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The Brazilian Court Of Audit (TCU): monitoring
and evaluation of the PNAE and PNATE
Education Programs

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“Education occupies a central position in the policies of governments around the world and is almost always heavily subsidized. The underlying justification for governmental involvement takes a variety of forms, but increasingly it is suggested that expanded educational investments both strengthen the national economy and improve the societal distribution of income and welfare.”

Eric Hanushek, Charles Ka Yui Leung and Kuzey Yilmaz – National Bureau of Economic Research, Cambridge/MA.

“Emphasis on educational efficiency, or accountability, with all its claims towards institutional improvement, has left the question of educational equity unanswered. Contemporary policy, particularly in Western nations, focuses largely on raising aggregate test scores while the greater society sees a steady increase in economic inequality. Trace the current increase in inequality through income and wealth distributions, and argue that educational equity should also be a priority for all nations.”

International Education Journal, 2006.

I would like to thank God for this remarkable and wonderful experience in my life. Certainly, today I am a different person and I hope to be a better one. I do wish to transmit, at least, half of the vast knowledge I’ve received at the Minerva Program. To Mr. James Ferrer, for giving me this opportunity, thanks a lot.

Alexander Emoski Barbosa Rossino – Minerva Group of Fall 2014



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1. Introduction

The Brazilian Court of Audit (TCU) has placed emphasis on thematic specialization of its Departments of External Control, and already had initiated the Plan for Strengthening units located all over the Brazilian States, which also will be under the process of specialization. In this sense, TCU created the General Coordination of External Social Control Area, which the Department of External Control of Education, Culture and Sports (SecexEducação) takes part.

In order to integrate SecexEducação with regional offices involved with the Theme Education, TCU will create interesting frameworks such as the conduct of proceedings, conducting audits, techniques, studies and specific tools for support the Subject Area Education.

The complex reality of Brazil, for its continental size and its cultural diversity hinders the development and implementation of public policies consistent with the reality of each location. Giving everyone access to quality education is one of the major challenges faced by the Brazilian Government. In this sense, there is a need to develop programs aimed at school's nourishment and transportation for children.

Considering the area of education is quite extensive and one of the most relevant in the context of Brazilian Public Policy, a kick off to start the whole process of integration should be the creation of frameworks and standings parameters for monitoring two of the most important Brazilian educational programs: PNAE (National Program of Alimentation at Elementary School) and PNATE (National Program of Transportation at Elementary School). Thus the main purpose of this paper is to provide detailed arguments in favor of a coordinated audit by TCU, in order to monitor and evaluate PNAE and PNATE.

The choice of PNAE and PNATE as pilot projects are due to the large amount of resources involved (PNAE met 43 million students with an investment of R\$ 3.5 billion and PNATE met 4.5 million students attended with an investment of R\$ 582 million, according



to data from National Fund for Educational Development-FNDE, for the year of 2013) and the fact that they are present in numerous trial court proceedings, both under the SecexEducação and regional departments competences.

PNAE, created in 1955 and currently regulated by Law 11.947/2009 constitutes transfers in a supplementary way of financial assistance to States, Federal District and Municipalities intended to meet partly the nutritional needs of students of all basic education (preschool, elementary school, high school and youth and adult education). The Program is considered one of the largest programs in the area of school's food in the world and it is the only one with universalized student body.

PNATE already established by Law 10.880/2004 aims to ensure access and retention of students in elementary schools. These students are residents, typically in a rural area, using school's transportation services, through financial assistance by the Federal Government to the States, Federal District and Municipalities. This program includes an automatic transfer of funds without the need of an previous agreement or other instrument counterpart to fund retirement expenses, insurance, licensing, taxes and fees, tires, tubes, mechanical services in brake, suspension, rates, motor, electric and bodywork, recovering seats, fuel and lubricating the vehicle or, where applicable, the boats used to transport students in public basic education living in rural areas. It also serves to pay for services contracted with the private sector for school's transportation.

In this context, my project supports the creation of frameworks, establishment of parameters, and consolidation of methods for control of some of the most important programs in Brazilian education, such as PNAE and PNATE.

After comparing and contrasting the two largest education systems in the Americas, especially the external control provided by Brazil and the US, the objective of this project is to argue in favor of the near future creation of Theme Oversight's Matrixes for each Education Program, giving strategic background to the operation of the TCU. This idea is

consistent with The TCU's Strategic Plan for 2011 to 2015 and supported by General Secretariat as a step ahead towards excellence in oversight.

These countries were chosen because of the characteristics that they have in common: consolidated constitutional democracies, large population, and a model of administration based on fiscal federalism which divides power between federal, states and local governments.

The main purpose of the change is to allow the departments, based on a vast knowledge of their area (education), to act together, at the same time, with the same tools and all over the Brazilian states in order to prevent fraud and corruption in social programs. So, the results of this project won't be just a piece of paper, but a centralized audit all over the Brazilian states, putting into practice, putting to the test all the knowledge acquired during the Minerva Program.

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 the compliance and performance audits that are concerned with economy, efficiency and effectiveness over some of the most important programs in The Brazilian Educational System, such as PNAE and PNATE.

2. Brazilian Educational System

As a universally recognised human right, state parties within international conventions have the legal obligation to respect, protect and fulfil the right of education since the proclamation of the Universal Declaration of Human Rights (article 26) that states “everyone has the right to education”.

Therefore, the Brazilian Constitution establishes that education is a right for all, and it is the duty of the Federal Government to provide education in the school. The Constitution specifies that the states and the Federal District will organize their own systems of education while the Federal Government will be responsible for providing education in a complementary manner anywhere necessary throughout Brazil. Thus, in Brazil the administration of education is carried out on three levels: federal, state and municipal. Also, the Federal Government has specific constitutional authority to legislate the directives and the bases of national education.

Brazilian investment in education has increased in recent years in terms of both real expenditures and percentages of government spending allocated to education. As a result, educational opportunities and educational attainment have risen. However, educational investment and attainment, especially in primary education, are still inadequate for a middle-income country with the economic aspirations and potential of Brazil.

Furthermore, these inadequacies are concentrated in rural areas and municipal schools in the countryside. Therefore, to address the issue of inadequate investment, educational expenditures still need to be increased and their distribution improved. To these ends, the Federal Government introduced transfer mechanisms in order to improve the distribution of educational resources; however, the ability of local governments to raise revenues needs to be enhanced.

In this context, the Federal Government, through the FNDE and PNAE and PNATE Educational Programs, tries to soften some of the major deficiencies in primary education,

but its policy statements must still be translated into concrete actions to remedy serious educational problems because large numbers of students still suffer from inadequate access to schools and low quality of lunch and transportation at a primary education.

Brazilians are still struggling with the endeavor of making basic education available to all of nation's school age children and to reshape outdated educational contents and methods to meet social needs.

2.1. The National Fund for Education Development (FNDE)

On November 21, 1968, the National Fund for Education Development (FNDE), an independent federal agency, was created as a result of Law 5.537. Later, the FNDE amended Decree-Law 872, on 15 September 1969, and this became responsible for the implementation of educational policies of Ministry of Education (MEC) in Brazil.

To achieve the improvements and ensure a quality education to all, especially basic education to the public network, the FNDE has become the largest trading partner as it covers all 26 states, including all 5,565 municipalities and the Federal District, in Brazil. In other words, the FNDE is responsible for the transfers of money to educational policies that are divided into constitutional, automatic and voluntary transfers. Therefore, the FNDE are held accountable for the transfers to all public networks to ensure quality improvement in education. Within the FNDE, the two most important and valuable automatic transfers for education in Brazil are the National School Feeding Program (PNAE) and The National Program to Support Transportation School (PNATE).

2.1.1. The National School Feeding Program (PNAE)

PNAE was established in 1955 in order to contribute to the growth, development, learning, school performance and the development of healthy eating habits through the provision of school meals and education actions food and nutrition.

PNAE covers students in all basic education (preschool, elementary school, high school and youth and adult education) enrolled in public, philanthropic institutions and community entities (contracted out by the government), through the transfer of financial resources.

Funds for PNAE come from the National Treasury, provided in the Union Budget. The National Fund for Development in Education (FNDE) performs financial transfer to Executing Entities (EEx) in specific bank accounts without the need for execution of an agreement, adjustment, contract or any other instrument.

The Executing Entities (States, Federal District and municipalities) are responsible for implementing the Program, including the use of financial resources transferred by the FNDE, which are complementary. It is the responsibility of EEx to ensure provisions to school students enrolled in basic education.

The transfer is made in ten monthly installments from the month of February, to cover 200 school days. Each installment corresponds to twenty school days. The amount to be transferred to EEx is calculated as follows: $TR = \text{Number of students} \times \text{number of days} \times \text{amount per capita}$, and TR = the total amount of funds to be received.

The receiving school must be registered in the school census conducted by the National Institute for Educational Studies Teixeira (INEP/MEC). Philanthropic, community and faith-based schools, and other nonprofits that meet the criteria, established in Resolution 26/2013 of the FNDE, are considered as part of the public school system.

A nutritionist must prepare the school menu, and it must respect local cultural eating habits and meet the specific nutritional needs as established in Article 14 of Resolution 26/2013.

Financial resources granted by the FNDE implementing agencies, at least 30% (thirty percent) should be used in the purchase of food produced by family farmers and rural family entrepreneur.

2.1.2. The National Program Support Transportation School (PNATE)

The National Program Support Transportation School (PNATE) was established by Law 10.880, of June 9, 2004, with the goal of ensuring access and permanence in schools of public elementary school students living in rural areas that using school transport, through financial assistance, additional character to the states, Federal District and municipalities.

Transportation has a particular importance in the Brazilian education, because of the problem of school transportation for the population distributed over the vast interior. Distance is one reason for the low scholastic efficiency in the interior of Brazil. The only solution is the creation of a school transportation system and the location of the schools in population centers to which the pupils could be brought and where the teachers could live comfortably. In some regions such as the Amazon basin and San Francisco Valley, this transportation system could operate with motorboats, which would collect children on shores of the river. For example, in Amazon region, one student can journey to school for hours

In these context, the PNATE program consists of the automatic transfer of financial resources, without covenant or other instrument counterpart, to defray expenses for retirement, insurance, licensing, taxes and fees, tires, tubes, mechanical services in brake, suspension, rates, motor, electric and bodywork, recovering seats, fuel and lubricating the vehicle or, where applicable, the vessel used to transport students in public primary education living in rural areas. It also serves to pay for services contracted with third parties for school transport.

States can authorize FNDE to make the transfer of the corresponding value to students of the state network directly to their respective municipalities. For this it is necessary to formalize the authorization through the organ trade. If they do not, they will have to directly run the funds received, being prevented from making future transfers to municipal entities.

The amounts transferred directly to the states, Federal District and municipalities are made in nine annual installments from March to November. The calculation of the amount of financial resources allocated to the states, the Federal District and the municipalities is based on the quantity of transported students from rural areas and informed the school census of the previous year.

3. Monitoring and Evaluation

Before discussing accountability, in PNAE and PNATE programs, monitoring needs to be distinguished from evaluation. Though the professional literature often treats monitoring and evaluation as portmanteau words. But, evaluation is most commonly viewed as part of the planning cycle, which contains 4 (four) stages: audit, plan construction, implementation and evaluation.

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. Also they 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.

On the other hand, monitoring is a continuous, formative, diagnostic assessment of any activity or performance. It consists of the routine measurement of program inputs, outputs, intermediate outcomes and longer-term outcomes attributed to a program. It is thus central and should be done before any evaluation process. After being monitored, all schools must taken action to ensure that is on course towards the desired goal of PNAE and PNATE.

Monitoring is therefore a means of reviewing, regulating and taking appropriate action to aid the satisfactory completion of tasks. A monitor checks, oversees, and keeps a continuous record of any observations made.

In short, monitoring should be a term coupled with the following activities: control, evaluation and review. Monitoring is the one common factor in all these activities, which is fundamental to a constant understanding of what is happening in the education of pupils.

For the purpose of this paper, which is centered on supporting the monitoring of PNAE and PNATE Brazilian Educational Programs by using a Theme-Standard Framework, the follow distinctions are made:

- 1. Monitoring is a kind of auditing, inspection, verification, and a summative assessment. Any properly documented process can be audited in order to check that the system matches its goals and gives written evidence to prove it.*
- 2. Evaluation is a general term used to describe any activity where the quality of the provision is the subject of systematic study. When we evaluate we make a judgment about the effectiveness of this activity, so we can measure the results.*

In the Brazilian case of PNAE and PNATE, before performing evaluations, it is necessary to elaborate and to plan the implementation of a Theme and Standard Framework for Inspection. This identifies the same criteria and methods for all inspections that should be done all over Brazilian states. This can be a good start for the future use of Theme-Standard Frameworks for the Inspection of PNAE and PNATE, which will provide a set of criteria to measure success.

After the whole control network (FNDE, CGU, TCU and MPU) agreement with the current process of inspection, the criteria on which alimentation and transportation on schools is viewed and generally accepted as valuable and relevant. While an imminent inspection should not be the main driving force of a school's awareness of its development and improvement, it can create a positive motivation in those schools where maintenance management is much needed.

3.1. Key actors in monitoring and evaluation of PNAE and PNATE

Monitoring PNAE and PNATE is a task for the FNDE and the School Feeding Council (SFC). This body oversees the implementation of a program without prejudice to the activities of other actors of internal (advising) and external (compliance) controls, such

as the Court of Audit (TCU), the Comptroller General (CGU) and the Public Ministry (MPU).

There is a decentralization of control in education programs. Each actor has its own role in monitoring, including special and different management issues, such as:

The National Fund for Education Development (FNDE) is responsible for complementary financial assistance, standardization, coordination, monitoring, tracking and implementing programs, while evaluating the effectiveness and efficacy of these programs.

Executing Entities (EEx) such as States' education departments, the Federal District, cities and federal schools are responsible for receiving money for the implementation of PNAE and PNATE and also hold responsibility for the accountability of financial resources transferred by FNDE.

School Feeding Council (SFC) is a collective body of autonomous and deliberative representatives of the executive branch of organized civil entities of education, workers, students and parents. Each representative serves a four-year term and may be reappointed as indicated by their respective segments. The main goal of SFC is to oversee the implementation of transferred resources and ensure the quality of products, from purchase to distribution in schools, while paying attention to good hygiene and sanitation practices.

The Public Ministry (MPU) is responsible for investigating complaints in partnership with FNDE.

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, such as carrying out audits and inspections activities to check how public money is being used.



The Brazilian Court of Audit (TCU): monitoring and evaluation of the PNAE and PNATE

And, finally, the Brazilian Court of Audit (TCU) is the supervisory body of the Federal Government, whose mission is to ensure the correct use of federal resources among these educational programs as an external controlling actor.

4. How TCU deals with PNAE and PNATE's monitoring and evaluation?

The Brazilian Court of Audit (TCU) has a decentralized structure. Half of public servants work in Brasilia and the other half work in regional units that are located in the capitals of the 27 Brazilian states.

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 by misapplication or other irregularities that may cause losses to the public treasury. Such administrative and judicative authority, among others, is provisioned in article 71 of the Brazilian Constitution. As a matter of fact, TCU also carries out compliance and performance auditing in PNAE and PNATE.

The first aspect to tackle in this project concerns the analysis of the exercise of external control by TCU on these programs and funds, from a model of political organization focused on decentralization, with control instances created in each level of government, and directed to the strong social participation in monitoring public policies.

Currently, taking into account that the programs and funds mentioned are made even partly by resources of federal origin, TCU spends a significant portion of its workforce in the analysis of administrative acts and contracts from state and municipal entities correlated to PNAE and PNATE.

Even with the application of the money in a decentralized manner, TCU has an important role because it carries out compliance and performance audits over PNAE and PNATE. Therefore, the final monitoring is shifted to the federal level, so, the examination of issues that probably would be handled better at the state or municipal level end up being treated at TCU in its various departments all over the country without predefined frameworks such as the conduct of proceedings, conducting audits, techniques, studies and specific tools for supporting the Subject Area Education.

4.1. The Compliance and Legality Audits

Compliance audit objectives are related to assessment of compliance with criteria established by provisions of laws, regulations, contracts or other requirements.

Compliance auditing determines whether a process or transaction has or has not followed applicable rules. If rules are violated, the auditor determines the cause and recommends ways to prevent future deviations. The rules being tested can be those created by the organization for itself through corporate by-laws, policies, plans, and procedures; can be those imposed on the organization through external laws and regulations; or can be those external standards that the organization has chosen to follow.

Characteristics of compliance audits are the yes/no aspects of the evaluation. For each process or transaction examined, the compliance auditor must ultimately decide whether it complies with the chosen standard or does not. Often, the ratio of non-compliant outcomes to compliant outcomes is calculated and used as a basis to estimate an overall percentage of "non-compliance." (Such ratios, often used to extrapolate sample results to the total population, should be verified to be sure that underlying assumptions support their use as estimators.)

The compliance auditor typically reports reasons for noncompliance. If irregularities are found, they describe implications and risks of noncompliance and suggest corrective action to prevent future occurrences.

Compliance auditors must have the skills to research issues effectively using authoritative materials, understand how to apply the knowledge gained to the circumstances being tested, and be able to explain to the organization what compliance means in day-to-day operations.

The goal - to reach a conclusion that an outcome complies or does not comply with a standard - is not necessarily simple, especially in domains governed by complex

regulations (e.g. occupational health and safety, environmental, employment practices, health care, insurance, federal grants and contracts, employee pensions and benefits, federal tax and educational programs regulation).

The auditor's objectives in a compliance audit are to:

- a) obtain sufficient appropriate audit evidence to form an opinion and report at the level specified in the governmental audit requirement on whether the entity complied in all material respects with the applicable compliance requirements; and
- b) identify audit and reporting requirements specified in the governmental audit requirement that are supplementary to Government Auditing Standards, if any, and perform procedures to address those requirements.

Laws, regulations, policies, and procedures were implemented to ensure control. It became the responsibility of auditors to verify that these rules were indeed being followed.

A compliance audit is based on the premise that management is responsible for the entity's compliance with compliance requirements. Management's responsibility for the entity's compliance with compliance requirements includes the following:

- a) identifying the entity's government programs and understanding and complying with the compliance requirements;
- b) establishing and maintaining effective controls that provide reasonable assurance that the entity administers' government programs in compliance with the compliance requirements;
- c) evaluating and monitoring the entity's compliance with the compliance requirements; and
- d) taking corrective action when instances of noncompliance are identified, including corrective action on audit findings of the compliance audit.

In short, a legality audit is an instrument of monitoring used by the Court to examine the legality and legitimacy of the acts of the management responsible, subject to its jurisdiction in the financial, budgeting and asset accounting aspects.

4.2. The Performance Audits and Program Evaluation

Performance auditing is the independent and objective examination of how economical, efficient, efficacious and effective organizations, government programs and activities are at aiming to promote the improvement of the public management.

Performance audits have characteristics that distinguish them from traditional audits. Unlike compliance audits, which adopt relatively fixed patterns, performance audits, due to the variety and complexity of the issues handled, have greater flexibility in the choice of subjects, objects of auditing, work methods and how to communicate audit findings. They employ a broad selection of evaluation methods and research in different fields of knowledge, especially in social sciences. Moreover, this type of audit requires from the auditor flexibility, imagination and analytical ability.

Some areas of study, due to their specificity, require expertise and differentiated approaches, as is the case of program evaluations, audits of information technology and the environment.

In compliance audits, the findings take the form of concise opinions and standardized formats based on financial statements and compliance of transactions with laws and regulations, or on topics such as the inadequacy of internal controls, fraud or illegal acts.

On the other hand, in performance audits, the report deals with the economy and efficiency in the acquisition and application of resources, as well as efficiency and effectiveness of outcomes. These reports can vary considerably in scope and nature, for

example, the efficient application of resources, the impact of policies and programs and recommending changes designed to improve management.

Due to their nature, performance audits are more open to interpretations and judgments and their reports are therefore more analytical and argumentative. In compliance audits the examination of materiality is directly related to the amount of funds involved, while in performance audits this is a more subjective matter and can be based on considerations about the nature or context of the audited object.

In short, performance audits assess the activities of organizations or agencies in order to determine if available resources are used with due care through economical efficient and effective means.

The performance audit aims to understand what difference a service, regulation, or other activity makes, who bears the costs and receives the benefits, and at what cost. It is therefore concerned with the contribution made to achieving desirable outcomes and minimizing undesirable costs and consequences. Sooner or later this requires some consideration and understanding of attribution, contribution and causality, often in the context of complex interventions that may evolve over time.

This is not the place for an extended methodological discussion, but it is important that as we consider how to apply methodologies, we do so within a framework informed by a plausible understanding of how we might conclude that public services contribute to or detract from the well being of society.

5. How GAO monitors and evaluates American Educational Programs?

The growth in the number of federal audit agencies has been quite visible in the USA. Federal auditors perform a variety of audit services, but compliance auditing has always played a key role. In the USA, the Federal audit divisions include the General Accounting Office (GAO), the Internal Revenue Service (IRS), Defense Contract Audit Agency (DCAA), and the Offices of the Inspector General (OIG).

GAO is the superior monitoring entity of the United States (similar to the role of external control that TCU performs in Brazil). Its excellence as an audit institution is recognized worldwide by other Supreme Audit Institutions, especially in regards to compliance auditing.

Special intergovernmental transfers, such as PNAE and PNATE, keep similarities with the “Block Grants” used by the North American Federal Government. They consist of transfers to programs that finance sectors prioritized by the central government, such as health and education.

Based on this, the second aspect to be developed in this paper refers to the comparative assessment of the North American shipments to those provided for in Brazilian law, especially regarding the extent of control exercised by the federal government defined in their statutes and the approach that the Government Accountability Office (GAO) emphasizes in its works, with a focus on the results and achievements of program objectives.

This procedure will meet the criteria considered relevant in the USA and the methods of control used, as well as provide valuable elements to enhance TCU, which is in control of these intergovernmental transfers, making the external control more strategic and relevant.



By deepening our knowledge of the North American system of government transfers, which includes the extent of control exercised by the GAO, as well as the methodology, approach and the emphasis given to this control, this background will serve as the basis to improve and refine TCU ones.

The project Matrix Standard for PNAE and PNATE are included in its scope of the development and improvement of methods for monitoring. In this sense, the TCU wants to adopt new methods of supervision with an emphasis on intelligence, risk and ethics, as adopted by the GAO, so that it is able to prevent, detect and correct misuse, fraud and corruption in Brazilian educational programs. The acquisition of knowledge is being made by means of comparison (benchmarking) with organs that hold knowledge by auditing and through external control, such as the GAO.

To combat fraud and corruption, the GAO has its own methodology, which has given good results, as discussed in specific items within this paper. In this context, GAO publishes the Government Auditing Standards, also called "Government Auditing Standards Generally Accepted" or "Yellow Book", because of the yellow cover. All American public auditors of federal, state or local levels should follow the Yellow Book.

In addition to general rules, the Yellow Book contains standards specifically applicable to financial audits (including compliance with respect to laws and regulations) and other valid standards for performance audits. They are specific for fieldwork and reporting of other chapters.

The current edition of the Yellow Book, obtained during the visit, will be useful for updating the rules of TCU and the development of new standards.

Paragraphs 5:12, 5:17 to 5:25, 6:15 to 6:20, 6:32 to 6:40 and 8:19 to 8:26 of the Yellow Book standards refer specifically to the possibility of fraud, illegal acts, violations of contracts, or agreements and abuses. Among other provisions, the regulation states that



the preparation of the audit should provide reasonable assurance of detecting fraud, and that auditors should be alert to situations or transactions that might be an indication of abuse.

The GAO maintains on its website an exclusive communication channel for complaints of fraud, waste or abuse. For the same purpose, there is a specific electronic address (e-mail) and a telephone number for free calls. Complaints feed a system called “Fraudnet”, which is used by auditors and investigators.

According to the protocol signed between the GAO and Congress, the fraud investigation is the responsibility of the Office of Special Investigations of GAO. It is a group of twenty retired CIA and FBI agents hired by the GAO, because of their knowledge, ability and skills. The investigation of a fraud runs parallel to an audit. While auditors use data mining as the main technical tool, researchers can conduct interrogations and apply obscure intelligence techniques, such as simulations and the infiltration of agents. Communication between auditors and investigators is continuous, which enables each target to work in line with the indications and evidence raised by others.

The Fraudnet system as well as the work of the Office of Special Investigations, guides the review of High Risk Series, which, in turn, subsidizes the development of the Inspection Plan. In addition, information obtained via the grievance or the researchers themselves can motivate the discussion with the congressional committees on the opportunity and convenience of conducting specific audits.

GAO's experience shows that the joint action of auditors and investigators produces greater results and in a timely way than uncoordinated actions. This reinforces the opportunity of identifying and implementing models of joint TCU, MPU, CGU and Federal Police in the Brazilian Control Network.

The GAO employs 92% of its resources in meeting the demands of Congress. Therefore, the concern with the criteria for priority areas to be audited is much smaller than in the TCU.

However, the information and documents obtained from GAO may be useful in developing a new methodology for monitoring the Court, either as input of the specification of the Standard Matrix that will be used in the Specialization Project of TCU, or as a reference to research methods, techniques and standards by TCU itself, especially with regards to the following topics:

- a) establishment of a standard (manual or script) audit able to combat fraud and corruption, adapted to the reality of the TCU;
- b) possibility of developing a Roadmap for Data Mining, to be used in audits of fraud;
- c) identification and implementation of models of joint TCU and other control agencies;
- d) preparation of script quality control of external control actions, including theoretical background, forms and questionnaires to be used by internal and external evaluators; and
- e) grant the improved methodology of preparing the inspection plan TCU, notably with regard to the identification of functions of government agencies and high-risk areas.

A technical visit to the GAO allowed the representative of TCU to broaden their horizons about the role of the auditor in combating fraud and corruption and mainly resulted in several opportunities for improving the methodology of supervision by the Court, as discussed in this paper.

Successful experiences and practices already established, as well as standards and tested and validated by GAO documents, may be adapted to the reality of TCU with a high probability of success.



Although the fruits of this technical visit are significant, a better understanding and utilization depends on the continuity of the task of knowing who is in control and the other control agencies, which translates into the need for constant technical visits to other national and foreign institutions, based on the guidelines of the Specialization Project of TCU. Thus, the Brazilian Court of Accounts may hear the best practices for auditing by comparing practices to maximize the results of their application.

6. New proposal for monitoring and evaluation of the PNAE and PNATE Education Programs

Nowadays corruption ruins lives and obstructs attempts at social and economic development. This is particularly true for the PNAE and PNATE, thus TCU has a lot of to do in these issues in order to have education services not be hindered and distorted by corruption and bad management. After all, education is not only an entitlement, but is also instrumental in promoting development, social justice and other human rights.

Efforts by the above items are driven by research and an emphasis on my practical experience auditing PNAE and PNATE when I was working as public auditor in the State of Pará in order to reduce corruption and poor implementation of PNAE and PNATE.

The work described above demonstrates that simple things could be used as efficient tools to reduce corruption in the field of primary education. The work in a regional TCU's Secretariat that deals directly with the Brazilian primary schools has demonstrated that combating corruption in education can begin with simple but effective measures, such as posting budgets on the school door. Moreover, it can lead to the launch of cross-cutting educational control networks that benefit from the exchange of knowledge and experience, as already witnessed in Europe and the US.

6.1. The Theme-Standard Matrices Experimentation (Matrizes-Padrão)

An educated population is a fundamental ingredient for a well-functioning democracy and a crucial driver of growth in the modern economy. Thus, education has both private returns that accrue to the individual, and public returns that accrue to society.

In order to reach the goal of Brazilian educational leaders, which concerns providing a system of universal and obligatory primary education through PNAE and PNATE, TCU should try something different while monitoring and evaluating these programs.

Standard Matrices Auditing Experimentation in these Educational Programs (planning and possible findings) for applying in audit procedures is one of these solutions and should be a good start.

These matrices will serve as a reference and therefore can and should be adjusted to the specific scope of work that one technical unit of the control network will perform, both with regard to the choice of issues and procedures, as compared to additions and deletions deemed necessary. We recommend that the application of matrices teams report the need to improve the procedures, criteria and referrals matrices improvements as well as new issues that are necessary to cope with new situations detected.

On these future theme-standard matrices, the questions of audit, the source of information, the procedures and its details, and the most common findings will be already filled. So, the controller authority in charge merely has to check what is going on and conduct the correct procedure, which is already known.

This new proposal tries to fight against some of the principal obstacles to economic development that are to be found in the Educational Programs in Brazil, such as:

- a) A disproportionately low expenditure on education by states and municipals;
- b) Inequality in education between the various regions of the country;
- c) Inequality between urban and rural education;
- d) A high rate of illiteracy in underdeveloped areas; and
- e) Deficiencies in pre-school.

The goal is to start systems of accountability in PNAE and PNATE educational programs that should clearly and simply state the relevant rules and procedures, provide a mechanism for monitoring compliance, specify the consequences for non-compliance, and be consistent in its enforcement.

There is a need for a clear educational audit framework, which clarifies roles, responsibilities and rules of auditing. When many different levels exist, conflicts tend to appear, and the lack of clarity allows for mismanagement to go unpunished.

TCU has been conducting several audits intended to evaluate subjects, government programs or actions in a systematic way, which enables comparison between different local realities and the identification of patterns. To obtain results in this type of audit, uniformity of data collection and registry is essential in order to ensure evidence sufficiency and the feasibility of consolidation.

Particularly in Brazil, the use of “Matrizes-Padrão” (loosely translated to “standard matrices”) could help the accountability of the Federal Government be strengthened, through helping local level (States and Municipalities) regulate, control and sanction the districts and schools, since the administration is almost absent at local levels and its capacity to intervene is thus very weak.

So, besides helping TCU and its audits over PNAE and PNATE, the Theme-Standard Matrices Experimentation is essential for strengthening the capacities of local controls actors and protecting them when they confront mismanagement in these programs.

6.2. The Inspections Centralized Orientation (FOC)

The Inspections Centralized Orientation (FOC, abbreviation in Portuguese) is defined in TCU Ordinance 2-Adplan of August 23, 2010 and aims to evaluate the systematic issue and control objects from a national or regional level, adopting standardized ways of working papers, identify the most common and relevant events, and allow the consolidation of the results.

The experience of several audit works treating the same subject simultaneously revealed a great potential for synergy and exchange of information between units of TCU, and allowed the adoption of a systematic approach, which is not observed in isolated work.

In fact, certain conclusions are possible only with the isolated work of a team. This all depends on an approach, which observes the whole picture, allowing the identification of patterns to better detect and understand the facts or irregularities and their causes.

The FOC allows for audit issues and controls objects in a systematic way, seeking to draw a general picture of the situation analysis, identifying the most common and relevant irregularities, and proposing improvements in public administration and systematic own control.

Performing a FOC involves the participation of various technical units of TCU. The technical unit responsible for coordinating the planning, direction and execution of the work of consolidation of results is called "guideline," while the other units participating techniques are known as "executioner."

The adoption of standardized procedures and roles of work allow for the identification of similar situations, and facilitates the consolidation of the results. The consolidation of a FOC is the tabulation and analysis of aspects considered important to enable systematic evaluation of the subjects or objects of supervised control.

Labor standards to be observed in carrying out FOC are the same as those for the control action that is being developed. For example, if the FOC is a compliance audit, the applicable standards are defined in the document "Standards Compliance Audit." If the FOC is a performance audit, conversely, it must follow the manual approved for this type of audit. Moreover, if the FOC is a monitoring audit, applicable standards are those set out in the document "Standards Monitoring."

Briefly, one FOC can be described as the set of monitoring or audits involving centralized preparation, decentralized implementation, and consolidation of the results. Depending on the size of the work, a FOC is recommended to invest the time required for planning is well developed, involving all participating units.

Matrix Planning and findings prepared for certain areas of inspection (Matrices Standard) or for specific topics—for compliance audits, preparation for the planning and possible findings matrix, consultation and use of matrices Reference is recommended (for example: arrays used in previous FOC)—is available in TCU’s data base.

The preparation of arrays of planning and possible findings by guiding technical units is fundamental to guide and ensure consistency in the work of an FOC. This process also saves time in the planning of the executing units. In the inclusion of the planning matrix, the technical unit counselor should indicate the issues that will be mandatory for all individual work. The executing technical units cannot exclude such questions after importing. In other cases, the technical unit shall forward the guiding matrices and other documents for executing technical units, according to the type of supervision instrument adopted. It is also important that enough time is available for teams of technical units to clarify doubts and become familiar with the procedures provided by guiding technical unit time.

The array of possible findings have three main purposes: (i) to optimize staff time in the characterization of the findings and in drawing up their proposals, (ii) to ensure uniformity in the proposed routing of the teams, and (iii) allow the consolidation of the work. It is important to note that the consolidation of the work is made possible only with the standardization of the findings, allowing the diagnosis of systematic events detected.

An FOC can be typed in a "Single Report," in which the guiding technical unit is designed, from the consolidation of information collected and provided by the executing technical units.

In short, an FOC is a special type of audit or process for checking that procedures are in place to ensure quality, integrity or standards of provision. Further, its outcomes must consolidate results of many audits over the same subject, using standardized frameworks, such as Theme-Standard Matrices, in order to enable comparisons of cases occurred. In

turn, this enables more precise conclusions to be drawn due to the greater number of cases involved.

Another important role of FOC in PNAE and PNATE is that it is going to be an appropriate normative framework that guarantees public access to these reports, being a key requirement of social accountability.

6.3. The Control Network (Rede de Controle)

Despite the already mentioned joint special operations by Federal Police, Public Prosecutors and CGU, anti-corruption Brazilian public bodies do not work in real coordination. The tasks are often developed in parallel and different approaches, leading to re-work or work-doubled.

There is some competition within the agencies for society's recognition and governments appreciation, which is not bad for itself, but leads to lack of interaction and information sharing, and human capital maximization. At the end, there is a predominance of an organic view over the State view, which compromises the general outcomes.

In a structural point of view, there are too many agencies involved in the fight against corruption in Brazil's Educational System, although none of them happen to be dedicated bodies. This increases the cost of control, generates a misperception from the society (in other words, doubts about who is responsible for what) and, finally, spoils confidence and secrecy of the operations. There is, in fact, a vicious cycle, where too many agencies lead to lack of confidence and boost secrecy. This situation, in turn, harms articulated works and information sharing among the bodies.

The lack of information sharing is an aspect of the confidentiality and defective coordination among Brazil's agencies. One of the most important movements towards the integration and articulation among government bodies in Brazil was the creation of the The Control's Network (Rede de Controle, in Portuguese). This was the most significant

initiative of the Brazilian government in searching for a more rational and efficient way to tackle corruption and money laundering. It involved an integration of approaches and ways to share information as well as discuss bills around new rules for any particular situation that identified possible threats against the State.

So in this way, The Control's Network, built in 2009 is an outlet to improve the effectiveness of the function of state control over public management, and is a network space composed of various organs. Its main objective is to develop actions aimed at monitoring public management, diagnosis and combating corruption, encouraging and strengthening social control, information and document sharing, and exchange of experiences and training of its staff.

To achieve the goals, federal, state and municipal agencies within the network must articulate their efforts, form partnerships, define common guidelines by compromising and joint enforcement actions, train public servants, and provide educational events geared to the general population. Besides, articulated activities should not be jeopardized by the mentioned "organic view." Nowadays there is information sharing and data crossing, insulating each agency's knowledge so that the given outcomes are much more maximized.

For instance in the Bahia State, Control Network consists of the following organs: Attorney General of the Union (AGU), Auditor General of the State of Bahia (AGE), The National Fund for Education Development at Bahia (FNDE-BA), the Comptroller General (CGU), government ministries Federal, State and Accounts, Federal Police (PF), Attorney General of the State of Bahia, Federal Revenue Court of the State of Bahia Auditors (ECA-BA), Court of Auditors of Municipalities (TCM), the Court of Audit (TCU) and (TRE-BA) Regional Electoral Court. Assessments further down the chain of control, however, tend to involve more participatory techniques to diagnose problems in sub-sectors of educational programs or to examine specifically negative management problems, particularly at the school level.

This *multi-level* control allows for the identification of those schools of the PNAE and PNATE service delivery process that are most prone to corruption or bad management and hence require the most attention from policy-makers.

Learning to function as a network requires time and dedication, and it is not always easy to identify or attribute specific results or outcomes to a given entity. However some benefits of being part of a network have already been identified, such as: learning from each other and capitalizing on the strengths and experience of other member through regular meetings and trainings (both in person as well as through various online technologies and systems), learning about different approaches of developing and implementing control's procedures, strengthening capacity to advocate for transparency in education, and strategic importance of forming partnerships, with a diverse range of actors, for oversights, monitors and evaluations.

In short, the benefits of the Control Networks include knowing how others agencies have implemented their own plans, leading to the sharing of best practices, policy and advocacy resources (as well as monitoring and research tools) and the opportunity to tap into key expertise by working together in order to avoid repetition and unproductive actions.

7. Conclusion

According to Transparency International, education constitutes the largest element in the public sector in many countries of the world, often accounting for over a fifth of total government public sector expenditure. It is a fundamental human right and a driver of personal, social and economic development. Naturally, it is seen as the key to a better future, providing the tools that people need to sustain their livelihoods, live with dignity, and contribute to society.

However, education is also particularly prone to corruption and is inadequately monitoring all the way from central government to schools. The high importance placed on education also makes it an attractive target for manipulation. It is also often difficult to distinguish between corruption and inefficiency, and mismanagement in schools; costs due to this difficult in discernment are enormous.

This paper addresses the relevant points about what needs to be done to bring about changes in Brazilians public primary schools. Brazil has made progress in increasing enrollment rates in primary and secondary schools. However, this essay tries to support a new way to improve the monitoring of PNAE and PNATE, because the development of the basic education system in Brazil has lagged behind that of other countries at the same level of economic development.

One important lesson of this paper is that while more resources may prove to be necessary, particularly in poor regions, there are some opportunities to increase the efficiency of these programs dramatically with existing levels of expenditure by TCU. It is known that the people of Brazil do not want any more revolutionary new educational programs, rather they just want that the existing programs work better and impact positive in the growth of our children.

The main objective of this work was to study how the institutions of audit and public evaluation can improve the public administration working together along the Control

Network. I would like to particularly emphasize the ways they can work together to improve the administration of primary school system, using Theme-Standard Matrices Experimentation among oversights such as Inspections Centralized Orientation (FOC) in order to monitor and evaluate the PNAE and PNATE Brazilian Educational Programs.

These years with bad PNAE and PNATE's realization with a lot of trials gave TCU further reasons to primary focus on highly compliance monitoring in these programs, motivating social control, and being a catalyst for a real change in the public faith in the Brazilian education.

Using a Theme-Matrix and FOC among the Control Network could be a valuable contribution approach to underpin a framework for understanding the contribution of PNAE and PNAE public services, providing a pragmatic and non-arbitrary basis for supporting future performance audit judgments that should be widely held as legitimate. Beyond the law, all the items listed above (Matrizes-Padrão, FOC and Rede de Controle) can be effective mechanisms for encouraging integrity in the fight against corruption in PNAE and PNATE Educational Programs.

These efforts need to be seen as integral to the improvement of educational quality and in line with the broader goals of educational provision, rather than adding fuel to competing agendas of all control's agencies. Discussions on development framework are currently under way, and they are seen by many specialists as an opportunity to demand and create greater accountability in education in Brazil.

Although all the approaches covered here provide useful illustrations of promising practices, there remains a lack of aggregated evidence-based information on the PNAE and PNATE subject.

This article is based on a literature review of compliance and performance audits and related subjects such as evaluation, in which guidelines from international audit

institutions such as U.S. Government Accountability Office (GAO), as well as TCU regulations have been consulted. It seeks to analyze problems in information standardization and consolidation in audits carried out either by several teams or by one team with access to information from various sources

As a consequence, the audit tools “Matrizes-Padrão”, “Rede de Controle” and “FOC” must be upgraded in order to apply for the Educational Programs such as PNAE and PNATE. Its use may provide sensible benefits for this type of audit, such as uniformity of data collection and registry, evidence sufficiency, mitigation of audit risk, feasibility of consolidation, and saving of time.

So, there is much to recommend more systematic research into the appropriateness and validity of different approaches to bad management assessment in PNAE and PNATE educational programs. Such investment now will ultimately lead to savings in terms of both effort and resources in the future.

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