

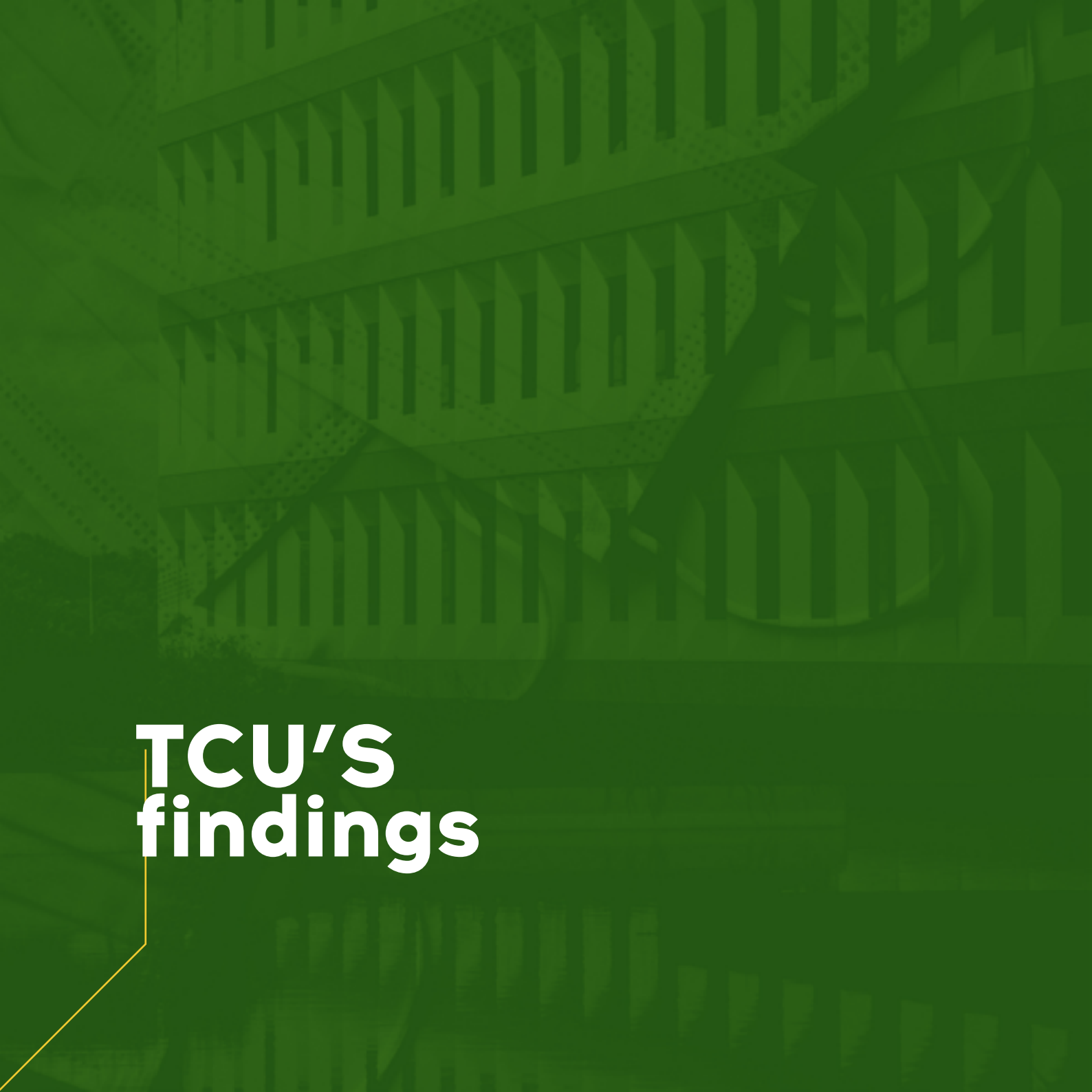
Review of the emergency relief inspection

coopera ^{TCU}


Special program of action to
address the **COVID-19** crisis

RAPPORTE UR
MINISTER
BRUNO DANTAS





TCU'S findings










OVERALL CONCLUSION

The Emergency Relief was **well-timed** and **reached** workers with **no formal income**, but the high rates of **improper payments** resulted in **a waste** of public resources

1] ESTIMATED R\$ 45 BILLION IN UNDUE PAYMENTS

The comparison between the estimated target audience of the emergency relief, based on the information from PNAD Continuous, and the actual number of emergency relief beneficiaries, allowed us to estimate that about 7.4 million people outside the legal requirements would have benefited unduly, receiving at least one portion. It is also possible to calculate that 6.4 million mothers have unduly gained an excess share of the benefit. The sum of these two targeting errors generated an estimated cost of improper payments of approximately R\$45.7 billion, already considering payments interrupted by control actions.

ESTIMATED UNDUE PAYMENTS

 Estimation considered	 Eligible (A)	 Estimate PNAD (B)	 Amount of undue beneficiaries $C = (A - B)$	 Undue payment (R\$)
Elegible additional	67.944.967	60.495.540	7.449.427	21.533.874.753,52
Head of household mothers additional	10.814.358	4.366.365	6.483.993	24.241.633.968,14
Total				45.775.508.721,66

14 % F R\$ 330 BILLION PAID FOR EMERGENCY RELIEF

Source: Own preparation based on data from the Ministry of Citizenship Information from the 5th and 6th Monitoring Reports.
*The payments avoided by control actions and cancellation due to changes in the rules are already considered.

2] IDENTIFICATION OF 4.9 MILLION UNDUE BENEFICIARIES

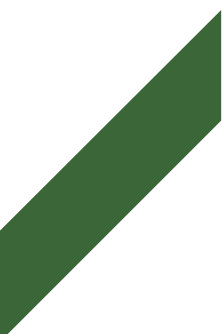
Until July 2021, TCU, CGU and subnational courts of accounts and comptroller general offices identified **4.9 million undue benefits** that **were taken from the emergency relief**. It is estimated that R\$12.3 billion in improper payments were saved and if these benefits had remained active until the last installment they would have been paid.

RATE OF IMPROPER PAYMENTS DETECTED BY CONTROL INSTITUTIONS



**+7% OF THE 68 MILLION PEOPLE WHO
RECEIVED SOME PORTION
(SITUATION UNTIL JULY 2021)**

SEE MORE IN THE 6TH RELIEF
FOLLOW-UP REPORT





**R\$ 12,3
billion**

HOW MUCH WAS PREVENTED?

Estimate of R\$ 12.3 billion improper payments that would have been made without detection by control institutions.

Causes of undue payments



1] NO PERIODIC REVIEW OF LEGAL REQUIREMENTS

Each month, hundreds of thousands of people enter the formal job market, obtain a National Social Security Institute (INSS) benefit, and even die. The initial interpretation that the requirements should be confirmed only in the granting of emergency relief has contributed to keep as beneficiaries people who have lost the conditions of eligibility.

2] SELF-DECLARATION AND UNVERIFIABLE LEGAL RULES

Automated verification of eligibility requirements assumes the existence of reliable data. However, the limits of family and per capita income, and of quotas and members per family are difficult to confirm, due to the absence of reliable cadastral data on informal worker income, family composition and household. Self-declaration of income and family composition is a very vulnerable control.

OUT OF CONTROL RULES



Per Capita Income of ½ minimum wage

8 million households with **per capita income** above ½ minimum wage received the relief.



Head of household mothers

6 million mothers identified as **heads of household** above statistical estimates.



2 members per family

8 million people may have received a **third or fourth member** of the beneficiary family.

3] INCOMPLETE AND UNTIMELY DATABASES

Although the cross-references made by Dataprev have allowed the rejection of about 57 million requests that did not meet the legal criteria, later cross-references made by the control agencies have detected improper payments when using additional and more updated databases, especially databases of the Internal Revenue Service, the Ministry of Defense, the Legislative and Judiciary Branches, the states, the Federal District and the municipalities, and the Superior Electoral Court. The absence of the integrated data system, foreseen in art. 12 of Constitutional Amendment (EC) 103, was considered the main cause for this weakness.

INCOMPLETE AND UNTIMELY DATABASES

LATE DATA

- Ministry of Defense

- States, Federal District and municipalities

- Legislative and Judiciary Branches

- Internal Revenue Service of Brazil

- Superior Electoral Court (TSE)



How the TCU contributed to improving the Relief





RECOGNITION BY MANAGER

“This new program, called Residual Emergency Relief, despite affecting the same public, incorporates improvements in its granting process, based on the experience obtained with the operation of the Emergency Relief, **including seeking to remedy the imperfections pointed out by the control agencies, especially the recommendations presented by the Federal Court of Accounts”.**

Ministry of Citizenship
(Document 409 TC O16.827/2020-1)



1] DETERMINATION FOR MONTHLY VERIFICATION OF ELIGIBILITY

With the extension to up to nine installments of the Emergency Relief, the revision of the initial parameters has become imperative and was object of a TCU's determination (Court Decision 2.282/2020), being incorporated to the new conditions established by the MP 1000/2020. In the first review, 591 thousand beneficiaries were identified who no longer met the criteria for granting the benefit, representing an estimated saving of more than R\$700 million.

**COURT DECISION
2282/2020 DETERMINES
REMOVE FROM RELIEF
PEOPLE 591 WERE
REMOVED OBTAINING A
FORMAL JOB OR OTHER
FEDERAL BENEFIT.**

**IN THE FIRST
VERIFICATION
IN OCTOBER ONE
THOUSAND PEOPLE
WHO GOT FORMAL
INCOME.**

2] ESTIMATES DEMONSTRATED FLAWS IN THE VERIFICATION OF FAMILY COMPOSITION

In the 3rd report on the monitoring of the emergency relief, the TCU pointed out flaws in the verification of income limits and quotas per family, and then MP 1000/2020 reduced from 3 to 2 quotas, preserving the double quota for head-of-household mothers. The TCU estimated 8 million families receiving the benefit above the per capita income of $\frac{1}{2}$ minimum wage, 6 million mothers identified as head of household above the estimates based on PNAD Continuous and 8 million people who may have received more than the limit of 2 members per family.

MP 1000/2020 REDUCED FROM 3 TO 2 QUOTAS PER FAMILY AND THEREBY MITIGATED ABUSES IN FAMILY COMPOSITION DECLARATIONS, PRESERVING THE DOUBLE QUOTA FOR MOTHERS WHO ARE HEADS OF HOUSEHOLD.

3] DETERMINATIONS AND RECOMMENDATIONS FOR EXPANDING DATABASES



DETERMINATIONS AND RECOMMENDATIONS FOR EXPANDING DATABASES

In the first report on the monitoring of the emergency relief the TCU pointed out risks related to insufficient data and recommended the inclusion of data on public servants from the Legislative and Judiciary Branches and from subnational entities. In specific representations, the TCU determined the Ministry of Defense and the Internal Revenue Service to share data with the Ministry of Citizenship. The TCU also detected candidates for the 2020 election with high net worth receiving the relief. The TSE data were also incorporated by the government.



Review of the TCU's actions

A thin yellow line starts from the bottom left corner, moves vertically up, and then diagonally to the right, ending near the start of the text.

TCU IMPACT

- Monthly verification of eligibility
- Improvement of the quota limits per family
- Suspension of indications detected by the TCU
- Expansion of the database
- Return of undue payments
- Disclosure on the Transparency Portal

37
PROPOSALS



19
IMPLEMENTED OR
BEING IMPLEMENTED

SEPTEMBER COURSE CORRECTION MP 1000/2020 NEW RULES

Payments in August
Emergency Relief
64.9 million
beneficiaries



Payments in
December
Residual Relief
56.8 million
beneficiaries

The TCU pointed out flaws in the verification of income limits and quotas per family and influenced the edition of MP 1000/2020 that excluded **8 million people who lost eligibility requirements.**

NON IMPLEMENTED PROPOSALS

OPPORTUNITIES FOR TECHNICAL DISCUSSION AND FUTURE ENHANCEMENT

- Integration between automated procedures and CRAS
- Dissemination of the list of undue beneficiaries
- Awareness campaign
- Use of the SUAS Network for contestation
- Annual Income Declaration by the beneficiary
- Monthly updating of records by the beneficiary



LESSONS FOR THE FUTURE KEEPING WHAT WORKED

- Use of technology for granting, maintenance and payment
 - Focus on those who do not have the protection of formal income
 - Need to implement the integrated data system, foreseen in art. 12 of EC 103
 - Inclusion of a wealth limit in the requirements
 - Monthly verification of eligibility
 - Need of improvement to avoid disparities in the per capita value in families
 - Partnerships to compensate for institutional limitations
- 

LESSONS FOR THE FUTURE CORRECT VULNERABILITIES

- More than 1 member per family as beneficiary
- Self-declaration of income and family composition Gaps
- Self-collection in timely and comprehensive database
- Low beneficiary awareness and accountability
- Low use of the SUAS Network to complement services
- Low integration of social and labor protection measures

COOPERATION WITH INDEPENDENCE

The TCU respected the time and space of the manager in the crisis, prioritized the emergency measures, and made timely and propositional determinations and recommendations that improved the Emergency Relief.

15
AUDITORS



12
REPORTS



37
PROPOSALS

CLICK HERE TO
ACCESS REPORTS.



EMERGENCY RELIEF FOLLOW-UP



COURT DECISIONS

[CLICK HERE](#)



REVIEWS

[CLICK HERE](#)



REPORTS

[CLICK HERE](#)



TCU RULINGS

09/06/2020 TCU evaluates the implementation of the emergency relief

06/07/2020 Irregular payment of Emergency Relief to military personnel and middle-class youth

08/07/2020 TCU verifies evidence of undue emergency relief to more than 620,000 people

17/07/2020 TCU verifies that Emergency Relief can reach half a trillion until December

02/09/2020 TCU orders the interruption of undue payments of emergency relief

09/09/2020 TCU analyzes the quality of the information of the Individual Taxpayer Identification Number (CPF)

06/11/2020 TCU makes available a list of candidates for the 2020 elections who received Emergency Relief

13/11/2020 TCU audit points out flaws in the Emergency Relief

26/11/2020 Processing of emergency aid has unduly included and excluded people

11/12/2020 TCU monitoring avoids delay of Emergency Relief in December 2020

30/6/2021 TCU verifies access to Emergency Relief for the ultravulnerable population

15/12/2021 TCU concludes the Follow-up and presents an overview of the implementation of the Emergency Relief

DATA PANEL

The TCU has made available, since June 2020, a Monitoring Panel of the Actions for Preserving Employment and Income. The tool increases transparency in relation to public spending and offers citizens access to easy-to-understand information about the employment and income protection measures adopted by the federal government during the crisis



INTERNATIONAL DISCLOSURE

Event of the International Organization of
Supreme Audit Institutions - INTOSAI

Technical Group on Covid 19 of the Supervisory
Committee on Emerging Issues

Topic: Opening of SAIs and ensuring inclusion
under emergency conditions



coopera

Special program of action to address
the **COVID-19** crisis

SEGECEX General Secretariat of External Control

COECONOMIA Office of the Coordinator General for the Economy

SECEXPREDIÊNCIA Department of External Control - National Financial System

SEFIP Department of External Control - Personnel Actions