

Foreword

In the wake of the current economic, health and climate crisis, governments face long-term and complex economic, social and environmental policy challenges. A systemic understanding of what works is critical in addressing these difficulties. Supreme audit institutions (SAIs) have untapped potential to help governments meet these challenges. SAIs can provide a comprehensive, crosscutting view of how processes and programmes function across government. Through their objective analysis, they can strengthen the evidence base for policy decisions, ensuring citizens receive value-for-money.

The Brazilian Federal Court of Accounts (*Tribunal de Contas da União*, TCU) recognises this role and has partnered with the OECD since 2013 to realise its inherent potential. Previous reports, including *Brazil's Federal Court of Accounts: Insight and Foresight for Better Governance* and *Supreme Audit Institutions and Good Governance: Oversight, Insight and Foresight*, showcase the work and longstanding partnership between the OECD and TCU. Above all, these reports highlight common opportunities for SAIs, including the TCU, to strengthen their capacity to induce change in government through audits, evaluations and advisory work that takes into account the entire policy cycle, with the ultimate goal in mind—better policies for better outcomes.

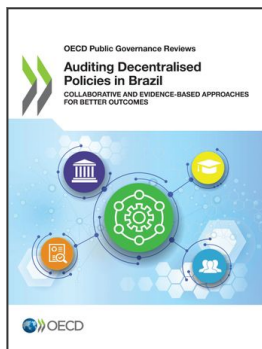
In Brazil, delivering on the results of policies and programmes requires co-ordination between federal and subnational governments, who share responsibility for achieving policy goals. This includes the Sustainable Development Goals (SDGs), the success of which depends on institutions at national and regional levels. Nonetheless, the country's highly decentralised federal system faces tightening fiscal constraints and growing social demands to reduce disparity of service delivery across diverse regions. This context underscores the need to ensure greater efficiency and effectiveness in the delivery of decentralised policies to help improve equity across regions.

Ensuring efficiency and effectiveness is not just a responsibility of government and public sector management. SAIs and other institutions with mandates to hold government accountable have the same responsibility. Recognising the need to lead by example, the federal, state, and local courts of accounts in Brazil (*Tribunais de Contas*, TCs), with the OECD's support, sought to improve the effectiveness and efficiency of their oversight of decentralised policies. In 2018, the OECD and TCU launched a new project to this end, bringing together 33 TCs in an effort to enhance the way they work together. The TCs chose education as the most promising area to pilot the innovative ideas captured in this project.

This report describes the results of three years of collaboration between the TCs and the OECD, drawing on a multi-disciplinary team of auditors and experts. The report details the results of extensive desk research, workshops in Brazil with TCs that also brought in peers from other countries to share experiences, interviews with key stakeholders, questionnaires and countless discussions in working groups to develop a pioneering approach making better use of evidence and indicators to collaboratively select audits. This report also details strategies for improved collaboration mechanisms among audit institutions, as well as tools to assess challenges and opportunities to improve multi-level governance. It will guide TCs in implementing the approaches described in this report in 2021.

Much of the value of the project was in the process itself. The project offered a constructive platform for bringing people together from audit institutions across Brazil, with a single purpose and a shared commitment to improving the impact of their work. This collaboration, along with the ideas and approaches described in this report, can serve as inspiration for other SAIs that face similar challenges to promote policy coherence in decentralised contexts and strengthen co-ordination among audit bodies. By applying these co-ordinated and collaborative approaches, external audit at different levels of government can be a coherent voice, promoting better governance of decentralised public policy and fortifying citizens' trust in government.

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