

## Audit of the activities of Spain's state-owned trading company for managing innovation and tourism technologies to boost the competitiveness of the tourism sector in 2019-2020

Performance and compliance audit

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**FULL REPORT (ES)** 

### What we assessed and why

In the last decade, Spain's tourism strategy has been geared towards exploring and developing new opportunities for more competitive and sustainable economic growth. In recent years, the Secretary of State for Tourism has viewed Spain's state-owned trading company for managing innovation and tourism technologies (SEGITTUR) as an instrumental player in boosting the competitiveness of the tourism sector. This is in light of the fact that its legal form facilitates relations with public and private operators and stakeholders, both nationally and internationally.

In the context of the COVID-19 pandemic and its negative impact on the tourism industry, we assessed the activities carried out by SEGITTUR, placing particular emphasis on its key role with regard to the General State Administration's tourism policy. The analysed activities were the promotion of the Network of Smart Tourist Destinations, the execution of projects to develop a Tourist Intelligence System, and the provision of maintenance services for the Quality System in Destinations.

The purpose of the audit was to assess whether establishing SEGITTUR as a state-owned company and policy instrument was justified. To this end, we audited the legality, effectiveness and efficiency of its activities, their value to the public, and its internal control system.

### What we found

The Secretary of State has consistently financed SEGITTUR's activity with transfers from the General State Budget, which has made it easier for the company to balance its income and expenditure. It has been verified that the company complies with the requirements established in the Public Sector Contracts Law.

The audit found that SEGITTUR is a public consultancy expert in standardising the quality of tourism services and in the development of web pages for tourism promotion. On this basis, one recent highlight of SEGITTUR's work was its promotion of the "Smart Tourist Destinations Network", an innovative project for a collaborative public-private governance model, based on the principles of quality, accessibility and sustainability. SEGITTUR's role here is to add value by applying innovative new technologies to tourism. The Network has experienced rapid growth since its creation in February 2019 and has 186 full members, almost all of which are Spanish tourist destinations.





The report also highlights its projects to develop a “Tourist Intelligence System”, which is meant to turn available information into useful knowledge for both companies and managers of tourist destinations.

In addition, we found that SEGITTUR’s internal control system was appropriate for its size and that, in general, procedures and controls had been established that lent reliability to its internal control system and its operations. However, there is room for improvement in its organisational structure in the event that its operations grow, which would require the creation of an internal audit unit and the appointment of a compliance officer.

## What we concluded

SEGITTUR has justified its existence as the General State Administration’s policy instrument under the power of self-organisation established in the Spanish law on public sector contracts, account also being taken of its compliance with Spain’s public sector legal framework.

There are several indicators to show that the smart tourist destination and tourist quality models developed by SEGITTUR provide public value or benefit to the tourism sector, by establishing a model of coherent competitiveness for the Spanish territory as a whole. For this reason, these models can be considered relevant assets for the tourism sector’s recovery.

The COVID-19 pandemic has raised SEGITTUR’s profile. Its activities for the Secretary of State for Tourism, forming part of Spain’s plan to promote the tourism sector, were approved by the government on 18 July 2020. Similarly, in line with Spain’s national recovery and resilience plan, funds from the EU Recovery and Resilience Facility will further strengthen SEGITTUR’s instrumental role.

Nevertheless, we recommended drawing up a strategic plan for SEGITTUR, defining its role as a policy instrument and setting its medium and long-term objectives for implementing Spanish tourism policy. Likewise, we consider it appropriate to assess the company’s staffing needs in its new growth scenario, and continue the process of implementing the fraud prevention and ethics systems.