

For the Bolsa Família Program (BFP)¹ - at present delivered to more than 13.6 million households² in Brazil - to produce good results, control, oversight and enforcement mechanisms are needed to ensure that the program is targeted effectively, and that the related payment systems and cross-sectoral and decentralized administrative arrangements function efficiently. Control and oversight are important for achieving the Program's objectives by guaranteeing transparent management, effective actions and optimum use of resources, as well as for preventing and correcting errors and misappropriation of funds.

The Bolsa Família Management is responsible for verifying, preventing and dealing with irregularities in the BFP detected by the control bodies, or arising from allegations by members of the public. The measures needed to address these issues involve, within the management framework, two specific areas: 'control' and 'oversight'.

'Control' concerns addressing irregularities due to management failures. In these circumstances the separate sectors (divisions) of the Ministry of Social Development (MDS) are responsible for resolving issues within their own areas of competence, e.g. in the event of a breakdown in the registration process of current or potential BFP beneficiaries, the Unified Registry (CadÚnico) sector is responsible for dealing with demands that may arise. An important part of the work of the CadÚnico staff is to update the Registry by checking the data contained therein. The sector can, for example, compare current data with that obtained from tracking the performance of municipal authorities and identifying situations where benefits are being wrongly paid³.

Meanwhile, the 'oversight' or enforcement area involves identifying and dealing with fraudulent situations such as people receiving BFP benefits to which they have no right as, for example, when program beneficiaries falsely and intentionally declare low incomes to continue to retain or increase a cash benefit. In such cases the management control process is not at fault.

This article looks at the control and oversight activities of the Bolsa Família Program from the standpoint of the wide-ranging and administratively complex institutional arrangements involved. Section 1 describes the main control and oversight measures currently in place, focusing on the relevant actions of the Ministry of Social Development (MDS). Sections 2 and 3 describe the various institutional arrangements. These also involve other bodies responsible for external control and oversight of the BFP.

1. SUMMARY OF INTERNAL CONTROL AND OVERSIGHT MEASURES

1.1. Municipal quotas of beneficiaries

One measure used to control the BFP targeting process has been to introduce individual municipal quotas of beneficiary families. These quotas correspond to the number of people in a given municipality living in poverty and are based on the poverty mapping studies conducted by the MDS throughout Brazil. This measure aims to encourage municipal staff to register families correctly, particularly with regard to household income, given that genuinely poor

1 For more information, see: <https://wwp.org.br/en/social-policy/bolsa-familia/>

2 March 2017 data

3 In this same thematic area, specific articles describe BFP control and oversight activities.

families may lose out if benefits are granted to people who are above the designated BFP income “threshold”. The BFP management is keen for local communities to put pressure on the municipal managers of the Unified Registry and the BFP to ensure that only the very poor members of the community receive the benefits rather than the less poor. This approach helps to control the BFP by ensuring that more accurate data is entered in the Unified Registry. It also contributes to better oversight by encouraging local people to notify the authorities of any irregularities that they may be aware of.

1.2. Publication of monthly lists of beneficiary families

This pro-transparency initiative helps to prevent fraud and correct irregularities in the Bolsa Família Program. Together with the abovementioned municipal quotas, the monthly lists are a vital instrument for encouraging the local population to help control and oversee the use of public funds disbursed on the BFP. Recent studies⁴ reveal that the program is well-targeted and that the allocated funds actually reach the families with profiles that conform to the rules of the program.

1.3. Cross-referencing of government databases

Since 2005, the MDS has performed an annual cross-referencing exercise between the Unified Registry and other government administrative registries employing a procedure known as the Cadastral Survey (verification). Personal data collected from public records are compared and scrutinized for discrepancies and registration inconsistencies. Files on families and individuals are subsequently assembled for submitting to the local municipal managers. These large-scale checking procedures are essential for justifying, for example, the withdrawal of improperly granted benefits.

1.4. On-site visits to samples of beneficiary families

A further measure to prevent the mis-targeting of BFP benefits is to undertake on-site (i.e. home) visits to at least one fifth of the families registered in the program. Home visits are intended to help interviewers to see for themselves how the families are coping and to collect more accurate data on incomes and household characteristics. Municipalities are therefore advised to carry out, wherever possible, interviews in beneficiaries’ homes. Furthermore, where inconsistencies are discovered when Unified Registry data is cross-referenced with those of other administrative records, on-site cadastral checking, depending on the circumstances, is mandatory.

1.5. Bank payments as a means of control

The payment of benefits through the banking system (using magnetic cards in ATMs) also contributes to benefits being correctly disbursed. This avoids *inter alia* the establishment of a client-beneficiary relationship and enables the beneficiary to draw the benefit directly with no intermediaries involved.

⁴ Various studies show that the BFP is well-targeted and has a substantial impact on poverty and inequality reduction: Hoffmann (2007a, b), Barros, Carvalho and Franco (2007), Soares et al (2007a, b), Rocha (2007), Lavinás, Matijascic and Nicoll (2007), Cury and Leme (2007), Bourguignon, Ferreira and Leite (2007), Camargo and Reis (2007) and Barros et al., 2010

1.6. Ombudsman

To ensure social control, the MDS possesses an Ombudsman channel (telephone, internet and face-to-face service) that enables citizens to directly register complaints. In 2005-2015, there were over 113,000 such Ombudsman contacts with citizens - mainly concerning Bolsa Família and Unified Registry issues (80%), with the remainder related to social assistance matters.

2. FEDERAL OVERSIGHT AND CONTROL BODIES

By 2005, the Bolsa Família Program had adapted the structures of previous social programs with adjustments to the Unified Registry of Social Programs, improved monitoring of conditionalities, and the resolution of inconsistencies related to the granting of cash benefits. Against this background, the Federal Government established partnerships with control agencies through technical cooperation agreements. These agreements maintained the autonomy and independence of the bodies involved with a view to endowing the BFP with greater transparency and introducing ongoing control procedures in its day-to-day operations.

In the context of the Public Oversight Network (RPF), questions were raised about the BFP management's efficiency and its ability to run the program without administrative errors or the occurrence of fraud. Assisted by its partners, the former MDS went on to develop, within the RPF, testing and auditing strategies and in due course established a transparent control and oversight agenda for the BFP that included measures for preventing fraud, irregularities and other malpractices. This joint approach improved links with the partners involved and made it possible to coordinate actions and enhance local understanding of MDS rules, procedures, etc. A noteworthy example of the control work carried out by the Federal Audit Court (TCU) and the Ministry of Transparency, Supervision and Control (CGU) is now incorporated into the cadastral checking processes⁵.

The Public Oversight Network consists of the following:

The **Ministry of Transparency, Supervision and Control** is the principal organ of the internal control system of the Federal Executive Branch and is empowered to monitor the activities of public officials and the implementation of government actions. Its *raison d'être* is to contribute to enhance rational decision-making by identifying problems, suggesting alternative solutions, forecasting their consequences and optimizing the use of available resources. CGU control strategy is deployed throughout Brazil, with oversight surveys and audits conducted by its staff.

According to the agreement with the MDS, the CGU is responsible for:

- » Promoting joint actions to ascertain irregularities in the Unified Registry and implementation of the BFP;
- » Requesting data and submitting (to the MDS) oversight reports produced from public surveys;
- » Organizing lectures, seminars and training sessions for the exchange of experiences;
- » Assisting efforts to raise the profile of the BFP with beneficiaries, local BFP managers, social control councils and internal and external control institutions.

⁵ For more details on the BFP control processes, see the specific article accompanying this set of articles on oversight.

Federal Audit Court (TCU): The role of the TCU, a key agency within the Federal Legislative Branch, is to assist the National Congress in the exercise of external control. According to the cooperation agreement signed between the former MDS and the TCU in January 2005, the latter undertakes to:

- » provide the MDS with instruments and techniques for developing and improving strategies for monitoring the BFP;
- » provide places on TCU training and other courses (including distance learning courses) for MDS staff on oversight, control and monitoring and evaluation methodologies;
- » propose criminal, civil and administrative actions, and support the identification of families who meet the eligibility criteria of the BFP and assist them to access its benefits.

State Public Attorneys, Public Attorneys of the Federal District and Territories, Federal Public Attorneys: These bodies are responsible for overseeing law enforcement and defending the rule of law in Brazil. According to the 1988 Constitution, the Public Attorneys' role is described as essential to the pursuit of justice but with no functional link to any of the three branches of government. According to its agreement with the MDS the Public Attorneys is responsible for:

- » Taking steps, based on data provided by the MDS, to investigate possible irregularities in the BFP registration process to ensure that family data complies with the program's conditionalities;
- » Propose criminal, civil and administrative actions, and support the identification of families who meet the eligibility criteria of the BFP and assist them to access its benefits.

The aforementioned partnerships are designed to ensure access by the poorest segment of the population to the benefits of the BFP, as well as to monitor and control registration procedures, compliance with conditionalities and the provision of complementary actions.

3. SOCIAL CONTROL AGENCIES IN THE MUNICIPALITIES

To guarantee the effective monitoring of Bolsa Família activities, Social Control Agencies (ICS) must be established in all Brazilian municipalities. These local bodies, consisting of representatives of municipal government and civil society, have an intersectoral mandate to exercise social control of the BFP.

The municipal government representatives in the ICS are selected from the social assistance, education, health, food security and children/adolescent policy areas. The local government and civil society representatives must be equal in numbers, and the ICS presidency must alternate between the two groups.

The purpose of the ICS is to provide local people with access to, and a voice in, monitoring and overseeing the BFP in order to enhance administrative transparency and ensure that benefits reach the poorest families in the municipality. The ICS is expected to plan regular meetings, public hearings and activities and prepare specific agenda topics for deliberation in council.

The ICS can be constituted in two ways at the time the municipality chooses to join the Bolsa Família Program: either (i) by the creation of a specific new council, or (ii) by the social control requirements of the Bolsa Família Program being devolved to an existing council.

The 2014 SUAS Census⁶ found that 84.5% of municipalities chose to designate their Social Assistance Councils to act as Bolsa Familia ICSs. This resulted in the National Social Assistance Council (CNAS) issuing a Resolution⁷ which provides guidance to the respective municipal councils, thus strengthening the role of the ICS to undertake intersectoral actions and ensure social participation in the management of the BFP.

The main functions of the Social Control Agencies (ICS) are to:

- » Determine whether poor and extremely poor families are enrolled in the BFP and whether the registration data is routinely updated;
- » Check if families that are registered and fit the profile for inclusion in the program are actually receiving benefits, and to monitor, using the SIBEC system (Citizen Benefits System)⁸, whether the benefits are being appropriately managed by the municipality;
- » Check if the local authority is providing adequate education and health services to enable BFP beneficiaries to access and comply with the program's conditionalities;
- » Identify and promote programs and policies to assist beneficiaries to exit the Bolsa Familia program;
- » Provide information on the oversight actions of the MDS and the Public Oversight Network related to all procedures involving management of the BFP;
- » To decide whether to approve or reject the statement of account related to the disbursement of funds under the Decentralized Management Index (IGD)⁹.

It has not been an easy task to set up ICS in many municipalities, especially in small towns with more highly centralized municipal governments. It has been found that many municipalities have established ICS more as a way of meeting the minimum BFP operating requirements than out of concern with oversight and social participation. A research report in 2009 noted that this was the case in many of the municipalities investigated: "Once they have been created, the ICSs have no incentive, are unable to rely on collaboration, and are subjected to political pressures that are often unwilling to accept this kind of participation and control" (BRASIL, 2009).

Given that the ICS is part of the decentralized management structure of the BFP, it is incumbent on municipal managers to ensure that the body performs effectively and independently. Local government responsibilities are to:

- » Provide municipal level BFP data;
- » Ensure ICS involvement in planning Bolsa Familia actions in the municipality;
- » Develop, jointly with the ICS, mechanisms to evaluate BFP implementation;
- » Ensure that councillors are provided with accredited access to the operational systems of the BFP (the Unified Registry system, SIBEC, SICON, etc.) so that they can easily access data and reports on program operations;
- » Arrange training facilities for ICS councillors;

6 The Unified Social Assistance System Census (SUAS Census), which has been performed annually since 2007 by the Ministry of Social Development, tracks the implementation of SUAS in Brazil and supplies data to facilitate analysis of gaps, as well as improvements, in Brazil's National Social Assistance Policy.

7 CNAS Resolution No. 15 of 5 June 2014

8 Municipal managers must ensure that ICS members have access to the BFP operating systems.

9 The Decentralized Management Index (IGD) is a key interfederative coordinating tool used for indicating state- and municipal-level management performance of the Bolsa Familia and the Unified Registry. Federal funds are allocated to state and local governments depending on the scores obtained. The amount of funding increases in line with a higher IGD. For more details see: <https://www.org.br/en/publication/bolsa-familia-interfederative-coordination-instruments-the-igd/>

- » Ensure that ICS registration data is kept up to date in the MDS records;
- » Provide physical space and appropriate infrastructure for the ICS;
- » Provide at least 3% of the IGD resources to fund ICS operations in accordance with BFP legislation (BRAZIL, 2012)¹⁰.

With a guaranteed financial incentive of 3% of IGD resources, the ICS are deemed to possess the minimum autonomous conditions to facilitate their operation¹¹ and can therefore be expected to fulfil more effectively their social control responsibilities in the BFP management process, as well as being better placed to contribute to monitoring and evaluating the entire Bolsa Familia Program.

¹⁰ The 3% transfer of IGD resources was regulated in 2010 by MDS Ordinance No. 754 (amended in 2015 by MDS Ordinance No. 81).

¹¹ Since the 3% IGD transfer was introduced the ICS has not been reassessed. Further analysis is required.

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