

# PUBLIC CONTROL FOR A BETTER DEMOCRACY



OVERSEEING THE RESPONSIBLE  
USE OF PUBLIC RESOURCES



# PUBLIC CONTROL FOR A BETTER DEMOCRACY

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Santiago de Chile, November 2021  
ISBN: 978-956-372-068-6  
Intellectual Property Registry: 10750

## **Editorial Team:**

Alexandra Moya Rodriguez  
Valeria Torres Godoy  
Jorge Bermudez Soto  
Ernesto Garcia San Martin  
Nicolás Lagos Machuca

## **Diseño y Diagramación:**

Cristina Valdés Vargas

## **Collaborators:**

Gabriela Andrades Martinez  
Ivo Navarro Naranjo  
Danitza Cuadra Lopez  
Gabriela Leon Pardo  
Catherine Manzano Brito  
Cristian Cárcamo Díaz  
Claudio Soto Accardi  
Arturo Vera Alvear  
Francisco Moya Abarca  
Claudia Gajardo Pino  
Daniel Alessod Pavez  
Carlos Cifuentes Vargas  
Elías Guzman Silva  
Andrea Becerra Aspee  
David Inda Costa  
Gabryela Rodriguez Gutierrez

Francisco Villagran Albornoz

Nicolas Araya Cabrera

Waldo Marchant Cea

Jose Medina Ruiz

Hernan Ponce Salgado

Claudia Manriquez Aguilar

Carmen Campos Leiva

Julio Lizana Diaz

Italo Atenas Moya

Carlos Bruna Siñiga

Veronica Mora Caceres

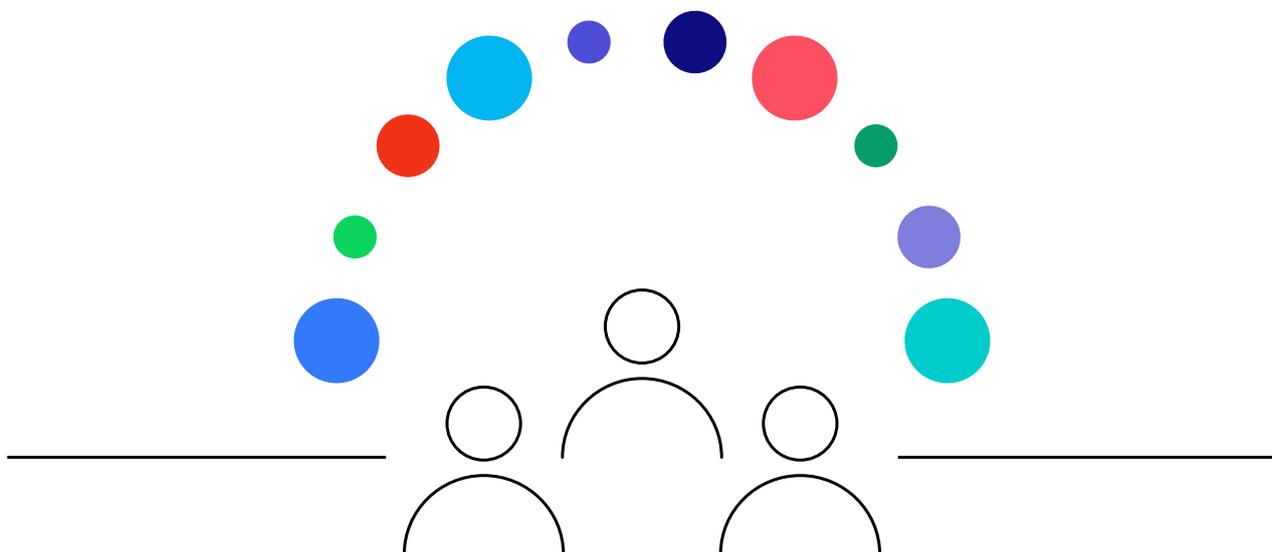
Javier Ramirez Martin

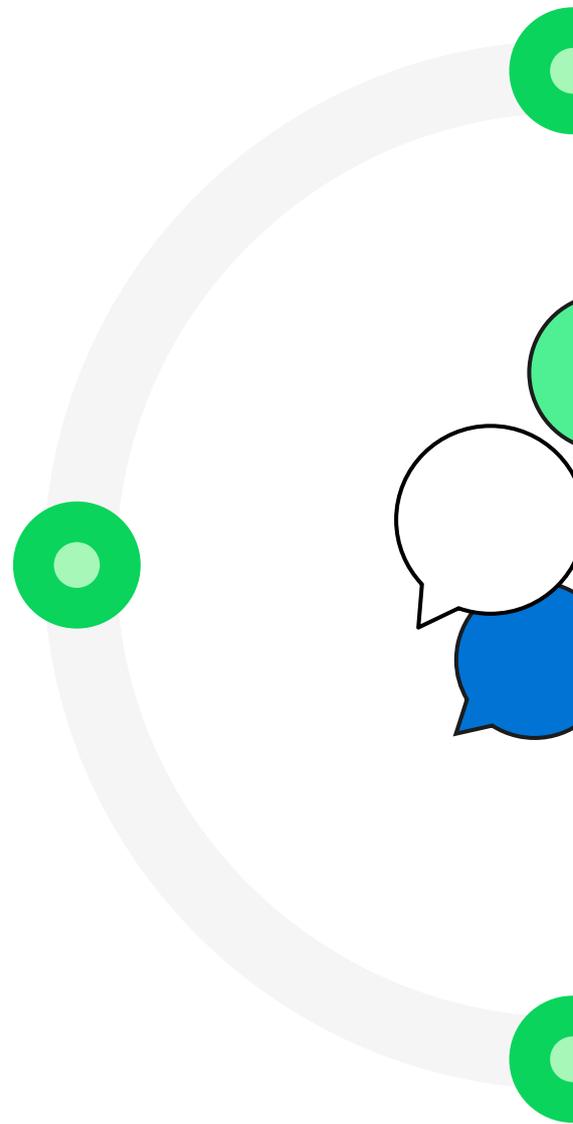
Paulo Acuña Verrugio

Daniela Santana Silva

Braulio Ortiz Navarro

Claudia Sepulveda Trejo





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# A Comptroller's Office at the service of people

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Supreme Audit Institutions play an essential role in democracy. **The institutional autonomy and the political independent power allow these institutions to provide objective information to the citizens on how State Administration uses public resources.** Due to the crisis of trust, Supreme Audit Institutions such as the Comptroller's Office, have demonstrated the impact of their work through the detection of irregularities or the investigation of corruption cases in complex situations like the COVID-19 crisis.

Nonetheless, on many occasions, proving the value that the audit of public resources has in the daily life of people is not an easy task. The complexity of administrative juridical language and the technical specificity of public finances make it difficult to inform clearly of the relevance of public control in the improvement of the quality of life of society overall.

Considering the relevance of this challenge, **from the Comptroller's Office we have committed to focusing our auditing work on the citizens.** Our Strategic Plan 2021-2024, elaborated from dialogue sessions held during the social outbreak, has established three main ideas that lead our work: **innovating** in our internal processes so the intensive use of technology improves the quality of our work, **impacting** so the audit's results are transformed into improvement to public institutionalality, and **connecting** so the institutional tasks meet citizens' needs effectively.

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This document is an effort in this matter. Part of the work performed by the Comptroller's Office these last few years in relevant topics such as care for the environment, health and education is presented in a clear language. At the same time, some examples as to how the institution has focused its work to fight corruption and strengthen probity, and the proper use of public resources, especially in those institutions that provide basic services for the population.

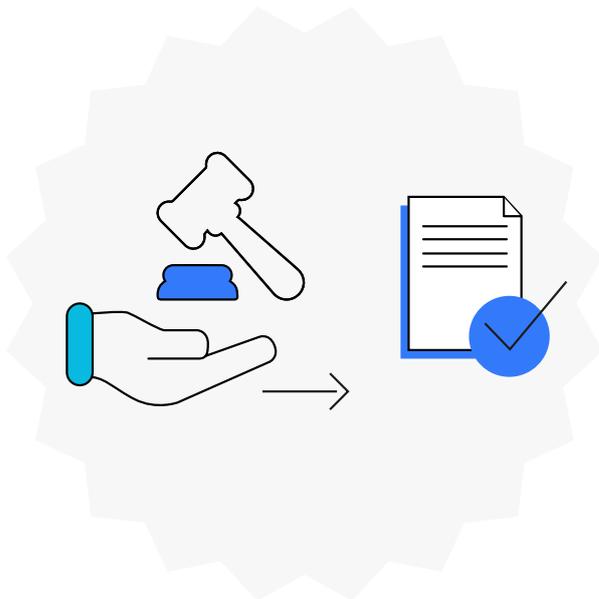
In times when the cases of corruption and the arising of fake news threaten to undermine the commitment to democracy, the Comptroller's Office plays an essential role. **It will only be possible to improve the functioning of the State** and to ensure that everybody who is dedicated to the public will always be at the service of people **with independent and objective information, elaborated technically and professionally, on how public resources are being used.**

# THE COMPTROLLER'S OFFICE AND GOOD GOVERNANCE

The result of the exercise of control performed by the Comptroller's Office (OCG) (CGR in Spanish for the *Contraloría General de la República*) impacts the daily life of the citizens positively. The impact can be direct, changing the living conditions of people, or indirect, driving transformations in the functioning of State Administration.

The OCG collaborates with the **strengthening of public trust and consolidation of a better democracy** through the following areas of action:

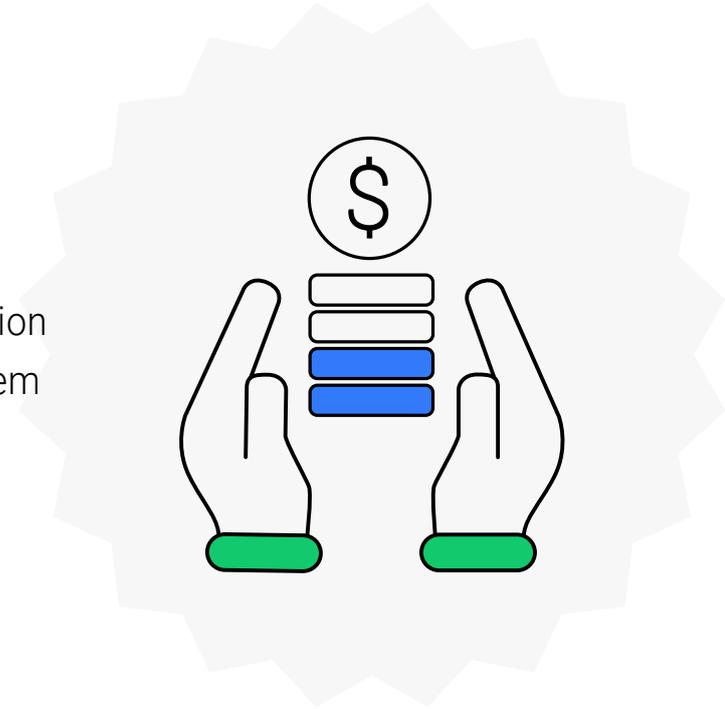
## 1. LEGAL COMPLIANCE



When **safeguarding that State Administration adjusts to the legal system and respects the norms and principles that guarantee the Rule of Law**, the OCG provides juridical certainty, resolves risk in the application of the legal system and clarifies the application of old regulations, facilitating the functioning of the State.

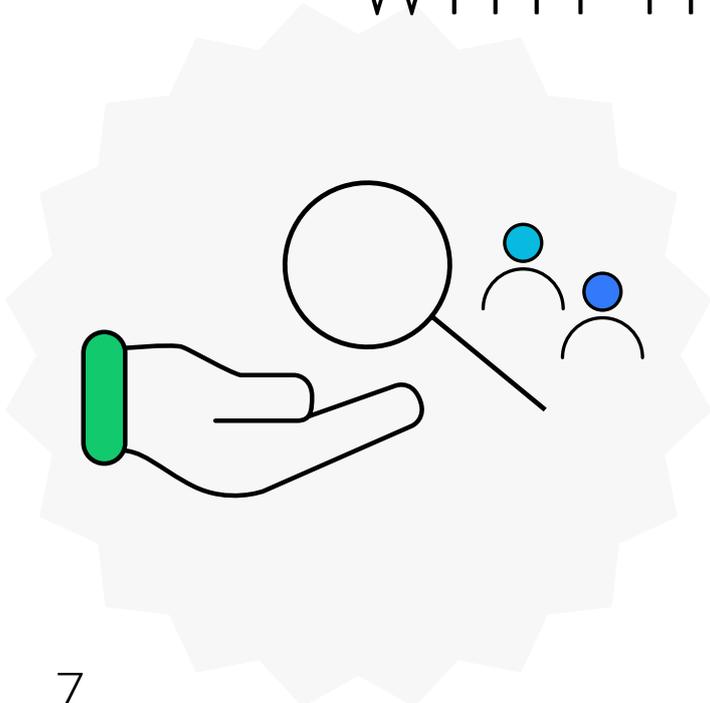
## 2. PROPER USE OF PUBLIC RESOURCES

The audit actions of the OCG encourages the Public Sector **to implement changes for good governance** or to abstain from committing irregularities that affect public patrimony. In addition, the auditing provides useful information for authorities in decision-making, allowing them to maximize citizens' benefits.



## 3. COLLABORATION WITH THE COMMUNITY

The OCG relates to **Civil Society Organizations, the Congress, the Academy**, the media, and citizens in general through multiple interaction and communication channels that **promote a transparent public control which contributes to the strengthening of democracy.**



# ACTION AND VALUE OF THE COMPTROLLER'S OFFICE

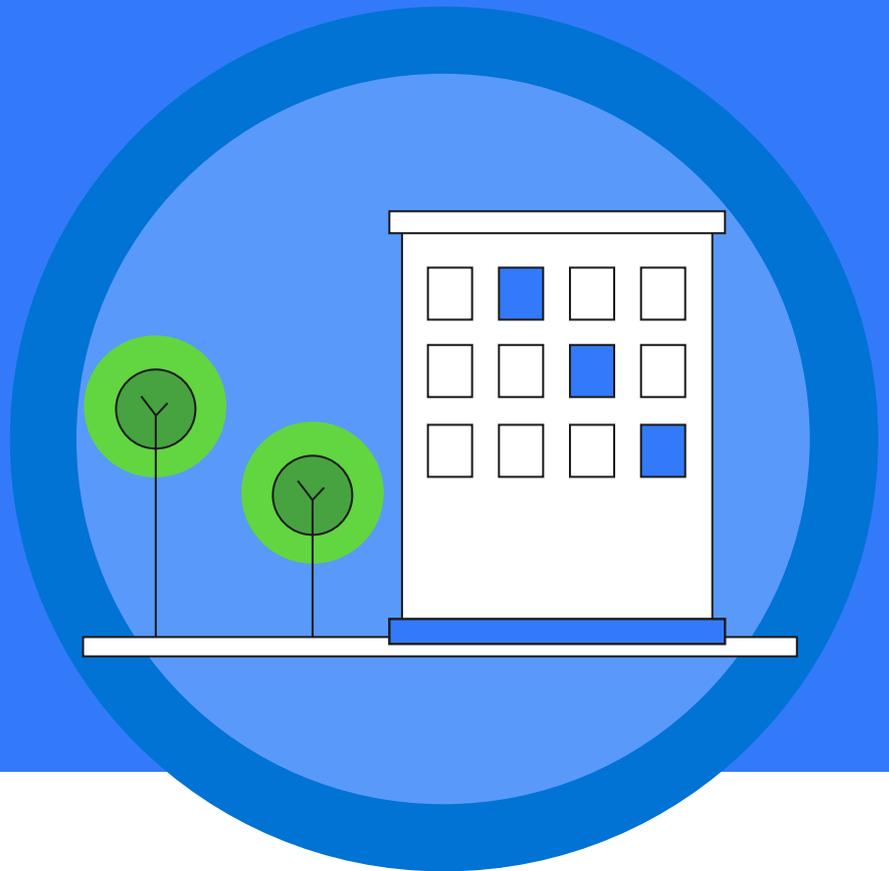
The action of the OCG has an impact on the functioning of different sectors and matters of State Administration.

This edition of **Public Control for a Better Democracy** reflects, in ten work settings, the public value of the Comptroller's Office and its contribution to good State Administration and citizens' quality of life.

During this whole period, the Comptroller's Office has guided its work under the perspective of the **United Nations' 2030 Agenda**. In each scope of action, the related Sustainable Development Goals are stated.



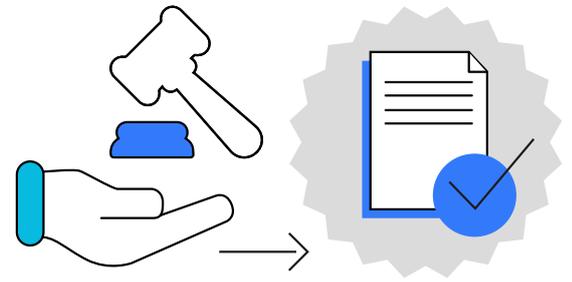
# TOWN HALLS



Town halls are the **public body responsible for attending the local community's needs** through the use of its exclusive and regulatory attributions in matters of education, health, environment and urban planning, among others. These attributions demand responsible and transparent work which is audited by the OCG.



# LEGAL COMPLIANCE



The standardized interpretation of municipal regulations **solves conflicts of coordination** regarding services and resources provision between the central government and town halls, as well as the town council and the community.

## HIGHLIGHTED ACTIONS



### **Ruling E6785N20**

Municipal Functions

Delimits the recurrent participation of higher municipal authorities in radio and television programs during working hours because it can distract them improperly from their functions and constitute an overuse of the personal image for electoral purposes.

### **Ruling E53858N20**

Municipal Security

From the regulation revision, the OCG concludes that town councils can coordinate actions for citizens' security between them.

### **Ruling 8,773 of 2020**

Continuity of Municipal Service in the context of COVID-19

In case of exception and fortuitous case due to the COVID-19 pandemic, the higher municipal authorities may instruct remote working measures for people employed on a fee basis

## EX ANTE CONTROL OF LEGALITY



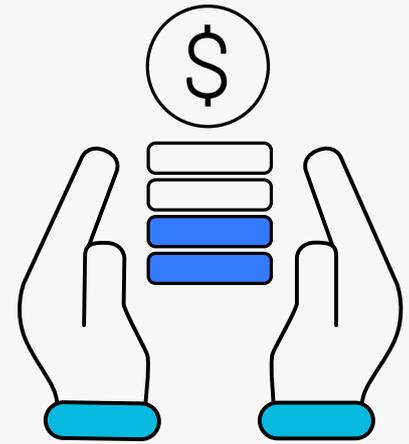
### **Decree 15 from the year 2020**

Ministry of Environment Regulations on Urban Wetlands

Ex ante control of legality with scopes Regulations on Urban Wetlands and the modification of normative bodies for their protection.

# PROPER USE OF PUBLIC RESOURCES

The OCG **strategically audit the proper use of public resources** in the provision of municipal services, as well as the implementation of public programs coordinated centrally and carried out by the town council. Among them are the participative programs of urbanization, health service provision, senior citizen social programs, childhood, and rehabilitation of victims of violence or drug use.



## HIGHLIGHTED ACTIONS



### Report 60/2020

Construction permits at Pucón Town Hall

Proves the absence of municipal control and regularization on constructions on the coastline of Villarrica Lake that generate a sanitary risk due to the possible draining of sewage to the lake, as well as the danger of buildings in flood zones.

### Report 933/2019

Budget availability and Internal Control at La Ligua Town Hall

Inconsistencies in the accounts' balance, as well as lack of internal control, generates discrepancies up to \$666,657,850 in spending and \$1,295,213,928 for incomes.

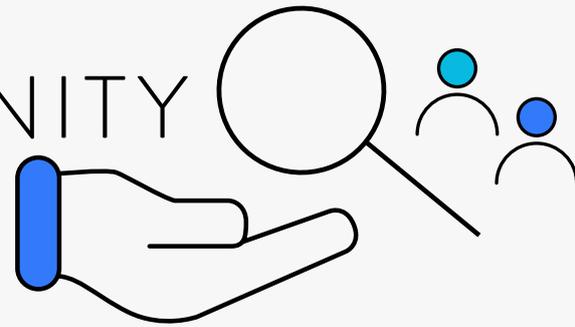
### Report 179

Arica International Terminal

Verification of loss of checkbooks for a total of \$229,495,750 without records of the reception of these resources. The inconsistencies in the countable record that do not allow us to validate the total of incomes corresponding to \$1,250,713,550 are revised.

# COLLABORATION WITH THE COMMUNITY

The OCG relates to different national actors to provide objective information regarding the functioning of the municipal sector.



## HIGHLIGHTED ACTIONS



### ADMINISTRATION

- The signing of 197 Compliance Support Programs with municipal entities from 2017 to 2021.
- Elaboration of 85 Municipal Codes of Ethics along with the Anti-Corruption Alliance from the United Nations Convention against Corruption –UNCAC– (2021).
- Collaboration with public institutions through the OCG’s Online Record Systems, such as Public Administration Personnel Information and Control System– SIAPER–, Internal Audit System, Geo OCG, among others.
- Publication of the Instructive on Integrated and Transparent Municipal Management (2021).

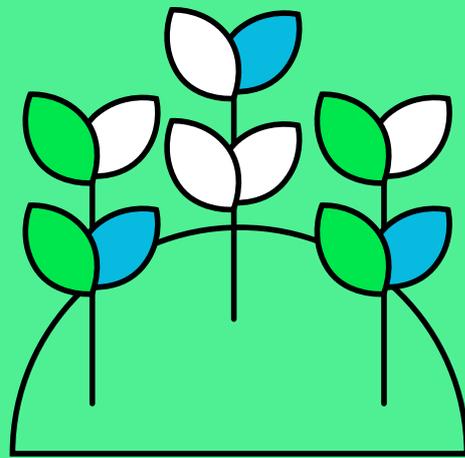
### LEGISLATIVE BRANCH

- Participation in the Chamber of Deputies’ Constitutional Commission on how the OCG audits the town councils (2019).
- Participation in the Chamber of Deputies’ Internal Government, Nationality and Regionalization Commission on the law project that modifies the system of processing and entry into force of regulations that fixates or modifies the municipal personnel holdings, dictated in accordance with law No 18,696 (2021).

### CITIZENRY AND CIVIL SOCIETY ORGANIZATIONS

- Participation in the National Confederation of communal Unions of Neighborhood committee Chile (Confederación Nacional de Uniones comunales de Juntas de Vecinos Chile) and the Mapuche Association Kallfulikan in the Civil Society Council from 2016 to 2020.
- Incorporation of the Neighborhood Committee El Progreso in the Civil Society Council of the Comptroller’s Office from 2021 to 2024.

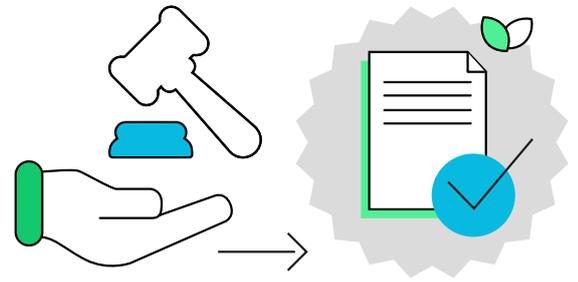
# ENVIRONMENT



Human activity generally implies an increase in contamination and consumption of natural resources, which is why current democracies face the challenge **to promote social growth compatible with care for the ecosystem.**



# LEGAL COMPLIANCE



The standardized interpretation of the environmental regulations **allows us to solve conflicts between public services**, as well as between State Administration and the private sector, improving coordination in the functioning of the State.

## HIGHLIGHTED ACTIONS



### Ruling E44423N20

Preservation and protection of Marine Biosphere

Prohibits carrying out extractive fishing activities in marine parks.

### Ruling 25,713 from 2019

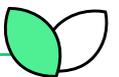
Wetlands Regulation

The record of wetlands can increase and update its geographic extension limits, being areas of official protection regarding international treaties.

### Ruling 2,737 from 2020

Emissions Regulation

Demands the review and application of rules on CO2 emission's reduction for thermoelectric power plants.



## EX ANTE CONTROL OF LEGALITY



### Decree 6 from 2018

Ministry of National Assets. Repeals the Forestry Reserve "Alacalufes", creates the National Park "Kawésqar" and the National Reserve "Kawésqar" in the Magallanes and the Chilean Antarctic Region.

Ex ante control of legality with a scope on the decree that creates the National Park and the National Reserve "Kawésqar", with improvements to the original reviewed text, which did not include the reserve.

# PROPER USE OF PUBLIC RESOURCES

The OCG **systematically audits the proper use of public resources in environmental care and preservation**, as well as the correct implementation of governmental responsibilities in different areas, such as water resources and soil care, the audit of sand and gravel extraction, irregular landfills, execution of environmental decontamination plans, among others.



## HIGHLIGHTED ACTIONS



### Report 174/2021

Authorization of pesticides

Identifies breaches between national and international standards about the use of pesticides that put at risk citizens' health. In this regard, it provides recommendations to adopt a better regulation on the authorization process for the use of pesticides.

### Report 1,048/2019

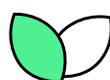
Implementation of the Adaptation to Climate Change Plan for the forestry, farming and livestock sector

Evidences that it is necessary to refine the technical and financial information reported by the Services of the Ministry of Agriculture, regarding the advance in measures from the Adaptation to Climate Change Plan.

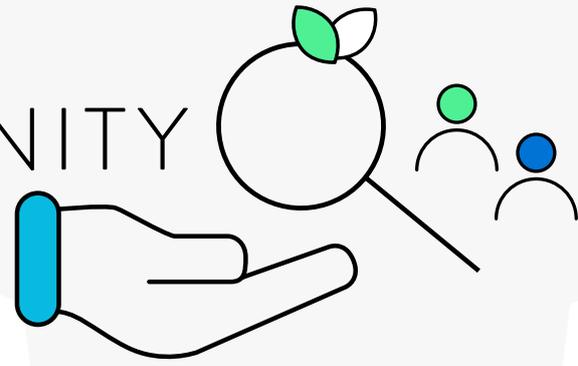
### Report 734/2019

Authorization and auditing of dangerous residues' management

Instructs improvements in guidelines for the information control, traceability, logistic, management and transparency on dangerous residues, understood as those that represent a risk for public health and/or adverse effects for the environment.



# COLLABORATION WITH THE COMMUNITY



The OCG relates to different national and international actors to **provide objective information** on environmental matters.

## HIGHLIGHTED ACTIONS



### INTERNATIONAL COOPERATION

- Participation in a coordinated Audit on Mining Environmental Liabilities with 17 countries from Latin America and the Caribbean from 2020 to 2021.

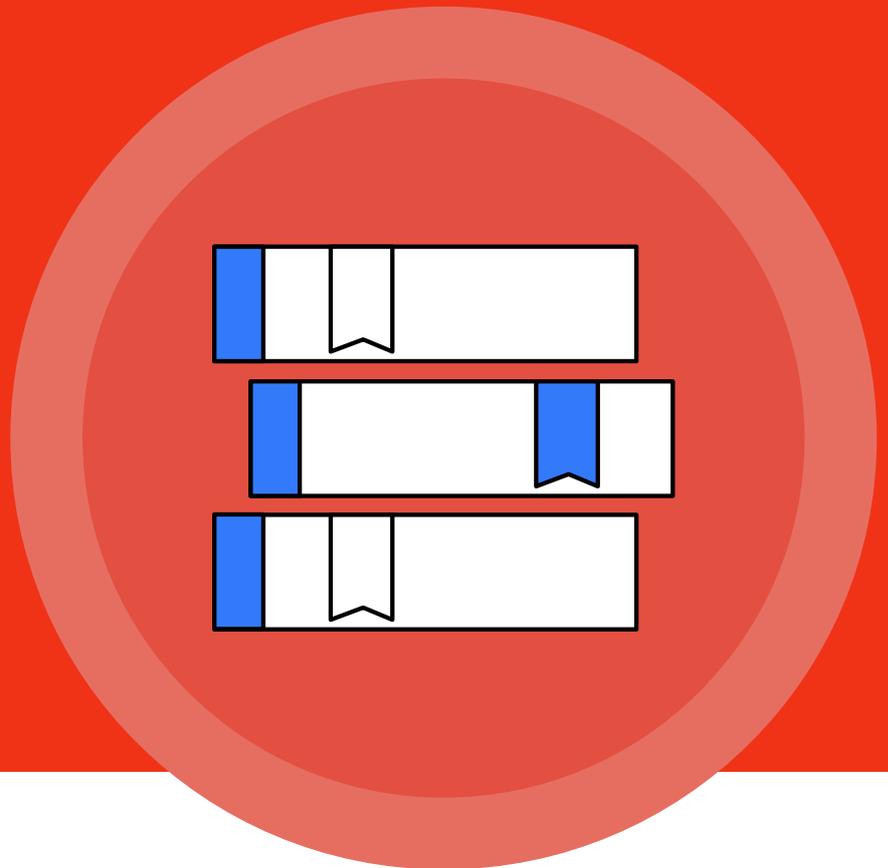
### CITIZENRY AND CIVIL SOCIETY ORGANIZATIONS

- Development of roundtables with the academy and audit experts on dangerous residues.
- Participation in the Llampangui Foundation, Elqui Sacred Valley (*Elqui Valle Sagrado*) NGO, A Stop in the Desert (*Un Alto en el Desierto*) Foundation in the Civil Society Council of the Comptroller's Office from 2021 to 2024.
- Diffusion of environmental rulings and audits on social media with 37,373 citizen answers.

### LEGISLATIVE BRANCH

- Participation in the Chamber of Deputies' Environmental Commission to explain objections from report 280/2020 of the OCG that examined institutional processes and functions regarding the attention and management of reports received by the Superintendence of the Environment between January 1st, 2016, and May 31st, 2019.

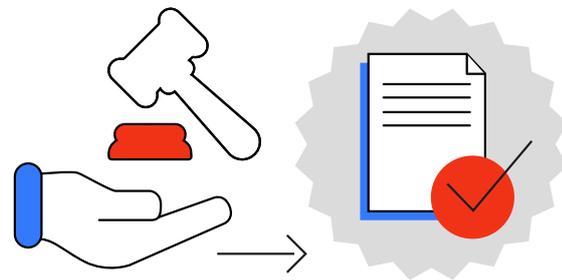
# EDUCATION



Education is one of the **main tools to deepen the bases of social growth** in countries, as well as to develop people's abilities. In this matter, the State provides guidelines and resources for the educational system to work in favor of the citizens, whereas the OCG audits that these resources and instructions are carried out in accordance with the efficiency, effectiveness, and economy (3E).



# LEGAL COMPLIANCE



The standardized interpretation of education normative and actors that participate in its provision and regulation **prevent the duplication of functions**, as well as external negative factors for the educative community and public services caused by incoordination.

## HIGHLIGHTED ACTIONS

### **Ruling 12,481 from 2019**

On limitation of powers in establishments



### **Ruling 3,742 from 2019**

On transfer of property

Annuls the procedure implemented by Santiago Town Hall that allowed for students backpacks to be checked in an educational establishment. Guaranteeing, constitutional principles of legality on the protection of private life, honor and superior interest of children and teenagers.

It is appropriate that Freirina Town Hall transfers the property to the Huasco public education local service on the direct benefit of the educative community and independent of the possible economic municipal prejudice.

## EX ANTE CONTROL OF LEGALITY



### **Proceed with scope the resolution 16 from 2021 by the Ministry of Education**

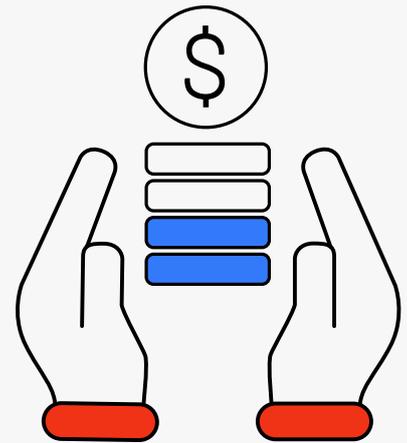
Establishes objective academic indexes in the framework of budgetary assignation "Contribution for Investigation Development."

### **Proceed with scope Resolution 40 from 3 2021 by the Ministry of Education**

Approves regulations for educational establishments and their minimum requirements. Nonetheless, it presents the incorporation of an adult size sink in accordance with what is settled in the general ordinance of urbanism and construction.

# PROPER USE OF PUBLIC RESOURCES

Considering that the implementation of educative programs demands many resources and benefits many users, **the OCG systematically audits services responsible for its provision** to safeguard the proper use of public resources and the maximization of benefits.



## HIGHLIGHTED ACTIONS



### Report 251/2020

Procurement, control and custody of works of art kept by the Universidad de Talca –UTAL–

It was verified that the UTAL keep 30 works of art in its collection without support documentation that proves its property and/or honest possession, valued at \$495,376,665 among other observations. It is instructed to strengthen the control environment to protect the patrimony and intellectual property in accordance with law No 17,336.

### Report 340/2020

Audit to the School Feeding Program –PAE– in the National Scholarship and School Aid Board –JUNAEB–

The absence of electronic records of people who benefited from the PAE, delays in the food restocking and problems in baskets delivery logistics was detected. The JUNAEB is instructed to implement an improvement plan in the PAE's electronic platform.

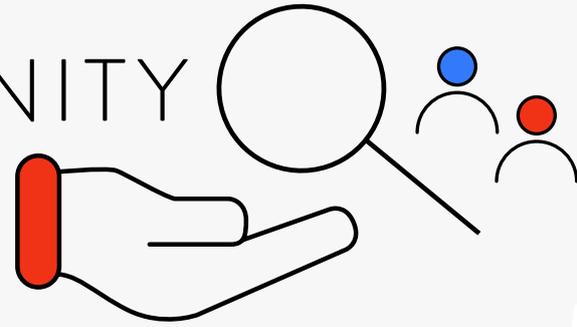
### Report 835/2019

Audit and examination of debt accounts and accounts from the financial liability at the Universidad de Playa Ancha –UPLA–

The UPLA is requested to adopt the corresponding measures regarding the safeguarding of its patrimony.  
At the date of the audit, current liabilities are not covered by current assets and payment of interests due to credit's renegotiation and provision of new loans.

# COLLABORATION WITH THE COMMUNITY

The OCG relates to different national actors to **improve and strengthen the education sector.**



## HIGHLIGHTED ACTIONS

### COMPLIANCE SUPPORT PROGRAMS

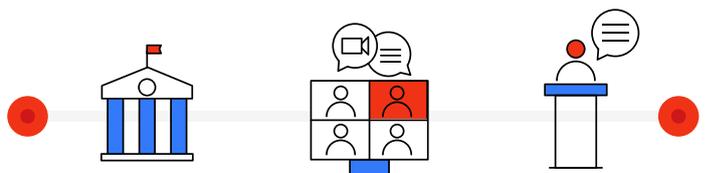
- From 2016 to July 2021, thirteen agreements have been held with organizations such as National Council of Nursery Schools (*Junta Nacional de Jardines Infantiles*) – JUNJI–, JUNAEB and Education SEREMI, and four universities.

### CITIZENRY AND CIVIL SOCIETY ORGANIZATIONS

- Coordination and assessment through surveys of people who benefited from the JUNAEB Basket (2020).

### LEGISLATIVE BRANCH

- Participation in the Senate's Education and Culture Commission on a project of law that extends and modernizes the preferential scholar subsidy from 2021.
- Participation in the Chamber of Deputies' Special Investigative Commission on possible irregularities in the implementation of the Law on New Public Education No 21,040 from 2021.



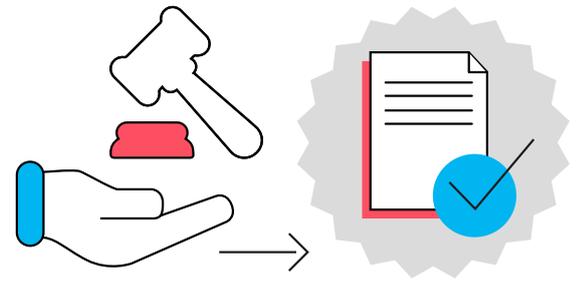
# HEALTH



Public health includes different provisions to meet the sanitary needs and the challenges that it represents. It oversees **preventive, curative, or palliative health strategies**, as well as coverage, supplies, infrastructure and qualified personnel recruitment. Everything described is framed in the general purpose of guaranteeing health access to the citizens, regarding national standards.



# LEGAL COMPLIANCE



The standardized interpretation of health normative and actors that participate in its provision and regulation **prevent incoordination and controversies** between public and private actors which benefit the citizenry.

## HIGHLIGHTED ACTIONS



### Ruling E96400N21

Auditing faculties of the Health SEREMI

In the context of the sanitary emergency due to COVID-19, the Health Regional Ministerial Secretaries –SEREMI– may audit public or private establishments with the ultimate purpose of protecting public health.

### Ruling E127453N21

On dismissal of civil servants for having cancer

The town council cannot dismiss someone under the clause of incompatible health for having cancer because the associated leaves are not accountable to declare the vacancy of the position.

### Ruling 8,113 from 2020

Delivery of sensitive information regarding patients of COVID-19

The COVID-19 diagnostic is part of the clinical record of the person identified with the disease and constitute sensitive data that may be subject of treatment only by expressly authorized personnel, town halls are not in this group, and it is not appropriate to give them sensitive information about such patients.

## EX ANTE CONTROL OF LEGALITY



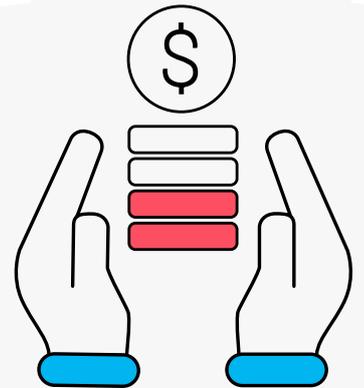
### Decree 38 from 2019

Ministry of Health. Represent designation

The designation of the Director of the Public Health Institute –ISP– is declined due to conflicts of interest.

# PROPER USE OF PUBLIC RESOURCES

The OCG strategically audits the proper use of public resources in matters of health, controlling different areas of the health network, such as **the actions of public and private organizations** that take part in the outputs or supplies provision, or compliance with the regulation regarding health assistance.



## HIGHLIGHTED ACTIONS



### Consolidated Report 283 A-B from 2020

Audits the consistency of information registry of EPIVIGILIA

Detects differences in 34,542 cases of patients positive between COVID-19 between the numbers provided by the MINSAL and the audited information sources. It is instructed to adopt the corresponding measures to regulate differences in the monitoring of cases, as well as the discrepancies stated in reports of patients diagnosed positive for COVID-19.

### Report 554/2020

Processes of samples, analysis reception and delivery of test's results to detect COVID-19 in the Public Health Institute -ISP-

Weaknesses in the reception and analysis of tests for COVID-19 may imply a difference up to 90 days in the report of patients. At the same time, the management of supplies regarding the detection of COVID-19 presents delays because of suppliers and problems in the inventory control and the payment process equal to \$189,131,263 which, if is not clarified soon, shall be returned by whoever is responsible.

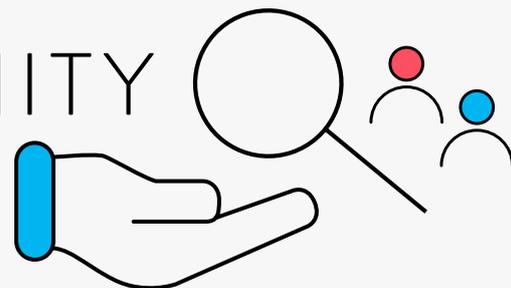
### Report 731/2020

Administration and control of medicine and medical supplies in the Supply Center -CENABAST-

Detects inconsistencies in the administration and control process of medical supplies of CENABAST and instructs improvements that avoid the consumption of expired medicine or problems in the provision of medicine in the network of "Primary Health Assistance" due to a bad registry.

# COLLABORATION WITH THE COMMUNITY

The OCG relates to different national actors to **provide objective information** regarding the functioning of public health.



## HIGHLIGHTED ACTIONS



### COMPLIANCE SUPPORT PROGRAMS

- From 2016 to July 2021, twenty-one agreements with hospitals, five with Health Services and one with the Public Health Institute were signed.

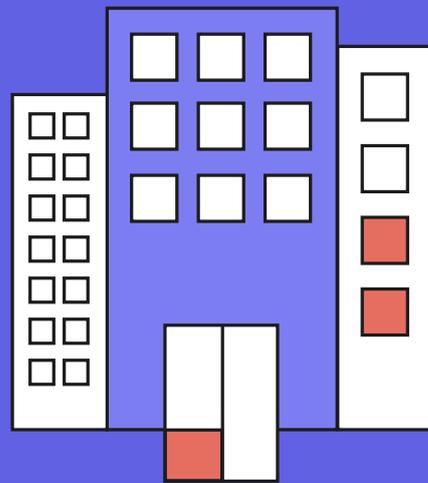
### LEGISLATIVE BRANCH

- Presentation before the Chamber of Deputies' Special Investigative Commission No 53 on the modification of buildings to install field hospitals and/or lodging of patients with COVID-19, in particular the renting of "Espacio Riesco" in 2021.
- Attend the Chamber of Deputies' COVID-19 Special Investigative Commission, held in 2020.
- Presentation before the Chamber of Deputies' Special Investigative Commission, on inconsistencies in the inscription of recorded deceases regarding effective deceases due to COVID-19 in 2020.

### CITIZENRY AND CIVIL SOCIETY ORGANIZATIONS

- Workshops and surveys with Civil Society organizations, citizens, and health civil servants, framed in the audit of HIV Programs, focused on Effectiveness, Efficiency and Economy (3E) carried out in 2020.
- Participation in the Kallfulikan Mapuche Association in the Comptroller's Office Civil Society Council from 2016 to 2020.
- Participation in the Chilean Midwifery Association and the Democratic Confederation of University Health Professionals (*Confederación Democrática de Profesionales Universitarios de la Salud*) in the Comptroller's Office Civil Society Council from 2021 to 2024.

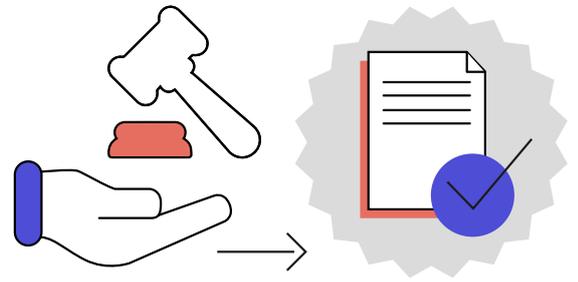
# PUBLIC WORKS



The State **shall define regulations and guidelines** that coordinate different fields on social harmony, among the growth of cities and its infrastructure, taking care of the environment.



# LEGAL COMPLIANCE



The standardized interpretation of regulations on public works **allows us to solve conflicts between public services**, as well as in the Public State Administration and private contractors. As a result of the exercise of this function, it has achieved better coordination between State bodies.

## HIGHLIGHTED ACTIONS



### Ruling 5,414 from 2019

Regulates the coordination between Health Services and town councils

The national health services can build sanitary facilities belonging to their assistance network in municipal property, defining the minimum mechanisms to formalize an agreement between both organizations.

### Ruling E33656N20

Regulates Public Works deadlines in the context of the COVID-19 emergency

Corresponds to an increase in the deadline to do the work when there is a force majeure, such as a COVID-19 outbreak. Nonetheless, this does not provide the right to compensation.

### Ruling E108768N21

Regulation of additional works

Clarifies the maximum percentages that additional works can reach in a public work unit price contract, in accordance with Decree 75 from the year 2004 from the Ministry of Public Works.

## EX ANTE CONTROL OF LEGALITY



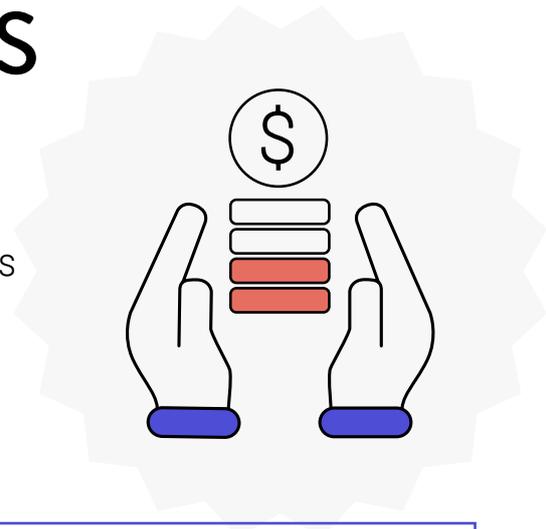
### Ruling E89974N21

Represents contract for the construction of a bridge

Observes a series of technical incompliance in the construction of a bridge, proving the justified motives for which, the ex ante control of legality was not carried out in the public work contract.

# PROPER USE OF PUBLIC RESOURCES

The OCG **strategically audits the proper use of public resources in the recruitment for public works**, as well as its correct execution and functioning.



## HIGHLIGHTED ACTIONS



### Report 714/2019

Execution of pavement works and consultancy contracts in Metropolitan SERVIU

Audit carried out due to reports from civil servants. It observed conflicts of interest in the payment process of executed and pending work, as well as duplication of recruitment. The report is filed to the justice due to presumed offenses regarding detected conflicts of interest under current criminal investigation.

### Report 964/2020

Design, construction, and maintenance of bridges

The Department of Transportation shall have a national bridge record in which their characteristics and conservation state are detailed, to maintain the care for road patrimony and to adopt the necessary measures to guarantee safe transit on those bridges with a negative qualification regarding their conservation state.

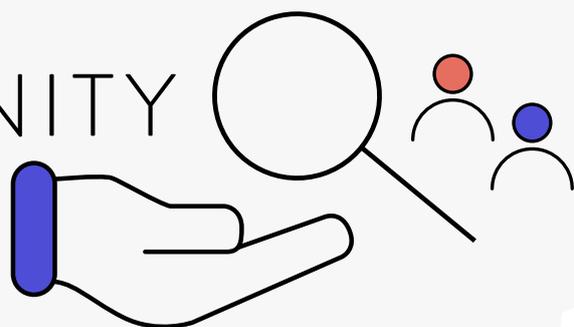
### Report 577/2019

Improvement of the Psychiatric Hospital Dr. Phillipe Pinel in the municipality of Putaendo

The lack of charging fines worth \$1,898,820,222 for a monthly delay in works regarding the work program is verified, among other irregularities in terms of quality of construction and deadlines for their execution.

# COLLABORATION WITH THE COMMUNITY

The OCG relates to different national and international actors to provide objective information on the **functioning of Public Works matters**.



## HIGHLIGHTED ACTIONS

### CITIZENRY AND CIVIL SOCIETY ORGANIZATIONS

- Participation of organizations in citizen's projects such as Data Rally (*Rally Datos*).
- Generation of internal projects about frequent questions regarding Public Works with the Community of Citizen Comptrollers.

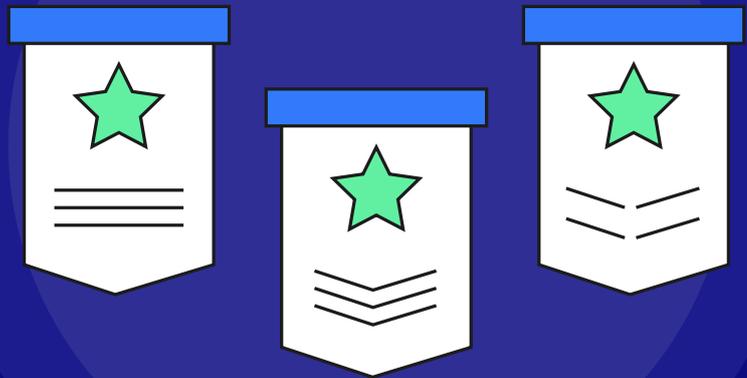
### EXECUTIVE AND LEGISLATIVE BRANCH

- Provide monitoring and traceability systems for Public Works GEO OCG.
- Stipulate adjustments in the *ex ante* control of legality to strategically support procurements with high amounts such as those from Public Works, Resolution 7 from 2019 from the OCG
- Presentation in the Senate's Housing and Urban Planning Commission about the project of law that modifies different legal bodies in matters of social and urban integration, from 2020.
- Exhibit the deficiencies observed by the OCG in the country's bridges before the Chamber of Deputies' Public Works Commission in 2021.

### INTERNATIONAL COOPERATION

- The OCG lead a workgroup on "Public Works Audit (GTOP) from the Latin American and Caribbean Organization of Supreme Audit Institutions –OLACEFS–" in 2021.

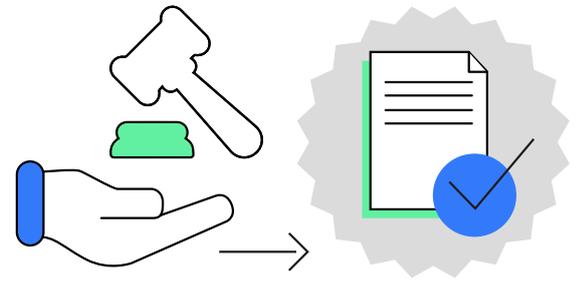
# ARMED FORCES AND LAW ENFORCEMENT AGENCIES



Due to the monopoly in the legitimate use of force from the Armed Forces and Law Enforcement Agencies, the **institutional mechanisms to control their power and substantial associated resources become relevant.**



# LEGAL COMPLIANCE



The standardized interpretation from the OCG regarding the Armed Forces and Law Enforcement Agencies, guarantee that the sector's institutions **respect the rules of coexistence in a Democratic and Legal State.**

## HIGHLIGHTED ACTIONS



### Ruling E123413N21

Power of the Armed Forces  
-FF.AA.-

The Armed Forces shall abstain from making declarations that affect their nature of non-deliberative, having to adjust to the communicational board of directors from the Ministry of National Defense.

### Ruling E142895N21

On the collaboration of the FF.AA. regarding public order and interior public security

The decree that sought to authorize the collaboration of FF.AA. with civil and police authorities, to support the latter in activities linked to firearms, organized crime, drug trafficking and terrorism in the provinces of Biobío and Arauco, and provinces of Cautín and Malleco, the ex ante control of legality is not carried because it was not adjusted to the rule of law.

### Ruling E4505N20

Power of the Armed Forces in health in the context of COVID-19

Hospitals from the Armed Forces can modify their civil servants' shift system, regarding the sanitary circumstances due to COVID-19.

## EX ANTE CONTROL OF LEGALITY



### Decree 280/2021

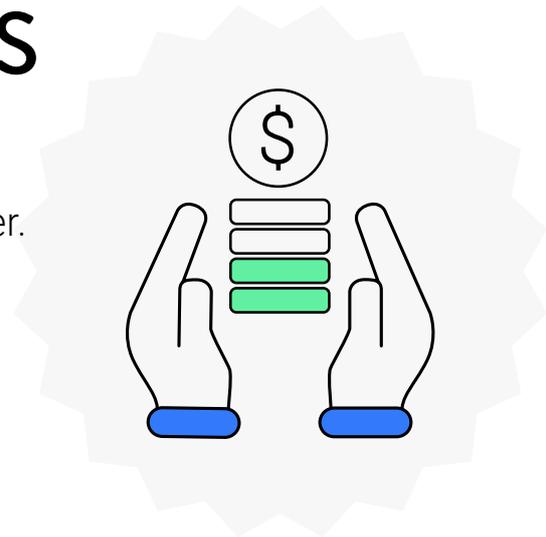
Regulation from the Ministry of National Defense

Ex ante control of legality on the Regulation about Training, Education and Professional Career of Seas' People (*Reglamento sobre Formación, Titulación y Carrera Profesional de la Gente de Mar*).

# PROPER USE OF PUBLIC RESOURCES

The OCG strategically audits the proper use of public resources in matters of national defense and public order.

**We control the procurement of goods and services and people management** of the associated institutions, besides informing and suggesting improvements regarding possible risks.



## HIGHLIGHTED ACTIONS



### Report 526/2019

Commissions of foreign service in the Chilean Army

Inconsistencies in procurement processes of tickets, freights, allowances and special assignments for services' commission for USD 1,780,095.

It starts the collection of incorrect payments and direct improvements in the Army's internal control.

### Report 431/2019

Accounts' examination of income and expenses in the IX Araucanía Zone from *Carabineros de Chile*

The existence of a parallel record's system increases the risk of duplicated payments. For this, the service shall incorporate countable systems.

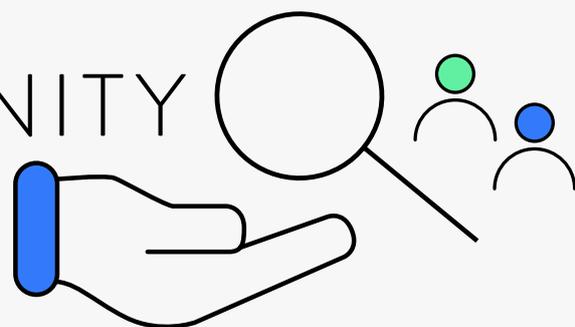
### Report 711/2018

Handling, care and leave of horses in the General Directorate of Equine Training and Remount

In the future, the entity shall implement records of donations for horses accompanied with their respective support to accredit in an irrefutable manner the reception of animals and their incorporation to the Chilean Army, among other improvements.

# COLLABORATION WITH THE COMMUNITY

The OCG is connected with different national actors to provide objective information regarding the functioning of the **Defense and Public Order sector**.



## HIGHLIGHTED ACTIONS

### COMPLIANCE SUPPORT PROGRAMS

- In 2017 an agreement with the Joint General Staff was reached.
- In 2018 an agreement that meant 15 Support Programs for Compliance in different distributions from the Ministry of Defense was signed.

### LEGISLATIVE BRANCH

- Participation in the Chamber of Deputies' Citizen Security Commission for the project of law that modernizes the institutional management and strengthens the integrity and transparency in the Order and Public Security Forces (2020).
- Participation in the Senate's National Defense Commission, for the project of law that establishes a new system for procurement and investment for strategic abilities with the National Defense, with charge to the Long-Term Fund for Defense Strategic Abilities (*Fondo Plurianual para las Capacidades Estratégicas de la Defensa*) and the Strategic Contingency Fund (2020).
- Participation in the Chamber of Deputies' Finance Commission for the project of law that modernizes the institutional management and strengthens the integrity and transparency in the Order and Public Security Forces (2020).



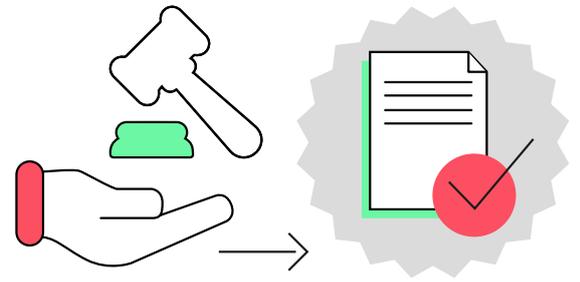
# PUBLIC PROCUREMENT



Because the public sector attends a wide spectrum of citizens' needs, it will require products and services from the private sector. Such transactions shall comply with specific rules to ensure the principles **of effectiveness efficiency, quality, transparency, and probity.**



# LEGAL COMPLIANCE



The standardized interpretation of regulations about goods and services recruitment **solves conflicts between public organizations**, as well as in Public State Administration and private. As a result of the exercise of this function, it has achieved better coordination between State bodies.

## HIGHLIGHTED ACTIONS



### Ruling 2,453 from 2018

Instructions about the principle of probity in public procurement

It details instructions on compliance with the principle of probity in matters of public recruitment of supply of property goods and services provision.

### Ruling 30,836 from 2019

On a procurement under framework agreement from the Chilean Air Force –FACH–

The procurement through framework agreement did not comply with the established conditions for its use, causing, without justification, the exclusion of other possible offering parties in the process.

### Ruling E64071N20

On a process of big procurement in the Investigation Police –PDI–

From the complaint of a supplier due to the invalidation of their selection in a big procurement process, the OCG concluded that the situation has adjusted to the rule, as well as the subsequent awarding to another supplier.

## EX ANTE CONTROL OF LEGALITY



### Ruling E117794N21

Represents resolution 7 from 2021 from the Healthcare Networks Undersecretary

It presents the rules for the recruitment of technical inspection services in health work in a hospital construction due to inconsistencies between the reviewed rules and the work project to inspect. Among them are the contradictory definitions regarding the field's experience and the professionals.

# PROPER USE OF RECURSOS PÚBLICOS

The OCG **strategically audits the proper use of public resources in the procurement of goods and services**, as well as the correct provision of internal control mechanisms to avoid risks in reception, inventory, or consumption. In this sense, it permanently reviews the balance between what is acquired and what is effectively paid for.



## HIGHLIGHTED ACTIONS



### Report 294/2021

Procurements from the Health SEREMI in the Metropolitan region in the context of the COVID-19 pandemic

Detects the lack of support documentation of payments for \$538,658,592 from the provision of lodging and transport services, among other situations observed in the report.

### Report 750/2020

Procurements from the Directorate of Logistic and Public Procurement of Carabineros

The use of direct negotiation is not justified. At the same time, deficiencies in planning and control of the supplies' inventory put at risk the proper use and care of public resources, and it is ordered to make the corresponding corrections.

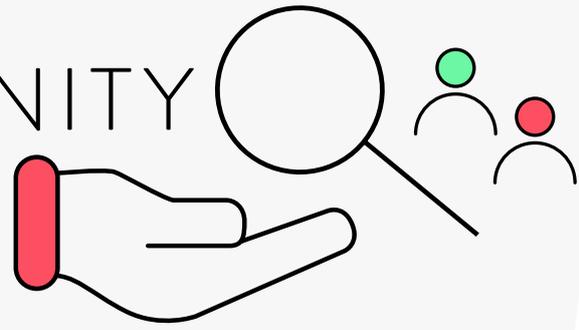
### Report 76/2019

Irregularities in the procurement of services for the corporative image for the National Petroleum Enterprise (*Empresa Nacional del Petróleo*) –ENAP–

It proves noncompliance with the Corporative Rule of Provision for the Contracting of Services from Enterprises ENAP, when using, without justification, the direct contracting or private procurement for a total of \$2,416,866,176 and USD 910,175.

# COLLABORATION WITH THE COMMUNITY

The OCG relates to different national actors to provide objective information regarding **carrying out public procurement**.



## HIGHLIGHTED ACTIONS

### CITIZENRY AND CIVIL SOCIETY ORGANIZATIONS

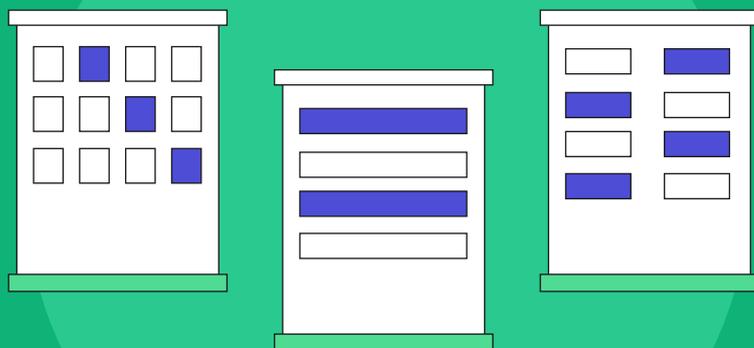
- Webinar and project *Cazachanchullos* in collaboration with Chile Transparente and the community of citizen Comptrollers in matters of public procurement and responsible citizen reports.

### EXECUTIVE AND LEGISLATIVE BRANCH

- Agreement with ChileCompra regarding data for the strengthening of Public Control.
- Participation in the Senate's Economy Commission on the project of law that modernizes law 19,886 and other laws to improve the quality of public expenses, increase the standards of integrity and transparency and include principles of circular economy in State procurement (2021).



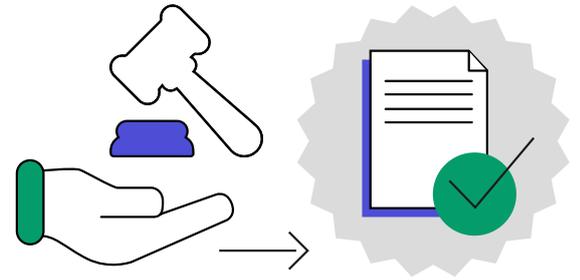
# STATE-OWNED ENTERPRISES



State-Owned Enterprises and are **corporations belonging to Chileans**, that manage substantial public resources and are essential for the development of the country. Because of the aforementioned, they cannot be excluded from the Comptroller's Office control.



# LEGAL COMPLIANCE



The standardized interpretation of rules regarding State-owned Enterprises **allows us to solve conflicts between them and private entities or with other services from State Administration.** The legal actions from the OCG in this matter provide certainty and are less expensive in time and resources.

## HIGHLIGHTED ACTIONS



### **Ruling 10,046 from 2020**

Conflicts of interest in ENAP

### **Ruling 18,850 from 2017**

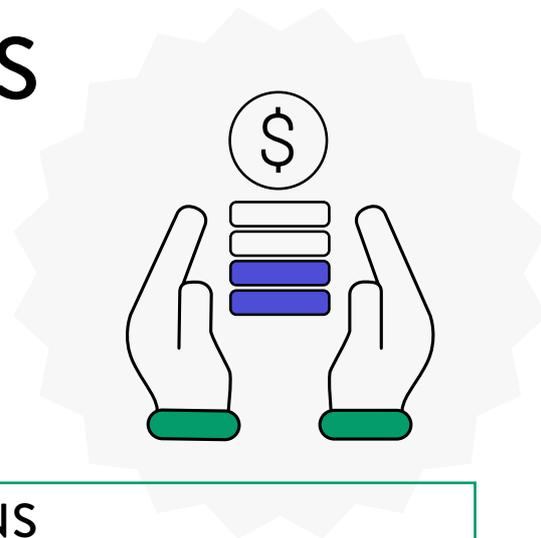
On effectiveness and efficiency of remittance in CODELCO

Advises a legal loophole in the regulation of incompatibilities and conflicts of interest regarding people working simultaneously in civil and private services and receiving profits in trials against the State. The ruling proves the fragility of mechanisms that safeguard the exchange of the State's sensitive information.

It is demanded that the directorate of CODELCO provides the minimum safeguarding of public patrimony that it corresponds to manage, regarding other people's patrimony, when setting compensations for the services.

# PROPER USE OF PUBLIC RESOURCES

The OCG strategically audits the proper use of public resources in State-owned Enterprises, as well as the implementation of governmental commitments, led by these entities, such as **energy policy for 2050 through sustainable energies**.



## HIGHLIGHTED ACTIONS

### Report 220/2019

Review controls regarding buildings and territories from the Chilean State Railways (*Empresa de Ferrocarriles del Estado*) EFE

Detects weaknesses in the internal control of buildings and territories. Among them are the lack of regularization of 5,332 controls in road crossing and parallel ways and discrepancies among the countable records and the cadaster system of property assets. In accordance with this, it shall order an investigation for possible administrative responsibilities and adopt measures to strengthen control.



### Report 591/2018

Review the collection process of incomes from Polla S.A.

Proved the absence of an internal policy that regulates the reinvestment period for expired prizes from the game Loto. At the same time, it found differences in the reconciliation of accounts in the general balance. For this, said entity shall formalize a control process for the reinvestment of the aforementioned funds from Loto and refer to the antecedents that explain discrepancies in the accounts<sup>1</sup>.

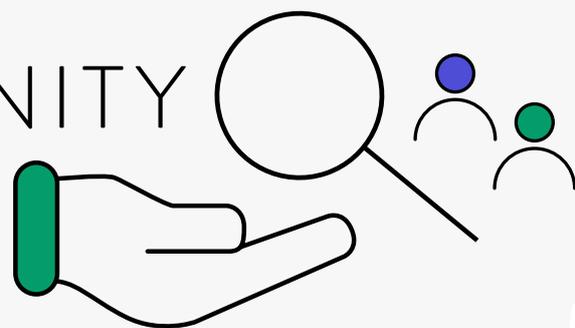
### Report 1,062/2018

Review of inventory in the enterprise Casa de Moneda de Chile S.A. –CMCH S.A.–

Detects inconsistencies in the inventory control in the enterprise CMCH S.A, such as the lack of appropriate support. For example, invoices and waybills that identify cards provided to clients from “Metro S.A” and “Banco del Estado de Chile” equal a total of \$1,428,016,522.

# COLLABORATION WITH THE COMMUNITY

The OCG relates to different national actors to provide objective information regarding the **functioning of State-owned Enterprises**.



## HIGHLIGHTED ACTIONS

### COMPLIANCE SUPPORT PROGRAMS

- Agreement held with the Antofagasta Port Authority (*Empresa Portuaria Antofagasta*).

### ALIANZA ANTICORRUPCIÓN UNCAC

- Compliance Officer Network on State-owned Enterprises (*Red de Oficiales de cumplimiento de Empresas Estatales*).

### EXECUTIVE AND LEGISLATIVE BRANCH

- Presentation of the OCG before the Chamber of Deputies' Special Investigative Commission on the use of public resources in CODELCO, especially goods and services procurement from the private sector in the last seventeen years and compensations for its executives and directors (August, September, and December 2017).
- At the same time, the Comptroller's Office issued the final auditing report No 900 from 2016 on procurements in CODELCO.



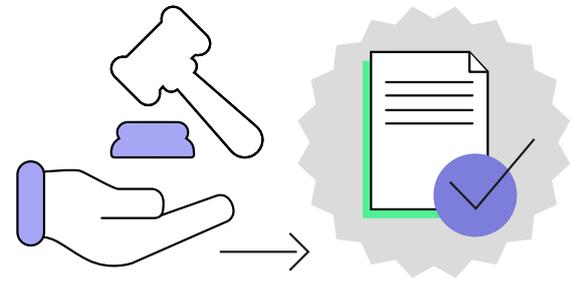
# PUBLIC EMPLOYMENT



The **civil servants are responsible for complying with the requirements regarding the civil service** in the provision of goods and services to the citizens. Because of this, in their performance, they shall observe rules that guarantee an honest action without conflicts of interest and where public interest is above personal interest.



# LEGAL COMPLIANCE



The standardized interpretation of regulations regarding civil service matters solve conflicts between public services and its personnel, **reduce uncertainty and avoid the judicialization of cases.**

## HIGHLIGHTED ACTIONS



### **Ruling 10,344 from 2020**

Reduction in remuneration of Authorities and advisers

Instructs general guidelines to implement law 21,233 on reduction in remunerations of authorities and their advisers to people working on fees.

It details the amount and criteria considered for their calculation.

### **Ruling 3,610 from 2020**

Management of the State Administration in the context of COVID-19

The services' leadership can adopt extraordinary measures for a better functioning of services and the protection of civil servants in the pandemic, such as, for example, remote working.

### **Ruling E102495N21**

Teaching through teleworking in the context of COVID-19

Solves concerns in matters of remote working for teachers governed by the Teaching Statute.

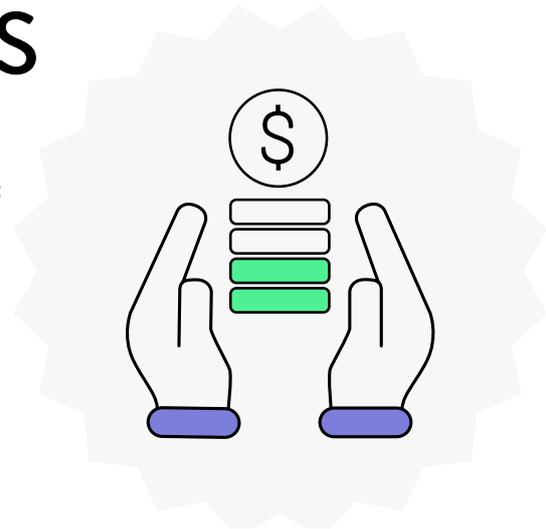
### **Ruling E124520N21**

Right to a nursery for parents that work in the civil service

Corresponds to the payment equivalent to the benefit of nursery for civil servant parents and people working on fees that have this right.

# PROPER USE OF PUBLIC RESOURCES

The OCG **systematically audits the proper use of public resources in personnel recruitment**, as well as their performance in the exercise of their functions.



## HIGHLIGHTED ACTIONS



### Report 70/2020

Audit to allowances and overtime in the National Mining Enterprise (Empresa Nacional de Minería) –ENAMI–

There are integrity problems in the allowances and overtime information that prevented proving the accuracy of records and a total of payments for \$1,262,139,688 in 2018.

### Report 72/2021

Audit to personnel expenses in the National Forestry Corporation

Detected an increase of one or more ranks in 25 who retired took on retirement, which was also not accompanied by justified resolutions. It observed problems in the personnel registry and wage slips of civil servants, due to a bad calculation in the social security increase.

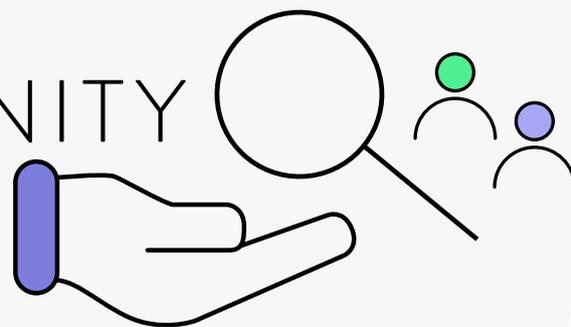
### Report 446/2019

Audit to recruitment charged to the fees' account at Lo Espejo Town Hall

It observed the recruitment of 6 people working on fees for \$28,885,000 without proving their experience. It also states the payment of overtime without the support and the inadmissibility of recruitment of people with a charge to the fees' account, despite performing functions from the town council.

# COLLABORATION WITH THE COMMUNITY

The OCG relates to different national and international actors to provide objective information on the **functioning of Public Employment**.



## HIGHLIGHTED ACTIONS

### INTERNATIONAL COOPERATION

- Coordination and participation in the project of “Perception of gender equity within Supreme Audit Institutions” (*Percepción de la equidad de género al interior de las Entidades de Fiscalización Superior*) from the Organization of Latin American and Caribbean Supreme Audit Institutions -OLACEFS. (2021).
- Participation in the seminar “Challenges and Perspective of the Civil Service at Ibero-American Level” (2019).

### EXECUTIVE AND LEGISLATIVE BRANCH

- Webinars carried out on “Challenges in the management of Civil Servants’ Rights”, “Protection to the maternity of civil servants” and “Tools to face work and sexual harassment” that convene the participation of more than 4,000 people between 2020 and 2021.
- Trainings from the OCG’s Center for State Administration Studies –CEA– on the Introduction to the Civil Service and State Administration provided to more than 36,000 civil servants between 2017 and 2021.
- Trainings from the CEA in Statutory matters and the State’s Personnel System SIAPER to more than 17,000 civil servants between 2017 and 2021.

### CITIZENRY AND CIVIL SOCIETY ORGANIZATIONS

- Participation and Citizen Inquiry to update the Ex ante control of legality in matters of personnel (2020).

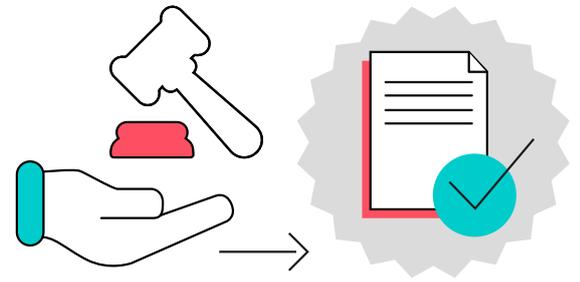
# REGIONAL GOVERNMENTS



The Regional Governments are public organizations responsible for **attending the needs of the region with a comprehensive vision** of the different localities that constitute it. They have a series of responsibilities and public resources that shall be correctly carried out.



# LEGAL COMPLIANCE



The standardized interpretation on faculties, scopes, and interactions of the Regional Government –GORE– **solves conflicts that may arise with other public or private organizations.**

## HIGHLIGHTED ACTIONS

### Ruling E118757N21

Responsibilities of the Presidential Representative



### Ruling 2,270 from 2018

On actions that the Aysén GORE can carry out

Established that in accordance with the current regulation, the presidential representative leads the Environmental Assessment Commission.

Makes it possible for the Service to request the reconsideration before the Ministry of Social Development of the technical - economic evaluation of two initiatives with a social nature previously technically refuted. The programs correspond to “Psychosocial prevention, attention and training on violence against women” and “Home biopsychosocial prevention intervention on senior citizens” (*Prevención intervención biopsicosocial domiciliaria de personas adultas mayores*).

## EX ANTE CONTROL OF LEGALITY



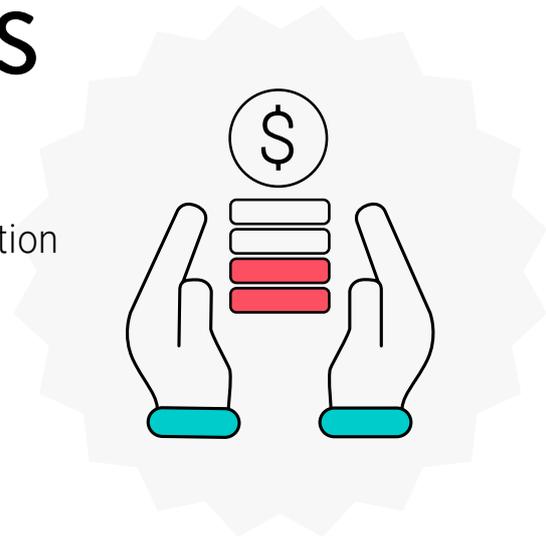
### Resolutions No 89 from 2019 and No 6, 14 and 20 from 2020

Coquimbo Regional Government (Papayagate case)

Does not carry out an ex ante control of legality for the Coquimbo GORE resolutions that approved the procurement through direct contracting of buildings and trade contract to real estate agencies because it considered that it was an excessively high number regarding the market.

# PROPER USE OF PUBLIC RESOURCES

The OCG strategically audits the **proper use of public resources in Regional Governments** who generally function through transfers to third parties that shall be audited.



## HIGHLIGHTED ACTIONS



### Report 78/2019

Expenses from Regional Advisers

The report allows us to improve the GORE management including control measures to verify allowances, routes traveled, attendance to commissions, etc.

In addition, it starts the collection of resources without justification.

### Report 231/2019

Review to the program "Transfer and Productive Improvement of Fishermen from Camarones Cove" (*Transferencia y Mejoramiento Productivo de Pescadores de Caleta Camarones*)

The purpose of the program was to provide a solution to the lack of drinking water through the installation of a desalination plant for seawater that would supply the whole population in the sector.

Through the review, it was confirmed that the mentioned plant was not operative, which required the GORE to take the necessary measures to the plant's start-up.

### Report 555/2020

Provide emergency family baskets due to COVID-19

Confirmed a surcharge of \$282,953,520 in the procurement of baskets of food and cleaning elements.

In addition, it detected deficiencies in the control environment regarding the reception and delivery of benefits to face COVID-19.

# COLLABORATION WITH THE COMMUNITY

The OCG constantly generates **initiatives of connection with the Regional Governments** and other relevant actors to collaborate in compliance regarding their institutional missions.



## HIGHLIGHTED ACTIONS

### COMPTROLLER'S OFFICE'S CENTER FOR STATE ADMINISTRATION STUDIES –CEA–

- Carried out the Meeting Integrity and Transparency in the management of regional governments, organized by the –CEA– of the Office of the Comptroller General (2021).

### EXECUTIVE AND LEGISLATIVE BRANCH

- Participation in the Chamber of Deputies' Special Investigative Commission on Government's acts regarding the implementation of the political, administrative and audit decentralization process of the country (2021).
- Participation in the Chamber of Deputies' Internal Government, Nationality, Citizenry and Regionalization Commission on a project of law to correctly implement the decentralization process of the country (2021).
- Participation in the Chamber of Deputies' Environmental Commission on the project of law that interprets law 19,300 of General Bases of the Environment to establish that the legal successor of the Intendant in the presidency of the Environmental Assessment Commission of regional governments is the Regional Governor (2021).
- Participation in the Chamber of Deputies' Special Investigative Commission for the acts from the ex-Intendant of Coquimbo and the Ministry of Interior, Housing, National Assets and Social Development in the process of procurement of territories for the installation of public infrastructure (2021).

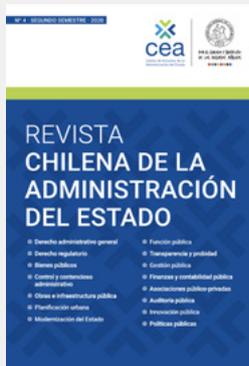
# OTHER PUBLICATIONS FROM THE COMPTROLLER'S OFFICE



OCG's National  
Anti-Corruption  
Strategy



Dismantling  
Corruption



Chilean State  
Administration  
Journal



Ibero-American  
Audit on Gender  
Equality



Annual  
Report  
2020



Report of the  
State's Financial  
Management 2020



Recommendations  
and observations  
for Public Works



Public Control  
for a better  
Democracy





OVERSEEING THE RESPONSIBLE  
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