

THEMATIC COMPILATION OF RELEVANT INFORMATION SUBMITTED BY PORTUGAL

ARTICLE 9

Management of Public Finances

PORTUGAL (FOURTEENTH MEETING)

Information in relation to strengthening the role of Supreme Audit Institutions in the prevention and fight against corruption (resolution 9/3 of the Conference of the States Parties to the United Nations Convention against Corruption)

The Court of Auditors of Portugal and the Organization for Economic Cooperation and Development (OECD), with the support of the European Commission, [have launched on January 30th](#) a project to use Artificial Intelligence within the workings of the Court of Auditors as regards public procurement.

The project aims to design a real-time treatment model for the massive volume of data on public procurement existing in the Court of Auditors and in strategic entities of the Portuguese Public Administration, resorting to algorithms and, in general, Artificial Intelligence.

More information as regards this project is being gathered and will be shared as soon as available.

Information in relation to strengthening the role of Supreme Audit Institutions in the prevention and fight against corruption (resolution 9/3 of the Conference of the States Parties to the United Nations Convention against Corruption)

About the independence of the Portuguese Court of Auditors (*Tribunal de Contas*)

The Tribunal de Contas of Portugal (TdC) legal and regulatory framework ensures its independency in all the pillars included in INTOSAI P-10 (Mexico declaration) recommended by INTOSAI:

- The nature, mandate and main competencies of the Court are laid down in the Portuguese Constitution, being Tribunal de Contas a Supreme Court incorporated in the Judiciary branch;
- The members of the Court are Judges of the highest rank in the country, and, as such, are independent, have a mandate for life – secure of tenure – and legal immunity in the prosecution of their duties;
- The mandate of the Court of Auditors includes audits of all the types and combinations, performed *a priori*, in real time and *a posteriori*, and also the possibility of judging the responsibility of public managers (Jurisdictional competencies);
- The Court is free from direction or interference of the legislative and / or executive branches, having freedom of selection of audit topics, planning, programming, conducting, reporting, and follow-up of audits;
- The court benefits from self-government, being free to organise and manage its resources, in the scope of the law;
- Tribunal de Contas has unrestricted access to information in the scope of its mandate;
- The Court is free to decide the content and timing of audit reports and to publish and disseminate them, and also to issue the related recommendations;
- The Court has its own revenues, and also a budget coming from the State, and decides the destination of its assets.

As for the measures taken to promote examining, periodically or as necessary, the applicable financial and accountable frameworks and procedures, in order to determine their effectiveness in the fight against corruption

The Court of Auditors of Portugal issues, every year, a report and opinion on the General State Account where the compliance with the existing financial and accountable frameworks and its effectiveness are assessed.

The Court also has a competency for verifying all the individual accounts of Public entities in a larger sense (about 6.500 accounts per year are registered in the electronic platform eContas) to be analysed by the Court.

Through these works, TdC issues recommendations that are to be complied by the recipient entities in a determined deadline.

For instance, the Report and Opinion about the General State Account of 2021 includes recommendations on the following main subjects:

- i. The ongoing budgetary reform;
- ii. The budgetary process;
- iii. The Central Administration Account;
- iv. The Social Security Account;
- v. Sustainability of Public Finances;

Within these recommendations, it is possible to find specific ones related to the Control and Management systems, or accountable standards and practices that have potential to prevent and fight misbehaviours, especially corruption.

Measures taken to ensure that the audited entities respond to the findings of the audit reports and implement recommendations from the Supreme Audit Institution

TdC has in place a system for the follow-up of audit recommendations, that includes a deadline for the initial answer about each recommendation issued. The Court maintains a dialogue with the audited entities about the state of compliance with the recommendations issued and, every year, an indicator is calculated in relation to the 3 immediately former years (n^{-1} , n^{-2} e n^{-3}). The established goal is to reach at least 60 % of recommendations implemented.

You can find in the Annual Activity Report of the Court this indicator, along with the examples of the impact of the implementation of recommendations for the period in analysis.

In 2021, as a result of the activity developed by the Court within the scope of the issue of Opinions on the General State Account and on the Accounts of the Autonomous Regions of the Azores and Madeira, of audits and external and internal verifications of accounts concluded during the year, 411 recommendations were made.

The main Impacts resulting from the implementation of recommendations were improvements in the following domains:

- Integration into the budget perimeter of entities previously identified as omitted
- Degree of specification or budget relevance of income and expenditure
- Implementation of the principle of unity of treasury
- Processes for reporting social benefit debts to be reimbursed
- Compliance with the applicable accounting standards
- Recording, control and recovery of revenues
- Control and regularity of expenditure
- Reliability of internal control systems
- Regulation, regularity and transparency in granting financial support
- Compliance with the Public Procurement Code
- Evaluation and management of public real estate assets
- Autonomy contracts between the Ministry of Education and schools terminated
- Improvement in the control of public expenditure and in the economic and financial sustainability of public investments
- Recovery of undue payments
- Non-accumulation of unauthorised functions
- Guarantee that any conflicts of interest that may interfere with the procedures are timely reported and registered
- Adoption of Codes of Conduct
- Approval of the National Strategy for fighting poverty

Measures taken to promote integrity and honesty through the application of Codes of Conduct in Supreme Audit Institutions and in particular measures for aligning these codes of Conduct with ISSAI 130 (the Code of Ethics of INTOSAI)

The TdC approved in the last 4 years, a new Ethical Chart value oriented and, to concretise those values, a Code of Conduct for the members of the Court and a Code of Ethics for the Staff of the support services of the Court. All of them comply with ISSAI 130, for which revision in 2016 the Court contributed in a very in-depth manner.

All these documents are published in its website (<https://www.tcontas.pt/pt-pt/etica/Pages/etica.aspx>).

In the Court, all employees must read and sign a commitment declaration with the Code. There is training every year dedicated to Ethics and Integrity and in April, the *Integrity Day* is celebrated.

There is also guidance related to ethical matters and gifts allowed are registered in stricter terms than the ones foreseen by the Portuguese legislation.

The members of the Court are obliged to declare incomes and interests, as well as the top managers of the support services.

Recent rules were issued about the duties of suppliers of the Court and also of audit experts contracted for specific audit tasks, as foreseen in ISSAI 130.

Measures taken to build and strengthen relations between national legislatures and Supreme Audit Institutions

TdC delivers and presents the Reports and Opinions on the General State Account and on the Accounts of the Autonomous regions of Azores and Madeira to the respective Parliaments every year.

On the other hand, several times a year the Court is heard by the National parliament in relation to published audit reports.

It is also important to highlight that the Parliament asks the Court to perform audits in domains of its interest (maximum 2 per year) and, although TdC is free to deny these demands, usually does the audits requested.

The Court is also heard in the Parliament about the project of Budgetary Law, essentially to report on the implementations of its related recommendations.

Measures taken to promote transparency including by publishing findings of both the anti-corruption bodies and Supreme Audit Institutions...

All the products of the Court are published in its website. Press releases are prepared for several audit reports.

Measures taken... training, education and knowledge sharing

Encouraging the strengthening of skills and improvement of professional performance is a permanent concern of the Court.

This promotes the qualification, appreciation and progressive specialization of human resources, thus contributing to the improvement the effectiveness, efficiency and quality of the service provided.

For instance, in 2020 and given the exceptional circumstances arising from the pandemic situation, much of the professional training was carried out through the available electronic platforms, with only part of the first quarter being

conducted in person. Thus, the trend to direct the actions to the specific needs of the departments remained unchanged. There were 118 internal and external training actions.

The actions carried out covered several subject matters, in particular in the areas of auditing, improvement of skills, accounting, as well as several webinars in areas of interest to the Court. Continuity was also given to the initial training for Trainee Senior Verification Officials

In 2021, the average of training hours per specialised auditor was around 44 in 105 training courses.

Examples of recent Audit reports and / or other products concerning the prevention of corruption

[Contribution_New_Legislature_2022.pdf \(tcontas.pt\)](#)

[relatorio-oac004-2021.pdf \(tcontas.pt\)](#)

[Microsoft Word - UtilizRecPublicGestEmergencia \(tcontas.pt\)](#)

[report_audit12-2020_executive_summary.pdf \(tcontas.pt\)](#)

PORTUGAL (SIXTH MEETING)

Regarding the transparency and accountability in the management of public finances, namely the existence of procedures for the adoption of the national budget, it should be stated that the national budget is approved by the Assembly of the Republic (Parliament) and all the documents and proposals are publicly available in its website and the discussions are public (<http://www.cn.parlamento.pt/StateBudgetPublicAccounts/index.html>).