

# Opinion

## The Role of the Federal Court of Accounts in the implementation of the 2030 Agenda for Sustainable Development Goals

In September 2015, the State of Brazil confirmed its commitment to implement the 2030 agenda of the United Nations Organization (UNO), named “Transforming Our World”, in order to undertake actions and initiatives which aim to comply with the 17 Sustainable Development Goals (SDG) and 169 targets.

In February 2016, the Governing Board of the International Organization of Supreme Audit Institutions (INTOSAI) officially communicated to the UN Secretary-General their intention of working together toward the achievement of the SDGs. This would be done through multiplication of transforming actions, through initiatives that lead to the improvement of public governance of the member countries, and dissemination of good global auditing and control practices. On the occasion, INTOSAI highlighted that the SAIs will try to ensure the progress of an inclusive sustainable development of people and regions through auditing work, monitoring and evaluation

To this effect, INTOSAI proposed four approaches for the performance of the SAIs in order to achieve the SDGs:

1. Assess the preparation of the national systems to report on the progress regarding achievement of the SDGs and, later, audit their functioning and reliability of the data produced;
2. Carry out performance audits to examine the economy, efficiency and efficacy of the main government programs, which contribute to specific aspects of the SDGs;
3. Evaluate and support implementation of SDG 16, which, partially, regards transparent, efficient and accountable institutions;
4. *Be a model of transparency and accountability in its own activities, including audits and reports.*

The crystal-clear intention of commitment declared by INTOSAI is echoed by the strong leadership role that the Federal Court of Accounts (TCU) has in the national stage as well as in the international community. TCU has made efforts to develop methodologies and carry out pilot audits on the topic to offer unrestricted support to INTOSAI and other similar institutions, so that each country and the international community of external control auditors can prepare to comply with the precepts of this global agenda.

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In fact, TCU has contributed to building the four approaches proposed by INTOSAI:

- » Approach 1: The Court performs pilot audits in Brazil and Latin America in order to contribute to the elaboration of the international INTOSAI guide on this theme;
- » Approach 2: The development of a reference framework for program evaluation was spearheaded by Brazil and will be applied in various countries to catalog the evaluation and audit inventories and to develop future follow-up strategies;
- » Approach 3: TCU, along with the United States, England, the Netherlands and the United Arab Emirates, leads the construction of evaluation and audit models capable of reaching the SDGs, which forecast **the development of effective, responsible and transparent institutions on all levels and increased coherence in public policy and in the systemic panorama of the governments;**
- » Approach 4: TCU is developing self-diagnosis and self-evaluation tools in order to comply fully with international work requirements and standards for SAIs. Additionally, this year, over 140 audits foreseen in TCU's planning are linked to the targets of the SDGs. In 2017, it is expected that 30% of all the auditing efforts of the court will be directly related to themes regarding the SDGs.

The advantages of adopting such an all-encompassing agenda



are many. Among them, I will cite providing a common language between countries and their interests, seeking innovative practices that can be replicated, and give the country a constructive direction.

The declared intention of the federal government of its commitment to achieving the UN SDGs has implications for the agendas of various entities, demanding higher integration between actions of the federal, state and local governments and of multilateral organisms, of private businesses and of organized civil society, as well as of the control system.

Currently the more systematic participation in the discussion about the SDGs focuses on few institutions. We highlighted the relevant roles of the Ministry of Foreign Affairs (MFA), the Ministry of Environment (MMA) and of the

Brazilian Institute of Geography and Statistics (IBGE). However, it is necessary to include the effective participation of other actors in this agenda.

To comply fully with the SDG agenda, efficient and effective systems and processes are needed, generating the needed results with the best use of public resources necessarily aligned to a new integrated perspective to the whole of government and to the long-term strategic view, which should guide the state interventions in a given social and economic context. Together, these perspectives will help adjust the point of a new agenda to perfect the State apparatus. There is a need for a new generation of reforms within the democratic cycle, which will safely allow the maintenance of the institutional legacy of the last thirty years. In the first reform cycle, the Brazilian State

faced the constitutional demands of 1988, in parallel with public professionalization. In another cycle, the focus was a greater fiscal and monetary efficiency and discipline of the State. The new generation of reforms would consist in ensuring the significant increase of the results and of the quality of public spending.

These reforms should include the governance structures, long term and innovation as fundamental guarantees for good formulation, implementation and delivery of public policy.

In this new cycle, taking into consideration the context from which comes the integration of all the 17 objectives that compose the SDGs, the public administration should seek efficiency and honesty in its processes. In addition, a State capable of dealing with issue raised in the midst of the SDGs presupposes the adoption of fundamental guidelines and measures for full compliance with this agenda, such as:

1. Collectively building a national integrated strategy, with long-term key indicators and a coherent vision of sustainable development.
2. Perfecting the structure and the functioning mechanisms of the centers of government in the Union and at all levels of the federation (units of coordination and efficiency) with relevant improvement of the capacity of articulation, prioritization and monitoring of activities, based on legitimized, believable and measurable key indicators.
3. Improving the decisions on the allocation of public resources, through a budget system bearing the capability

to contemplate government planning in the medium term based on results, and to strengthen the fiscal governance structure, aiming for the sustainability of the debt and of the financing of public policy in general.

4. Consolidating the regulating capacity of the State, with the creation of the regulating impact analysis structures, with robust project centrals and with the maintenance of regulating entities that have decision and financial autonomy, independence and effective technical capacity.
5. Implanting systems and structures for systemic risk analysis and internal control evaluation, capable of ensuring the efficacy of results and the efficiency of

the delivery processes and state regulation.

6. Developing a capacity for consistent evaluation of the actions, of the programs and of public policies, in all the structures of public administration, with the objective of enhancing its decision system, its transparency, its learning and government responsibility.
7. Promoting transparency actions and the openness of data, seeking effective citizen participation in order to improve social control and participative democracy.
8. Promoting federative integration and coordination through action plans integrated and articulated with states and cities.
9. Improving the quality of the implementation of



decentralized public policies, through the perfecting of the tables of indicators and of governance maturity, which consider the efficiency of public policies in the territories, with their potentialities, specificities and the inequalities between regions, microregions and persons.

10. Establish national partnerships that prioritize monitoring and follow-up of public policies of a transversal systemic nature with territorial slices. and the potential to optimize the presentation of the results of actions, reducing fragmentation of the approaches to recurring problems in states with similar physical and socioeconomic macro-conditions

In short, this is the necessary reform cycle in order to reach sustainable and inclusive development, which can only take place through a strategic, open, upright and agile State. For the construction of this context, the role of the external control institutions is of maximum relevance, not only to act repressively and after the fact, but also to take preventive, preemptive and corrective measures, in order to fulfill completely their mission of contributing to the perfecting of public administration.

However, the challenges are not restricted to governments. SAI participation in this context is also challenging, including with regard to acting a priori and concomitantly to the construction of a long-term view and coordination of public policies.

TCU has legitimized itself on the international and national stage to become a key actor for the

construction of this agenda. The conditions are set. The cornerstones of specialization and external control coordination in Brazil have brought undeniable advances and a greater impact to the products of control. Beyond this vision, the innovation, the intensive use of data and the coordinated efforts with state and city courts of accounts has been allowing supervision standards which are faster, more synergistic, more coherent and which produce results for the citizen.

Considering the SDGs succeeded the 2015 Agenda for the Millennium Development Goals, which basically dealt with the social and environmental sustainability areas, the external control of the SDGs, in a way, starts from the legacy of that agenda.

Consolidating its position in the international community, TCU is performing audits on education and combatting hunger and poverty. The former is a coordinated audit and the latter is being performed in parallel with other SAIs, both in the scope of the Organization of Latin American and Caribbean Supreme Audit Institutions (Olacefs). In what specifically concerns the subject of education, decision 795/2016TCU Plenário already determines the need for integration of follow-up strategies of the National Education Plan in the methodologies to be adopted for the SDGs.

In a similar manner, the SDGs have shown themselves to be indispensable for the construction of a systemic vision in the remaining social areas, such as health, social security and employment.

One must also highlight the recent public dialog Nordeste 2030, coordinated by TCU, with focus on sustainable development

for the region, which took place in June 2016 in Fortaleza; where the proposal to create an environment of dialog toward sustainable development was shown to be not only viable, but also urgent and necessary. In fact, the preliminary results of the territorial systemic report by TCU and the discussions for the preparation of the technical documents, to be produced by a wide inter-institutional governance network, show that action with a view for the long term, systemic vision, coordinated and results oriented can significantly improve regional inequalities and sustainable development for the Northeast region.

Finally, the SDGs should be seen not only as an agenda of challenges but also as an opportunity for all to have an integrated State agenda to be followed by governments and their institutions, including control institutions.

