



The external control of public policies: results for the citizen and sustainable and inclusive development for the country



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Promoting transformations for the good functioning of Centers of Government of their National States. Improving, thus, the supervision, coordination, prioritization and coherence of public policies and government programs. Developing, in order to reach these goals, national long-term strategies that are more cross-cutting, adaptive and integrated; implementing the digital modernization of governments; promoting systematic actions of public service innovation that reduce systemic risks of fragmentation, duplication, overlapping, gaps and poor performance of public interventions. Finally, seeking to implement state reforms to attain better services, better business opportunities and to promote the citizen's quality of life. In summary, these were the main commitments signed on November 8 and 9, 2018, in a meeting of leaders of Centers of Government of the countries that make up the Organization for Economic Co-operation and Development (OECD, 2018).

Centers of Government are structures and instruments to improve the entire government's performance by ensuring internal coherence of public actions, strategic direction and focus on results. In some countries, the Centers of Government are located directly in the Chief Executive's Office, as in the United States. In other cases, they are divided into some levels in the executive. In Brazil, the activities of the Center of Government are currently concentrated in the Chief Executive's Office (*Casa Civil*), the Government Secretariat, the Ministry of Finance and the Ministry of Planning. It must be noted that the Federal Court of Accounts (*Tribunal de Contas da União – TCU*) has signed an agreement with the OECD (2013-2016) to improve the external control of public governance. Within the framework of that project, a Center of Government was defined as the bodies that provide direct support to the Chief of the Executive Power in the integrated management of government, including the ones that perform cross-cutting central and governmental functions such as planning, budgeting, coordination, monitoring, articulation and communication of decisions and results regarding the government's priorities.

Considering the transformative strategic intention of Center of Government leaders in OECD countries, it would be fair to ask whether, in the public sector, we could in fact, change, soon and in a definitive way, the average citizen's opinion that governments are not reliable (OECD, 2016) and perform tasks that are repetitive, bureaucratic, without purpose and self-referential, thus incapable of generating due public value (IDB, 2016). This image of public service reminds us to Greek mythology, where the most astute of men was condemned to carry a heavy marble stone to the peak of a mountain because he challenged Zeus. When performing his task, however, whenever he came near the peak, the stone would roll back down. He would then have to repeat the same harsh and useless task again and again, for all eternity, never reaching his goal of attaining the peak. Would the bureaucracies likewise be confined to self-reference, by the State's constitution; and their public servants, by the laws and regulations of public service, bound to perform their activities and routines with no innovation, value or creativity, and with no perspective of transforming policies, programs and services for the citizen? In this manner, this is what seems to be the great challenge of public national administrations in the 21st century: **proving to the citizen and to society that the government generates public value and is useful and necessary for the country's development; it is not simply a burden that charges them high fees and taxes without the proportional return on quality goods and services.**

The various administrative reforms, notably in OECD countries, indicate that citizen-centered transformation of the State requires the good functioning of the Center of Government, since its activities are fundamental for a more efficient and effective application of the resources envisaged



in the public plans and budgets. Differently from what is in fact happening in Brazil today, some countries have for some time now only made budget allocations linked to results, as is the case of the United States Office of Management Budget (OMB) which, since 1993, based on the applicable regulation, seeks to tie program performance to budget. Thus, with the advent of the Government Performance and Results Act (GPRA, 1993), the OMB monitors the impact and efficiency of the various policies and programs implemented by departments and public agencies. In 2010, the GPRA Modernization Act evolved to a more cross-cutting and systemic vision of measuring government actions (Key National Indicators) supported by a complex and sophisticated system of monitoring priorities, goals, budgets and results. All these advances are monitored by the Government Accountability Office (GAO) which reports annually to the US Congress on the results and needs for improvement of this system and makes its own report on fragmentation, duplication and overlapping of public programs with a high impact on efficiency and saving billions of dollars, avoiding waste in public expenditure.

In 1992, the United Kingdom created an efficiency unit in the Prime Minister's office which seeks to evaluate the results of governmental action and more recently created a reform and results unit at the Center of Government (UKGOV, 2018). Since that date, 1992, the National Audit Office (NAO) prepared itself to produce Value for Money reports on policies and programs. It produces around sixty such reports every year, and it has more recently created an integrated report on reforms and results of cross-cutting nature, coherence and public modernization (NAO 2016).

The Australian Government's Efficiency and Results Unit assesses the impact of all government programs and systematically feeds planning, budgeting and sectoral plans. The Australian Government, along with the Australian National Audit Office (ANAO) and the Country's Parliament evaluate public governance every year using criteria contained in a joint regulation elaborated by these three entities.

Since 2009, French governments have undertaken significant reforms to leverage public efficiency and render the government more "citizen responsive" (*Court de Comptes*, 2016). The French Center of Government instituted the concept of agility for its operation as of 2012. The French *Court de Comptes*, in its turn, produces at least eighteen annual evaluations of public policies and programs and a consolidated report on the outcome indicators of State action.

Several other OECD countries have taken measures to better coordinate and orient their actions with a more integrated and long-term perspective, with result-oriented priorities and policies (OECD, 2013). In Latin America, Chile created in 2010 – and Colombia and Costa Rica in 2014 – robust structures of Centers of Government called public efficiency and results units. Their purpose is to evaluate and monitor in the various programs and policies the execution and effectiveness of the priorities of the Office of the President, from an integrated and long-term perspective (OECD, 2015).

Despite all these advancements, there is still a consensus, including within the scope of more advanced countries, that a great systemic advancement is still miles away, with the creation of a new robust and coherent "central nervous system for public services" (Australian Government, 2018). Thus, it is a fundamental mission for governments to build and publicize evidence about what works and what does not work in government (Idem, 2018). They argue that "if there is indeed an interest in change and innovation, national public administrations would need to



convert the functioning system of their Centers of Government with a focus on the citizen, with more information, absolute transparency and the breaking of silos" (OECD, 2018) .

Even more severe is the scenario that shows the low possibility for public administration to promote more coordinated and cross-cutting public policy interventions, considering that the government trust index has been declining steadily in most OECD countries for more than a decade. Public policy theoreticians argue that this distrust also generates a high degree of disaggregation and low intra-governmental collaboration within the various organizations and public entities, which should cooperate and integrate to attain better results for the citizen (IDB, 2017).

According to the World Bank (2018), the phenomenon of low trust in governments occurs in most countries. In Brazil this low trust context is even more dramatic. In our country, the federative environment is quite threatened and weakened, as demonstrated in the Systemic Report on the Northeast Region (TCU, 2016, having Minister José Múcio Monteiro as rapporteur) and the Systemic Report on Regional Financing (TCU, 2017, having Minister Aroldo Cedraz as rapporteur). Moreover, in Brazil, only about 20 percent of the population trust in the government, against an average of 43 percent in the OECD countries (OECD, 2016). Added to this distrust of the citizen in the public sector is the insufficient capacity to deliver quality public goods and services in Brazil (World Bank, OECD and Inter-American Development Bank, TCU's Reports on the Government of the Republic Accounts since 2004). Brazil has one of the worst ratios between the Tax Burden and the Human Development Index of the Municipalities (IDHM) in Latin America, and the worst ratio among all OECD countries (TCU's Report on Government Policies and Programs - RePP, 2017). This situation is aggravated and creates concern, notably due to the fiscal and economic crisis as of 2014. The great majority of sectoral indicators are declining when compared internationally, especially those of competitiveness and productivity in Brazil (World Bank, 2017; OECD, 2018; TCU's Reports on the Government of the Republic Accounts since 2004). Recent positive news refers to the significant improvement of our position in the business environment, contained in the *doing business report*: we have advanced from the 125th to the 109th position (World Bank, 2018). It is argued here that several actions undertaken, with a TCU partnership by the Center of Government in Brazil are already bringing results to resume the atmosphere of trust in the country.

In this scenario of international transformations, and in an adverse internal socioeconomic environment, with low trust in the public sector, emerged **in 2017 in TCU the guideline of Results of Public Policies and Programs and its related management unit, the General Coordination of External Control of Results of Public Policies and Programs - Coger, with the objective of structuring, guiding and coordinating TCU's activities in public policies and programs**. Considering the best international practices applicable to Brazil, our track record in evaluation of programs, coordinated audits, systemic reports, and performance audits, and considering moreover the premises of efficiency, results, specialization, coordination and integration established in the TCU in recent years, **we sought in the last biennium to promote systemic, consolidated and decisive referral to the main risks and problems, identified in TCU's audits, for efficient and effective provision of public services through public policies in the country**. With this intention, it was verified that three strategies for TCU's performance could be considered in a more coherent, systemic, cross-cutting, and synergic way, promoting better and more sustainable results:



- Improve the systemic performance of External Control regarding the functioning of the Center of Government and Sectoral Policies;
- Develop audits and monitoring with a more integrated and cross-cutting vision on high-risk issues and chronic problems that recurrently affect the achievement of long-term national challenges, quality of services and public policy outcomes;
- Align and integrate the strategies of the various control and evaluation actors for greater impact of multilevel coordinated audits, aiming at improving inter-federative articulation, decentralized public policies and public services with a focus on the citizen, taking into account regional and local peculiarities and inequalities.

SYSTEMIC PERFORMANCE OF EXTERNAL CONTROL REGARDING THE FUNCTIONING OF THE CENTER OF GOVERNMENT AND SECTORAL POLICIES

At the beginning of 2017, it was observed that, although data and information were available, there were persistent institutional gaps in the TCU's technical units, mainly related to the lack of clarity of the factors that affected the performance of public policies related to its area of operation; lack of medium and long-term control strategies in sectoral policies; absence of a systemic view that considered the cross-cutting nature of social and economic problems, since audits are almost always sparse and limited in specific issues related to government functions. Thus, in order to promote greater knowledge about the objects of control, the units were encouraged to think systemically about factors that affect the result of public policies and programs, as well as to draw medium-term systemic control strategies. As a result, 20 critical national challenges were highlighted as crucial for national development (Table 1), to be considered as guiding themes for the TCU's performance in the various existing public policies.



Table 1 – National challenges crucial for national development

Perspective / Area	Society	Institutional
Social	<ul style="list-style-type: none"> Improve the quality of education. Improve the quality of health. Improve public security. Reduce poverty and social and regional inequalities. 	<ul style="list-style-type: none"> Improve the efficiency and quality of public service. Increase the transparency of public administration. Improve governance and public management. Increase integrity and combat fraud and corruption. Improve the quality of regulation.
Economic	<ul style="list-style-type: none"> Ensure fiscal sustainability. Ensure social security systems sustainability. Improve the tax system. Increase the country's productivity and competitiveness. Promote sustained economic growth. 	
Infrastructure	<ul style="list-style-type: none"> Ensure water and sanitation for all. Ensure energy for all. Improve the country's logistics performance. Improve information technology and communication services. Improve the quality of life in cities. 	
Environmental	<ul style="list-style-type: none"> Ensure environmental sustainability. 	

It should be noted that for each national challenge a systemic causality diagnosis will be applied, which will contribute to the identification of critical factors and risks. In addition, the building of operational strategies for complex problems will be sought, considering its cross-cutting nature, such as control actions related to de-bureaucratization, transparency and oversight related to the fight against poverty and regional development. It is important to highlight that the national challenges should guide TCU's actions and promote the prioritization and convergence among the various control actions. In this sense, the challenges, critical factors and identified risks can be considered in TCU's strategic planning for the coming years, in such a way as to contribute to a greater sustainability and effectiveness of its oversight.

A key initiative by Coger was the construction of a consolidating product, called the Report on Government Policies and Programs (RePP), which could meet not only the provisions of the Budget Guidelines Law, but also achieve TCU's own vision of systemic monitoring of the results of public policies and programs. With this purpose, the RePP seeks to analyze and monitor the structural problems in the pillars of state performance that systemically impact the results of public policies and present, individually and in aggregate manner, the main



problems encountered in audits carried out by the TCU that affect the achievement of results of government policies, programs and actions.

DEVELOP AUDITS AND MONITORING WITH A MORE SYSTEMIC, INTEGRATED AND CROSS-CUTTING VIEW

RePP 2017, subject of Decision 2.127 / 2017-TCU-Plenary, having Substitute Minister Marcos Bemquerer as rapporteur, covered 7 public policies, consolidated more than 30 TCU decisions that addressed issues related to the functioning of the Center of Government and explained chronic problems in governance and management of public policies. In order to mitigate some of the problems identified, the TCU recommended several structuring actions to improve the functioning of the Center of Government. Among them, the most important are the drafting of a legislative proposal to define “guidelines and bases for national development planning” (article 174, § 1 of the Constitution); System of National Key Indicators, reflected in the strategic guidelines of the PPA; the improvement of budget governance; the definition of institutional arrangements for the purpose of improving coherence and coordination; and updating the standardization of the Internal Control System of the Federal Executive Branch, in such a way as to bring it closer, where possible, to international norms and standards related to the subject.

The RePP 2017 monitoring, object of Decision 2,608 / 2018-TCU-Plenary, of November 2018, observed that the Federal Government, in response to TCU recommendations, initiated structuring measures, which should be continued in the coming years for greater effectiveness, among which stand out:

- Publication of Decree 9,203 / 2017, which provides for the governance policy of the federal public administration;
- Definition of procedures necessary for the structuring, execution and monitoring of the integrity programs of the bodies and entities of the federal public administration (direct, autarchic and foundational) (action aligned with the public governance policy established through Decree No. 9203/2017);
- Institution of the Office of General Coordination of Public Policies Evaluation (CGAPP);
- Preparation of a proposal for a National Economic and Social Development Strategy (ENDES);
- Definition of key indexes of national development that allow international comparison in ENDES;
- Publication of the “Practical Guide for ex ante Analysis” for the formulation of programs and public policies, 2020-2023 for better alignment of Planning and Budget.

Despite these advances, RePP 2018, the object of Decision 2,608 / 2018 – Plenary - in addition to the aforementioned monitoring - consolidated the oversight of 18 public policies / programs and found that the level of governance maturity in public policies and programs in Brazil remains low. 12% of the policies evaluated in 2018 are not adequately institutionalized; in 31% there are serious deficiencies in the plans; and 50% showed significant gaps in the objectives and the monitoring



and evaluation system. The integrated analysis of the control actions carried out showed that the country must necessarily continue the measures adopted by the Center of Government but now reaching the ministries and sectoral policies to overcome the existing institutional deficits of governance and public management. Some examples are **institutionalization of an integrated national planning with a long-term vision, greater coherence and inter-federative coordination, risk management, evidence-based decisions, and the construction of a results oriented medium-term budget that has greater predictability.**

The work demonstrated, through the consolidation of evidence, that deficiencies in the management and governance of public policies do not occur in isolation, but in a systemic, recurrent form and at all stages of the policy cycle. It can be inferred from the studies that the Brazilian State's low delivery capacity is not only due to unforeseen events and external and uncontrollable factors, but to the absence of institutional factors and application of good practices essential for the creation of public value.

We observed that the legislative gap that defines and demands the fulfillment of minimum prerequisites for the creation, reformulation and improvement of public policies contributes to the accomplishment of a process that is highly subjective and, consequently, very likely to fail to reach the desired results, or to do so in a much more costly way than necessary. **With these findings, it is necessary to conclude that it is essential to reformulate the current model of creation, execution and expansion of public policies, as well as to reformulate the modus operandi of the allocation model of public resources in the country.**

In this context, the TCU has recommended that the Center of Government (a) define a schedule of actions to guide, train and encourage public administration bodies to disseminate the application of the *Ex ante* Analysis Guide of the Federal Government in the creation, improvement and expansion processes of public policies; and (b) define a schedule of actions aimed at institutionalizing and qualifying the mechanisms and practices of risk management, internal controls, coordination and articulation, monitoring and evaluation within the scope of public administration bodies.

Finally, we should highlight the relevance of the National Congress' role in the processes of reviewing public policies and budget allocation. According to articles 49 and 166 of the Federal Constitution, it is incumbent upon the National Congress: (a) to assess reports on the execution of government plans; (b) to examine and deliver an opinion on the national, regional and sectoral plans and programs provided for in the Constitution; (c) to exercise budgetary monitoring and oversight.

ALIGN AND INTEGRATE THE STRATEGIES OF THE VARIOUS CONTROL AND EVALUATION ACTORS

It is important to highlight that in order to maximize the results of the work, the Court signed in 2017 cooperation agreements with the Chamber of Deputies and the Federal Senate aiming to strengthen the technical integration and the collaborative capacity between the participants. The agreements also aimed to contribute to the improvement of the oversight and evaluation activities carried out by the participants, with a view to improving the processes of formulation, selection, implementation, control and monitoring of policies, plans and government programs for the benefit of society.



In a complementary way, in order to contribute to the improvement of public governance, the TCU instituted the project called “Improvement of the Governance of Decentralized Public Policies”. The project stems from a partnership signed in early 2018 between the Brazilian Federal Court of Accounts (TCU), the Organization for Economic Co-operation and Development (OECD), the Association of Members of the Brazilian Courts of Accounts (Atricon) and the Rui Barbosa Institute (IRB) and the State Courts of Accounts (TCEs), whose main objective is to improve the coordinated performance of the Brazilian courts of accounts in the oversight of public policies and programs that are implemented in a decentralized manner, with a view to promoting better results and better delivery to citizens. **This phase of the project will focus on improving public policies in the area of education.**

CONCLUSION

The actions carried out by the TCU Presidency over the last two years, with the support of the General Coordination of Results of Public Policies and Programs, have demonstrated that TCU's activities, focused on more systemic and consolidating projects with a long-term vision and based on challenges of policies and programs on the performance of the Center of Government, of sectoral public policies, including decentralized public policies, will have the potential to improve the use of public resources and results delivered to citizens. Thus, the TCU will be contributing to the paradigm shift from a self-referred State to a State focused on results and on sustainable and inclusive national development.

The work begun in the TCU and in the Center of Government is still incipient for effective and lasting transformations. Sectoral ministries and all federal entities still need to be reached, but there are already perspectives that converge with the international standards adopted by the SAIs and the various audit standards (ISSAIS) and the strategic intentions of the Centers of Government in developed countries. The actions of continuity and sustainability will be essential if we are to achieve the ideal of 21st century public administration. An administration where the citizen is the focus and society is the greatest beneficiary of State actions that will make development permanent and full without the effort to pick up rocks simply to see them roll down the mountain again, as happens with unsustainable economic growth or public policies that are never implemented.

In this context, and lastly, we conclude that the public policies and programs results guideline, embodied in the 2018 Report on Government Policies and Programs (Decision 2,608 / 2018-TCU-Plenary), is the TCU's strategic guideline for fulfilling its role of assisting the National Congress and improving federal public administration. There are still challenges for the TCU itself. It needs to deepen and develop its partnerships strategies, institutional capacity and support for the modernization of systems, processes and technological methods, in addition to methods to monitor and oversee in a coherent and systemic manner the implementation and effectiveness of all these measures by the Executive Branch. Thus, we hope that this will contribute to the improvement of the instruments that guide the actions of public agents in the cycle of public policies; the enhancement of the agents' ability to assess, plan and monitor public policies; and, ultimately, contribute to enhancing the quality and effectiveness of public expenditure for the benefit of society.