

Sustainability Seminar on Performance Auditing

Secretary of Seprog lectures on the five myths of performance auditing

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The lecture "Five myths of performance audit" presented by the secretary of the Secretariat for oversight and evaluation of government programs (Seprog), Carlos Alberto Sampaio de Freitas, aimed to analyze what is real and what is imaginary when it comes to performance audits. The speaker explained that the five myths observed by him should not necessarily be valid for all agencies. They are present in the reality of the Brazilian Court of Audit (TCU) and other courts.

According to the secretary, the first myth holds that only developed and low-corruption countries perform performance auditing. "The consequence of accepting this myth is that in countries like Brazil, it would be a mistake to devote resources to this activity. Therefore, this myth is unfounded", he affirmed. According to the speaker, the potential of an operational audit is to be aware of the waste of public resources, e.g., expired medications, unused equipment, and institutions with excess or shortage of personnel. "It is very important that the courts of audit and audit institutions take a look into this issue," he emphasized. Carlos Alberto explained that operational performance audit aims to organize the agencies and contribute to better management. "Disorganized entities are fertile ground for corruption."

The second myth holds that performance audit is the audit of "good", in which the auditor entirely depends on the will of the manager and only performs consulting work. For Carlos Alberto, the consequence of accepting this myth is that whoever performs the audit takes the risk of co-generating thus compromising their independence. "Performance audit is also transparency. The citizen or the manager himself would not know what is happening in their program, unit or agency, except through a performance audit report", he said.

The third myth says that performance auditing depends on the performance indicators of the auditee. For the secretary of Seprog, "a challenge for good management of public agencies, whether federal, state or local, is the construction of performance indicators, because we only do what we measure."

The fourth myth holds that to recommend is worthless. However, according to the speaker, if the auditor's recommendation is technically well-grounded and justified, it will be credible and will be implemented by the good manager. "It makes little difference between determining and recommending. The secret is a good follow up, a good monitoring", he said.

The fifth and final myth presented by the secretary says that the performance audit is difficult, the techniques are complicated and the work is time-consuming. "The techniques are simple, easy to apply. But it takes methodological discipline and creativity", he said. He added: "To start operational performance auditing job is like a blank book: there is not a pattern, a script. Each work is a new project, a new challenge".