THEMATIC COMPILATION OF RELEVANT INFORMATION SUBMITTED BY BRAZIL

ARTICLE 9, PARAGRAPHS 2 AND 3 UNCAC

MANAGEMENT OF PUBLIC FINANCES

BRAZIL (SIXTH MEETING)

Paragraph 2 of Article 9

Concerning overall budget, Brazil has been constantly working to improve its legal and institutional framework, in order to foster more open, participatory, accountable public budgeting. There are three legal instruments that clearly illustrate that proactivity: the Pluriannual Plan (PPA); the Law of Budgetary Guidelines (LDO); and the Yearly Budgetary Law (LOA). The main objective of these laws is to integrate the activities of planning and budget in order to ensure the implementation of government policies in the municipalities, States, Federal District and nationwide.

Furthermore, Brazil has developed some important instruments regarding the promotion of transparency and accountability in the management of public finances. One of those instruments is the Federal Government Transparency Portal (www.transparencia.gov.br).

The Transparency Portal was created in 2004 and it allows any citizen to keep up with the Federal Government revenues and expenditures, with no restrictions and in a timely manner. The Portal provides information on the transfers of federal resources to states and municipalities; on expenses incurred by agencies from the direct and indirect public administration; expenses made through official payment cards; and also information regarding public officers’ positions, functions and salaries, among others. Besides, the Portal makes it possible for everyone to follow up on the different revenue stages, divided by agency or source.

Since its launch, the Portal has already presented over 1.5 million registered information, with an average visualization of more than one million.

In that regard, it is worth mentioning that in December 2014, at the Symposium on Anti-Corruption Development Assistance, Brazil was acknowledged internationally by the OECD as a key cooperation partner concerning public transparency area. A successful example of how Brazil has provided technical assistance on the matter was the trilateral cooperation provided by Brazil to the Government of El Salvador, with the support of USAID. The cooperation involved three technical visits from Brazilian experts to San Salvador and a mission from a delegation of Salvadoran officials to Brasilia. As a product of this assistance, El Salvador managed to improve its Transparency Portal, which was launched in November 2014.

Another important instrument related to the financial transparency are the Transparency Pages, disciplined by the Decree n. 5,482, of June 2005. Every agency or entity of the
Federal Administration must keep, linked to their official homepage, a special page designed for the disclosure of data and information related to the budgetary execution, including matters related to public procurement, contracts and agreements.

Finally, in 2009, Complementary Law n. 131 was sanctioned, altering the Fiscal Responsibility Law in order to determine that the Union, the states, the Federal District and the municipalities make electronically available, in a timely manner, detailed information about their financial and budgetary execution. If any entity breaches the Law, it will be forbidden to receive voluntary transfers of resources from the Union. Besides, the head of the Municipal Executive Branch will be subject to prosecution for responsibility crime, on the basis of Law n. 1,079/50.

In relation to enhancing the effectiveness of the Brazilian system of accounting and auditing and oversight over the budgetary revenue and expenditure, it is worth noting, on one hand, the creation, in 2003, and later restructuring of the Office of the Comptroller General, in 2013. The Office of the Comptroller General is the agency of the federal executive branch, directly linked to the Presidency of the Republic, which is responsible for the tasks of internal oversight, inspections, ombudsman units, and preventing corruption. In addition to overseeing the use of public funds and initiating audits, the CGU is also responsible for pursuing actions to promote transparency and to prevent corruption. The purpose of the CGU is not only to detect instances of corruption; it must also anticipate them and work to develop ways to prevent their occurrence. The CGU also performs inspection functions, which consist of activities related to the investigation of possible wrongdoing by public servants and to the imposition of the appropriate penalties. In addition to its central offices, located in the Federal District, the CGU also has offices in all the other states of the federation, on account of its decentralized functions.

On the other hand, we should also mention the external control, exercised by the National Congress with the assistance of the Federal Audit Court (TCU). The Federal Audit Court assists the National Congress in two ways. First, it prepares prior opinions on the government’s accounts. Second, the Audit Court provides Congress with permanent advice on the execution of the budget. The Federal Audit Court has the power to impose penalties. The penalties it may impose include fines and disqualifications from holding public office or public positions for a specified period of time, and it can also declare the unfitness of suppliers who commit irregularities in public bidding processes. The TCU can impose financial penalties for violations committed by public employees and hold them accountable for any losses arising from misconduct by applying fines and by ordering indemnification for the applicable losses.

**Paragraph 3 of Article 9**
Brazil has a broad and complex network of archives, resulting from the exercise of executive, legislative and judicial functions of the Brazilian state. At this context, Brazil has been improving its internal legislation in order to preserve the integrity of accounting books, records, financial statements or other documents related to public expenditure. In this sense, The National Council of Archives (CONARQ) has special importance. CONARQ is a public organization in the city of Rio de Janeiro linked to the National Archives with the aim to define a national archives policy (public and private) and integrate procedures via the National System of Archives. Since its creation, CONARQ has played a fundamental role in defining norms for archiving, especially to define a general schedule of records retention and disposition, including controls or security standards. In its Resolution of 39 April 2014, CONARQ has produced a Guidelines for the Implementation of Digital Repositories of Trusted Archival Documents establishing policies and procedures regarding the storage and preservation of electronic records, including security measures. Concerning security measures in order to prevent the falsification, Brazil has been developing a digital certification of the electronic government actions. A digital certificate is a kind of signature that allows identification of who sent the message. Equivalent to an identity in electronic documents, to ensure the safety and legal integrity of information. Brazilian law states that any digital document is valid for the law if it is certified by ITI (Information Technology Institute), a Federal Government Recording Authority Agency, who is responsible to validate user-presence and issue Digital Certificates that are linked to ICP-Brazil (Brazilian Infrastructure of Public Keys). Therefore, main advantages of adopting digital certification refers to the accomplishment of information security, including requirements as data authenticity, confidentiality, and integrity. With the improvements gained from the new Brazilian Access to Information Law and with the consolidated basis of the national archives policy, Brazil has been advancing in a very solid way towards to enhance transparency in public administration.