

Implementation of integrity programs in civil society organizations of the Federal District: a test for adaptability

Implementação dos programas de integridade nas organizações da sociedade civil do Distrito Federal: um teste de adaptabilidade

Implementación de programas de integridad en organizaciones de la sociedad civil del Distrito Federal: una prueba de adaptabilidad

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Abstract: The Law No. 6.112/2018 establishes the obligation to implement an integrity program in institutions that celebrate contract with the Federal District's public administration, including Civil Society Organizations. However, the nonprofit objective of these institutions requires more parsimony in the use of their financial resources in support activities. In this sense, this paper seeks to understand the process of implementing an integrity program in nonprofit entities. This research is qualitative, exploratory, and uses interviews to collect data in six entities. Respondents considered the integrity program to be beneficial to the institutions' reputation and an ally in fundraising with the private sector. However, they saw the cost of its implementation as an obstacle. There is interest in the implementation, although there are some disformities regarding the execution of its elements that can be explained by the organic characteristics present in nonprofit institutions. Institutions are still not able to fully respond to the demands of the legislation.

Keywords: *Compliance*. Integrity Program. Civil Society Organizations. Implementation. Federal District.

Resumo: A Lei nº 6.112/2018 do Distrito Federal estabelece a obrigatoriedade da implementação de um programa de integridade nas instituições que celebram contratos com a administração pública, incluídas as Organizações da Sociedade Civil. Entretanto, o objetivo não lucrativo dessas instituições requer mais parcimônia na utilização de seus recursos financeiros em atividades-meio. Nesse sentido, esta pesquisa busca compreender o processo de implementação de um programa de integridade em entidades sem fins lucrativos. Esta pesquisa é qualitativa, exploratória, e utiliza entrevistas para a coleta dos dados em seis entidades. Os entrevistados consideraram o programa de integridade como algo benéfico para a reputação das instituições e um aliado na captação de recursos com o setor privado. Contudo, observaram a onerosidade de sua implementação como um obstáculo. Há interesse na implementação, entretanto há algumas disformidades quanto a execução de seus elementos que podem ser explicadas pelas características orgânicas presentes em instituições sem fins lucrativos. As instituições ainda não conseguem responder completamente às demandas da legislação.

Palavras-chave: *Compliance*. Programa de Integridade. Organizações da Sociedade Civil. Implementação. Distrito Federal.

Resumen: La Ley n. 6.112 / 2018 establece la implementación obligatoria de un programa de integridad en las instituciones que celebren contratos con la administración pública, incluidas las Organizaciones de la Sociedad Civil. Sin embargo, el objetivo sin fines de lucro de estas instituciones requiere más moderación en el uso de sus recursos financieros en actividades de apoyo. En este sentido, esta investigación busca comprender el proceso de implementación de un programa de integridad en entidades sin fines de lucro. Esta investigación es cualitativa, exploratoria y utiliza entrevistas para recopilar datos en seis entidades. Los encuestados consideraron que el programa de integridad es beneficioso para la reputación de las instituciones y un aliado en la recaudación de fondos con el sector privado. Con todo, vieron el costo de implementarlo como un obstáculo. Existe interés en la implementación, todavía existen algunas disformidades en la ejecución de sus elementos que pueden ser explicadas por las características orgánicas presentes en las instituciones sin fines de lucro. Las instituciones aún no pueden responder plenamente a las exigencias de la legislación.

Palabras clave: *Compliance*. Programa de integridad. Organizaciones de la sociedad civil. Implementación. Distrito Federal.

1. INTRODUCTION

In order to give a greater transparency to the contractual relationships established with for-profit or not-for-profit private entities, one of the main Brazilian instruments to combat corruption is Law 12.846, of August 1, 2013. This legislation provides for the legal entities' administrative and civil responsibility for the practice of acts against the national or foreign public administration. It also provides for the mitigation of punishments if the institution responsible for the harmful act has internal integrity mechanisms and procedures. Law 12.846, also known as the Anti-Corruption Law – which is federal –, stimulated the enactment of regional laws. According to Blok, in a 2020 publication, seven Brazilian states, in addition to the Federal District, had compliance programs required for entering into contracts with the public sector.

In the case of the Federal District, on February 2, 2018, Law 6.112 was enacted, which deals with the Integrity Program (IP) implementation in legal entities that enter into a contractual relationship of any nature with the Federal District public administration. Its purpose is that with an implemented IP, it is possible to (a) ensure more transparency in the management of government resources; (b) protect the Federal District public administration from materially and financially harmful acts due to ethical and conduct deviation, or fraud; (c) guarantee the execution of contracts; (d) mitigate risks, and (e) improve the performance of contractual relationships between the Federal District government and private

institutions. The Law, which came into force on January 1, 2020, does not exclude not-for-profit entities from this list.

The emergence of new regulations aimed at the third sector – or that impact it –, has as one of its objectives to generate transparency and accountability (CALABRÉSE, 2011; CORDERY; MORGAN, 2013). There are advantages and disadvantages in increasing regulations, as, on the one hand, it improves the organizations' reputation and reduces spending on taxes via government concession, and on the other, it causes intervention and monitoring in the management of such organizations (CORDERY; MORGAN, 2013).

In view of the above, this study has as its guiding question: How does the initial process of implementing the IP proposed by Law 6.112, of February 2, 2018, take place in Civil Society Organizations (CSOs) in the Federal District? The aim is to understand the practice of implementing an IP in not-for-profit institutions based on an obligation. Therefore, it is based on the IP pillars proposed by the Office of the Comptroller General (CGU, (2015) due to the adherence of the district law to such recommendations, as can be seen in Chart 1 of section 2 of this article. Research on IP implementation is scarce (Viol, 2021), even more so when it comes to not-for-profit organizations.

2. INTEGRITY PROGRAM

The definition of IP within the scope of District Law is observed in its art. 4 as the “set of mechanisms and procedures for integrity, control and auditing, with the objective of preventing, detecting

and remedying deviations, frauds, irregularities and unlawful acts committed against the Federal District public administration.” In addition to the definition, there is the use of a paragraph to give examples of these mechanisms, namely: incentive to report irregularities, code of ethics and conduct, dissemination of good corporate practices, and IP update and improvement. It is noteworthy that the description adopted in District Law is similar to that adopted by Federal Decree 8.420, of March 18, 2015, which describes in its art. 41 that the “integrity program consists, within the scope of a legal entity, of the set of internal mechanisms and procedures for integrity, auditing and incentives to report irregularities and the effective application of codes of ethics and conduct, policies and guidelines in order to detect and remedy deviations, fraud, irregularities and unlawful acts committed against the national or foreign public administration.”

Within the scope of the District Law, the risks of non-compliance are explicit in articles 8 and 9. The penalties provided for range from fines to the impediment of entering into future contracts with the Federal District Government. In this sense, in addition to the risks of non-compliance provided for in the legislation, it is necessary to consider the damage caused to the institutions’ reputation. The impediment,

although it only deals with relations with the public administration, may have an impact on the other contractual relationships of the prohibited institutions, since the loss of reputation generates “negative publicity, loss of income, expensive litigation, reduction of the customer base and, in the most extreme cases, even bankruptcy” (COIMBRA; MANZI, 2010, p. 2). From this perspective, the IP implementation is an ally in mitigating these risks.

The IP, however, goes beyond integrity mechanisms and procedures. As pointed out by the Administrative Council for Economic Defense (CADE, 2016) “it requires not only the elaboration of a series of procedures, but also (and mainly) a change in the corporate culture. The compliance program will have positive results when it manages to instill into employees the importance of doing the right thing.” According to Carvalho and Abreu (2020), the search for a culture of compliance has been growing gradually in the Brazilian environment.

Although there is no ready-made formula for the elaboration of an IP, the CGU (2015) recommends five pillars that help achieve its objectives. The District Law, in its art. 6, lists the parameters for evaluating the existence and effectiveness of an IP. Charter 1 compares the pillars proposed by the CGU and the evaluation parameters of the District Law.

CHART 1 – CGU PILLARS VERSUS ARTICLE 6 OF DISTRICT LAW

CGU PILLARS	LAW N ^o . 6.112/2018
Commitment of senior management (“tone at the top”) - According to the CGU, an IP that does not receive the support from the top management has little or no value, since a program with no commitment of the top management will also not have the commitment of the other employees. The body also presents some practices to be taken by administrators to achieve this objective: (a) incorporation of the theme into speeches; (b) demonstration of knowledge of the institution’s ethical values; (c) inclusion of verification of the integrity actions effectiveness in meeting agendas; (d) allocation of financial resources to the program; (e) be an example of good conduct; (f) guarantee of means for the improvement to the IP.	Item I
An internal department responsible for the Integrity Program - For the proper functioning of this department, it is essential to allocate sufficient human, financial, and material resources, as well as autonomy for the development of its activities. The body also complements that the department must have the power to conduct effectively the investigation into indications of irregularities, even if the involvement of senior management is identified.	Items IV and IX
Profile and risk analysis - When implementing an IP, the compliance officer must analyze two aspects: institutional profile and risks. According to CGU, the first stage of this pillar is built from: (a) identification of the sector in which the institution operates in Brazil and abroad; (b) organizational structure; (c) number of employees; (d) relationship with the public administration regarding the execution of contracts, licenses, permissions, and the performance of third parties as intermediaries in this relationship, and (e) equity interests involving the institution. Thus, the profile analysis allows for more clarity in identifying the risks of non-compliance. For this, and according to the CGU, risk management takes place in three stages: (a) identification of risk situations; (b) creation of policies that can mitigate them, and (c) periodic analysis of the risks identified in the first stage and update of policies.	Item V
Structuring of rules and instruments - After the third pillar – profile and risk analysis –, it is time to choose the mechanisms that will help mitigate the identified risks. The CGU identifies five elements that help institutions reach this goal, namely: (a) standards of ethics and conduct; (b) rules, policies, and procedures to mitigate risks; (c) communication and training; (d) reporting channels; (e) disciplinary measures, and (f) remedial actions.	Items II, III, VI, VII, VIII, X, XI, XVI
Continuous monitoring strategies - For the CGU, it is by continuous monitoring that the institution will respond to new risks in a timely manner. For the body, the following are sources of information when monitoring a compliance program: (a) reports on program routines; (b) trends in customer complaints; (c) information obtained through the reporting channel, and (d) reports from regulatory and inspection agencies.	Items XII, XIII, XIV, XV

Source: Author’s elaboration

Article 6 of the District Law reflects the CGU recommendations. All of its sixteen items can be categorized into some of the five pillars recommended by the body to certify the existence of an IP. Therefore, these pillars make up the categories of data collection and analysis as described in the next section.

3. METHOD

In view of the objective, an exploratory qualitative research was conducted with previously defined categories based on the pillars proposed by the District Law and CGU. Added to this, complementary categories considered important to reach the objective of the study were added by the authors.

The selection criteria for the participants of this research consisted of screening the agreements entered into between the Federal District Social Assistance Fund and the Civil Society Organizations

(CSOs) that received resources equal to or larger than R\$ 5 million in 2019, the amount established in the first article of the District Law. The data for defining the entities were obtained from the Federal District Transparency Portal, on August 19, 2019. It was assumed that these entities would maintain approximate contract values in the following years and, therefore, would need to adhere to the requirements of that law when it came into force.

Altogether, 92 institutions signed agreements whose agreed values ranged from R\$ 14,000 to R\$ 50 million. Of this total, 20 entities entered into agreements with transfers above R\$ 5 million. Seventy percent of the resources designated for this purpose were allocated to these institutions in 2019. Given the availability of the CSOs, six institutions participated in the research.

The collection instrument was applied through face-to-face semi-structured interviews conducted at the premises of the participating institutions on October 23 and November 4, 5 and 7, 2019. The interview script is shown in Chart 2.

CHART 2 – INTERVIEW SCRIPT

CATEGORIES	QUESTIONS
Motivation	What is the motivation for implementing the IP?
Perceptions of IP	What are the pros and cons of implementing an IP?
Top management commitment and support	How is administrative support given for the IP?
Department responsible for the program	How is the IP being structured? How is the compliance team composed? What areas are directly and indirectly involved? Was there a need to hire new employees? Was there a cost assessment? Could you measure the percentage impact on the budget? In the institution's organizational chart, where is the compliance team?
Profile and Risk Analysis	How was the risk analysis done? (Identification and analysis of the main factors and situation that may lead to the practice of non-conformities). Is there any provision for treatment regarding the contracting of third parties?
Rules and Instruments	Is there a code of ethics? How was it made? Does it address penalties? Where will it be available? Can we get access?
Continuous Monitoring	How will the reporting channel be implemented? What will be the means? How were institutional policies developed?
	Will the reporting channel be managed internally or externally? Who will conduct the investigation and monitoring of the IP?

Source: Author's elaboration

The interview script was designed to lead the interviewee to talk in detail about the process of implementing the five pillars of an IP defined by the CGU. The objective was to learn about the institution's understanding and planning for pillar implementation. Besides, the interview sought to explore the motivations and pros and cons of implementing this program.

There was no criterion for selecting the interviewed staff members, who participated according to the institution's availability. The interviews were recorded, transcribed, and the participants' anonymity was preserved. The entities were numbered from 1 to 6 for the purpose of disclosing the research results and preserving anonymity, as shown in Table 1.

TABLE 1 – INTERVIEWS

INSTITUTION	DAY	DURATION
1	10/23/2019	55min03s.
2	11/4/2019	42min10s.
3	11/4/2019	33min36s.
4	11/5/2019	14min02s.
5	11/5/2019	11min50s.
6	11/7/2019	23min52s.

Source: Author's elaboration

The institutions object of this research are CSOs operating in the Federal District. Located in Brasília or in satellite cities, they assist the district and surrounding population through social care services for people in situations of vulnerability or social risk. This assistance is provided for individuals of all ages through day care centers, rest homes, after-school hours, and assistance facilities.

4. PRESENTATION AND INTERPRETATION OF RESULTS

The requirement imposed by the District Law was, for most of the institutions interviewed, the first contact with the theme of compliance. Although it is necessary to consider that there is social desirability that guides the response of the interviewees, they were unanimous in stating that, after understanding the subject, they saw that the IP, in addition to being a legal obligation, is a tool allied to transparency and credibility.

Our first motivation was because of the law, which is mandatory for institutions that receive resources above R\$ 5 million, but when reading it and talking to people, we realized that the motivation goes far beyond a requirement, that it is also related to the institution adapting to act correctly and continue in the correct path. (Institution 6)

In addition to the requirement of the Law, we also wanted transparency because we know the institution's value; it is good that everyone knows what happens within the institution. (Institution 4)

The motivation is to bring transparency for a greater credibility of society and the public administration with which we have a partnership. (Institution 5)

What also motivated [us] was that we, not-for-profit entities, need to separate the sheep from the goats. This is something that I have been arguing for years, [...] and what we see is that sometimes we pay for the work of those who do not do the work correctly. We suffer discrimination; we are referred to by that term *pilantropia* (Institution 2)

Although this requirement only aims to protect the public administration against corruptive acts carried out by legal entities, some of the CSOs interviewed saw compliance as a differential for private fundraising.

The fact that you are in compliance generates transparency for all the services of the institution and makes other private companies, not only the government ones, trust and believe in the work that it is doing. Just because we have already made the compliance system available on the website, private companies see the institution differently. It came from a legal requirement, but the benefits will be greater than just a formal partnership with the State. (Institution 1)

I think that if the institution is more transparent, we are able to raise more resources from individuals and companies. (Institution 3)

Adherence to the commitment and support from top management were verified. It was noticed that in this type of institution, where human and material resources are scarce, this support was fundamental for the speed of the IP implementation process. The application of this pillar is reflected in the staff members' perception:

[The top management] was the first to decide and saw that the institute should undergo some changes. I think it starts this way. When the presidency, when the board is able to identify that at that point "x" there is a need to change. (Institution 6)

There was total financial support. And also the support from the board members who want to be part of the integrity program to get to know, to be able to support us from the beginning because we didn't understand. [...] They didn't treat it like another department, but they gave this program a certain priority. It was very good support [...]. (Institution 3)

Furthermore, the credibility and transparency expected in the IP implementation goes beyond the institution and extends to its staff members. In the

case of senior management, support for the program is also legal certainty. As one of the interviewees commented:

There are some issues which are collateral. So, somehow and often this is not explicit. Then, for example, when we define an integrity program with a focus on anti-corruption, with a focus on complying with the laws and bringing this into the culture, you are somehow also preserving the entire governing body. (Institution 1)

Regarding the department responsible for the program, given the initial stage of the process, the institutions were in a preliminary phase. All the CSOs interviewed opted for the assistance of an external consultancy for the evolution of this and the other pillars. Of the six institutions interviewed: four hired the same law firm, one requested the service of legal advice that accompanied it in other activities, and another chose to hire a consultancy in the management area. It was noted that lawyers were the professionals most requested by the interviewees. Only two institutions looked for services provided by professionals from other areas. Institution 1 carried out the IP implementation with a manager, and institution 6 had a quotation for the implementation from an accounting firm. There was also the suggestion for making public consultants available to assist in the program implementation.

The concern about the costs of the process is a fact shared by all the interviewees. It is noticed that although the institutions see the IP as something beneficial, they are concerned with the expenditure of resources that could be destined to the institution's core activity.

Well, the first thing we did was get quotations from several offices, mostly law firms. We asked for proposals from all of them, and we got very concerned about the values, above any possibility for a not-for-profit entity. So, we went to the OAB [Ordem dos Advogados do Brasil] to look for someone who worked with the third sector, we got to [...], which is an office specialized in the third sector; we joined several entities and looked for a price we could afford. (Institution 2)

But what we saw in the market is surreal; we received proposals that were not even

possible to talk about, because we would never implement compliance with the values that we received from the proposal, from quotations, huh?! It was impossible. Then we got together and tried to find [something cheaper], and there was a person who was in the business already, right?! A lawyer who sympathized with the institutions and charged a much lower price, almost derisory. That's what we got. But even so, it was still difficult for us; but it was in relation to the reality of some [institutions], because there are many that haven't even started yet for not being able to afford it. (Institution 4)

We did survey of prices charged by accounting firms, and the cheapest value we got was R\$ 40,000. The highest was R\$ 100,000. So, if I receive R\$ 378,000 in resources, I would pay for compliance [implementation services] practically a third of what I would receive. (Institution 6)

All institutions interviewed assigned one or more staff members to participate in the compliance team. No member, however, is on an exclusive basis in this area, accumulating the work with their main functions. This research came across two cases. The first, a team active in the institution's core activity, focused on the quality of service provision and with the following composition:

Social advisors: majority of the staff members; they are on the front line and welcome the sheltered. Technical team: composed of a psychologist, a social worker, and the coordination. People management: the executive coordinator is more responsible for HR. (Institution 6)

The latter, a heterogeneous team focused on rendering of accounts:

The integrity program here at the institution is made up of five members today; in the minutes we created it is me [...] who is from the finance department of the institution, [...] the one who works in HR, [...], who is a psychologist, and two directors. We were later informed that the directors could no longer participate. In relation to their education level, the first one is a tax advisor, he was an accountant, and [...] is a treasurer and also a lawyer, having worked

with rendering of accounts and things like that. So, they are the people we thought could help us the most in this issue of resource transparency, which is under the GDF [Federal District Government] supervision. [...] We chose these areas because they are linked to transparency, and there are resources in the financial department [...]. (Institution 3)

It is noted that the CSOs' perception of an IP is much closer to the prevention of misconduct in the execution of core activities and in the management of financial resources than to the development of a culture of compliance. This deviation may be caused by the initial stage of what will one day become part of the organizational culture. As a result, the areas involved in the IP implementation were:

The implementation was developed by one of the board members, the executing members, and the coordinators of the institution. Let's put it this way.... the institution's thinkers.

[...] [...] And some staff members, mainly from the psychosocial and communication [...] areas, people who could give ideas. (Institution 1)

All areas; both pedagogical and administrative areas (Institution 4)

Due to the cost, most institutions do not intend to hire employees to set up the new team that will work in the IP management. As a result, they bet on professionals working in the target area and who know the institution's business.

Due to limited resources, today we work a lot with a small staff. It would be very interesting if we could assign an employee to do this work full time, but unfortunately the resources are not available. Then, we could assign a professional from the institution staff, who would be dedicated to the issue, plus the advisor and the team, but we were all overloaded with the process. If we had more resources to assign an employee to work full time in implementation, we would have finished it. (Institution 1)

We think that a person who is already part of the institution; for sure we need an outside perspective, but we already have it, which is from the service provider that is

[...]. So, a person from the institution will be better for us in terms of resources and logistics. (Institution 3)

In terms of costs, we will keep the internal hiring. Organizing a team with those employees who already work at the institution to work on a total voluntary basis. (Institution 4)

As for the location of the department responsible for the program in the institutions' organizational chart, there is little or no independence:

The compliance team will be directly linked to the institute's presidency, as it has a view from the top. (Institution 6)

We have our general council; there is the board that I told you, which the voluntary board, and there is our board and our general coordination, which is made up of three members. Then, there is the operational [staff], which is everyone who has to be supervised by the coordination. This staff is below the coordination. (Institution 3)

In our organizational chart there is the pedagogical board, below there is the administrative coordination, it is together with the administrative coordination. (Institution 4)

Regarding the profile and risk analysis, it can be seen that the methodology of its mapping changed according to the area of activity of its executor. The lawyer consultants applied questionnaires to all staff members, while the manager preferred to use workshops and dynamics with senior management:

We are designing questionnaires that will be made available to the employees and to the sheltered, and then they can express their personal vision in relation to the institute: what they think could be improved, what they think is good, and even give suggestions (Institution 6)

We held a workshop, where "second level" staff participated: coordinators, board representatives, council representatives (Institution 1)

Regarding the risks involving third parties, institutions with both stronger and weaker controls were found. While some select suppliers only evaluating price and quality criteria, others obtain three quotations and request negative debt certifications:

CNPJ, corporate name, address, contact telephone number, website, the name of the person we talk to and who will be able to send it, and we conduct the price survey (Institution 6)

Also because, as we are GDF partners, we need three quotations, (...), the supplier needs to have all the negative certifications, right?! So, even if a company offers a product that is cheaper, if that company does not have these negative certifications, and there are 5 [certifications needed], we cannot buy it. So, we need to look for suppliers, and it actually ends up being a web, right? Because one thing leads to the other, as it is necessary that this supplier present this transparency, so we will look for the supplier that is really structured to serve us. (Institution 4)

Most institutions are in the process of preparing the code of ethics and conduct. In some cases, the statute was used to guide its elaboration and, in others, as the following example, instruments published by reference institutions in the third sector were used as a basis:

We have some reference institutions, mainly the Banco do Brasil Foundation, which follows practically the same logic. And then we try to adapt the actions to build the integrity program and not present a shelf program. (Institution 1)

About the content covered in the code of ethics:

It addresses compliance, what is not in compliance, dos and don'ts, and it will be available on the institution's website. (Institution 5)

It was observed that the reporting channel does not have positive receptivity in some institutions, and there is concern about the good use of the tool by users:

This reporting portal causes a little tension, because there are people who are not yet prepared to make a complaint; sometimes

it's a small thing that you can solve through a conversation about what is happening, or by talking to the administration or to the person responsible for the work, but the person thinks it is better to report and sometimes this report is not always true.

And it gets personal. It's not insecurity, but I think it's a little scary, in relation to the whole work. [...] The person who will work in this area needs to be very well qualified to really know how to filter what is true or not. (Institution 4)

We know that when we implement the reporting channel, there will be a flood of reports, there will be others that have nothing to do with the matter, things that can be resolved here. (Institution 3)

Some institutions already had an ombudsman office also used to receive this type of message; the IP contribution is the possibility of anonymity. Due to the cost, the management of this activity will preferably be internal. One of the alternatives found by the institutions was the implementation of a physical reporting channel through a suggestion box positioned in places conducive to anonymity:

We thought about the box, you know? Even in strategic places like the bathroom; places where the person feels comfortable giving the suggestion. So, for our activity sector, the box was the best option. We analyzed it and thought it would have more effect. (Institution 4)

Due to the embryonic nature of the IPs in CSOs in the Federal District, none of the institutions interviewed is in the continuous monitoring phase. Its conception is in the field of ideas; however the institutions understand that this activity will be the responsibility of the internal team and the consultant implementing the program.

In addition to identifying the maturity of each IP pillar, there was an opportunity to understand the difficulties faced by the CSOs. It was observed that for the interviewed group, compliance with the norm is not optional. Interrupting the agreement will hardly be a possibility for these institutions. The GDF is the largest economic partner and essential source of resources, and it is necessary for the continuity of service provision to society. In this sense, the negative

point raised by the institutions is that the obligation was not accompanied by extraordinary funds that could be directed to the program implementation.

The institution has to take resources from the core activity and put them in the compliance activity, in the integrity program, it hurts, it hurts. But we also know the benefits it brings. So, let's say, we take it [money] out, but we get more private companies, private partnerships that can support us. (Institution 1)

In my opinion, the [public] administration should provide free means for institutions that do not receive private funds, which do not have any type of donation, because it [compliance] is a very expensive program and is mandatory. So I think management should provide free consultants. (Institution 6)

As for the positive points, the CSOs see the IP as a way to present themselves ethical and efficient in the correct management of public money. Another relevant point is the visibility that can help in the celebration of partnerships with institutions of the second sector.

The pros would be the institution's credibility before the private network, reputation, brand strengthening. Another point is that we have to redo the entire structure of the institution because I need a strategic HR and also internal communication to work with the employees. You see, the program came and made us do a whole restructuring, and we had to speed up the implementation of those bodies or sectors that were not yet in place. (Institution 1)

Yeah... the benefit, I think, opens doors for more donations; it will be very good for us as a philanthropic institution, because there are people who like to donate to those that already have compliance [program], who know that the institution do a honest work.

So, this is going to be excellent for us, I think this is a positive factor. A person has already contacted us for knowing that we were implementing a compliance program and wanted to make a donation in cash. (Institution 4)

5. DISCUSSION AND FINAL CONSIDERATIONS

Considering that this study sought to understand the IP implementation in CSOs in the Federal District according to District Law No. 6.112, of February 2, 2018, the emphasis is on the fact that all respondents, chosen according to availability for interview, were at some stage of implementation. Therefore, everyone had knowledge of the requirement of that law.

The burden of implementing the program proved to be the biggest obstacle faced by the CSOs. Although they are required to implement it, they have not received any financial support or incentive from the GDF to do so. Consequently, they have two options: (a) they do not implement it and, therefore, do not enter into contracts with the Federal District Government, or (b) they withdraw money from their core activities to invest in the program. As noted earlier, all six institutions interviewed opted for the second option. For them, the program is seen as an investment that will bring reputational and financial returns and, as a consequence, an increase in donations.

The positive return on the institutional image was unanimously considered by the interviewees as the main benefit of the IP. There is a need among organizations to be transparent to the public administration and to society, as they believe that there is still disbelief about the CSOs' good financial and operational management.

Although compliance arose from a GDF requirement, through the IP implementation to continue the execution of contracts, the entities believe that it will also be reflected in partnerships with private for-profit companies and individuals. In fact, some of them have already been approached by these companies because of the Integrity Program.

As for the execution of the program, it was observed that the CSOs are still in the process of understanding the IP and its elements, and that measures of organic structures are taken due to the characteristic of flexibility present in these institutions (BEDFORD; MALMI, 2015). As a result, there are some discrepancies in the application of its mechanisms, as well as in the understanding of its objectives. Dependence on the department responsible for the program, situated at a low or medium level in the institutions' or-

ganizational chart, and reporting channels that make anonymity impossible are examples of the distorted use of these mechanisms.

Furthermore, it was observed that some institutions interpreted the program with a more financial focus than on the culture of compliance that an IP aims to develop (ANDREISOVÁ, 2016). It is possible that this interpretation and the previously exposed discrepancies were remedied with the help from trained compliance professionals. Due to the scarcity of resources, the institutions chose to allocate employees from other areas on a non-exclusive basis to implement the program. These employees are in the administrative staff or core activity, therefore lacking the expertise of a compliance officer.

The transfer of resources for the IP implementation, added to the execution carried out by professionals with this expertise, could mitigate the verified issues. Another possible solution would be the development of a booklet by the Federal District Government on the compliance program design. It is necessary to observe how the inspection by the public administration will take place, whether dealing only with the financial scope, as it already is, or whether having greater amplitude according to the concept of maintenance of an IP.

Given the above, institutions face dilemmas in implementing the IP, mainly related to the reallocation of resources that would be used to fulfill their mission and mitigate the risk of discontinuity. A similar situation can occur in small and medium-sized for-profit companies.

According to Suárez (2021), such companies face the inability to adapt to all legal provisions in the short term. Furthermore, indiscriminate enforcement may result in the trivialization and loss of effectiveness of the IP, as it may encourage the creation of a market in which a few companies offer standardized programs at a low-enough cost for these entities to be able to afford them, without, however, observe their specificities.

It must be said that the IP implementation provides for the development of a culture of compliance in the institutions. This is a point that deserves further investigation, as it is unclear whether the implementation causes a change in culture or makes existing values more visible.

From the concept of adaptability as the ability to reconfigure activities quickly in order to achieve the necessary changes imposed by the demands of the environment (GIBSON; BIRKINSHAW, 2004), institutions are still unable to respond to the demands of legislation in a total manner. The multiplicity of stakeholders to which not-for-profit organizations need to respond results in more organic structures and informal control systems (BEDFORD; MALMI, 2015; DIOCHON; ANDERSON, 2009), which differs from what is recommended by Brazilian legislation on IP implementation (CGU, 2015; DISTRITO FEDERAL, 2018), which are directed at hierarchical structures and with a clear division of tasks.

This study has implications for the practice of implementing IP in not-for-profit organizations. The understanding acquired showed necessary adjustments not only on the part of the institutions, but also on the part of the governments in such demands.

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