

## Chapter 1

### Consolidated year-end government reporting

*This chapter provides an overview of consolidated year-end government reporting in Brazil, benchmarking it against international standards and experiences in 12 countries. The overview presents i) the content, reporting boundaries and accounting basis of Brazil's consolidated year-end government report – the Accounts of the President of the Republic (Contas do Presidente da República, or CPR); and ii) the general process for the preparation, external audit and legislative scrutiny of the CPR. The analysis contained in this chapter is framed by the OECD “Best Practices for Budget Transparency”, International Standards of Supreme Audit Institutions “Lima Declaration of Guidelines on Auditing Precepts” (ISSAI 1) and “Mexico Declaration on the Independence of Supreme Audit Institutions” (ISSAI 10), as well as the World Bank Institute's framework on public accounts committees.*

## Introduction

This chapter provides an overview of consolidated year-end government reporting in Brazil, benchmarking it against international standards and experiences in 12 countries. The OECD (2002) “Best Practices for Budget Transparency” considers the timely preparation of the consolidated year-end government report, its external audit by a country’s supreme audit institution (SAI) and subsequent scrutiny by the legislature as critical for accountability and informed decision making in government. The Best Practices establish that the audited consolidated year-end government report be made available, including free of charge on the Internet within 6 months following the end of the fiscal year. The role of an SAI with respect to the consolidated year-end government report is to provide independent assurance of the quality and integrity of reported information. The role of the legislature is to hold the executive to account for its management of public finances and the delivery of public policies, drawing upon the SAI audit main findings.

The “Lima Declaration of Guidelines on Auditing Precepts” and “Mexico Declaration on the Independence of Supreme Audit Institutions” emphasise that SAIs can only accomplish their tasks if they are independent of the entity that they audit (i.e. “organisational independence”) and protected against outside influence by way of functional and financial independence (INTOSAI, 1977; 2007). A number of factors contribute to effective *ex post* budgetary oversight by legislatures, including clarity of their role and responsibilities, broad powers of inquiry and follow up, frequent and open working procedures with a bipartisan approach. The World Bank Institute’s framework on public accounts committees provides a structure for analysing the legislature’s structures and powers with respect to public financial management (Stapenhurst, et al. 2005).

In providing an overview of the preparation, external audit and legislative scrutiny of Brazil’s consolidated year-end government report – the Accounts of the President of the Republic (*Contas do Presidente da República*, or CPR) – this chapter addresses the following questions:

- What are the content, reporting boundaries and accounting basis of the CPR, and its relationship with other elements of the federal government’s financial reporting framework?
- What is the general process and timing for the preparation, external audit and legislative scrutiny of the CPR – and its timing *vis-à-vis* the OECD “Best Practices for Budget Transparency”?
- Which entity within the federal executive is responsible for preparing the CPR and what is its commitment for enhancing transparency in federal government financial reporting?
- What are the features of Brazil’s SAI – the Federal Court of Accounts (*Tribunal de Contas da União*, or TCU) – and its level of independence *vis-à-vis* the Lima and Mexican Declarations?
- What structures and powers does Brazil’s National Congress have to scrutinise the CPR and to hold the executive to account for the handling of public finances and the effectiveness of decisions by the responsible authorities?

The CPR is a core element of the federal government’s financial reporting framework established by the 1988 Constitution of the Republic of Brazil and the 2000 Law on Fiscal Transparency (Complementary Law 101/2000). The CPR is comprised of *i*) the federal government’s consolidated financial statements– the General Balance of the Union (*Balanço Geral da União*, or BGU) prepared by the Secretariat of the National Treasury (*Secretaria do Tesouro Nacional*, or STN) – which includes social security accounts, and *ii*) a report from the central authority of the Internal Control System of the Federal Public Administration, i.e. the Office of the Comptroller General of the Union (*Controladoria-Geral da União*, or CGU). The CGU report provides a narrative of the federal executive’s performance during the previous fiscal year and helps to contextualise the content of the BGU.

The CPR does not, however, include an assessment of the functioning of the Internal Control System of the Federal Public Administration, as its name may suggest. The inclusion of such an assessment could augment the CPR and demonstrate the federal executive’s progress in enhancing the systems that deliver public policies financed and controlled by the federal executive.

The preparation of the CPR by the CGU and the audit opinion of the TCU are published, including on the Internet free of charge, within five months following the end of the fiscal year. This is in line with Brazil’s constitutional deadlines and international good practice, such as the OECD “Best Practices for Budget Transparency”. Moreover, international commitments to enhance fiscal transparency by Brazil’s federal executive – and the CGU in particular – and the independence of the TCU provide a solid foundation for improving the CPR. The CGU is a champion for open government both in Brazil and internationally, as demonstrated by its leadership in initiatives such as the Open Government Partnership and Global Initiative on Fiscal Transparency. The TCU has a high level of independence from the federal executive and National Congress and is committed to enhancing the value and benefit it provides to Brazilian citizens.

However, the National Congress only begins to scrutinise the CPR using the TCU audit opinion, on average two-and-a-half years after receiving these materials. This is despite the National Congress having a dedicated committee with substantial powers for this function: the Planning, Budget and Oversight Joint Committee (*Comissão Mista de Planos, Orçamentos Públicos e Fiscalização*, or CMO). A key challenge facing the TCU is that it does not understand the process or comprehend the main barriers and constraints facing the National Congress’ scrutiny of the CPR. The TCU considers its work completed upon the publishing of its audit opinion and accompanying audit report. Comprehending the main barriers and constraints affecting legislature scrutiny of the CPR using the TCU opinion is a critical step to enhance the relevance and impact of this audit work.

## Consolidated year-end government report

The 1988 Constitution of the Federative Republic of Brazil obliges the President of the Republic to present the CPR to the National Congress, and for the TCU to issue an opinion on the CPR within the five months of the end of the fiscal year. This deadline is established based on separate deadlines for the presentation of the CPR by the federal executive and the external audit by the TCU. The CPR must be submitted to the National Congress within 60 days of the start of the first legislative session for the year, which is always at the beginning of February. The TCU must in turn issue an opinion on the CPR within 60 days of receiving it from the National Congress. The Constitution states that the

TCU opinion is “preliminary” which the TCU articulates this as meaning that its opinion is a technical judgement of the CPR and that the National Congress’ opinion is a political judgement of the President of the Republic.

The Law on Fiscal Responsibility requires that the TCU audit opinion on the CPR be fully disclosed, including electronically. Neither the Constitution nor the Law on Fiscal Responsibility stipulates that there must be full disclosure of the National Congress’ opinion on the CPR.

### ***General content, reporting boundaries and accounting basis***

The general content of the CPR is defined by the Organic Law on the TCU (Law 8 443/1992), the General Norms for the Preparation and Control of the Budget and Financial Statements (Law 4 320/1964) and an annual TCU instruction (*aviso*). The Organic Law on the TCU stipulates that the CPR comprise two elements: *i*) the BGU; and *ii*) a report by the central authority of the Internal Control System of the Federal Public Administration. The General Norms for the Preparation and Control of the Budget and Financial Statements defines the content of the BGU. The Organic Law on the TCU gives Brazil’s SAI authority to define the content of the report by the central authority of the Internal Control System of the Federal Public Administration, which it does through the annual instruction.

Table 1.1 compares the reporting boundaries of the CPR that of comparable reports in selected benchmark countries.

The BGU is comprised of four statements and prepared by the STN, the central authority of the Financial Management System of the Federal Public Administration. A statement of budget balance compares actual revenue and expenditure against the levels appropriated in the Annual Budget Law (*Lei Orcamento Anual*). A statement of financial position presents budgetary and non-budgetary revenue and expenditure from the reporting period together with the cash balance from the previous period. A statement of equity presents information on all government assets and liabilities. A statement of changes in equity discloses the change in the equity arising from, or independent of, budget execution during the reporting period. Under the current accounting basis, the federal government reports revenue on a cash basis and expenditure on an accrual basis.

The BGU is currently reported on a modified cash basis but to be presented on a full accrual basis from fiscal year (FY) 2014, to be based on International Public Sector Accounting Standards (IPSAS). The adoption of full-accrual financial reporting will bring the accounting basis for the BGU in line with that in Australia, Canada, Chile, France, South Africa, Spain, the United Kingdom and the United States (Table 1.2).

Whereas the BGU covers all branches of the federal government, the report by the central authority of the Internal Control System of the Federal Public Administration (i.e. the CGU) is limited to the federal executive. Brazil’s Law on Fiscal Responsibility established that the heads of other branches of the federal government present their respective year-end reports and have these reports audited by the TCU in parallel with the CPR – which happened for FY 2000 through FY 2006. However, this obligation was suspended in 2007 by a decision of Brazil’s Federal Supreme Court (*Supremo Tribunal Federal*). The decision found that the 1988 Constitution establishes that only the CPR – and the performance of the President of the Republic – be judged by the National Congress. The year-end reports of the heads of other branches of the federal government are now judged only by the TCU.<sup>1</sup>

Table 1.1. Consolidated year-end government reports in Brazil and selected countries

Country	Name of report	Produced since fiscal year (FY)	Produced by	Levels of government	Reporting boundaries	Within the executive	Audited by SAI
Australia	Commonwealth Consolidated Financial Statement	1994-95	Department of Finance & Deregulation	CG	E+L+J	LM+A+SOE	Yes
	Final Budget Outcome	1998-99	Department of the Treasury & Department of Finance & Deregulation	CG	E+L+J	LM+A	No
Brazil	<b>Accounts of the President of the Republic (CPR) , comprised of:</b>						
	<b>- General Balance of the Union (BGU) - Report by the central authority of the Internal Control System of Federal Public Administration</b>	1892 <sup>1</sup>	<b>Secretariat of National Treasury</b> <b>Office of the Comptroller General of the Union (CGU)</b>	<b>CG+SS</b> <b>CG+SS</b>	<b>E+L+J</b> <b>E</b>	<b>LM+A+SOE</b> <b>LM+A+SOE</b>	<b>Yes</b>
Canada	Annual Financial Report of the Government of Canada	..	Department of Finance	CG	E+L+J	LM+A+SOE	Yes
	Public Accounts of Canada	..	Receiver General	CG	E+L+J	LM+A+SOE	Yes
Chile	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
France	Financial Statements of the Central Government	1959	Ministry of Budget, Public Accounts & State Reform, Director General of Budget	CG	E+L+J	LM	Yes
	Financial Statements of Social Security	2005	Department of Social Affairs	CG+SS	E+L	LM	Yes
Germany	Budget Account & Property Account	1949	Federal Ministry of Finance	CG	E+L+J	LM+A	Yes
Mexico	Federal Public Finance Account	1824	Secretariat of Finance & Public Credit	CG+SG+LG	E+L+J+other	LM+A+SOE + other	Yes
Netherlands	Central Government Annual Financial Report & Central Government Trial Balance	1927	Ministry of Finance	CG	E+L+J	LM+A	Yes
	General State Account, including the Social Security Account	Prior to 1930	Ministry of Finance, Directorate General of Budget	CG+SS	E+L+J	LM+A	Yes
Portugal	Regional Account of the Azores	1976	Vice-Presidency of the Regional Government of the Azores	SG	E+L	LM+A	Yes
	Regional Account of Madeira	1976	Secretariat of Regional Planning and Finance	SG	E+L	LM+A	Yes

Table 1.1. Consolidated year-end government reports in Brazil and selected countries (cont.)

Country	Name of report	Produced since fiscal year (FY)	Produced by	Reporting boundaries		Audited by SAI
				Levels of government	Within national executive	
South Africa	Consolidated Financial Information	1999	South African National Treasury	CG	E+L+J	Yes
	Consolidated Financial Information by province	1999	Provincial Treasuries	SG	E+L+J	Yes
Spain	Consolidated State Accounts	1978	Ministry of Finance, General Control & Audit Office	CG+SS	E+L+J	Yes
United Kingdom	Whole of Government Accounts	2009-10	HM Treasury	CG, LG	E	Yes
United States	Financial Report of the United States Government	1975	United States Treasury	CG	E	Yes

## Notes:

GG = General government; CG = Central government; LG = Local government; SS = Social security; E = Executive; L = Legislature; J = Judiciary; LM = Line ministries; A = Central government agencies; SOEs = State-owned enterprises; SAI = Supreme audit institution; n.a. = Not applicable; .. = Missing data.

*Line ministries:* Central government organisations responsible for designing and implementing policies in line with wider government policies, and for the direction of agencies under their authority. These ministries may be called departments in some countries and are responsible for their own budget portfolios, although they must report to the central budget authority and are subject to their review.

While they usually come under the authority of line ministries and report to a minister, *central government agencies* can also in some cases report directly to the chief executive (e.g. president/prime minister or cabinet).

*State-owned enterprises:* Organisations that are entirely or mainly owned and/or controlled by the public authorities; because of the nature of their activities, the technology they employ, and their mode of operation, these establishments are classed as industries.

*Australia:* The Commonwealth Consolidated Financial Statement to be audited by the Australian National Audit Office was that for FY 1996-97.

*Brazil:* The consolidated year-end government report has been produced since 1892. Between 1892 and 1933, the TCU issued an audit opinion prior to the year-end report being published and presented to the National Congress. From 1934 the TCU has issued its audit opinion following publication of the year-end report and its presentation to the National Congress.

*Mexico:* Branches of government also include autonomous entities, administrative courts and trusts funds.

*Netherlands:* "Other" includes specific budgets (e.g. national debt, states) and budget funds.

*United States:* The prototype of the Financial Report of the United States Government, previously referred to as the Consolidated Financial Statements, was initially produced for FY 1975. The Financial Report of the United States Government was subsequently shaped by the Chief Financial Officers Act of 1990 and the Government Management Reform Act of 1994. The Chief Financial Officers Act of 1990 created the Chief Financial Officers for 14 cabinet-level departments and 10 agencies and required them to submit annual financial statements to the Office for Management and Budget providing complete, consistent, reliable and timely information to the public about government activities. The Government Management Reform Act of 1994 established that the Financial Report of the United States Government be audited by the United States SAI (the Government Accounting Office), beginning in FY 1997.



**Table 1.2. Accounting basis for the consolidated year-end government report (financial statements) in Brazil and selected countries**

Full accrual basis	Modified accrual basis	Modified cash basis	Full cash basis
Australia, Canada, Chile, France, South Africa, Spain, United Kingdom, United States	-	<b>Brazil, Mexico</b>	Germany, Netherlands, Portugal

*Notes:*

- = No countries with modified accrual basis among benchmark countries.

*Full accrual basis:* Measures and reports the cost of goods and services consumed during the reporting period. This is often called expense accounting. Reported assets are expanded to include physical assets such as land, buildings and equipment, and also deferred costs. As with modified accrual accounting, all amounts due at the end of the period are reported as liabilities. Revenue continues to reflect amounts that came due during the period.

*Modified accrual basis:* Recognises transactions or events when they occur regardless of when cash is paid out or received. The focus is on measuring and reporting the cost of goods and services acquired during the reporting period. This is frequently referred to as expenditure accounting. Revenue reflects amounts that came due during the period. Certain tax revenue may be recognised in a manner that approximates this basis, because of the practical difficulties in determining the extent to which such revenues are attributable to the reporting period. Reported assets include cash, claims to cash such as accounts receivable and loans, investments and deferred expenditure. All amounts due at the end of the period are reported as liabilities, including trade payables and accruals, borrowing on financial markets, employee pension liabilities and deferred revenue.

*Modified cash basis:* Extends the cash basis by recognising receipts and disbursements that pertain to, but that arise in a specified period after, the reporting period. In addition to cash on hand at the beginning and end of the period, modified cash accounting shows cash received and disbursed in the specified period as assets and liabilities, respectively. The specified period for recognising receipts may differ from that used for disbursements, and sometimes only disbursements are so recognised.

*Cash basis:* Recognises transactions or events when cash is received or paid. Financial reports prepared on this basis would show cash received and disbursed over a specified period and the balance of cash on hand at the beginning and end of the period.

*Mexico:* Until FY 2011, the federal government of Mexico operated under the modified cash basis system. In accordance with the General Governmental Accounting Law published in the Official Gazette on 31 December 2008, the federal government of Mexico's accounting basis has been on a full accrual basis system since FY 2012.

*South Africa:* Public entities report on full accrual basis and their consolidation is done on full accrual basis. In comparison, state departments report on a modified cash basis and the consolidation of state department reports is done on this basis.

*Source:* Adapted from OECD (2009), "An Overview of Accrual Accounting and Budgeting Practices in Individual Countries", Working Party of Senior Budget Officials – 9th Annual OECD Public Sector Accruals Symposium, 2-3 March, GOV/PGC/SBO(2009)3,

[www.oecd.org/officialdocuments/displaydocumentpdf?cote=GOV/PGC/SBO\(2009\)3&doclanguage=en](http://www.oecd.org/officialdocuments/displaydocumentpdf?cote=GOV/PGC/SBO(2009)3&doclanguage=en).

The report by the central authority of the Internal Control System of the Federal Public Administration does not provide an assessment of the functioning of internal control, as may be suggested by the report's name. Internal control is commonly recognised as the set of means put in place to mitigate risks and to provide reasonable assurance that public organisations: *i)* deliver quality services in an efficient manner, in accordance with planned outcomes; *ii)* safeguard public resources against misconduct and (active and passive) waste; *iii)* maintain, and disclose through timely reporting, reliable financial and management information; and *iv)* comply with applicable legislation and standards of conduct (INTOSAI, 2004). The inclusion of an explicit statement by the federal executive on the functioning of internal control could augment the CPR and demonstrate progress in enhancing the systems that deliver public policies financed and controlled by the federal executive.

Since FY 2006/2007, the federal executive has sought to redesign the CPR to make it a more effective instrument for transparency. A key element of this redesign, as articulated by the CGU and the STN, has been the delineation of the objective of the

BGU and the report by the central authority of the Internal Control System of the Federal Public Administration. The intention is to give each component of the CPR its own identity, targeting different audiences. The BGU is intended to meet the financial reporting obligations required by the General Norms for the Preparation and Control of the Budget and Financial Statements. The report by the central authority of the Internal Control System of the Federal Public Administration is intended to provide a narrative of federal executive's performance for the previous fiscal year, extracting the relevant information relating to the federal executive from the BGU.

### ***Link to the federal government financial reporting framework***

As noted in the previous section, the CPR is a core element of the federal government's financial reporting framework defined in Brazil's 1988 Constitution of the Federative Republic of Brazil and Law on Fiscal Responsibility. This framework aims to enhance the sustainability of public finances, improve cost-effective service delivery and build fiscal legitimacy – a significant challenge in Brazil and in many Latin American countries (OECD, 2008; 2009b) – through promoting fiscal transparency. The framework has supported efforts to lock in long-term economic development, mitigate short-term fiscal risks and respond to development challenges (OECD, 2011; OECD & ECLAC, 2012).

The federal government's financial reporting framework also includes *i*) online reporting of budget execution updated in real time; *ii*) summarised budget execution reports released every two months; *iii*) fiscal management reports released every four months; *iv*) year-end reports of accountable officials released four to six months following the end of the fiscal year; and *v*) the national public sector balance (i.e. the consolidated financial statement of the general government) released within six months following the end of the fiscal year. All of these reports are available to the public, including on the Internet free of charge. Only three elements of this financial reporting framework, however, are audited by the TCU: the CPR, the year-end reports of accountable officials and the fiscal management reports of each branch of the federal government (Table 1.3).

The year-end reports of individual accountable officials are not the same of year-end reports of individual public sector entities as exists in other countries (Table 1.4). Accountable officials are defined as “public administrators and other individuals responsible for public money, goods and assets within the direct and indirect federal public administration”.<sup>2</sup> There are approximately 3 000 accountable officials in the federal public administration, with many public sector entities having more than one accountable official.

The preparation of the CPR is distinct from the preparation of the year-end reports of accountable officials. The latter are not used by the federal executive as input for preparing the CPR. Rather, the CPR is prepared by drawing data directly from the management information systems of the federal public administration. Core among these is the Federal Government Integrated Financial Administration System (*Sistema Integrado de Administração Financeira do Governo Federal*, or SIAFI). Established in 1987, SIAFI constitutes a single database of accounting and financial information related to federal budget execution. All transactions – including allocation, commitment, verification and payment – must be performed through SIAFI. Information from this and other core management information systems is supplemented as necessary with information from public sector entities.



**Table 1.3. Brazil's federal government financial reporting framework**

Reporting instrument	Description and content	Deadline for publication	Responsibility for production	Available online	Audited by TCU
"Transparency Portal of the Federal Public Administration"	Cash-based financial reporting of budget execution, by economic and organisational categories	n.a. (updated daily)	CGU	Yes	No
"SIGA Brasil"	Cash-based financial reporting of budget execution, by economic and organisational categories	n.a. (updated daily)	Planning, Budget & Oversight Joint Committee (National Congress)	Yes	No
"Fiscalize"	Cash-based financial reporting of budget execution, by economic and organisational categories	n.a. (updated weekly)	Chamber of Deputies (National Congress)	Yes	No
Summarised budget execution reports	Coverage of all expenditure, including public debt and debt rescheduling, and present expenditure for each administrative unit, although not for each programme or action carried out by the unit in question. The reports also provide comparisons between year-to-date expenditures and original estimates for most categories.	Within 30 calendar days following the end of every 2-month period	STN	Yes	No
Fiscal management reports	Cash-based reporting on compliance with limits set in the Law on Fiscal Responsibility & information on corrective measures taken, or to be taken, if limits are exceeded	Within 30 calendar days following the end of every 4-month period	Head of each branch of the federal government	Yes	Yes
Year-end reports of accountable officials	Financial statement of the respective accountable official & narrative of performance, in accordance with the parameters defined by the TCU	Approximately 3-6 months following the end of the fiscal year (report); within 2 years after end of fiscal year (TCU audit)	Accountable officials	Yes	Yes
Accounts of the President of the Republic (CPR)	BGU & report by the central authority of the Internal Control System of the Federal Public Administration	Approximately 3 months following the end of the fiscal year (CPR); approximately 5 months following end of the fiscal year (TCU audit)	CGU & STN	Yes	Yes
National Public Sector Balance	Consolidated financial statement of the general government (i.e. BGU and comparable reports of state and municipal governments)	30 June (i.e. 6 months following the end of fiscal year)	STN	Yes	No

*Notes:*

BGU = General Balance of the Union; CGU = Office of the General Comptroller General of the Union; CPR = Accounts of the President of the Republic; STN = Secretariat of the National Treasury; TCU = Federal Court of Accounts; n.a. = Not applicable.

On the income side, the Secretariat of Federal Revenue also publishes a monthly balance of revenue collection by source of revenue that shows deviations compared to estimated figures.

*Source:* Adapted from 1998 Constitution of the Federative Republic of Brazil, Arts. 71.I and 71.II; Law on Fiscal Responsibility (Complementary Law 101/2000), Arts. 54 and 55, Organic Law on the TCU (Law 8 443/1992), Art. 7; TCU Normative Instruction 63/2010 regarding the Organisation, Presentation and Process for the Year-end Reports of Accountable Officials; TCU Normative Decisions 107/2010 and 108/2010 regarding the Guidelines for the Year-end Reports of Accountable Officials for FY 2010 and FY 2011, respectively.

Table 1.4. Public sector entity year-end reports in Brazil and selected countries

Country	Name of report	Entities required to produce report	Level of accountability	Number of entities/ individuals preparing reports	Audited by SAI
Australia	Individual entity annual reports	LM+A+SOE+other	Minister, head of agency or public organisation	Approx. 185	Yes
<b>Brazil</b>	<b>Management report</b>	<b>LM+A+SOE</b>	<b>“Accountable officials”</b>	<b>Approx. 3 000</b>	<b>Yes</b>
Canada	Departmental performance reports	LM+A	Minister, head of agency	Approx. 100	Yes
Chile	n.a.	n.a.	n.a.	n.a.	n.a.
France	n.a.	n.a.	n.a.	n.a.	n.a.
Germany	n.a.	n.a.	n.a.	n.a.	n.a.
Mexico	Various reports <sup>1</sup>	LM	Minister, head of agency	29	Yes
	Various reports <sup>2</sup>	A+SOE+other	Minister, head of agency	185	Yes
	Various reports <sup>3</sup>	Trust funds	..	369	Yes
Netherlands	Ministerial and non-ministerial annual reports	LM	Ministers	28	Yes
Portugal	Financial statements	A+SOE	Head of agency, accountable officials	Approx. 2 600	Yes
South Africa	Annual report	LM+A+SOE	Minister, head of agency or public organisation	CG: 316	Yes
	Annual accounts & annual financial statements	LM+A+SOE+other	Head of state or local government	SG: 271; LG: 337	Yes
Spain	Statutory accounts	..	..	Approx. 12 000	Yes
United Kingdom	Agency reports	LM+SOEs+LG+other	Minister, head of agency or public organisation	Approx. 3 000	Yes
United States	Agency reports	..	Minister, head of agency or public organisation	..	Yes

*Notes:*

CG = Central government; SG = State/provincial government; LG = Local government; SS = Social security; E = Executive; L = Legislature; J = Judiciary; LM = Line ministries; A = Central government agencies; SOEs = State-owned enterprises; SAI = Supreme audit institution; .. = Missing information.

*Line ministries* are central government organisations responsible for designing and implementing policies in line with wider government policies, and for the direction of agencies under their authority. These ministries may be called departments in some countries and are responsible for their own budget portfolios although they must report to the central budget authority and are subject to their review.

While they usually come under the authority of line ministries and report to a minister, *central government agencies* can also in some cases report directly to the chief executive (e.g. president/prime minister or cabinet).

*State-owned enterprises* are organisations that are entirely or mainly owned and/or controlled by the public authorities; because of the nature of their activities, the technology they employ, and their mode of operation, these establishments are classed as industries.

*Brazil:* Accountable officials are defined as public administrators and other individuals responsible for public money, goods and assets within the direct and indirect federal public administration.

*Mexico:* (1) Government units, autonomous entities, legislature, judiciary, presidency of Mexico, attorney general of Mexico and administrative courts must prepare *i)* a worksheet; *ii)* the state of budget execution; *iii)* state income analytics; *iv)* an analysis of treasury accounts; *v)* the state of federal government debt; *vi)* adjustments to the budget exercise; *vii)* adjustments to the Income Law, and *viii)* main variations to the balance sheet accounts and results. (2) Central government agencies and state-owned enterprises must prepare *i)* a worksheet; *ii)* an income statement; *iii)* analysis of cash flow; *iv)* state of origin and application of resources; *v)* cash flow; *vi)* the state of budget execution, and *vii)* state integral analytical internal and external debt. (3) Units and entities whose budgets have been transferred to trust funds or entities that co-ordinate trust fund operation must provide: *i)* accomplishment report on trust fund targets and goals in addition to the report on exercised resources.

*Netherlands:* In addition to 11 ministerial annual reports, separate annual reports are published (by the responsible ministers) for 8 specific budgets (e.g. national debt, states general) and for 9 budget funds (e.g. municipality fund, infrastructure fund).

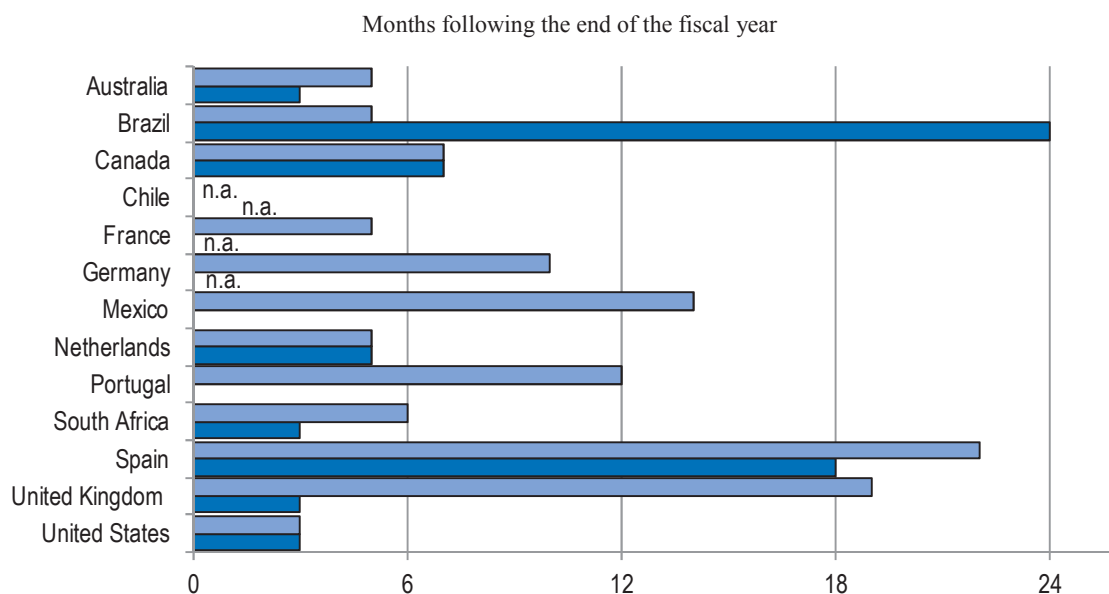
*Spain:* Public foundations, public consortia and other public entities from the central, regional and local governments.

*United Kingdom:* The number of individual public sector entities' year-end reports presented in the table includes only those that are included in the consolidated year-end government report.

The external audits of the CPR and the year-end reports of accountable officials are also separate from one another. The TCU audit of the CPR is completed before the TCU begins to audit the year-end reports of accountable officials. Whereas the audit of the CPR must be completed within five months following the end of the fiscal year, the Organic Law on the TCU stipulates that Brazil's SAI audit of the year-end reports of accountable officials be completed within 24 months following the end of the fiscal year. The TCU does not, however, begin to audit even the most materially significant of these reports until eight to nine months following the end of the fiscal year.

Moreover, the planning and implementation of the TCU audits of the CPR and the year-end reports of accountable officials are separate from one another. This is different from the selected benchmark countries involved in this peer review, where publication of the audit of year-end reports of individual public sector entities takes place either together with or before the consolidated year-end government report (Figure 1.1). In many cases there is also a direct relationship between the audits of these two types of year-end reports (see Chapter 3 of this peer review).

**Figure 1.1. Completion of the audit of the consolidated year-end government and individual public sector entity year-end reports in Brazil and selected countries**



*Notes:*

n.a. = Not applicable.

*Brazil:* The year-end reports of individual public officials are not at the level of individual public sector entities. Accountable officials are defined as “public administrators and other individuals responsible for public money, goods and assets within the direct and indirect federal public administration”.

*Chile:* No consolidated year-end government report or year-end reports of individual public sector entities.

*France:* No year-end reports of individual public sector entities.

*Germany:* No year-end reports of individual public sector entities.

*Mexico:* Data missing on year-end reports of individual public sector entities.

*Portugal:* Data missing on year-end reports of individual public sector entities.

### ***General process for preparation, external audit and legislative scrutiny***

Preparation of the CPR begins during the last quarter of each fiscal year. As a first step, the TCU issues an annual instruction to guide the CGU in preparing the CPR – specifically the report by the central authority of the Internal Control System of Federal Public Administration. The CGU proceeds to consolidate information from a number of federal public sector entities: the Central Bank of Brazil, the Federal Ministry of Finance (including STN), the Federal Ministry of Planning, Budget and Management, other federal ministries and official development agencies. In recent years, the TCU has issued its annual instructions in the middle of October rather than at the end of November or early December, as it had in the past. This change has been accompanied by closer co-ordination between the TCU and the CGU in order to develop the content of and enhance the CPR. The CGU sends the CPR to the Office of the President of the Republic (*Casa Civil*) for signature and transmission to the National Congress at the end of March or the beginning of April. The procedure is completed either on the same day, or within one working day of the Office of the President of the Republic receiving the CPR.

The National Congress receives the CPR from the Office of the President of the Republic in line with the deadline established in the 1988 Constitution: 60 days after the first legislative session for the year. During the last decade, however, the TCU has received the CPR from the National Congress anywhere up to one month after it has been transmitted by the Office of the President of the Republic to the National Congress, as was the case for the FY 2001 and FY 2007 CPRs.

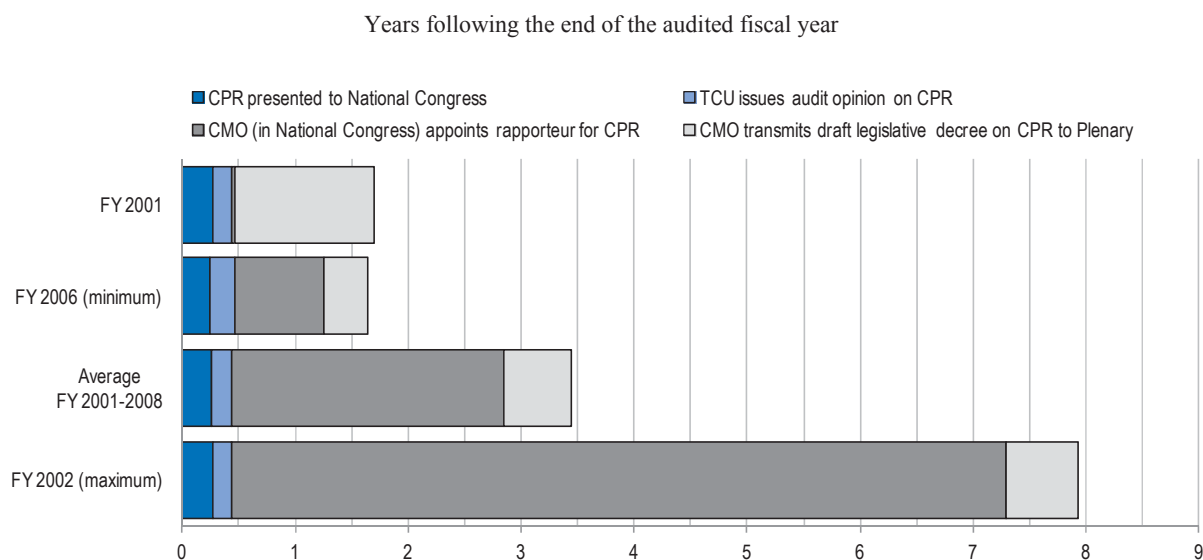
The TCU issues its opinion on the CPR at the end of May or beginning of June, in line with its constitutional deadline of 60 days after receiving it from the National Congress. TCU Internal Rules require that the draft audit opinion and a supporting report be circulated internally within the TCU within 50 days of receiving the CPR from the National Congress. The TCU Internal Rules also require the TCU to finalise its audit opinion at least 72 hours before the audit opinion is presented to the National Congress. The TCU opinion is published in the Official Gazette of the Federal Government of Brazil (*Diário Oficial da União*), the Official Journal of the TCU (*Diário Oficial da TCU*), and on a TCU webpage dedicated to the audit of the CPR (see Chapter 4 of this peer review). In addition, the CGU provides a link on the webpage where it publishes the CPR to the dedicated TCU webpage for audit reporting.

The process whereby the TCU audits the CPR after it has been published and sent to the National Congress by the President of the Republic began in 1934. Prior to that year the TCU would issue its opinion before the CPR was sent to the National Congress by the President of the Republic, and this opinion would be appended and published together with the CPR.

National Congress scrutiny of the CPR using the TCU opinion is subject to much delay. This is despite the National Congress having a permanent committee – the CMO – with responsibility and substantial powers to scrutinise the performance and accountability of the President of the Republic. These powers are discussed in the subsequent section. During the last decade the CMO has deliberated on seven of ten CPR reports; it has yet to conclude deliberations on the FY 2009, FY 2010 or FY 2011 CPR. The CMO has taken on average two years and five months to appoint a rapporteur for its review of the CPR after receiving the TCU opinion; periods have ranged from eight calendar days for FY 2001 to six years and ten months for FY 2002. Subsequently the CMO has taken on average seven months to finalise its review of the CPR – with periods

ranging from three months for FY 2007 to one year and three months for FY 2001 (Figure 1.2).<sup>3</sup>

**Figure 1.2. Total time taken for scrutiny of Accounts of the President of the Republic within the National Congress Planning, Budget and Oversight Joint Committee**



*Notes:*

Average only for FY 2001-08 as process has not concluded for FY 2009, 2010 or 2011.

CMO = Planning, Budget and Oversight Joint Committee; CPR = Accounts of the President of the Republic; FY = Fiscal year; TCU = Federal Court of Accounts.

Annex 1.A1 presents underlying dates for figure.

The National Congress' review of the CPR does not, however, conclude with completion of the CMO task. During the last decade, the National Congress has only concluded scrutiny of the FY 2001 CPR (Table 1.5). Once the CMO issues a draft legislative decree and supporting report on the CPR, it must be discussed and approved by both chambers of the National Congress (i.e. the Chamber of Deputies and the Federal Senate).<sup>4</sup> The two chambers each appoint a separate rapporteur to review the CPR and the draft legislative decree that has been prepared by the CMO. Review in both chambers is carried out as an ordinary procedure; with a minimum of 40 sessions in one chamber, followed by a minimum of 40 sessions in the other, for comment and discussion. If either chamber does not approve the CMO report and draft legislative decree on the CPR, the documents go back to the CMO for redrafting.

The TCU does not currently understand the process for nor comprehend the main barriers and constraints affecting the National Congress' scrutiny of the CPR. In the past the TCU has considered its work completed upon the publishing of its opinion and accompanying audit report. Understanding the process for and comprehending the main barriers and constraints affecting legislature scrutiny of the CPR using the TCU opinion is a critical step to enhance the relevance and impact of this audit work. This information could help the TCU to assess whether it can better communicate its main findings and improve the clarity of its audit reporting, as well as facilitate better working relations with the National Congress – though, in the process, actions should be taken to safeguards TCU independence.



**Table 1.5. Status of National Congress' deliberations on the Accounts of the President of the Republic**

Shading indicates status within the National Congress  
 Dark blue = completed; light blue = not concluded; white = not begun

Audited fiscal year	National Congress Planning, Budget & Oversight Joint Committee draft Legislative Decree ( <i>Paracer</i> )	Federal Senate draft Legislative Decree (PDS)	Chamber of Deputies draft Legislative Decree (PDC)	National Congress Legislative Decree
2001	Parecer 82/2003-CN	PDS 775/2002	PDC 2 662/2002	Legislative decree 447/2002
2002	Parecer 46/2010-CN	Begun; not concluded	PDC 40/2011	Yet to commence
2003	Parecer 3/2007-CN	PDS 77/2007	Begun; not concluded	Yet to commence
2004	Parecer 1/2009-CN	PDS 60/2009	Begun; not concluded	Yet to commence
2005	Parecer 47/2010-CN	PDS 91/2011	Begun; not concluded	Yet to commence
2006	Parecer 2/2009-CN	Begun; not concluded	PDC 1 376/2009	Yet to commence
2007	Parecer 12/2011-CN	PDS 189/2011	Begun; not concluded	Yet to commence
2008	Parecer 48/2010-CN	Begun; not concluded	PDC 42/2011	Yet to commence
2009	Begun; not concluded	Yet to commence	Yet to commence	Yet to commence
2010	Begun; not concluded	Yet to commence	Yet to commence	Yet to commence
2011	Begun; not concluded	Yet to commence	Yet to commence	Yet to commence

Note: Data correct as of November 2012.

### Box 1.1. Legislative scrutiny of year-end government reports in the Netherlands

Legislative scrutiny of year-end government reports in the Netherlands is led by the Public Expenditure Committee, located in the House of Representatives. This Committee was established in 1923 and its competence and task is regulated in the Rules of Procedure of the House of Representatives. The Public Expenditure Committee deals with the structure and working of the budget policy making. It is one of a number of committees in the House of Representatives: 10 committees deal with the laws and policies of specific line ministries (e.g. Foreign Affairs Committee; Defence Committee; Social Affairs and Employment Committee; and Finance Committee); 5 committees deal with cross-cutting issues (e.g. Kingdom Relation Committee; Intelligence and Security Services Committee; Immigration, Integration and Asylum Committee; European Affairs Committee; and the Public Expenditure Committee); other committees deal with the House activities. The House of Representatives may also establish temporary committees of inquiry.

The role of the Public Expenditure Committee includes dealing with the reports of the Netherlands' supreme audit institution, the Netherlands Court of Audit (*Algemene Rekenkamer*) – as well as discussing any proposed amendments of the Law on the Budget System and supporting other House of Representatives committees in scrutinising minister's budget proposals.

On the day the Netherlands Court of Audit makes its audit reports on the year-end government reports public and sends them to the executive and legislature, the Court makes a closed presentation for members of the Public Expenditure Committee about the report. All Netherlands Court of Audit reports must include a written response on the conclusions by the respective minister and the written reaction of the SAI to this response. A list of written questions is then sent to the responsible minister(s) and a separate list with questions to the Netherlands Court of Audit. The minister and the Netherlands Court of Audit are given approximately three weeks to prepare answers to the questions. The answers of the minister(s) and of the Netherlands Court of Audit are then put on the agenda of a follow-up meeting of the committee. The relevant committee is then able to decide in a procedure meeting what actions and follow-up it will undertake, such as organising a hearing or a roundtable. Committees often decide to schedule an oral debate on the report with the responsible minister.

### **Box 1.1. Legislative scrutiny of year-end government reports in the Netherlands (cont.)**

Scrutiny of the year-end reports in the House of Representatives is completed during a two month period: from the middle of May until the first week of July. The process concludes with a decision of the plenary. The focus of the House of Representatives is on the efficiency and effectiveness of budget spending. Since the 1990s, irregularities in budget spending in the Netherlands have been less than 1% for every budget law. For FY 2010, motions were put to the plenary and passed to discharge all ministers for their policies and financial management of their departments, albeit with some ministers having to commit to improvements in their department's financial management practices

The Public Expenditure Committee performs an evaluation of the accountability process carried out by the separate committees; its report is sent to the plenary. The evaluation report is relevant for keeping up the high standard of the process and for possible improvements of the process.

From FY 2012, Netherlands Court of Audit reports are sent directly to the relevant legislative committee (e.g. a report about energy policy is sent to the Economic Affairs, Agriculture and Innovation Committee). Prior to FY 2012, Netherlands Court of Audit reports were first sent to the Public Expenditure Committee. At the end of FY 2012 there will be an evaluation of the House of Representatives' new operating procedures that will include the views of the Netherlands Court of Audit.

The executive is obligated to respond formally to recommendations made by the Public Expenditure Committee and other committees within three weeks, although this can be extended to six weeks. The ministers send responses to the House of Representatives, and these will be transmitted directly by the Clerk's Department to the committee in charge. The executive's response can be debated in legislature. This depends on the political opportunity and weight of the item. To accommodate the monitoring of recommendations the clerks will register certain commitments of the responsible minister in a parliamentary monitoring system. Once a year, ministers must also send a list of "pending commitments to parliament" together with their budget bill. Supplementary to that: the Netherlands Court of Audit may undertake special investigations to review if recommendations are implemented. The Netherlands Court of Audit sends these reports to the House of Representatives. The procedure to handle this kind of report is the same as the handling of new reports sent to parliament: the committee's written questions to the responsible minister will, depending on the quality of the answers, be followed up by an oral debate of the committee in charge with the responsible minister.

*Source:* Public Expenditure Committee, House of Representatives, Netherlands.

## **Actors involved in the reporting process**

As noted in the preceding section, consolidated year-end government reporting includes the preparation of the report by the executive, external audit by a country's SAI and scrutiny by the legislature. In Brazil these functions are prepared by the CGU and the STN, TCU and National Congress, respectively. This section presents *i)* the CGU and the STN and their commitments to enhancing transparency in federal government financial reporting; *ii)* the TCU and its level of independence from the executive and legislature *vis-à-vis* the Lima and Mexican Declarations, as minimum assurance for the quality of its audit work; and *iii)* the National Congress and its powers to hold the executive to account for the handling of public finances and the effectiveness of the decisions of the responsible authorities.

### ***Federal executive – Report consolidation***

The CGU – the central authority of the Internal Control System of the Federal Public Administration – leads the preparation of the CPR. The broader mandate of the CGU includes co-ordinating actions to enhance internal control and transparency within the

federal executive. In addition to consolidating the CPR, the CGU is responsible for: *i)* evaluating goals established in the Pluri-annual Plan; *ii)* evaluating delivery and management of government programmes; *iii)* evaluating implementation of the Annual Budget Law; *iv)* controlling loans, guarantees and assets of the federal government; *v)* providing information on the delivery of projects financed through the federal budget; *vi)* auditing the management of federal public resources; and *vii)* auditing the federal government management systems (e.g. accounting, financial management, budget, etc.). With this authority, the CGU has developed its knowledge of public sector entities’ programmes, introduced computer-assisted audit tools and piloted operational risk management methodologies. These actions help to better target internal control activities, improve the identification and correction of reporting errors and enhance the reliability of financial reporting (OECD, 2012).

The CGU knowledge on internal control and material risks facing government reporting is reinforced by its role as a shared mandatory internal audit service for federal ministries since 2001. The centralisation of the internal audit function in Brazil is similar to arrangements in the Netherlands, Portugal and Spain (Table 1.6). Previously, all Brazilian federal ministries had their own “in-house” internal audit service that audited the administrative units within the ministry and agencies and foundations, under the supervision of each minister. The policy shift was driven by concern over the independence of the internal audit function. The change also resulted in the obligation that all federal agencies and foundations establish their own internal audit services, rather than having this function filled by their respective supervising federal ministers. State-owned and mixed-capital enterprises have always had their own internal audit functions. The CGU evaluates the performance of internal audit within agencies, foundations and public enterprises (including both state-owned and mixed-capital enterprises).

**Table 1.6. Centralisation of internal audit within the direct public administration in Brazil and selected countries**

Central (national) government	
Centralised	Decentralised
Brazil, Mexico, Netherlands, Portugal, Spain	Australia, Canada, Chile, France, Germany, South Africa, United Kingdom, United States

*Note:*

Internal audit within the executive branch is centralised within the Secretariat of Public Administration. Internal audit within both the legislature and judiciary are decentralised. Internal audit at the state (regional) level is also decentralised.

*Source:* Adapted from OECD (2012), *OECD Integrity Review of Brazil: Managing Risks for a Cleaner Public Service*, OECD Public Governance Reviews, OECD Publishing. doi: 10.1787/9789264119321-en

The CGU has played a role in enhancing the federal government’s financial reporting framework, and is taking a lead role in a number of international initiatives to enhance transparency and accountability. Actions to enhance the framework include, for example, redesigning the CPR to enhance effective transparency, as discussed in the preceding section. The CGU has also led the development of real-time online reporting of budget execution through the creation of the Transparency Portal of the federal public administration (OECD, 2012). At an international level, the CGU requested the OECD to conduct a *Public Sector Integrity Review* of the federal public administration in 2011 – the first G20 country to do so; founding the Open Government Partnership, a multilateral

initiative to promote transparency and harness new technologies for good public governance in 2011; and founding the Global Initiative for Fiscal Transparency, a multilateral initiative to enhance transparency, citizen engagement and accountability in fiscal management in 2012.

The CGU has a dedicated division as part of its shared audit service responsible for consolidating the CPR (Table 1.7). The remainder of the CGU shared audit service (the *Secretaria Federal de Controle Interno*) is arranged around organisation of the direct federal public administration. Resource mobilisation and flexibility are not recognised as problems within the CGU. The staffing of the CGU has increased steadily over time to include approximately 2 700 active public officials in 2010 (Table 1.8). The CGU receives a lump-sum appropriation for its operating expenditure, but with a sublimit for wages, allowing the CGU to reallocate material expenditure without approval from the Federal Ministry of Finance.

**Table 1.7. Organisation of the shared audit service within Brazil's Office of Comptroller General of the Union**

Departments	Divisions
Planning and co-ordination	Planning and evaluation Audit techniques, procedures & quality Special operations Foreign funded loans & grants
Economic	Federal Ministry of Finance (two divisions) Federal Ministry of Planning, Budget and Management Federal Ministry of Development, Industry and Trade
Social	<b>Accounts of the President of the Republic (CPR)</b> Federal Ministry of Social Development and the Fight Against Hunger Federal Ministry of Justice Federal Ministry of Health Federal Ministry of Education (two divisions)
Infrastructure	Federal Ministry of the Environment Federal Ministry of Mines and Energy Federal Ministry of Science and Technology Federal Ministry of Transport Federal Ministry of Cities Federal Ministry of National Integration
Production and technology	Federal Ministries of Agriculture, Fisheries and Aquaculture (within one division) Federal Ministry of Agrarian Development Federal Ministry of Tourism Federal Ministries of Sports and Culture (within one division) Federal Ministry of Communications
Employment and social security	Federal Ministry of Social Welfare Federal Ministry of Labour and Employment Social Services System ("System S") Personnel audits and audits of <i>ad hoc</i> reports by individual accountable officials (within one division)

*Note:*

Social Services System ("System S") comprises parastatal organisations that play a specific role in the training and welfare of employees of companies from some sectors of industry, commerce, services, agriculture and livestock. These specific organisations were created by the government but are not state-owned enterprises or agencies. Their financial resources are collected through compulsory contributions made by private companies as well as from the social security system in general. Although the System S does not execute public policies, it supports broader social goals.

*Source:* Adapted from OECD (2012), *OECD Integrity Review of Brazil: Managing Risks for a Cleaner Public Service*, OECD Public Governance Reviews, OECD Publishing. doi: 10.1787/9789264119321-en

**Table 1.8. Resourcing of Brazil's Office of the Comptroller General of the Union**

A. Number of public officials						
Category of official	2005	2006	2007	2008	2009	2010
Supervisory & management officials	388	408	408	408	408	408
Other public officials	1 730	1 866	1 924	2 137	2 215	1 985
<b>Total active public officials</b>	<b>2 154</b>	<b>2 310</b>	<b>2 368</b>	<b>2 581</b>	<b>2 659</b>	<b>2 719</b>
Retirees & pensioners	32	75	124	164	239	287
<b>Total public officials</b>	<b>2 186</b>	<b>2 385</b>	<b>2 492</b>	<b>2 745</b>	<b>2 898</b>	<b>3 006</b>

B. Budget appropriation (million BRL)						
Type of expenditure	2005	2006	2007	2008	2009	2010
Personnel	175.8	270.9	354.8	413.9	532.7	591.5
Materials	3.1	0.8	1.0	1.7	1.7	2.0
Capital	2.8	5.1	7.1	10.7	4.8	12.5
Other	53.9	45.4	51.8	58.6	60.8	90.8
<b>Total</b>	<b>235.6</b>	<b>322.1</b>	<b>414.8</b>	<b>484.9</b>	<b>600.0</b>	<b>696.8</b>

Note: Public official data refer to the month of November for each year surveyed.

Source: OECD (2012), *OECD Integrity Review of Brazil: Managing Risks for a Cleaner Public Service*, OECD Public Governance Reviews, OECD Publishing. doi: 10.1787/9789264119321-en

The activities of the CGU linked to the CPR are supported by the STN, the central authority of the Accounting System of the Federal Public Administration. The STN prepares the BGU as input for the CPR. More generally, the STN is responsible for: *i*) maintaining and improving the chart of accounts of the federal government; *ii*) establishing rules and procedures for proper accounting of transactions and significant events by federal public sector entities; *iii*) maintaining and improving information systems for recording transactions and significant events and generating information for management decision making and ministerial oversight; and *iv*) supporting the preparation of year-end reports of accountable officials and the identification of irregularities resulting in losses to the state treasury. The STN also establishes the accounting standards for federal government financial statements and, in that respect, shares similarities with the finance ministries in the Netherlands, Portugal and Spain (Table 1.9).<sup>5</sup>

**Table 1.9. Responsibility for establishing accounting standards for government financial statements in Brazil and selected countries**

Finance ministry/ central budget authority	Finance ministry/ central budget authority with recommendations of advisory board	Public-private sector standards body	Other
<b>Brazil</b> , Germany, Netherlands, Portugal, Spain	Canada, France, South Africa, United Kingdom, United States	Australia	Mexico

Notes:

*Mexico*: The National Council for the Harmonisation of Accounts. The Council is composed of 13 members from the three levels of government. Its main task is to establish the parameters (guidelines) that must be adopted for public accounting. Moreover, the law mandates that the accounting rules be based on best international practices.

*South Africa*: The Accrual Accounting Standards Board sets standards and the Minister of Finance approves these and sets effective dates for implementation. The National Treasury (under the Minister of Finance) sets the standards for reporting on the modified cash basis used by central and state departments in anticipation of the implementation of accrual accounting.

Source: Adapted from OECD (n.d.), *International Budget Practices and Procedures Database (v2)*, [www.oecd.org/gov/budget/database](http://www.oecd.org/gov/budget/database), responses to Question 63 “How are the technical standards for the budget and related documents and the technical accounting standards for financial statements determined?”



### ***Federal Court of Accounts – External audit***

The 1988 Constitution of the Federative Republic of Brazil establishes the TCU as an auxiliary body to the National Congress. The role of the TCU is to provide external control and oversight over federal public resources, including federal ministries, agencies, foundations, as well as state-owned and mixed-capital enterprises. This includes federal public funds that are transferred to subnational governments for the delivery of federal public programmes and services. The TCU does not, however, audit public resources budgeted by subnational governments (i.e. states, municipalities and the Federal District). The external audit of those funds is conducted by the subnational courts of accounts in each of Brazil's 26 states and the Federal District. A further six municipalities (i.e. Bahia, Ceará, Goiás, Pará, Rio de Janeiro and Sao Paulo) have their own court of accounts focused on local budget execution.

In exercising its control and oversight function, the TCU conducts a combination of juridical, regularity and performance audits (Table 1.10). The TCU has not conducted *a priori* audits of public expenditure since 1967. Moreover, since the 1980s, the TCU has focused increasing attention on the economy, efficiency and effectiveness of public policies.

The TCU follows a court of accounts (or court of audit) model of SAI; in this regard it is more similar in the organisation model of the SAIs in France, Germany, the Netherlands, Portugal and Spain (Table 1.11), though there are still much heterogeneity regarding the organisation of courts of accounts. The organisational model and functions of the TCU have been directly influenced by the Portuguese Court of Accounts, and indirectly by the French Court of Audit. The influence of the former stems from the historic ties between Brazil and Portugal. The Portuguese Court of Accounts has been strongly influenced by the French Court of Audit – and previously by the Belgian Court of Accounts (Tavares, 1998).

The TCU operates in plenary and in one of two chambers. The Plenary is made up of all nine TCU ministers, including the president and vice president. These two officers are elected by the Plenary for a term of one year, extendable for an additional year. In the recent past, the president has been the longest-serving TCU minister that has yet to occupy the position of president; and the vice-president has been the second longest-serving TCU minister that has yet to occupy the position of president.<sup>6</sup> TCU ministers take decisions collectively through the Plenary or one of its two chambers (Table 1.12).

The TCU authorities are supported by three general secretariats – for the TCU presidency, general management and external control (Figure 1.3). The General Secretariat for the TCU Presidency manages *inter alia* TCU strategic planning, information technology, and relations with the National Congress and the media. The General Secretariat for TCU Administration is responsible for TCU human resources, procurement, logistics and financial management. The General Secretariat for External Control establishes practices and procedures and co-ordinates the activities within the 45 TCU secretariats of external control.

The TCU has its own Prosecution Service that attends every session in which a decision is to be taken on an audit opinion, including the audit of the CPR. The TCU Prosecution Service is comprised of a prosecutor general, three deputy prosecutors general and four prosecutors, and is autonomous and functionally independent from the TCU President. The TCU Prosecutor General is appointed by the President of the



Republic for a period of two years and has the same privileges as a TCU minister. The deputy prosecutors general and prosecutors are recruited by public examination, overseen by the Brazilian Bar Association.<sup>7</sup> The rights, guarantees and powers of members of the TCU Prosecution Service are regulated by the Organic Law on the Public Prosecutor of the Union. Administrative support for the TCU Prosecution Service is provided by the TCU Secretariat of General Administration.

**Table 1.10. Types of audit activities conducted by supreme audit institutions in Brazil and selected countries**

Country	<i>A priori</i> audit	Judicial	<i>Ex post</i> audit Regularity	Performance
Australia	o	O	●	●
<b>Brazil</b>	<b>o</b>	<b>●</b>	<b>●</b>	<b>●</b>
Canada	o	O	●	●
Chile	●	●	●	o
France	o	●	●	●
Germany	●	O	●	●
Mexico	o	O	●	●
Netherlands	o	O	●	●
Portugal	●	●	●	●
Spain	o	●	●	●
South Africa	o	O	●	●
United Kingdom	o	O	●	●
United States	o	O	●	●

Notes:

● = Yes; o = No.

*A priori audit*: The SAI authorises or advises on public expenditure as part of the process of financial control. For example, the SAI may receive details of all payments together with supporting documentation; it will then check the accuracy, legality and regularity of all transactions. The SAI will also ensure that there is sufficient budgetary provision for the transaction to be made.

*Juridical audit* refers to judgement regarding the accounts of individuals with whom personal responsibility for the use of public funds rests.

*Regularity audit* includes: *i*) attestation of financial accountability of accountable entities, involving examination and evaluation of financial records and expression of opinions on financial statements; *ii*) attestation of financial accountability of the government administration as a whole; *iii*) audit of financial systems and transactions, including evaluation of compliance with applicable statutes and regulations; *iv*) audit of internal control and internal audit functions; *v*) audit of the probity and propriety of administrative decisions taken within the audited entity; and *vi*) reporting of any other matters arising from or relating to the audit that the SAI considers should be disclosed.

*Performance audit* includes: *i*) audit of the economy of administrative activities in accordance with sound administrative principles and practices, and management policies; *ii*) audit of the efficiency of utilisation of human, financial and other resources, including examination of information systems, performance measures and monitoring arrangements, and procedures followed by audited entities for remedying identified deficiencies; and *iii*) audit of the effectiveness of performance in relation to the achievement of the objectives of the audited entity, and audit of the actual impact of activities compared with the intended impact.

Source: Definitions adapted from INTOSAI (2001), “Basic Principles in Government Auditing”, *International Standards of Supreme Audit Institutions* (ISSAI), 100, INTOSAI Professional Standards Committee, Denmark. Data adapted from NAO (National Audit Office, United Kingdom) (2005), *State Audit in the European Union*, National Audit Office, London, [www.nao.org.uk/publications/0506/state\\_audit\\_in\\_the\\_eu.aspx](http://www.nao.org.uk/publications/0506/state_audit_in_the_eu.aspx).

**Table 1.11. Organisational model of supreme audit institutions in Brazil and selected countries**

Audit office	Audit board	Court of accounts
Australia, Canada, Chile, Mexico, South Africa, United Kingdom, United States	Netherlands	Brazil, France, Germany, Portugal, Spain

*Notes:*

*Audit office:* A monocratic organisation with all rights, powers and responsibilities in an auditor general. An audit office is part of a parliamentary system and reports all audit findings to the legislature, typically to a parliamentary committee responsible for holding the government or public organisations accountable based on SAI reports.

*Audit board:* A collegiate organisation is headed by a number of members who form its college or governing board and take decisions jointly. A board is normally part of a parliamentary system and its audit reports are submitted to the legislature, where there is usually some form of public accounts committee to act on them.

*Court of accounts (or court of audit):* A collegiate organisation, headed by those members who form its college or governing board and take decisions jointly. This model is generally a self-standing court dealing only with financial matters. Less commonly, it may be under the supreme court, and subsequently be known as a *chamber of accounts*.

*Source:* Definitions adapted from INTOSAI (2010), “Financial Audit Guideline: Glossary of Terms to the INTOSAI Financial Audit Guidelines”, *International Standards of Supreme Audit Institutions (ISSAI) 1003*, INTOSAI Professional Standards Committee, Financial Audit Subcommittee Secretariat, Riksrevisionen, Sweden, [www.issai.org](http://www.issai.org).

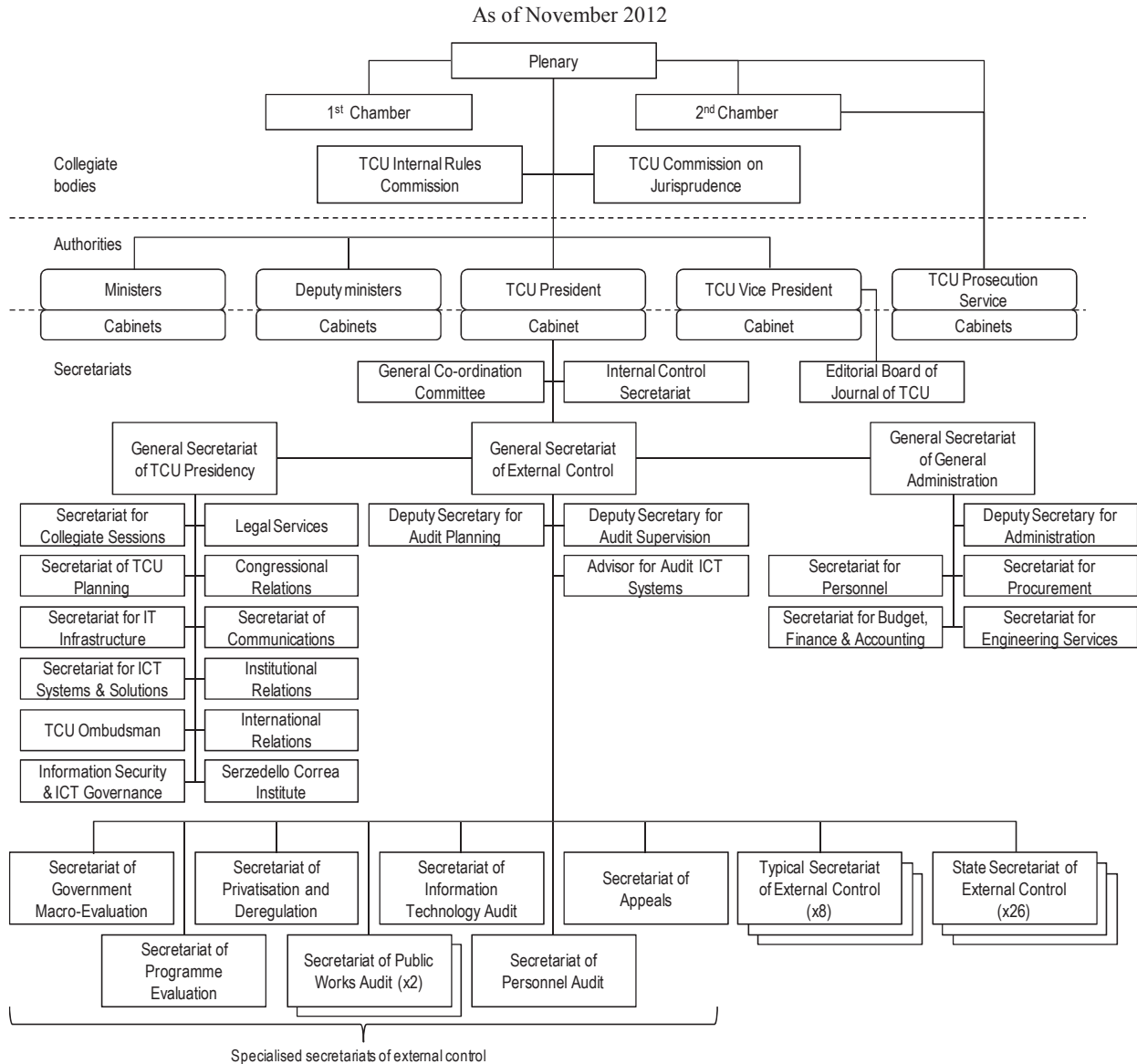
**Table 1.12. Composition and portfolio of the Brazilian Federal Court of Accounts’ plenary and chambers**

	Plenary	1 <sup>st</sup> & 2 <sup>nd</sup> Chambers
Composition	All nine TCU ministers, chaired by TCU President	Each chamber has four ministers 1 <sup>st</sup> Chamber is chaired by TCU Vice-President 2 <sup>nd</sup> Chamber is chaired by longest-serving minister The portfolios of the chambers are not fixed, but change with the rotation of portfolios of the ministers – once every two years
Portfolio	Audit of the Accounts of the President of the Republic (CPR) Audits & inspections of administrative units of higher-level government bodies – e.g. the superior courts, the Federal Senate & Chamber of Deputies, the Office of the Public Prosecutor of the Union, the Office of the President of the Republic & the Office of the Attorney General of the Union Audits, inspections & information requested directly by the National Congress, its chambers and committees Operational (performance) audit Complaints received internally from within the federal public administration and the general public	Audit of accounts of public officials  Audits & inspections initiated by the TCU, other than those dealt with by the TCU Plenary  Audits of the admission of public officials into the direct & indirect federal public administration Audits of the legality of the payment of pension & retirement benefits to federal public officials, military personnel and their beneficiaries

*Notes:*

CPR = Accounts of the President of the Republic TCU = Federal Court of Accounts

*Source:* 2012 TCU Internal Rules (TCU Resolution 246/2011), Art. 15.

**Figure 1.3. Organisation of the Brazilian Federal Court of Accounts**

Source: Federal Court of Accounts, Brazil.

The TCU considers the audit of the CPR one of its most significant activities. This audit is a fixed task of the TCU, its first constitutional responsibility and one of its most longstanding activities, having been conducted since 1892. Significance is also attached to the process. The vote on this audit is taken in an extraordinary session of the Plenary. Extraordinary sessions are reserved for specific events, e.g. the inauguration of TCU authorities (i.e. the president, vice president, ministers, deputy ministers) and the vote on TCU Internal Rules. The audit of the CPR is also supported by a dedicated secretariat: the Secretariat for Government Macro-Evaluation (*Secretaria de Macroavaliação Governamental*, or Semag). This Secretariat, created in FY 2000, co-ordinates audit planning and implementation for the CPR (see Chapter 3 of this peer review).

**Table 1.13. Appointment, tenure and salaries of supreme audit institutions' leadership in Brazil and selected countries**

Country	A. Selection & appointment of supreme audit institution leadership			B. Tenure of supreme audit institution leadership				C. Salaries & benefits of supreme audit institution leadership			
	Executive	Executive & legislative approval	Executive & legislature	Fixed term, non-renewable	Fixed term, renewable	Open-ended	Retirement	Set by executive	Set by legislature	Equivalent to fixed position within judiciary	Other
Australia	•			10 years			Not specified				•
<b>Brazil</b>		•				•	<b>70 years</b>				•
Canada	•			10 years			Not specified				•
Chile	•					•	75 years		•		
France	•					•	65 years		•		•
Germany				12 years			65 years				•
Mexico							8 years				•
Netherlands			•								•
Portugal	•		•			•	70 years		•		•
						•	4 years (president)				•
							3 years (president); 9 years (counsellors)				•
Spain			•				Not specified				•
South Africa	•			5-10 years			Not specified		•		
United Kingdom	•			10 years							•
United States		•		15 years			70 years				•

Notes:

• = Yes; .. = Missing data

*Australia:* Headed by Auditor General; (A) appointed by the Governor-General on recommendation from the relevant minister following approval by Joint Committee of Public Accounts and Audit; (B) may be removed by Governor-General if each House of Parliament presents a request for his removal on the grounds of misconduct or incapacity; (C) Remuneration Tribunal.

*Brazil:* (C) Magistrates of the Superior Court of Justice (*Superior Tribunal de Justiça*).

*Canada:* Headed by Auditor General; (A) appointed by the Governor General following approval by Senate and House of Commons; (B) may be removed by Governor General following an address from both Senate and House of Commons.

*Chile:* Headed by Comptroller General; (A) following approval of the majority of the Senate; (B) may be removed by the President of the Republic, after prior judicial decision in the manner prescribed, and on grounds given by the Judges of the Supreme Court.

*France:* Leadership includes a First President; one General Prosecutor assisted by one first Advocate General and three Advocates General; and seven Chamber presidents; (A) nominated by a decree of Council of Ministers.

*Germany:* (A) Following election by the houses of the legislature; (B) the same conditions as specified by the Federal Civil Service Act.

*Mexico:* (A) Appointed by the House of Deputies from a short-list proposed by the Oversight Committee (House of Deputies); (B) the Oversight Committee must propose removal, and removal must be approved by the House of Deputies, only on grounds of integrity or efficiency, physical or mental disability, or certain criminal convictions. The SAI of Mexico has management autonomy to set the institution's salaries and benefits and to establish an appropriate organisational structure. Nevertheless, the Auditor General's salary and benefits are adjusted to those granted in the legislature.

*Netherlands:* (A) SAI draws up a list of six candidates from which the House of Representatives decides which candidate will be proposed as a new Board member. The Court of Audit's new Board member is then appointed by Royal Decree; (B) the Supreme Court has the power to dismiss.

*Portugal:* Headed by President and 16 Judges, plus 1 judge from each of the Autonomous Regions of Azores and Madeira; (A) the President of the Court is appointed and exonerated by the President of the Republic under proposal of the government; the Members of the Court are recruited by public competition and appointed by the President of the Court. (B) May be removed by majority vote in a plenary session of the judges of the Court.

*South Africa:* Public Audit Act, Act 25 of 2004: Part 2 Section 6 Appointment.— (1) whenever it becomes necessary to appoint a person as Auditor-General, the Speaker must initiate the process in the National Assembly for the recommendation of a person to the President for appointment as Auditor-General as set out in Section 193 of the Constitution. A fixed non-renewable term between five and ten years is prescribed by Section 189 of the constitution. As per section 6(2) of the Public Audit Act, "When making an appointment, the President must determine the term for which the appointment is made, subject to Section 189 of the Constitution". Although the current term is seven years, it could be anywhere between five and ten years. Public Audit Act Part 2 Section 7(1): the oversight mechanism must consult the person recommended in terms of section 193 of the Constitution for appointment as Auditor-General and make recommendations to the President for the determination of the conditions of employment of that person, including an appropriate salary, allowances and other.

*Spain:* Headed by 12 Counsellors (one of whom is the President) and the Prosecutor; (A) 12 counsellors are appointed (6 each by Congress and the Senate, with 3/5 majority); counsellors nominate a President of the Court of Audit who is appointed by the King; (B) can be removed for incapacity, conflict of interest or serious neglect of the duties of office.

*United Kingdom:* Headed by Comptroller and Auditor General; (A) appointed by the Queen following an approval of Prime Minister; (B) may be removed by the Queen on an address by both Houses of Parliament; (C) salary is agreed by both the Prime Minister and the Chair of the Public Accounts Committee.

*United States:* Headed by Comptroller General; (A) appointed by the President with consent and advice from the Senate; (B) may be removed by joint resolution of Congress due to inability to perform function, inefficiency or bad moral behaviour.

*Source:* Adapted from NAO (National Audit Office, United Kingdom) (2005), *State Audit in the European Union*, National Audit Office, London, [www.nao.org.uk/publications/0506/state\\_audit\\_in\\_the\\_eu.aspx](http://www.nao.org.uk/publications/0506/state_audit_in_the_eu.aspx); INTOSAI (n.d.), "Mandates of SAIs", [www.intosaitaudit.org/mandates/](http://www.intosaitaudit.org/mandates/).

The TCU is characterised by organisational, functional and financial independence, in line with the *International Standards of Supreme Audit Institutions*’ “Lima Declaration of Guidelines on Auditing Precepts” and “Mexico Declaration on SAI Independence” (INTOSAI 1977; 2007).

### *Organisational independence*

The 1988 Constitution establishes the conditions for the appointment, removal and retirement of TCU ministers. Three ministers are appointed by the Federal Senate (the upper house of the legislature), three by the Chamber of Deputies (the lower house) and three by the President of the Republic, based on seniority and merit, with approval by the Federal Senate. Of those appointed by the President of the Republic, two must be TCU career officials – one from among the TCU deputy ministers and one from the TCU Prosecution Service. The third may be selected from outside the TCU. This is different from the benchmark SAIs included in this peer review, which place responsibility in either the executive or legislature (Table 1.13A).

TCU ministers are appointed for an open-ended term, until mandatory retirement at 70 years of age or through proved disability – or optional retirement after 30 years of service. Open-ended terms are also in place for the leadership of SAIs in Chile, France, the Netherlands and the United Kingdom (Table 1.13B). The salaries and benefits of TCU ministers are linked to the judiciary, which is also the case in Canada and Portugal (Table 1.13C). TCU ministers cannot be relocated from Brasilia and can only be removed from office through a judicial decision. Moreover, the 1988 Constitution establishes that TCU ministers have the same right, guarantees and prerogatives as magistrates of the Superior Court of Justice.

The 1988 Constitution introduced a new process for appointment of TCU ministers, with the intention of strengthening the court’s independence and professionalism. Prior to 1988, all nine TCU ministers were selected by the President of the Republic with the prior approval by the Federal Senate (Table 1.14). Under this previous arrangement it was envisaged that lifetime employment – together with collective decision making within the TCU plenary and chambers – would safeguard the TCU against the influence of the Federal Public Administration. However, real changes in government power together with voluntary short tenure by TCU ministers gave rise to a more political institution (Speck, 1999).<sup>8</sup>

Several other safeguards of organisational independence have subsequently been defined in the Organic Law on the TCU. For example, TCU ministers are prohibited from: *i)* holding a position as a career public official; *ii)* holding a position, even without remuneration, within the government or a government concessionaire; *iii)* holding private employment or participating in a commercial venture, other than as a blind shareholder; *iv)* holding a position in a non-governmental organisation, except in a union without remuneration; *v)* signing a contract with a public sector entity or concessionaire; and *vi)* participating in partisan political activity.

The Organic Law on the TCU also establishes obligations for the conduct of Brazil’s SAI officials, including its ministers. TCU officials are obliged to, *i)* maintain an attitude of independence and impartiality when conducting formal duties; and *ii)* protect confidentiality of data and information obtained through formal duties, using it exclusively for audit work. These values are reflected in the TCU Code of Conduct (see Chapter 4 of this peer review).



**Table 1.14. Selection, appointment and guarantees of Brazilian Federal Court of Accounts’ ministers**

According to Brazil’s different constitutions (and relevant articles)							
Period	1891 (Art. 89)	1934 (Art. 100)	1937 (Art. 114)	1946 (Art. 76)	1967 (Art. 72)	1969 (Art. 70)	1988 (Art. 73)
Selection criteria					Brazilian citizen Minimum age of 35 years Moral integrity Expertise		Aged 35-65 years Moral integrity & reputation Minimum 10 years’ expertise in law, accountancy and economic and financial matters
Appointment	President of the Republic with approval of Federal Senate		President of the Republic with approval of federal counsel		President with approval of Federal Senate		1/3 President of the Republic with approval of Federal Senate; 1/3 Federal Senate; & 1/3 Chamber of Deputies
Guarantees					Lifetime appointment Guarantees equal to magistrates of the Superior Court of Justice		

### *Functional independence*

The TCU has a broad mandate in the discharge of its functions, as set out in the 1988 Constitution and regulated by its own organic law. This mandate includes auditing *i)* the use of public funds, resources and assets, by a recipient or beneficiary regardless of its legal nature; *ii)* the collection of revenue owed to the government or public sector entities; *iii)* the legality and regularity of government and individual accountable officials’ year-end reports; *iv)* the quality of financial management and reporting; and *v)* the economy, efficiency and effectiveness of government or public sector entity operations. The TCU mandate has expanded over time to include oversight of: *i)* public procurement, including processing complaints filed by contractors, suppliers and citizens; *ii)* mandatory disclosure of assets and income by public officials; and *iii)* compliance with fiscal rules established under the Law on Fiscal Responsibility (Table 1.15).

While respecting the laws enacted by the National Congress, the TCU has autonomy to define the objective and scope of its audits and the content, timing and dissemination of its audit reporting. The TCU conducts more than 8 000 control and oversight processes each and every year. In recent years, the TCU has sought to place more emphasis on audit activities through the introduction of a more structured and risk-based approach to those activities since 1995 (see Chapter 3 of this peer review). Reports on each and every audit is published in the Official Journal of the TCU and made available on the TCU Internal portal.

The Organic Law on the TCU guarantees its officials a number of powers when conducting audit and inspection activities. These include *i)* free access to any public sector entities under the jurisdiction of the TCU; *ii)* access to all documents and information necessary for the performance of TCU activities; *iii)* authority to request information, under the terms of the TCU Internal Rules, necessary for the analysis and preparation of control and oversight processes assigned by an auditor’s immediate superior. The TCU does not, however, have access to tax files maintained by the

Secretariat of Federal Revenue within the Federal Ministry of Finance. Access to these files has been refused by the Secretariat of Federal Revenue on the grounds of preserving confidential personal data (Speck, 1999).

**Table 1.15. Brazilian Federal Court of Accounts’ audit mandate**

A. Established by the 1988 Constitution (relevant article)	
71.I	Audit the year-end report of the President of the Republic, issuing an opinion within 60 days of its receipt (from the National Congress)
71.II	Evaluate the year-end reports of administrators & other persons responsible for public money & assets within the direct & indirect public administration, & the accounts of those who have caused a loss or other irregularity resulting in a loss to the state treasury
71.III	Examine the legality of acts to employ individuals in the direct & indirect public administration & the granting of civil & military retirement & pensions
71.IV	Conduct – on its own initiative or that of the National Congress (its chambers &/or committees) – inspections & audits of internal control (accounting, financial, budgetary, operations or asset management) in administrative units of the legislature, executive & judiciary
71.V	Oversee the national accounts of supranational companies in whose capital stock the federal government holds a direct or indirect interest, as set forth in the acts of incorporation
71.VI	Oversee the use of federal funds, by means of an administrative agreement or other similar instrument, to a state, municipality & the federal district
71.VII	Provide information as requested by the National Congress, its chambers and/or committees concerning internal control (accounting, financial, budgetary, operations & asset management) & the results of audits & inspections
71.VIII	In case of illegal expenditure or irregular accounts, sanction the responsible parties, including a possible fine proportional to the damages caused to the state treasury
71.IX	If an illegality is established, sets a maximum period of time for a public organisation to take the necessary steps for compliance with the law
71.X	If necessary steps are not taken to ensure compliance with the law, suspend the execution of the challenged act & inform the Chamber of Deputies & Federal Senate
71.XI	If an illegality is established, the TCU will alert the federal public administration or National Congress of irregularities found in the audits
71.1	Issue a conclusive opinion, upon request of the National Congress Planning, Budgeting & Oversight Joint Committee, on expenditures made without authorisation
71.2	Resolve complaints, submitted by citizens, political parties, associations or unions, of illegal or irregular conduct in the use of federal resources
B. Established by other statutes (relevant legislation)	
•	Monitor public procurement & process complaints filed by contractors, bidders or any physical or legal person (Law 8 666/1993 on Public Procurement & Contracts)
•	Register & monitor the declarations filed by public officials (Law 8 730/1993 on the Declaration of Assets & Income by Officials)
•	Examine reports regarding breach of the obligation of the federal government to notify municipalities of inter-government transfers (Law 9 452/1997 on the Notification of Municipal Legislatures on the Disbursement of Inter-governmental Transfers)
•	Monitor & oversee the processes of privatisation (Law 9 491/1997 amending the National Privatisation Programme)
•	Review the financial statements of the federal public administration, ensuring that the spending caps set forth in the law are complied with & alerting the legislature of cases of non-compliance (Law on Fiscal Responsibility - Complementary Law 101/2000)
•	Process & adjudicate administrative offences against the laws of public finance (Law 10 028/2000 amending the Criminal Code)
•	Monitor the use of funds transferred to the Brazilian Olympics & Paralympics’ Committees (Law 10 264/2001 amending the General Norms on Sport)
•	Submit to the National Congress Planning, Budgeting & Oversight Joint Committee audit findings on the fiscal management reports provided for in Complementary Law 101/2000 & submit to the National Congress information on the physical & financial execution of works contained in the federal & social security budgets (Law 10 266/2001 on the Formulation of the 2002 Annual Budget Law)
•	Monitor the use of resources & process complaints filed in connection with the transfer of resources to states & municipalities under the Growth Acceleration Programme ( <i>Programa de Aceleração do Crescimento</i> ) (Law 11 578/2007)

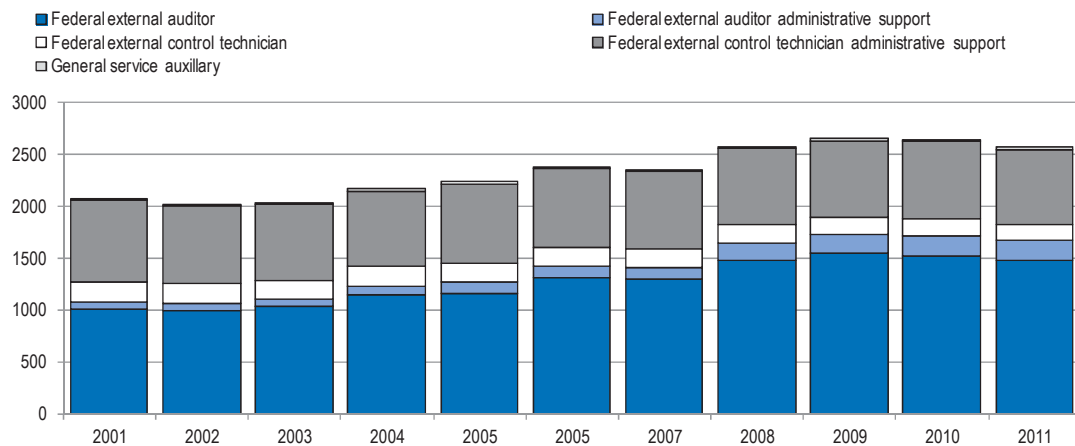
### *Managerial and financial independence*

The TCU has approximately 2 600 TCU officials and an annual budget of approximately BRL 1.4 billion (Figure 1.4). Approximately 1 500 of those officials are “federal external auditors”; individuals with a college diploma that have qualified for employment in the TCU through a competitive entrance examination. The number of

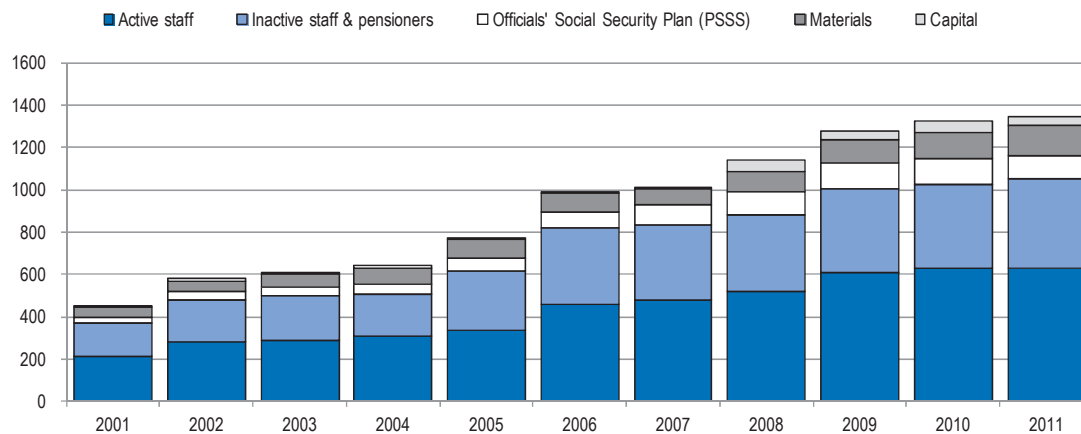
federal external auditors has grown by approximately 50% between 2001 and 2011, and includes 300 additional auditors since 2006 following approval of these positions by the National Congress.<sup>9</sup> In Brazil, new positions in the federal government must be established in law. This has increased the share of federal external auditors as a share of total TCU officials from 48% to 57% during that same period. Most of the TCU budget is attributed to personnel, pensions and social security contributions. Personnel costs have maintained a steady share – approximately 47% – of total TCU expenditure since 2001.

**Figure 1.4. Resourcing of the Brazilian Federal Court of Accounts**

A. Human resources



B. Budgetary resources (million BRL)



Notes:

*External control auditors* must have a college diploma. Federal external control technicians support the work of auditors and are only required to have high school diplomas.

*Auditors/technicians administrative support* work covers human resource management, international relations and communications.

Calculation for *Inactive staff and pensioners* and *Officials' Social Security Plan* for FY 2003 and FY 2004 estimated at the rate of 13% because data were presented together.

Source: Federal Court of Accounts, Brazil.

The Organic Law on the TCU establishes significant managerial independence for Brazil's SAI. This includes the ability of the TCU to establish its own Internal Rules and its own managerial structures. Changes to TCU staffing and salaries must, however, be approved by the National Congress. The TCU annual budget is prepared with the same rules and procedures as the federal public administration. Its budget is submitted to the central budget authority (i.e. the Federal Ministry of Planning, Budget and Management) and included in the Annual Budget Bill without any change. The TCU does not have a lump sum appropriation and must request approval from the National Congress should it wish to vire (i.e. to reallocate) budget appropriation between economic categories of spending (Table 1.16).

**Table 1.16. Budget flexibility of supreme audit institutions in Brazil and selected countries**

Country	A. How is the budget for the supreme audit institution prepared?			B. Does the supreme audit institution have block/ "lump sum" appropriations?	C. Does the supreme audit institution have budget flexibility to vire (i.e. reallocate) funds within appropriations within the fiscal year?
	Same policies/ procedures as other government organisations	Central budget authority includes budget proposal without change	Submit budget proposal directly to legislature for approval		
Australia	●			●	Yes, central budget authority approval not required at all
<b>Brazil</b>		●		○	<b>Not possible without legislative approval</b>
Canada	●			●	Not possible without legislative approval
Chile	●			..	..
France	●			●	Yes, with central budget authority approval for changes above specified threshold
Germany	●			○	Yes (details not provided)
Mexico		●		..	..
Netherlands	●			●	Not possible without legislative approval
Portugal	●			●	Yes, with central budget authority approval for changes above specified threshold
Spain		●		○	..
South Africa			●	○	..
United Kingdom			●	●	Yes (details not provided)
United States		●		..	..

Notes:

● = Yes; ○ = No; .. = Missing data

"Block" appropriations involve allocating a lump sum to line ministries or agencies, which are then free to determine the best mix of economic inputs to produce their services.

Canada: (B) The Office of the Auditor General is free to determine the best mix of economic inputs to provide the services within the appropriated Vote. If the Office of the Auditor General receives more than one "Vote" (i.e. appropriation), reallocation between the Votes will require legislative approval.

South Africa: The Auditor-General is self-funded by way of billing auditees for audit hours worked.

Source: OECD (n.d.), International Budget Practices and Procedures Database (v2), [www.oecd.org/gov/budget/database](http://www.oecd.org/gov/budget/database), responses to Question 30: "In practice, which option most accurately describes the way in which the budget is prepared for the supreme audit institution?"

### *National Congress – Legislative scrutiny*

The National Congress is, as stated in the preceding sections, comprised of the Federal Senate and the Chamber of Deputies. The Federal Senate is composed of 81 representatives from the 26 states and the Federal District, elected in single-seat constituencies. Federal senators are popularly elected for an eight-year term, with elections staggered so that two-thirds and one-third are elected alternatively every four years. The Chamber of Deputies is composed of 513 deputies popularly elected to four-year terms by proportional representation (Table 1.17). Both chambers of the National Congress operate in plenary, permanent committees organised by thematic area and *ad hoc* committees, as necessary. There are currently 11 committees within the Federal Senate, 20 within the Chamber of Deputies and 2 joint committees.

**Table 1.17. Legislative branch in Brazil and selected countries**

Country	No. of members	Term (years)	Lower chamber		Upper chamber	
			Electoral system		No. of members	Term (years)
Australia	150	3	Alternate vote		76	6
<b>Brazil</b>	<b>513</b>	<b>4</b>	<b>List proportional representation</b>		<b>81</b>	<b>8</b>
Canada	308	5	First past the post		105	Not elected
Chile	120	4	List proportional representation		46	8
France	577	5	Two-round system		343	6
Germany	620	4	Mixed-member proportional (first past the post / list proportional representation)		69	Not elected
Mexico	500	3	Mixed-member proportional (first past the post / list proportional representation)		128	6
Netherlands	150	4	List proportional representation		75	4
Portugal	230	4	List proportional representation		n.a.	n.a.
Spain	350	4	List proportional representation		266	4
South Africa	400	5	List proportional representation		90	Not elected
United Kingdom	650	5	First past the post		825	Not elected
United States	435	2	First past the post		100	6

*Notes:*

n.a. = Not applicable (unicameral). Data on the frequency of elections reflect statutory requirements. In reality, elections may be held more frequently in some legislative systems.

*Alternative Vote:* A candidate-centred, preferential plurality/majority system used in single-member districts in which voters use numbers to mark their preferences on the ballot paper. A candidate who receives an absolute majority (50% plus 1) of valid first-preference votes is declared elected. If no candidate achieves an absolute majority of first preferences, the least successful candidates are eliminated and their votes reallocated until one candidate has an absolute majority of valid votes remaining.

*First past the post:* The simplest form of plurality/majority electoral system, using single-member districts and candidate-centred voting. The winning candidate is the one who gains more votes than any other candidate, even if this is not an absolute majority of valid votes.

*List proportional representation:* A system in which each participant party or grouping presents a list of candidates for an electoral district, voters vote for a party, and parties receive seats in proportion to their overall share of the vote. Winning candidates are taken from the lists.

*Mixed-member proportional:* A mixed system in which all the voters use a usually a plurality/majority system to elect some of the representatives to an elected body. The remaining seats are then allocated to parties and groupings using the second electoral system, normally list proportional representation, so as to compensate for disproportionality in their representation in the results from the first electoral system.

*Two-round system:* A plurality/majority system in which a second election is held if no candidate achieves a given level of votes, most commonly an absolute majority (50% plus 1), in the first election round.

*Source:* Adapted from International IDEA (2005), *Electoral System Design: The New International IDEA Handbook*, International IDEA, Stockholm, [www.idea.int/publications/esd/upload/ESD\\_Handb\\_low.pdf](http://www.idea.int/publications/esd/upload/ESD_Handb_low.pdf); OECD (2009c), *Government at a Glance 2009*, <http://dx.doi.org/10.1787/9789264075061-en>.

The 1988 Constitution establishes the competency of the National Congress, referring explicitly to the CMO, to provide oversight and control of the federal government's financial management. The Constitution defines the CMO as a joint committee, spanning both chambers of the National Congress. As a joint committee it is similar to the legislative committees overseeing the consolidated year-end government report in Australia, Chile and Spain (Table 1.18A). The structure, composition, powers and procedures of the CMO are defined by Chamber of Deputies Resolution, most recently no. 1/2006. The other responsibilities of the CMO include: *i*) examining and voting on bills related to the Pluri-annual Plan (*Plano Plurianual*), the Budget Directives Law (*Lei de Diretrizes Orçamentárias*) and the Annual Budget Law (*Lei Orçamentária Anual*), and in-year budget amendments; and *ii*) national, regional and sectoral programmes and their financing plans.

The CMO has a dedicated subcommittee to examine the CPR and the TCU opinion: the Subcommittee for Budget Evaluation, Oversight and Control – and is similar to France and Germany that have a formalised subcommittee (Table 1.18A). The Subcommittee for Budget Evaluation, Oversight and Control is one of four permanent subcommittees under the CMO; the three others focus on revenue estimates, budget amendments and irregularities in public works, respectively. All reports prepared by the subcommittees must be approved by the majority of their respective members and are subsequently shared with the CMO as a whole for a vote.

In addition to examining the CPR and the TCU opinion, the Subcommittee for Budget Evaluation, Oversight and Control is responsible for: *i*) monitoring and assessing budget execution, including the fiscal rules established within the Budget Directives Law and the performance of government programmes; *ii*) examining compliance with resource allocations in the Pluri-annual Plan and Annual Budget Law (in partnership with the CMO Subcommittee for Revenue Evaluation); *iii*) examining the fiscal management reports of the executive, legislature, judiciary and the Office of the Public Prosecutor of the Union; and *iv*) examining information provided by the TCU, other than that related to revenue estimates and irregularities in public works.

### *Committee membership and leadership*

The CMO is composed of 40 members of the National Congress: 10 federal senators and 30 federal deputies. There are ten permanent members of each CMO subcommittee, including the Subcommittee for Budget Evaluation, Oversight and Control. Each subcommittee is comprised of three federal senators and seven federal deputies. Membership of the CMO and its four subcommittees is based on party proportionality, with parties free to select their members to the joint committee – as is the case in many countries (Table 1.18B). Seats are allocated in February every year, with members serving a one-year term beginning at the end of March. Only 1% of all CMO seats may be given to existing members of the CMO. This committee term is shorter than in many countries (Table 1.18B) and was introduced following during the 1990s following a corruption scandal involving members of CMO.

There is no requirement or norm that the chairs of the CMO or any of its subcommittees be held by members of the opposition, as in a number of countries such as Canada, France, Germany, Mexico, Portugal, South Africa and the United Kingdom (Table 1.19). The chair and second vice chairs of the CMO are elected from among the members from the Federal Senate; the first and third vice chairs are from members from the Chamber of Deputies. In addition, there are 15 rapporteurs appointed internally within



the CMO for different planning, budget and oversight instruments: one for the draft Pluri-annual Plan; one for the Budget Directives Bill; one general and ten sectoral rapporteurs for the Annual Budget Bill and one for the CPR.

### *Working practices and powers*

The National Congress (and therefore the CMO) has a number of instruments at its disposal to exercise *ex post* control over the federal government's budget, including scrutiny of the CPR. The 1988 Constitution grants all congressional committees, including the CMO, the power to summon federal ministers, political appointees and/or citizens, and hold public hearings. The CMO may also *i*) require federal public entities to submit any documents and information concerning their respective programmes and financial plans; *ii*) request the TCU to monitor, inspect and audit public sector entities/officials and to share other information concerning the accountability of financial, budgetary and operational systems obtained during these activities; *iii*) request the TCU to report on its oversight and audit activities within a period of 30 days; and *iv*) initiate inspections and inquiries regarding federal public organisations, state and municipal administration, and private entities that have received resources from the federal government.

The CMO also operates in an open manner, with meetings and hearings open to the public, and their transcripts publicly available. These are common practices in legislative committees internationally. Furthermore, the CMO publishes an annual report that is published two months after the end of every fiscal year. The timing that the annual report is made available compares well with the Public Expenditure Committee of the Netherlands, and more timely that that prepared by Australia's Joint Committee of Public Accounts and Audit (4 months), France's Finance Committee (6 months) and Portugal's Budget committee (12 months).

The CMO does not, however, issue and follow up on its own recommendations on the CPR (Table 1.19). The CMO holds technical meetings once every two months with representatives of other federal ministries, to discuss the performance of their respective programmes, the implementation of their budget appropriation and projections of resource needs for the following years. To some extent this function is fulfilled by the TCU and its monitoring of recommendations issued in its audit report. However, the TCU does not systematically monitor the implementation of its recommendations in relation to its audit of the CPR. As discussed in Chapter 4 of this peer review, recommendations on the CPR are only systematically reported in the audit report on the CPR for one year. This undermines the potential work of the CMO and National Congress more generally.

**Table 1.18. Legal basis, composition and leadership of the legislative committee overseeing the consolidated year-end government report in Brazil and selected countries**

Country	Name	A. Basic information			B. Composition & leadership			Committee term
		Referring chamber	Establishing authority	Established	Size (quorum)	Party proportionality	Chair	
Australia	Joint Committee of Public Accounts & Audit	Joint	Statutory	1913	16	Yes	Opposition/independent	3 years
Brazil	<b>Planning, Budget &amp; Oversight Joint Committee, within which</b>	<b>Joint</b>	<b>Statutory</b>	<b>1988</b>	<b>40</b>	<b>Yes</b>	<b>Ruling party</b>	<b>1 year</b>
	<b>- Subcommittee for Budget Evaluation, Oversight &amp; Control</b>	<b>Joint</b>	<b>Standing</b>	<b>2001</b>	<b>10</b>	<b>Yes</b>	<b>Ruling party</b>	<b>1 year</b>
Canada	Public Accounts Committee	Lower	Standing	1867	17 (12)	Yes	Opposition	5 years
Chile	Budget Joint Committee	Joint	Statutory	..	26	Yes	Voted internally	1 year
France	Finance Committee, <i>within which</i>	Lower	Statutory	..	73 (37)	Yes	Opposition	1 year
	- Mission of Evaluation & Control	Lower	Standing	1999	16	Yes	Ruling party & Opposition	1 year
Germany	Budget Committee, <i>within which</i> - Audit Committee	Lower	Standing	..	41 (21)	Yes	Opposition	4 years
Mexico	Superior Audit Office Oversight Committee	Lower	Standing	2000	15	Yes	Opposition	4 years
Netherlands	Public Expenditure Committee	Lower	Standing	2000	30	Yes	Opposition	3 years
Portugal	Budget Committee	Lower	Statutory	1923	23 (none)	Yes	Voted internally	4 years
South Africa	Standing Committee on Public Accounts	Lower	Statutory	..	21 (11)	Yes	Opposition	4 years
	Joint Committee for the Relationship with the Court of Accounts	Joint	Statutory	1995	16	Yes	Opposition	5 years
Spain	Public Accounts Committee	Lower	Standing	1861	16 (4)	Yes	Ruling party	4 years
United Kingdom	..	..	..	..	..	..	..	..
United States	..	..	..	..	..	..	..	..

Notes:

.. = Missing data

*Australia:* Public Accounts & Audit Committee Act 1951; Joint Committee of Public Accounts & Audit is comprised of six members from the upper chamber and ten from the lower chamber. Following the 2010 election, the chair changed to become “a member of a non-government party or a non-aligned member”.

*Brazil:* Planning, Budget & Oversight Joint Committee, 1988 Constitution; comprised of 10 members from the upper chamber and 30 from the lower chamber; Subcommittee for Evaluation, Oversight & Control: National Congress Resolution 1/2006; comprised of 3 members from the upper chamber and 10 from the lower chamber.

*France:* Mission of Evaluation & Control has two chairs, one from a ruling party and one from the opposition. Finance Committee membership renewed every year, but it is customary to enable continuity of the chair.

*Germany:* The Audit Committee is a subcommittee of the Budget Committee whose work concentrates on the Federal Court of Audit’s annual report and the audit recommendations contained therein.

*Netherlands:* The Public Expenditure Committee is responsible for the general oversight of public expenditure management systems, such as the basis of accounting to be applied or the presentation format; sectoral committees oversee the 28 annual financial reports, in accordance with their area of competence.

*United Kingdom:* The origins of the Public Accounts Committee can be traced to 1857 with the creation of a Select Committee on Public Monies. The Committee of Public Accounts Chair is elected by fellow members of Parliament. The remaining Committee members are appointed by the House of Commons.

**Table 1.19. Monitoring of recommendations by the legislative committee overseeing the consolidated year-end government report in Brazil and selected countries**

Country	Committee name	Is the executive obligated to formally respond to committee reports & recommendations?	If yes, what is the deadline?	Is the response debated in legislature?	What is the process for monitoring & following up on committee recommendations?
Australia	Joint Committee of Public Accounts & Audit <b>Planning, Budget &amp; Control Joint Committee, within which</b>	● (government policy)	3 months	0	No formal process
<b>Brazil</b>	<b>- Subcommittee for Budget Evaluation, Oversight &amp; Control</b>	0	n.a.	n.a.	n.a.
Canada	Public Accounts Committee	●	Average of 4 months	0	Committee considers the response and can request further information or summon a minister for explanation
Chile	Budget Joint Committee	..	..	..	..
France	Finance Committee (lower house), <i>within which</i>	●	2 months	0	Through the use of monitoring reports
Germany	- Mission of Evaluation & Control Budget Committee, <i>within which</i> - Audit Committee	●	None	0	Committees can request further information
Mexico	Superior Audit Office Oversight Committee	●	None	●	No formal process
Netherlands	Public Expenditure Committee	●	3-6 weeks	Sometimes	Through parliamentary monitoring system, clerk responsible; committee can also summon minister
Portugal	Budget Committee	●	None	0	Committee can request information; a subcommittee may be established
South Africa	Standing Committee on Public Accounts	●	None	0	Committee considers executive response & can summon information and accounting officer. Process varies.
Spain	Joint Committee for the Relationship with the Court of Accounts	●	6 months	0	..
United Kingdom	Public Accounts Committee	●	2 months	0	No
United States	..	..	..	..	..

*Notes:*

● = Yes; 0 = No, n.a. = Not applicable; .. = Missing data

*Australia:* The process for the executive to respond is through an “Executive Minute” when recommendations address administrative matters, “Government Response” when recommendations address policy matters.

*Canada:* The process for the executive to respond is through a minister’s letter to committee chair.

*France:* The process for the executive to respond is through a minister's letter to committee chair.

*Mexico:* The SAI of Mexico is able to conduct follow-up or specific audits as part of its annual audit programme. Additionally, the Oversight Commission or any members of Congress are able to summon public officers to account for their actions as well as to provide information on the SAI audit findings.

*Netherlands:* The process for the executive to respond is through a response of a minister to the chair of chamber, transmitted to committee chair.

*Portugal:* The process for the executive to respond is through the minister of parliamentary affairs.

*South Africa:* The process for the executive to respond: following the adoption by the National Assembly of the Public Accounts Committee report (recommendations), the minister in question receives a letter from the National Assembly requesting a response. Upon receipt, the response is referred to the Public Accounts Committee.

*Source:* OECD Secretariat and Buzaljko, K., A.M. Marlene, A. Tamasan and F. Verkaart (2010), "Public Financial Oversight: A Comparative Analysis of Parliamentary Committees Across Europe", Maastricht Graduate School of Government, August.

## Conclusions

Efforts having been taken by the federal executive during the last decade, in particular, to make the CPR a more effective instrument for transparency. The international commitments to enhance transparency by Brazil's federal executive and the independence of the TCU provide a solid foundation for improving the CPR. This will build on an already solid foundation in which the preparation of the CPR by the CGU and the external audit findings of the TCU are published, including on the Internet free of charge, within five months following the end of the fiscal year – in compliance with Brazil's constitutional deadlines and in line with the OECD "Best Practices for Budget Transparency". Moreover, the Organic Law on the TCU gives Brazil's SAI authority to shape the content of CPR, specifically the part of the CPR prepared by the CGU intended to contextualise the BGU.

The TCU could take action to comprehend the process for as well as the barriers and constraints affecting the National Congress' understanding, awareness and use of the CPR and the TCU opinion. The National Congress only begins to scrutinise the CPR using the TCU opinion, on average, two-and-a-half years after receiving these materials. The TCU is not aware of the main barriers and constraints facing the National Congress' scrutiny of the CPR; the TCU considers its work completed upon publication of its audit opinion. Greater understanding of these constraints and barriers could assist the TCU in working together with the National Congress to enhance public sector accountability and inform decision making, linking *ex post* and *ex ante* budget oversight. It could also empower the TCU to positively shape the CPR, using its authority to positively shape the content of CPR.

## Notes

1. Direct Action of Unconstitutionality (*Ação Direta de Inconstitucionalidade*) 2238-5/DF/2007. This decision is preliminary and has yet to be finalised; its content, however, cannot be appealed.
2. Prior to Constitutional Amendment 19/1998, the obligation to prepare a year-end report existed only for public administrators. The direct federal public administration includes the Office of the President of the Republic, federal ministries, and secretariats of ministerial status. The indirect federal public administration includes organisations with legal personality, including agencies, foundations, and state-owned and mixed-capital enterprises. These public organisations implement policies on the instruction of organisations of the direct federal public administration. Each organisation of the indirect federal public administration is established by its own law that defines the degree of autonomy in connection with human resources, budget and procurement policies.
3. Delays in congressional scrutiny of the CPR have been an ongoing problem in Brazil. The National Congress judged six out of eight CPR prepared by President



Fernando Henrique Cardoso (1995-2003) in December 2002 and December 2003; two are still pending (Pessanha, 2011).

4. Legislative decrees are acts of an administrative nature that formalise results of deliberations of the National Congress over matters within their own competence. Legislative decrees do not require the signature of the President of the Republic. This difference sets legislative decrees apart from laws.
5. More generally, the Federal Accounting Council (*Conselhos Federal de Contabilidade*), an independent body, guides, regulates and supervises the accounting profession in Brazil. The Federal Accounting Council is a 15-member body established by Decree-Law 9 295/1946. It serves as the umbrella organisation for the 27 Regional Accounting Councils (*Conselhos Regionais da Contabilidade*), one in each federated state. Its leadership is elected by an electoral college comprised of one representative for each Federal Accounting Council. The Federal Accounting Council is a member of the International Federation of Accountants. In 2007 the Council amended its “Brazilian Fundamental Accounting Principles” (Accounting Council CFC Resolution 1 111/2007) to include the public sector and not just the private sector. However, Accounting Council CFC Resolution 1 111/2007 is not obligatory; it deals with how to interpret accounting principles. The resolution does not constitute primary legislation and cannot modify the regime adopted by federal government, or be cited as grounds for such a change.
6. TCU deputy ministers are nominated by the President of the Republic, from among the citizens who meet the requirements for the office of TCU minister through a public contest consisting of tests and presentation of academic and professional credentials. Proof of more than ten years of effective experience in a TCU position of external control counts as a credential in the contest: Organic Law on the TCU (Law 8 443/1992), Art. 77.
7. In order to be appointed to the TCU Prosecution Service, individuals must be Brazilian citizens and have Bachelors of Law. Promotion to the office of deputy prosecutor general is based on seniority and merit – Organic Law on the TCU (Law 8 443/1992), Art. 80.
8. Real changes in government power in Brazil have been rarer than indicated by the change of President of the Republic, with the same political group remaining in power for long periods. National politics were dominated by political elite of Minas Gerais and São Paulo during the First Republic (1891-1930), Getúlio Vargas and his political inheritors during the Populist Period (1945-1964) and the military elite (1964-1984). Moreover, despite appointment of TCU ministers for an open-ended term, many stay in office only for a short period. Between 1893 and 1980, TCU ministers stayed in office for only nine years. Only a small group of 12 out of 68 TCU ministers remained in the institution for 15 years or more, whereas nearly half of them (30) resigned from their jobs after five years or less (Speck, 1999).
9. Law 10 799/2003 on the Creation of Jobs and Positions of Trust at the Federal Court of Accounts.

## Annex I.A1

### Main steps in consolidated year-end government reporting in Brazil

These steps are defined in the 1988 Constitution of the Federative Republic of Brazil, the Organic Law on the TCU (Law 8 442/1992) and Chamber of Deputies Resolution 1/2006. Table I.A1.1 presents the main steps and their respective statutory deadlines. It subsequently records the dates for these main steps for fiscal years (FY) 2001-11. The dates have been recorded based on a review of administrative documents from the CGU, TCU and the National Congress.

**Table I.A1.1. Timing of steps for the preparation, external audit and legislative scrutiny of the Accounts of the President of the Republic**

Action	Deadline	Audited fiscal year										
		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
		(day/month/year)										
TCU issues annual instruction to the CGU on the CPR	None	n.a.	21/10/02	14/11/03	01/12/04	12/12/05	30/11/06	05/12/07	10/11/08	01/12/09	13/10/10	19/10/11
CGU transmits the CPR to Office of the President of the Republic	None	11/04/02	10/04/03	13/04/04	12/04/05	10/04/06	29/03/07	27/03/08	30/03/09	29/03/10	28/03/11	27/03/12
President of the Republic presents the CPR to National Congress	60 days after start of year's 1 <sup>st</sup> session of the National Congress	12/04/02	11/04/03	15/04/04	13/04/05	12/04/06	29/03/07	27/03/08	31/03/09	30/03/10	31/03/11	02/04/12
National Congress transmits the CPR to the TCU	None	14/05/02	15/04/03	19/04/04	18/04/05	24/04/06	19/04/07	29/04/08	14/04/09	14/04/10	11/04/11	02/04/12
TCU Plenary votes on the audit opinion on the CPR	72 hours before TCU opinion presented to the National Congress	11/06/02	12/06/03	15/06/04	14/06/05	01/06/06	19/06/07	24/06/08	09/06/09	09/06/10	01/06/11	23/05/12
TCU transmits audit opinion on the CPR to National Congress	60 days after receiving the CPR report	..	..	..	..	..	..	..	..	..	..	..

Table 1.A1.1. Timing of steps for the preparation, external audit and legislative scrutiny of the Accounts of the President of the Republic (cont.)

Action	Deadline	Audited fiscal year										
		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
(day/month/year)												
CMO receives TCU audit opinion on the CPR from National Congress Plenary	None	14/06/02	17/06/03	17/06/04	20/06/05	16/06/06	27/06/07	15/07/08	23/06/09	24/06/10	10/06/11	n.a.
CMO appoints rapporteur for the review of the CPR	None	19/06/02	07/04/10	26/04/06; 21/11/06*	03/04/08	06/04/10	03/04/08	06/04/11; 05/07/11*	06/04/10; 23/11/10*	28/03/12	n.a.	n.a.
CMO rapporteur formulates draft opinion on CPR	40 days after receiving audit opinion from TCU Plenary	05/11/02	13/07/10	23/05/06	15/07/08	28/05/10	10/07/08	05/05/11	26/05/10	n.a.	n.a.	n.a.
CMO rapporteur circulates within CMO draft opinion on the CPR for comment for 15 days	None	06/11/02- 20/11/02	14/07/10- 19/07/10; 09/08/10	24/05/06- 07/06/06	16/07/08- 17/07/08; 01/08/08- 13/08/08	29/05/10 -12/06/10	11/07/08- 17/07/08; 01/08/08- 08/08/08	06/05/11- 20/05/11	27/05/10- 10/06/10	n.a.	n.a.	n.a.
CMO rapporteur circulates within CMO amended draft opinion	15 days after end of commenting	..	..	..	..	..	..	..	..	..	..	..
CMO votes on draft opinion on the CPR	Within 7 days after circulating amended draft opinion	28/08/03	23/11/10	21/11/06	20/08/08	23/11/10	20/08/08	05/07/11	23/11/10	n.a.	n.a.	n.a.
CMO transmits draft opinion on the CPR to National Congress Plenary	5 days after CMO vote	11/09/03	26/11/10	12/12/06	21/08/08	26/11/10	21/08/08	05/07/11	26/11/10	n.a.	n.a.	n.a.
Plenary votes on opinion regarding the CPR	None	..	..	..	..	..	..	..	..	..	..	..
National Congress publishes opinion on the CPR	3 days after TCU Plenary vote	..	..	..	..	..	..	..	..	..	..	..

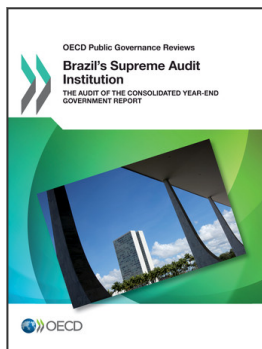
## Notes:

CGU = Office of the Comptroller General of the Union; CMO = (National Congress) Planning, Budget and Oversight Joint Committee; CPR = Accounts of the President of the Republic; TCU = Federal Court of Accounts; n.a. = Not available (action yet to materialise); .. = Data missing; \* = Rapporteur replaced.

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**From:**

## **Brazil's Supreme Audit Institution**

### **The Audit of the Consolidated Year-end Government Report**

**Access the complete publication at:**

<https://doi.org/10.1787/9789264188112-en>

#### **Please cite this chapter as:**

OECD (2013), "Consolidated year-end government reporting", in *Brazil's Supreme Audit Institution: The Audit of the Consolidated Year-end Government Report*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/9789264188112-8-en>

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