Corporate Governance:
A study on public management and transparency in RioPrevidência

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Abstract — The lack of transparency in the Public Sector, including municipalities, has been observed over the years. It is known that the Public Administration has very specific peculiarities and regulations, especially regarding control, with regulatory agencies, controlling and auditing sectors, acting on both internal and external control, which has been attracting attention and interest lately. Public managers and society have understood the need to constantly improve government actions, always aiming at greater rationality in decision-making and optimization of public resources. This article establishes a parallel between corporate governance and public management, whose concepts are important in the quality of this administration, providing better results. The study was guided by the Corporate Governance constructs of the Rio de Janeiro State Social Security Single Fund – RioPrevidência.

Keywords — Corporate governance; Public administration; Transparency; Control; Pension Fund

I. INTRODUCTION

The lack of transparency in the public sector is a subject that raises numerous questions for Brazilian citizens. The relationship between management and responsibility is something that must be worked on in many ways. Today's society lives in the age of communication where knowledge is transmitted rapidly, which increasingly determines the need for accurate information that demonstrates the truth of facts and data to enable agility in decision making and ensure transparency in the use of public resources, including social security.

Aiming at continuity, effectiveness, efficiency, effectiveness and operability at the lowest possible cost in the quality of services rendered to society, management tools are sought to improve public management. Social security in Brazil has systems in the public and private area, being in the private sector known as the Supplementary Social Security Scheme that aims to provide the worker with additional social security protection that offered by the General Social Security Scheme - RGPS or by the Private Social Security Scheme – RPPS.

The social security is intended for workers who perform remunerated activities, and there is a distinction in the rules between civil servants holding effective office and other workers.

The present work has as its object of study the Social Security Own Regime - RPPS, anchored in a succinct study about the Rio de Janeiro State Single Social Security Fund - RioPrevidência, which is an independent public authority, with the purpose of managing financial assets, aimed at defrayment of payments of earnings, pensions and other social security benefits. Due to the complexity of the public sector, state entities do not have a standard form of organization or size. However, it is important to recognize the diversity of the public sector and the different
governance models that apply across countries and sectors, each with particularities requiring special attention when imposing different sets of accountability responsibilities [9].

With a management that aims at quality, consequently there will be validation of instruments that value attributes to be used in the Internal Control tools of public administration, which is nothing more than developing forms, instruments, evaluation processes and permanent accountability of public agents, which enable citizens to control the exercise of power granted to their rulers.

The pursuit of quality in public services must be incessant in order to be able to properly apply the scarce resources of society available, with a view to complying with laws, monitoring implementation, preserving public assets and transparency in their accounts. For it to be effective and permanent, it is imperative that there is planning, execution, constant control and corrective action.

This study becomes relevant since it reveals the possibility and applicability of public administration to use the principles of corporate governance, considering the existence of problems related to transparency and governance.

Thus, the main objective of this article is to reflect on the principles of Corporate Governance and their possible contributions in improving public management.

The descriptive and exploratory research consists of presenting some principles and purposes related to the variables in the object of study, by collecting information from the publications available and providing new conducts of efficiency and effectiveness to public management.

II. THEORETICAL REFERENCE

To understand how Corporate Governance can assist in more effective public management, it is necessary that it constructs conceptually the two governance segments: corporate and public, as well as the special tool of internal control.

2.1. Corporate Governance

The globalization of markets has motivated the quality of this governance as a component for corporate continuity and with it, the compatibility of governance practices with market standards for corporate success, as these practices have become a prerequisite for all companies, corporation effectively monitor its resources and capture new resources [11].

According to [8] corporate governance is a system whereby companies are managed and monitored with the involvement of shareholders and quota holders, the Fiscal Council, the Board of Directors, the Board of Executive Officers and the Independent Auditor. Positive corporate governance practices aim at optimizing the value of society, improving its access to capital and contributing to its permanence.

This system is made up of the set of institutions, cultural conventions and regulations governing the relationship between corporate management and shareholders or other groups to which management, according to the type of model, are accountable. The particularities and development of these frameworks, which may be associated with groups of countries, reflect the peculiarities of distinct forms of capitalist organization and different political and social priorities.
The following chart summarizes the basic principles of good corporate governance practice.

<table>
<thead>
<tr>
<th>Principle</th>
<th>Description</th>
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<tbody>
<tr>
<td>Transparency</td>
<td>More than “the obligation to inform”, corporations must cultivate “the desire to inform”. Expected result of transparency: climate of trust, both internally and in relations with third parties.</td>
</tr>
<tr>
<td>Equity</td>
<td>Fair and equal treatment of all minority groups: Shareholders and other stakeholders / Absence of discriminatory attitudes or policies</td>
</tr>
<tr>
<td>Accountability</td>
<td>Governance officers should be accountable to those who elected them and should be fully accountable for acts performed in the exercise of their mandates.</td>
</tr>
<tr>
<td>Corporate Responsibility</td>
<td>Zeal for the perpetuity of the organization. Long-term vision, focusing on sustainability principle. Involvement in social and environmental issues.</td>
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</tbody>
</table>

*Table 1. Corporate governance principles*

2.2. Public Governance
The public sector is intricate and its constituent entities do not have a standardized form of organization or dimension. Consideration should be given to the inconsistency of the public sector and the disparity in management models that apply across countries and across sectors, as each has particularities that require special care in imposing different sets of accountability roles [9]. However, we must work with similarities and use the best experiences developed in corporate governance to optimize processes in public management.

2.3. Internal control and its importance in management
According to [5] Internal Control comprises the organization plan and all methods and measures adopted by Government Administration to safeguard its assets, develop efficiency in operations, encourage compliance with prescribed administrative policies and verify accuracy and fidelity, accounting data and compliance with the law. Thus, the public budget is the planning made by the Public Administration to meet, during a certain period, the plans and work programs developed by it, through the planning of the revenues to be obtained and the expenses to be made, aiming at the continuity and the quantitative and qualitative improvement of services provided to society [10].

III. RIO DE JANEIRO SINGLE SOCIAL SECURITY FUND - RIOPREVIDENCE
The Single Social Security Fund of the State of Rio de Janeiro was created through State Law no. 3189/1999, independent public authority with the purpose of managing social security resources to cover the payment of social security benefits, pensions, earnings, among others.

RioPrevidência was created in 1999, however in compliance with the legal determination of Constitutional Amendment no. 41 of December 19, 2003, Law no. 5109, of October 15, 2007, which determined the extinction of the Rio de Janeiro State Welfare Institute - IPERJ, transferring to RioPrevidência the competence for the qualification, administration and payment of social security benefits provided for in state legislation, which provides for the social security regime of public servants of the State of Rio de Janeiro and their dependents.
RioPrevidência’s vision is to be the best manager of its own social security schemes in Brazil, with proven excellence, having as guidelines: satisfaction in providing services to its clients; good asset and liability management practices; governance, transparency and compliance in business management [16].

In addition, in agreement [16], the body is the first social security body in Brazil to obtain the Pro-management seal. The Certificate of the Institutional Certification Program and Modernization of the Management of the Social Security Own Regimes of the Union, the States, the Federal District and the Municipalities, extends the good management with the Social Security Secretariat-SPS and establishes the Fund as reference in administration for the other RPPS in Brazil.

IV. METHODOLOGY

This study, described and exploratory, reflects the desire to provide the reflection and modification of an inefficient practice in the Brazilian public management, for the unworthiness of efficient and effective control instrument, has descriptive and exploratory character presented in the form of applied research.

Reference [6] argue that descriptive research essentially aims at describing characteristics of a phenomenon and establishes relationships between its variables, in this case using systematic observation.

The exploratory character has the primary objective of giving greater familiarity with the phenomenon or problem covered by the research, in order to make it more explicit or make possible to state hypotheses. This research used the systemic observation and bibliographic survey that allowed the analysis of the practice and allowed to conclude by analyzing the data.

V. CASE STUDY

The political scenario in Brazil is fickle, unpredictable and full of difficulties because of corruption scandals, administrative misconduct and so many other unethical acts, without proper leadership and with little technical professional capacity, which leave inheritance to the government, in particular all spheres of federated entities, a huge deficit in public coffers.

Corporate Governance aims to improve the quality of management with characteristics that lead organizations to improve their quality in accountability, acting with transparency, equity and corporate responsibility, which may serve as a boost to the needs of public management in Brazil.

According to [8] in the public sector context, the principles are defined as follows:

<table>
<thead>
<tr>
<th>Principles</th>
<th>Definition</th>
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<tbody>
<tr>
<td>Transparency</td>
<td>Stakeholders (societies) are required to have confidence in the actions and</td>
</tr>
<tr>
<td></td>
<td>decision-making processes in managing the activities of public sector</td>
</tr>
<tr>
<td></td>
<td>entities.</td>
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<tr>
<td>Integrity</td>
<td>Understands honest and perfect procedures. It is based on honesty,</td>
</tr>
<tr>
<td></td>
<td>objectivity, rules and property, fairness in the administration of public</td>
</tr>
<tr>
<td></td>
<td>funds and resources, and in the management of the entity's business.</td>
</tr>
<tr>
<td>Accountability</td>
<td>It is the process in which public sector entities and their individuals are</td>
</tr>
<tr>
<td></td>
<td>responsible for their decisions and actions, including public fund</td>
</tr>
<tr>
<td></td>
<td>management and all aspects of performance, and undergoing appropriate</td>
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<td></td>
<td>external scrutiny.</td>
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Table 2. Principles of contextualized governance to the public sector
Public management and transparency aligned with corporate governance and the relevant laws (LRF, Transparency and Corporate Law) brought to the stakeholders (government, society, accountants, professionals) an impactful change, translated by good conduct recommended by the reports, budgets and conducts.

According to [12] the certification under Pro-management RPPS will allow to certify that a certain Social Security Own Scheme, which has adhered to the program, implemented good social security management practices, achieving the objectives of improving the control of its assets and as well as increased transparency in the relationship with society and policyholders.

RioPrevidence is the first social security body in Brazil to win the Pro-management seal. The Certificate of the Institutional Certification Program and Modernization of the Management of the Social Security Own Regimes of the Union, the States, the Federal District and the Municipalities, expands the good management with the Social Security Secretariat-SPS and places the Fund as reference in administration for the other RPPS in the country [16].

The official website of RioPrevidence in the item governance contains the quarterly Corporate Governance reports from 2009 to 2018, where institutional data are portrayed among them: personnel management, internal audit, compliance, institutional image, legal and comprev core. In RioPrevidence's Corporate Governance report, there is a chapter on investment management that deals with the organization's accounting, another chapter on the number of retirees and pensioners, as well as investments made by the Fund, as well as chapters on service channels and highlights.

When analyzing the publications, it is noted that there is no information on Corporate Governance for the third and fourth quarter of 2018 and the first quarter of 2019. The absence of this data impairs the quality of access to information for RioPrevidence taxpayers. Based on this reference due to the lack of information, it is noted that it is necessary to improve and adjust the application of the principle of transparency in the Fund.

VI. FINAL CONSIDERATIONS

Considering that the Internal Control is also supported by the Fiscal Responsibility Law as a control and accountability mechanism and that it has at its disposal the public accounting that besides the accounting activities is able to provide reports that consolidate the whole movement of the public purse and In order to achieve goals and objectives that revert to better services and public management, the panorama experienced by Brazil in all federative spheres, as well as in other countries that adopt the same administrative negligence, becomes even more inconsistent.

All these lack of control (or the absence of control mechanisms) make the governance and strategic planning of the medium and long term inherent to the political, administrative and financial problems of the country increasingly difficult, permeating the dissatisfaction of the population with the public services rendered. , the lack of transparency and the ineffectiveness of the public management process.

Private sector organizations, in addition to strategically planning, seek to execute, monitor, control and correct shortcomings in the management of their goods, and in the supply of their products and services. Here too the internal control system is essential to ensure unsuspected and fair records, as well as providing efficient accounting, financial and operational reports to support the routines developed daily and for the correct decision-making. Always aiming to obtain improvement in the quality of its activities, customer satisfaction and loyalty, such as obtaining a financial surplus.
After studying the available data, it is observed that RioPrevidência is an independent municipality that has interesting characteristics for public management where there are serious and credible publications before society, however the Fund has some gaps to be improved such as transparency in information due to lack of information in the third and fourth quarter of 2018.

Through the analysis proposed in the research and the use of the methodological resource of systemic observation, it is possible to conclude how important is the implementation and optimization of Internal Control in state - federal, state and municipal management. Already having a successful applicability in the private sector, and showing itself as a tendency for the public administration, by applying the principles of governance applied to the public sector, contributing to the prospecting and application of revenues and reduction of public expenses, aiming at the effectiveness municipal management, independent municipalities, control, verification and accountability, and the necessary transparency in accountability to society and stakeholders.

Through all these findings and the need for Public Administration to be inserted in the daily updates of the globalized world, it is possible to verify the importance of the Internal Control instrument and the principles such as the need to be accountable, integrity and transparency, and the respective use of public accounting in the effectiveness of transparent processes and in obtaining economic, social and fiscal benefits.

This study recommends new criteria and deadlines for the publication of corporate governance reports for RioPrevidência so that these pronouncements reach stakeholders in a timely manner. Another recommendation directed to public initiative managers to strengthen the State in all its spheres is to make use of the norms and instruments at their disposal to train their smaller units - the municipalities, to spread to all reach the federative wholeness with ethical, effective, efficient and proven advantage practices for self-sustainable development.

REFERENCES
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