



SCHOOL OF BUSINESS
THE INSTITUTE OF BRAZILIAN ISSUES
The Minerva Program – Spring/2013

**How performance audit and program evaluation together can
improve the public administration**

RONALD DA SILVA BALBE
Advisor: Dr. Frederick Lindahl

Washington, D.C.
April, 2013

Keywords:

Performance audit, program evaluation, performance management, internal control, Office of the Comptroller General, Controladoria-Geral da União, Inspectors General, Brazil, the United States of America.

List of figures

Figure 1 - Organization chart for the Federal Government.....22
Figure 2 - Federal Budget Summary: 1990 to 2011 (Receipts, outlays, and surplus or deficit)...23
Figure 3 - Breakdown of the Federal Budget, Fiscal Year 2010.....24
Figure 4 - Public Sector Investment (% of GDP).....28
Figure 5 - State structure and the nature of executive government.....31
Figure 6 - National Culture – Hofstade Model32
Figure 7 – Organization chart for the Federal Government33
Figure 8 - Breakdown of the Federal Budget, Fiscal Year 2011.....34
Figure 9 - Public sector net debt (% of GDP)34
Figure 10 - Effect’s combination in the evaluative and audit activities.....38
Figure 11- Identity’s framework of performance auditor41
Figure 12 – Appropriate evaluation approach.....44
Figure 13 - Basic features of program evaluation44
Figure 14 - The Basic Logic Model46
Figure 15 - Program agencies of Department of Labor51

List of tables

Table 1 - Set of structural changes in the Fernando Henrique Cardoso Administration27
Table 2 - Comparison traditional auditing, performance “auditing” and program evaluation37
Table 3 - Types of impact of performance audits40
Table 4 - Program Evaluation Initiative Proposals50
Table 5 - Interactions with performance audit and program evaluation59
Table 6 - What is the reason for that lack of interaction?60
Table 7 - What is the greatest challenge of the performance audit or program evaluation?.....61

Table of Contents

Keywords:	ii
List of figures	iii
List of tables	iii
1. Introduction: The new approach of public administration	2
2 – The origin of the modern State until the age of accountability	5
2.1 – The origin of the State	5
2.2 – The movements of the reforms.....	8
2.3 – Toward the age of accountability	12
3 – The structure of the Government in The United States and Brazil	14
3.1 – Public Administration in the United States: a brief history	14
3.2 – Politico-administrative system in the United States.....	18
3.4 – Public Administration in Brazil: a brief history	24
3.5 – Politico-administrative system in Brazil	28
4 – How audit and evaluation together can improve the public administration.....	36
4.1 –Performance Audit and Program Evaluation	36
4.1.1 – Accountability for learning	36
4.1.2 – Performance Audit	39
4.1.3 – Program Evaluation.....	42
4.2 –Audit and Program Evaluation Institutions in the United States	47
4.2.1 – Office of Inspector General.....	48
4.2.2 – Office of Management and Budget	50
4.2.3 – Department of Labor	51
4.3 – Audit and Program Evaluation Institutions in Brazil	52
4.3.1 – Office of Comptroller General	53
4.3.2 – Planning and Strategic Investments Secretariat	55
4.3.3 – Institute for Applied Economic Research	56
4.3.4 – Ministry of Education.....	57
4.4 – Interaction for more improvements.....	58
5 – Conclusion.....	63
Bibliographic References	67
Appendix	73
Appendix I – Highlights of the History of Public Administration	73
Appendix II – Federal Civilian Employment by Branch and Agency: 1990 to 2010.....	75
Appendix III – Federal Civilian Employment.....	76
Appendix IV – Questionnaire - Performance audit and program evaluation interactions	78

1. Introduction: The new approach of public administration

“Even more important than winning the election is governing the nation.”

Adlai Stevenson, when he accepted the Democratic presidential nomination in 1952

In the last thirty years the world has changed in many ways; public administration is no exception. The relevant question at hand is “have audit and evaluation institutions also changed?” Many authors believe so, especially in terms of audit. The name of a new focus for control is performance audit (Barzelay 1997; Pollitt 1999; Lonsdale 2011).

Over many years, the institutions which do performance audit and program evaluation have published many reports and produced many outcomes. This paper discusses how these institutions can work together to improve public administration.

According to Pollitt (1999), performance audit outlines the difference between the activities of governmental review (specifically program evaluation), and traditional audit (in particular financial audit). The new activity developed after the emergence of New Public Management. The authors researched the interfaces between administrative reforms and performance audit in five countries (United Kingdom, Sweden, France, the Netherlands and Finland). They found several cause-effect relationships between the environment of performance audit and public administration.

Among many concepts, Lonsdale (2011) argues that the performance audit is concerned with economy, efficiency and effectiveness. He quotes another author (Grönlund, 2009), who reviewed the report of Swedish National Audit Office and identified eight types of performance audit: economy, efficiency and effectiveness, systems, administration, goal-related, policy and empirically grounded audits.

According to Wholey, Hatry and Newcomer (2010) program evaluation is the application of systematic methods to address questions about program operations and results. The methods are based on social science research methodologies and professional standards and provide “processes and tools that agencies of all kinds can apply to obtain valid, reliable, and credible data to address a variety of questions about the performance of public and nonprofit programs”.

Public Administration has also changed a great deal, especially after the appearance of the New Public Management – NPM. This phenomenon began in the United Kingdom, Australia, New Zealand and the United States in the decades of 1970s and 1980s. The adoption of the new model of Public Administration was a necessity after the financial crises (Hood 1991; Ferlie, et al. 1996).

According to Giauque (2003, 573), there is no consensus on a precise definition of what exactly New Public Management is. Nevertheless the author, from the common principles of implementation processes in several countries, lists several objectives that make up the movement: to improve the services delivered to the public; to modernize the production process of administrative services; to define more clearly the objectives to be achieved based on a service contract; to more systematically assess collective and individual performance by defining assessment criteria; and in many cases also, there is a clear desire to achieve savings by means of increasing organizational productivity, while seeking new sources of rewards.

In United States, the biggest movement in the direction of performance management was the Government Performance Results Act of 1993 – GPRA. The law established the Administration’s approach to improving government performance, communicating results to solve problems, and improving outcomes. Recently, GPRA was renewed and amplified by the Government Performance and Results Modernization Act of 2010 – GPRMA. The second Act improved the effectiveness and efficiency of government:

- Leaders set clear, ambitious goals for a limited number of outcome-focused and management priorities;
- Agencies measure, analyze, and communicate performance information to identify successful practices to spread, and problematic practices to prevent or correct; and
- Leaders frequently conduct in-depth performance reviews to drive progress on their priorities (Office of Management and Budget 2011).

In Brazil, the most important event in the last 20 years regarding public administration was the publication in 1995 of the white paper on administrative reform – Main Plan for the Reform of the State (*Plano Diretor da Reforma do Aparelho do Estado*) – whose basic proposal was to transform Brazilian public administration from a bureaucratic administration into a managerial one. Under the two terms of the Fernando Henrique Cardoso administration (1995-2002), Brazil consolidated a significant number of reforms and policy initiatives in the public sector, notably macro-economic stabilization, trade liberalization and privatization (Gaetani, 2002).

After these reforms, many other small initiatives changed Brazilian public administration. For this research paper, it is important to highlight the Multi Annual Plan for the period of 2012-2015. The methodology of planning was changed with a new category in the Annual Budget, designated “Thematic Program”. The biggest difference in the latest Multi Annual Plan is the design and reporting of the programs. In the old one, the programs were designed to solve problems and take advantage of opportunities. In the new Multi Annual Plan, the focus of the

thematic program is the governmental agenda. The aim of the reform is improving the capacity of government to work better, with more effectiveness and efficiency.

The main objective of this work is to study how the institutions of audit and evaluation can improve the public administration. I would especially like to study how they can work together to improve public administration.

This paper is organized in five parts, including this Introduction.

Next, in Chapter 2, I discuss the origin of the State, the movements of the reforms and the importance of accountability to provide greater quantity and better quality information for the citizens.

In Chapter 3, the political-administrative system in the United States of America and Brazil are briefly introduced. As these are two countries with federal systems, this chapter pays special attention to the relationship between the central government and regional governments. The structure and budget of the two governments are also presented in this chapter. There will be the presentation of charts and large figures in terms of revenue and expense.

In sequence, Chapter 4 presents a short overview of the concepts and controversies regarding the performance audit and program evaluation. In the second part, this chapter describes the structures, mandates and strategic goals of the bodies responsible for performance audit and program evaluation in the USA and Brazil. The paper also presents a survey conducted with officials who work in both areas, especially discussing if there is interaction between performance audit and program evaluation.

In the Conclusion, the paper summarizes the main issues and lists future perspectives in the area.

2 – The origin of the modern State until the age of accountability

The concept of State as we know it today is the result of the development of concepts and practices over the past 500 years, or maybe, depending on methodological rigor, over the past 3000 years. Independent of accuracy in determining the origin of the State, the most important purpose of this work is to understand what happened in the most recent period and how the historical facts contribute to increasing the analytical capacity of current models of public administration.

This chapter is divided into three parts. The first one is about the origin of the State and other related concepts such as administration, politics. The main objective here is to describe the development and decline of the welfare state. This description is key to understanding both what the outcomes of state reforms are as well as how they came to fruition.

Finally, the chapter presents a brief overview about accountability in order to permit the construction of the background issues that will be discussed further.

2.1 – The origin of the State

In the last three decades the world has changed and public administration has also changed. Peters (2001) points out that only in times of war or major economic upheavals the governments try to reform their structures so carefully and over such a long period. However, the last changes are the consolidation of the many other previous changes. Therefore, to understand the reforms in public administration today, it is important to describe the origin of the State and the emergence and collapse of the welfare state.

Painter (2011) argues that there are two main meanings of the word “state”. He distinguishes the connotations associated with classical and modern political theory. First, he defines the state as an ordered or organized human community. Second, the state is an apparatus of rule or government.

State, public administration and politics are different concepts in theory, but in practice are intertwined. The origins of the State date back to the early agricultural societies in Mesopotamia, with the first city-states. During Feudalism, the state's presence was mainly to enforce the collection of tax and less to ensure the rights of the people.

From this follows the notion of “administration”. Rosenbloom (2008) considers the term difficult to define and argues that any definition can become abstract. Nevertheless, the author proposes that public administration is the use of theories and managerial processes, political and

legal norms to fulfill the demands placed on the executive, legislative and judicial branches. Public administration aims to provide services and government regulation.

Politics, in turn, derives from the *polis* which means everything related to the city. The term gained status from the work of Aristotle's *Politics*. More recently, the concept has been intrinsically linked to the idea of power, which is defined as the relationship between two subjects, one of whom imposes on the other his or her will. There are various forms of man's power over man. Political power is only one of them (Bobbio et al. 1997).

What characterizes political power is the exclusivity of the use of force in relation to all groups that act in a particular social context. That exclusivity is the result of a process that develops throughout society organized in the sense of ownership and monopolization use of means with which one can exercise physical coercion (Bobbio et al. 1997).

In common language, government can be defined as the set of people who exercise public power. In the modern conception, the people are the organs that institutionally wield the power. The meaning of the word "government" has subtle differences when comparing the Latin and Anglo-Saxon languages. The Latino speakers say "government" and the people in Britain and the United States say "cabinet" and "administration", respectively (Bobbio et al. 1997)

The welfare state emerged in the late nineteenth century, but was consolidated in the 1930's and 1940's. Its characteristics changed in the late twentieth century¹. The State that we know today, in fact, is the consolidation of the development the welfare state during the last one hundred years.

From the identification of three pillars of the welfare state – government, market, and family – Esping-Andersen (2002) classifies countries into three distinct European regimes. The first scheme combines the Nordic countries, where the division of responsibilities of the welfare state relies mainly on government. The second scheme - welfare liberal model, covering the UK, Ireland, is the principal financial market. The third scheme - welfare model of continental Europe, sits in the family, most strongly in the South of Europe and less strongly in other countries (Belgium and France).

The social security systems, which represent the foundation of the welfare state, initially developed around four basic issues: industrial accidents, illnesses (and permanent disability), age and unemployment. By analyzing the laws creating the regulations governing the issues mentioned above which relate to 20 European countries, Flora and Alber (1984) conclude that the regulations related to industrial accidents were, on average, introduced in 1898 (the first in

¹ Rimlinger (cited by Flora and Alber, 1984) tries to separate into two distinct phases the "prehistory" of the welfare state: "Poor Law" period between the sixteenth and eighteenth centuries that occurred in the emergence of the nation-state and its economy as we know it today, and "Liberal Break" in the nineteenth century, when new social problems arising from industrialization and urbanization.

1884 and the last in 1911), while the others were in the following order: 1906 (sickness), 1912 (retirement age); 1917 (unemployment benefits).

In the United States, the development of the welfare state occurred in the Great Depression in the 1930s, more specifically with the Social Security Act of 1935. Berkowitz (1991) points to three major sections in America's welfare state. The first is the longest phase, which represents the development of social insurance for labor markets. The second section is the rehabilitation approach, which some people call the welfare mess because of the demographic and political upheavals. The third section of the welfare state establishes health.

Before the Federal Constitution of 1988, Brazilian social policies were developed over an 80-year period. The social protection model combined a model of social insurance, including pensions and health care for formal workers, with a precarious assistance model for the majority of the population, who were without formal labor ties.

Fleury (2010) separated the development of the welfare state in Brazil into four phases. The first, between the 1930s and 1940s, was the construction of the modern, interventionist and centralizing State. The second phase, the period of populist democracy (1946-1963) which saw the expansion of the social security system as part of a political game of exchange of benefits, is considered to be one of the causes of the financial and administrative crisis in the social security system.

The third phase occurred after the bureaucratic-authoritarian regime that was installed in 1964, and was characterized, among other features, by centralization and concentration of power; the increase of coverage and the creation of social contributions as a mechanism to fund social programs. The last one was represented in the Federal Constitution of 1988, which caused a profound transformation in the Brazilian social protection model. The new constitutional social policy model is characterized by the universality of coverage and the recognition of social rights.

During the 1990s, Brazil experienced a hard period of economic crisis, and there were two movements going in opposite directions to create a new country. One was marketed by the macroeconomic adjustment measures and the other by demands for ensuring social rights and institutionalizing the new welfare state. Two of the most important innovations following from the Constitution are the Unified Health System (SUS) and System for Social Assistance Policies (SUAS). Both systems co-founded the three level of the State in Brazil. For social assistance, the Federal level created two programs: Continuous Cash Benefits (BPC), which covers elderly and handicapped persons in poverty; and the Family Grant Program (kind of cash transfer), which offers conditional cash transfer to the poorest families.

Fleury (2010) argues that the impact of social protection on poverty reduction is one of the most significant results of the social policies, which has been associated with economic

growth and the recovery of the minimum wage's purchasing-power. The impact of these innovations enabled the enlargement of the middle class with the associated upward mobility of millions of families.

2.2 – The movements of the reforms

There is evidence of administration and bureaucracy in Egypt, China, Greece, Rome and other ancient civilizations; however, the beginning of administration as a science dates back to the eighteenth century with the Absolutist State, which broke with the medieval tradition. At that time emerged what Lynn (2005) calls cameralism. The root of the word is associated with room or place (*kammer*), where the domain is ruled. In the nineteenth century, according to the same author, both the United Kingdom and the United States developed, with different characteristics, their public bureaucracies².

At the turn of the 20th Century the classical administration approach was developed, based on two schools: Scientific Administration and Classical Theory. The principal issue of the first was the improvement of productivity, through analysis and job division. The principal architect was Frederick Taylor. The second school put the focus on the improvement of efficiency. Henri Fayol, the principal architect of this school, defined management as consisting of five key elements: planning, organizing, commanding, coordinating and controlling.

Another important component of Administrative Science was the development of the Bureaucracy Theory, which placed the work of Max Weber as the central element. The German economist and sociologist described three types of society – traditional, charismatic and rational-legal. The organization based on the third type (rational-legal domination, also known as bureaucratic) is characterized by formality, impersonality and professional management (Weber, 1999). From the theory of bureaucracy arises the structuralist approach to administration, with a broader perspective, involving the organization and its relation to other organizations within a larger society (Chiavenato, 1999).

In the field of public administration, Woodrow Wilson is considered the father of Public Administration, primarily due to his work with the Study of Administration in 1886. The author of this essay, who would become United States President (1913-21), brought two themes that dominated the discussions in the first half of the twentieth century: the dichotomy between politics and administration, and a concern with the creation of structures and strategies to make administrative management more efficient (Denhardt and Denhardt, 2007).

² The Appendix 1 shows the highlight in the intellectual history of Public Administration. In resume, the table presents the ancestral origin since “Before Christ” to the present day. The facts more important are being addressed in this chapter.

The classical approach was the basis for the development of Fordism production style, marked by mechanization and dehumanization of the work practiced on the production line (particularly cars). However, this model, combined with other factors, such as the 1929 economic crisis and human sciences (psychology and sociology), resulted in the emergence of criticism of the founders of the Human Resources Approach. In a study of workers at Western Electric Company (Hawthorne Experience - 1927 to 1932), Elton Mayo and his colleagues demonstrated the importance of the human factor of psychological issues on productivity in factories (Starling, 2010).

Herbert Simon's "Administrative Behavior" published in 1947, severely criticized the classical management approach and the conception of rationality of classical economics. Simon considered part of these conceptions as then formulated as naive and romantic. The author formulated Bounded Rationality, a term used to designate "rational choice that takes into account the cognitive limitations of the decision maker – limitations of both knowledge and computational capacity" (Simon, 1997). The author developed a model of choice intended to be a challenge to the comprehensive rationality assumptions used in economics. Gruening (2001) argues that Simon began the motion that can be considered the neoclassical approach to administration. On the other side, from the standpoint of the general theory of administration, some commentators consider that the work of Simon builds the behavioral approach toward administration to deal with the conscious and rational behavior of "administrative man" (Chiavenato, 1999).

Another important component of the process of weakening the old Public Administration, although more general, was the work of "think tanks" in countries that have played central roles in the spread of New Public Management³. In the United Kingdom, for example, various public policies implemented during the period resulted from the output of think tanks. They highlight: monetarist solutions, outsourcing utilities, inhibition of union activity and the abandonment of metropolitan councils [Desai (1994) and Gamble (1988), both cited by Paula (2005)].

Within the evolutionary line of administration science, it is important to note that Peter Drucker was one of the first to point out that organizations would be migrating from a bureaucratic model to a post-bureaucratic one, where there should be more flexibility and participation. The beginning of the academic production of Drucker occurred after World War II, especially his books: *The Concept of the Corporation* (1946) and *Practice of Administration* (1954). With the latter, the author traced the lines of strategic planning and goal-orientation

³ In the UK, three organizations can be listed: Institute of Economic Affairs (founded in 1955), Centre for Policy Studies (founded in 1974) and Adam Smith Institute (founded in the U.S. in 1977, but moved to the UK two years later). In the United States, the most important Think Tanks Americans were: Hoover Institution (founded in 1919), American Enterprise Institute (founded in 1943) and Heritage Foundation (founded in 1973).

(Paula, 2005). Drucker's continued analysis of the Western world saw the restructuring of the production process, especially the onset of globalization and the rise of the Japanese in world trade. These factors contributed to the growth of the managerialist movement, initially in the private sector and then in the public sector in many countries. These beliefs stimulated management tools and administrative practices in the pursuit of excellence. However, "industry management" became a panacea⁴ in these solutions, among which stand out the total quality management and reengineering (Paula, 2005).

The expression *New Public Management* has been used by scholars and practitioners of public administration to represent themes, styles and patterns of management of public service that have changed since the late-1970s. These standards were being built over ten years. This phenomenon was named by several authors, among them Christopher Hood. He identified a number of doctrinal components common to most experiments: freedom to act; measurable standards of performance, emphasis on control results; integration between the public sector units; competition to reduce prices and improve quality, use of tools private sector; discipline and parsimony in resource use (Hood, 1991).

For Pollitt and Bouckaert (2011), there are three waves of reform thinking. The first happened from the mid-1960s to late 1970s. The basic features are rational, hierarchical planning and cost-benefit analysis. This wave took place mainly in the USA, the UK, and France. The second one is the most known wave and was more widely adopted. During the 1980s Australia, Canada, the Netherlands, New Zealand, Sweden, the UK, and the USA launched major programs to improve public administration. At that time, the principal issue was business techniques to improve efficiency.

In the third wave, after 2000, several key concepts appeared: governance, networks, partnerships, 'joining up', transparency, and trust. Pollitt and Bouckaert (2011) in fact, believe that the most important aspect of this period was 'globalization' which seemed to have major implications for public administration. Two reasons were put forth. First, governments' needed to develop the capacity to represent themselves effectively in ever-expanding international networks. The second reason was the necessity to create national economies that are more competitive.

In this sense, the term *New Public Management* was intentionally a concise way of representing the mixture of field of management as the field of government. In short, the role of government changed. These changes were described as reform, as modernization or as reinvention. No matter the name, it is essential to observe that governments are different from 20 or 30 years ago. As these administrative reforms are not easy to implement, despite several

⁴ A remedy for all diseases, evils, or difficulties; a cure-all.

advances (more efficiency, higher quality services, greater transparency, greater freedom to manage), there is evidence to show that some of the reforms may have gone wrong or not have produced benefits initially claimed (Pollitt and Bouckaert 2011).

There is no consensus regarding the exact definition of New Public Management, as Giauque (2003) notes. However, the author, from the common principles of implementation processes in several countries, lists several objectives that make up the movement: to improve the services delivered to the public; to modernize the production process of administrative services; to define more clearly the objectives to be achieved based on a service contract; to assess more systematically collective and individual performance by defining assessment criteria; and in many cases also, there is a clear desire to achieve savings by means of increasing organizational productivity, whilst reflecting on the means to find new sources of rewards. So much more concisely, König's (1997, quoted by Lynn, 2005) says that the NPM movement "popularized a blend of management theories, motivational psychology in business and neoliberal economics."

The movement known as New Public Service (NPS) has been presented as an alternative to New Public Management. The proposal by Denhardt and Denhardt (2003) was to overcome the current challenges, without disregarding the previous two traditions, through the primacy of citizenship and democracy. The authors believe that the approach of the New Public Service fills the gaps from previous proposals (Bureaucratic Model and New Public Management) in the light of greater respect to ethics and integrity. The main purpose of the NSP is the recovery of democratic values and social, through increased civil society participation in government decisions⁵.

By examining in depth reform movements, Denhardt and Denhardt (2003) consider two principles of New Public Management outdated or unable to satisfactorily answer the demands of modern society. The first deals with the proposal to apply the private model to public administration by creating public-private competition, between private companies providing public services, and even between units of government. However, while competition does not always promote benefits to society, the issue of public interest should not be abandoned. The second principle - government entrepreneur, one of the central proposals of Osborne and Gaebler (1992) - should also be viewed with caution. The idea mentioned in this principle is to use the resources in an innovative way in order to maximize productivity and effectiveness. However, this could entail complications such as a conflict of interest, since it is not for the public manager to act based on their own interests. By treating the book "Reinventing Government" as a

⁵ Pollitt and Bouckaert (2011) present several others models (the Belgian Copernicus Model, the Canadian 'La Relève', the Napoleonic model, and the Neo-Weberian State), but the New Public Service present a new approach and rose to prominence in this paper.

framework of New Public Management, Denhardt and Denhardt (2003) believe it is not surprising that there are no references in the index to words like justice, fairness, participation, leadership, citizen or citizenship.

To achieve the purpose of interacting with society, the New Public Service must overcome several hurdles, among them the difficulty of citizen participation in public administration. However, Denhardt and Denhardt (2007) believe that there are many other practical reasons for involving citizens in the process public policy development. They point out that greater citizen participation can provide a number of benefits: help meet the citizens' expectations; enhance the quality of public policy; help in the implementation of policy, since the agents have more participation on the outcomes; respond to requests for greater transparency and accountability of government; and lastly, by helping to meet the challenges of the emerging information society, it can result in better public information.

2.3 – Toward the age of accountability

This chapter has addressed the concepts of the State, administration and politics. It also demonstrated the emergence of the welfare state and how the reforms were developed in several countries simultaneously. In this section, accountability is the central theme. In its simplest concept, accountability “is the requirement of a public organization or individual to provide an account to some other organization or person and to explain and be responsible for actions taken” (Bemelmans-Videc and Lonsdale, 2007).

Therefore accountability is associated with the functioning of the democratic state. In this sense, it is important to note the conceptualization presented by O'Donnell (1998). According to the author, the process of strengthening democracy occurs by improving accountability through two types: horizontal and vertical.

horizontal accountability: the existence of state agencies that have the right and legal power and who are actually willing and able to perform actions ranging from routine oversight to legal sanctions or even impeachment against actions or omissions by other agents agencies State which may be regarded as criminal (O'Donnell, 1998: 40).

With reference to vertical accountability, the author defines it as the election process in which politicians/parties participate. Therefore, to stay ahead of the curve, institutions that govern must meet the diverse expectations of the governed.

But nowadays there are many different ways to strengthen accountability and increase transparency. In fact, we are living in the accountability age. This statement stems from the fact that nowadays information technology facilitates the work of both sides: government and citizens. Governments can provide greater quantity and better quality information; citizens are

able to access the faster results of the application of public money, and other citizens can mobilize more easily.

There are many examples: increased quantities of performance information; introduction of open government; develop inspection regimes to check whether predetermined standards are being upheld. But for the purpose this research paper, the principal enhancement was the introduction of performance audit and evaluation.

Despite the New Public Management having different shapes, different times, varying intensity in different countries, Power (2005) points out some common features. The first relates to the demand for greater accountability. The second refers to the fiscal pressure to reduce public spending. The third involves the pursuit of greater efficiency and quality in public services. For the author, who develops the "theory of the audit explosion", the growth of the audit is associated with these three factors. However, this audit means more than the traditional audit. In truth, the new approach of audit encompasses new demands related to efficiency, performance and value for money.

In this line of reasoning Pollitt (1999) found the interface between the reforms in public administration and auditing performance, although he written that it is difficult to identify the extent to which one would have been the cause of another. After searching interfaces between administrative reforms and performance audit in five countries (UK, Sweden, France, the Netherlands and Finland), Pollitt (1999 57-58) notes eight "outside-in" effects, which can highlight: public management reformers could aim directly at the reform of State Audit Institutions; management reform might lead to changes in the public sector which altered the size of the audit field; and the adoption of new management techniques and approaches could affect the nature of the auditor's task.

In the opposite direction, "inside-out" influences: individual performance audit reports could lead to changes in the nature of management reforms; the cumulative weight of a series of State Audit Institutions report could influence the general atmosphere of debate around a management reform program (Pollitt 1999).

In the next two chapters, this paper seeks to clarify the American and Brazilian Government, specifically how their performance audit and program evaluation institutions work respectively.

3 – The structure of the Government in The United States and Brazil

Nearly all men can stand adversity, but if you want to test a man's character, give him power.
Abraham Lincoln quotes (American 16th US President (1861-65))

This chapter will present the political-administrative system in the United States of America and Brazil. Both the first and second part, respectively, this paper presents a brief description of the history of public administration in each country, the most relevant aspects of the structure of government, the relationship between the federal government and the governments subnational, and a small picture of the public finances (on the Appendix I there are the highlights of the History of Public Administration).

The objective of this part of the research paper is to provide an overview of public administration, especially the emphasis in the accountability actions and measures for improving performance management. As Perrin (2007) noted, recent gatherings sponsored by the OECD and World Bank confirm that governments around the world are placing increased emphasis on a results-oriented approach. This movement is important to help understand the relationship of performance audit and program evaluation, the central objective of this paper.

3.1 – Public Administration in the United States: a brief history

Public Administration is broadly defined as the study, development and implementation of governmental policies and structures. In general, the field is concerned with providing public goods to the people it serves in a democratic and efficient way. In the United States, although others politicians talk about public administration, the academic field was really established in the 19th century with the foundational essay by Wilson (1887), the “Study of Administration,” where he argued for the separation of politics from administration.

The history of American public administration can be told in terms of three perspectives. According to Starling (2010), although these perspectives emerged at different times, all three are essential to understanding the theory and practice today⁶.

The first perspective – the Madisonian – was marked with legality. The perspective is a homage to the fourth President James Madison, who believed that the law was the best way to

⁶ Another author suggests similar narrative. Lee (2007) describes the US Administrative History almost the same way of Starling, nevertheless there are some differences in the time shift. The author called the first phase as “Pre-bureaucracy: small government with a workforce of laymen (1789-1883)”. The characteristics and the time are similar than the description of Starling (2010). The second one – “Bureaucracy: big government staffed by expert administrators (1883-1978)” – incorporated part of the two perspectives mentioned by Starling (2010). The administrators during this period made many reforms largely process oriented methods. The government expanded the scope and responsibilities of the federal level, particularly in terms of the political economy. The next era is the “Post-bureaucracy: public management by everybody and nobody (1978-present). The marks the beginning of this era is the Civil Service Reform Act in 1978. During in the last 30 years, the public administration in America changed very much, even in the direction to more efficiency.

limit power. The second is the Wilsonian Perspective, because the school of thought that was formed around President Woodrow Wilson. This view of public administration was influenced by two individuals (Henri Fayol and Frederick Taylor). The most important issue according to this perspective was the management.

The third one was the Rooseveltian Perspective attacked on the politics-administration dichotomy. The works of Robert Dahl and Dwight Waldo showed that administrators were intimately involved in policy formation. Starling (2010) drew this perspective with the name of Franklin D. Roosevelt because many advocates of this school had served in the New Deal and World War II.

An important part of the recent history of public administration in the US is emphasized in improving the public budget. Briefly, "public budgeting involves the selection of ends and the means to reach those ends" (Lee Jr., Johnson and Joyce 2013, 1)⁷. This is important because the government increased the monitoring of performance in the last 30 years. The public budgeting is an essential element for the expansion and strengthening of accountability.

Starling (2010) points out three major reforms in terms of budget during the 1960s and 1970s, before the most relevant changes that would happen from the decades of 1980s and 1990s.

The first one was *Planning, Programming, and Budgeting System (PPBS)* that President Johnson launched in 1966 to improve the decision among competing proposals for funds. The system was the first effort to link budgets to results. The second one was the *Management by Objectives (MBO)* in the late 1960 in the Nixon administration. The proposal was attempted to identify the goals of federal programs and what the expected results. The third one was the introduction the concept known as *Zero-Based Budgeting*. It happened in 1977 during the Carter administration. The objective was to force each government program to prove its value each year.

Tyer (1997, cited by Lee Jr., Johnson and Joyce 2013) identifies two other stages in the latest period. The 1980s was characterized by budget cutbacks in both federal and state governments; in the 1990s, the government focused on accountability, emphasizing performance measurement.

In 1993, President Bill Clinton launched the National Performance Review, the project which instructed federal agencies to identify targets of waste and opportunities for improvements in management. In the same year the Government Performance and Results Act (GPRA) became

⁷ In other words, the same authors say "is a document or a collection of documents that refers to the financial condition and future plans of an organization (family, corporation, government), including information on revenues, expenditures, activities, and purposes or goods".

law⁸. Every major federal agency would have to ask itself some basic questions: What is our mission? What are our goals, and how will we achieve them? How can we measure our performance? How will we use that information to make improvements? (Starling 2010).

GPRA established a new framework for accountability of federal programs and agencies. This framework resulted in the introduction of four integrated elements: strategic planning, performance plans and reports, managerial accountability and flexibility, and performance budgeting.

In fact, GPRA focused on the evaluation of effective outcomes. The Act obligated agencies to develop a five-year minimum period strategic plan for program activities⁹. According to GPRA, the strategic plan had to contain:

- (1) a comprehensive mission statement covering the major functions and operations of the agency;
- (2) general goals and objectives, including outcome-related goals and objectives, for the major functions and operations of the agency;
- (3) a description of how the goals and objectives are to be achieved, including a description of the operational processes, skills and technology, and the human, capital, information, and other resources required to meet those goals and objectives;
- (4) a description of how the performance goals included in the plan required by 'section 1115(a) of title 31' shall be related to the general goals and objectives in the strategic plan;
- (5) an identification of those key factors external to the agency and beyond its control that could significantly affect the achievement of the general goals and objectives; and
- (6) a description of the program evaluations used in establishing or revising general goals and objectives, with a schedule for future program evaluations.

Also according to GRPA, the performance plan had to establish performance goals to define the level of performance to be achieved by a program activity. The goals had to be objective, quantifiable, and measurable. The Act established that the performance indicators had measure relevant outputs, service levels, and outcomes of each program activity.

Finally, every federal executive agency had to prepare and submit to the President and the Congress, a report on program performance:

- (1) review the success of achieving the performance goals of the fiscal year;
- (2) evaluate the performance plan for the current fiscal year relative to the performance achieved toward the performance goals in the fiscal year covered by the report;
- (3) explain and describe, where a performance goal has not been met (including when a program activity's performance is determined not to have met the criteria of a successful program activity under 'section 1115(b)(1)(A)(ii)' or a corresponding level of achievement if another alternative form is used);
 - (A) why the goal was not met;
 - (B) those plans and schedules for achieving the established performance goal; and
 - (C) if the performance goal is impractical or infeasible, why that is the case and what action is recommended;

⁸ GPRA emphasized that government should "do more with less". This was the motto of the book *Reinventing Government*, by David Osborne & Ted Gaebler, Addison-Wesley Publ. Co., 1992.

⁹ It was previewed in the Act that "No later than September 30, 1997, the head of each agency shall submit to the Director of the Office of Management and Budget and to the Congress a strategic plan for program activities". The plan shall cover a period of not less than five years forward from the fiscal year and shall be updated and revised at least every three years. A term 'agency' means an Executive agency defined under section 105, but does not include the Central Intelligence Agency, the General Accounting Office, the Panama Canal Commission, the United States Postal Service, and the Postal Rate Commission.

(4) describe the use and assess the effectiveness in achieving performance goals of any waiver under 'section 9703 of this title'; and

(5) include the summary findings of those program evaluations completed during the fiscal year covered by the report.

Another important initiative was introduced by President George W. Bush in 2002. The Program Assessment Rating Tool (PART) was the objective to structure and target reform platforms to strengthen agency-level management capacity and boost program performance and results. As a part of each year's budget request, the Office of Management and Budget required all federal program managers answer the long questionnaire (Starling 2010).

The questionnaire of PART includes 25 questions about four issues: whether a program's purpose is clear and designed to achieve its objectives; strategic planning; management of an agency's program; and focuses on results. PART customized questions depending on the type of program. The seven PART categories are: Direct Federal, Competitive Grant, Block/Formula Grant, Regulatory, Capital Assets and Service Acquisition, Credit, and Research and Development. The answers result in a numerical score from 0 to 100: Effective (85-100); Moderately Effective (70-84), Adequate (50-69); Ineffective (0-49)¹⁰.

More recently, on January 4, 2011, President Obama signed into law the GPRA Modernization Act of 2010, Public Law 111-352. The legislation retains and amplifies the principal concepts Government Performance. According to Jacob Lew, Director of Office of Management and Budget, the new Act improved the effectiveness and efficiency of government, through:

Leaders set clear, ambitious goals for a limited number of outcome-focused and management priorities;

Agencies measure, analyze, and communicate performance information to identify successful practices to spread and problematic practices to prevent or correct; and

Leaders frequently conduct in-depth performance reviews to drive progress on their priorities (Office of Management and Budget, 2011).

The 2010 Act establishes a new framework aimed at taking a more crosscutting and integrated approach to focusing on results and improving government performance. In 2012¹¹, the Federal Government presented a single, but hard message. According to the Memorandum M-12-14 (Office of Management and Budget 2012), the OMB announced that necessity to use evidence and rigorous evaluation in budget, management, and policy decisions to make government work more effectively.

Agencies should demonstrate the use of evidence throughout their Fiscal Year (FY) 2014 budget submissions. Jeffrey D. Zient, the acting director of OMB, maintained that the budgetalso

¹⁰ This information is in the site named expectmore.gov, which remains available even after the end of the Bush Administration.

¹¹ In fact, the Obama evidence-based initiatives are that the President intended from the beginning of his administration to fund only programs that had solid evidence of success. As early as his inaugural address, the President made it clear that an important goal of his administration would be to expand programs that work and eliminate programs that don't (Haskins and Baron 2011).

will allocate limited resources for initiatives to expand the use of evidence. Some examples were presented in the Memorandum:

1. Proposing new evaluations (Low-cost evaluations using administrative data or new technology; Evaluations linked to waivers and performance partnerships; Expansion of evaluation efforts within existing programs; Systemic measurement of costs and cost per outcome)
2. Using comparative cost-effectiveness data to allocate resources.
3. Infusing evidence into grant-making (Encouraging use of evidence in formula grants; Evidence-based grants; Even without creating tiers, agencies can provide points or significant competitive; Pay for Success)
4. Using evidence to inform enforcement.
5. Strengthening agency evaluation capacity.

In summary, the GPRA Modernization Act of 2010 and new improvements in the US public administration reveal that the reforms follow quickly. Developing initiatives to make public management more transparent and more efficient is a constant, ongoing process. The process more recently pursued a new path that targets the evidentiary and adequate justification for the planning and execution of resources.

3.2 – Politico-administrative system in the United States

Different countries display different structures of government. The separation of power was first developed in Roman Republic, but there is a consensus that the tripartite system was proposed by Montesquieu. Nowadays, the majority of the countries have the government divided into three branches.

Since the end of the 18th Century, the United States of America has had three parts: the legislative branch, the judicial branch, and the executive branch. This separation is described in the first three articles, or sections, of the Constitution.

The legislative branch is made up of the two houses of Congress: Senate and House of Representatives. In the first, the USA has 100 Senators (two from each state). They approve nominations made by the President to the Cabinet, the Supreme Court, federal courts and other posts. There are 435 representatives in the House, where the number of representatives is based on its population. The Speaker of the House, elected by the representatives, is considered the head of the House and sets the legislative agenda for the House of Representatives¹².

The Supreme Court is the head of the judicial branch in the USA. The judicial branch oversees the court system and explains the meaning of the Constitution and laws passed by Congress. In the state level, the judicial branches are usually led by the state supreme court, which hears appeals from lower-level state courts. If the questions are raised regarding consistency with the U.S. Constitution, matters may be appealed directly to the United States Supreme Court (White House 2013).

¹² All 50 states have legislatures made up of elected representatives. Except Nebraska, all states have a bicameral legislature made up of two chambers: a smaller upper house and a larger lower house (Senate and Assembly or the House of Delegates). See www.whitehouse.gov/our-government/state-and-local-government.

The president of the United States commands the executive branch. He (or she) is elected to a four year term¹³. He also acts as head of state and Commander-in-Chief of the armed forces. At the federal level, the executive branch is still formed by Vice-President, who also serves as President of the Senate and becomes President if the President dies or is unable to serve; the Departments (heads advise the President on policy issues and help execute those policies) and Independent Agencies and Government Corporations (they have a function to execute policy or provide special services)¹⁴.

In every state, the executive branch is headed by a governor who is directly elected by the people. According to the White House (2013), in most states, the other leaders are also directly elected, for example lieutenant governor, the attorney general, the secretary of state, and auditors and commissioners. Local governments generally include two tiers: counties and municipalities¹⁵. In general, mayors, city councils, and other governing bodies are directly elected by the people.

The United States is a federal Republic consisting of fifty states and almost four thousand local governments. The latest figures from the Statistical Abstract of the United States are: 3,031 counties; 19,522 municipalities; and 16,364 townships and towns, summing 38,917¹⁶ (Census Bureau of the United States 2013). Starling (2010) clarifies that each state capitals must, on average, manage relationships with 778 local government¹⁷. This numbers show the dimension of the USA Government and the challenges to be overcome.

The federal system in the United States divided the power between central government and regional government, which occurred over the years at different levels of the relationship between components of the federation. Starling (2010) believes that it is possible to divide the relationship in six periods. The first – called *dual federalism* (1789-1933) – the functions and responsibilities of the federal and state governments are separate and distinct. The New Deal changed this panorama. During the second period – entitled *cooperative federalism* (1933-1960) – the federal government created and centralized more the programs. One example was the Social Security Act of 1935.

¹³ Today, the President is limited to two four-year terms. Before the 22nd Amendment to the Constitution, a President could serve an unlimited number of terms (Franklin D. Roosevelt was elected President four times during 1932-1945). The President is not, in fact, directly elected by the people. The people elect the members of the Electoral College, after, the 538 elected point out the president.

¹⁴ In executive branch there are “Boards, Commissions, and Committees” and “Quasi-Official Agencies”. For example, we cite Commission of Fine Arts and Smithsonian Institution, respectively.

¹⁵ In some states, counties are divided into townships. Municipalities can be structured in many ways, depends the state constitutions. They are called, variously, townships, villages, boroughs, cities, or towns. Various kinds of districts also provide functions in local government outside county or municipal boundaries, such as school districts or fire protection districts. See www.whitehouse.gov/our-government.

¹⁶ Special districts and independent school districts [totalizing 50,087 - (Census Bureau of the United States 2013)] are excluded because they do only limited number of designated services and are authorized by state and local law.

¹⁷ The figures were actualized with Statistical Abstract of the United States 2012.

The national aid to state and local government had the great growth in the third period – *creative federalism* (1960-1968). The USA attends the most explosive progression in the number of programs (50 in 1961 to some 420 by the time Lyndon Johnson left office in 1968). The federal aid to states and localities doubled (US\$ 7.9 billion in fiscal year 1962 to US\$ 13 billion in fiscal year 1966).

The fourth period was denominated *new federalism* (1968-1980) because President Richard Nixon proposed revenue sharing. He created two types of grants: categorical grants (for example Food Stamps) and block grants (Housing and Community Development Block Grant). In the point of view of Starling (2010), Nixon gave more responsibility to the sub-national entities while at the same time providing increased resources for state and local governments to “do things”.

The fifth period was referred to by Starling as *new new federalism* (1980-1993). The Ronald Reagan administration began with the challenge to reduce the size and scope of government and creating an intergovernmental system that gave much greater prominence to states and localities. But the governors and mayors found that their jobs had become difficult because of constrained budgets (tax cut vs. new responsibilities) and unfunded mandates¹⁸ (Starling, 2010).

The last period was *the devolution* (1993-present). As a former governor, Bill Clinton wanted to reform federal-state relations. During his administration, the president and congressional republicans supported policies that delegated or devolved power to the states. Nevertheless, Clinton advocated targeting specific areas for decentralization. George W. Bush worked to grant more power to the states. However, as Starling (2010, 114) wrote, Bush sent mixed signals. The author gives some examples of which should be highlighted, such as “his support for expanding the role of the states in making and implementing welfare reform was countered by his intervention in public education to impose mandatory national testing on local systems.”

Despite the fact that the current Presidential administration is ongoing, the author also covers President Barack Obama. The main issue raised by the author is “urban policy” that is related not only to poverty, but is about making the economic investment in core cities and their suburbs. Obama is the first “big-city president” the United States has had for nearly a century, which helps to explain the significance of the urban orientation.

¹⁸ A requirement set forth by a governing agency that does not provide any type of funding to facilitate the requirement, see <http://www.businessdictionary.com>. For example, Aurora (CO) had to cut thousands of street curbs to make them wheelchair compatible (US\$ 1,500 apiece). Washington (DC) imposed the mandate without give money (Starling, 2010)

After this mapping of American federalism, this paper will characterize the politico-administrative regimes. Pollitt and Bouckaert (2011) did a study of politics and public administration with twelve countries, including the US¹⁹. They used five key features of public administration system. The first one refers to the degree of vertical dispersion of authority and horizontal coordination at central government level. For the authors, the United States is federal and fragmented. They present the distribution of general government expenditure and employment by level of government. In the USA 56.3% of spending occurred in central government in 2006, but in term of the employees the number is 13% (in Germany for example, the numbers are, respectively, 19.1% and 16.5%).

The second feature is the nature of the executive government. The authors use a typology developed by the comparativist political scientists²⁰. They utilize four criteria (single-party or bare majority; minimal-winning coalitions; minority cabinets; and oversized executives or grand coalitions) to analyze the power of executive branch. In relation to the nature of the executive government, the authors classified the US like a political system quite strongly majoritarian (one party cabinet for 89 per cent of the period 1945 – 1996).

The relations of minister and mandarin (high-level civil servants) are the third feature. The question is “what kind of ‘bargain’ of deal exists between top politician and top civil servant. About the USA Pollitt and Bouckaert (2011) define as extreme example of separate and very politicized relation. They use the expression ‘spoils system’ and indicate the number of political appointees grew 451 in the 1960 to 2,393 in 1992. The situation was described as ‘government’ of strangers²¹.

The fourth feature is the philosophy and culture of governance. The authors examine the ‘normal beliefs’ of administration. There are two models: *Rechtsstaat* model and ‘public interest’ model²². In the first perspective the state is a central integrating force within society. In this tradition, the legalist is an important aspect in the public administration. The second one the state is a less extensive or dominant role within society. The US, like other Anglo Saxon countries, is belongs the public interest culture.

¹⁹ The countries are: Australia, Belgium, Canada, Finland, France, Germany, Italy, Netherlands, New Zealand, Sweden, UK, and USA

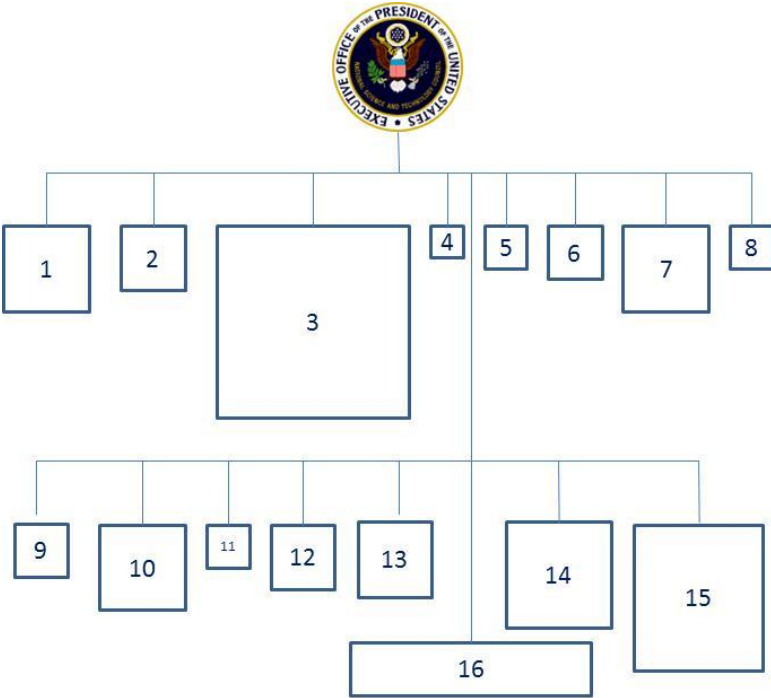
²⁰ Pollitt and Bouckraut (2011) cited Lijphart, A. (1984) *Democracies: patterns of majoritarian and consensus government in twenty-one countries*, London, Yale University Press and (1999) *Patterns of Democracy: Governance forms and performance in 36 countries*, New Haven, Yale University Press.

²¹ Expression coined by Hecl, H (1977) *A Government of Strangers*, Washington, DC, Brookings Institution and numbers based on the research Kettl, D et al. (1996) *Civil Service Reform: Building a Government that works*, Washington, DC, The Brookings Institution.

²² This classification is presented for Ongaro E. (2004) *Public Management Reform and Modernization: Trajectories of Administrative Change in Italy, France, Greece, Portugal and Spain*, Cheltenham and Northampton, Mass, Edward Elgar.

The last feature of the administrative system is the diversity of the key sources of advice to ministers on reform issues. Political executives could take management advice from a wide range of sources. The authors compare the USA and Germany. They consider that German diversity is low, because in preparing reforms, only public servants attended (and some academics). Otherwise, in the US, President Reagan called in teams of businessmen to advice about improving efficiency and cutting ‘waste’ (the most famous is the Grace Commission in 1982, when 2,000 people delivered 2,478 recommendations). They consider the USA to be very diverse, because in the reform there were political appointees, corporations, think tanks, and consultants.

In summary, the USA largely follows Anglo-Saxon tradition with respect to its politico-administrative practices and beliefs. The countries of this model are more open to the ‘performance driven’ philosophy, and the United States in the last 30 years has implemented several types of reform in this direction.



Source: Starling (2010) Notes: 1. Agriculture (106867 employees); 2. Commerce (56856); 3. Defense (772601); 4. Education (4452); 5. Energy (16145); 6. Health and Human Services (69839); 7. Homeland Security (183455); 8. Housing/Urban Development (9585); 9. Interior (70231); 10. Justice (117916); 11. Labor (17592); 12. State (39016); 13. Transportation (57972); 14. Treasury (110099); 15. Veterans Affairs (304665); 16. All independent establishments & gov. corp., except US Postal Service (194068);

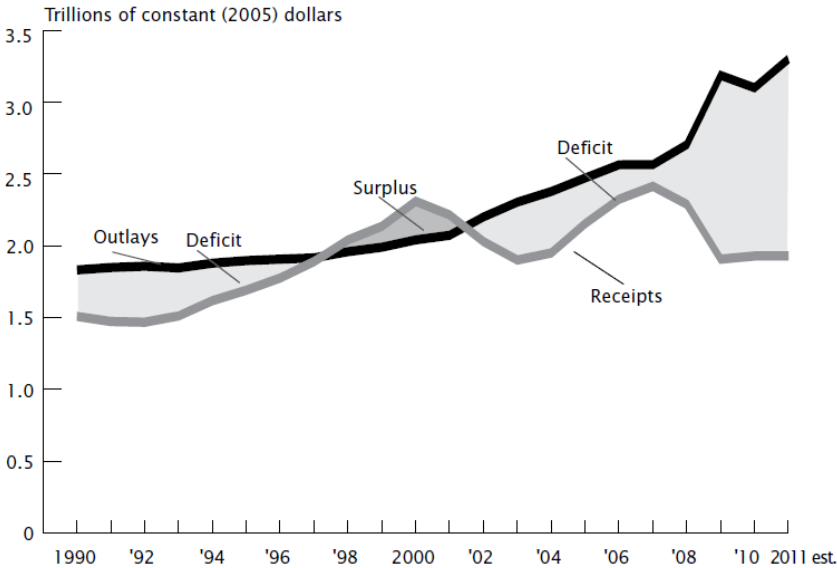
Figure 1 - Organization chart for the Federal Government

Nowadays, besides the President, the structure of executive branch includes the Vice President and the heads of 15 executive departments, like the Figure 1 above. The President also

has the Executive Office of the President (EOP), a set of offices which support the President’s efforts to govern effectively. These are: Council of Economic Advisers; Council on Environmental Quality; Executive Residence; National Security Staff; Office of Administration; Office of Management and Budget; Office of National Drug Control Policy; Office of Science and Technology Policy; Office of the United States Trade Representative; and Office of the Vice President.

According to the Statistical Abstract of the United States 2012, at the federal level, the US had 2,8 million employees working in government in 2010. The majority of them were in the executive branch (97.73%). The organization chart below show the department sizes. The three first departments are: Defense (772,601); Veterans Affairs (304,665); and Homeland Security (183,455)²³.

In terms of the public finance, as we showed in the Chapter 2, the United States Government adopted a series of improvements in the public budget over the last 45 years. Despite this, administrators continue to devote a great deal of time and energy to preparing the budget.



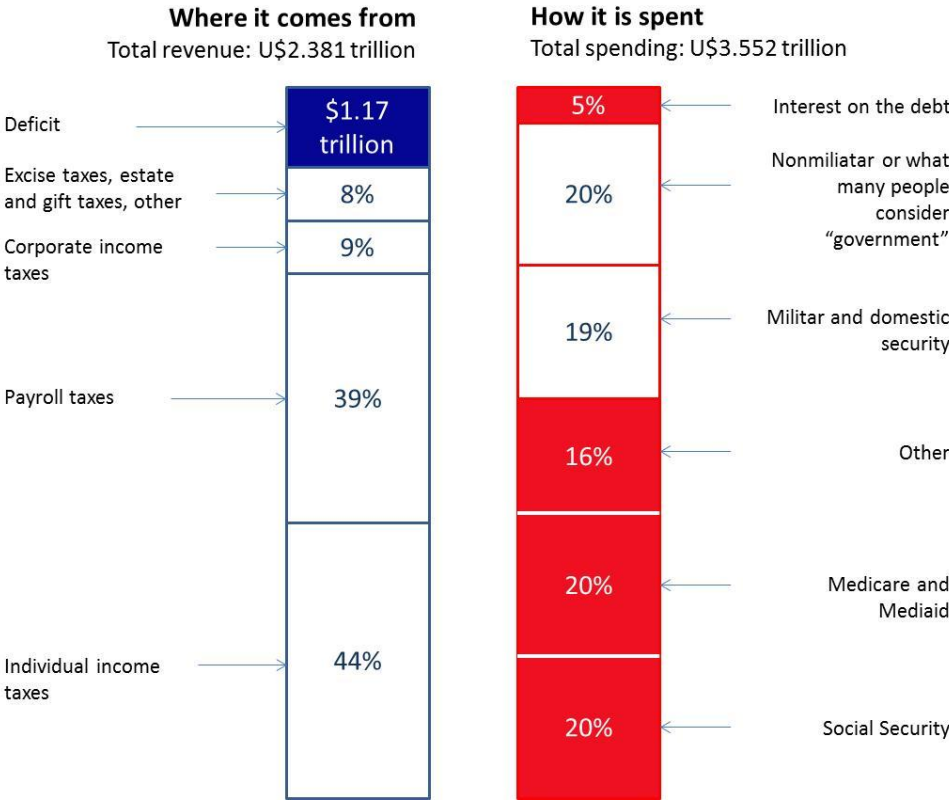
Source: U.S. Census Bureau, Statistical Abstract of the United States: 2012

Figure 2 - Federal Budget Summary: 1990 to 2011 (Receipts, outlays, and surplus or deficit)

After the Financial Crisis in 2007/2008, the worst in 60 years, the United States of America saw revenue fall and had to increase spending with measures to minimize the effects of the crisis. Figure 2 show the surplus in the begin of the 20th century and the deficit in the end of the 2010s.

²³ In the Appendix II, we show the figures of all departments during the years 1990, 2000, 2005, 2008, 2009, 2010.

As we observed in the previous figure, almost every year during the 21st century the United States had a deficit. Figure 3, below, shows the consolidation of revenue and expenditure of the federal budget of 2010. On the left are the sources of budgetary resources, the two largest sources of revenue were the Income Tax (US\$ 900 billion), and Payroll Tax (US\$ 800 billion). On the expenditure side, spending most significant were: Medicare/Medicaid (US\$ 750 billion), Social Security (US\$ 700 billion), and Defense (US\$ 690 billion).



Source: Starling (2010, 493)

Figure 3 - Breakdown of the Federal Budget, Fiscal Year 2010

The objective of this part is to present a brief panorama of the public administration of Brazil. It will be describe the foundation of the state and the main changes, especially the reform of the state in last 30 years. It will also present the structure of the Brazil Government.

3.4 – Public Administration in Brazil: a brief history

The objective of this part is to present a brief panorama of the public administration of Brazil. It will describe the foundation of the state, the main changes, especially the reform of the state in last 30 years. Also the structure of the Brazilian Government will be presented.

The constitution of the national state and the formation of Brazilian public administration occurred over the last 200 years, Costa (2008) believes it to be possible to divide this period in three big reforms, separated by intervals of thirty years — 1937, 1967, and 1995²⁴.

The origin of the state in Brazil is related with the arrived of the Royal Portuguese Family in 1808. Dom João VI was forced to flee to Brazil when Napoleon's troops invaded Iberian Peninsula. During the stay in Brazil, Dom João VI formalized the creation many institutions and public services, for example, The Bank of Brazil, The House of Currency and The National Library.

In 1821, D. João VI returned to Portugal and resumed political control of the Kingdom, leaving in his place his son Prince Dom Pedro I. After many conflicts, the Prince declared the Independence of Brazil in September 7th, 1822. In the end of 19th century, the Republic was proclaimed (1889) and in 1891 a new Constitution established the federalism and the presidential system.

Since 1930, the process of transformation of the state was accelerated. Costa (2008) pointed the Agrarian Brazil began to transform into industrial country. The new model started to be drawn from the crisis of 1929, when the government maintained a policy of buying surplus coffee (the main export product of the time). The Getúlio Vargas administration (Dictatorship 1930-45) adopted a series of changes concentrated in two areas: control mechanisms of the economic crisis and bureaucratic rationalization of public service. There were several new institutions, such as the Administrative Department of Public Service - DASP, who led the change process with its mission to define and implement the human resources policy²⁵.

The decade of 1960 was very agitated (restless) in Brazil. Political unrest caused by the reforms President João Goulart Administration (1961-64), the movements of the left and of the Catholic Church and conspiracy in the barracks provoke another military intervention in 1964 (Costa, 2008).

The Decree-Law n. ° 200/1967, established within the period military (1964-1985), contributed to the consolidation of management model for development in Brazil. The instrument has fixed principles, and established rules and concepts of administrative structure. The new concept of administrative structure was relied on the Weberian model of bureaucracy

²⁴ In fact, the author argues the trajectory that was initiated in 1808, when the Royal Family came to Brazil and the last reform happened in 1998, when was promulgated the Constitutional Amendment n. 19, which made many changed in Brazilian public administration.

²⁵ President Getúlio Vargas was deposed in 1945 and in 1946 a new constitution restoring the rule of law. Vargas back in January 1951, after election by direct vote with a frankly nationalist and reformist program, without, however, overcome the opposition of conservative forces countered, preferring suicide in 1954 to the resignation or deposition.

and civil service in the United States of America. However, according to Costa (2008), the reform failed essentially because of the political crisis of the regime.

The New Republic was established in 1985. One of the biggest issues was the state reform, however, the unfavorable economic environment made this topic a small subject. Costa (2008) noted the true reform was the enactment of the Constitution in 1988, since it has established a wide range of state intervention in economic law, amended the entry to public office, and reduced the repressive apparatus of the military and institutionalized instruments social policy.

The promulgation of the Constitution of 1988 amended the fiscal federalism, increasing decentralization of public policies. In 1985, the State Participation Fund (FPE) and the Municipalities Participation Fund (FPM) reached respectively 14% and 16% of federal revenues from taxes²⁶. In 1993, portions of these funds reached 21.5 and 22.5% (Almeida, 2005). However, the fiscal autonomy of subnational governments suffered a setback in early 2000 with the Fiscal Responsibility Law (Complementary Law n° 101/2000), that established greater control over spending, both with regard to spending the year as the loans.

In 1995, President Fernando Henrique Cardoso Administration launched The Main Plan for the Reform of the State (*Plano Diretor da Reforma do Aparelho do Estado*). The conceptual model of the Plan was based on three dimensions: types of property, types of public administration and levels of activity. As for the forms of ownership, beyond traditional public and private spheres, the plan is to establish the public not the state, when the property that does not belong to the state, should be managed respecting public interest. Regarding the level of activity, it was determined that the Plan would be four sectors: strategic, unique activities, exclusive services and production of goods and services to the market (Brazil, 1995).

Under the two terms of President Cardoso Administration (1995-2002) Brazil consolidated a significant number of reforms and policy initiatives in the public sector, notably macro-economic stabilization, trade liberalization and privatization (Gaetani, 2002). During this period, constitutional changes were approved and laws changed the characteristics of the federative model in the field of taxation, political and administrative reform of the state and in the social, as Table 1.

President Luiz Inácio Lula da Silva Administration (2003-2006 and 2007-2010) did not give similar emphasis, though it cannot be said too that no significant changes occurred, some of which had an impact on the functioning of public administration. The most significant example was the Program to Accelerate Growth (PAC – Programa de Aceleração do Crescimento in

²⁶ Share of federal revenues collected by the Union is passed on to the States, the Federal District and the municipalities. The apportionment of revenues from tax collection among federal entities is a fundamental mechanism to alleviate regional inequalities.

Portuguese). The program foresaw gather investments of US\$ 325 billion (approximately R\$ 650 billion – equivalent in *Reais* - Brazilian currency adopting the exchange of US\$ 1 equal to R\$ 2) in the period 2007-2010 (Brazil, 2010).

Table 1 - Set of structural changes in the Fernando Henrique Cardoso Administration

Tax	Political and Administrative Reform	Finance State	Social
Fiscal Stabilization Fund (and subsequent renewal by Untying Revenue), Social Contributions;	Constitutional Amendments n° 15/95 and 16/96, which made it more difficult to create municipalities and established reelection (EC n° 16);	Openness to competition and privatization in the areas of piped gas and telecommunications and various issues in public administration (EC no. 19/98); Retirement (EC no. 20/98) and Public Finance (Law Compl. n° 101/2000).	Fundef (EC n° 14/96), Amendment of Health "(EC n° 29/2000) and Fund for Combating and Eradicating Poverty (EC n° 31/2000).

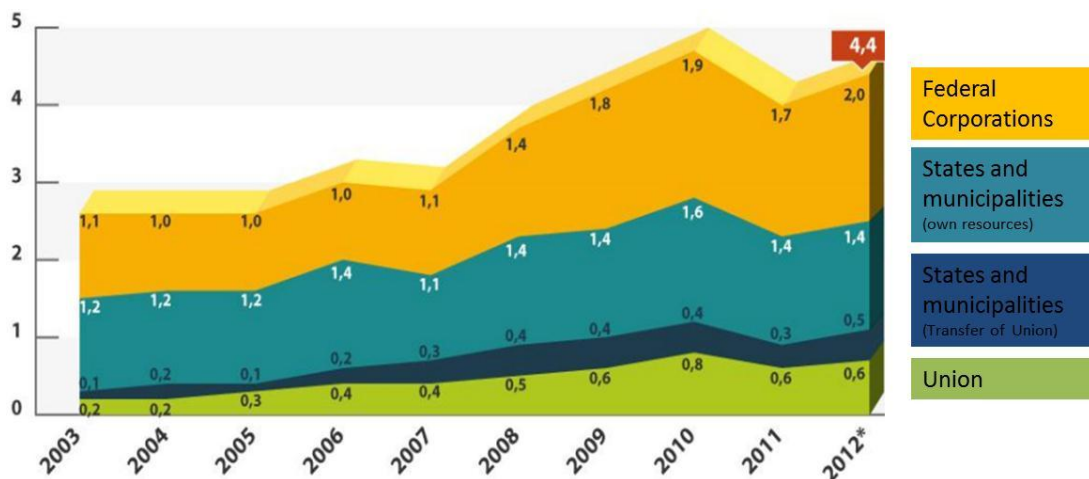
Source: elaboration of the author, based on information from Abrúcio (2005)

According to Melo Neto and Silva (2012) PAC was designed more as a system that would answer the demands to monitor and coordinate the implementation of the priority goals of the President. The Program selected priority projects and assured financial resources needed to implement and adopted a new management model, based on the use of 'situation rooms' and meetings with key actors with political and administrative power to make decisions that allow the timely implementation of policies.

The authors also point out that the PAC had to overcome some initial challenges for minimally organize the work process. It was also diagnosed at the time that there was a dismantling of the technical state, especially for engineering, permitting and execution of infrastructure works, occurred from the '80s. Another aspect was the side effect of measures to control inflation and balance of public accounts in the 90s. According to Melo Neto and Silva (2012) was the weakening of government areas facing the delivery of public goods and services to society and strengthening areas responsible for fiscal adjustment, privatization, control and creating rules to curb public spending.

In fact, the public sector investment had a increase in the last few years. The Figure 4 show the new baseline after 2007, therefor after the PAC. The growth may be explained by the new level investment of the Federal Corporations.

At the same time, the principal issue of the Lula Administration was the social policy. It was created by the *Bolsa Família*, a cash transfer program that transferred income to more than 40 million Brazilians. The federal government increased the minimum wage above the inflation (US\$ 84 in January/2003 to US\$ 286 in December/2009) and the resources for the family agriculture (seven times in eight years). With these improvements almost 20 million Brazilians left social exclusion to join the so called Brazilian “new middle class”.



Source: Ministério da Fazenda (2013), Note: 2012 is a projection.

Figure 4 - Public Sector Investment (% of GDP)

Even without enough historical distance, it is worth mentioning some of the most relevant aspects of the Dilma Rousseff administration, started on 1/1/2011. During the first 12 months seven ministers left the government, six by allegations of involvement in irregularities. Early in the second year of office, President Dilma announced measures to undertake greater dynamism within the Federal Administration, through the establishment of assessment tools and real-time monitoring of the priority programs of the government. For example, it was created the Board of Management Policies, Performance and Competitiveness (Decreto 7487 2011). Among the first discussions of the Board are highlighted to develop a methodology that expands the government's ability to monitor and evaluate program priorities and the discussion of the Brazilian airport sector and the challenges of the concession of the airports in the long term.

3.5 – Politico-administrative system in Brazil

Brazil is a Federal Republic. Like the United States of America, Brazil has three branches and three governmental levels. The Brazilian economy is the world's seventh largest by nominal GDP (same position by purchasing power parity, as of 2012).

Like the US, Brazil has two houses in the legislative branch. The Senate has 81 senators (three from each state). Beyond the legislative functions of a more general character, senators are responsible to effect the legal proceeding and trial of the President for crime of malversation; authorize foreign transactions of a financial nature; to establish total limits for the entire amount of the consolidated debt of the Union; and so on.

The Camara Federal is formed by 513 members. The principal function of the Camara is to discuss and approve proposals concerning economic and social areas such as education,

health, transport, housing, among others, without neglecting the right use, the Powers of the Union, and the population of the funds raised to pay taxes²⁷.

The Supreme Federal Court (STC) is the head of the judicial branch in the Brazil. Its main role is to guard and interpret the Constitution. The SFC also is “responsible for deciding matters related to the Constitution or about which there is doubt or controversy through special legal actions that work as instruments to evaluate the constitutionality of laws and matters” (Supreme Federal Court, 2013)²⁸.

The executive branch is exercised by the president of the republic, assisted by the Ministers of state. The leader of the executive combines the position of head of state and government. The term of office of the president of the republic is four years²⁹. The executive branch acts to implement government programs and policies, the structure of government is formed by direct administration bodies such as ministries, and indirect, such as public corporations.

In every state and municipality, the executive branch is headed by a governor or mayor, who is directly elected by the people. Brazil has 26 states and a Federal District. In the local level, there are 5,564 municipalities. Using the same method of Starling (2010), each state capitals must, on average, manage relationships with 214 local governments. This figure is less than the United States, but shows in the same way the dimension and complexity of the public administration in the Brazil.

According to Abrúcio (2005), serious imbalances between levels of government marked federalism in Brazil over the 120 years of the republic. The *centrifugal model* predominated during the initial period of Old Republic (1889-1929). In this phase, the states had broad autonomy, but little cooperation between them and a very weak federal government. In *Vargas Era* (1930-1945), the national state was strengthened, but state governments lost their autonomy.

The period from 1946-1964 was the first time for more *balance* in our federation, both from the point of view of the relationship between the spheres of power as democratic practice. During the military dictatorship (1964-1985) the federal government concentrated power excessively. The period, called *unionist-authoritarian model*, was marked by great political, administrative and financial centralization.

²⁷ All 26 states and the Federal District have legislatures made up of elected representatives. The same way, all of 5.564 municipalities have legislative branch.

²⁸ The STC is composed by eleven Justices, chosen among native Brazilian citizens. The Judiciary System in Brazil has also: Superior Court of Justice (Brazilian courts to causes infra-constitutional), Superior Electoral Court, Superior Labor Court and Superior Military Court. In the state level Brazil has the State Court and State Judge.

²⁹ After the amendment nº 16, 1997 the president of the republic, the state and federal district Governors, the Mayors and those who have succeeded or replaced them during their terms of office may be reelected for only one subsequent term.

As a result of the democratization process, a new model arose: federalism *estadualista* (*strong state level*). In this phase, after gubernatorial elections in 1982, a new federalism was born in Brazil. It was the result of the union between democratic decentralization forces with traditional regional groups who took advantage of the weakening of the federal government” (Abrúcio, 2005, 46).

The situation only began to be reversed in 1994, with the stabilization of the economy and the adoption of a new financial management model. Other relevant events occurred in the year 2000 with the enactment of the Fiscal Responsibility Law - LRF (Abrúcio 2005). This Law mandates that all administrators have to obey the principles of balancing public accounts, budget and financial management accountable, efficient and effective, especially transparent. This phase, called the *federative coordination* comprises the period from 1994 to the present day. According to Abrúcio (2005), the main mechanisms of this new phase were: combating inflation and its settlement of federal funds to other federal entities; association of state reform goals, such as adjusting fiscal and administrative modernization, with decentralization; conditioning the transfer of resources to society participation in local management; and adoption of policies distribution.

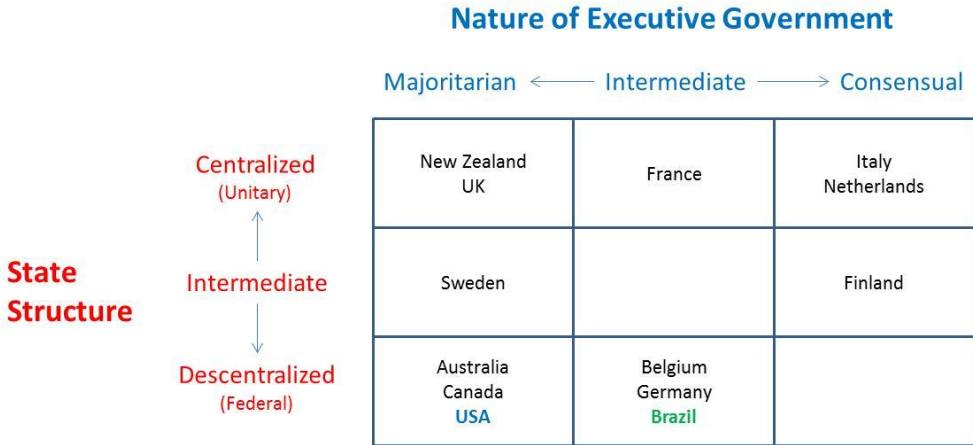
Using the same model built by Pollitt and Bouckaert (2011), the next step is characterization of the public administration system of Brazil. They used five key features of public administration system: degree of vertical dispersion of authority and horizontal coordination at central government level; nature of executive government; the relations of minister and mandarin (high-level civil servants); philosophy and culture of governance; and diversity of the key sources of advice to ministers on reform issues.

In terms of the vertical dispersion of authority and horizontal coordination at central government level, Brazil is similar the USA (federal and fragmented). The total federal tax revenue was 66% in 2009 (IBGE 2011) and the total of employees was 16% in central government in 2009 (Pessoa, et al. 2009).

The second feature is the nature of executive government, that compares single-party or bare majority; minimal-winning coalitions; minority cabinets; and oversized executives or grand coalitions. Brazil has a minimal-winning coalition.

According to Pollitt and Bouckaert (2011, 55) “these first two features – state structure and the nature of executive government – combine to exercise a very significant influence on the speed and scope of public management reform”. The Table 5 shows the features together and reveals similarities in the groupings and timing of reforms. The Brazil can be inserted into the quadrant located at the bottom and in the middle, together with Germany and Belgium.

Considering the large amount of the parties the president needs to assemble a group of coalition to govern.



Source: Pollitt and Bouckaert (2011, 55) from Loosely and Lijphart (1984 and 1999).

Following the model, the author put Brazil

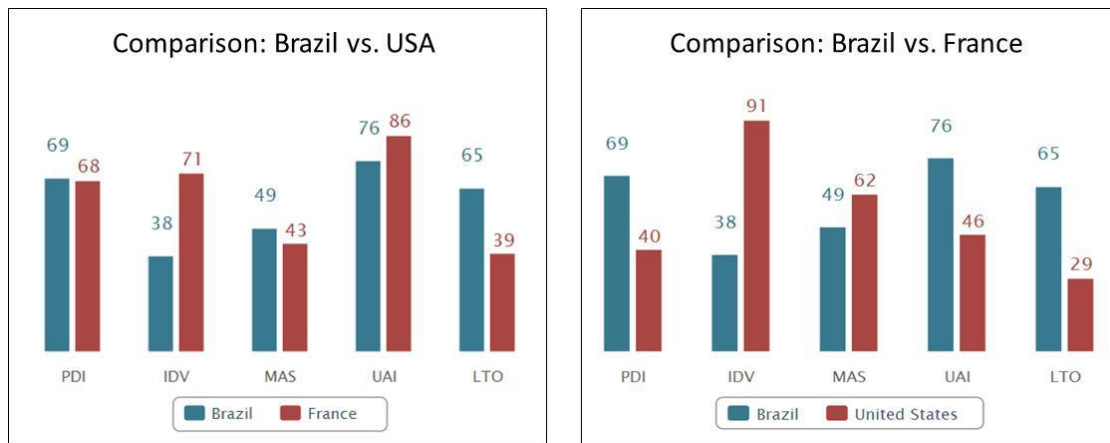
Figure 5 - State structure and the nature of executive government

The third feature is the relationship between the ministers and the high-level civil servants. Brazil can also be defined as separate and very politicized.

The model of the authors divided in two types of administration: *Rechtsstaat* and ‘public interest’. This is the fourth feature of the model called philosophy and culture of governance. Brazil in this case is different from the USA, and can be considered a predominantly *Rechtsstaat*, following a legalist tradition, like France. In Figure 6, Brazil is compared with the two countries mentioned.

The classification utilized the model of Hofstede³⁰: power distance, uncertainty avoidance, individualism/collectivism, masculinity/femininity, and long-/short-term orientation. For example, according to the model, Brazil has a score of 69 in terms of the power distance. It reflects, according to the model, a society that believes hierarchy should be respected and inequalities amongst people are acceptable. With respect to Uncertainty avoidance, Brazil has a high score (76). These societies show a strong need for rules and elaborate legal systems in order to structure life.

³⁰ The original source is Hofstede, G. (2001) *Culture Consequences*, Thousand Oaks, Sage Publications, who work primarily with 91 countries. The concepts are: Power (PDI) – the extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally. Individualism (IDV) – the degree of interdependence a society maintains among its members. Masculinity / Femininity (MAS) – The fundamental issue here is what motivates people, wanting to be the best (masculine) or liking what you do (feminine). Uncertainty avoidance (UAI) – The extent to which the members of a culture feel threatened by ambiguous or unknown situations and have created beliefs and institutions that try to avoid these; Long term orientation (LDO) – The extent to which a society shows a pragmatic future-oriented perspective rather than a conventional historical short-term point of view.



Source: The Hofstade Center (2013)

Figure 6 - National Culture – Hofstade Model

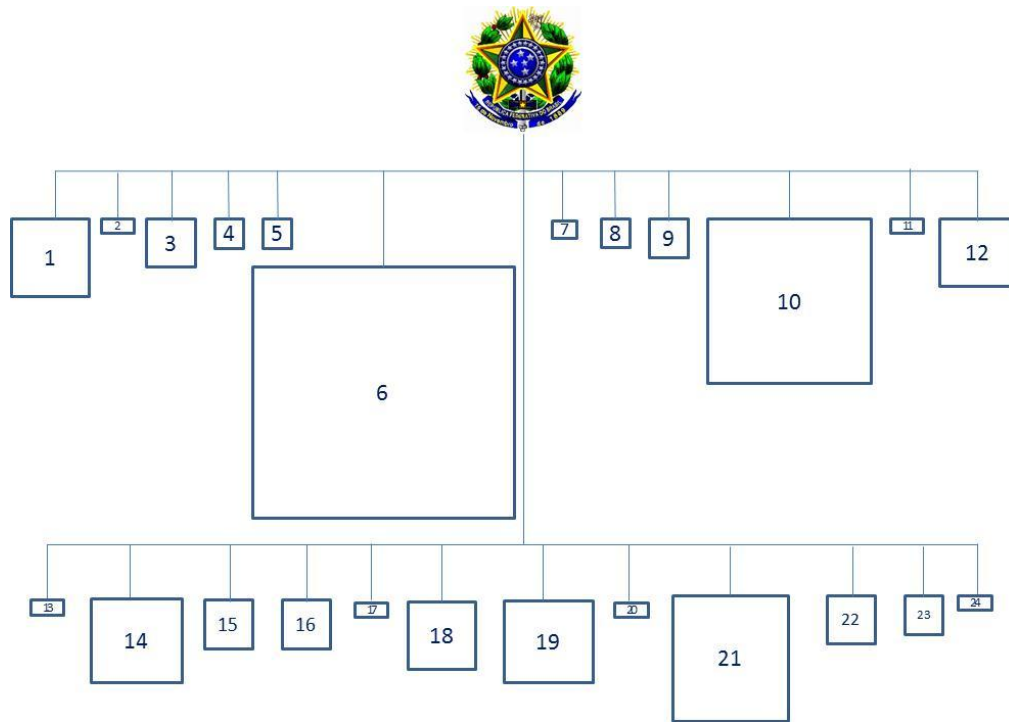
The last feature of the administrative system is the diversity of the key sources of advice to ministers on reform issues. Using the same model of Pollitt and Bouckaert (2011), Brazil can be considered diverse, because in the reform there were civil servants, academics, corporations, and consultants.

The structure of federal government in the Brazil is bigger than the USA. Besides the President, the structure of executive branch includes the Vice President and the heads of 24 executive ministries: Agrarian Development; Agriculture, Livestock and Supply; Aquaculture; Cities; Communications; Culture; Defense; Development, Industry and Foreign Trade; Education; Environment; Finance; Foreign Affairs; Health; Justice; Labor and Employment; Mines and Energy; National Integration; Planning and Budget; Science, Technology and Innovation; Social Development and Fight Against Hunger; Social Welfare; Sports; Tourism; and Transport.

Linked directly to the President, there are also other organizational units in the structure, the holders of which have the status of ministers: Civil House; Attorney General's Office; Comptroller General of the Union; Central Bank of Brazil; Strategic Affairs; Civil Aviation; Social Communication; Human Rights; Policies to Promote Racial Equality; Policies for Women; Ports; Institutional Relations; General Secretariat; and Institutional Security Cabinet.

According to the Statistical Bulletin staff at the Ministry of Planning of Brazil, at the end of 2012 the federal level had 1.13 million employees working in government. The majority of them were in the executive branch (88.42%). The organization chart below show the department sizes. The three first ministries are: Defense (373,729); Education (238,335); and Healthy (97,789)³¹.

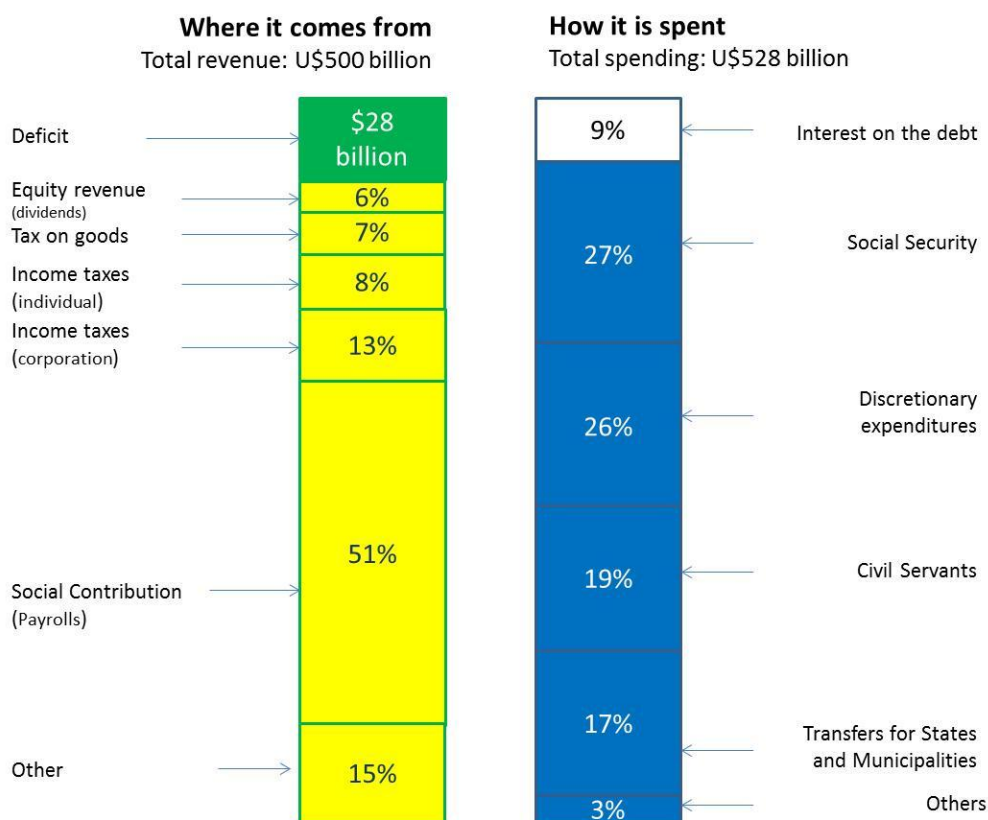
³¹ In the Appendix III we show the figures of all ministries during the years 2005 - 2012.



Source: Adaptation of Starling (2010) – Notes: 1. Agriculture, Livestock and Supply (11314 employees); 2. Cities (519); 3. Science, Technology and Innovation (6889); 4. Communications (2271); 5. Culture (3612); 6. Defense (373729); 7. Social Develop & Fight Against Hunger (808); 8. Development, Industry & Foreign Trade (3159); 9. Agrarian Development (6089); 10. Education (238335); 11. Sports (389); 12. Finance (33292) 13. National Integration (2871); 14. Justice (31497); 15. Environment (8865); 16. Mines and Energy (3385); 17. Aquaculture (594); 18. Planning and Budget (14490); 19. Social Welfare (38906); 20. Foreign Affairs (3619); 21. Health (97789); 22. Labour and Employment (8650); 23. Transport (6002); 24. Tourism (554)

Figure 7 – Organization chart for the Federal Government

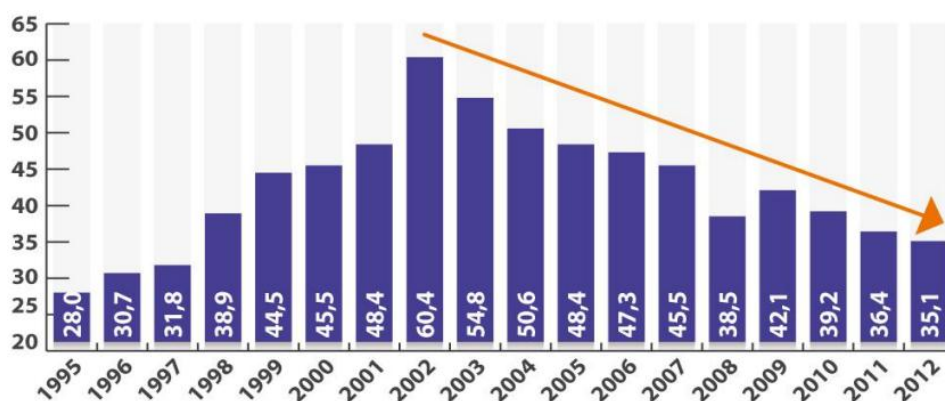
Figure 8 below shows the consolidation of revenue and expenditure of the federal budget of 2011. On the left are the sources of budgetary resources, the three largest sources of revenue were the Social Security - Payroll (US\$ 260 billion), Income Taxes – Corporation (US\$ 65 billion), and Income Taxes – Individual (US\$ 40 billion). On the expenditure side, spending most significant were: Social Security (US\$ 210 billion), Discretionary expenditures (US\$ 125 billion), and Civil Servants (US\$ 100 billion). The expenditures with military servants are almost 15%, although the number of ministers of the Defense represents 33% of the total of employees in the federal government.



Source: elaboration of the author, based on design from Starling (2010) and the information from Presidência da República (2012, 149 and 180-205)^{32,33}

Figure 8 - Breakdown of the Federal Budget, Fiscal Year 2011

Figure 9 shows the ratio of debt-to-GDP in Brazil in the last 18 years. Between the years 2007-2008 was the biggest drop. In the next two years there was a slight reversal due to the crisis of 2008, but then the curve followed the declining trend.



Source: Ministério da Fazenda (2013), based on information of Central Bank and Finance Ministry. 2012 is projection. Note: The series prior to 2002 includes Petrobras and Eletrobras.

Figure 9 - Public sector net debt (% of GDP)

³² The exchange rate used was US\$ 1.00 / R\$ 2.00. The income taxes were separated: individual (over work and over equity) corporation (over capital and legal person). Discretionary expenditures are “Outras Despesas Correntes e de Capital” and Interest on the debt is “C.Resultado Fiscal”.

³³ Does not consider the annual federal debt roll over (in Portuguese Refinanciamento da Dívida Pública), estimated in US\$ 240 billion.

These descriptions of the United States and Brazil had the objective of making a panorama about the two countries - the similarities, differences and peculiarities. From this scenario, the next chapter will make it possible to identify the context in which the institutions of audit and evaluation are included.

4 – How audit and evaluation together can improve the public administration

Success is simple. Do what's right, the right way, at the right time.

Arnold H. Glasow

As it was possible to see above, currently there are many demands for accountability and transparency in public administration. In fact, most everybody everywhere wants good results in public policy. The elected officials, oversight agencies, and citizens want to know what value is provided to the public by the programs they fund. The evaluation and audit philosophies have an important role to fulfill. The question is “how they together can improve the public administration?”

In this chapter we try to answer this question. In order to do this, the first part of this chapter presents a short overview of the concepts and controversies regarding the two disciplines. In the second part, the goal is to present the structures, mandates and strategic goals of the bodies responsible for performance audit and program evaluation in the US and Brazil.

At the end of the chapter, the paper presents why and how performance audit and program evaluation should work together to achieve more and better results. After conducting eight semi-structured interviews, we see the opinions of the American and Brazilian officials, especially about the interactions and the challenges of the performance audit and program evaluation.

4.1 – Performance Audit and Program Evaluation

There are many themes to cover in terms the performance audit and program evaluation. It is possible to study the roles and models, concepts, kind of changes, challenges, and so on. But it is impossible to do so for the purpose of this paper. This section aims to give a general overview about the two topics.

4.1.1 – Accountability for learning

The first issue is the conceptions and the distinctions of the performance audit and program evaluation. Barzelay (1997) conducted one of the first investigations on performance auditing in thirteen Organisation for Economic Co-operation and Development (OECD) countries components. The work promoted comparisons, revealed differences and caused controversies that raise debates.

Initially, the author developed a model with five dimensions which identifies differences between traditional auditing, performance auditing and program evaluation (Table 2). The first two dimensions are the images about government and about “good functioning”. Because of the place of the specialists in the technocracy, there are some variations in the criteria that are used

by the author. In the third dimension Barzelay states that the goal of a performance audit is to “contribute to the operation of politico-administrative processes through which accountability for performance is structured, incentivized, and enforced” (Barzelay, 240).

Table 2 - Comparison traditional auditing, performance “auditing” and program evaluation

	Image of Government	Image of good functioning	Primary goals of review	Dominant mode of review	Role of reviewer
Traditional auditing	Machine Bureaucracy	Transactions and task-performance effectively regulated by systems	Compliance accountability	Auditing	Verify information; find mismatches; infer consequences; report findings
Performance “auditing”	Value-chain: inputs, process, outputs, outcomes (plus other shema)	Organizational and production practices are optimized	Performance accountability	Inspection	Evaluate aspects of programs and organizations involved; report findings
Program evaluation	Government-steered interventions intended to ameliorate collective problems	Programs achieve goals; public policies improve collective well-being	Providing true and useful feedback on policy and program effectiveness	Research	Evaluate effectiveness of interventions or measure impact of disjointed interventions on collective problems

Source: Barzelay (1997, 238)

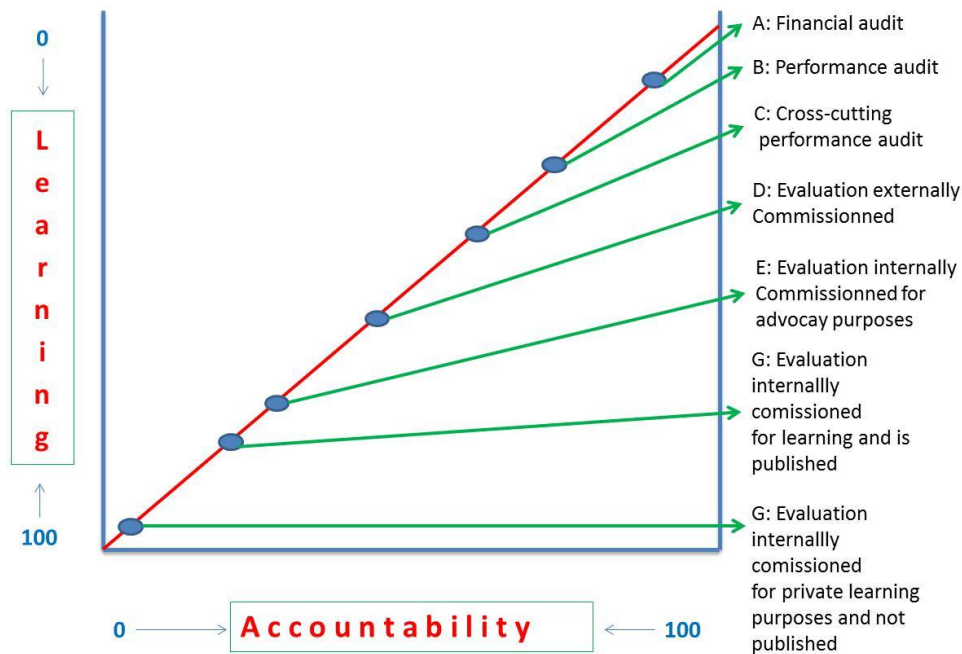
At the fourth dimension, the author believes that dominant mode of review in program evaluation “involves designing and executing research strategies for making valid, reliable, and unbiased descriptive inferences about aggregate conditions and causal inferences about effects” (Barzelay, 240). Regarding the role of the reviewer, the author points out the difference between performance auditor and evaluator may primarily be a judgment about whether means are aligned with goals and constraints.

Barzelay uses quotation marks in the term "auditing" on the grounds that the term auditing of performance does not mean a subtype audit, but a branch of evaluation. He believes that the designation is incorrect because the performance audit does not share the essential elements of traditional auditing. The traditional audit is to verify information. Performance auditors exercise judgments and Barzelay argues that other authors have already argued in the same line of reasoning (Chelimsky 1985 and Rist 1989).

This argument is contested by Summa (1999). She comments that “it is hard to see how the professional community of auditors could agree with this reasoning, and there are also academic grounds for treating it cautiously” (Summa, 1999, 14). For the author, the traditional core of audit work may also be seen as a judgmental activity, because giving a ‘true and fair statement’ obviously requires an exercise of judgment. Moreover, notions of compliance play an

important part in many performance audits. At last, Summa (1999) argues that the vocabulary and practices of performance auditing are evolving.

The evaluative and audit activities have many characteristics in common, at the same time there many differences. Bemelmans-Videc and Lonsdale (2007) presented a model which combines two important effects these activities in the organizations and programs: learning and accountability. Figure 10 shows the two effects in the same graphic. In a nutshell, the audit work is characterized by a greater stress on accountability and evaluation scoring higher on learning.



Source: Bemelmans-Videc and Lonsdale (2007, 13)

Figure 10 - Effect's combination in the evaluative and audit activities

The financial audit occupies the most extreme case in terms of greater accountability and less impact on learning. Alternatively, the evaluation internally commissioned for private learning purposes and not published is the opposite case – less accountability and greater learning.

Although accountability is the main purpose, the report of the performance audit includes recommendations for improvements based on demonstration of weaknesses. According to Bemelmans-Videc and Lonsdale (2007), the cross-cutting or thematic performance audits have been increasing the focus on learning. Furthermore the authors consider that the evaluations rarely talk about sanctions and tend to focus on program performance.

As these characteristics above illustrate, professionals need to improve both skills. The auditors need to do a better job of reflecting and supporting learning. Likewise the evaluators can have a major role with respect to accountability even if a different type of accountability

provided by auditors. In other words, Perrin, Bemelmans-Videc and Lonsdale (2007) conclude that accountability and learning can not be viewed as polar opposites. They proposed a vision of accountability calls for “accountability for learning”.

4.1.2 – Performance Audit

Then what is the performance audit? Furubo (2011, 23) tells an anecdote:

If we ask a performance-auditing function in an Audit Institution what they do, they will answer ‘performance auditing’. And if we ask what performance auditing is, they will answer: ‘It is what we do’.

The same author defines performance audit as:

An evaluative activity which produces assessments regarding performance, or information about performance, of such a reliable degree and with such a freedom from investigatory and reporting constraints, that they can be used in the realm of accountability (Furubo, 2011, 43).

In this section I will present performance audit concepts, a survey about impact in performance audit, and the principal characteristics of the profession.

Concepts

What methods do the performance auditors use? This question is vital to understand the environment, the products and the impacts of this kind of activity. But the methods are constantly evolving; they are becoming more sophisticated and they are outward looking and fairly eclectic in their choice of methods. Analyzing the reports and interview with officials in the UK, Sweden, France, the Netherlands and Finland), Lonsdale (1999) identified five conclusions about the methods:

- There has been a tendency to employ a slightly wider range of methods in the most recent period;
- Despite these developments, the institutions continue to rely heavily on document examination and interview evidence in their work;
- There are signs of increased consultation with user and providers of public services;
- Where they have branched out beyond more traditional audit methods, institutions appear to have drawn primarily from the social sciences, rather than other fields such as statistics;
- Although there has been growing interest in forms of benchmarking, there has been only limited use of international comparisons (Lonsdale 1999, 133).

There are many kinds of output in the world of performance audit: summaries, handbooks, newsletters, information brochures, memoranda, notes, seminar papers, and annual reports. Waerness (1999, 149) defines output as information directed towards one or more external audiences and are the result of the institutions performance audit work.

But then again, the impact is most important for the purpose of this paper. The impact means “the direct and indirect effect or influence that an institution of audit can have on the practices, performance, and culture of the audited entity as a result of its performance audit work” (Lonsdale, 1999, 171). However, an impact can thus take various forms. It can take place during the evaluation, or shortly after the communication, or can also be felt a long time later.

Loocke and Put (2011) believe the impact is not always measurable, because of the long elapsed time and the complicated causal pathway between the audit and the impact. They also

believe an audit/evaluation can have an impact that is desired or not desired by the evaluator. Based on these concepts, the authors designed the framework presented in the Table 3.

Table 3 - Types of impact of performance audits

Type of impact	Effect of a performance audit	Time	Measurability
Instrumental	Anticipation on the outcomes	During	Good
	Acceptance of recommendations	ST	Good
	Implementation of recommendations	ST, MT to LT	Reasonable
	Changes not directly subsequent to the recommendations and side effects	ST to LT	Difficult
Conceptual	Learning process and change in mental or intellectual frames	From process to LT	Difficult
Interactive	Consultation and negotiation between stakeholders	From process to MT	Difficult
	Impact on other 'knowledge generators'	From process to LT	Difficult
Political-legitimizing	Media interest	ST	Good
	Interest form parliament	ST	Good
Tactical	Impact on a changing or decision making process	During the process and LT	Reasonable

Notes: ST, MT, LT mean respectively short term, medium term, long term

Source: Loocke and Put (2011, 182-183)

Utilizing this framework and analyzing the impact performance auditing, Loocke and Put (2011) concluded that nine out of the 10 publications, the impact is described as instrumental³⁴. In the majority (six) the effect of a performance audit is about changes achieved, for example: remedy malfunctions, time interval between funding and setting right malfunction, change resulting form audit, influence on management practices. In three cases the effect is conceptual. These publications operationalized as follows: change in frames, debate in audited entity and learning effects. None of the studies paid attention to anticipative use of auditing findings during the audit, which is also a form of instrumental use.

In Balbe (2010) I presented the main work processes of the Internal Control agency of the Federal Executive Branch in Brazil from 1998 to 2009 and its performance outcomes. After clarifying the current strategic direction, product, outcomes, I concluded one in every four works carried out by an audit institution had a positive impact on the Brazilian public administration (Balbe 2010)³⁵. More recently, Reis (2012) based in the experiences of Council of the Inspectors

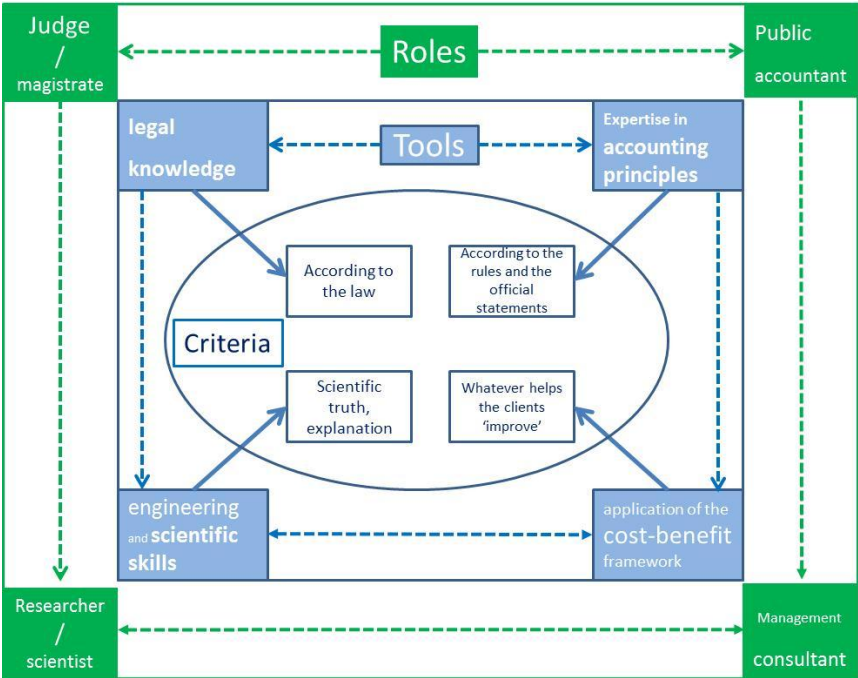
³⁴ In fact, the author analyzes 14 studies, but three is not examined in term of audits, they focus in the organization and the institutions overall functioning. One other does not operationalized the notion of impact. The studies are: Alon (2007) – Israel; Blume & Voigt (2007) – comparison countries; Brow (1980) the United States; De Vries (2000) – Netherlands; Etverk (2002) – Estonia; Etverk (2002) – perception of auditor; Hatherly & Parker (1988) – Australia; Ingraham & Moynihan (2001) - the United States; Johnston (1988) - the United States GAO; Lapsley & Pong (2000) – UK; Milgrom & Schwartz (2008) – Israel; Morin (2001) – Canada OAG; Morin (2004/2008) – Canada; Schelker (2007) - the United States; and Van Der Meer (1999) – The Netherlands.

³⁵ This work utilized the annual reports of activities to consolidate the outcomes of the Internal Control. The general conclusion confirmed the hypothesis that the Internal Control is helping to improve the management of public resources. There were 1281 records observations of problems in the formulation, implementation and evaluation of public policies. After the consolidation and analysis 360 cases was considered outcomes (positive impacts).

General on Integrity and Efficiency (CIGIE), the U.S. Government Accountability Office and the U.K. National Audit Office, presents a Performance Measurement Framework designed for CGU’s context. More about Brazilian experience in the Section 4.3.1.

Multi-role professional

Finally, the audit institutions are beginning to be recognized as useful and efficient. Nevertheless, beneath this apparent maturity, the audit still carries some of the unresolved problems of its youth. One of them is the identity. Pollitt (1999) created a identity’s framework of performance auditor. He wrote that four diferent roles (judges/magistrates, public accountants, researchers/scientists, management consultant/improvers) are the ‘ideal type’ or ‘polar extreme’. None of the five institutions studied by the author is a pure example of a single role; all are mixture. In the Figure 11, we adapted these role and criteria and put together the principal tools of the professionals.



Source: Elaboration of the author, based on Pollitt (1999, 210)
Figure 11- Identity’s framework of performance auditor

The role of *judge or magistrate* carries with it the assumption that the prime focus of the auditor is on the compliance of the actions of public bodies with the law. Otherwise, the role of auditor as *public accountant* has the focus on transparency, and on the processes of openness and publication by which transparency can be brought about.

The role of *researcher/scientist* is a more recent addition to the range of self-image for auditor. The emphasis is on scientific standards of procedure and method, and on the generation of new knowledge.

The role of *management consultant* also represents new to the world of audit institutions, nonetheless in this role scientific niceties and transparency are less than improvement in the management of public agencies (Pollitt 1999).

In any event, these are the basic characteristics of performance auditing and professionals who works in this area. Further, this paper will present the essential concepts of program evaluation and some key steps to carry out the work.

4.1.3 – Program Evaluation

Similarly to the previous section, this work presents concepts, typologies, and the essential framework for the implementation of the program evaluation, called Logic Model.

Concepts

Before entering the actual discussion of program evaluation, it is important to check the root of the matter linked to the word evaluate. "Evaluation" in the more general conception means forming an idea, get a number, and more simplified measure. Or in a more sophisticated terms “a structure process that creates and synthesize information intended to reduce the level of uncertainty for stakeholders about a given program or policy” (McDavid and Hawthorn 2006).

According to Wholey, Hatry and Newcomer (2010) program evaluation is the application of systematic methods to address questions about program operations and results. The methods are based on social science research methodologies and professional standards and provide “processes and tools that agencies of all kinds can apply to obtain valid, reliable, and credible data to address a variety of questions about the performance of public and nonprofit programs”.

By way of the relationship between program evaluation and performance measurement McDavid and Hawthorn (2006) believe in the integration of two disciplines in the same grounding with the same tools and methods³⁶. They argue performance approach as complementary to program evaluation, and not a replacement for evaluations. The performance management cycle includes an interactive planning-implementation-evaluation. In this framework “evaluation program and performance measurement play important roles as ways of providing information to decision makers who are engaged in managing organizations to achieve results” (McDavid and Hawthorn 2006, 6).

In the United States there is the American Evaluation Association which published the “Guiding Principles for Evaluators”. The purpose of this document of guiding principles is to

³⁶ McDavid and Hawthorn (2006) clarify there is controversial among evaluation expertise that profession embrace performance measurement [Bernstein, D (1999). Comments on Perrin’s effective use and misuse of performance measurement. *American Journal of Evaluation*, 20(1), 85-93]. Others are skeptical that believe performance measurement is really just an aspect of organizational management [Perrin, B (1998). Effective use and misuse of performance measurement. *American Journal of Evaluation*. 19(3), 367-379].

foster continuing development of the profession of evaluation. The five principles are not independent, but overlap in many ways. The principles are:

- A. Systematic Inquiry: Evaluators conduct systematic, data-based inquiries;
- B. Competence: Evaluators provide competent performance to stakeholders;
- C. Integrity/Honesty: Evaluators display honesty and integrity in their own behavior, and attempt to ensure the honesty and integrity of the entire evaluation process;
- D. Respect for People: Evaluators respect the security, dignity and self-worth of respondents, program participants, clients, and other evaluation stakeholders;
- E. Responsibilities for General and Public Welfare: Evaluators articulate and take into account the diversity of general and public interests and values that may be related to the evaluation (American Evaluation Association 2013).

Select the program

The first big step in program evaluation is to select the program. What criteria can guide choices? Wholey, Hatry and Newcomer (2010) recommend that five basic questions be asked when any program is being considered for evaluation or monitoring:

- Can the results of the evaluation influence decisions about the program?
- Can the evaluation be done in time to be useful?
- Is the program significant enough to merit evaluation?
- Is program performance viewed as problematic?
- Where is the program in its development?

The authors warn that the information of the evaluation is useful and can be arranged in time. The questions above are fundamental to the success of the work. The evaluators must bear in mind that the “evaluation findings and performance data may be used to justify decisions to cut, maintain, or expand programs” (Wholey, Hatry and Newcomer 2010, 5). In fact these questions and the work during the discussion demonstrated the importance of planning. Then at this stage the evaluator may find it more difficult because there is a very large variety of possibilities. Therefore beginning the journey of evaluation requires reflection, interaction and involvement of many actors with different points of view.

Type of evaluation

After answering the five questions, the evaluator needs to select the type of evaluation. Establishing a concept is not really complicated, however the same cannot be said for classification. There are many types and subtypes of program evaluation. The Figure 12 present evaluation approach that is appropriate given the intended use.



Source: Wholey, Hatry and Newcomer (2010)

Figure 12 – Appropriate evaluation approach

The first choice is about the appropriate moment to do the evaluation. It is possible to improve the way a program is delivered or to measure program outcomes and impacts during ongoing operations or after program completion. The other choice is timing of the evaluation. It is possible to use a one-shot study or one set of outcomes to an ongoing assessment system.

Yet the choices are not always such distinct paths. You can choose a middle path, as in the case of mixed-method approaches in evaluation are very common. In this method the evaluator uses both qualitative and quantitative data, for example highly structured interviews, focus groups, and participant observation (qualitative) or administrative records and structured surveys conducted via Internet and mail (quantitative).

Type of Evaluation	Recognizable Features
Experimental Net Impact Analysis	Random assignment; control group
Quasi—experimental Net Impact and Outcome Analysis	Multivariate statistical modeling; comparison group
Cost-Benefit/Cost-effectiveness Analysis	Cost analysis (total or marginal)
Performance Analysis	Program outcome data and performance measures
Implementation Analysis	Fieldwork, observation, surveys, admin data

Source: Nigthingale (2013)

Figure 13 - Basic features of program evaluation

The Table 13 presents the types and features most important to each type of evaluation. The random assignment is the predominant feature of experimental net impact analysis. This type is the most discussed topic in the recent literature about program evaluation. The reason is because sometimes certain researchers can violate ethical standards.

Orr (1999) describes three distinct experimental contexts of ethical issues in random assignment works: special demonstration programs set up explicitly to study the effects of a new program; ongoing programs that can only accommodate a limited number of participants; and, ongoing programs that accept all eligible applicants - so-called “entitlement” programs. For example, in the ongoing program scarce resources random assignment needs not to reduce the total number of individuals served by the program. In this case, the “ethical issue then becomes, is random assignment a more ethical way to ration scarce resources than the rationing device the program would otherwise have used?” (Orr 1999, 9).

Both cost-benefit analysis (CBA) and cost-effectiveness analysis (CEA) are useful tools for program evaluation. The first one is a technique that relates the cost of a program and the relation of outcomes or benefits. The second one takes that process one step further, attempting to compare costs with the value of all (or most) of a program’s many benefits. In both ways the analyst needs to follow some steps to do the analysis, for example: set the framework for the analysis; decide whose costs and benefits (C&B) should be recognized; identify and categorize C&B; project C&B over the life of program; monetize costs; quantify benefits in terms of effectiveness or monetize benefits; discount C&B to obtain present values; compute a cost-effectiveness ratio or net present value; perform sensitivity analysis; make a recommendation where appropriate (Cellini and Kee 2010).

The focus of implementation analysis is on describing, assessing, analyzing organizations, programs, agencies, procedures, operations, systems, networks. The type of evaluation has multidisciplinary areas: political science, sociology, anthropology, economics, public administration, psychology, international development, and so on. With respect to program performance analysis the principal feature is program outcome data and performance measures. But it is possible to use surveys of staff, administrators, participants/beneficiaries, communities, etc (Nightingale 2013).

By contrast to the laboratory experiments, social experimentation does not have to isolate the effects of treatment by directly controlling the research environment so that the materials or animals. In social programs, “direct control of all the factors that might influence the outcomes of interest (i.e., the behavior of the people who make up the sample!) is unattainable” (Orr 1999, 11).

The social evaluator uses random assignment to ensure the statistical equivalence of the different treatment groups. The evaluator applies statistical tests to the outcomes to distinguish the effects of the treatment from the chance variation produced by random assignment. Orr (1999) asserts that since the 1930s, random assignment has been used routinely in educational and psychological research. In the 1960s included studies of a variety of approaches, including

prevention and treatment of juvenile delinquency. The New Jersey Income Maintenance Experiment marked the first use of experimental methods to test a proposed social policy in the field on a large scale (the sample of 1,300 families randomly assigned). In the mid-to-late 1970s, a number of experiments were conducted by the U.S. Department of Labor (DOL) and other funding agencies to test alternative employment and training services for unemployed workers, the mentally impaired, substance abusers, and so on.

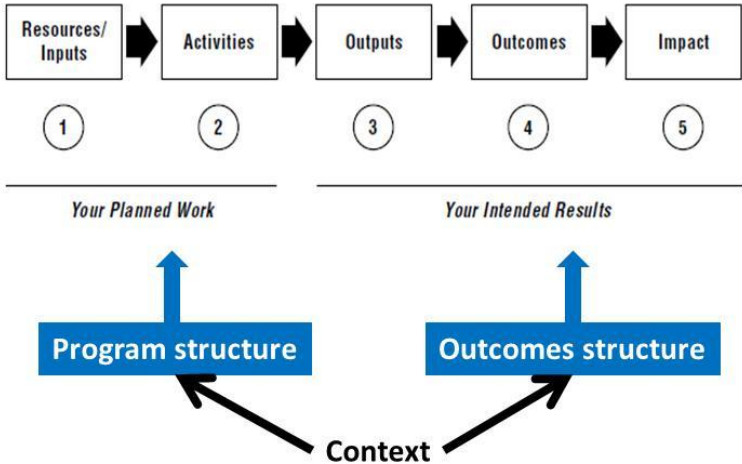
According to Barnow (2010), since the 1960s, social experiments have been increasingly used in the United States. Although social experiments have not been widely used in Europe, the author believe there is growing interest in expanding their use in evaluating social programs.

Logic Model

To design and conduct evaluation is very important to use a framework that allows visualize variables, activities, external factors and especially the link between outputs and outcomes. The most widely used framework is the logical model, which has already been defined as follows:

A logic model is a systematic and visual way to present and share your understanding of the relationships among the resources you have to operate your program, the activities you plan, and the changes or results you hope to achieve (W.K. Kellogg Foundation 2004, 1).

The logic model has been around since the late 1960s, however it has come into increasing use in the past decade because the importance on managing for results and measuring performance.



Source: W.K. Kellogg Foundation (2004, 1) combine with McLaughlin and Jordan (2010, 57)

Figure 14 - The Basic Logic Model

The Figure 14 present two simple questions: what you planned and what you intended as results? About the last one, it is important to define at least three components: outputs are the direct products of program activities; outcomes are the specific changes in

program participants' behavior (short-term and longer-term outcomes); and impact is the fundamental intended or unintended change occurring in organizations, communities or systems as a result of program activities (W.K. Kellogg Foundation 2004).

McLaughlin and Jordan (2010) identify a third part in the logic model: context with external influences and related program. There are two types of context that influence the design and delivery of the program. The first one is antecedent factors. They are the characteristics of the program, such as clients, geography, and economic factors. The second one – mediating factors – are the elements whose influence emerge as the program unfolds, such as changes in staff, new policies or complementary programs.

There are many other important aspects and techniques in the program evaluation approaches to cover, but it is impossible to do so in this paper. Nonetheless, one statement is important to write. Both performance audit and program evaluation have important roles to play in supporting the accountability. But how do these two areas (especially together) improve the accountability of the public sector? This is the big question this paper. In the next two sections, this paper will show who the organizations that do these jobs are and how well they do them.

Then, after the exposition of conception and controversy of program evaluation and performance audit, some questions still remain, such as whether performance audit is effectively a type of audit. As above, this role assumed by the auditor of a more academic (researcher role) increases the proximity between the two areas. If that approach does not mean the annulment of the performance audit at least shows that the institutions that practice the two activities need to interact to exchange information, share experiences. So this is a discussion that will be presented in sequence.

4.2 –Audit and Program Evaluation Institutions in the United States

This part of the paper presents the structure, functions and most relevant facts involving the organs of performance auditing and program evaluation. Considering the need to focus research and time constraints, work was limited to the executive branch³⁷. First is presented the organ of internal control of the U.S. Government (Inspector General), then the central organ that takes care of the budget and management, thus covering the functions of program evaluation (Office of Management and Budget). The end, for purposes of illustration will be presented an assessment area within a department, if the Department of Labor.

³⁷ As the objective of the work is the relationship between the organs in the framework of executive power, was not analyzed the performance of the U.S. Government Accountability Office (GAO). It is an independent, nonpartisan agency that works for Congress. The GAO investigates how the federal government spends taxpayer dollars.

4.2.1 – Office of Inspector General

The structure of the internal control system of the Federal Executive of the United States consists of administrative units called "Offices of the Inspector General" (OIG), structured sectors in each of the Departments of State and related agencies in the U.S. federal government. The IGOs were legally established in 1978 by Public Law (Inspector General Act of 1978³⁸) have the objectives following:

To conduct and supervise audits and investigations relating to the programs and operations of the establishments listed in section;

To provide leadership and coordination and recommend policies for activities designed to promote economy, efficiency, and effectiveness in the administration of, and to prevent and detect fraud and abuse in, such programs and operations; and

To provide a means for keeping the head of the establishment and the Congress fully and currently informed about problems and deficiencies relating to the administration of such programs and operations and the necessity for and progress of corrective action (Public Law 2008);

Even though they are part of the executive branch, IGs must maintain a continuing relationship with the Legislature. Each Inspector General shall prepare semiannual reports summarizing the activities of the Office. Such reports shall include: description of significant problems, abuses, and deficiencies relating to the administration of programs and operations; description of the recommendations for corrective action made by the Office during the reporting period; identification of each significant recommendation described in previous semiannual reports on which corrective action has not been completed; summary of matters referred to prosecutive authorities and the prosecutions and convictions which have resulted; among other requirements.

Another requirement in the Inspector General Act of 1978 is about the appointment of the inspectors general by the President, with the consent of the Senate. The appointed have to have integrity and ability in accounting, auditing, financial analysis, law, management analysis, public administration, or investigations. Each Inspector General shall report to and be under the general supervision of the head of the establishment involved or, to the extent such authority is delegated, the officer next in rank below such head.

In the United States there are 73 federal Offices of Inspector General. In Fiscal Year 2011 more than 14,700 employees worked with audits, inspections, evaluations, and investigation. The OIGs did 7,469 audit, inspection, and evaluation report issued; 26,677 investigations closed; 473,870 hotline complaints processed; 6,525 indictments and criminal information; 6,031 successful prosecutions; 963 successful civil actions; 5,637 suspensions or debarments; and 3,933 personnel actions.

³⁸ As amended by The Inspector General Reform Act of 2008 – Pub. L. 110-409

According to the Council of the Inspectors General on Integrity and Efficiency (2012)³⁹ in the FY 2011 the OIG community conducted many works that resulted in significant improvements to the economy and efficiency of programs Governmentwide, with potential saving almost US\$ 93.9 billion⁴⁰. The total budget was US\$ 2.7 billion, these potential savings represent about US\$ 35 return on every dollar invested in the OIGs.

In the Fiscal Year 2012, the Office of Inspector General (OIG) at the U.S. Department of Labor (DOL), for example, issued 41 audit and other reports that, among other things, recommended that \$297 million in funds be put to better use. On the Semiannual Report to Congress (FY 2012), the OIG/DOL highlighted, among other works, the audit in the Employment and Training Administration's (ETA) and the role in the H-2B visa program.

This was the second report about this topic, the first one that was issued September, 2011 focused on four H-2B forestry employers in Oregon. In the report of 2012, the OIG recommended that ETA develop and implement procedures to strengthen their application review and post adjudication process because of weaknesses we noted with ETA's employer validation and prevailing wage submissions on their H-2B application⁴¹.

In the report of 2012, the OIG found ETA's management of the H-2B program needs to be strengthened to ensure adequate protections for U.S. workers. The audit "revealed that 27 of the 33 employers could not support attestations made on their applications (...) these systemic weaknesses increased the risk of unsubstantiated employer attestations and jeopardized the protections afforded by the program to U.S. workers" (Office of Inspector General for the U.S. Department of Labor 2012). The Inspector General recommended ETA:

- 1) develop an alternative methodology when conducting its post-adjudication audits;
- 2) collaborate with Department of Homeland Security (DHS) to explore ways for ETA to review U.S. Citizenship and Immigration Services documents during ETA post-adjudication audits;
- 3) begin post-adjudication audits no later than 120 days into the approved employment period of the selected application and complete within 70 days; and

³⁹ In 2008, The Inspector General Act of 1978 was amended to establish the Council of the Inspectors General on Integrity and Efficiency (Council or CIGIE). The Council was created to address integrity, economy, and effectiveness issues that transcend individual Government agencies; and increase the professionalism and effectiveness of personnel by developing policies, standards, and approaches to aid in the establishment of a well-trained and highly skilled workforce in the offices of the Inspectors General (Public Law 2008).

⁴⁰ Nearly US\$ 60 billion was associated with savings in the prefunding pensions and retiree's, reported by U.S. Postal Service's OIG.

⁴¹ The H-2B non-immigrant program permitted employers to hire foreign workers to enter the U.S. to perform temporary non-agricultural services or labor on a one-time, seasonal, peakload, or intermittent basis. To obtain H-2B certification and comply with employment protections, employers self-attested that U.S workers capable of performing the job were not available and that the employment of foreign workers would not adversely affect the wages and working conditions of similarly employed U.S. workers (Office of Inspector General for the U.S. Department of Labor 2012).

4) continue pursuing regulatory action and explore other ways to ensure the integrity of the program including, but not limited to, legislative changes designed to expand ETA’s pre-approval validation authority.

Each Inspector General has its specificities, thus audits conducted by these organizations has different objects depending on the characteristics of each Department. The example presented aimed to make more concrete description of this institution in the context of this work.

4.2.2 – Office of Management and Budget

The Office of Management and Budget assists the President in overseeing the preparation of the Federal budget and evaluates the effectiveness of agency programs, policies, and procedures. There are four offices in the OMB. One of them is the Office of Performance and Personnel Management (OPPM), which leads the effort to drive mission-focused performance gains across the Federal government. OPPM coordinates the Administration’s goal-setting and performance review process for agencies’ high priority performance goals and guides agency strategic and annual planning, performance reviews and performance reporting.

In 2009, Office of Management and Budget invited the agencies to increase emphasis on program evaluations. For the OMB, evaluations can help policymakers and agency managers strengthen the design and operation of programs. However, in that time, many agencies lack an office of evaluation with the stature and staffing to support an ambitious, strategic, and relevant research agenda (Office of Management and Budget 2009).

To address these issues and strengthen program evaluation, OMB launched the following government-wide efforts as part of the Fiscal Year 2011 Budget process: on-line information about existing evaluations; inter-agency working group; and new, voluntary evaluation initiative. About this last measure, the agencies should propose new evaluations that could improve government programs in the future.

Table 4 - Program Evaluation Initiative Proposals

Agency	Description
Department of Education	Evaluation of call centers to increase community college retention
Department of Health and Human Services	Impacts of Medicaid expansions in Affordable Care Act
Department of Labor	Evaluation of TAA Community College and Career Training Grants

Source: Office of Management and Budget (2012, 84)

This initiative to expand the number of programs evaluated is part of the Performance Management Approach of the Obama Administration. The performance management efforts are focused on six strategies that have the highest potential for achieving meaningful performance improvement within and across Federal agencies. The six strategies are: driving agency top priorities; cutting waste; reforming contracting; closing the it gap; promoting accountability and

innovation through open government; attracting and motivating top talent (Office of Management and Budget 2010). Table 4 below show same example of the funded program evaluation initiative proposals in the Fiscal Year 2012.

4.2.3 – Department of Labor

The U.S. Department of Labor (DOL) is one of the fifteen departments of the U.S. Federal Government. The DOL administers and enforces more than 180 federal laws, covering about 10 million employers and 125 million workers.

The mission of the DOL is:

“To foster, promote, and develop the welfare of the wage earners, job seekers, and retirees of the United States; improve working conditions; advance opportunities for profitable employment; and assure work-related benefits and rights.”

The DOL accomplishes this mission through the execution of its congressionally approved budget, operating in four major Federal program areas, under four major budget functions: (i) education, training, employment, and social services; (ii) health (occupational health and safety); (iii) income security; and (iv) national defense. According to the Department of Labor (2012) in the Fiscal Year (FY) 2012, the Department worked with five strategic goals and 14 outcome goals, as follows:

- Strategic Goal 1: Prepare workers for good jobs and ensure fair compensation;
- Strategic Goal 2: Ensure workplaces are safe and healthy;
- Strategic Goal 3: Assure fair and high quality work- life environments;
- Strategic Goal 4: Secure health benefits and, for those not working, provide income security;
- Strategic Goal 5: Produce timely and accurate data on the economic conditions of workers and their families (Department of Labor 2012, 11)

The table below organizes DOL program agencies into five categories:

Employment and Training
Employment and Training Administration (ETA) Veterans’ Employment and Training Service (VETS)
Worker Protection
Office of Federal Contract Compliance Programs (OFCCP) Occupational Safety and Health Administration (OSHA) Wage and Hour Division (WHD) Employee Benefits Security Administration (EBSA) Mine Safety and Health Administration (MSHA) Office of Labor-Management Standards (OLMS)
Policy
Women’s Bureau (WB) Office of Disability Employment Policy (ODEP) Bureau of International Labor Affairs (ILAB)
Benefits
Office of Workers’ Compensation Programs (OWCP) Federal-State Unemployment Insurance (UI) Program (administered by ETA)
Statistics
Bureau of Labor Statistics (BLS)

Source: Department of Labor (2012, 12)

Figure 15 - Program agencies of Department of Labor

The program Employment and Training Administration (ETA), for example, provides high quality employment assistance, labor market information and job training through the administration of programs authorized by the Workforce Investment Act of 1998 (WIA) for adults, youth, dislocated workers and other targeted populations.

Among the indicators of the program, can be quoted "petition Average processing time in days for the Trade Adjustment Assistance for Workers (TAA)." The objective this policy is provided benefits and services to workers who become unemployed due to the impact of international trade. The DOL measure the average number of days it takes to process staff TAA petitions from initial filing to final determination during the applicable year. The key output measures were 48 days in FY 2009, 143 days in FY 2010, 65 days in 2011, and 52 days in FY 2012⁴². According to the Department of Labor (2012) many external factors have made labor market more unstable, for instance, the recessionary business cycle shocks, three legislative changes. The Department has adopted procedures that improved timeliness and efficiency of investigations and provided better data integrity methods.

The Office of the Assistant Secretary for Policy (OASP) is one of the organs that compose the Department. The OASP provides advice to the Secretary, Deputy Secretary, and Department on matters of policy development, program evaluation, regulations, budget and legislation that will improve the lives of workers, retirees and their families.

In the site of the DOL, there are available 49 Evaluation Studies (1 of 2013, 8 of 2011, 19 of 2010, 21 of 2009) and 14 On-Going Studies. The following list provides examples of evaluation promoted by the Department:

- 1) Effect of Job Loss on Wealth Accumulation of Older Workers (finished in 2013);
- 2) Evaluation of SchoolDistrict-Based Strategies for Reducing Youth Involvement in Gangs and Violent Crime (finished in 2011);
- 3) Preparing for Life Beyond Prison Walls - The Literacy of Incarcerated Adults Near Release (finished in 2010); and
- 4) Linkages Between TAA, One-Stop Career Center Partners, and Economic Development Agencies – (finished in 2009).

4.3 – Audit and Program Evaluation Institutions in Brazil

As in the USA, in Brazil there are internal organs of executive power and others who exercise control externally⁴³. The central object of this paper is to cover the relationship between the organs of internal nature.

⁴² The outcomes data reported under the Government Performance and Results Act are included in the Annual Performance Report. The report of the FY 2012 is not published yet, but the last report published show some outcomes. In the FY 2011 the indicator "Six Months Average Earnings (TAA)" and "Average earnings in the second and third quarters after exit (Apprenticeship)" were reached.

⁴³ The Federal Court of Accounts of Brazil (in Portuguese Tribunal de Contas da União - TCU) audits the accounts of administrators and other persons responsible for federal public funds, assets, and other valuables, as well as the accounts of any person who may cause loss, misapplication, or other irregularities that may cause losses to the public treasury. Such administrative and judicative authority, among others, is provisioned in art. 71 of the Brazilian

This section will present the function and information about the institutions and agencies responsible for conducting performance audit and program evaluations.

4.3.1 – Office of Comptroller General

The Office of the Comptroller General (CGU) is the agency of the Federal Government in charge of assisting the President of the Republic in matters which, within the Executive Branch, are related to defending public assets and enhancing management transparency through internal control activities, public audits, corrective and disciplinary measures, corruption prevention and combat, and coordinating ombudsman's activities (Controladoria-Geral da União 2013).

Unlike the United States, the system of internal control is more concentrated. In the CGU work about 2,500 public servants. This group can be added 2,500 other public employees who work in internal audits of Indirect Administration⁴⁴. According to the Annual Report of the CGU, in 2012 it was identified US\$ 1.15 billion in financial benefits and 117 in non-financial benefits (Controladoria-Geral da União 2013).

The Federal Internal Control Secretariat (SFC) is the agency within the CGU in charge of, among other tasks, carrying out audits and inspection activities to check how public money is being used. The SFC/CGU is the central unit of the Internal Control System of the Federal Executive Branch. The responsibilities of this have been established in the Constitution of Brazil (Article 74) and the Federal Law nº 10.180/2001 (Article 22). The main responsibilities of the SFC are:

- evaluate the implementation of government programs and the attainment of the goals established in the multi annual plan;
- verify the lawfulness and to evaluate “the results, as to effectiveness and efficiency, of the budgetary, financial and property management in the agencies and entities of the federal administration, as well as the use of public funds by private legal entities”.

The Federal Internal Control Secretariat works in five mainlines of action:

- Evaluation of Public Programs Implementation
- Evaluation of the Public Administrators
- Investigative Actions
- Preventive Guidance for Public Managers (Controladoria-Geral da União 2013)).

For the objectives this research paper, the focus of attention will be directed to the Evaluation of Public Programs Implementation (AEPG – this acronym means in Portuguese

Constitution. TCU carry out performance auditing denominated ANOP (in Portuguese *auditoria de natureza operacional*) which the aim is the independent and objective examination of economy, efficiency, efficacy and effectiveness of organizations, government programs and activities, aiming at promoting improvement of public management (TCU, 2013).

⁴⁴ Although not part of the Internal Control System, internal audits shall annually submit their annual plans to the central body of the system (in case SFC / CGU). Provided in Article 24 of Law 10.180/2001 that it the organ "evaluate the performance of the internal audit of indirect federal administration entities." 3.591/2000 Decree also provides that the internal audit units of government entities indirectly linked to the Federal Ministries and bodies of the Presidency shall be subject to policy guidance and technical supervision of the Central Organ and sectoral agencies.

Avaliação da Execução de Programas de Governo)⁴⁵. This mainline of action can be considered a type of performance audit. The work aims to evaluate the efficiency and effectiveness in the use of public resources.

The SFC, in conjunction with the regional units of the CGU⁴⁶, carries out checks of federal public funds, are those applied directly by the Federal Government or those administered by states, municipalities or third sector, when recipients transfer of ministries. The AEPG the AEPG is conducted in two ways:

The first refers to the set of checks and random probability samples by previously established, aiming to represent the entire universe of feature applied in each program. Field work occurs throughout the year, according to the roadmaps planned inspection per unit of regional CGU.

The second pattern refers to the set of checks performed by the Random Audit Program (Programa de Sorteio), in this case, the assessment regarding the correct use of federal resources is through the draw of municipalities using the same system of draw of National Lottery. The inspection occurs within a week, covering the area of social resources (Controladoria-Geral da União 2013).

The AEPG is carried out primarily through five distinct stages which are interconnected to each other. These phases are divided into stages according to the degree of detail necessary to perform the tasks. The phases and stages are as follows (Controladoria-Geral da União 2013 and Reis, 2012):

- A. Risk assessment – this phase objectives select the public policy whose implementation will be evaluated;
 - a. Mapping out all public policies in the ministries;
 - b. Hierarchization of the public policies;
 - c. Prioritization of one or more government actions to evaluation;
- B. Planning
 - a. Study of the policy – the officials of CGU study: what are the objectives and the targets, how the program is implemented, who are the agencies responsible, what are the control mechanisms and other relevant information;
 - b. Describing what questions will be answered at the end of the evaluation and how the team will get to the conclusions. The start point to get to the questions is an analysis of the critical and weak points of the program that are likely to have an impact on its implementation;
 - c. Execution of the performance audit, including field work and analysis of collected data;
- C. Monitoring
 - a. Discussion with the manager of the public program about conclusions and looking to find a joint solution;
 - b. Delivery of monitoring reports with CGU's recommendations;
 - c. Balance meetings to monitor the implementation of the recommendations;
- D. Evaluation report published on the CGU's website.

⁴⁵ The description of others three mainline actions are: (1) Investigative Actions – SFC/CGU analyzes the requests (in general come from of Federal and State Prosecutors, the Federal Police Department or the citizens) and takes the decision either to use the allegation to support future audits or to perform immediate investigative audits in order to meet the external request; (2) Evaluation of the Public Administrators – this action is also called as “annual audits of rendering of accounts”. In fact, these audits are annual financial audits to verify information provided by federal public organizations as input into the external rendering of accounts. These audits compose a process that is forwarded to Brazilian Court of Audit (TCU) for judgment of management accounts public; and (3) Preventive Guidance for Public Managers – The CGU has as one of its major objectives to strengthen the preventive control. So with this line of action SFC/CGU seeks to organize trainings and promote guidelines on the management of public resources, publishing manuals and booklets and conducting trainings on topics that most affect the management of federal public administrators (CGU, 2013).

⁴⁶ The CGU has a decentralized structure. Half of public servants work in Brasília and the other half working in regional units that are located in the capitals of the 26 states.

In the site of the CGU, there is a webpage of SFC where it is possible to find the report of AEPG (i.g. the report of performance audit). Presently there are 16 reports published. Three of them was published in 2011, five in 2012, and 8 in this year.

This set of published reports, can be presented as an example the report of the Bolsa Família (Family Grant Program, kind of cash transfer program). In this report, SFC/CGU presents the program objective, goal action, how the program works, the volume of resources involved, strategic issues, ‘what can we conclude’, and ‘what we recommend and what has already been provided by the manager of program’ (Controladoria Geral da União 2012).

For example, in the first issue, the report answered if the “The Unified Registry is updated?” The report showed that existence of families not located configured outdated cadastral in 3,622 (31%) of the 11,686 families. The report presented also the recommendation of providence of manager in the Ministry. For the first issue about the unified registry, there were four recommendations. The first one is "tailor the automated registration and data maintenance of low-income families in the Unified Register (offline) to operate on-line in order to check instantly changes/updates to the data of beneficiary households, conducted by the local manager". In this case, the manager took the measure: developed a new version of the application for entry and maintenance of data, the Unified Registry 7.0, which operates online. At the end of 2011, 5,391 counties (98%) used the new version of the system.

4.3.2 – Planning and Strategic Investments Secretariat

The origin of the Planning and Strategic Investments Secretariat (SPI – this acronym means in Portuguese *Secretaria de Planejamento e Investimentos Estratégicos do Ministério do Planejamento*) is intertwined with the history of the planning of the Federal Government. The Secretariat is part of the Ministry of Planning. The current configuration was established by Decree 3.224/99.

The institution's mission is to promote sustainable development planning through the development of plans for medium and long term and the associated coordination and strategic management. The SPI also aims to identify, monitor and analyze strategic government investments, in addition to coordinating the technical cooperation activities involving planning, monitoring and evaluation of government actions.

The SPI defines its core activities as follows:

Planning can be seen as a conscious choice of actions that increase the chances of obtaining something desired in the future in the present.

Monitoring is the continuous observation of useful information, and reliable in time for course corrections.

Evaluation is a thorough investigation of a particular intervention and serves to question choices of objectives and strategies to achieve them. The evaluation involves analysis of information obtained through monitoring (Secretaria de Planejamento e Investimentos Estratégicos, 2012).

The Secretariat has as main product the elaboration of Multi Annual Plans (PPAs). The Federal Constitution (Article 165, § 1) provides that the instrument should establish guidelines, objectives and goals of the federal public administration. To fulfill this role the SPI developed a system of monitoring and evaluation, which aims to analyze the consistency of its implementation with National Project and the Future Vision of the PPA.

This system is operated by the officials in the ministries responsible for the formulation, implementation and evaluation of government programs. Following are some examples of offices in ministries where these jobs are performed. In fact, the mentioned operating system (software) should function as a tool to support the organization of a Federal System of Planning and Public Management in Brazil. However, this system still lacks institutionalization as the records and Cardoso Jr. and Matos (2011). The authors reported that there is disagreement as to the meaning, the organizational structure and governance of this system⁴⁷.

As they note Melo Neto and Silva (2012) the system used in the Multi Annual Plan 2008-2011 (and earlier) called SIGPLAN contained the requirement to record data from physical and financial execution every month to approximately 24,000 in spending locators. The structure resulted in an accumulation of unreliable information to the central agency for planning and sterile decisions of ministries.

The methodology for planning the Multi Annual Plan was changed. It was create a new category in the Annual Budget, designated 'Thematic Program'. According to Melo Neto and Silva (2012) the Multi Annual Plan for the period of 2012-2015 presented other changes: greater independence from the budget and the budget language, flexibility in formatting their attributes, and the rapprochement between planning and policy formulators and executors of policies.

The biggest difference the latest PPA is the design and the reporting of the programs. In the old one, the programs were designed to solve problems and take advantage of opportunities. In the new Multi Annual Plan, the focus of the thematic program is the governmental agenda. The aim of the reform is improving the capacity of government to work better, with more effectiveness and efficiency (Machado 2012, citing "Orientações para Elaboração do PPA 2012-2015")

4.3.3 – Institute for Applied Economic Research

The Institute for Applied Economic Research (Ipea) is a federal public foundation linked to the Strategic Affairs Secretariat of the President's Cabinet. It provides technical and

⁴⁷ Among the respondents, there was record of the expression cycle management would have appeared even in 1993 when the discussion to improve the remuneration of servers responsible for planning, budgeting, finance, control and evaluation of public policies. Another believes that changes in the 1988 Constitution led to the emergence of new instruments, among them a feedback system between areas (Cardoso Jr. and Matos, 2011)

institutional support to government for the formulation and reformulation of public policies and development programs in Brazil.

Most studies are conducted in partnership with other institutions in Brazil and abroad. The publications of Ipea help disseminate the knowledge through seminars, workshops, internal debates, or debates with guests.

The Ipea institutional mission is “to produce, articulate and disseminate knowledge to improve public policies and contribute to the planning of Brazil's development”. Among the strategic actions IPEA it is highlighting the following:

- Developing and disseminating studies and applied research;
- Performing prospective applied studies;
- Aiding the elaboration of government plans, policies and programs;
- Keeping track of and evaluating government plans, policies and programs.

Taking as reference the last plan goals (Instituto de Pesquisa Econômica Aplicada, 2012) of the institution, it is possible to see that among the global targets was planned carry out at least 49 procedures for monitoring and evaluation of public policies in the year 2012, for example: Evaluation of public policies federal Environment in Brazil; Evaluation of Agricultural Policy instruments (Instituto de Pesquisa Econômica Aplicada 2012).

4.3.4 - Ministry of Education

The Ministry of Education (MEC represents the acronym in Portuguese *Ministério da Educação*) was created in 1930. Currently, the Ministry is organized into four main areas: higher education, vocational and technological education, basic education, and continuing education, literacy, diversity and inclusion.

Within the area of basic education, for example, there is the relationship of 42 programs/governmental actions, it is possible to highlight the following: National program of educational technology (ProInfo). This program aims to promote the educational use of computers in public education. The program leads to the schools computers, digital resources and educational content. In contrast, states, Federal District and municipalities must ensure the adequate structure to receive the laboratories and train educators to use the machines and technologies. At the site still contained information on how municipalities can join the program⁴⁸.

The Ministry also has an agency dedicated to studies and research in education. The National Institute for Educational Studies and Research Anísio Teixeira (Inep) is a federal agency under the Ministry of Education (MEC), whose mission is to promote studies, research

⁴⁸ SFC/CGU was published a report about this program (www.cgu.gov.br)

and evaluations on the Brazilian Educational System with the aim of assisting in the formulation and implementation of public policies for education from the parameters of quality and equity, as well as produce clear and reliable information to managers, researchers, educators and the general public.

Recently, the Institute has become well known because of Brazilians to be responsible for conducting various examinations and national statistical surveys, among which stand out: annual School Census (statistical survey of information-education nationwide, held annually); National Secondary Education Examination (Enem - exit exam optional for those who have already completed and finished high school, first applied in 1997).

Notwithstanding these various tasks and work performed, could not find the page assessment reports of the Ministry as well as the page of the said institute.

There are several agencies involved in performance evaluation, but it is not known how well they link performance auditing and program evaluation. For that reason, I performed empirical analysis.” Of course, you will say that is a poor statement, and surely you can improve. But the point is to take the reader carefully from one topic to the next. “This is what I have shown you. Here is what comes next, and this is why.

4.4 – Interaction for more improvements

As it was demonstrated previously, both performance audit as well as program evaluation are activities that recently developed within the public administration. These two methodologies also share areas of performance, tools, approaches, and some outcomes. Thus, at this stage of this work it is essential to discuss why and how the two areas together should work to achieve more and better results.

In previous work, Machado (2012) studied the extent to which feedback occurs between the work of the SFC/CGU and activities developed by the Planning and Strategic Investments Secretariat and the Federal Budget Secretariat (both the Ministry of Planning).

After conducting several interviews with Brazilian officials, the author concluded that there is no systematic feedback. Among the findings identified by the Machado (2012) can be highlighted: effective communication between the Ministry of Planning and the Office of Comptroller General was considered insufficient, lack of frequency of interaction between managers and officials of agencies (only through informal contacts); lack of periodicity set to send reports. Moreover, there have been some interactions and show that they can be successful (e.g. Commission for Monitoring and Evaluation of the PPA and the Technical Monitoring and Evaluation).

To diagnose whether interaction occurs between the areas of performance auditing and program evaluation, the study conducted eight semi-structured interviews⁴⁹, questionnaire as shown in Appendix IV. The survey promoted through interviews does not allow an inference to the universe of professionals in both activities; however, it can serve as an exploratory work of a more sophisticated that will take place in the future.

According to the interviews, summarized in Table 5, respondents said "no", the interactions were not happening between the areas of performance audit and program evaluation.

Table 5 - Interactions with performance audit and program evaluation

Performance auditors	Program evaluators
<u>Interviewee 1</u> – No, we only interact with the administrator (...)	<u>Interviewee 5</u> – No, we don't interact with Inspector General.
<u>Interviewee 2</u> – Yes, we interact with the manager of the program. (...) But when we do the "hierarchization of the public policies", we search the reports and databases in the site of Inep. We look for information about the programs and the policies of education	<u>Interviewee 6</u> – Is there a generic attribution. The relationship has always been very weak. The audit questions are off the issues that matter to the program evaluators (...) The audit reports are directed only to the auditees.
<u>Interviewee 3</u> – We usually talk with the managers, but we usually don't talk with SPI or IPEA.	<u>Interviewee 7</u> – During the period I worked in the MDS did not see any reference to the work of internal control [performance audit]. More recently, I have seen something more interesting under the MEC (...).
<u>Interviewee 4</u> – No, we don't interact. We interact only with the manager of the program. In fact, we have to maintain the distance for the other organs because of the independence.	<u>Interviewee 8</u> – No, we don't interact with Inspector General.

Source: elaboration of the author, based on the interviews.

In the left side of the Table 5 performance auditors inform that they only contact the program manager. In the other side, the program evaluators interviewed, especially respondent 6 and 7, believe that the process has already begun to improve.

The interviewed number 2 also alleged that his team search in the reports and databases of the Ministry of Education to do the audit annual planning. They look into information about the programs and policies of education, especially on the site of Inep (The institute responsible for promoting studies, research and evaluations on the Brazilian Educational System). The interviewed number 4 justified the lack of interaction because his need to maintain the independence of the activity.

⁴⁹ The interviews were conducted in February and March / 2013 in person or by phone. The interviewees 1, 2, 3, 6 and 7 are Brazilian officials and interviewees 4, 5 and 8 are American officials. The summaries of the interviews were sent to the respondents so that they could change, add or remove sections that do not correspond with the reality of what was spoken. I take this opportunity to thank all the organizations and people. Although interviews were used as a basis for diagnosis, those interviewed have no responsibility for any errors in this study. I choose not to identify respondents for this study because the ideas and opinions are more important than the direct linkage of people and organizations.

Table 6 shows the answers about the reason of the lack of interaction. According to the auditors, the problem lies in the lack of legal framework and scarce time. About the last one, the respondent number 3 explain “we really know the time of performance audit is longer than the regular audit, but I guess the group responsible to do the performance audit, in general, they are worried with to finished it on time, because they have other activities”.

In the other side of the Table, the evaluators say something similar about of process organization. Nevertheless, the evaluators add another reason for the low interaction. The interviewees number 5 and 8 state the main focus of the Inspector General is investigations and legal aspects. Because of this the audit findings don’t touch the principal question of program evaluation.

Table 6 - What is the reason for that lack of interaction?

Performance auditors	Program evaluators
<p><u>Interviewee 1</u> – (...) it would be necessary to build and institutionalize a solid legal framework in order to narrow that gap.</p> <p><u>Interviewee 2</u> – not answered.</p> <p><u>Interviewee 3</u> - Maybe because we have lack of time, but we should start it (...) We really know the time of performance audit is longer than the regular audit, but I guess the group responsible to do the performance audit, in general, they are worried with to finished it on time, because they have other activities (...).</p> <p><u>Interviewee 4</u> – not answered.</p>	<p><u>Interviewee 5</u> – In my opinion, the majority of the works done by them [Inspector General] are investigations. Then, they are worrying with misappropriation. They work alone because they want to keep independent of the others organs of the Department.</p> <p><u>Interviewee 6</u> – I understand that lack regulation. That would force greater interaction.</p> <p><u>Interviewee 7</u> – I believe the problem lies in the lack of organization of the work process. I see that the demands are many and, currently, the Ministry of Planning has not been providing subsidies to organize this process.</p> <p><u>Interviewee 8</u> – The IG is really focused in looking at finances, legal aspects. They don’t look at program evaluation.</p>

Source: elaboration of the author, based on the interviews.

The interviewees were asked which would be the main challenge for the areas of performance auditing and program evaluation. There are mixed answers, both as auditors of the evaluators have similar challenges, which may be more indicative of the similarity of aims and methods, as well as, once again, the need for integration and mutual reinforcement.

The principal issue is demonstrating the actual purpose of the activities. The interviewees number 2, 5 and 8 answer similar challenges. The number 2 and 8 look at the society/communities. Already to the interviewed number 5 the challenge is demonstrating to program managers that the “work is relevant and not an unproductive waste of time”. The interviewees number 1, 3 and 4 in the same line of reasoning believe that the challenge is to make the audit institution more influential, so it is important to not only carry out the work but also measure and consolidate the outcomes.

With another perspective the interviewees 6 and 7 define as a challenge the establishment more clearly the roles of the actors in the process, as well as strengthen the organs and empowering people. The interviewed 7 say “It must occur a political decision to make the process more organized. You need to enable institutions and individuals to perform the necessary roles. To do so, we must develop methods, concepts”.

Table 7 - What is the greatest challenge of the performance audit or program evaluation?

Performance auditors	Program evaluators
<p><u>Interviewee 1</u> – Is how to measure the performance of the evaluations. That is, how to measure the effectiveness of the performance audits carried out by SFC / CGU.</p> <p><u>Interviewee 2</u> – The society see us not only as an organ that will charge what was done wrong, but also an organ that help make public policy more effective.</p> <p><u>Interviewee 3</u> – Is balancing the outcomes to be useful to the manager too (...).</p> <p><u>Interviewee 4</u> – Is to make more influence in the legislation and the budget of the agencies of DOL.</p>	<p><u>Interviewee 5</u> – Is to make the program manager understand how program evaluation can improve the results of the public policies. We have to prove that our work is relevant and not an unproductive waste of time.</p> <p><u>Interviewee 6</u> – I believe there are two challenges ahead. The first deals with the more general question that talked about the regulations (...) The second concerns the preparation of the technical staff operating conditions with practice for this role (...).</p> <p><u>Interviewee 7</u> – Is to identify the exact place where it should be placed in their evaluation process multiple meanings. Currently things happen by chance, or arise from interpersonal relationships. It must occur a political decision to make the process more organized (...) we must develop methods, concepts. That is, the goal of program evaluation is to serve as a compass and not as an instrument of punishment.</p> <p><u>Interviewee 8</u> – Is demonstrating the impact of the programs for communities. We need to demonstrate for everybody: OMB, senators, officials, society.</p>

Source: elaboration of the author, based on the interviews.

Summarizing, the opinion of the auditor and evaluator are similar. Currently they don’t interact before, during or after their jobs. Nowadays they work separately and don’t give feedback although they share many objectives, methods and tools. The principal cause of this weak interaction is a lack of clear regulations that define the roles of actors, detailing what they should do, how they should do it. This answer was most clearly presented by Brazilian respondents, which is not surprising since this dependence is part of the rules defining philosophy and culture of governance, as shown in the Chapter 3.

Finally, after pointing out the differences between the audit and evaluation, as well as presenting a summary of interviews with some of the actors involved in the process, it is time to present some considerations about the survey and suggestions to the organs responsible for conducting the audit and evaluation in Brazil.

In fact, there isn’t interaction. In my opinion both auditors as evaluators are important actors in the process of public management, thus each activity must consider the other as a stakeholder. As already discussed above, Brazil belongs, in terms of administration, to the

legalistic tradition. This can be noted in the answers of respondents in the survey conducted in this study, which indicated the lack of a normative as the problem of non-interaction. Therefore, it seems quite reasonable that the legal gap is filled with a normative functioning and providing the interface between the two activities. As the audit activity is more traditional, there are several regulations the operation of the activity. The same cannot be said about the assessment activity in Brazil.

Machado (2012) presents a set of measures to be adopted by agencies in order to make the feedback process more efficient. Currently, the Act 10.180/2001 does not provide explicitly operation of the Cycle Management Public. Hence the author proposes the insertion of the abovementioned provision (or another that replaces it) clear rules regarding the assignment and routine transmission of data and information between the agencies that make up the cycle.

Other issues presented by the interviewees were the focus and the purpose of the activities. If this is a problem of both activities, rather than the two activities join forces to demonstrate what are the differences, goals, and expected outcomes. Through mutual cooperation, as well as greater interaction with managers and society, I believe it will be possible to improve the work process performance audit and the evaluation of programs.

5 – Conclusion

There will only be true development where there be an underlying social project.

Celso Furtado (economist 1920-2004) in 2004

How the institutions of audit and evaluation can improve the public administration? This was the question that guided all this work. From the first pages when they were introduced several concepts essential for understanding the functioning of public administration, this research paper sought to describe and compare the structure and some of the work methodology of the organizations responsible for conducting audits and evaluation.

Different countries have different cultures, geography, and other distinct characteristics. The public administration in different countries will not reverse this rule. Two different activities on the public administration of two countries, this was the path crossed for this work.

At the beginning, the objective proved quite ambitious, especially because of the large amount of material available (articles, books and papers about performance audit, program evaluation or related topics). However, over the three chapters that separate this conclusion and the introduction, we could demonstrate that there is a fairly strong similarity between the two countries and the two activities.

The concepts of the State, administration and politics were helpful for demonstrating the growth of the welfare state and principally how the reforms in public administration were developed in the United States and Brazil. The reforms were particularly important to make evidence in the emergence and consolidation of accountability as a requirement of the democratic world.

Nowadays there are many different ways to increase the accountability of the government. The information technology facilitates a lot this mechanism; the public managers can provide information about the program, while citizens can quickly access an almost unlimited number of data and reports. At the same time and as a result of the richness and the easiness of information access, the institutions of program evaluation and performance audit, in recent years, have seen the demand for new work increase significantly.

Decades and even centuries passed before the current standard of accountability was reached. For this reason, this research paper described, compared and consolidated a brief historical overview of American and Brazilian public administration.

In the United States the most relevant changes happened from the decades of 1980s and 1990s. The landmark occurred in 1993, when federal government launched the National Performance Review and in the same year was enacted the “Government Performance and Results Act”. The law established a new framework for accountability of federal programs and

agencies. This framework resulted in the introduction of four integrated elements: strategic planning, performance plans and reports, managerial accountability and flexibility, and performance budgeting.

In 1995, Brazilian government also launched the Main Plan for the Reform of the State. The conceptual model of the plan was based on three dimensions: types of property, types of public administration and levels of activity. Thereafter a series of reforms and policy initiatives were adopted, notably macroeconomic stabilization, trade liberalization and privatization.

Using the model built by Pollitt and Bouckaert (2011), this work has characterized the public administration system in the United States and Brazil. The five key features (authority at central level, nature of government, relations of minister and civil servants, culture of governance, and diversity of advice about reform) served the purpose of drawing the characteristics of the system of government in both countries.

In summary, the United States follows the Anglo-Saxon tradition, which countries are more open to the 'performance driven' philosophy. Brazil, on the other hand, can be considered predominantly *Rechtsstaat*, following a legalist tradition, like France. In terms of the vertical dispersion of authority and horizontal coordination at central government level, Brazil is similar to the U.S., in others words they are both federal and fragmented.

The structure of executive branch of the United States has 15 executive departments and 2.8 million employees working in government, while Brazil has 24 executive ministries with 1.13 million employees. The American debt in Fiscal Year 2010 was US\$ 1.17 trillion. The Brazilian debt in 2011 is US\$ 28 billion and the ratio of debt-to-GDP declined over the past 11 years.

This background was developed to aid the description and comparison of the two countries' experience in dealing with performance auditing and program evaluation. As said before, reinforced in this conclusion, audit and evaluation have similar objectives; however they come from very different traditions and perspectives, and with different mandates, mindsets and constraints. Bemelmans-Videc and Lonsdale (2007) presented a model which combines two effects of these activities in the organizations: learning and accountability. The audit work is characterized by a greater stress on accountability and evaluation scoring higher on learning; yet they conclude that accountability and learning can not be viewed as polar opposites. Their proposed vision of accountability calls for "accountability for learning", therefore, both professionals need to improve their skills in these dimensions.

The concepts and a brief summary of the methodologies of the two activities were presented in Chapter 4. Performance audit is an evaluative activity which produces opinion about performance of the programs or organizations and have been used to improve governmental

accountability. Program evaluation is a type of evaluation which provides true and useful feedback on policy and program effectiveness.

Before discussing the results of the survey with officials who work in both areas, this paper presented the structure, functions and most relevant facts involving the organs of performance auditing and program evaluation.

In the United States there are 73 federal Offices of Inspector General, where 14,700 employees work. In the Fiscal Year 2011 they did 7,469 audits, inspections, and evaluations that resulted in significant improvements to the economy and efficiency of programs, with potential saving almost US\$ 93.9 billion.

In the federal level, the Office of Management and Budget assists the President of the United States in overseeing the preparation of the Federal Budget and evaluates the effectiveness of agency programs, policies, and procedures. The organ coordinates the Administration's goal-setting and performance review process for agencies' high priority performance goals and guides agency strategic and annual planning, performance reviews and performance reporting.

In Brazil, the Office of the Comptroller General (CGU) is the agency of the Federal Government in charge of assisting the President of the Republic in terms of the internal control, among other responsibilities. In 2012, approximately 2,500 civil servants worked at CGU. The Federal Internal Control Secretariat is the agency within the CGU in charge of, among other tasks, carrying out audits and inspections activities to check how public money is being used. The activities named Evaluation of Public Programs Implementation can be considered a type of performance audit. The work aims to evaluate the effectiveness and efficiency in the use of public resources. According to the Annual Report of the CGU in 2012, the auditors identified US\$ 1.15 billion in financial benefits and 117 in non-financial benefits.

The Planning and Strategic Investments Secretariat aims to identify, monitor and analyze strategic government investments, in addition to coordinating the technical cooperation activities involving planning, monitoring and evaluation of government actions. The Secretariat coordinates the evaluation of the agencies in the ministries in Brazil.

Sections 4.2 and 4.3 also presented two other organs for the purpose of illustration of audit and evaluation models in the United States and Brazil. The U.S. Department of Labor (DOL) and the Office of the Assistant Secretary for Policy (OASP), provides advice on matters of policy development and program evaluation. In the case of Brazil, the examples are: the Ministry of Education and the agency Inep, which dedicates to studies and research in education.

At the end of this work paper, eight semi-structured interviews were carried out, aiming to assess the interactions between the areas of performance audit and program evaluation. The

results of the survey revealed that there has been no interaction, but some interviewees believe that the process has already begun to improve.

According to the auditors, the problem lies in the lack of legal framework and scarce time. The evaluators say something similar. In the point of view of evaluators the internal control has the main focus (especially the Inspector General in the U.S.) in investigations and legal aspects.

The interviewees were asked which would be the main challenge for the areas of performance auditing and program evaluation. Both auditors and evaluators have similar challenges. The principal issue is to demonstrate the actual purpose of the activities.

In this end, considering all that has been exposed, and especially considering the answers provided by the interviewees, this work points out two suggestions that can help improve the work process between the two activities.

The first suggestion is to develop a normative that organizes function and interaction of these two areas. As the audit activity is more traditional, there are several regulations the operation of the activity; however the same cannot be said about the assessment activity in Brazil. The second is to improve the capabilities of the two agencies to better disseminate the objectives of activities for agencies within the government and society in general.

Bibliographic References

- Abrúcio, Fernando Luiz. "A coordenação federativa no Brasil: a experiência do período FHC e os desafios do governo Lula." *Revista de Sociologia e Política*, June 2005: 41-69.
- Almeida, Maria H. T. "Recentralizando a federação?" *Revista de Sociologia Política*, June de 2005: 29-40.
- American Evaluation Association. *About American Evaluation Association*. 2013. <http://www.eval.org/aboutus/organization/aboutus.asp> (accessed March 24, 2013).
- Balbe, Ronald da Silva. "O resultado da atuação do Controle Interno no contexto da Administração Pública Federal brasileira." *Dissertation presented to the Instituto Universitário de Lisboa (IUL/Iscte) as part of the Master in Public Administration*. Lisboa: IUL - Iscte, September 2010.
- Barnow, Burt S. "The Ethics of Federal Social Program Evaluation: A Response to Jan Blustein." *Journal of Policy Analysis and Management*, Fall (Vol.24, n.4) 2005: 846-848.
- Barzelay, Michael. "Central audit institutions and Performance Auditing: A Comparative Analysis of Organizational Strategies in the OECD." *Governance*, 10 (3), 1997: 235-260.
- Bemelmans-Videc, Marie-Louise, and Jeremy Lonsdale. "Making Accountability Work." In *Making Accountability Work*, by Marie-Louise Bemelmans-Videc, Jeremy Lonsdale and Burt Perrin, 2-10. New Jersey, NY: Transaction Publishers, 2007.
- Berkowitz, Edward. *America's Welfare State*. Baltimore: John Hopkins University Press, 1991.
- Bobbio, Norberto, and Nicola Matteucci e Gianfranco Pasquino. *Dicionário de Política*. 9ª Ed. Brasília: Editora Unb, 1997.
- Brasil. *Plano diretor da reforma do aparelho do Estado*. Brasília: Governo Federal, 1995.
- . "Programa de Aceleração do Crescimento." *Balanço de 4 anos do PAC (2007 - 2010)*. Dezembro 2010. <http://www.pac.gov.br/sobre-o-pac/publicacoesnacionais> (accessed april 4, 2013).
- Cardoso Jr., José Celso, and Franco de Matos. "Elementos para a organização de um Sistema Federal de Planejamento Governamental e Gestão Pública no Brasil: reflexo preliminares a partir de entrevistas om dirigentes do alto escalão do Governo Federal em 2009." In *A Reinvenção do Planejamento Governamental no Brasil*, by José Celso (Org.) Cardoso Jr., 419 - 485. Brasília: Ipea, 2011.
- Cellini, Stephanie Riegg, and James Edwin Kee. "Cost-effectiveness and cost-benefit analysis." In *Handbook of practical program evaluation*, by Joseph Wholey, Harry Hatry and Kathryn Newcommer, 493-530. San Francisco: Jossey-Bass, 2010.

- Census Bureau of the United States. *Census 2012 - Census of Governments*. Washington: Federal Government, 2013.
- Chiavenato, Idalberto. *Introdução à teoria geral da administração*. Rio de Janeiro: Campus, 1999.
- Controladoria-Geral da União. *Office of the Comptroller General website*. March 17, 2013. <http://www.cgu.gov.br> (accessed March 17, 2013).
- Controladoria-Geral da União. *Relatório de Gestão CGU - Exercício 2012*. Relatório de Gestão, Brasília: Governo Federal, 2013.
- Costa, Frederico Lustosa da. "Brasil: 200 anos de Estado; 200 anos de administração pública; 200 anos de reformas." *Revista de Administração Pública*, October de 2008: 829-874.
- Council of the Inspectors General on Integrity and Efficiency. *Progress Report to the President*. Washington: Council of the Inspectors General on Integrity and Efficiency, 2012.
- Decreto. "Decreto 7.487." *Palácio do Planalto*. 23 de May de 2011. http://www.planalto.gov.br/ccivil_03/_Ato2011-2014/2011/Decreto/D7487.htm (acesso em 2 de January de 2013).
- Denhardt, Robert, and Janet Denhardt. "The new public service: an approach to reform." *International Review of Public Administration*, 2003: 3-10.
- . *The new public service: serving, not steering*. New York: M.E.Sharpe, 2007.
- Department of Labor. "Fiscal Year 2012 Agency Financial Report." *Department of Labor*. November 16, 2012. <http://www.dol.gov/dol/aboutdol/> (accessed April 2, 2013).
- . "Fiscal Year 2012 Agency Financial Report." *Department of Labor*. 16 de November de 2012. <http://www.dol.gov/dol/aboutdol/> (acesso em 2 de April de 2013).
- Esping-Andersen, Gøsta. "Toward the Good Society, Once Again?" In *Why we need a New Welfare State*, by Gøsta Esping-Andersen. Oxford: Oxford University Press, 2002.
- Ferlie, Ewan, Lynn Ashburner, Louise Fitzgerald, and Andrew Pettigrew. *The New Public Management in Action*. Oxford: Oxford University Press, 1996.
- Fleury, Sônia. "Building Democracy in an inequity society the challenge of the Welfare State inBrazil." *Primeira Conferencia Internacional*. Quito: Flasco, 2010.
- Furubo, Jan-Eric. "Performance Auditing: audit or misnomer?" In *Performance Auditing*, by Peter Wilkins, Tom Ling Jeremy Lonsdale, 22-50. Cheltenham UK: Edward Elgar Publishing Limited, 2011.
- Gaetani, Francisco. "Public management policy change in Brazil : 1995-1998." *VII Congreso Internacional del CLAD sobre la Reforma del Estado y de la Administración Pública*. Lisboa: CLAD, Oct 11, 2002.

- Giauque, David. "New Public Management and Organizational Regulation: the liberal Bureaucracy." *International Review of Administrative Sciences*, 69 (4) 2003.
- Gruening, Gernod. "Origin and theoretical basis of new public management." *International Public Management Journal*, Vol 4, (1) 2001.
- Haskins, Ron, and Jon Baron. "Building the Connection between Policy and Evidence: The Obama evidence-based initiatives." London: Nesta, September 2011.
- Hood, Christopher. "A Public Management for All Seasons (in the UK)?" *Public Administration*, 69(1) de 1991: 13-19.
- . "'A Public Management for All Seasons (in the UK)'?" *Public Administration*, 69(1) 1991: 3-69.
- Institute of Applied Economic Research. "Ipea thinks and researches Brazil." *Ipea*. 2010. http://ipea.gov.br/portal/images/stories/PDFs/folder_institucional_jul_2010_v9_ingles.pdf (accessed march 17, 2013).
- Instituto de Pesquisa Econômica Aplicada. "Portal do Ipea." *Metas Institucionais Globais e Intermediárias do Ipea para 2012*. Janeiro 2012. <http://www.ipea.gov.br/portal/> (accessed March 18, 2013).
- Lee Jr., Robert D., Ronald Johnson, and Philip Joyce. *Public Budgeting System*. Burlington, MA: Jones & Barlett, 2013.
- Lee, Mordecai. "US Administrative History." In *The SAGE Handook of Public Administration*, by B. Guy Peters and Jon Pierre, 215-226. London: Sage Publications, 2007.
- Lei. "Lei Nº 9.784, de 29 de janeiro de 1999." *Palácio do Planalto*. 29 de January de 1999. <http://www.planalto.gov.br/ccivil/leis/L9784.htm> (acesso em 2 de March de 2013).
- Lonsdale, Jeremy. "Impacts." In *Performance Audit and Public Management in Five Countries*, by Christopher Pollitt, Xavier Girre, Jeremy Lonsdale, Robert Mul, Hilikka Summa and Marit Werness, 171-193. Oxford: Oxford University press, 1999.
- Lonsdale, Jeremy. "Methods." In *Performance Audit and Public Management in Five Countries*, by Christopher Pollitt, Xavier Girre, Jeremy Lonsdale, Robert Mul, Hilikka Summa and Marit Werness, 125-148. Oxford: Oxford University press, 1999.
- Loocke, Eddy Van, and Vital Put. "The impact of performance audits: a review of the existing evidence." In *Performance Auditing*, by Jeremy Lonsdale, Peter Wilkins and Tom Ling, 175-208. Glos - UK: Edward Elgar Publishing Limited, 2011.
- Lynn, Laurence. "Public Management: A concise History of the Field." In *The Oxford Handbook of Public Management*, by Ewan et al. Ferlie. New York: Oxford University Press., 2005.
- Machado, Carlos Maurício Ruivo. *Retroalimentação da CGU para a SPI e a SOF em Questões Estruturantes: Diagnóstico Atual e Perspectivas*. Paper presented to the Institute

- Serzedello Correa / TCU as part of the evaluation of the Specialization Course on Budget, Brasília: TCU, 2012.
- McDavid, James, e Laura Hawthorn. *Program Evaluation & Performance Measurement: an introduction to practice*. Oaks, California: Sage Publications, 2006.
- McLaughlin, John, e Gretchen Jordan. "Using Logic Models." In: *Handbook of Practical Program Evaluation*, por Joseph Wholey, Harry Hatry e Kathryn Newcomer, 55-80. San Francisco: Jossey-Bass, 2010.
- Melo, Elton Bernardo Bandeira de, Rafael Martins Neto, and Marcos de Souza e Silva. "Dilemas na construção de um modelo de acompanhamento do planejamento governamental." *Revista Brasileira de Planejamento e Orçamento*, 2012: 5-23.
- Nightingale, Demetra. "Class: Implementation Analysis: Evidence, Design and Methods." *Unpublished*. February 27, 2013.
- O'Donnell, Guillermo. "Accountability Horizontal e Novas Poliarquias." *Lua Nova*, n.44 1998.
- Office of Management and Budget. "Fiscal Year 2012 - Budget of the U.S. Government." *Analytical Perspectives*. Washington: Federal Government, 13 de February de 2012.
- . "Memorandum for the heads of departments and agencies." *Delivering on the Accountable Government Initiative and Implementing the GPRA Modernization Act of 2010*. Washington: Federal Government, April 14, 2011.
- . "Memorandum for the senior executive service." *The Accountable Government Initiative – an Update on Our Performance Management Agenda*. Washington: Federal Government, September 14, 2010.
- . "Memorandum of to the heads of executive departments and agencies." *Use of Evidence and Evaluation in the 2014 Budget*. Washington: Federal Government, May 18, 2012.
- . "Memorandum of to the heads of executive departments and agencies." *Increased Emphasis on Program Evaluations*. Washington: Federal Government, October 7, 2009.
- Painter, Joe. "Conceptualizing "Society" and "State"." In *State, Society and Transformation*, by Beth Mitchneck, 20-49. Washington: Woodrow Wilson International Center for Scholars, 2011.
- Paula, Ana Paula Paes. *Por uma nova gestão pública: limites e potencialidades da experiência contemporânea*. Rio de Janeiro: Editora FGV, 2005.
- Perrin, Burt, Marie-Louise Bemelmans-Videc, and Jeremy Lonsdale. "How Evaluation and Auditing Can Help Bring Accountability into the Twenty-First Century." In *Making Accountability Work*, by Marie-Louise Bemelmans-Videc and Jeremy Lonsdale, 239-265. New Jersey, NY: Transaction Publishers, 2007.

- Pessoa, Eneuton, Fernando Mattos, Marelo Britto, and Simone Figueiredo. "Emprego Público no Brasil: Comparação Internacional e Evolução." *Comunicação da Presidência IPEA*, 2009: 1-17.
- Peter, Flora, and Jens Alber. "Modernization, Democratization, and the Development of Welfare State in Western Europe." In *The Development of Welfare States in Europe and America*, by Peter Flora and Arnold Heidenheimer, 37-56. Londres: Transaction Publishers, 1984.
- Peters, Guy. "De mudança em mudança: padrões de reforma administrativa contínua em Administração e Política." In *Perspectivas de Reforma da Administração Pública na Europa e nos Estados Unidos*, by Juan Mozzicafreddo and João Salis (Orgs.) Gomes. Lisboa: Celta Editora, 2001.
- Pollitt, Christopher. "Overview." In *Performance Audit and Public Management in Five Countries 1999*, by Xavier Girre, Jeremy Lonsdale, Robert Mul, Hilka Summa e Marit Werness Christopher Pollitt, 171-193. Oxford: Oxford University press, 1999.
- Pollitt, Christopher, and Geert Bouckaert. *Public Management Reform*. Oxford: Oxford University Press, 2011.
- Power, Michael. "The theory of the audit explosion." In: *The Oxford Handbook of Public Management*, por Ewan Ferlie, 326-346. New York: Oxford University Press, 2005.
- Presidência da República. *Prestação de Contas da Presidenta da República - 2011*. Brasília: Governo Federal, 2012.
- Public Law. *Government Performance and Results Act of 1993 (P.L. 103-62)*. August 3, 1993.
- . "Government Performance and Results Modernization Act of 2010." January 5, 2011.
- . "Public Law 110-409." *The Inspector General Reform Act of 2008*. 14 de October de 2008.
- Reis, Rogério Vieira. "A Performance Measurement Framework for the Brazilian Office of the Comptroller General (CGU) Based on International Frameworks." *Paper presented to the Institute of Brazilian Issue as part of the Minerva Program of George Washington University*. Washington: Institute of Brazilian Issues, December de 2012.
- Reis, Rogério Vieira. *A Performance Measurement Framework for the Brazilian Office of the Comptroller General (CGU) Based on International Frameworks*. Washington, DC: The Institute of Brazilian Business & Public Management Issues, 2012.
- Rosenbloom, David. "The practice and discipline of public administration: conception concerns." In *Public Administration Understanding Management, Politics, and Law in the Public Sector*, by David H. Rosenbloom et al., 50-62. Robert S. Kravchuk, M. Cle, 2008.
- Secretaria de Planejamento e Investimentos Estratégicos. "Almanaque do Planejamento." *Secretária de Planejamento e Investimentos Estratégicos*. 2012. <http://www.planejamento.gov.br> (accessed March 18, 2013).

- Simon, Herbert A. *Models of bounded rationality*. Cambridge, MA: Massachusetts Institute of Technology, 1997.
- Simon, Herbert. *Administrative Behavior: a study of decision-making process in administrative organizations*. New York: The free press, 1997.
- Starling, Grover. *Managing the Public Sector*. Boston, MA: Wadsworth, 2010.
- Waerness, Marit. "Products." In *Performance Audit and Public Management in Five Countries*, by Christopher Pollitt, Xavier Girre, Jeremy Lonsdale, Robert Mul, Hilikka Summa and Marit Werness, 149-170. Oxford: Oxford University Press, 1999.
- Weber, Max. *Economia e Sociedade: fundamentos da sociologia compreensiva*. Brasília: Editora UnB, 1999.
- White House. *Our Government*. 20 de March de 2013. <http://www.whitehouse.gov/our-government> (acesso em 20 de March de 2013).
- Wholey, Joseph, Harry Hatry, and Kathryn Newcomer. "Planning and designing useful Evaluation." In *Handbook of Practical Program Evaluation*, by Joseph Wholey, Harry Hatry and Kathryn Newcomer, 5-29. San Francisco: JosseyBass., 2010.
- Wilson, Woodrow. "The Study of Administration." *Political Science Quarterly*, 1941: 481-506.

Appendix

Appendix I – Highlights of the History of Public Administration

Year	Facts
1491 B.C.	B.C. Moses – During the exodus from Egypt Moses followed the recommendation of Jethro, his father-in-law, that he delegate authority over the tribes of Israel along hierarchical lines
400 B.C.	Plato – Recognized management as a separate art; promoted principles of specialization.
325 B.C.	Alexander the Great – Applied the principle of line and staff to help conquer most of the known world.
284 A.D.	Diocletian – First Roman emperor to rule through genuine delegation of authority and chain of command. He divided the empire into 101 provinces, grouped into 13 dioceses; the dioceses, in turn, were organized into four major geographic divisions.
1494	Pacioli – Invented double-entry bookkeeping.
1525	Machiavelli – Recognized the need for consent and cohesiveness in an effective organization and tried to identify leadership traits.
1776	Adam Smith – Began his great economic work, Wealth of Nations, by discussing the principle of specialization.
1787	James Madison – Recommended a delicate balance of power and vigorous competition among political interests as the best protection against the concentration of too much power bureaucracy.
1787	English Consolidated Fund Act – The rudiments of a complete budgeting system were established
1822	The complete account of revenues and expenditures was presented to UK Parliament for the first time
1887	Woodrow Wilson – While still a practicing political scientist, Wilson called for public administration to focus on effectiveness and efficiency - not just personnel reform.
1900	Frederic Taylor – The "Father of Scientific Management" recognized the need for labor-management cooperation, for controlling costs, and analyzing work methods.
1922	Max Weber – The German sociologist articulated the classical definition of the bureaucratic form of organization.
1924	Mary Parker Follet – Developed a management philosophy based on individual motivation and group problem solving that is considered a forerunner of the participative management idea. She argued that administrative processes are more important than hierarchy and authority and that the exercise of power is an important aspect of bureaucratic behavior anticipated the feminist perspective of public administration.
1927	Elton Mayo – Began the famous management study at the Hawthorne Works of the Western Electric Company near Chicago which examined the relationship between work environment and productivity. These studies were the genesis of the human relations school of management thought.
1940	Robert K. Merton – Proclaimed that bureaucracy, which Weber (1922) had defined so systematically, had a number of dysfunctions (that is, characteristics that lead to inefficiency).
1943	Abraham H. Maslow – Developed a theory of human motivation in which men and women moved up or down a needs hierarchy, as each level was satisfied or threatened.

1946	Contrary Wilson (1887), Waldo argued that all theories of public administration are theories of politics. Waldo's <i>The Administrative State</i> examines the scholarly public administration literature in terms of the great issues in political philosophy.
1947	Herbert A. Simon –Believed that the traditional study of administration was too preoccupied with unsubstantiated principles of action, which he called “proverbs”. In his classic <i>Administrative Behavior</i> , Simon looks at decision making scientifically and finds “bounded rationality”.
1959	Frederich Herzberg – Developed a popular theory of motivation based on job satisfiers and dissatisfies.
1959	Charles A. Lindblom – In his influential essay, "The Science of Muddling Through," the author attacked the rational models of decision making in government. In reality, the model did not work; decision makers, therefore, depend heavily on small, incremental decisions.
1962	James Buchanan and Gordon Tullock – Laid the groundwork for rational choice with the <i>Calculus of Consent</i> , which covers the implications of economic theory for public administration.
1967	Anthony Downs – Applied economic principles to develop propositions to aid in predicting behavior of bureaus and bureaucrats. A forerunner of the "public choice" approach to decision making.
1971	William Niskanen – In <i>Bureacracy and Representing Government</i> , Niskanen viewed a bureaucracy as a rough equivalent of a business where budget maximization substitutes for profit maximization.
1973	Vincent Ostrom – In <i>The Intellectual Crisis of Public Administration</i> , argues that rational choice – not the theoretical propositions handed down by Wilson (1887) – can and should provide the intellectual foundations of public administration.
1984	James March and Johan Olsen – “Rediscovered” what Madison and Hamilton knew all along: political democracy depends not only on economic and social contributions but also on the design of political institutions
1993	Osborne and Gaebler – They publish <i>Reinventing Government</i> in an attempt to "empower government officials to bring business technologies to public service."

Source: Adapted from Starling (1986 and 2010); (Lee Jr., Johnson and Joyce 2013)

Appendix II – Federal Civilian Employment by Branch and Agency: 1990 to 2010

Agency	1990	2000	2005	2008	2009	2010
Total, all agencies	3,128,267	2,708,101	2,708,753	2,730,040	2,803,909	2,841,143
Legislative Branch	37,495	31,157	30,303	29,919	29,997	30,643
Judicial Branch	23,605	32,186	33,690	33,682	33,754	33,756
Executive Branch	3,067,167	2,644,758	2,644,764	2,666,440	2,740,158	2,776,744
Executive Office of the President	1,731	1,658	1,736	1,717	1,723	1,965
Executive Departments	2,065,542	1,592,200	1,689,914	1,740,979	1,850,913	1,937,291
State	25,288	27,983	33,808	35,779	36,762	39,016
Treasury	158,655	143,508	114,194	111,335	110,686	110,099
Defense	1,034,152	676,268	670,790	682,142	714,483	772,601
Justice	83,932	125,970	105,102	107,970	111,214	117,916
Interior	77,679	73,818	73,599	70,515	71,536	70,231
Agriculture	122,594	104,466	104,989	98,720	97,803	106,867
Commerce ¹	69,920	47,652	38,927	41,339	74,305	56,856
Labor	17,727	16,040	15,599	16,269	16,316	17,592
Health & Human Services ²	123,959	62,605	60,944	62,344	65,389	69,839
Housing & Urban Development	13,596	10,319	10,086	9,599	9,636	9,585
Transportation ³	67,364	63,598	55,975	54,676	56,310	57,972
Energy	17,731	15,692	15,050	14,857	15,613	16,145
Education	4,771	4,734	4,429	4,210	4,097	4,452
Veterans Affairs	248,174	219,547	236,363	265,390	289,335	304,665
Homeland Security ³	(X)	(X)	149,977	165,839	177,428	183,455
Independent agencies ⁴	999,894	1,050,900	953,113	923,744	887,522	837,488
Board of Governors Federal Reserve System	1,525	2,372	1,851	1,873	1,873	1,873
Environmental Protection Agency	17,123	18,036	17,964	18,127	18,301	18,740
Equal Employment Opportunity Commission	2,880	2,780	2,421	2,209	2,226	2,543
Federal Communications Commission	1,778	1,965	1,936	1,809	1,849	1,838
Federal Deposit Insurance Corporation	17,641	6,958	4,998	4,726	5,478	6,436
Federal Trade Commission	988	1,019	1,046	1,131	1,131	1,131
General Services Administration	20,277	14,334	12,685	11,929	12,157	12,820
National Archives & Records Administration	3,120	2,702	3,048	3,068	3,298	3,523
National Aeronautics & Space Administration	24,872	18,819	19,105	18,531	18,441	18,664
National Labor Relations Board	2,263	2,054	1,822	1,670	1,631	1,715
National Science Foundation	1,318	1,247	1,325	1,383	1,430	1,474
Nuclear Regulatory Commission	3,353	2,858	3,230	3,833	4,114	4,240
Office of Personnel Management	6,636	3,780	4,333	5,375	5,408	5,892
Peace Corps	1,178	1,065	1,064	1,035	978	1,082
Railroad Retirement Board	1,772	1,176	1,010	977	957	981
Securities & Exchange Commission	2,302	2,955	3,933	3,562	3,715	3,917
Small Business Administration	5,128	4,150	4,288	3,813	4,087	4,037
Smithsonian Institution	5,092	5,065	4,981	4,929	4,930	4,984
Social Security Administration ²	(X)	64,474	65,861	62,337	65,085	69,975
Tennessee Valley Authority	28,392	13,145	12,721	11,727	11,688	12,457
U.S. Information Agency	8,555	2,436	2,212	2,052	1,959	1,953
U.S. International Development Cooperation Agency	4,698	2,552	2,644	2,515	2,515	2,515
U.S. Postal Service	816,886	860,726	767,972	744,405	703,658	643,420

Source: U.S. Office of Personnel Management, Federal Civilian Workforce Statistics—Employment and Trends, bimonthly. See <http://www.opm.gov/feddata>,

Observations: A) For years ending September 30. Annual averages of monthly figures. Excludes Central Intelligence Agency, National Security Agency; the Defense Intelligence Agency; and as of October 1996, the National Imagery and Mapping Agency]

B) X Not applicable. 1 Includes enumerators for the 1990 and 2000 census. 2 Sizeable changes in 1995 due to the Social Security Administration which was separated from the Department of Health and Human Services to become an independent agency effective April 1995. 3 See text, Section 10, National Security and Veteran Affairs, concerning the development of the Department of Homeland Security. 4 Includes agencies with fewer than 1,000 employees in 2005, not shown separately.

Appendix III – Federal Civilian Employment

III.a – Branch and Civil/Military (December of 2012)

Poderes da União	Quantitativo de Serv. da União, segundo o grupo sit. de vínculo			Total
	Ativos	Aposentados	Inst. Pensão	
Executivo	999.661	530.384	401.096	1.932.863
Civil ¹	585.910	379.930	251.675	1.217.515
- Administração Direta ²	235.357	214.116	188.577	638.494
- Autarquias	259.981	124.983	45.296	431.027
- Fundações	90.572	40.831	17.802	148.996
Banco Central do Brasil	4.380	4.601	383	9.375
Empresas Públicas ³	26.918	-	-	26.918
Sociedades de Economia Mista ³	16.474	-	-	16.474
Militares	350.741	144.096	148.332	643.169
Ministério Público da União	15.238	1.757	706	17.701
Legislativo	25.828	7.083	2.657	35.568
Judiciário	104.971	19.828	5.921	130.720
Total	1.130.460	557.295	409.674	2.097.429
Transf. Intergovernamentais ⁴	-	1.882	680	2.562
Fundo Constitucional do Distrito Federal ⁵	105.249	36.956	8.846	151.051

Source: SEGEP/MP.

III.b – Executive Branch: 2005 - 2012

Órgãos da administração	2005	2006	2007	2008	2009	2010	2011	2012 ⁶
Presidência da República ²	4.222	4.875	5.697	7.513	7.917	7.799	6.873	8.437
Advocacia-Geral da União ³	7.766	8.249	8.900	8.977	9.111	7.351	7.621	7.487
Agricultura, Pec. e do Abastecimento	11.742	11.409	11.551	11.588	12.119	11.696	11.357	11.314
Cidades	320	430	418	460	604	565	542	519
Ciência, Tecnologia e Inovação	7.243	7.111	6.959	6.806	6.931	7.192	7.043	6.889
Comunicações	2.000	2.009	2.048	1.971	2.156	2.348	2.383	2.271
Cultura	2.591	2.960	2.976	2.946	3.157	3.774	3.724	3.612
Defesa ⁴	29.002	28.369	27.518	27.246	27.702	27.152	25.783	22.988
Desenvolvimento Agrário ⁵	5.670	6.538	6.576	6.709	6.706	6.539	6.295	6.089
Desen. Social e Combate à Fome	381	522	594	632	661	869	835	808
Desen., Ind. e Comércio Exterior	2.328	2.641	2.677	2.780	2.776	3.112	3.163	3.159
Educação	173.181	179.449	180.895	188.440	199.174	215.025	227.848	238.335
Esporte	219	215	233	236	304	340	333	389
Fazenda	26.404	28.672	33.233	33.033	34.301	35.380	34.348	33.292
Governo dos Ex-Territórios	19.233	18.269	17.399	16.623	15.798	14.996	14.233	13.318
Integração Nacional	2.674	2.667	2.719	2.759	2.793	3.060	2.962	2.871
Justiça	25.502	27.516	27.915	28.168	29.130	30.969	31.183	31.497
Meio Ambiente	8.013	8.469	8.559	9.511	9.481	9.973	9.357	8.865
Minas e Energia	2.351	2.678	2.645	2.957	3.257	3.353	3.596	3.385
Planejamento, Orçamento e Gestão	14.550	16.235	16.453	18.076	15.538	14.002	13.900	14.490
Pesca e Aquicultura	-	-	-	-	-	605	593	594
Previdência Social	42.202	43.782	39.771	39.983	39.006	39.557	38.239	38.906
Relações Exteriores	3.173	3.214	3.335	3.467	3.619	3.727	3.670	3.619
Saúde	106.079	109.107	106.259	105.621	105.456	102.865	99.962	97.798
Trabalho e Emprego	7.195	7.044	7.270	7.091	8.837	8.975	8.924	8.650
Transportes	4.651	5.337	5.454	5.254	5.895	6.140	6.136	6.002
Turismo	271	357	366	388	464	444	502	554
Total	508.963	528.124	528.420	539.235	552.893	567.808	571.405	576.138

Source: SEGEP/MP.

Labor force = number of bond (-) yielded (-) amnestied public and private L10559 (-) interns.

1 - Includes civil servants under direct administration, municipalities and foundations of the executive branch (including temporary contracts).

2 - Includes the Vice Presidency.

3 - The AGU is linked to the Presidency

4 - Includes direct administration, Headquarters Air Force, Army and Navy.

5 - Includes INCRA.

6 - Position dezembro/2012

From 2005 to 2011 the figures were considered the month of December each year.

Note: In this table are included in the servers of the Ministry of Health assigned to SUS (Law 8270/91).

Appendix IV – Questionnaire - Performance audit and program evaluation interactions

1. Does your organization do performance audit (program evaluation)^{50 51}?
2. How and how many performance audit (program evaluation) does your organization do per year?
3. Who and how does the overseeing of the performance audit (program evaluation)?
4. What are the outcomes and performance indicators of your organization?
5. Are the reports published on the internet?
6. Before of the beginning a new performance audit (program evaluation), does your organization interact with the office responsible for program evaluation (performance audit)?
7. Could you give me some examples?
8. During and after the performance audit (program evaluation), does your organization interact with the office responsible for program evaluation (performance audit)?
9. Could you do some examples?
10. How is the assessment of communication from your organization to the office responsible for program evaluation (performance audit)?
11. What is the reason for not existing the interaction?
12. What are the greatest challenges for the office responsible for program evaluation (performance audit)?

⁵⁰ The interviews were conducted in February and March / 2013 in person or by phone. The interviewees 1, 2, 3, 6 and 7 are Brazilian officials and interviewees 4, 5 and 8 are American officials. The summaries of the interviews were sent to the respondents so that they could change, add or remove sections that do not correspond with the reality of what was spoken.

⁵¹ Alternatively the questions were tailored to each interviewee. For example, if the respondent works in the audit the first question was "1. Your organization do performance audit?". If you work with program evaluation question 1 was "1. Your organization do program evaluation?".