

# **A SUSTAINABLE DEVELOPMENT STRATEGY FOR THE BRAZILIAN COURT OF AUDIT**

**A Strategy Paper by**

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## FOREWORD

*“Luck is when opportunity meets preparedness”*

The Canadian Comprehensive Auditing Foundation (CCAF-FCVI Inc.) is a public-private sector partnership established in 1980 as a Canadian national non-profit foundation. Its principal activities are research and education, and other capacity-building support activities.

The CCAF’s International Audit Office Assistance Program for Improved Governance and Accountability was established in 1980, with the long-term objective to help strengthen the role of comprehensive auditing in participating national audit offices. This would ultimately contribute to the enhancement of the performance reporting, accountability, and governance capacities of those governments. The program’s mission is to transfer methodology to people of influence in developing countries to help improve governance and management for the better use of resources.

The International Program is funded by the Canadian International Development Agency (CIDA), and offers fellowships to audit professionals from selected national audit offices. They are brought to Canada for nine months of intensive on-the-job and classroom training in the concepts of comprehensive auditing and the principles underlying accountability and good management and governance. The Office of the Auditor General of Canada (OAG) provides instruction and practical audit experience.

As the 2003-2004 Brazilian Court of Audit (TCU) CCAF Fellow, I was assigned to an OAG audit team within the Group of the Commissioner of the Environment and Sustainable Development (CESD). The CESD is an integral part of the OAG, functioning as a specialized unit within the Office, investigating issues concerning the environment and sustainable development.

Apart from the OAG team assignment, during the CCAF/OAG Fellowship Program, the fellows are requested by CCAF to develop a specific project (strategy paper) designed to put into practice the principles, knowledge, and skills acquired during the program to a situation in their national audit offices. This working paper was prepared in consultation with the OAG-CESD and TCU specialized staff to fulfill that request. Nevertheless, the concepts presented in this paper represent the personal viewpoint of the author, despite the use of official information and staff support made available by these institutions.

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*"I not only use all the brains that I have, but all that I can borrow."*  
Woodrow Wilson, (1856-1924)

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# 1. INTRODUCTION

## 1.1 Objective

The objective of this paper is to propose a framework to develop and implement a sustainable development strategy (SDS) for the Brazilian Court of Audit (TCU).

## 1.2 What is sustainable development?

The core concept of sustainable development (SD) was formally defined in 1987 by The World Commission on Environment and Development (the Brundtland Commission), and is now known and accepted worldwide as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs."

That concept means that for any kind of development to be sustainable it must encompass, in an integrated approach, social, economical, environmental (the "triple bottom line"), political, and cultural aspects that will guarantee a balance between needs and priorities of different groups or generations.

To be known and accepted worldwide does not mean much if the SD concept is not systematically integrated into the day-to-day activities of the people and its organizations. According to the Office of the Auditor General of Canada (OAG), a sustainable development strategy "presents an organization's objectives and plan of action to advance sustainable development."

## 1.3 Why is it important to have a sustainable development strategy (SDS)?

An SDS is an instrument for any type of organization to:

- (a) put words into action;
- (b) help organizations broaden their perspectives on their activities by integrating, in a more systematic way, environmental, economical, social, political, and cultural considerations into their policies, programs, and operations; and
- (c) provide benchmarks against which organizations can measure their progress.

More specifically, in a supreme audit institution (SAI) a sustainable development strategy can promote sustainable development among parliamentarians, federal organizations, and the citizens in general, as long as the SAI indicates in its SDS how it integrates environmental and sustainable development considerations into its business as an audit office, and how it measure the success of its efforts.

Sustainable development is important to TCU mainly because it is important to the clients it audits, since they tend to adopt TCU's processes as benchmarks. Although the constitutional role and mandate of TCU does not permit it to set policies, it can audit their implementation. Therefore, TCU's audit products can contribute to sustainable development, for example, by identifying areas of improvement in the implementation of specific departmental policies related to environment and sustainable development.

By having its own SDS, and in making a conscious effort to "green" its audit products and operations (administrative or day-to-day activities), the Brazilian Court of Audit will contribute to the

efforts that the Brazilian federal government is making in complying with the “Agenda 21” commitments agreed to at the 1992 Earth Summit in Rio. An SDS for TCU will also motivate its clients, partners, and stakeholders to follow its example.

### **1.3.1 Expected benefits of a sustainable development strategy for the Brazilian Court of Audit**

A successfully implemented SDS at the TCU will have the following benefits:

- (a) integrating the environmental factor (the 4<sup>th</sup> “E”) into the TCU’s audit products;
  - (b) greening the TCU day-to-day activities;
  - (c) enhancing the TCU’s staff awareness on environment and sustainable development issues;
- and
- (d) leading by example in order to promote, as a long-term goal, an SDS for Brazilian public organizations.

## **2. SUSTAINABLE DEVELOPMENT STRATEGIES IN THE OFFICE OF THE AUDITOR GENERAL OF CANADA (OAG SDS)**

### **2.1 Background**

In 1995, the Parliament of Canada amended the *Auditor General Act*, which created the position of Commissioner of the Environment and Sustainable Development (CESD) within the Office of the Auditor General (OAG). One of the key changes requires the federal ministers of 25 key departments and agencies to table in Parliament sustainable development strategies for their organizations, and to update these once every three years.

The Commissioner, in particular, has the responsibility to monitor and report on the extent to which departments and agencies are implementing their sustainable development action plans and meeting their sustainable development goals.

Although the OAG was not among the federal organizations required to prepare an SDS, the Office voluntarily decided to develop its own strategy and to table it in Parliament.

### **2.2 The first OAG SDS (1997-2000)**

The essence of the OAG’s first SDS is a set of its sustainable development (SD) goals, objectives, and performance indicators, with an action plan to achieve the goals and objectives. The action plan highlights the links between goals and objectives (the results sought), the activities needed for achieving these objectives, and the results expected, supported by performance indicators and baselines. The action plan was classified in three categories linked with the three core dimensions of activities where the OAG can affect SD:

- **audit work**: to encourage the Office’s clients and others to act on environment and sustainable development issues;
- **day-to-day or administrative activities**: to manage the Office’s operations in an environmentally responsible manner;
- **management of human resources**: to encourage the OAG staff to behave in ways that contribute to achieving the Office’s environmental and sustainable development goals and objectives.

In brief, the approach used by the OAG to implement and operate its SDS was:

1. to identify objectives for each goal, and performance indicators for each objective;
2. to review, at the end of each year, the objectives and indicators to ensure that they were still relevant and significant; and
3. to report on the performance as measured by key indicators.

### 2.2.1 Lessons learned

The OAG's experience with its first SDS and subsequent evaluation of the results identified the following lessons learned and corresponding corrective actions:

Lessons learned	Actions
With too many objectives and targets, the SDS becomes too complicated and, therefore, it was not easy for employees to remember the goals.	Reduce the number of goals and objectives and the indicators of performance used to measure the progress.
As anticipated, it was a complex task to influence staff behaviour.	Balance the Office environmental aspirations with other factors, such as increasing the quality of working life.
It was a challenge to fully integrate environmental and sustainable development issues into the Office audit work.	Continue focussing the efforts in this area; revise the performance measurement, and change the way the audits are planned to ensure that these issues are included.

### 2.3 The second OAG SDS (2000-2003)

Following the lessons learned from its first SDS, the OAG reduced the number of goals in its second SDS from 5 to 1, the numbers of objectives from 12 to 7, and the performance indicators from 38 to 26. The basic framework of the first strategy, covering audit work, day-to-day activities, and management of human resources, was kept. The second SDS was designed in an approach that followed 10 steps:

1. Assess the results of a management review performed by an external consultant in order to verify the extent to which the OAG has been successful in achieving its SDS objectives in audit work, administration, and human resources; assess the SD management framework as it pertains to performance related issues; provide advice and guidance on how the OAG should proceed with the update of its SDS; and review the procedures for integrating environment and sustainable development issues into the audit planning process.
2. Conduct comprehensive internal consultations to evaluate the performance against objectives in the first strategy and to elicit ideas for the second strategy.
3. Analyze the first strategy's goals, objectives, measures, and indicators, to ensure that the second strategy clearly linked the measures with their intended results. Analyze the existing framework, including goals, objectives, and performance indicators, concentrating on whether they are still relevant and significant, whether there were logical links between the measures and the objectives, whether there was a good balance of measures spanning the spectrum of inputs to results, and whether the duplication of measurement among indicators was eliminated.
4. Compare the measures adopted by similar organizations handling similar issues.
5. Seek advice from parliamentarians, departments and agencies.

6. Develop a detailed communication plan for the new strategy.
7. Conduct external consultations with environmental advisors.
8. Draft the goal and objectives for the second strategy.
9. Draft the action plan for the second strategy.
10. Draft and complete the SDS document.

In its second SDS, the OAG provided a strategy to make sure that the action plan was linked to other activities in the Office. The following points should be verified:

1. The framework chosen for the action plan ensures that it is well integrated with the structure of the Office.
2. There is a cross-membership between the SDS Steering Committee and other committees in the Office, and members of the SDS Core Working Group are managers who can control the changes that need to be made.
3. Senior management exercises an oversight role through the Office's Executive Committee.

In considering the scope of the second strategy, the OAG decided to keep the emphasis on the environmental dimension of sustainable development rather than on the social or economic dimensions. That decision was because much of the past audit work concentrated on the economic and social aspects of the government's policies and programs, and the Office has other structures in place that address certain aspects of sustainability as it affects its staff.

### **2.3.1 Lessons learned**

With the lessons learned from the second SDS, the OAG concluded the following:

- Real engagement and tangible results occurred when sustainable development considerations were rooted in the Office's main business lines and core work activities, for which employees have a high level of accountability and over which they exercise a significant degree of control.
- It is essential to distinguish the strategic priorities from the many good activities the Office is doing; as an audit office the greatest opportunity to contribute to sustainable development is through the audit work.
- The audit work already examines economic and social aspects of the government's policies and programs.
- There are good opportunities to further promote due regard to the environmental effects of the government's key expenditures by enhancing the Office's audit practices.
- Some of the activities included in the previous SDS were outside the scope of the Office's core work activities, products, and competencies, such as encouraging employees to print and copy documents double-sided and to participate in the Office's recycling program.

### **2.4 The third OAG SDS (2003-2006)**

Based on the lessons learned from its second SDS, the OAG, in preparing its third SDS, considered the following:

- Maintain the focus on improving the approach to the audit planning and examination work to more consistently consider environmental issues and to increase its influence on sustainable development.
- Continue to place primary emphasis on promoting environmental sustainability.

- Continue to build awareness of sustainable development issues and to encourage all staff to economize on the use of resources and to work with departments whose main responsibilities and competencies lie in managing those issues on a government-wide basis; but do not consider these efforts to be strategic issues for the Office and, therefore, do not set objectives or targets for them in the next SDS.

- Concentrate the Office's efforts and available resources on a few essential outcomes related to the OAG mandate, main business activities, and competencies, and track the progress with a few vital measures.

#### **2.4.1 CESD-OAG expectations for the third round of federal SDSs**

Up to 2004, federal departments and agencies had developed and tabled two sets of SDSs, in 1997 and 2001. To provide guidance for the third set of strategies, which were tabled in February 2004, the Commissioner provided some guidance, in the form of expectations, in the document "Sustainable Development Strategies – Making a Difference." These expectations can be considered a valuable tool for those who intend to prepare a simple but effective SDS. Based on that document, in order to prepare an SDS, departments and agencies should:

- clearly indicate the role played by their sustainable development strategy and how the strategy fits with other plans and strategies within the organization;
- work with a small number of significant and essential goals and objectives;
- write the goals and objectives in plain language and expressing the long-term results that departments and agencies are trying to achieve;
- link targets and actions clearly to the goals and objectives;
- make sure that targets are clear, understandable, and measurable;
- strengthen performance reporting; and
- make sure that goals and objectives related to horizontal issues are more consistent and better managed across the strategy.

#### **2.4.2 Approach of the third OAG SDS**

The third OAG SDS was developed considering the experience with the previous strategies, the expectations, and feedback from internal consultations. In addition, the following elements were considered:

- The major opportunity to influence sustainable development lies in its audit work.
- Reconciling development and environmental quality means paying particular attention to integrated decision making.
- Environmental sustainability remains elusive and failure to give due regard to the environmental effects of proposed policies, plans, and programs has resulted in ecologically unsustainable development.
- There is a significant opportunity to increase the influence of the audit work on sustainable development and on the government's progress over the long term by more fully engaging the many other audit practitioners in the Office that could play a more active role in examining environmental issues.
- If parliamentarians and other key actors are unaware of the Office's environmental work and recommendations, they are unlikely to act on them.

As a result, the main points of third SDS consist of the following:

- Reinforce the consideration of environmental issues in the work by incorporating a standardized approach to environmental risk assessment into the process of identifying significant issues for examination (one pass planning process).

- Develop generally applicable guidance including practical tools and techniques that facilitate environmental risk assessment by the audit practitioners.

- Develop a standardized approach, including practical tools and checklists, to examining whether the federal organizations audited are applying the available guidance and following established good practice to give due regard to the environmental effects of their expenditures where warranted.

- Engage audit teams across the Office to work with the CESD group on evaluating and monitoring the sustainable development strategies of the organizations they audit;

- Raise, through specific communications strategies, awareness of Office's environmental work and recommendations among important audiences, such as the parliamentarians, the news media, and the general public, including non-governmental organizations and business, academic, and environmental organizations.

- Monitor the federal government's implementation of the "Johannesburg" commitments and report to parliament on its progress.

### **3. EFFECTS OF BRAZILIAN COURT OF AUDIT ACTIVITIES AND PRODUCTS ON ENVIRONMENT AND SUSTAINABLE DEVELOPMENT**

#### **3.1 The Brazilian Court of Audit external control work**

The TCU mandate encompasses the control of all kinds of expenditures, revenues, operations, and properties of the Brazilian federal departments and agencies (2,500 clients), including funds transferred to states (26 clients) and municipalities (5,561 clients). To perform its role, the TCU has two main product lines: accounts and audits.

Through its audit products, the TCU can influence stakeholders, departments, agencies, parliamentarians (National Congress and the assemblies of the states and municipalities), the news media, the non-governmental organizations and business, the academics, and the environmental organizations, on environment and sustainable development (E&SD) matters.

The audit product line has several sub-products. These include compliance audits, financial audits, information technology audits, operational (VFM) audits, payroll and personal audits, privatization audits, public programs evaluations, public works audits, and environmental audits. The Court can also act through the denunciation process and on the request by the National Congress. (In 2002, the Court's Executive Office performed 1,204 audits). The improvements proposed on this paper are focussed at the audit product line.

With its audit work, the TCU is helping the departments and agencies to spend public money wisely and legally. The TCU monitors whether the public expenditures have due regard for the law and for the best management practices that can guarantee high standards of cost-benefit and cost-effectiveness. The TCU has been doing this work efficiently. In the 2002 fiscal year, the cost-benefit ratio for the TCU's overall work was 1 to 7. This means that for each monetary unit spent with external control, there were seven units recovered or saved as the result of TCU activities.

Those attributes and the low cost-benefit ratio are necessary conditions for the TCU to make sure that its activities are contributing to sustainable development, but they are not sufficient. The cost-

benefit ratio must be balanced with the consideration that the administrative activities have negative effects on sustainable development. Likewise, only by incorporating all the pillars of sustainable development, (see Section 1.3) as part of the audit criteria, will the Court be sure that its audit works are effectively contributing to sustainable development.

The audit criteria in each product line have already been addressing, to a certain extent, economic and social sustainability of the government's policies, programs, and activities. Each of the TCU's audit product lines addresses these issues in a different way. Some are stronger and more up-to-date than others, and there is always room for improvement. This is true for the entire environmental dimension of sustainable development, which is a primary reason for the focus of this paper.

### **3.1.1 Environmental audit work**

The TCU is playing an important role in sustainable development through its environmental audits (see Exhibit 1). These audits are carried out through a specialized directorate (TCU Environmental Audit Directorate – EAD), which is a sub-unit of the Specialized Secretariat for Audit Public Works and Federal Heritage (SECOB). Although all the audits performed by TCU-EAD have the overall goal of completing an official examination of the effects that the administrative and operational activities of the departments and agencies have on the environment, we can split the EAD actions into the following main lines:

- Environmental Pilot Audits: to elaborate and test methodology for environmental audits to be followed by other units of the Court as well as to be suggested for audits with international cooperation;
- Environmental Enquiries: to coordinate the insertion of environmental enquiries in the audits carried out by other units of the Court to verify whether, in the planning phase of the governmental action audited, there is any kind of environmental assessment, or some analogous environmental study, with the purpose of assisting the process of decision-making, regarding the policy, program, project or activity;
- Environmental Cost Assessment Audits: to identify and assess the cost of the environmental damages against the cost of protection and rehabilitation;
- Environmental Audit on Relevant Issues: to focus on environmental issues that are currently being discussed by media or at the National Congress agenda;
- Environmental Audit in Partnership/Cooperation with other Brazilian audit institutions and with other superior audit institutions (SAIs).

#### **Exhibit 1: How TCU audit work is promoting environmental protection and sustainable development**

In 2002, the Brazilian Court of Audit conducted an environmental audit on water resources management. The audit focused on the federal government acts and revealed that 19 metropolitan regions of the country are under present or future risk of crisis in their water supply systems. The report concluded that federal agencies responsible for managing water resources do not deal with this issue in a systematic and integrated way. The high rates of water leakage by the state's sanitation companies were also noted: of 27 state companies, 9 have losses over 50 percent and 3 have losses that reach almost 70 percent. According to the report, leakage is mainly a result of the lack of maintenance of the water distribution system. Therefore, suggestions were made to increase federal support for the necessary corrective action, such as reopening credit lines and focusing on actions to improve the institutional, operational, and commercial management of the state's sanitation companies.

## **3.2 The Brazilian Court of Audit non audit activities**

### **3.2.1 Administrative activities**

To carry out its activities, the TCU has an environmental impact. With about 2,120 employees, 5 buildings in Brasilia, and 26 state regional branches, TCU consumes resources (e.g., water, energy, paper), generates waste (e.g., paper), and has other environmental impacts (e.g., greenhouse gas emissions as a result of employee's transportation).

### **3.2.2 Human resources development**

The TCU human resource development policy is having a positive impact on environment and sustainable development (E&SD) issues. For instance, in 1998 TCU made an agreement with the *Brasilia University* (UnB) and its *Center of Studies and Politics of Agricultural Development and the Environment* (NEPAMA) to provide scholarships for four auditors who, through the Master's program attended at that Center, became environmental specialists, with the commitment to develop environmental audit methodology for the TCU and disseminate it to other auditors. Since then, the TCU has been supporting and encouraging the participation of its auditors on MBA, Masters, and PhD programs on E&SD subjects.

### **3.2.3 International cooperation**

The TCU is also contributing to sustainable development, in a global perspective, by participating in the following environmental international cooperation initiatives:

#### **International Organization of Supreme Audit Institutions – INTOSAI**

As a member of the INTOSAI's Working Group on Environmental Auditing (WGEA), and its Steering Committee, the TCU has been actively involved with the main activities of this group. These activities encompass:

- improving the use of audit mandate and audit instruments in the field of environmental protection policies;
- encouraging joint auditing by SAIs of cross-border environmental issues and policies, and the audit of international environmental accords;
- assisting SAIs in acquiring a better understanding of the specific issues involved in environmental auditing;
- facilitating exchange of information and experience among SAIs; and
- publishing guidelines and other informative material.

#### **Organization of Latin American and Caribbean Supreme Audit Institutions – OLACEFS**

Since November 2000, the Brazilian Court of Audit has also been co-ordinating the INTOSAI's Organization of Latin American and Caribbean Supreme Audit Institutions (OLACEFS) Regional Working Group on Environmental Auditing (RWGEA), known as the Environmental Special Technical Committee.

The Committee's main mission is to develop studies and documents that support the work of SAIs in environmental management. The Committee also intends to offer long-distance training on environmental auditing.

## **4. A SUSTAINABLE DEVELOPMENT STRATEGY FOR THE BRAZILIAN COURT OF AUDIT: A PROPOSAL FOR AN ACTION PLAN**

### **4.1 Suggested outline of a sustainable development strategy for the Brazilian Court of Audit (TCU SDS)**

In this section, it is suggested that a TCU SDS requires three conditions: investments in methodology, tools, and training; commitment by ministers and senior management; and adoption by staff of the proposed objectives and the activities suggested for achieving them. To develop a suitable SDS for TCU, the papers listed in the Bibliography section of this paper can be used as starting points for methodological tools, references, benchmarks, and baselines.

The SDS suggested is as follows:

#### **A - OVERALL GOAL**

The Brazilian Court of Audit (TCU) is committed to fully integrating environmental and sustainable development (E&SD) matters into its audit works and administrative activities in order to help improve the government's performance in protecting the environment and promoting sustainable development, by adopting the following actions:

#### **A.1 - Objectives for the Audit Work**

##### **A.1.1 – Actions**

To incorporate E&SD as an integral part of our audit work through the development of a basic framework to assess environmental issues in all lines of TCU's audit products.

##### **A.1.2 - Logical Description**

A risk-based methodology for selecting VFM audit themes has already been implemented in the TCU, as an outcome of the strategy paper presented by the 2000-2001 CCAF Brazilian Fellow.

The next step is to provide auditors with clear guidance and tools they can use to consider environmental issues in their audit planning and examination work and to incorporate a standardized approach to environmental risk assessment into their audit work.

The Court should continue to work with the INTOSAI and OLACEFS environmental audit groups to develop its own methodological framework to conduct audits on E&SD issues and to integrate the fourth "E" (environment) into all the TCU audit products.

In Brazil, many of the most pressing environmental and sustainable development issues come under the jurisdiction of several departments and/or several levels of government. It is common to see a lack of co-ordination or integration among organizations. Therefore, reviewing these horizontal issues poses a special challenge for the TCU. Furthermore, for more than 30 years, nations have raised concerns about E&SD. The "Brazilian Agenda 21" has existed since 2002 and needs the Court's special attention to monitor and evaluate the commitments that were made in it. Therefore, to better

address E&SD issues, the Court should consider giving the status of secretariat to its environmental audit unit (now a directorate), as an effort to have a more comprehensive picture of the horizontal and cross-jurisdictional issues inherent in E&SD.

### **A.1.3 – Outcomes**

The auditors will be able to identify environmental risks that may not be significant in isolation but that could be significant when considered in aggregate across several federal organizations (horizontal and cross-jurisdictional issues). In the long term, all the Court’s audit work should include the following criterion: “We expect the department/agency action (regarding this program or activity audited) to consider the environmental dimension to promote sustainable development.” Thus, the Court will ultimately be able to demonstrate due regard for environmental risks in its main audit products.

## **A.2 – Objectives for the Administrative Activities**

### **A.2.1 – Actions**

To adopt and implement the program “Environmental Agenda in the Public Administration” (A3P).

### **A.2.2 – Logical Description**

Following the commitments stated in ‘The Brazilian Agenda 21’, in June 2000, the Brazilian Ministry of Environment, through its Secretariat for Sustainable Development Policies, launched the non-binding program “Environmental Agenda in the Public Administration”. The A3P program was set up as an instrument to sensitize people to practical concepts and for the construct of a new culture in the workplace. Its objective is to have sustainable environment and practical criteria in all areas of the government, with the purpose of minimizing the impacts on the environment caused by administrative or operational activities in departments and agencies. The program still intends to stimulate the introduction of the environmental dimension in the programs of the management quality and the promotion of the improvement of working conditions. The Secretariat distributed more than 10,000 A3P manuals and educative videos and is supporting the adherents, in an effort to encourage departments and agencies to adopt the A3P. As a result, some are starting to implement the A3P program.

### **A.2.3 - Outcomes**

The staff will be better able to understand the environmental issues associated with the day-to-day operations they work with or manage. The TCU will optimize the use of natural resources and minimize the negative environmental impacts of its day-to-day operations, by reducing energy, water, and paper product consumption. This will be done by providing, and using goods and services in an environmentally responsible manner, and by reducing waste production.

## **A.3 - Objectives for Human Resource Development and Communication**

### **A.3.1 – Actions**

To enhance the capability of TCU staff to recognize and integrate E&SD-related issues into their audit work. To increase TCU staff awareness and practice of E&SD efforts in the Court’s day-to-

day operations and in society at large. To develop a plan of effective communications for the TCU E&SD work.

### **A.3.2 - Logical Description**

The Court should conduct a survey among the staff to assess their level of awareness regarding E&SD and how their work can affect (positively or negatively) sustainable development and environmental protection, and to measure their willingness to include E&SD issues in their audit work and day-to-day activities.

The Court should assess and build environmental knowledge and awareness among its staff by providing them with information and training on E&SD issues. The training programs should be designed with internal and external consultation to better define the kind of training staff need and would be willing to attend.

The sustainable development action plan has implications for all Court's staff, particularly for training. All employees should have the opportunity to improve their knowledge of environmental and sustainable development aspects directly associated with their work.

The TCU has two main kinds of stakeholders. The internal stakeholders are the ministers, senior management, and staff. The external ones are departments, agencies, federal and local parliamentarians, the news media, the non-governmental organizations and businesses, the academics, the environmental organizations, and whoever is involved or has responsibilities and interest in the Court's business and success. All these stakeholders can play important roles on E&SD issues and can convince the government to act more effectively and responsibly on those matters.

Effective communication on the TCU's E&SD audit outcomes is instrumental in influencing the Court's internal and external stakeholders. If they are not properly informed about the TCU's E&SD work, their findings, recommendations, and determinations will not be effective, regardless of the quality of the audit. The TCU's Press Advisory Unit, in partnership with other units and external media consultants, should develop a specific plan of communication to address the issue.

### **A.3.3 – Outcomes**

The TCU staff will have the ability to recognize and give due regard to E&SD environmental issues in their audit work and day-to-day activities. The TCU will influence and help its internal and external stakeholders to act more effectively on E&SD issues and, therefore, press the government to act more effectively and responsibly on those matters.

## **4.2 Action Plan to develop an SDS for TCU**

In the action plan, proposed below, the author of this paper shall have the role and responsibility to assist with, and/or coordinate, as best suits the Court, all the activities required.

The action plan should involve all the Court's areas. Although, the TCU key players who will be directly involved in the action plan are as follows:

**President:** the Court's minister elected to preside over the TCU.

**Vice-President:** the Court's minister elected for that position (usually the one who will be the President for the next two-year term).

**ARINT:** unit responsible for international affairs.

**ISC:** unit in charge of professional development and knowledge management.

**SEGECEX:** unit in charge of overseeing all technical work in the TCU, including accounts and audits.

**SEGEDAM:** unit responsible for overseeing all administrative activities in the TCU.

**SEPLAN:** unit responsible for strategic planning and performance report.

**IMPrensa:** unit responsible for the relations between the TCU and the media (press advisory unit).

#### 4.2.1 A strategy to implement the TCU SDS in seven steps

##### **Step 1 – Preliminary Communication and Senior Support**

**Actions:** Brief the President, Vice-President, and the TCU's senior management about the SDS proposed; publish an executive summary of the paper in the TCU's regular publications, the bulletin "União", and the magazine "Revista do Tribunal".

**Key players, roles and responsibilities:** SEGECEX and SEGEDAM are to set meetings with the ministers and the senior management. ISC, ARINT and IMPrensa are to provide support for the briefings and publications.

##### **Step 2 – Develop the first SDS (2005-06) for the TCU: A Pilot Project**

**Action:** Develop, as a pilot project, an SDS framework and an SDS action plan that best suits TCU needs and priorities on E&SD issues.

**Key players, roles, and responsibilities:** The President (project authority) is to give formal approval to the project and designate the SDS steering committee (SC), which must include the principals of following units: SEGEDAM, SEGECEX, and ISC. SC is to appoint an SDS working group (WG), which must encompass managers and professionals who are directly involved in audit work, and in the Court's physical operations, and in managing the Court's human resources, including training and development programs. SC is to lead the WG, which spearheads the key initiatives, required to accomplish the SDS objectives. The WG is to develop the SDS goal, objectives, and performance indicators using internal and external consultations.

##### **Step 3 - Implement**

**Action:** Implement the SDS action plan.

**Key players, roles, and responsibilities:** The WG, with the required support of the SEGEDAM, SEGECEX and ISC, will set roles and responsibilities to implement the SDS action plan.

##### **Step 4 – Monitor**

**Action:** Measure the SDS performance on an ongoing basis.

**Key Players, roles, and responsibilities:** All the Court's audit and administrative units are to provide information required by the WG, regarding the progress made against the indicators placed. The WG is to monitor the implementation of the SDS action plan, track progress on each indicator in the strategy, and compile the SDS performance information for inclusion in the SDS performance reports.

##### **Step 5 – Review**

**Action:** Assess the relevance of the SDS goal, objectives, and indicators.

**Key players, roles, and responsibilities:** WG to perform the review through internal and external consultation, based on the complaints, and on the results achieved.



enough. We need a tool to assess whether, and to what extent the commitments have been achieved. Having a sustainable development strategy will strength the TCU's "vision" – that is to be "an institution of excellence in the external control of governmental organizations and to contribute to the perfection of the public administration," especially on environmental and sustainable development matters.

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## About the Author



Romilson has a Bachelor degree in Economics (1993) and a Master's degree in Environmental Economics (2000), both from the University of Brasilia. He also has done postgraduate studies in Public Program Evaluation (1998), at the University of Rio de Janeiro, and Politics & Strategy (1999), at the University of Brasilia.

He has been working at the Brazilian Court of Audit since 1994. The audits and the examination of the accounts rendered annually by the administrators and other persons responsible for public money, goods, and assets are carried out by the Court's Executive Office and submitted to the Court. The Court of Audit in Brazil has nine ministries and three deputy ministries. Each minister's office has a team of five advisers. Romilson actually is in a team of one of the ministries. His duties include reviewing all the account suits (court cases) and audit reports that are assigned to the Minister as the Rapporteur, as well as advising the Minister on suggestions for and reports on decisions that are submitted to the Court. Romilson also reviews all the other ministries' reports and their suggestions for decisions in order to advise his Minister in his votes. In addition, Romilson occasionally instructs new auditors and joins special teams, appointed by the President of the Court, to review the audit practices and methods used by the Court's Executive Office.

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