Implementation Status & Results
Brazil

Strengthening TCU Financial Audit of the Consolidated Financial Statements of the Government of Brazil (P120377)

Operation Name: Strengthening TCU Financial Audit of the Consolidated Financial Statements of the Government of Brazil (P120377)
Project Stage: Implementation
Seq.No: 2
Status: ARCHIVED
Archive Date: 30-Oct-2012

Country: Brazil
Approval FY: 2010
Product Line: Institutional Development Fund
Region: LATIN AMERICA AND CARIBBEAN
Implementing Agency(ies): Tribunal de Contas da Uni (TCU) - SEGEPRES

Key Dates
Board Approval Date: 25-Mar-2010
Original Closing Date: 31-Mar-2014
Planned Mid Term Review Date: 02-Sep-2011
Last Archived ISR Date: 02-Sep-2011
Effectiveness Date: 12-May-2011
Revised Closing Date: 31-Mar-2014
Actual Mid Term Review Date:

Project Development Objectives

The key development objective of the proposed IDF is to accelerate the Tribunal de Contas da União's (TCU), the Brazilian Supreme Audit Institution (SAI), acquisition of institutional capabilities to issue an audit opinion, consistent with international auditing standards, or national auditing standards significantly consistent with international standards, on the consolidated financial statements of the Government of Brazil.

Has the Project Development Objective been changed since Board Approval of the Project?

☐ Yes  ☐ No

Component(s)

Component Name
Component 1: Federal Accounting and Auditing Institutions and Processes
Component 2: Gap Analysis between TCU Actual and Desired Financial Audit Capabilities
Component 3: Preparation of a Strategy to Address Financial Audit Gaps
Component 4: Audit of the Grant

Component Cost
72000.00
65000.00
101000.00
10000.00

Overall Ratings

Progress towards achievement of PDO
Satisfactory
Satisfactory
Satisfactory

Overall Implementation Progress (IP)
Satisfactory
Satisfactory

Overall Risk Rating
Moderate

Implementation Status Overview

The implementation of the project activities is progressing satisfactorily. The IDF Grant proposal envisaged that the audit improvement strategy (Component 3) would be developed based on 5 major activities. Of these, the first activity relating to the mapping of financial accounting processes has been successfully carried out (Activity 1.1). In addition, the
selection of the consultant has been completed for 3 activities, and the work is expected to start soon on these activities viz., (i) the assessment of financial audit processes (Activity 1.2); (ii) report on gaps with international financial audit standards (Activity 2.1), and (iii) gaps between current and desired practices regarding the audit of consolidated financial statements (Activity 2.3). The fifth activity, a study of international good practices, together with a comparison of these with current practices in Brazil (Activity 2.2), is expected to commence this semester.

Locations
No Location data has been entered

Results

Indicators

<table>
<thead>
<tr>
<th>Indicator Name</th>
<th>Core</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Current</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preparation of an action plan and three (3) implementation actions have begun: reduce or eliminate financial auditing deficiencies, and/or sub-optimum approaches by December 15, 2013.</td>
<td></td>
<td>Text</td>
<td>Process to prepare consolidated financial statements of federal government is unknown or unclear and audit work being done on the consolidated financial statements is unclear.</td>
<td>Consultancy completed to prepare mapping of process to prepare consolidated financial statements of the federal government. Consultant selected to undertake mapping of financial auditing processes.</td>
<td>Clear current accounting and auditing processes, identification of financial auditing deficiencies and 3 actions initiated to reduce or eliminate deficiencies.</td>
</tr>
<tr>
<td>Date</td>
<td>11-May-2011</td>
<td>29-Jun-2012</td>
<td>31-Oct-2012</td>
<td>Comments</td>
<td></td>
</tr>
<tr>
<td>Preparation of an action plan and three implementation actions have begun: (A) reduce or eliminate identified gaps in the application of international financial audit standards and/or (B) implement</td>
<td></td>
<td>Text</td>
<td>Gaps in the application of international public sector financial auditing standards (ISSAIs) to the audit of the national accounts and SAI best practices in auditing the national accounts are not know</td>
<td>None. This activity is not planned to begin the second semester in 2012</td>
<td>Three actions initiated to reduce or eliminate gaps in the application of ISSAIs in the audit of the national financial statements and/or implement SAI best practices in the audit of the national financial statements.</td>
</tr>
<tr>
<td>Date</td>
<td>11-May-2011</td>
<td>29-Jun-2012</td>
<td>16-Dec-2013</td>
<td>Comments</td>
<td></td>
</tr>
</tbody>
</table>

Data on Financial Performance (as of 06-Jun-2012)

Financial Agreement(s) Key Dates

<table>
<thead>
<tr>
<th>Project</th>
<th>Ln/Cr/Tf</th>
<th>Status</th>
<th>Approval Date</th>
<th>Signing Date</th>
<th>Effectiveness Date</th>
<th>Original Closing Date</th>
<th>Revised Closing Date</th>
</tr>
</thead>
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Disbursements

| Project | Ln/Cr/Tf | Status | Currency | Original | Revised | Cancelled | Disbursed | Undisbursed | % Disbursed |
|---------|----------|--------|----------|----------|---------|-----------|-----------|-------------|-------------|-------------|
Key Decisions Regarding Implementation

With the early experience in implementing the Grant and a more detailed analysis of the requirements for the purposes of meeting the project objectives, the TCU revised the means with which to achieve the project objectives while at the same time maintaining the project design. The revision was necessary to reduce duplication across consultancies, to take advantage of the opportunities available to combine different outputs under the same consultancy, and the need to mitigate the risk of failure to identify consultants with required qualifications and experience. The IDF Grant proposal envisaged that the key output, the audit improvement strategy, would be developed based on the elaboration of 5 reports developed under different consultancies. It would also be developed and validated in 3 workshops. Under the revised modality, three major consultancies would be used for the elaboration of the reports, with the help of staff from other SAIs. In addition, two workshops would be held, leading to the validation of the strategy. A workshop will now be held at the end of 2012 for the presentation of INTOSAI Guidelines, standards and GAP analysis workshop among Brazilian institutions: the project would also finance the participation of staff from other SAIs. Another workshop will be held at the end of 2013 to validate the strategy to address gaps identified between Brazilian practices INTOSAI Guidelines, standards and international good practices.

Restructuring History

There has been no restructuring to date.

Related Projects

There are no related projects.