

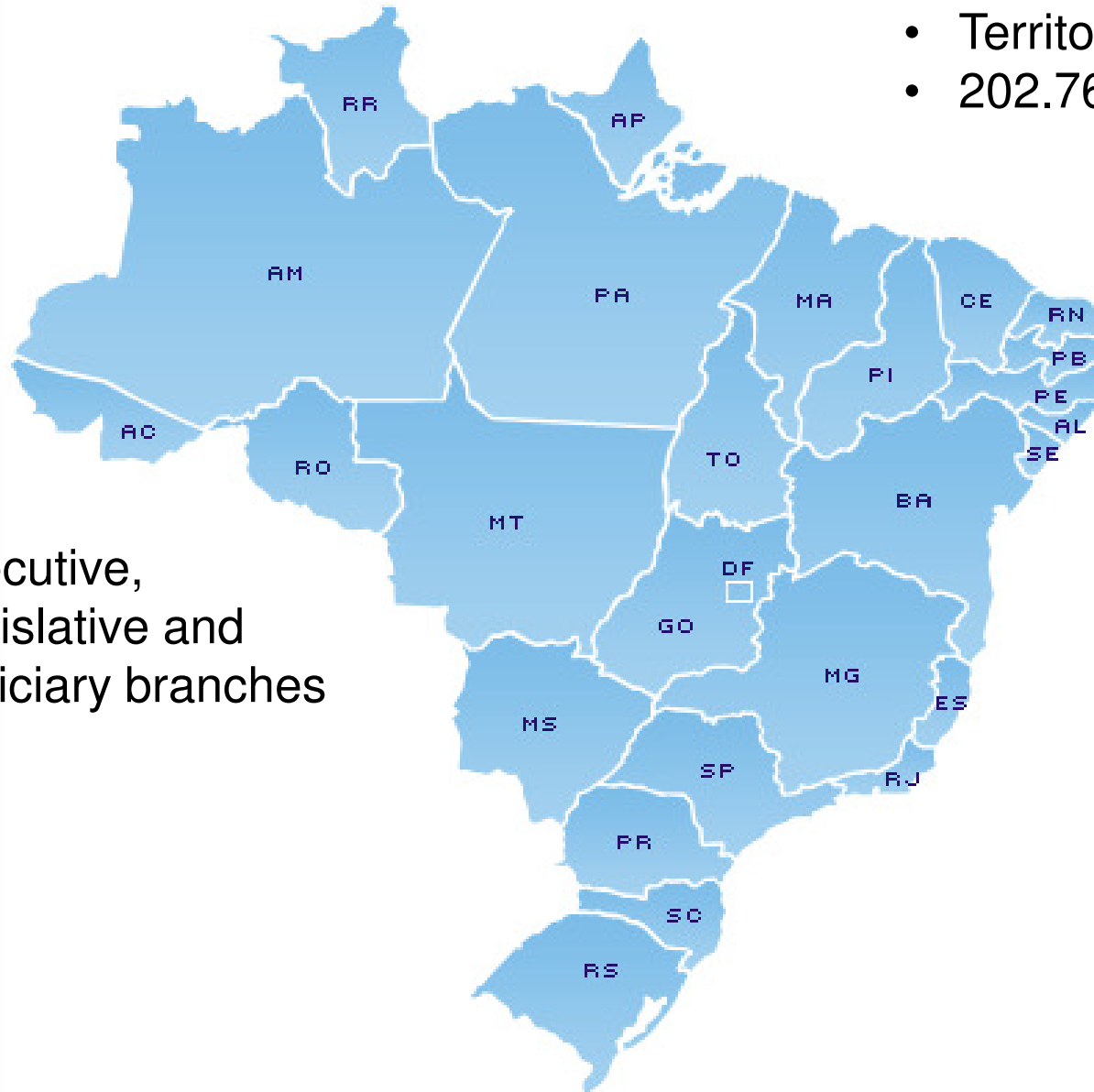
# **The Brazilian Office of the Comptroller General and the fighting against corruption**

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**Brasília, July 2017**

## Brazil in Numbers

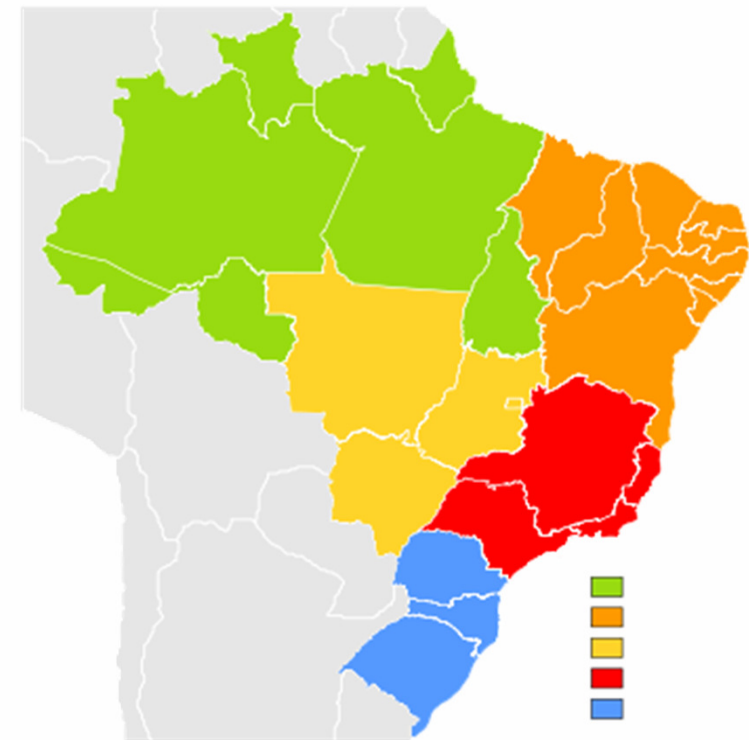
- 26 states + Federal District
- 5.570 municipalities
- Territory: 8.514.215 km<sup>2</sup>
- 202.768.562 inhabitants (2014)



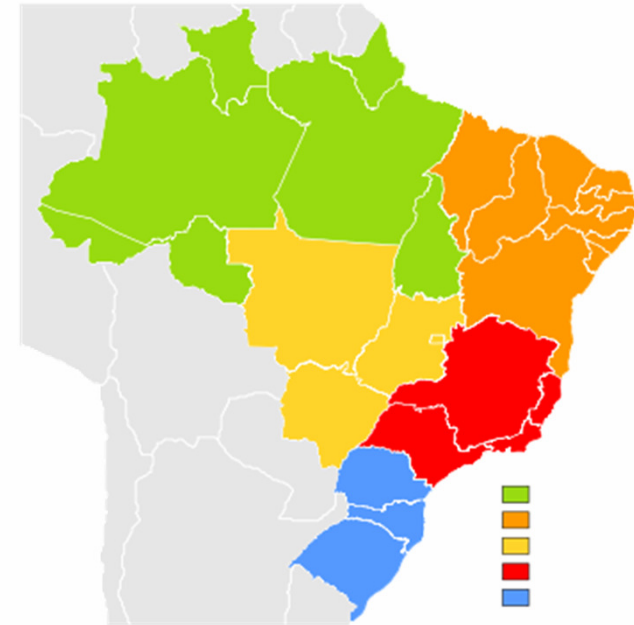
- Executive, Legislative and Judiciary branches

- 3 levels of government: municipal, state and federal spheres

- **Brazil has a bicameral Congress that votes criminal and civil laws that have a uniform application throughout the country.**
- **The Judiciary is organized into federal and state branches**
- **States have autonomous administrations**
- **They have a governor and a unicameral legislative body elected directly by their voters**
- **They have independent Courts of Law for common justice**



- **The states and the federal district may be grouped into regions: Northern, Northeast, Central-West, Southeast and Southern.**
- **The Brazilian regions are merely geographical, not political or administrative divisions.**
- **Although defined by law, Brazilian regions are useful mainly for statistical purposes, and also to define the application of federal funds in development projects.**
- **Municipalities have a mayor and an elected legislative body, but no separate Court of Law. Indeed, a Court of Law organized by the state can encompass many municipalities in a single justice administrative division called “comarca”.**



## Federal Government



National  
Congress



Supreme  
Federal Court



Planalto Palace

## Internal Control System in the Federal Executive Branch

“Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations” (The Institute of Internal Auditors)

Assurance

Consulting

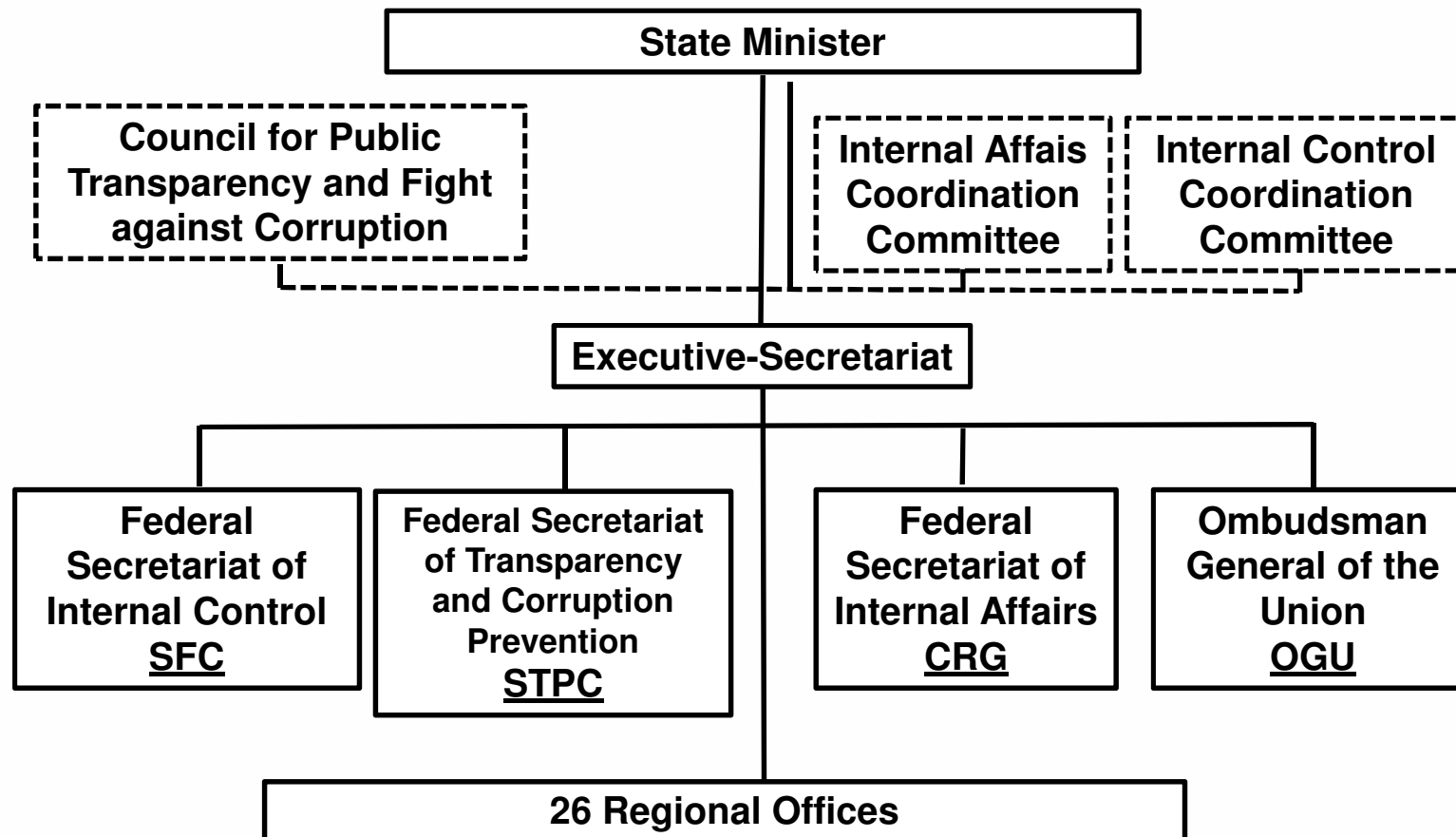
Government  
Programmes

Management  
in Public  
Organizations

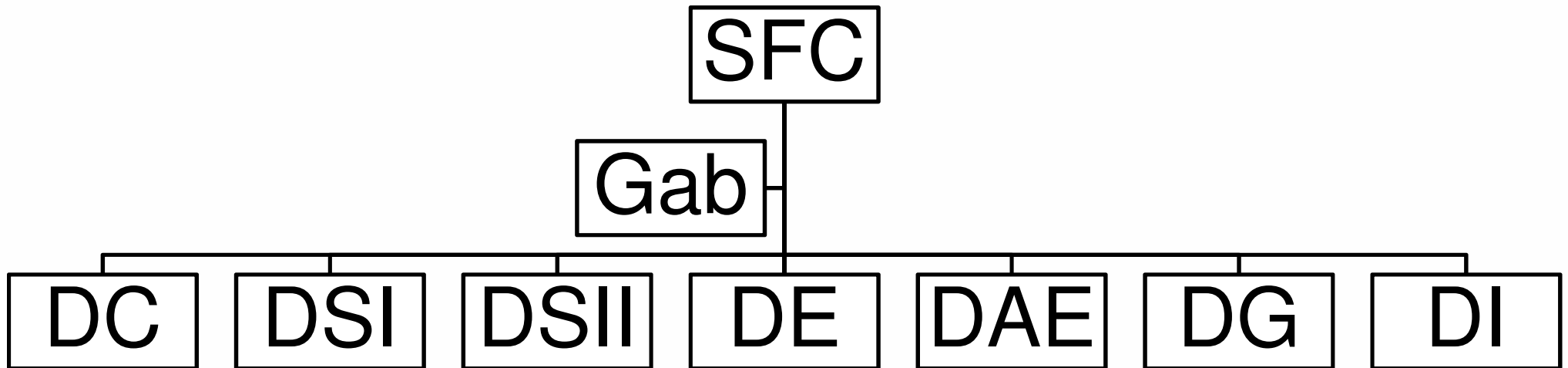
Federal  
Funds

Guidance  
related do  
governance,  
risks and  
internal  
control

# Organization Chart – CGU (Simplified Version)



# Federal Secretariat of Internal Control (SFC)



Legend:

DC: Diretoria de Planejamento e Coordenação das Ações de Controle

DS I: Diretoria de Auditoria de Políticas Sociais I

DS II: Diretoria de Auditoria de Políticas Sociais II

DE: Diretoria de Auditoria de Políticas Econômicas e de Produção

DI: Diretoria de Auditoria de Políticas de Infraestrutura

DG: Diretoria de Auditoria de Governança e Gestão

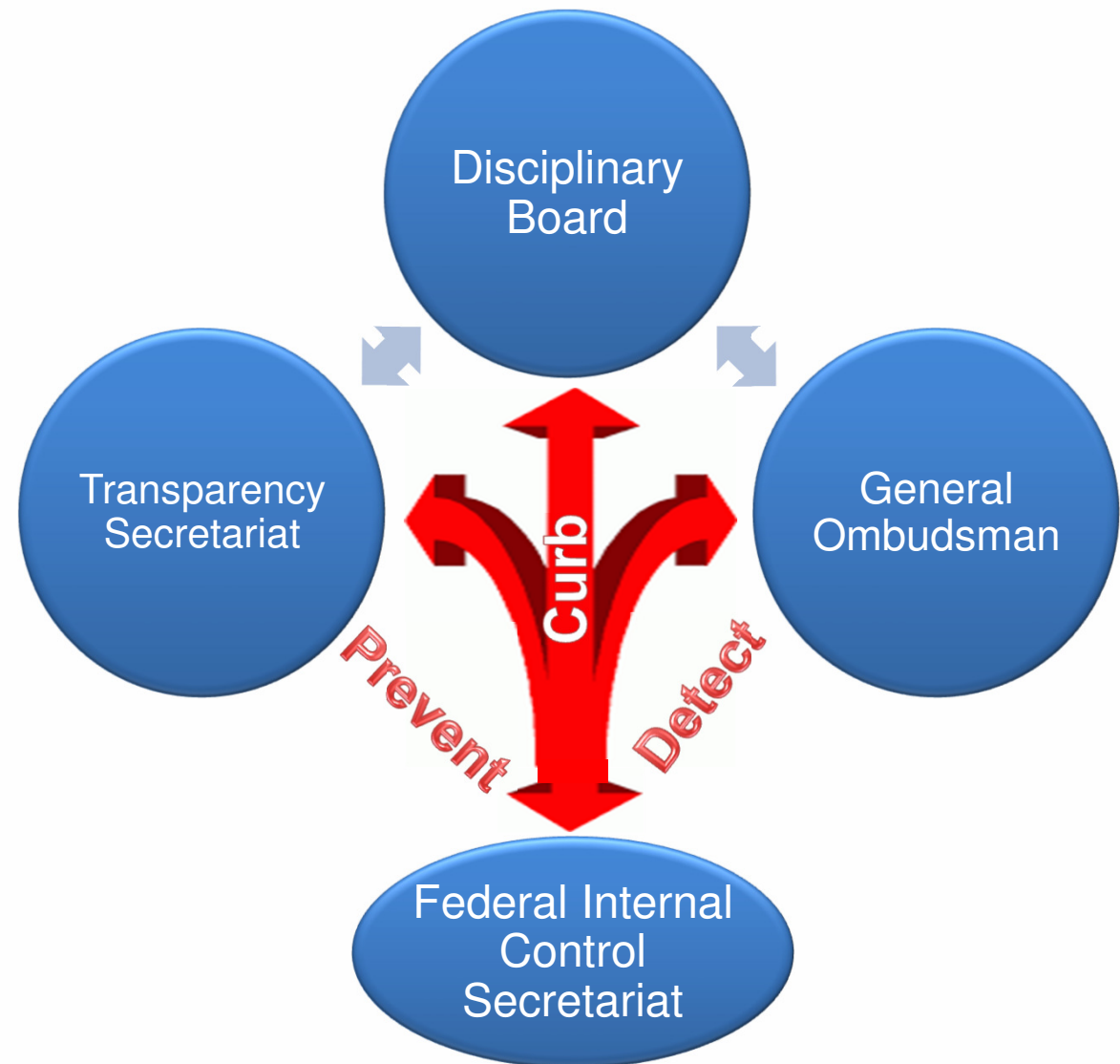
DAE: Diretoria de Auditoria de Estatais



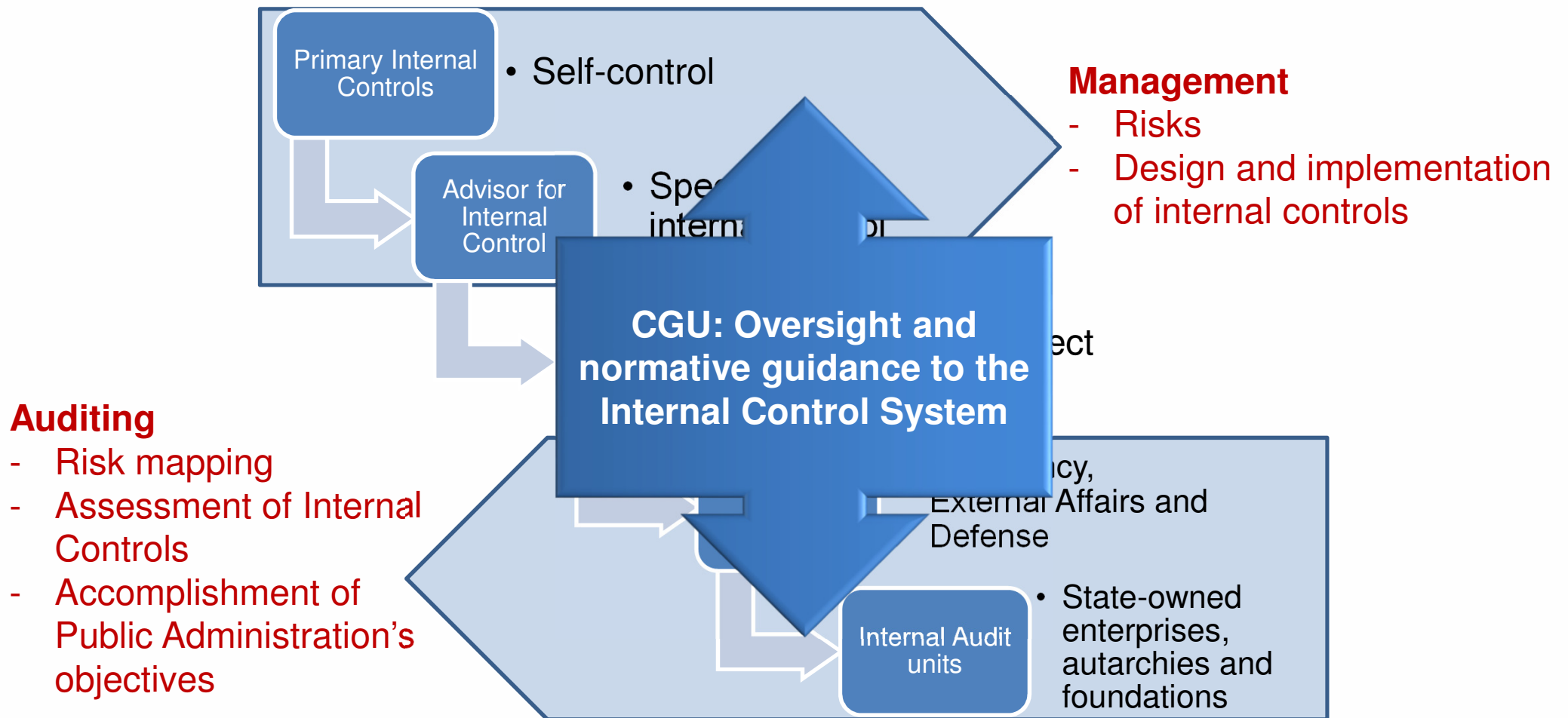
## CGU's legal competencies

- Public Auditing
- Improvement of public management
- Increase of transparency
- Disciplinary actions
- Ombudsman
- Prevention of corruption
- Defense of Public Patrimony

## Integrated Framework



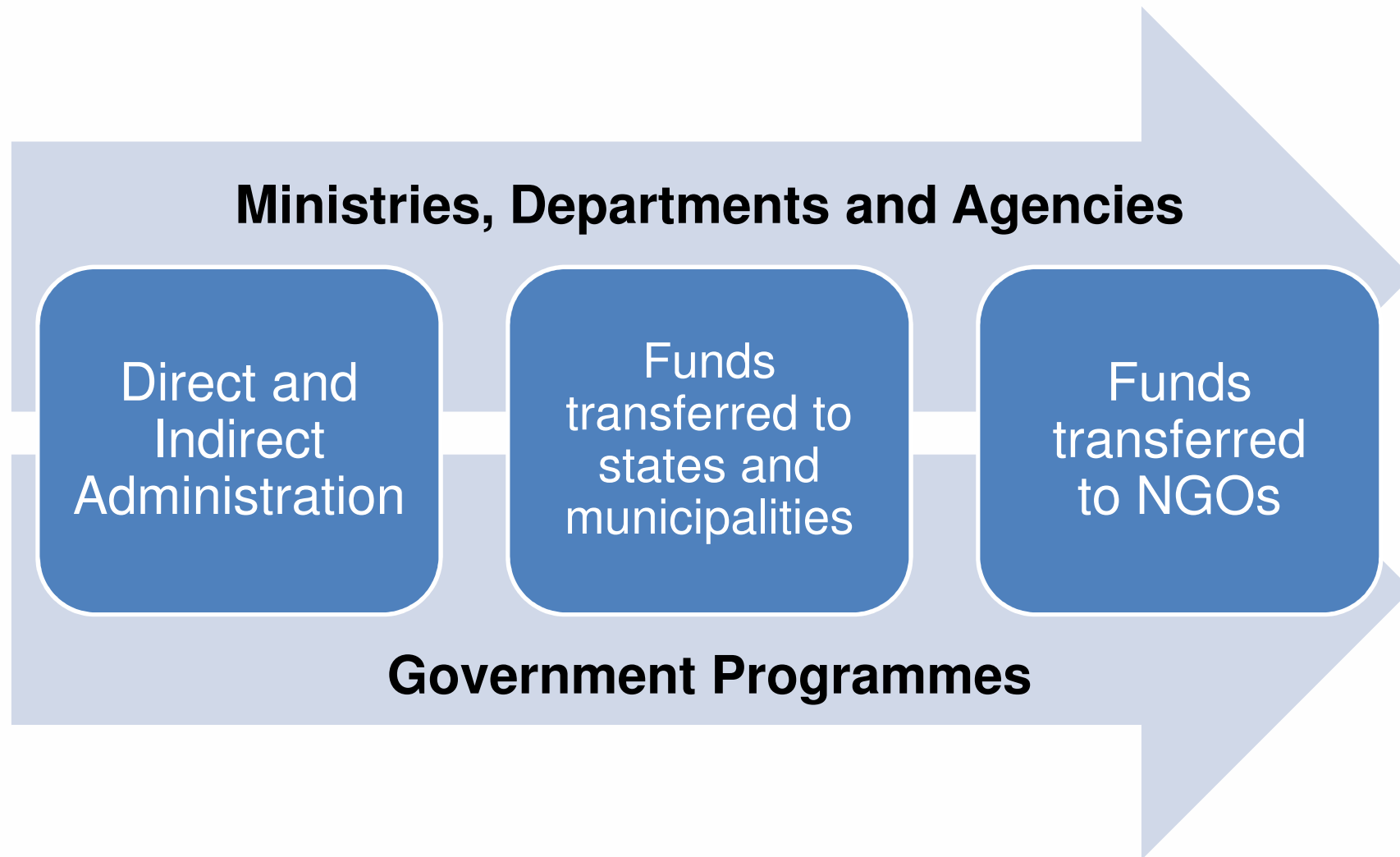
## The role of CGU's Federal Internal Control Secretariat



## The role of CGU's Federal Internal Control Secretariat



## Auditing Approach

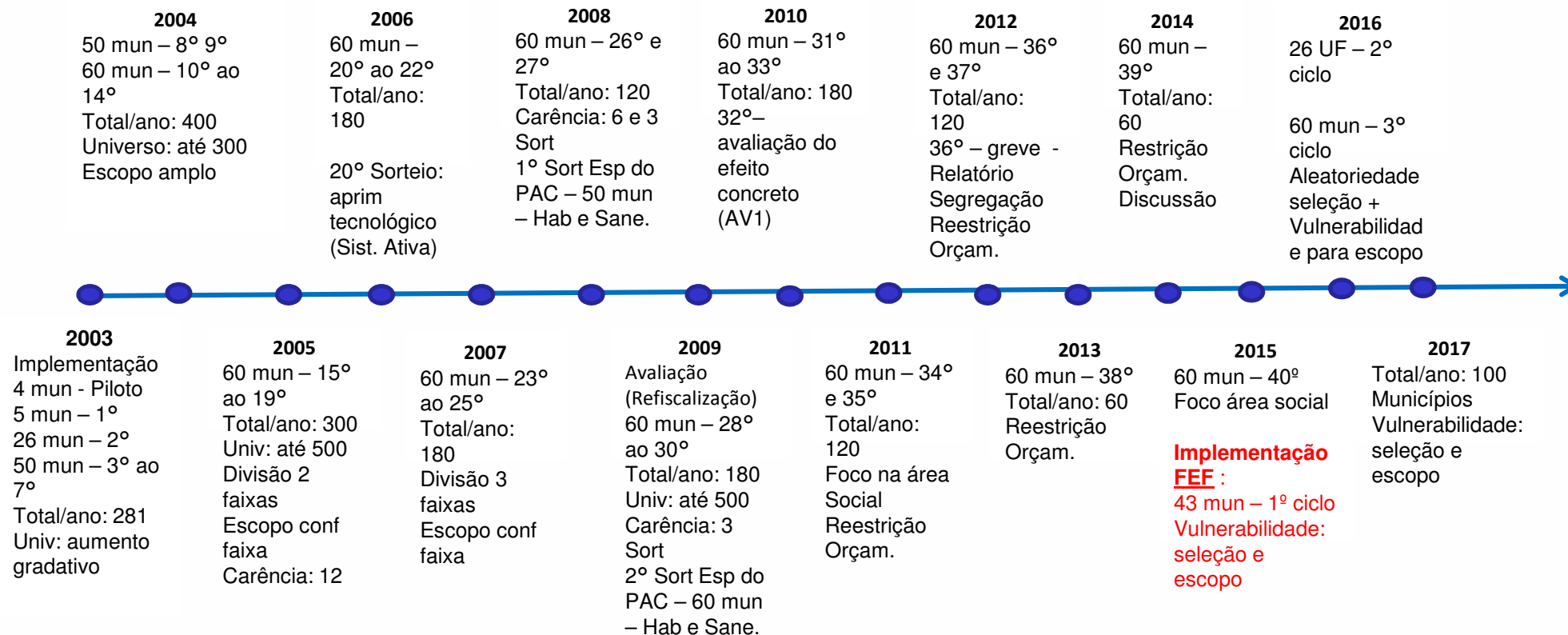




# Programa de Fiscalização a partir de Sorteios Públicos / Fiscalização em Entes Federativos (FEF)

# Evolution 2003 -2017

## Programa Fiscalização em Entes Federativos



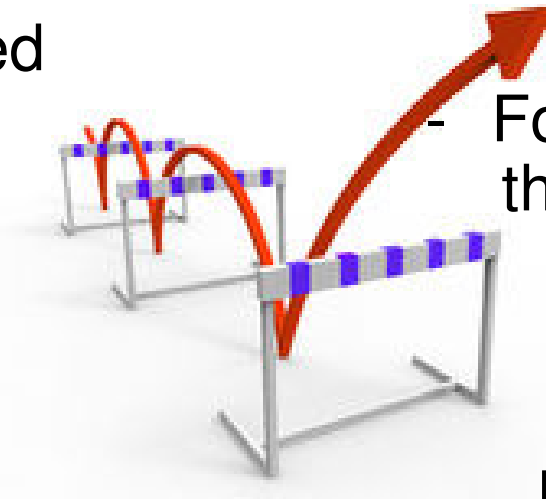
- ✓ The **Programa de Fiscalização a partir de Sorteios Públicos** had its name changed in 2015 for the **Programa de Fiscalização em Entes Federativos**, in view of the adoption of other methodologies for the selection of non-random Municipalities, such as by indication of vulnerability based on the evaluation of several indicators associated to the functions the state. The scope of inspection for any federal resource applied in the Municipality was also widened, either by the City Hall or another private entity.



Increased focus on combating fraud and misconduct

## Challenges to CGU performance

- CGU must be concerned with results of public management, but not compromise independence
- Performance auditing x compliance auditing



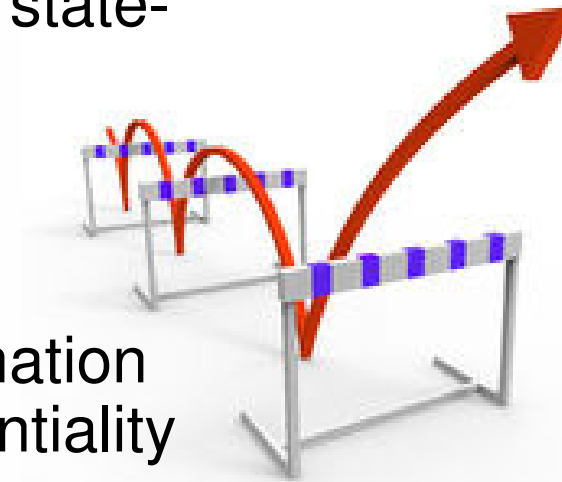
- Strengthening of denunciation channels
- Fostering of integration with the external control and the public oversight
- Fostering of Risk Management, Control and Governance processes within the public administration



## Challenges to CGU performance

- Auditing approach to state-owned enterprises

- Restrictions to information due to alleged confidentiality



- Measurement of benefits due to the implementation of CGU recommendations

- Aligement with international standards

## Cost of Corruption

- Affects investments;
- Limits economic growth;
- Distorts fair competition and government expenditures;
- Jeopardizes the confidence in the Government



## CGU initiatives to face corruption

**Avaliação de Programas**



**Acesso à Informação**



**BRASIL**  
*transparente*



# Thank You!

