

Public Dialogue discusses governance of the Government's procurement



Last November 23, the Federal Court of Accounts of Brazil (TCU) held the Public Dialogue: Procurement Governance - Meeting with External Control/Government Oversight. The agenda sought to foster debates on Federal Government's procurement.

At the opening, the TCU Minister Augusto Nardes highlight-

ed the court contributions to the improvement of governance in procurement. Nardes presented data on audits in Brazilian state-owned corporations that, in the last five years, saved approximately R\$ 100 billion. "The lack of procurement planning, followed by amendments to contracts, impairs the provision of products and services to society. This can be seen in education, for

example. In 2014, only 27% of services were provided", he said.

The Department of External Control - Government Procurement (Selog) presented the results obtained in the centralized guidance audit (FOC) conducted on the procurement of outsourced cleaning, security and transportation services. "The objective was to evaluate whether the procurement gover-

nance and management practices adopted by governmental bodies and agencies were in accordance with the law and best practices”, explained the head of the 4th Division of Selog, Ítalo Pinheiro Figueiredo.

The FOC, coordinated by the Selog, covered the topics of procurement governance, procurement management controls, internal controls regarding the procurement process and internal controls and compliance of contracts. Court units, including audit departments in the states of Amazonas, Ceará, Pará, Pernambuco and Rio de Janeiro, performed the work.

The Empresa Brasileira de Correios e Telégrafos (Correios – the Brazilian postal service) attended the event and presented quality criteria for cleaning services from the company’s experience in the matter. According to *Correios’* corporate manager, Mônica Ferreira, a new model of cleaning services is under implementation in the organization, focusing on quality. Under the procurement scope, one of the model’s advantages is that it transfers to the contractor the obligation to measure human and material resources required, which makes it possible to rationalize the cost of services. Mônica said that the project “makes it possible to establish indicators to measure the service performance and results”.

Selog’s head, Frederico Júlio Goepfert Júnior, highlighted the creation of the unit and its importance for the improvement of TCU’s work specifically related to public procurement and contracts. He explained the department’s work process and its relationship with the court’s image regarding external agents. “We are trying to show that the TCU’s purpose is not to punish, but to debate”, he

argued. Additionally, he stressed that it is essential that the managers understand the needs of each department before starting the procurement process. “The problems identified by the TCU in many audits of procurement and contracts are mainly due to failures in planning, and, to plan, you need to know”, he said.

The Selog continued its presentation talking about the risks and controls in procurement. The government auditor Renato Braga explained the importance of the process of managing and mapping risks and emphasized that it is not only about the systematic application of laws. “Procurement is not a systematic normative procedure, it is necessary to analyze each particular case and know the needs and limitations”, he argued. For Braga, the development of risk management is the main key to effectively enhance the performance of any public institution, because the Selog has identified that the best mapping is done by managers who know their institutions. Braga also showed a tool developed by the TCU to assess the risks and controls in procurement (RCA) which

is available for consultation on Selog’s webpage on the court’s portal <www.tcu.gov.br>. The auditor also gave details on the results of the governance analysis performed by the TCU at the federal level, which identified numerous flaws in the procurement mechanisms used by the Administration.

The Secretary of Logistics and Information Technology of the Ministry of Planning, Budget and Management, Cristiano Heckert mainly emphasized the State’s role in the process, as it should participate in the market both as a buyer, to satisfy its needs, and as a regulator of the supply of goods and services through the use of its purchasing power. In Brazil, the State’s purchasing power represents a percentage between 10 and 15% of the GDP, and may act as an instrument at the service of innovation and sustainability, to encourage the development of new supply chains. To solve the logistical problems in Brazil, Heckert proposed the creation of a specific career for the area and a national logistics plan. As a challenge, we should explore the procurement strategic potential to boost national development.

