme which is considered appropriate. However, it is recommended to obtain an express written statement of Independence, which also declares there are no conflicts of interests, for each member of staff responsible for performing management duties in the activities defined in the Programme Agreement that do not belong to the public service, as well as expressly demanding the statement of independence in future recruitment procedures, if applicable.
Decentralization/delegation of functions	✔	
• Compliance of the applicable regulation in the selection processes and hiring of the decentralised or delegated service/task providers.		It is observed that the regulations on the processes for hiring services/delegated tasks are complied with.

Assessed Aspect	Evaluation	Comment
• Existence of decentralised task supervision and monitoring procedures. Level of establishment and its compliance.		In respect to the control procedures for performing delegated and decentralised tasks, a more specific and personal assignment of responsibilities is recommended, as well as a monitoring procedure with control lists of the delegated/decentralised tasks. Likewise, it is similarly recommended to carry out documented quality controls of the tasks performed by the subcontracted entities.
Hiring and selection of Human Resources	✔	
• Existence of regulations and procedures for hiring, training, motivation, assessment and remuneration. • Adaptation of the procedures for employee recruitment, valuing the candidate's adaptation to the requirements of the post. • Policies established as regards motivation, complaints/suggestions and improvements in the method of work. • Analysis of measures directed towards work-life balance.		The Entity has established formal procedures for recruitment and staff management. Due to the Programme's short duration and the temporary nature of the contracts associated to it, there is suitable compliance with these matters.
Human Resources Training	✘	
• Existence and development of training plans, which include specific training actions that provide added value to the programme management. • Processes to assess how the training levels adapt to the tasks to be developed.		lthough part of the programme management staff has been trained in Spanish regulations and legal procedures, a sole person is hired for the specific Programme management. This person is required to have proven experience in cultural management. Although this analysis refers to 2013, on the date when this report was drawn up it was evident that the person in charge of the Programme management frequently changed. Even though there has been an overlap of employees because the person leaving the post has needed time to instruct the person who was entering, it means it is necessary to recommended a specific procedure for said changes, such as a procedures manual that contains written and detailed instructions about the process. The Programme Operator is also recommended to study

Assessed Aspect	Evaluation	Comment
		measures aimed at preventing this high turnover rate from repeating. . This recommendation is of particular importance because a high staff turnover could cause management problems, which would become even more serious as the Programme progressed and we neared its closure.
Provision of Technical Means	✔	
• Existence of a work conditions study. • Assessment of the physical and IT equipment the Programme Operator has at its disposal for executing its tasks. • Deficiency detection systems. • Analysis of the opinion given by the staff in charge of the Programme in respect to whether the provision of technical means adapts to the tasks to be carried out.		The provision of technical means and the early detection of insufficiencies are considered appropriate due to the temporary features of the Fund management and control.

In view of the foregoing, the quantitative evaluation of the Assessment Component 1 is displayed below in an analysis that is compared with the rest of Programme Operators:

Assessment Component 1

The documentation used as a basis for the assessment mentioned above is detailed in Annex I of the Report herein.

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Continuing with the previously described method, the assessment of this component is presented below.

Assessed Aspect	Evaluation	Comment
Predefined Projects	✔	
• Definition of controls aimed at verifying that the expenditure declared for predefined Projects comply with the criteria approved by the Programme Agreement, or by the document of approval.		The controls established by the Programme Operator properly guarantee that the expenditure associated to the predefined projects comply with the criteria approved by the Programme Agreement.
Bilateral Activities	(..)	
• Definition of controls aimed at verifying that the expenditure declared for Bilateral Activities comply with the criteria approved by the Mechanism for such actions.		In 2013 no bilateral activities were planned or carried out, so this aspect has not been assessed.
Legality of Processes for Project Announcements	N/A	

• The project announcement procedures are in accordance with the legislation on subventions.
 • The grant announcements specify
    o The conditions that have to be met in order to be eligible to receive funding
    o The project selection criteria that are going to be weighted
    o The procedures and terms for evaluating the projects
    o Beneficiaries' obligations and rights
    o Description of the organs and commissions in charge of selecting the projects
    o The objective and possibilities for creating networks with entities of the donor countries
    o That the acceptance of funds implies accepting to disseminate a summary of the project and the main contact details.
		The Programme has not planned to carry out projects by way of announcement procedures. The Programme has established that the handling of expenditure will be linked to the predefined project.

Compliance with the Programme objectives by way of the selection of projects	N/A	
• Implementation of systems that guarantee the projects adapt to the general and particular objectives assigned in the programme.		

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Assessed Aspect	Evaluation	Comment
Appropriate procedures for evaluating projects.	N/A	
• There are verification procedures and jobs that ensure the selected projects company with the Announcement and Resolution for granting the aid.		
Programme Management – Controlling the linkage between expenditure and the project	✔	
• Existence of procedures that guarantee the declared expenditure really corresponds to the project.		The control systems implemented by the Programme Operator ensure that the expenditure handled in the Programme management is linked to this activity, as well as its reasonableness.
Programme Management – Profitability factor	✔	
• Implementation of policies that are directed towards handling expenditure under the profitability factor, thus ensuring efficiency.		The Programme Operator's work policies guarantee the tasks are performed under the principles of profitability.

In view of the foregoing, the quantitative evaluation of the Assessment Component 2 is displayed below in an analysis that is compared with the rest of Programme Operators:

Assessment Component 2

The documentation used as a basis for the assessment mentioned above is detailed in Annex I of the Report herein.

Assessment component 3: The verification procedures used by the Programme Operator are appropriate

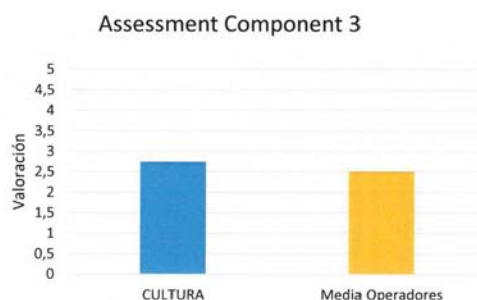Continuing with the previously described method, the assessment of this component is presented below.

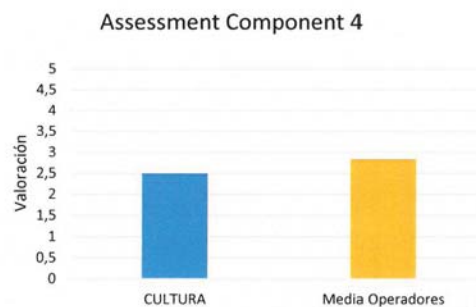| Assessed Aspect	Evaluation	Comment
Existence of a procedure for controlling expenditure	✔	
• Establishment of administrative verification procedures for 100% of the expenditure declared in the IFR (the check-lists can be manual or computerised or any other system can be used). If that is not the case, there is a review procedure that includes a report model, sampling systems which guarantee that a risk analysis forms the basis for selecting the expenditure. Evidence of the applied sampling system and the selected expenditure has been preserved.		The Programme Operator has hired two external independent companies from the first IFR that was drawn up, which have performed a technical and economic control of the handling of the declared expenditure.
Existence of appropriate control lists for verifying expenditure	✔	

• Existence of control documents/reports which contain the scope and results of the verifications carried out.
• The established control systems ensure the verification of the following aspects:
  ○ The expense has neither been paid nor justified previously or in other projects or against other funds.
  ○ The expense is real and has been made
  ○ Reconciliations are made between the supporting documentation and the expense statements.
  ○ Conceptual eligibility of the expenditure.
		During the period under study the support for the tasks carried out by the entities to which tasks have been delegated were not under the Programme Operator's control.
		Given that for a short period of time this fact may make it difficult to access the documentary support of the completed verifications, it is recommended that the delivery of these supports is regulated so they can be studied and safeguarded by the PO

Existence of a control procedure prior to the expense statement	✔	
• Existence of control systems that prevent continuing with the justification and statement of expenses if the control lists have not been completed or the pending issues have been resolved.		See the comment about the first evaluated aspect in the assessment component herein.
Identification of the responsibility and periodicity of the controls	✔	
• The established control documents/reports specify the person who is responsible for carrying out and supervising the controls, the manifested observations, as well as the date on which the controls were performed.		The procedures for identifying the responsibility and periodicity of the controls implemented as from IFR#2 are considered appropriate.

Assessed Aspect	Evaluation	Comment
Existence of an in-field control plan	(..)	
• Establishment of a programme/plan for verifying projects/activities *in situ*.		At the time this control was performed, the programme had not reached a level of development and execution that allowed verifications to be carried out in situ; consequently, at the moment, this aspect is not susceptible to assessment. The scheme for these controls is defined and documented in Section 4.3 of the PA.
Appropriate coverage of the in-field controls	(..)	

• Definition of the sampling system to be developed for selecting the projects/activities upon which the verifications will be made.
• The sampling system is representative, ensuring the selection is made by means of applying risk criteria, as well as a random system.
• The applied sampling system is the one that was previously defined.
• File and safeguard the applied sampling system and the selection.
• The coverage of the verifications *in situ* ensures that the control levels have reached the following targets:
  ○ Verification of 5% of the amount declared in the IFR for projects (defined by announcement or predefined)
  ○ Verification of 25% of the amount declared in the IFR for concepts other than projects that have been verified in the field.
• The degree of coverage of the initially planned visits has really been reached.
		The same as the previous comment.

In-field control certificates: the existence of a model, completeness and appropriateness	(..)	
• Establishment of a visit/work programme certificate model that contains the scope and procedures of the verifications to be carried out. • The scope of the certificate covers verifications that have been performed physically or financially. • The verification of projects/activities does not only cover the expenditure to be declared but also the expenditure declared in previous certificates.		The same as the two previous comments.

In view of the foregoing, the quantitative evaluation of the Assessment Component 3 is displayed below in an analysis that is compared with the rest of Programme Operators:

Assessment Component 3

The documentation used as a basis for the assessment mentioned above is detailed in Annex I of the Report herein.

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Assessment component 4: The audit trail is appropriate and sufficient.

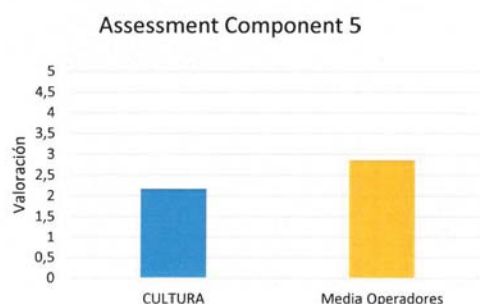Continuing with the previously described method, the assessment of this component is presented below.

Assessed Aspect	Evaluation	Comment
Procedures that guarantee separate accounting	✔	
• The accounting system makes it possible to identify each transaction related to the projects/actions and identify the certified amounts and payment of the public contribution to the promoter or the beneficiary. • Se conservan registros contables detallados que permiten comprobar los gastos realizados en sus distintas fases y los agentes que los han realizado.		The Entity's accounting systems make it possible to trace in detail the operations performed in the Programme.
Traceability of controlled expenditure	✔	
• Flowchart which gives details of the process and verification of the documents. (Staff knows about this flowchart, which is updated as appropriate). • Definition of an appropriate filing system of the documentation that justifies the entire management process. • Express instructions exist for the project promoters and beneficiaries for preserving the administrative documentation of the records.		It exists an adequate Traceability of controlled expenditure.
Audit trail between expenditure and controls made	✔	
• The control systems make it possible to identify the controlled amount and the result of the verification for statement purposes.		The filing and safeguard of the documentation is intrinsic to the procedures of the Public Administration.
Documentation filing system	✔	Due to the characteristics of this Programme, it is expected that a large amount of information will be generated. During the period considered, the information was in premises other than those belonging to the PO. The PO is recommended to establish a filing and safeguarding system for all the supporting information of the Programme.
• Definition and establishment of procedures used for filing and safeguarding original supporting documentation.		
Identification and classification of irregular expenditure	(..)	

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Assessed Aspect	Evaluation	Comment
• The implemented procedures make it possible to obtain evidence of the expenditure that is rejected and considered irregular. • A procedure (random or systematic) has been established that identifies the nature of each error that appears. • The work systems give evidence of the origin and cause of the errors that appear.		The level of handling and the programme's degree of maturity, as well as the work done by the two external companies hired, imply there being a low risk of irregularities. However, in 2013 the Programme Operator had not implemented a system for handling and monitoring irregularities.
Monitoring of incidents and irregularities	(..)	At present, Section 9 of the Description of the management and control system establishes the procedures for preventing, detecting, notifying and correcting irregularities
• There are work procedures for performing tasks addressed towards investigating and quantifying the errors considered to be systematic. • The implemented work procedure for analysing errors does not only investigate and quantify the verified error, but also others of a similar nature that could have been made (for example, the quantification of systematic errors).		
Error analysis and management.	(..)	
• The procedures ensure the different stakeholders are informed of the errors, not only by way of the corresponding IFRs, but also by notifications made prior to when the errors are declared.		

In view of the foregoing, the quantitative evaluation of the Assessment Component 4 is displayed below in an analysis that is compared with the rest of Programme Operators:

Assessment Component 4

The documentation used as a basis for the assessment mentioned above is detailed in Annex I of the Report herein.

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Continuing with the previously described method, the assessment of this component is presented below.

Assessed Aspect	Evaluation	Comment
Adaptation of the management and control IT application	✔	
• A management tool has been defined for the programme, which is either integrated in the Entity's general systems or a system has been created *ad hoc* for the programme management. • The implemented systems ensure the Fund management will be appropriately developed. • The people responsible for developing the management tools have been identified. • The implemented tools have a role and permission policy.		The work tools are files created with Microsoft Office.
The control systems guarantee the completeness of the information	✔	
• The implemented tools record the level of progress of the jobs, the information they contain, the documentation pending inclusion and the documentation that cannot be incorporated and which is preserved in a physical format.		It is recommended to improve the guarantees that the information contained in the IT systems will be controlled. Control warnings should be introduced that automatically give information about the time elapsed and which information still has to be loaded. Likewise, it should contain marks that inform the manager that the loaded information is complete.
Information transmission between the application and the general systems	✔	
• The management tools make it possible to load and extract information for analysing and drawing up reports.		It is recommended to introduce processes that systemise the processes for loading and extracting information for analysing and preparing reports.
Application supervision given by IT professionals	✔	
• The tools implemented by the Programme Operator are supervised by IT experts, who either work for the organisation or are external.		The Subdirección General de Tecnologías de la Información y Comunicaciones is the centralised organism responsible for promoting and coordinating the

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Assessed Aspect	Evaluation	Comment
		policies on matters relating to IT and communications for the Ministry and its different organisms; the development of the IT systems necessary for running the services. No specialised supervision of the IT systems has been implemented that guarantees the integrity and security of the management tools.
Back-up protocols for the particular application	✘	
• A protocol for generating back-up copies has been established, which makes it possible to recover the information in the event of disaster or loss. • The tools give evidence of the interventions performed on them, giving evidence of versions and the liability of the actions.		No minimal practices for the security of the information have been established and recorded. There are no guarantees that the information is secure and recoverable; for example, there is no information storage system in a common server that establishes a policy for making periodical back-up copies, etc. At present, the PO has stated that, "The information related to the programme management has been transferred to a network file on the server of the Secretaría de Estado de Cultura. The SEC's IT service has established a policy for making periodical back-up copies". This does not alter our assessment of this aspect and the improvements implemented now will be assessed in subsequent financial periods.
External accreditation certificate of the Entity's general systems	✔	
• The Entity's general systems possess some type of external accreditation (ISO, AENOR, etc.).		The information security systems have not been accredited by any of the existing external accreditation standards (ISO, AENOR, etc.). We stress that this condition would be desirable but not obligatory.

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In view of the foregoing, the quantitative evaluation of the Assessment Component 5 is displayed below in an analysis that is compared with the rest of Programme Operators:

Assessment Component 5

The documentation used as a basis for the assessment mentioned above is detailed in Annex I of the Report herein.

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Assessment component 6: Horizontal and cross-sectional risks and issues.

Continuing with the previously described method, the assessment of this component is presented below.

Assessed Aspect	Evaluation	Comment
Programme risk analysis	✖	The Programme Operator has not identified any risk inherent to the programme management. It is recommended to perform a detailed analysis of the risks and the possible mitigation measures to be considered in the event of them occurring.
• A management and risk analysis system has been established for the functions performed. • The organisation has implemented a risk management policy, which may be either proactive or reactive.		
Work plan to mitigate risks	✖	
• There is a work protocol that assesses the detected risks and depending on their level it contemplates the implementation of a work plan designed to overcome said risks.		
Identification of risks in the Annual Report	✖	
• The Annual Report expresses the Programme Operator's main risks.		
Identification of risk measurement indicators	✖	
• The indicators used for detecting risks are appropriately supported and offer guarantees that no significant risk for the programme will be omitted.		
Advertising the funds of the EEA Mechanism in the management.	✔	
• The grant announcements indicate the participation in the Mechanism. • A website that is independent from the Programme Operator's website has been created for the Mechanism. • The website refers to the participation in the Mechanism. • The Programme Operator's public actions refer to the participation in the Mechanism funds. • The Project Calls (announcement, selection and resolution processes) as well as the other project selection processes are published on the Programme Operator's website and/or other official media (Transparency). • The tender procedures (call and selection and resolution processes) carried out by the Programme Operator are published on the Programme Operator's website and other official means (Transparency). • During the Programme Operator's activity the website is mentioned with the		In the activities developed by the Programme Operator, it is considered that appropriate actions have been performed for making the Funds of the EEA Financial Mechanism visible.

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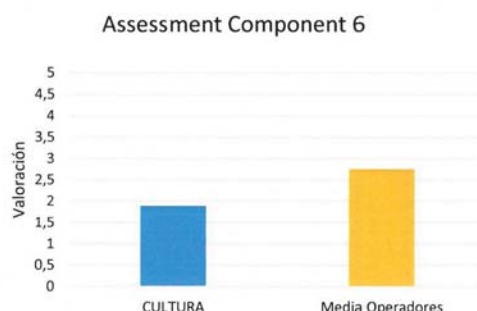| Assessed Aspect	Evaluation	Comment
aim of increasing its representativeness. • The website acts as a platform for guaranteeing transparency in the management of the Mechanism funds.		
Advertising and Communication Plan.	✔	
• An Advertising and Communication Plan has been established and approved. • The Advertising and Communication Plan has been appropriately approved, as regards manner and time. • The content of the Advertising and Communication Plan has sufficient scope to satisfy the requirements set forth in the applicable regulations.		The Programme Operator has drawn up an Advertising and Communication Plan, in accordance with the content set forth in Annex IV of the Mechanism Regulations.
Assessment of gender equity in the Programme	✔	
• The Programme Operator has been subjected to a process analysis as regards its recruitment policy from a gender perspective in its work as Programme Operator. • The analysis performed has not shown significant findings. • As a consequence of the comments made about certain aspects, the Programme Operator has established an action plan aimed at improving them.		In 2013, the Secretary of State for Culture, like the rest of Programme Operators, was the object of an analysis for incorporating gender mainstreaming into the programme. According to the Report provided, some weaknesses regarding gender mainstreaming (the incorporation of perspective) were detected during the execution of the Programme. The Programme Operator is recommended to document the policies and procedures aimed at rectifying the previously mentioned weaknesses when they are carried out.
Implementation and execution of policies related to good governance.	✔	
• The Operator complies with the general principles for granting the permission to attend (participation and inclusion in the Programme), Rendering of Accounts, transparency in its acts and purposes, efficiency and effectiveness, Rule of Law and absence of corruption. • The Programme Operator has to establish and maintain procedures for preventing, identifying and managing corruption cases and bad management. Said procedures must respond in a quick and professional manner to the irregularity indicators, bad management and corruption (Point 2.7.1 of the Programme Operator's Manual). • The Programme Operator has established procedures for complying with the		It is recommended to establish and document some procedures for preventing, identifying and managing possible cases of corruption and bad management. Said procedures should offer a quick and professional response to the irregularity, bad management and corruption indicators. Although the Transparency Act affects these aspects, measures should be established that can be applied expressly in this programme, especially in aspects related to prevention and detection.

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Assessed Aspect	Evaluation	Comment
regulations on matters related to public procurement.		
Implementation of a policy for environmental sustainability in the Programme Operator and Programme Management.	✔	
• The Programme Operator possesses some external accreditation (ISO, AENOR, etc...) with regard to its environmental policies. • Manuals have been implemented in the entity, which describe the policy to be followed as regards Environmental Sustainability. • If the Entity has implemented its own environmental policies, the people involved in carrying out the tasks of the Programme Operator are aware of them and apply them. • The Programme Operator's management entails performing actions directed towards environmental sustainability; for example, preference is given in the announcements of projects that specialise in this area/subject, work management and policies that are sensitive to the environment (document printing policies, recycling, paperless policies, etc.)		In this regard, the Programme Operator has not provided evidence of the policies established in the programme management. In addition, it is stressed that the Entity does not have any intrinsic systems for accrediting environmental regulations. It is worth noting that this observation is partly palliated because the SEC is governed by the Instruction of the Under-Secretary of Education, Culture and Sport on the austerity and rationalisation measures of the Ministry's general expenditure.
Assessment of the social sustainability of the Programme	(..)	
• In this regard, by means of the programme indicators the Programme Operator has established measurement systems. • There is evidence that the development of the Programme properly complies with the social sustainability that was anticipated when the Programme was approved. • The programme has been designed so the results affect a sufficient number of people (because the groups are large or because they are significant in themselves) in relation to the resources employed. • The social consequences of this programme have been designed to last a long time or even make their results have a multiplying effect. • The Programme Operator itself promotes the "lessons learnt" effect for other programmes and activities (meetings, memorandums, feed-back).		When the control herein was conducted, the programme had not reached the necessary level of development and execution for making verifications as regards the Programme's social and economic sustainability. All the same, there may not be sufficient indicators defined and the implementation of complementary indicators is recommended.
Assessment of the economic sustainability of the Programme	(..)	
• In this regard, by means of the programme indicators the Programme Operator has established measurement systems. • There is evidence that the development of the Programme properly complies with the social sustainability that was anticipated when the Programme was		

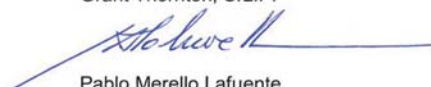| Assessed Aspect	Evaluation	Comment
approved.		
• The programme has had positive effects as regards the creation of jobs.		
• The programme has created an environment that favours development and the offering of essential services.		
• A cost-benefit analysis of the programme has been carried out.		
• The Programme Operator analyses the results obtained in respect to the expenditure, considering alternative solutions.		
• Once the support of the Mechanism has finalised, other supports from other entities (public or private) have been managed.		

In view of the foregoing, the quantitative evaluation of the Assessment Component 6 is displayed below in an analysis that is compared with the rest of Programme Operators:

Assessment Component 6

The documentation used as a basis for the assessment mentioned above is detailed in Annex I of the Report herein.

Assessment component 7: Appropriate procedures for drawing up an IFR.

Continuing with the previously described method, the assessment of this component is presented below.

Assessed Aspect	Evaluation	Comment
Existence and compliance of a procedure for issuing an IFR	✔	
• The Programme Operator receives the verifications, reports and audits of its management of the expenditure to be certified in the IFR. • The Programme Operator has reviewed all the verifications, reports and audits received.		There is suitable compliance with the procedures for sending the IFRs.
Feedback between the Entity and other participants	✔	
• The Programme Operator has agreed to carry out procedures for issuing the necessary information about the verifications made by the entities that participate in the execution of co-financed actions.		There is appropriate communication as regards channels and terms between the Programme Operator and the other entities that participate in some way in the Mechanism.
Established actions for calculating the estimated expenditure	✔	
• There are procedures for calculating the estimated expenditure which ensure that the calculations have not been made randomly.		The Programme Operator has established suitable calculation systems, in order to be able to make fair estimates of the amounts to be requested.
Procedures for communicating and coordinating with the NFP	✔	
• The Programme Operator holds periodical meetings with the NFP or other Programme Operators to receive instructions (in the case of the NFP) and make comments about management aimed at the appropriate rendering of the IFRs.		In the same way as the rest of the participating Entities, there is appropriate communication between the Operator and the NFP, as regards channels and terms with the other entities that participate in some way in the Mechanism.
Appropriate control of the advance payments	✔	
• The Programme Operator has established a control procedure of the advance payments received and the comparison with the executed expenditure.		The control procedures established for the advance payments are appropriate as regards the calculation of the generated interest and the control of the sum of these advance payments and the Programme's level of execution.
Existence of a sole account for controlling funds and the interest	N/A	
• The Programme Operator has established a sole bank account for managing		Not applicable. The deposits to the Ministry are made

Assessed Aspect	Evaluation	Comment
the Funds and the interest generated by the remaining balance of advance payments.		via the Treasury (the opening of any account does not apply) and the Treasury accounts do not generate interest. In 2013, the Certifying Authority had not issued any payments to Project Promoters.

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In view of the foregoing, the quantitative evaluation of the Assessment Component 7 is displayed below in an analysis that is compared with the rest of Programme Operators:

Assessment Component 7

The documentation used as a basis for the assessment mentioned above is detailed in Annex I of the Report herein.

Madrid, December 9th, 2014

Grant Thornton, S.L.P.

Pablo Merello Lafuente
Socio

ANEX I
TABLE OF CONTENTS SUPPORT DOCUMENTATION DELIVERED BY PROGRAMME OPERATOR

Documento	Componente de evaluación que soporta el documento						
	1	2	3	4	5	6	7
• Manual de Gestión y Control del Ministerio de Cultura – (Versión no aprobada)	✕	✕	✕	✕	✕	✕	✕
• Propuesta de Programa	✕						
• Acuerdo del Programa	✕						
• Acuerdo de Implementación del Programa	✕						
• Documento de aspectos procedimentales a tener en consideración en la tramitación de las propuestas de contratos menores a formalizar en el ámbito de la Secretaria de Estado de Cultura		✕				✕	
• Resolución por la que se aprueba la instrucción de la subsecretaria de educación, cultura y deporte sobre medidas de austeridad y racionalización de los gastos generales del Ministerio		✕				✕	
• Check – List de verificación instaurados por las empresas subcontratadas para la verificación técnica y económica			✕	✕			
• Procedimiento de contratación de Asistencia Técnica de verificación técnica del programa (UNA MAS UNA)		✕		✕			
• Procedimiento de contratación de Asistencia Técnica de verificación económica del programa (BDO)		✕		✕			
• Procedimiento de selección e incorporación del personal encargado de la gestión del programa	✕					✕	

• IFR1
  o Documento firmado
  o Informe de verificación de gastos
  o Informe de verificación técnica
  o Detalle de gastos de certificación (incluido en informe de verificación de gastos)
				✕			✕

• Ley Orgánica 3/2007, de 22 de marzo, para la igualdad efectiva de mujeres y hombres	✕					✕	
• Documento "Condiciones de Publicidad"		✕				✕	

Documento	Componente de evaluación que soporta el documento						
	1	2	3	4	5	6	7
• Análisis sobre la incorporación del mainstreaming de género en el programa	✕					✕	
• Recomendaciones sobre la incorporación del mainstreaming de género en el programa	✕					✕	

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Quality assessment of the systems and procedures carried out by the Universidad Complutense de Madrid in its capacity as the Operator of the "Programa de becas para el Espacio Económico Europeo" Programme, presented by the Mecanismo Financiero EEA-GRANTS 2009-2014.

Year: 2013

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I. INTRODUCTION

The Memorandum of Understanding signed by Spain with the Donor States on 15 November 2011 establishes that in Spain the Subdirección General del Fondo de Cohesión y Cooperación Territorial Europea, known today as the Subdirección General de Cooperación Territorial Europea y Desarrollo Urbano, belonging to the Dirección General de Fondos Comunitarios del Ministerio de Hacienda y Administraciones Públicas, shall act as the National Focal Point (hereinafter, NFP) for the programmes co-funded by the EEA (European Economic Area) Financial Mechanism 2009-2014 (EEA Grants). Its responsibilities include ensuring the previously named programmes are controlled properly. It was with this objective that an external Monitoring Agent was hired.

The NFP has hired Grant Thornton, S.L.P. as an External Monitoring Agent to verify the quality of the operations and procedures in view of the objectives set by the EEA Grants in relation to the "Programa de becas para el Espacio Económico Europeo" Programme and the applicable standards.

The quality verification was performed on those projects and activities whose operations are contained in the Interim Financial Reports (hereinafter, IFR) for 2013, presented by the Universidad Complutense de Madrid (hereinafter, UCM), as the Programme Operator (hereinafter, PO), as well as verifying the systems to prepare the estimate of expenditure and calculate the advance payments. Accordingly, the assessed management corresponds to the 2013 period.

On 31 December 2013, the Programme Operator's Management and Control Systems Document was not at a definitive stage, since it was pending assessment and approval of the Intervención General de la Administración del Estado (hereinafter, IGAE), as Audit Authority (AA), belonging to the Ministerio de Hacienda y Administraciones Públicas, as well as its subsequent assessment by the Financial Mechanism Office (hereinafter, FMO).

II. GENERAL CONSIDERATIONS

II.1 Control identification

Form of Intervention	European Economic Area Financial Mechanism 2009-2014
Programme Operator	Universidad Complutense de Madrid
Programme	Programa de becas para el Espacio Económico Europeo
Programme Number	ES07
Donor Programme Partners	Centro Noruego para la Cooperación Internacional en Educación Superior, Centro Islandés para la Investigación (RANNIS).
	Agencia Nacional de Liechtenstein para la Educación Internacional (AIBA)
Estimated Total Cost of the Programme	€3,918,000.00
Total eligible costs of the Programme	€3,918,000.00
Co-financing (funding sources and percentages)	Mecanismo financiero del EEA Grants: 100.00%
Year analysed	2013
National Focal Point	Subdirección General de Fondos de Cohesión y Cooperación Territorial- MINHAP
Certifying Authority	Subdirección General de Certificación y Pagos – MINHAP
Audit Authority	Intervención General de la Administración del Estado (IGAE) – MINHAP
Irregularities Report Authority (All)	Subdirección General de Fondos de Cohesión y Cooperación Territorial- MINHAP
Programme Operator Data	Universidad Complutense de Madrid Avda. de Séneca, 2 – 28040 Madrid

II.2. Grant regulation

- Memorandum of Understanding (MoU), signed in Madrid by Spain and Norway on 15 November and in Brussels by Iceland and Liechtenstein on 18 November, entering into effect on 19 November 2011.

- Protocol 38b to the European Economic Area Agreement.

- Regulation on the implementation of the Financial Mechanism 2009-2014, adopted on 13 January 2011 and confirmed on 18 January, modified on 4 January 2012, 14 March 2013 and 1 July 2014.

- Agreement to Implement the "NILS Ciencia y Sostenibilidad" Programme (PIA), within the framework of the EEA Grants 2009-2014.

- Guidelines and manuals adopted by the Financial Mechanism Committee.

- General Subsidies Law 38/2003, of 17 November. Applying entities shall be required to respect part of the provisions contained in the Law.

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III. OBJECTIVE AND SCOPE OF THE WORK

III.1.- Objective

The general objective of the control work is to verify the reasonability, appropriateness and adequacy of the management and control processes applied by the Operator to develop the Programme.

Generally speaking, said purpose is broken down into the verification of the following aspects:

- Functional independence among the grant/project managers and the expenditure verifiers
- The projects/activities are those selected for the Programme
- The verification procedures used by the Programme Operator are appropriate
- The audit trail is appropriate and sufficient
- An appropriate IT tool is used
- Horizontal and cross-sectional risks and issues
- The procedures used to prepare the IFR are appropriate.

The report herein states the results of a quality assessment of the management and control processes the Operator applied to develop the Programme. Due to its nature, the work does not have the character of an Accounts Audit and neither is it subject to Law 12/2010, on Accounts Audits, we do not issue an auditing opinion under the terms set forth in the previously mentioned regulation.

III.2.- Scope

The work consists in assessing the quality of the implementation of the Programme as regards the objectives contained in the regulation of the EEA Grants. For this purpose, the verification has been carried out on the processes and activities that are the source of the expenditure corresponding to the period from the beginning of the programme until 31 December 2013 (IFR#1 and IFR#2).

Specifically, the expenditure contained in the IFR on which our control actions were based was the following:

IFR	Amount	Expense concept
1st	€16,728.00	Programme Management
2nd	€20,831.00	Programme Management

In addition, an analysis was made of the advance payments and the methodology used to estimate the expenditure for each IFR.

III.3.- Limitations

During the control actions, there were no evident limitations in the scope of the work that prevented us from performing our assessment of the systems fairly.

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IV. RESULTS OF THE STUDY

We verified the quality of the systems and procedures implemented by the UCM, in its capacity as the Programme Operator, basing our assessment on personal interviews with the people responsible for the Programme in the headquarters of the Entity, as well as studying the provided documentation, which is summarised as an Annex to the report herein.

The assessment was structured in seven assessment components, as shown previously in Section III.1 of this Report. The scope given to each assessment component, as well as our assessment of the fairness of the systems and procedures existing in 2013 are developed throughout this section of the Report. It must be taken into account that our evaluation was obtained after taking into account that the assessment period is in its initial stage, when the Programme was launched and, therefore, the procedures were being planned and developed and were generally still being consolidated.

The evaluation of each one of the assessment components was performed in line with the following concepts and scale:

Legend	Description
✗	Insufficient compliance or significant deficiencies in the stipulated aspects of the management during the indicated period. The Programme Operator finds it difficult to offer sufficient guarantees it will be able to perform these aspects of their tasks in the analysed period. It is recommended new procedures or fundamental improvements are implemented in those that already exist in relation to the considered aspects.
✓	Sufficient compliance in the considered period. However, these proposed aspects need to be monitored by the Programme Operator because they could lead to insufficiencies in the future.
✓	Appropriate compliance (although some aspects of minor importance stand out, which could be susceptible to improvement to some degree, but improvements could be introduced).
✓✓	Good compliance
✓✓✓	Compliance according to the best practices
N/A	Procedure or component that is not subject to validation; that is, it is not applicable
(..)	In some aspects the programme's degree of maturity and development does not allow to make an assessment of the procedures, processes and actions carried out, meaning that on the date of the study, it is not possible to reach a conclusion as regards whether or not the assessed aspect adapts to the applicable regulation.

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The individual aspects upon which this component has been controlled affect the elements that figure below. We have indicated evaluations for the different items which make up the component. In addition, in the event the result of the assessment is different, then the corresponding comment is given.

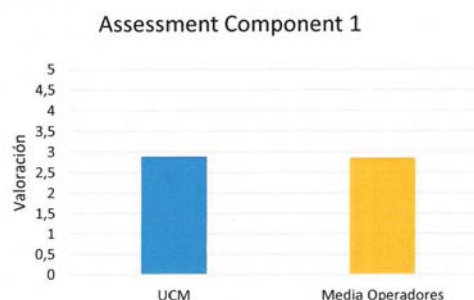| Assessed Aspect	Evaluation	Comment
Definition of the structure	✔	
• Definition of the organisational chart of the units of the Programme Operator that are involved in the management and control of the EEA GRANTS Mechanism. • Definition of a work flowchart of the units of the Programme Operator that are involved in the management and control of the EEA GRANTS Mechanism.		The structure implemented to manage and control the Mechanism Funds was modified after a period of certain vagueness as regards the responsibility and management. Taking into account that the expenditure corresponds to the programme management, its volume is not too large and that the Programme is at its initial stage, this vagueness does not imply a high risk. At present the structure is appropriate and it has been established.
Definition of functions	✔	
• Assignment of functions at a divisional level and, if applicable, at a work post level, defined in writing. Publication and distribution among employees. • Establishment of appropriate policies and procedures for authorising and approving operations at an appropriate level.		Fair definition in accordance with the level of development and maturity of the Programme in 2013
Adequacy of human resources	✔	
• Identification of the staff in charge of managing the programme. (Distinguishing between own staff and external staff). • Existence of a study that assesses the adequacy of the assigned measures or, if applicable, the assessment of the adequacy of measures. • Established policies for managing and assuming the tasks in question are low.		The incorporation of the human resources that make up the team expected to execute the management and control tasks of the EEA Mechanism Funds had not been completed in 2013, although the team was completed during 2014.
Classification of Human Resources:	✔	

• Evaluation of the human resources classification:
  ○ Level of training
  ○ Hierarchical and decision level within the organisation
  ○ Experience in fund management
		Levels of academic aptitude and appropriate experience for managing the funds

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Assessed Aspect	Evaluation	Comment
○ Level and capacity in language-related matters.		
Separation of functions (Good Governance)	✔	

• Existence of a separation between the people or units in charge of the following functions:
  ○ Project management
  ○ Expenditure verification
  ○ Payment procedures
  ○ Accounting.
• Support and documentation of the policy established for matters related to separating functions.
• The staff involved in the Mechanism management must be aware of these policies.
		Definition and application of policies aimed at reasonably ensuring the functions are separated in the Fund management and control.

Conflict of Interests (Good Governance)	✔	
• Policies directed towards mitigating the risks of conflicts of interests. • Publication of these policies at an organisational level. • The staff involved in the Mechanism management must be aware these policies exist, as well as the protocols for ensuring they are complied with.		There is no evidence that preventive measures have been adopted for transparent management as regards the conflict of interests. These measures should be properly supported for both the Programme Operator's in-house employees and the staff it hires. The detailed accreditation of Independence should be established by each member who participates in the management and the statement of independence in recruitment procedures should be demanded.
Decentralization/delegation of functions	N/A	
• Compliance of the applicable regulation in the selection processes and hiring of the decentralised or delegated service/task providers. • Existence of decentralised task supervision and monitoring procedures. Level of establishment and its compliance.		
Hiring and selection of Human Resources	✔	
• Existence of regulations and procedures for hiring, training, motivation, assessment and remuneration. • Adaptation of the procedures for employee recruitment, valuing the candidate's adaptation to the requirements of the post. • Policies established as regards motivation, complaints/suggestions and		The project assessor selection process has been carried out without fully ensuring the principles of concurrence and objectivity. However, the Programme Agreement establishes that qualitative criteria will be used to assess the projects which will be evaluated by staff from the

Assessed Aspect	Evaluation	Comment
improvements in the method of work. • Analysis of measures directed towards work-life balance.		UCM (NILS) and in the Measure 2, in collaboration with SIU and the University of Oslo. In the cases in which it has not been possible to find experts in the subjects proposed by said organisms, experts have come from other teaching or research departments in both Norway and Spain. Given the characteristics of this Programme, this criterion is considered to be sufficient.
Human Resources Training	✔	
• Existence and development of training plans, which include specific training actions that provide added value to the programme management. • Processes to assess how the training levels adapt to the tasks to be developed.		Although it is confirmed that there is no training plan, the staff has received training from the Ministerio de Hacienda and the FMO on how to manage the IFRs and Doris, and matters related to the general management of the funds of the EEA Grants. Given the short period for implementing the programme and the specificity of this type of Fund, the training content is considered to be sufficient.
Provision of Technical Means	✔	
• Existence of a work conditions study. • Assessment of the physical and IT equipment the Programme Operator has at its disposal for executing its tasks. • Deficiency detection systems. • Analysis of the opinion given by the staff in charge of the Programme in respect to whether the provision of technical means adapts to the tasks to be carried out.		The provision of technical means and the early detection of insufficiencies are considered appropriate due to the temporary features of the Fund management and control.

In view of the foregoing, the quantitative evaluation of the Assessment Component 1 is displayed below in an analysis that is compared with the rest of Programme Operators:

Assessment Component 1

The documentation used as a basis for the assessment mentioned above is detailed in Annex I of the Report herein.

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Continuing with the previously described method, the assessment of this component is presented below.

Assessed Aspect	Evaluation	Comment
Predefined Projects	N/A	
• Definition of controls aimed at verifying that the expenditure declared for predefined Projects comply with the criteria approved by the Programme Agreement, or by the document of approval.		The Programme has not established any Predefined Projects.
Bilateral Activities	(..)	
• Definition of controls aimed at verifying that the expenditure declared for Bilateral Activities comply with the criteria approved by the Mechanism for such actions.		In 2013 no bilateral activities were planned or carried out, so this aspect has not been assessed. In accordance with the control systems established for other kinds of expense, it is considered that the system implemented *a priori* is appropriate.
Legality of Processes for Project Announcements	✔	

• The project announcement procedures are in accordance with the legislation on subventions.
• The grant announcements specify
  ○ The conditions that have to be met in order to be eligible to receive funding
  ○ The project selection criteria that are going to be weighted
  ○ The procedures and terms for evaluating the projects
  ○ Beneficiaries' obligations and rights
  ○ Description of the organs and commissions in charge of selecting the projects
  ○ The objective and possibilities for creating networks with entities of the donor countries
  ○ That the acceptance of funds implies accepting to disseminate a summary of the project and the main contact details.
		Appropriate compliance with the regulations on grant-related matters during the stages of the project announcement procedures developed in 2013.

Compliance with the Programme objectives by way of the selection of projects	✔	
• Implementation of systems that guarantee the projects adapt to the general		Control systems that ensure the projects adapt to the

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Assessed Aspect	Evaluation	Comment
and particular objectives assigned in the programme.		programme's objectives.
Appropriate procedures for evaluating projects.	✔	
• There are verification procedures and jobs that ensure the selected projects company with the Announcement and Resolution for granting the aid.		The established assessment procedures and processes are considered appropriate for their purpose.
Programme Management – Controlling the linkage between expenditure and the project	✔	
• Existence of procedures that guarantee the declared expenditure really corresponds to the project.		The control systems implemented by the Programme Operator ensure that the expenditure handled in the Programme management is linked to this activity, as well as its reasonableness.
Programme Management – Profitability factor	✔	
• Implementation of policies that are directed towards handling expenditure under the profitability factor, thus ensuring efficiency.		The Programme Operator's work policies guarantee the tasks are performed under the principles of profitability.

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In view of the foregoing, the quantitative evaluation of the Assessment Component 2 is displayed below in an analysis that is compared with the rest of Programme Operators:

Assessment Component 2

The documentation used as a basis for the assessment mentioned above is detailed in Annex I of the Report herein.

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Assessment component 3: The verification procedures used by the Programme Operator are appropriate

Continuing with the previously described method, the assessment of this component is presented below.

Assessed Aspect	Evaluation	Comment
Existence of a procedure for controlling expenditure	✔	The control system and procedures performed on the IFRs corresponding to expenditure handled in 2013 adapted to the standards of the UCM as regards expenditure management. However, these expenditure control systems and procedures have subsequently been adapted to the Programme's specific nature in the Management and Control Systems document, approved by the IGAE in 2014.
• Establishment of administrative verification procedures for 100% of the expenditure declared in the IFR (the check-lists can be manual or computerised or any other system can be used). If that is not the case, there is a review procedure that includes a report model, sampling systems which guarantee that a risk analysis forms the basis for selecting the expenditure. Evidence of the applied sampling system and the selected expenditure has been preserved.		
Existence of appropriate control lists for verifying expenditure	✔	

• Existence of control documents/reports which contain the scope and results of the verifications carried out.
• The established control systems ensure the verification of the following aspects:
  ○ The expense has neither been paid nor justified previously or in other projects or against other funds.
  ○ The expense is real and has been made
  ○ Reconciliations are made between the supporting documentation and the expense statements.
  ○ Conceptual eligibility of the expenditure.
		Taking into account that the expenses correspond to the programme management, the amount is not high and the Programme is at its initial stage, the fact the control is not perfect does not imply a high risk. As a result, the University has its own expenditure control system, like any other public organism.
		The IGAE, acting as the Audit Authority, reviewed and authorised the control lists in 2014. The Programme Operator has not performed a retrospective review of the IFRs corresponding to 2013 with the new lists implemented.

Existence of a control procedure prior to the expense statement	✔	
• Existence of control systems that prevent continuing with the justification and statement of expenses if the control lists have not been completed or the pending issues have been resolved.		
Identification of the responsibility and periodicity of the controls	✔	
• The established control documents/reports specify the person who is responsible for carrying out and supervising the controls, the manifested observations, as well as the date on which the controls were performed.		The procedures for identifying the responsibility and periodicity of the controls implemented as from IFR#2 are considered appropriate.

Assessed Aspect	Evaluation	Comment
Existence of an in-field control plan	(..)	
• Establishment of a programme/plan for verifying projects/activities *in situ*.		At the time this control was performed, the programme had not reached a level of development and execution that allowed verifications to be carried out in situ; consequently, at the moment, this aspect is not susceptible to assessment.
Appropriate coverage of the in-field controls	(..)	
• Definition of the sampling system to be developed for selecting the projects/activities upon which the verifications will be made.		The same as the previous comment.
• The sampling system is representative, ensuring the selection is made by means of applying risk criteria, as well as a random system.		
• The applied sampling system is the one that was previously defined.		
• File and safeguard the applied sampling system and the selection.		

• The coverage of the verifications *in situ* ensures that the control levels have reached the following targets:
  o Verification of 5% of the amount declared in the IFR for projects (defined by announcement or predefined)
  o Verification of 25% of the amount declared in the IFR for concepts other than projects that have been verified in the field.		

• The degree of coverage of the initially planned visits has really been reached.		
In-field control certificates: the existence of a model, completeness and appropriateness	(..)	
• Establishment of a visit/work programme certificate model that contains the scope and procedures of the verifications to be carried out.		The same as the two previous comments.
• The scope of the certificate covers verifications that have been performed physically or financially.		
• The verification of projects/activities does not only cover the expenditure to be declared but also the expenditure declared in previous certificates.		

In view of the foregoing, the quantitative evaluation of the Assessment Component 3 is displayed below in an analysis that is compared with the rest of Programme Operators:

Assessment Component 3

The documentation used as a basis for the assessment mentioned above is detailed in Annex I of the Report herein.

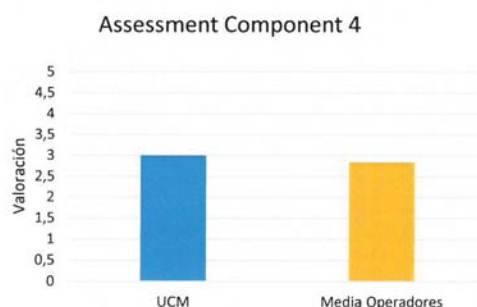**Assessment component 4: The audit trail is appropriate and sufficient.**

Continuing with the previously described method, the assessment of this component is presented below.

Assessed Aspect	Evaluation	Comment
Procedures that guarantee separate accounting	✔	
• The accounting system makes it possible to identify each transaction related to the projects/actions and identify the certified amounts and payment of the public contribution to the promoter or the beneficiary. • Se conservan registros contables detallados que permiten comprobar los gastos realizados en sus distintas fases y los agentes que los han realizado.		The Entity's accounting systems make it possible to trace in detail the operations performed in the Programme.
Traceability of controlled expenditure	✔	
• Flowchart which gives details of the process and verification of the documents. (Staff knows about this flowchart, which is updated as appropriate). • Definition of an appropriate filing system of the documentation that justifies the entire management process. • Express instructions exist for the project promoters and beneficiaries for preserving the administrative documentation of the records.		The procedures established by the Programme Operator can appropriately localise and identify the expenditure declared for both the application systems and the physical format.
Audit trail between expenditure and controls made	✔	
• The control systems make it possible to identify the controlled amount and the result of the verification for statement purposes.		The tools implemented for controlling expenditure offer the possibility to appropriately trace the controlled and validated amounts.
Documentation filing system	✔	
• Definition and establishment of procedures used for filing and safeguarding original supporting documentation.		The systems and procedures established for the filing of documentation guarantees their existence and safeguards the supporting documentation.
Identification and classification of irregular expenditure	(..)	
• The implemented procedures make it possible to obtain evidence of the expenditure that is rejected and considered irregular. • A procedure (random or systematic) has been established that identifies the nature of each error that appears.		The level of implementation and maturity of the program involve a low risk of irregularities. We recommend the implementation from 2014 of detection, analysis and monitoring of errors.

Assessed Aspect	Evaluation	Comment
• The work systems give evidence of the origin and cause of the errors that appear.		
Monitoring of incidents and irregularities	(..)	
• There are work procedures for performing tasks addressed towards investigating and quantifying the errors considered to be systematic. • The implemented work procedure for analysing errors does not only investigate and quantify the verified error, but also others of a similar nature that could have been made (for example, the quantification of systematic errors).		
Error analysis and management.	(..)	
• The procedures ensure the different stakeholders are informed of the errors, not only by way of the corresponding IFRs, but also by notifications made prior to when the errors are declared.		

In view of the foregoing, the quantitative evaluation of the Assessment Component 4 is displayed below in an analysis that is compared with the rest of Programme Operators:

Assessment Component 4

The documentation used as a basis for the assessment mentioned above is detailed in Annex I of the Report herein.

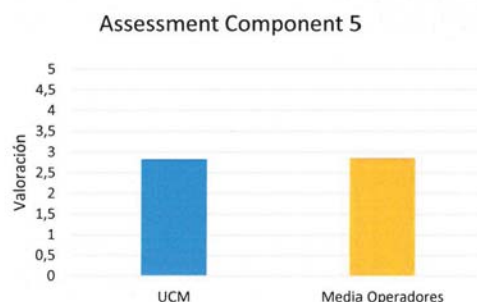**Assessment component 5**: An appropriate IT tool is used.

Continuing with the previously described method, the assessment of this component is presented below.

Assessed Aspect	Evaluation	Comment
Adaptation of the management and control IT application	✔	
• A management tool has been defined for the programme, which is either integrated in the Entity's general systems or a system has been created *ad hoc* for the programme management. • The implemented systems ensure the Fund management will be appropriately developed. • The people responsible for developing the management tools have been identified. • The implemented tools have a role and permission policy.		The work tools are files created with Microsoft Office, and the SAP application, which is widely used in public and private organisations in Spain.
The control systems guarantee the completeness of the information	✔	
• The implemented tools record the level of progress of the jobs, the information they contain, the documentation pending inclusion and the documentation that cannot be incorporated and which is preserved in a physical format.		By the degree of development of the program is considered appropriate to use the SAP application, although application or own modules for managing projects funded by NILS is recommended, given the specificity of aid
Information transmission between the application and the general systems	✔	
• The management tools make it possible to load and extract information for analysing and drawing up reports.		The SAP application can be used to extract information, although we reiterate what is described in the previous point as regards the creation of its own application or module.
Application supervision given by IT professionals	✔	
• The tools implemented by the Programme Operator are supervised by IT experts, who either work for the organisation or are external.		No specialised supervision of the IT systems has been implemented. We reiterate what is described in the previous point as regards the creation of its own application or module.
Back-up protocols for the particular application	✔	

Assessed Aspect	Evaluation	Comment
• A protocol for generating back-up copies has been established, which makes it possible to recover the information in the event of disaster or loss. • The tools give evidence of the interventions performed on them, giving evidence of versions and the liability of the actions.		The Programme Operator's back-up procedures are applied to the management tool of the Programme.
External accreditation certificate of the Entity's general systems	✔	
• The Entity's general systems possess some type of external accreditation (ISO, AENOR, etc.).		The information security systems have not been accredited by any of the existing external accreditation standards (ISO, AENOR, etc.). We stress that this condition would be desirable but not obligatory.

In view of the foregoing, the quantitative evaluation of the Assessment Component 5 is displayed below in an analysis that is compared with the rest of Programme Operators:

Assessment Component 5

The documentation used as a basis for the assessment mentioned above is detailed in Annex I of the Report herein.

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Continuing with the previously described method, the assessment of this component is presented below.

Assessed Aspect	Evaluation	Comment
Programme risk analysis	✔	It is recommended to implement reviews with the aim of identifying additional risks (to the ones already identified) that could occur during the execution of the Programme. In respect to the risks that were identified by the Annual Report, the current situation of the previously mentioned risks is shown, as well as the actions planned for mitigating them. The risks have been quantified in those cases when, due to their nature, the possibility exists. The annual report monitors these risks, setting forth the current situation in respect to the initial situation.
• A management and risk analysis system has been established for the functions performed. • The organisation has implemented a risk management policy, which may be either proactive or reactive.		
Work plan to mitigate risks	✔	
• There is a work protocol that assesses the detected risks and depending on their level it contemplates the implementation of a work plan designed to overcome said risks.		
Identification of risks in the Annual Report	✔	
• The Annual Report expresses the Programme Operator's main risks.		
Identification of risk measurement indicators	✔	
• The indicators used for detecting risks are appropriately supported and offer guarantees that no significant risk for the programme will be omitted.		
Advertising the funds of the EEA Mechanism in the management.	✔	
• The grant announcements indicate the participation in the Mechanism. • A website that is independent from the Programme Operator's website has been created for the Mechanism. • The website refers to the participation in the Mechanism. • The Programme Operator's public actions refer to the participation in the Mechanism funds. • The Project Calls (announcement, selection and resolution processes) as well as the other project selection processes are published on the Programme Operator's website and/or other official media (Transparency). • The tender procedures (call and selection and resolution processes) carried out by the Programme Operator are published on the Programme Operator's website and other official means (Transparency). • During the Programme Operator's activity the website is mentioned with the		In the activities developed by the Programme Operator, it is considered that appropriate actions have been performed for making the Funds of the EEA Financial Mechanism visible.

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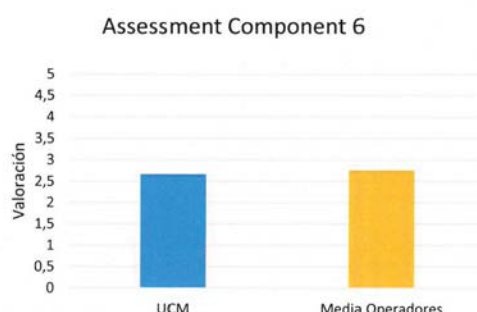| Assessed Aspect	Evaluation	Comment
aim of increasing its representativeness. • The website acts as a platform for guaranteeing transparency in the management of the Mechanism funds.		
Advertising and Communication Plan.	✔	The Programme Operator has drawn up an Advertising and Communication Plan, in accordance with the content set forth in Annex IV of the Mechanism Regulations.
• An Advertising and Communication Plan has been established and approved. • The Advertising and Communication Plan has been appropriately approved, as regards manner and time. • The content of the Advertising and Communication Plan has sufficient scope to satisfy the requirements set forth in the applicable regulations.		
Assessment of gender equity in the Programme	✔	According to the Gender Report provided, some weaknesses regarding gender mainstreaming (the incorporation of perspective) were detected during the execution of the Programme. There is no confirmation that the Programme Operator had established policies and procedures aimed at rectifying the previously mentioned weaknesses in 2013.
• The Programme Operator has been subjected to a process analysis as regards its recruitment policy from a gender perspective in its work as Programme Operator. • The analysis performed has not shown significant findings. • As a consequence of the comments made about certain aspects, the Programme Operator has established an action plan aimed at improving them.		
Implementation and execution of policies related to good governance.	✔	Throughout 2013, the Operator provides no evidence of the establishment and maintenance of procedures for preventing, identifying and managing cases of corruption and bad management in the projects. Said procedures should offer a quick and professional response to the irregularity, bad management and corruption indicators.
• The Operator complies with the general principles for granting the permission to attend (participation and inclusion in the Programme), Rendering of Accounts, transparency in its acts and purposes, efficiency and effectiveness, Rule of Law and absence of corruption. • The Programme Operator has to establish and maintain procedures for preventing, identifying and managing corruption cases and bad management. Said procedures must respond in a quick and professional manner to the irregularity indicators, bad management and corruption (Point 2.7.1 of the Programme Operator's Manual). • The Programme Operator has established procedures for complying with the regulations on matters related to public procurement.		
Implementation of a policy for environmental sustainability in the Programme Operator and Programme Management.	✔	

Assessed Aspect	Evaluation	Comment
• The Programme Operator possesses some external accreditation (ISO, AENOR, etc...) with regard to its environmental policies. • Manuals have been implemented in the entity, which describe the policy to be followed as regards Environmental Sustainability. • If the Entity has implemented its own environmental policies, the people involved in carrying out the tasks of the Programme Operator are aware of them and apply them. • The Programme Operator's management entails performing actions directed towards environmental sustainability; for example, preference is given in the announcements of projects that specialise in this area/subject, work management and policies that are sensitive to the environment (document printing policies, recycling, paperless policies, etc.)		Sensitivity of the Programme towards environmental sustainability by way of one of the launched grant announcements which directly refers to sustainability and human well-being. The Entity has no intrinsic accreditation systems for environmental regulations, although we have been given information about the different measures for dealing with environmental sustainability at the Entity's level.
Assessment of the social sustainability of the Programme	(..)	
• In this regard, by means of the programme indicators the Programme Operator has established measurement systems. • There is evidence that the development of the Programme properly complies with the social sustainability that was anticipated when the Programme was approved. • The programme has been designed so the results affect a sufficient number of people (because the groups are large or because they are significant in themselves) in relation to the resources employed. • The social consequences of this programme have been designed to last a long time or even make their results have a multiplying effect. • The Programme Operator itself promotes the "lessons learnt" effect for other programmes and activities (meetings, memorandums, feed-back).		When the control herein was conducted, the programme had not reached the necessary level of development and execution for making verifications as regards the Programme's social and economic sustainability.
Assessment of the economic sustainability of the Programme	(..)	
• In this regard, by means of the programme indicators the Programme Operator has established measurement systems. • There is evidence that the development of the Programme properly complies with the social sustainability that was anticipated when the Programme was approved. • The programme has had positive effects as regards the creation of jobs. • The programme has created an environment that favours development and		

Assessed Aspect	Evaluation	Comment
the offering of essential services. • A cost-benefit analysis of the programme has been carried out. • The Programme Operator analyses the results obtained in respect to the expenditure, considering alternative solutions. • Once the support of the Mechanism has finalised, other supports from other entities (public or private) have been managed.		

In view of the foregoing, the quantitative evaluation of the Assessment Component 6 is displayed below in an analysis that is compared with the rest of Programme Operators:

Assessment Component 6

The documentation used as a basis for the assessment mentioned above is detailed in Annex I of the Report herein.

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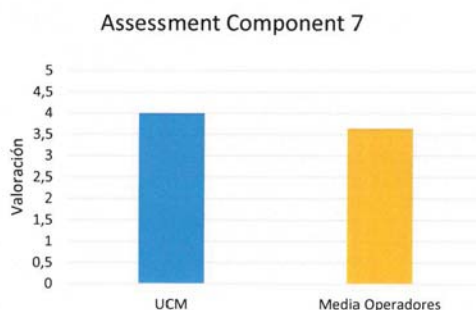Continuing with the previously described method, the assessment of this component is presented below.

Assessed Aspect	Evaluation	Comment
Existence and compliance of a procedure for issuing an IFR	✔	
• The Programme Operator receives the verifications, reports and audits of its management of the expenditure to be certified in the IFR. • The Programme Operator has reviewed all the verifications, reports and audits received.		The lack of control staff and the limited definition of the lists to be used mean that the audit trail of the controls of the expenditure declared in the IFRs for 2013 could be improved.
Feedback between the Entity and other participants	✔ ✔	
• The Programme Operator has agreed to carry out procedures for issuing the necessary information about the verifications made by the entities that participate in the execution of co-financed actions.		There is appropriate communication as regards channels and terms between the Programme Operator and the other entities that participate in some way in the Mechanism.
Established actions for calculating the estimated expenditure	✔	
• There are procedures for calculating the estimated expenditure which ensure that the calculations have not been made randomly.		Although the estimates are not made randomly, there have been significant deviations between the sum of estimated expenditure and the expenses that really incurred. This is mainly due to the donor partner's failure to comply with the obligation to provide technical assessments (remunerated). It is recommended that the estimates include the concepts in such a way it identifies the pertinent deviations.
Procedures for communicating and coordinating with the NFP	✔ ✔	
• The Programme Operator holds periodical meetings with the NFP or other Programme Operators to receive instructions (in the case of the NFP) and make comments about management aimed at the appropriate rendering of the IFRs.		In the same way as the rest of the participating Entities, there is appropriate communication between the Operator and the NFP, as regards channels and terms with the other entities that participate in some way in the Mechanism.
Appropriate control of the advance payments	✔ ✔	
• The Programme Operator has established a control procedure of the advance payments received and the comparison with the executed expenditure.		The control procedures established for the advance payments are appropriate as regards the calculation of the generated interest and the control of the sum of

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Assessed Aspect	Evaluation	Comment
		these advance payments and the Programme's level of execution.
Existence of a sole account for controlling funds and the interest	✔ ✔	
• The Programme Operator has established a sole bank account for managing the Funds and the interest generated by the remaining balance of advance payments.		Establishment of a sole bank account for managing the Funds and the interest generated by the remaining balance of the financial advances.

In view of the foregoing, the quantitative evaluation of the Assessment Component 7 is displayed below in an analysis that is compared with the rest of Programme Operators:
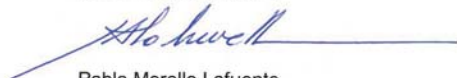
Assessment Component 7

The documentation used as a basis for the assessment mentioned above is detailed in Annex I of the Report herein.

The situation in 2013 of the UCM as Operator Program is considered adequate for the level of development and maturity of the program in the period. We also want to emphasize that most of the weaknesses highlighted in this report are currently being corrected or remedied, considering this a noteworthy aspect regarding the continuous improvement of the organization

Madrid, December 9th, 2014

Grant Thornton, S.L.P.

Pablo Merello Lafuente
Socio

ANEX I
TABLE OF CONTENTS SUPPORT DOCUMENTATION DELIVERED BY PROGRAMME OPERATOR

Documento	Componente de evaluación que soporta el documento						
	1	2	3	4	5	6	7
• Manual de Gestión y Control de la UCM – Versión 1 – 14/02/2014	✕	✕	✕	✕	✕	✕	✕
• Propuesta de Programa	✕						
• Acuerdo del Programa	✕						
• Acuerdo de Implementación del Programa	✕						
• Procesos selección personal	✕☐	☐				☐	
• Procedimiento de Convocatoria y Resolución de la primera convocatoria de proyectos		✕				✕	
• IFR1 o Documento firmado o Detalle de gastos de certificación (incluido en informe de verificación de gastos)				✕			✕
• IFR2 o Documento firmado o Detalle de gastos de certificación (incluido en informe de verificación de gastos)				✕			✕
• Listas de control instauradas a partir de 2014			✕				
• Plan de Comunicación		✕				✕	
• Modelo y evidencia de una declaración de conflicto de intereses a firmar por cada uno de los evaluadores de proyectos	✕	✕					
• Atención y Promoción de la Igualdad - Plan de Acción	✕					✕	
• Análisis sobre la incorporación del mainstreaming de género en el programa	✕					✕	
• Recomendaciones sobre la incorporación del mainstreaming de género en el programa	✕					✕	
• Plan de Prevención de Riesgos Laborales	✕					✕	
• Informe Anual						✕	
• Evidencia de apertura de cuenta única para la gestión del Programa							✕

Annex 5- Strategic Report 2014

Bilateral Relations fund at National level – Spain
Work Plan 2015/2016

Version: 30 March 2015

Bilateral Relations fund at National level - Spain

Work Plan 2015/2016

Total remaining at 01 January 2015	95.107,21

	Activities proposed (*)	Year	Budget (€)
	2015/2016		
1	ES04 – Equality bodies exchanges: a) 2 study visits PO/DPP April and October (1st study visit done&paid in May 2014, 2nd one postponed to April-May 2015) b) final conference, postponed after the 2nd study visit		16.000,00
2	ES04 – Follow up on implementation recommendations of the study (2014/2015)		16.308,00
3	ES05 – Culture sector study visits (1st study visit done&paid in June 2014, 2nd one postponed to April 2015)		8.913,18
4	ES06 – Launching of the report on the challenges of European Welfare States (postponed to Q1 2015)		10.000,00
5	ES06 + NFP – EEA Grants Spain Closing Ceremony and Final Report		27.000,00
	Closing events and other activities 2015/2016		16.886,03
	Total allocated 2015/2016		**78.221,18**

(*) *Two activities initially proposed:*

- *ES03 – Evaluation seminar on the Programme (2016) – 15.000,00 Euro*
- ES07 – *Study Trip. Building Sustainable Cooperation in Higher Education and Research (June 2015) – 12.000,00 Euro*

were not approved in order to make budget available for the EEA Grants Spain Closing Ceremony.

> **Annex 1: ES04 - Equality bodies' exchange. Intersectionality and multiple discrimination.**
>
> ***Partially postponed to 2015***

1. General information

Programme ES04:   Mainstreaming Gender equality and promoting work-life balance.

Activity: **Equality Bodies exchanges: Intesectionality and multiple discrimination**. (**Bilateral Exchange Programme between the Norwegian and the Spanish Equality Bodies.**)

Date: From January 2014 to June 2015

Responsible: State Secretariat for Social Services and Equality

Requested amount: EUR 16.000

2. Background

The Programme ES04, Mainstreaming Gender equality and promoting Work-Life Balance, in 2014 made an expenditure of € 3.479 from the EEA Grants Bilateral relations fund at national level, for managing the bilateral exchange programme "Equality Bodies exchanges: Intersectionality and multiple discrimination."

The activity implemented was a first study visit of a delegation of the Spanish Council for the Promotion of Equal Treatment and Non Discrimination on Grounds of Racial or Ethnic origin to the Norwegian Equality and Non-Discrimination Ombud (LDO), on the 7ᵗʰ-9ᵗʰ of May 2014. The general objective of the propose exchange programme was to reach a better understanding of creation process, organizational structure, legal mandate, objectives, functions and the most relevant activities and programmes implemented by the LDO. The agenda for this first study visit covered the following issues:

-   Legal and institutional evolution process that lead to the establishment of the LDO
-   Extension of the mandate: grounds of discrimination covered and spheres of intervention.
-   Governance and independence (appointment of the director of the LDO, accountability, independence guarantees with regard to the government, relationship with the judiciary and the Parliamentary Ombudsman and with civil society organisations and NGO, etc.).
-   Budget (allocation process, setting priorities, control) and financial management.
-   Agenda setting (activities, priorities, etc.) and planning.
-   Protocols and strategies to assist victims of discrimination
-   Awareness raising campaigns and communication strategies.
-   Information and training activities (internal and external).
-   Gender mainstreaming (multiple or intersectional gender discrimination).

The main conclusions of this first study visit where the following:
•   The strong Norwegian antidiscrimination legislation is based on several Acts that forbid discrimination based on grounds of: gender, disability, ethnicity, national origin, skin colour, age,

language, religion and sexual orientation, with a comprehensive scope and which is currently being reviewed and updated.

- Norway has enhanced mechanisms for the assistance to victims of discrimination: the LDO provides opinions and statements, although they are not legally binding. The *Anti-discrimination Tribunal* is an independent administrative body that handles the complaints and cases when the decision of the LDO doesn`t satisfy the plaintiff and/or the defendant. Also, the *Parliamentary Ombudsman* investigates complaints regarding the relations between public authorities and the citizens.

- The LDO works in a proactive manner, promoting good practice on mainstreaming of equality and non-discrimination policies from a top decision-making institutional level.

- The LDO fosters dialogue with all citizens and most relevant social stakeholders (private and public representatives). The LDO invests strongly in preventing discrimination in employment and working conditions and develops training programmes specifically targeted at employer organizations and trade unions.

- The LDO also tries to boost evidence-based decision making: the Legal Guidance and Documentation and Analysis Departments are in charge of data collection.

- The LDO's Communication Department plays an important role in LDO's communication strategies, including the relationship of the Ombud (Sunniva Orstavik) with the citizens. She plays an effective leadership role on equality and non-discrimination issues at national level.

The bilateral exchange programme foresees a second study visit to Oslo in Spring 2015, which would be more focused on specific issues dealt with and techniques applied by the Norwegian LDO, and a final conference to be held in Madrid in May 2015 aiming at analysing the comparative institutional and legal provisions, functions, strategies and good practices of European equality bodies with a particular focus on the Norwegian and Spanish cases.

3. Description

Spring 2015 (March-May):   Second study visit to the LDO (Oslo).

May 2015:   Final Conference (Madrid)

5. Expenditures

The costs that have to be covered are:

a) Study visit: Budget - € 5.000
Travel expenses, accomodation and per diem for up to 6 persons

b) Final Conference: Budget – € 11.000

Organization of conference, travel expenses of Norwegian and other European experts, translation Spanish-English, Drafting of debate and conclusion documents.

Annex 2: ES04 – Follow-up on implementation recommendations of the mainstreaming study. 2014/2015

1. General information

Programme ES04:   Mainstreaming Gender equality and promoting work-life balance.

Activity: Follow-up on implementation recommendations of the mainstreaming study

Date: From January 2014 to June 2015

Responsible: State Secretariat for Social Services and Equality

Requested amount: EUR 16.308

2. Background: The project "Analysis on the incorporation of gender mainstreaming".

The Programme ES04, Mainstreaming Gender equality and promoting Work-Life Balance, in 2013 made an expenditure of € 22.147,33 from the EEA Grants Bilateral relations fund at national level, for managing the project *'Analysis on the incorporation of gender mainstreaming'*.

The activities of this project were the following:

1. Systematization and initial analysis of the documentation obtained from all the Programs included en the MoU for EEA Financial Mechanism 2009-2014. September 2013. The programs analysed were:

- Gender Equality and Work - Life Balance. (State Secretariat of Social Services and Equality).
- Programme for Research, Science and Technology: Environmental and Climate Change. (Centre for Industrial and Technological Development (CDTI) from Ministry of Economy and Competitiveness).
- Active Citizenship Program (NGO Platform).
- Conservation and Revitalization of Cultural al and Natural Heritage. Equipment and Plan of Activities of the Cultural Centre 'Federico García Lorca'. (Ministry of Education, Culture and Sports).
- Cultural Diversity and Cultural Exchange (Norwegian Embassy in Spain).
- EEA Scholarship Programme. (University Complutense of Madrid).

2. Bilateral meetings with all the POs to clarify the information of each PP and to obtain the draft documents on analysis of the gender mainstreaming and Recommendations for each programme. September-October 2013.

3. A meeting with all the experts involved in the project (from Norway, Island and Spain), to discuss the different opinions and agree on the final documents on Analysis of the gender mainstreaming and Recommendations. December 2013.

4. Preparation of the final Analysis Documents and Recommendations for each programme. December 2013.

5. Formal presentation of the final documents on analysis of the gender mainstreaming and Recommendations to the Programme Operators. December 2013.

The State Secretariat for Social Services and Equality considered important to organise the present activity **"Follow-up on implementation recommendations of the mainstreaming study"** to evaluate the implementation of the previous phase Recommendations by the PO, along 2014 and 2015.

4. Description

1. January 2014. Bilateral meetings between a gender mainstreaming expert and each PO, to know the difficulties to integrate the gender mainstreaming into their programmes and to advise how to implement the recommendations obtained in the previous phase.

2. February-March 2014. Action Plan documents to adjust the recommendations of the first phase of the Gender Mainstreaming Project, elaborated by its PO and validated by the expert and the coordinator from the State Secretariat.

3. November 2014. Bilateral meetings between the expert and each PO to determine the degree of implementation of the Action Plans for each programme, for the moment, and perspectives for 2015.

4. December 2014. Report on the implementation of the Actions Plans in 2014 by the expert on gender mainstreaming.

5. December 2014. Meeting for the formal presentation of de Report and conclusions for 2014 to all the experts involved in the project (from Norway, Island and Spain) and Programs' Operators.

6. June 2015. Bilateral meetings between the expert and each PO to determine the degree of implementation of the Action Plans for each programme.

7. June 2015. Report on the implementation of the Actions Plans in each programme (in 2014 and 2015) by the expert on gender mainstreaming. Final conclusions for each programme.

8. June 2015. Meeting for the formal presentation of de Report and conclusions of the project to all experts involved in it (from Norway, Island and Spain) and to all PO.

5. Expenditures

The costs that have to be covered are:

- External, independent and expert support to analyse the information from the previous phase, to interview three times each PO, to know experiences from the project promoters, to advise them, to obtain reports and to present conclusions in formal meetings.

- Two meetings for the formal presentations of reports and conclusions.

- Travel expenses for experts from Norway and Island to attend the meetings.

Annex 3: ES05 - Culture sector study visit. *Partially postponed to 2015.*

General information

Programme Area: Conservation and Revitalisation of Cultural and Natural Heritage

Activity: *Culture Sector Study Visit*

Date[1]:   One preparatory visit of the PO in April 2014 (done) and one study tour in the first half of 2015

Responsible: Ministry of Culture

Requested amount: Initially EUR 17,000. Preparatory visit is already done (EUR 8,086.82). Remaining budget amounts EUR 8,913.18

3. Description

The Spanish Ministry of Culture as Programme Operator, proposes the organisation of an Institutional Exchange among the Spanish and Norwegian public administrations, focused on the cultural sector. This activity would be scheduled within the framework of the bilateral relations at national level.

Representatives of the Spanish Ministry of Culture would travel to Oslo with the aim to share new management practices and study the Norwegian cultural context.

Areas of interest and promoting bodies implicated in the activity:

- **Promotion of creative industries**. Promoting Body : *Subdirección General de Promoción de Industrias Culturales y Mecenazgo*

- **Audio-visual arts.** Promoting Body: *Instituto de la Cinematografía y de las Artes Audiovisuales*

- **Music and theatre**. Promoting Body: *Instituto nacional de artes escénicas y de la música*

- **Fine arts and heritage**. Promoting Body: *Dirección General de Bellas Artes y Bienes Culturales y de Archivos y Bibliotecas*

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[1] Although in the plan for BRNL 2014 the study tour was scheduled in September 2014, due to the delay in finding a partner and a location for the Romani Exhibition, linked with this activity, and problems in the agenda of the Director-General, it is postponed to first half 2015.

The main objective is the construction a long term network. The proposed bilateral activity will be useful to strengthen the relations among Spain and Norway, with the aim to find common projects, exchange professional practices and meet new contexts.

4. Activity Description

Representatives of the Spanish Ministry of Culture would travel to Oslo with the aim to share new management practices and study the Norwegian cultural context.

This activity will consist in two missions.

- The first mission will have an exploratory character. Its goal will be to establish contacts with cultural institutions, to concrete the activities and prepare the agenda of the second mission. This searching of counterparts will take place with the cooperation of the Norwegian Arts Council. This trip is foreseen for two people for five days.

- The second mission will be organised as a study tour. For five days representatives of the four areas that depend of the Secretary of State will travel to Oslo. The objective is to know new practices, visit infrastructures and study the cultural issue of the Norwegian capital. This trip is foreseen for seven people for five days.

5. Expenditures

The expenditure for the two missions is estimated at 17,000 EUR. The first mission's budget is estimated at 4,600 EUR which includes travel costs, per diems for five days and domestic transportation costs for two persons. The second mission's budget is estimated at 12,400 EUR which includes travel costs and per diems for five days for seven persons.

Annex 4: ES06 - Launching of the report on the challenges of European Welfare States. Q1 2015

1. General information

Programme Area 18:   Research within Priority Sectors

Activity: *Launching the report on the challenges to European Welfare States*

Date[2]:   Madrid, first quarter 2015

Responsible: Norwegian Embassy in Madrid

Requested amount: EUR 10 000

2. Project: The challenges to European Welfare States

The Norwegian Embassy in Madrid has commissioned a project to make a comparative analysis of the Norwegian and Spanish welfare state models, particularly looking at policies on dependent persons; gender and family policies, and labour market policies and unemployment protection. The project is being carried out by Spanish and Norwegian researchers under the umbrella of the Spanish National Research Council - CSIC (Consejo Superior de Investigaciones Científicas). The project will culminate in a report which will be launched in first quarter 2015. The requested funds will be used to the launching event of the report.

3. Background

The European Models of welfare states are under severe pressure in an environment dominated by increasing global competition, the European economic crisis, and the relative decline of western economic and political global dominance. In some European states, politicians have started to talk about the "death of the welfare state", or that welfare is a luxury we no longer can afford. Others have pointed at how incentives for women's participation in the labour market and unemployment benefits, often associated with the "Nordic Model", represent key elements in a social contract which provide strong competitive advantages in the global economy. Using the Spanish and Norwegian welfare states as examples in a comparative analysis, the aim is to provide a better understanding of the sustainability of welfare states, and the effects of some of the reforms which are under way.

4. Description

The project involved eight researchers of high academic standing (five Spanish and three Norwegian). The researchers will meet in Madrid to discuss and structure the topic, and the project will culminate in a research paper on the subject to be presented in Madrid in first quarter 2015. CSIC is organizing the work and is responsible for its progress and result. The Norwegian Embassy, have so far financed 23.500€ of the

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[2] Although in the plan for BRNL 2014 this launching activity was scheduled in October 2014, due to the delays in the planned publishing of the Final Report, it is postponed to first quarter 2015

agreed expenses to CSIC and the researchers of 28.500€, which include remuneration of the researchers and CSIC's expenses. In order to further the quality of the research paper, the Embassy plans to bring the three Norwegian researchers to Madrid on at least two occasions, including for the publication of the paper in October.

In order to maximize the impact of the project on the welfare debate, the Embassy will organize an event in Madrid in first quarter 2015 on the occasion of the publication of the report, which includes a press conference and a luncheon/reception. The Embassy will invite key players in Spain to this event, such as journalists, academics and politicians.

5. Expenditures

The costs that will be covered for the launching event are:

- venue

- transport and accommodation for the three Norwegian researchers involved in the project

- Lunch and entertainment for invited guests to the launching event

- Publicizing the event

The Norwegian Embassy will pay for the publication of the report, and the remaining costs to CSIC.

Annex 5: EEA Grants Spain – Closing Ceremony and Final Report. Q2 2016

1. General information

Activities: ***EEA Grants Spain: Closing Ceremony and Final Report***

Date: Madrid, tentatively April or May 2016

Responsible: Norwegian Embassy in Madrid

Requested amount: EUR 27 000

2.

a) EEA Grants Spain: Closing Ceremony

For the period 2009-2014, Spain has been allocated €45.9 million; the implementation period for the projects will expire by end of December 2015 and the Embassy together with the National Focal Point will organise a Closing Ceremony for the Programmes early in 2016.

The aim of the seminar will not only be to mark the end of the EEA Grant scheme in Spain, but also to look at possibilities for future cooperation and how to continue strengthening bilateral relations between Spain and Iceland, Liechtenstein and Norway. The objectives are both to celebrate the implementation of the funded projects, and to engage Programme Operators, Donor State representatives and other stakeholders in active dialogue.

Description

A one-day Closing Ceremony including Programme Operators, Donor State Partners, some Project Promoters representatives and other stakeholders from Spain and the Donor States. The Final Report will be launched during this Ceremony. The Ceremony will be divided into two parts:

1) Achievements and lessons learned
This part of the seminar will be dedicated to what we have achieved and to receiving feedback from the National Focal Point, the Programme Operators and the Donor State Partners concerning the experiences of the implementation processes.

2) Future collaboration
During the implementation of the EEA programmes in Spain, we have seen a high degree of bilateral cooperation in various depths and levels. As the EEA Grants are phasing out in Spain, an expected result of the bilateral cooperation is that these various forms of Spanish-Donor State countries partnerships will continue to develop beyond the EEA Grants Scheme.

b) EEA Grants Spain: Final Report 1994 – 2014

The history of the EEA Grants in Spain goes back to 1994 when the EEA Agreement entered into force. Spain has received funding since the very beginning. In the period 1994-1998, the allocation for Spain was €227 million. For the period 2009-2014, €45.9 million has been allocated to Spain; equal to the previous five-year period.

The Embassy will commission a Final Report of the EEA funds in Spain with emphasis on the bilateral perspective, and sharing the story of the EEA Grants in Spain.

Description

During the twenty years of EEA funds in Spain many programmes have come to life and been transformed into projects stories. With the aim of sharing some of these stories, the Embassy will commission a Final Report that will focus on a selection of projects that illustrate the impact of the large number of projects that have been implemented, the innovative forms of cooperation and the creation of networks that continues to be useful for the bilateral relationship with Spain.

Particular emphasis will be put on projects where Spain and Norway, Iceland or Liechtenstein have been able to share experiences of mutual interest.   The report will thus not aim to give an exhaustive description of all the projects, but rather present an appealing narrative of some of the best experiences in a media-friendly language.

Two versions of the Final Report will be made:

1) An electronic version of which can be read on a computer or a handheld device that will include project stories, media gallery and videos of some of the projects. This version will be available in Spanish and English.
2) A printed version of the Final Report, only available in English.

3. Expenditures

We hereby apply for support from the Bilateral Fund at National Level for the purpose of covering the expenses related to the above-mentioned Closing Ceremony and Final Report.

Some of the costs that have to be covered are:
(This is not an exhaustive list and it may be added to over time or reallocated between the two activities. However, the total allocation will not be exceeded)

- Closing Ceremony, tentatively EURO 7.000:
  - venue

- hotel room for the first 15 Donor State participants that sign up for the seminar

- Lunch and coffee break during the seminar

- Cocktail

- Final Report, tentatively EURO 20.000:

  - Journalist / writer

  - Translation cost

  - Photographer / videographer

  - Subtitles for the video

  - Travel expenses

  - Design (both for the electronic and the printed version)

  - Printing costs