

Effects of Normative N°05 2021/CGU on Audit Reports of Brazilian Federal Universities.

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Abstract: Brazilian federal universities play a significant role in education and scientific development, managing large volumes of public resources. Internal audits are essential to ensure compliance and promote transparency in the use of these resources. Since 2021, with the issuance of Instruction Normative N. 05/2021 by the Office of the Comptroller General (CGU), internal audits must disclose reports on financial accountability. The objective of this study is to evaluate the effects of this regulation on the internal audit reports of federal universities. Using a qualitative and descriptive approach, a document analysis of 52 universities was conducted, excluding 17 that did not disclose their audit reports. The analysis focused on the compliance of the reports with the guidelines set out by IN N. 05/2021, with an emphasis on the disclosure of a compliance chart with legal norms. This study contributes both theoretically, by expanding the understanding of the impact of internal control regulations, and practically, by providing insights for managers and auditors on the effective implementation of IN N. 05/2021.

Keywords: Audit report; Instruction N. 05/2021; Brazilian federal universities; Internal audit.

1 INTRODUCTION

Brazilian federal universities play an important role in education and scientific development in Brazil, being responsible for managing large volumes of public resources. According to Ramos (2009), universities have a fundamental role in education, research, policymaking, and knowledge dissemination.

To ensure the proper use of these resources, internal audits within universities play a crucial role. Internal audit reports assess operational compliance, promoting transparency and accountability. According to Marçola (2011), internal audits and controls gather important information about the management practices of federal universities, often anticipating external oversight (such as by the Federal Court of Accounts – TCU).

Since 2021, under Instruction Normative N. 05/2021 of the Office of the Comptroller General (CGU), federal university internal audits are required to issue audit reports on university accountability. These reports are prepared by internal and external oversight bodies and are published alongside the accountability reports on each institution's website.

Given this scenario, the following research question arises: How has the implementation of CGU Instruction Normative N. 05/2021 impacted the internal audit reports of Brazilian federal universities? The primary goal of this study is to evaluate the effects of CGU Instruction Normative N. 05/2021 on the internal audit reports of federal universities in Brazil.

To achieve the proposed objective, the methodology employed was a qualitative and descriptive approach, involving a documentary analysis of 52 universities, excluding 17 that did not publish their audit opinions. The analysis focused on the compliance of the opinions with the guidelines of Instruction Normative N. 05/2021, with an emphasis on the disclosure of a spreadsheet detailing adherence to legal regulations.

This article offers both theoretical and practical contributions. Theoretically, the study enhances understanding of how internal control regulations can improve public auditing, particularly in the context of Brazilian federal universities. Practically, it provides insights for managers and internal auditors on how CGU Instruction Normative N. 05/2021 can be better implemented to strengthen accountability and governance in federal universities.

2 LITERATURE REVIEW

2.1 Internal Auditing in the Public Sector

Internal auditing plays a crucial role in promoting transparency, efficiency, and accountability in public institutions, including Brazilian federal universities. According to INTOSAI – Professional Standards Committee (2016), auditing in the public sector contributes to creating suitable conditions and reinforces the expectation that public entities perform their functions effectively, efficiently, ethically, and in compliance with applicable laws and regulations.

Internal auditing in public organizations is essential for ensuring compliance with legislation, efficient use of public resources, and integrity of administrative processes. Auditing is considered one of the fundamental pillars of good governance in the public sector, significantly impacting accountability. Accountability for the management of public resources, guided by public interest, must be carried out transparently, allowing those responsible to be evaluated based on the results achieved (Fonseca, Jorge, & Nascimento, 2020).

According to Joint Instruction Normative N. 1/2016, internal auditing provides an independent and clear assessment of an organization's operations, meaning that its objective goes beyond merely identifying errors or irregularities; it aims to add value and improve the effectiveness and efficiency of the institution.

2. 2 Instruction Normative N. 05 of the CGU/2021

Instruction Normative N. 5, dated August 27, 2021, establishes guidelines for the preparation of the Annual Internal Audit Plan (PAINT), the Annual Report of Internal Audit Activities (RAINT), and the opinion on the accountability of entities. These guidelines apply to internal government audit units that are under the technical supervision of the Federal Executive Branch's Internal Control System, aiming to ensure compliance and efficiency in the oversight of public management.

According to Chapter V, Articles 15 and 16, of Instruction Normative N. 5, dated August 27, 2021, the internal audit units of federal universities must issue an opinion on the annual accountability of the entity. This opinion must be based on audits conducted according to the Annual Internal Audit Plan (PAINT) and must provide a general opinion on the adequacy of the governance processes, risk management, and internal controls of the entity. Furthermore, the opinion should evaluate compliance with applicable accountability standards, the legality of administrative acts, the accuracy of accounting and financial information, and the achievement of operational objectives.

3 METHODOLOGY

The methodology of this study is qualitative and descriptive in nature, focusing on document analysis to achieve the objective of evaluating the effects of Instruction Normative N. 05/2021 from the Comptroller General of the Union (CGU) on the internal audit opinions of Brazilian federal universities. The initial sample, according to information from the Ministry of Education (MEC), consisted of 69 federal universities that reported to the Federal Court of Accounts (TCU) in 2021 and 2022. However, 17 institutions were excluded for not disclosing their audit opinions on their official websites, resulting in a final sample of 52 universities.

The analysis of the 52 universities focused on verifying the compliance of the audit opinions with the guidelines of Instruction Normative N. 05/2021 from the CGU. Special emphasis was placed on the disclosure in the opinions of a spreadsheet that presents the percentage of adherence of the accountability reports to the legal norms. According to Article 16 of the aforementioned instruction, the audit opinions must include an objective assessment of compliance with regulatory standards.

4 ANALYSIS AND RESULTS

Initially, to evaluate the effects of Instruction Normative N. 05/2021 from the CGU on the internal audit opinions of Brazilian federal universities, the audit opinions from the sample were analyzed for the period from 2021 to 2022 (Table 1).

Table 1: From the universities evaluated.

	Number of universities

Total of federal universities 2021-2022.	69
The universities that did not present the audit opinion on the institution's website.	17
The universities that did not present an audit opinion with the adherence percentage of the accounts rendered in accordance with the applicable regulations.	32
The universities that presented an audit opinion with the adherence percentage of the accounts rendered in accordance with the applicable regulations.	20

Source: Prepared by the author (2024).

The analysis of the audit opinions from federal universities reveals a significant overview of compliance and transparency in the accountability of these institutions. From a sample of 69 universities, 52 published their audit opinions on their institutional websites, highlighting the effort to maintain transparency.

However, only 20 of these universities included a spreadsheet detailing the level of compliance of the accountability reports in their opinions, indicating that there is still room for improvement in aligning with regulatory standards. This data underscores the need to enhance accountability processes to ensure greater adherence to the required standards. According to Article 16 of Instruction Normative N. 05 from the CGU, audit opinions must include an objective assessment of compliance with regulatory standards.

The audit opinions issued after the implementation of Instruction Normative N. 05/2021 from the CGU played an important role in reviewing the Accountability Report, providing a detailed evaluation of adherence to normative principles, monitoring potential failures and deficiencies, and guiding managers to improve future performance. The preparation and disclosure of audit reports by internal and external control bodies, along with the Management Report, are essential practices to ensure the integrity and effectiveness of public administration.

5 DISCUSSIONS AND CONCLUSIONS

The implementation of Instruction Normative N. 05/2021 from the Federal Comptroller General (CGU) was a significant step toward strengthening accountability in federal universities. The analysis of audit opinions from Brazilian federal universities provides a clearer view of compliance and transparency in the management of public resources.

In conclusion, it is essential for federal universities to continue investing in processes that ensure transparency and accountability, fostering a culture of accountability that translates into more effective administrative practices. Strengthening internal auditing and strictly adhering to regulations are crucial for these institutions to fulfill their social and academic roles effectively.

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