

FOLLOW-UP ON ACTIONS TAKEN BY THE MINISTRY OF HEALTH ON THE BATTLE AGAINST THE COVID-19 CRISIS

On December 31 2019, the World Health Organization (WHO) was notified about a pneumonia breakout in the city of Wuhan, Hubei Province, in the People's Republic of China. The Emergency Committee, during a meeting summoned by WHO on January 30 2020, declared a Public Health Emergency of International Concern (PHEIC) in face of the increasing number of countries with confirmed cases.

On February 3rd, 2020 Brazil declared a Public Health Emergency of National Concern, through Order GM/MS 188/2020, and established the Public Health Emergency Operations Centre (COE-nCoV) as a national mechanism of coordinated management to respond to the emergency on a national level. Among its authority, COE-nCoV may propose to the Ministry of Health (MS) the acquisition of equipment and supplies necessary to act during the emergency.

In face of the emergency situation and the need to acquire supplies and equipment to care for COVID-19 patients, specific regulations were put into force regarding bids and bid waivers through Act 13,979 from February 6, 2020.

The updated **budget**, as of August 28, 2020 for direct allocation by the MS is US\$1.66 billion. Out of that amount, by August 2020, the Ministry of Health had used US\$461 million, which stands for 28% of the budget.

In order to help states and municipalities to structure health actions and services, they were granted resources through a fund-to-fund transfer. The current amount of the budget is approximately US\$5.7 billion. According to data from August 28th, 2020 80% of the budget has effectively been transferred.

We should note that many Executive Orders (MP) have granted extraordinary credit lines to the MS, totaling more than US\$7.54 billion, according to data from August 31, 2020.

WHAT HAS BEEN DONE

Mindful of the exceptional circumstances, the Federal Court of Accounts – Brazil (TCU) has been monitoring the governance structure established by the MS on the fight against the coronavirus. In addition, TCU has evaluated, by random sampling, the acts related to public expenditures carried out by the Ministry of Health, as well as institutions and agencies under its jurisdiction, such as the Oswald Cruz Foundation (Fiocruz), regarding aspects of legality, legitimacy, economy, efficiency, and effectiveness.

WHAT HAS BEEN FOUND

TCU has found issues regarding: the definition of criteria to transfer resources to states and municipalities; information transparency; performance and structure of committees related to the MS's governance on the battle against the crisis; communication policy; the MS's strategy for government purchases to fight the coronavirus.

In addition, irregularities were pointed out regarding the MS's bid waiver for the acquisition of eighty million aprons, for a total of US\$168 million, which led the auditing team to present a formal complaint through a separate case. Among the irregularities, the MS failed to estimate the need for eighty million aprons and the company demonstrated an insufficient operational capacity.

WHAT HAS BEEN DECIDED

Among other measures, TCU recommended to the MS: the use of technical criteria for transfers to subnational entities, taking into account, for example, the per capita incidence of the disease, its estimated spread, the number of inpatient beds occupied, and the structure of existing health services; make available the information related to the number of inpatient regular beds and IC units occupied.

The Court also determined that the MS should adopt the necessary measures to the proper functioning of the COE-nCoV, elaborate a detailed tactical-operational plan, and adjust its communication strategy.

The MS was also instructed to present the rationale behind the financing of state and municipal funds, and define the procurement strategy destined to combat COVID-19.

As for the audit team's formal complaint regarding the bid waiver for the acquisition of aprons, the timely action on TCU's part led the MS to revoke the waiver. In addition, it was determined that TCU should file a specific case to investigate evidences of fraud by the company regarding the documents related to their economic and financial situation.

Additional information:

Decisions: 1.355/2020, 1.888/2020 and 1.748/2020, all from TCU's Full Court.

Rapporteur: Minister Benjamin Zymler

Cases: TCs 014.575/2020-5 and 018.706/2020-7

Technical Department in charge: Department of External Control - Public Health (SecexSaúde)