

EDUCATION



AUDIT OF THE FREE EDUCATION AGREEMENT OF MEC WITH THE NATIONAL LEARNING SYSTEMS

The Free Education Agreement was established through commitment protocols. The signatories were the following. On one side the Federal Government, represented by the Ministry of Finance, Ministry of Education (MEC), and Labor and Employment Ministry (MTE) and, on the other, by the National Commerce Confederation (CNC), the National Industry Confederation (CNI), the National Service for Industrial Training (Senai), the Social Service of the Industry (Sesi), the National Service for Commercial Training (Senac), and the Social Service of Commerce (Sesc).

The main objective of the agreement is to ensure the offer of free vacancies to low income individuals in learning initiatives, initial and continued education, and in professional technical education at the high school level, by committing part of the compulsory contribution net revenue (RLCC1) of these entities to this end.

Objective

The objective of the audit was to evaluate MEC's performance regarding follow-up of the Free Education Agreement with the National Training Services (Senai e Senac) from 2009 to 2014, as well as fulfillment of the agreement goals. The volume of resources analyzed in the audit corresponded to approximately R\$ 15.5 billion.

Main Findings

We found that MEC's follow-up during the evaluated period was untimely and insufficient to check compliance with the Agreement. It focused basically on formal aspects, limiting itself to checking appropriateness of use of follow-up methodology by the entities and correction

of the percentage of expenses in free education, based on the presupposition of accuracy of the data and information presented.

We also found that vacancies resulting from the Free Education Agreement are not taken into consideration to meet the training needs raised in the Map of Identified Demand (MDI), elaborated by MEC together with the Demanding Parties based on the needs of the labor market.

This divergence in the offer, besides creating inefficiency in allocation of budgetary resources by MEC, can create the so-called spillover effect, characterized by an excess of offer in certain areas and regions because of duplicity of vacancies provided by the grant *Bolsa-Formação* (Pronatec) and by the Free Education Agreement.

We identified that the criteria for appropriation of expenses resulting from the Free Education Agreement were inappropriate. They are insufficient to affirm, with reasonable assurance, that there is compliance with the goal for expenditure with free education.

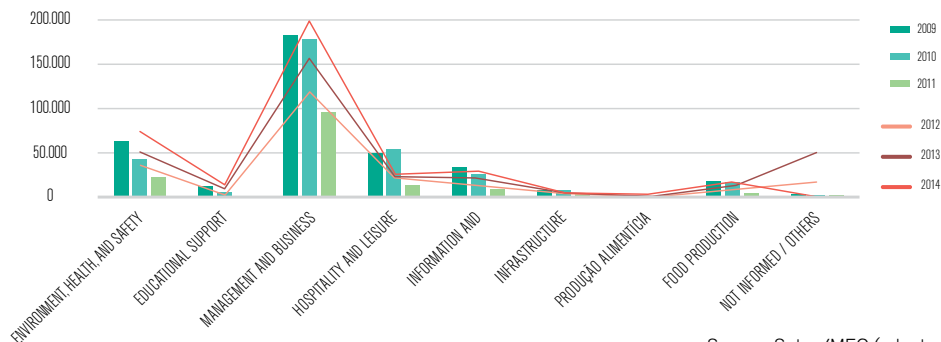
This finding stems mainly from the growing concentration of vacancies in technological courses or axes whose costs are far from average. In these cases, the actual expense with free education, except for rare exceptions, will not be well reflected. An effect of this finding is that we identify the possibility of overestimation of expenditure with free education, which can affect compliance with the goal established in the commitment protocols, implying potential harm to the target population by not offering free vacancies in the appropriate amount.

Graphs 1 and 2 represent the distribution of enrollments, per technological axis, in Senai and Senac, in 2009 and 2014, evidencing a concentration of free vacancies both in Senac (axis Management and Business), and in SENAI (axis Industrial Production).

Based on the data in the graphs, we find that there is great probability that expenditure with free education is not being reflected in levels that are reasonably close to the actual expenditure, in view of concentration of vacancies in the technological axes presented.

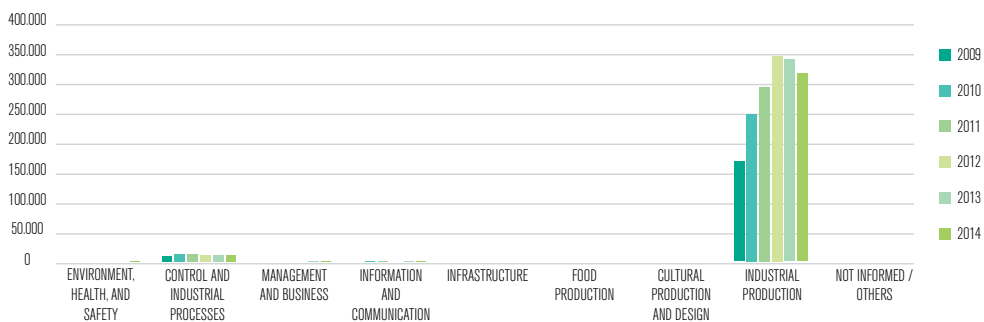
¹The RLCC, composed by the Gross Contribution Revenue (RCB) minus legal and statutory deductions, is the basis for verification of the amount spent with free education. RCB represents the sum of tax collected as parafiscal contribution based on the payroll of wages of employees.

Gráfico 1:
SENAC Free Enrollments
per technological axis
2009 to 2014



Source: Setec/MEC (adapted)

Gráfico 2:
SENAI Free Enrollments,
per technological axis
2009 to 2014



Source: Setec/MEC (adapted)

Main TCU Decisions

TCU decided to issue determinations and recommendations to the Secretariat of Professional and Technological Education (Setec/MEC), to SENAI and SENAC, in addition to the Chief of Staff of the Presidency of the Republic and to the MTE. Among the main decisions, we determined to Setec/MEC that they establish, in agreement with the National Training Services, the items to be monitored; rules for appropriation of direct and indirect expenses and investments; deadlines for the entities to deliver the data and information needed for monitoring; deadlines for issuance of their opinions, technical notes and other documents used to analyze compliance with the set goals, as well as measures to be adopted in case the agreement is not complied with.

TCU also determined to Setec/MEC, when defining the offer of vacancies for the grant *Bolsa-Formação*, that they consider the vacancies to be made available through the Free Education Agreement, as a means to generate efficiency in allocation of vacancies and in the use of budgetary resources. Likewise, TCU recommended that SENAI and SENAC coordinate, together with Setec/MEC, the offer of vacancies resulting from the Free

Education Agreement with those made available through the PRONATEC *Bolsa-Formação* grant.

TCU issued another determination to Setec/MEC, SENAI and SENAC. In the agreement monitoring methodology to be made into a norm, they must present and appropriate the direct expenses per technological axis or analogous concept. This must in an unequivocal and demonstrative way, represent the actual expense with free education. They must also present the class hour cost per student applied to execute the free education agreement, at least per technological axis or analogous concept; explicit the criteria for appropriation of investments, which must take into account the nature of the operation (direct or indirect expense).

DECISION DATA

TCU Decision: 1.067/2017-TCU-Full Court
 Date of session: 5/24/2017
 Rapporteur: Min. Ana Arraes
 TC: 010.803/2016-5
 Responsible Technical Unit: SecexEducação