



Analysis of budget changes in the municipality of Parnaíba Santana in the exercises of 2013 and 2014.

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Abstract

The aim of this study was to analyze the changes in the public budgets in Santana de Parnaíba, during the years of 2013 and 2014. The methodology used in this study started from the existing Laws, academic publications, followed by research on the electronic site. The analytical bases were those in the Transparency Index of Municipal Public Management (ITGP-M), followed by exploratory researches with the responsible for preparing the public budget. The study reveals that in the year 2014 were proposed 31 Decrees, which the amounting of R\$ 129 million in additional credits. The same happened in the year 2013, R\$119 million. The Municipal Secretaries of Education and Health received together 70.52% of the funds. The justifications given by the responsible officers regarding these supplementary credits were not compatible with acts of good management, since the changes were occurred in the early months of each year, characterizing, at least, an inadequate planning. The evidence of inadequate practices, generate questions and send warning signals that is an indicative of monitoring the municipal budget.

Keywords: Public Management. Public Budget. Additional Credits.

Introduction

The imbalance of public accounts, amongst with the hermeticism of the accounting statements are facts that challenges a social monitoring. The public budget-

ing should be the main document of manager's analysis, or the main tool to guide the administrators into the implementation and definitions of public policies, which are transformed in governmental projects and actions. The society then, would have to analyze mainly two aspects: what was planned versus what was executed.

Gerick and Clemente (2011) emphasize "the need to strengthen and stiffen the control and make stronger the planning instruments, object of the Supplementary Law No. 101" of 2000. The same text, quoting Sena and Rogers (2007), elucidated that among the Three Levels of Power, the "municipal power is the one that has the direct connection with the citizens, because assumes all the responsibilities for ordering the organization of local public services" (GERICK, CLEMENTE, 2011, p.3).

The public policies to be adopted in this sphere reflect, therefore, the immediate local demands, in the medium term and the future ones, that should be planned through studies and scenario projections.

Public Policies, according to Celina de Souza (2006), while knowledge area of the social sciences had originated in the USA. Later, this science had expanded and received various contributions from European thought, as an unfolding of studies based on theories about the roles of the state and their rulers.

The proposal to apply scientific methods to the government decisions on public issues interferes in the social policy. Among the main theorists are Cohen (1972), Dye (1984) Easton (1998), Laswell (1936), Lindblom (1979) and Simon (1957).

Laswell (1936) introduces the term "policy analysis" in the 1930s as a way of reconciling academic knowledge with the empirical production of governments with the aim of establishing a dialogue between social scientists, specific interest groups and the government.

Simon (1957), in his turn, introduced the concept of limited rationality of the managers and policymakers, highlighting the limited rationality of these public agents, derivative by the limitation of the received information's that may be incomplete or imperfect.

Therefore, seeking a simplification of the public policy concept, and within the purpose of this work, it can say that, one of its focuses is the process and the repercussions of it, in the economy and in the societies.

According to Celina Souza, public policy is the field of knowledge that seeks, empirically, to put the government into action.

The elaboration of public policy must be supported by action elements and, when necessary, to propose changes in the course or the line of government actions.

The formulation of public policies constitutes in a stage on which democratic governments interpret their purposes and electoral platforms into programs and actions that will produce results or changes in the real world. (SOUZA, C., 2006, p.24).

The public budgeting, which has annual validity, is nothing more than the starting point for the execution of the Pluri Annual Year Plan (PPA), which has as its scope, the actions that will be carried out a determined public policy previously established by the Executive and approved by the Legislature.

The Pluri Annual Plan is the instrument of medium-term governmental planning that establishes guidelines, objectives and goals of the Public Administration for a period of 4 years. It organizes government actions into programs that can result in

material goods and services for the population. It is approved by a four-year law, in force in second year of a majority mandate, and is effective until the end of the first year of the next term. It details the public policies that will be implemented, such as material and financial goals, target population or products that will be delivered to the society (SEPLAN, 2016).

As a general rule, the PPA has a specific management cycle, comprising the processes that, during four fiscal years, will enable the government's objectives. The stages of its elaboration, evaluation and revision are the basic structure of the management cycle.

Although it has a four-year term, it should be evaluated, reviewed and monitored annually in order to verify the course of actions, and propose changes, if necessary.

The Pluri Annual Plan has as basic principles:

- 1) Identification of government objectives and priorities;
- 2) Identification of the governing sectors that will carry out the programs and budgetary units responsible for governmental actions;
- 3) Organization of the purposes of public administration;
- 4) Integration with the budget;
- 5) Transparency in the government actions.

According to the Art. 165^o of the Federal Constitution, the Pluri Annual Plan (PPA) has a certain complexity in its execution, requiring several months, and requiring the participation of the budget units involved.

The Law 4320/1964, which statutes the general rules of financial law, foresees changes in the public budgeting during the financial and fiscal year, since their motivated by issues not possible to predict during the elaboration of budgeting. These changes are of fundamental importance in order to assure that the budget could be changed and adapted to the real needs without any losses in the execution of governmental programs.

According to the Federal Constitution (1988), Art. 35^o, § 2, of the Transitional Constitutional Provisions (ADCT), the PPA Project must be prepared and forwarded to the Legislative Power until August 31, and this House has until December 22 to review it, vote, approve and return the Pluri Annual Plan to the Executive for the objective of enactment and publishing it. These dates shall be contemplated in the first year of the mandate of the Executive Officer.

Study Objective

In the above context, it is relevant to follow the planning and execution of the public budget, as well as to demand that those responsible fulfill the precepts of accountability and eliminate the secrecy of public accounts. It is here that Abrucio and Loureiro's understanding of accountability "constructs institutional mechanisms through which rulers are constrained to respond uninterruptedly to their actions or omissions before the governed" (ABRUCIO & LOUREIRO 2004, p. 75)

The subject of the research is current and is inserted in an area of interest of the public administration.

The geographic cut here established is the municipality of Santana de Parnaíba. It is proposed here to examine the changes in the budget over the course of two financial years. In the temporal cut of the empirical research, the municipal registries will be used to verify the frequency and the necessity of the changes in the budget of that Municipality in the years of 2013 and 2014.

The information was obtained through the transparency portal and through an interview with public agents, investigating the impacts caused by these changes. A comparison will be made of their evolution in the financial years analyzed. Some questions that were consistent with the scope of the research were made, such as: What motivated the budget changes? Which of the Municipality's organs and elements of expenses had the biggest budget changes? In what periods were the changes made? What were the approval instances?

The choice of this topic was due to the need to evaluate how budget changes are used, since, in a disorderly way, it disregards the guiding and strategic character of budget laws.

Excessive budget changes can disfigure the design of initial projects, directly affecting the social fabric. Since it is an arduous matter of study and difficult to collect, one enters into a hermetic universe. However, they are justified by the relevance of the theme.

Methodology

This research is characterized as a case study, descriptive and explanatory. The procedure includes bibliographical and documentary research. The study was based on the Transparency Index of Municipal Public Management (ITGP-M); Transparency Index of the Municipalities; Best practices for Budget Transparency (OECD, 2002); Federal Constitution and Complementary Laws (CRUZ, FERREIRA *et.alli*, 2012).

The documentary research was made through searches in the site of the Municipality of Santana do Parnaíba. It was based on analyzes of budget laws and decrees of the Executive Power for additional credit openings. With the data obtained, graphics and tables were assembled to facilitate the analysis here proposed.

After analyzing, some questions were elaborated to elucidate doubts regarding the budget planning, and what would have motivated such changes. The search for answers was made through open questions, exploratory interview with the officer responsible for budgeting.

In accordance with the above approach, this research focused on the data that clarified the quality of budgeting and the reason for the subsequent changes, since some are of solid historical data and simple to be planned. The agreement of the Legislature for these acts was also investigated.

Literature Review

Norberto Bobbio observes that ideal democracy is founded on the principle of the widest publicity of government acts and defines that, by public administration, it is understood the activities directly connected to the execution of programs and services of common public interest.

(...) as it is well known, the democracy was born with the intention of forever eliminating the invisible power from human societies and giv-

ing life to a government actions that should be developed publicly (...) nothing can be confined to the field of mystery and the publicity of the acts of public management serves in order that the citizen becomes aware of the governmental acts and thus can supervise their representatives (...). One of the causes related to the failure of democracy is linked to "invisible power". This is called power that aimed to hide the "secret" deliberations, far from the eyes of the governed ones, so that becomes impossible to supervise this power. (BOBBIO, 2000, p.33, 34, 41 and 98).

Slomsky (2006), highlighting the autonomy of the municipality determined by the Federal Constitution of 1988, pointed as being of the competence sphere and autonomy of the Local Entity the collection and application of the resources coming from the taxes of its competence; elaboration of the financial budgeting plan through the PPA; Budgetary Guidelines Law (LDO) and Annual Budget Law (LOA).

The public budget is a document planning, through what the public policies "are ranked according to the priorities, and picked up to integrate the government's action, according to the resources available to such financial expenditures" (SANTOS, CAMACHO, 2014, P.84). Expenditures are ranked according to the priorities, and marked to integrate the government's action plan. Piscitelli argues that:

(...) these actions are materialized through the public budgeting, which is the instrument available to the public power (in any of its spheres) to express, in a certain period, its program of action, discriminating the origin and the amount of the resources to be obtained, as well as the nature and amount of the expenditures to be carried out (PISCITELLI AND TIMBÓ 2010, p. 29).

The Brazilian budgeting system is composed of three fundamental items as provided by the Federal Constitution of 1988: Pluri Annual Plan; Budgeting Guidelines Law and Annual Budgeting Law. These are the three legal pillars that should be considered in the planning and construction of a public budget.

The planning and the execution of public expenditures, within in the legal scope, by the initiative of the Executive Power, should estimate the revenues and fixes the expenses for the financial year, which, as a rule, will coincide with the calendar year. This law must have its elaboration in the prior exercise to its execution, and is an instrument that allows monitoring, controlling and evaluating the government actions (ARAÚJO and ARRUDA, 2006).

It is the Annual Budgetary Law that authorizes the Public Administration to dispose of the resources collected from the taxpayers during the financial year. Through this availability, it will be elaborate the public bid call for the acquisition of necessary services and materials until public works (infrastructure). The payment related to the purchases and / or contracts signed, must be linked to a previous planning, according to a forecast of funds inflow, but before that, a budgetary authorization for collect the funds is needed (MOTA, 2009).

Since the public accounting is the support of executive management, which controls and shows the execution of budgets, it matters not only the internal persons of the public administration for decisions making, but also external public, namely local residents or citizens. In that way, anyone is able to monitor and evaluate the actions of a government according to the execution of the budget (RUA and CAR-

VALHO, 2006). The Federal Constitution of 1988 delegates to the Government the duty of planning and conducting the national development:

Art. 174^º. As a normative agent and regulator of economic activity, the State will perform, in the form of the law, the surveillance, incentive and planning functions, being these acts determinant for the public sector and an indicative for the private sector (BRAZIL, 1988).

According to Piscitelli and Timbó (2009), citizens and companies use public budgets as flags of which vectors will guide government actions, not restricting this management tool only to the public management.

Guiding Aspects of the Public Budget

It is expressed in the Art. 165^º of the Federal Constitution of 1988 that the Executive Power shall establish the laws that will institute, in addition to the Pluri Annual Plan (PPA), the Budgetary Guidelines (LDO) and the Annual Budgets (LOA). Therefore, the laws must be reflecting in the PPA, LDO and LOA, and should be forwarded, in the case of the Municipalities, by the Mayor to the City Council for analysis and approval of the councilmen.

Pluri Annual Plan

A definition of Plural Year Plan, according to Araújo and Arruda, corresponds to the medium-term planning, where is defined the public actions of the Govern that conducts to the objective's achievement explicit before, and the goals established.

For the authors, any investment made by the Executive Power whose execution exceeds a financial year can only be carried out if it is foreseen in the PPA or if it is included by Specific Law.

According to Piscitelli every year a Budget Law's Project of will be elaborated in where will be detailed the stage of the Pluri Annual Program.

Thus, if on the one hand, the planning is converted into a pluri-annual program, the budget-program is the detailing of each stages, here understood here as civil year, that corresponds the financial year in Brazil (PISCITELLI and TIMBO, 2009, p. 38).

For Reis, the PPA should establish the Management's guidelines, objectives and targets for capital expenditures and expenses related to the continuing programs, where follow-up is essential not only to improve future forecasts, but also for the purpose that the Administration can coordinate its own actions against the deviations between forecasting and execution (REIS and JÚNIOR, 2010).

Law of Budgetary Guidelines – LDO

According to Mota (2009), the LDO must be elaborated and approved by the Legislative Power annually, as well as the Budget Law. According to Art. 165^º, § 2 of the Federal Constitution (1988), among other specifications, the LDO must:

1. Understanding the goals and priorities of public administration, including expenditures for the subsequent financial year;
2. Guiding the elaboration of the annual budget law.

As the LDO is elaborated annually, it is evident that four laws are required to complete the cycle of each PPA, since it is carried out by four years.

According to the author, when the LDO defines the priorities and goals of the public administration, the Public Officers is choosing, within the PPA, those that should have priority of execution.

Annual Budget Law – LOA

The Annual Budget Law is an Ordinary Law, whose validity only covers the fiscal year to which it refers. The LOA is an annual planning instrument of competence of the Head of the Executive Power, and must be compatible with Federal Constitution of 1988, with Fiscal Responsibility Law (LRF), and the Law no. 4.320 /1964, with the PPA and with the LDO. It is the document that defines the annual management of public resources. It is the Law that make possible to carry out the programs and the Public Policies aimed to provide the well-being of the community (PALUDO, 2013).

Budget Principles

Budget principles are rules in force for the whole budget process (elaboration, execution and control/evaluation) and aimed to assure rationality, efficiency and transparency. These are budgetary principles: legality, annuity, universality, gross budget, exclusivity, unity/totality, and non-affectation of revenues, publicity, balance, planning, principle of non-reversal and principle of transparency (PALUDO, *op.cit*).

Legality Principles

The principle of legality requires the public manager observes the legal precepts and rules applicable to the collection of revenues and the expenses incurrences. By this principle, the annual budget, at the end of its elaboration, must be approved by the Legislative Power, as previously mentioned, becoming a law. Also they must be object of Law, the Budgetary Guidelines and the Pluri Annual Plan.

Principle of Annuity

In accordance with the principle of annuity, revenues' estimative and expenditure authorizations should relate to a limited period of time, generally a year or the so-called "financial year", which corresponds to the duration of the budget. According the Law 4.320, Article 2.,

(...) the Budget Law will contain the discrimination of the revenue and expenditure in order to evidence the Government's economic policy and their work program, obeying the principles of unity, universality and annuity "(BRASIL, 1964)

Principle of Universality

This principle dictates that the budget should consider and includes all revenues and expenditures of all government institutions. Giacomoni (2010) points out that this principle allows the Legislative Power to know all the revenues and expenses of the Government, preventing that the Executive Power carried out any revenue

or expenditure operation without prior parliamentary authorization. It also allows an accurate knowledge of the total volume of expenditures projected by the Government, in order to authorize the collection of the taxes required to attend them.

Principle of Gross Budget

The principle of the Gross Budget establishes that all installments of revenue and expenditure must be part of the budget in gross values, without any kind of change with deductions. This norm aimed to prevent the inclusion of net amounts that means, discounting expenses that will be incurred by other entities and, with that, preventing their full vision, as advocates the principle of universality (PALUDO, *op.cit*).

Principle of Exclusivity

The Exclusivity Principle imposes that the Annual Budget Law should not contain a different device to the revenue forecast and/or fixing's expenditure. However it does not apply in this prohibition the authorizations for opening supplementary credits. The Budget Law should deal only with financial matters, excluding any other foreign device from it. For example, the Budget Law cannot impose taxes or any other determination that goes beyond the specific purposes of forecasting revenue and fixing expenses.

Principle of Unity / Wholeness

The principle of unity establishes that the budget must be unique, i.e. a single budget for each financial year. Each sphere of Government should have only one budget, based on a single budgetary policy and uniformly structured. In the case of municipalities, as previously mentioned, all budget units should elaborate individually their budgets, and these are set in the annual budget. It is called the principle of totality because it is composed by the: Fiscal Budget, Investment Budget, and Security Budget.

Principle of Non-Affecting Revenues

This principle prohibits the linkage and exclusivity of tax revenue to an organ, fund or expense. This principle refers only to taxes, it does not include taxes and contributions. The principle of non-affecting revenues determines that, tax revenues should not be previously tied to certain expenditures, so that they are free for their rational allocation, in a proper timing, according to priorities in the acquisitions of services or goods.

Principle of Advertising

In accordance with Complementary Law 101/2000 (Fiscal Responsibility Law - LRF), arts. 48º, 48-A and 49º, the Government must give publicly of the Public Budget in a widely way to the society, publishing reports about the budget execution and fiscal management: make available to anyone, information about revenue collection and expenditure's execution.

Principle of Balance

This principle determines that the Budget Guidelines Law should order the balance between revenue and expenditure. It establishes that the fixed expense is equal to the expected revenue. The purpose of this principle is to hold the disorderly growth of government's expenses and to prevent the budget deficits.

Principle of Planning

It refers to the obligation of draw up the PPA – Pluri Annual Plan, and the obligatoriness that, of all plans and programs should be elaborated in accordance with it. It was reinforced by the LRF, Art. 1, §1, which requires a planned action: "responsibility in fiscal management means a planned and transparent action, in which risks are avoided and correct the possible deviations that could affect the balance of public accounts" (BRASIL, 2000).

Not Refund Principle

The public administrator may not reassign or transfer funds from one sector to another without prior legislative authorization. If there is budgetary insufficiency or shortage of new appropriations in such organs, it is necessary to call on for opening of additional or supplementary credits, with authorization of the Legislative Power, according to the LOA itself, or in an additional specific credit law. This principle aimed to encourages the responsible planning, since it ensures greater fidelity between what was programmed and what was executed.

Without this principle the planning / budgeting would be a mere piece of fiction, manipulated according to the political will of Governors, politicians and public officers.

Transparency Principle

The transparency principle, of purely formal nature demands that the budget language be clear and easy understanding. I also demand that the budgetary financial information be publicized in a way to facilitate the understanding of regular people.

Budgetary Changes through Additional Credits

The additional credit is a legal means of adjusting the budget, used to mitigate or correct mistakes identified during budget execution, for example, excess of credits in certain organs and insufficiency in others ones (ARAÚJO and ARRUDA, 2006). According to the Law 4.320/1964, Art. 41º, the additional credits it is classified into three categories: supplementary, special credit, and extraordinary credit. The additional and additional credits depend on the availability of resources to support the expenditure and will be preceded by justified exposure.

Additional Supplementary Credit

Araujo and Arruda (*op.cit.*), elucidate that the additional credit is intended to reinforce the already existing in the budget in force. It must be authorized by Law and opened by Decree of the Executive Power. In this way, the supplementary credits are incorporated in the current budget, adding the amount authorized to Sector. The

additional credits, according to Mota, may be contained in the Budgetary Law, up to certain value.

The authorization for opening an additional supplementary credit may, to a certain value, be contained in the budget law itself, according to the Federal Constitution, Article 165º, § 8º, and Law nº 4.320 / 1964, Article 7º, item I (MOTA, 2009, p.40).

Special Additional Credit

The special additional credit is intended for expenditure for which there is no specific budget forecast. It will create a new expense event to meet an objective not forecasted in the budget. It is authorized by Law and opened by Decree of the Executive Power. If, during its execution, the special credit was not sufficient to carry out the expenditure, it may be altered by opening supplementary additional credit.

Extraordinary Extra Credit

According to the Art. 41º of the Law 4.320/1964, Extraordinary Credits are those destined to urgent and unforeseen expenses. The Art. 167º, § 3 of the Federal Constitution (1988), specifies,

The opening of extraordinary credit will only be allowed to attend unforeseeable and urgent expenses, such as those arising from war, internal commotion or public calamity, subject to the provisions according the Art. 62º (BRAZIL, 1988).

Paludo (*op.cit.*) points out that, with the possibility of directly authorizing extraordinary credits, the Executive Power has been used this instrument, for expenditures that are not actually "urgent, unpredictable or of public calamity." This use characterizes deviance from the norm, and masks failures or lack of planning. They are also, unconstitutional, since its characterizes a violation of a federal normative

Municipal Data

The municipality of Santana de Parnaíba is located in the Metropolitan Region of São Paulo. The city has 126.574 inhabitants, an area of approximately 179.949 km². In the Social Responsibility Index of São Paulo State, is classified in group I and II, showing wealth, but with not uniform distribution. The Human Development Index of the Municipality (IDH-M) is 0.814, and the PIB per capita (2013) is R\$ 62.717,77.

The average income of formal jobs is R\$ 2.535,62. (SEADE/MUNIC /2015). Economic activities are mostly in the services and commerce sector, especially in the Alpha Ville region, knowing for encompassing high level of residential condominiums (Municipal / 2016 website).

The city, founded in 1580, has great historical importance for Brazil (PARNAIBAWEB, 2016), which is the seat of the largest urban nucleus in clay, and registered in 1982 by the Council for the Historical Defense, Archaeological, Artistic and Tourist Heritage.

Financial Year of 2013

The Budget Law 3219/2012 set the expenses for the year 2013 in the amount of R \$ 559,200,000.00. On the other hand, it was estimated the same amount for rev-

enues. In the year of 2013, additional supplementary credit decrees were opened in the total of 20 (reinforcement of the budget) and 1 decree to open a special additional credit of R\$ 5.445.900,00 for the payment of Court Orders and installments due to the Pension Fund (not Budgeted), in the total of R\$ 119.924.714,04.

Therefore, the decrees issued a correspondent amount of 21.45% of the expenses established in the Annual Budget Law of 2013.

Below is a table showing the amount of authorized credits distributed by each Municipal Secretaries of Santana de Parnaíba.

Table 1 - Changed Values in the Institutional Classification

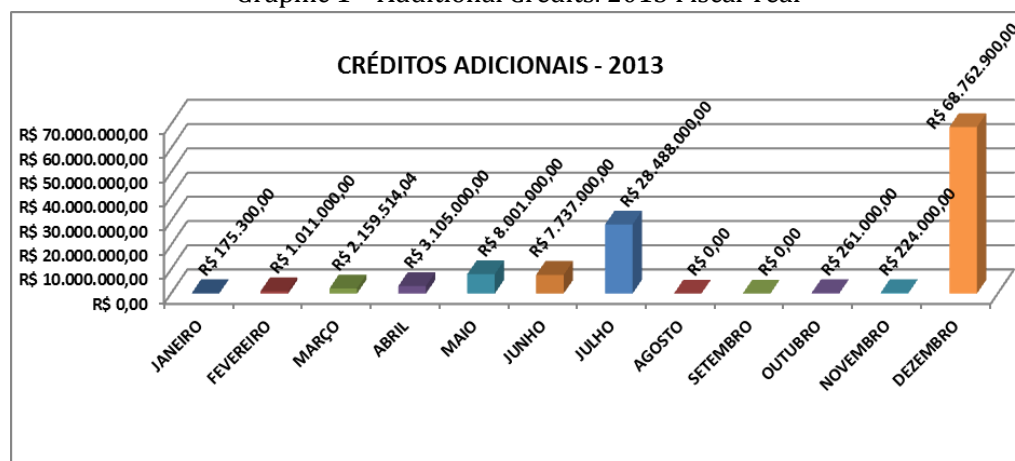
YEAR OF 2013		
	Approved Values	%
0210 - Municipal Secretary of Education	R\$ 32.460.500,00	27,07%
0232 - Fundeb	R\$11.076.014,04	9,24%
0215 - Municipal Secretary of Health	R\$ 30.744.000,00	25,64%
0205 - Municipal Secretary of Finance	R\$ 10.987.900,00	9,16%
0223 - Municipal Secretary of Services	R\$ 6.168.000,00	5,14%
0235 - Municipal Secretary of Urban Security	R\$ 6.137.000,00	5,12%
0219 -Municipal Secretary of Social Assistance Fund	R\$ 3.894.000,00	3,25%
0204- Municipal Secretary of Administration	R\$ 3.401.000,00	2,84%
0211- Municipal Secretary of Sports, Physical Activities, Leisure	R\$ 2.361.000,00	1,97%
Others	R\$ 12.695.300,00	10,59%
Total	R\$ 119.924.714,04	100,00%

Elaborated by the authors, based on data collected from the Santana de Parnaíba Municipality website

It is clear that the Secretary that received the more appropriations, due to cancellations of other expenses was the Municipal Secretary of Education, with a little more than 36% of the total, followed by the Municipal Health, with just over 25%.

The expenses set for the Education for the year were R\$ 181.507.000,00, that is, 24% had changes. The Health Secretary had 29% of changes. Once these two Secretors are the ones that receive the major investments, and are charged by society in order that happened, (observing that, this occurs not only in the Municipality of Santana de Parnaíba, but all Entities of the Federation), the well-prepared planning of these expenditures is essential for transparency in their budgets. The 21 additional credit openings, 9 of them occurred in the first semester, totalizing a change of R\$ 22.188.814,04, observing that the firsts of them occurred on 01/28/2013, at the beginning of the financial year, as shown.

Graphic 1 – Additional Credits. 2013 Fiscal Year



Elaborated by the authors, based on data collected from the Santana de Parnaíba Municipality Website

The Budgetary Law 3219/2012, Art. 4º, authorized the Executive Power to open supplementary budget credits throughout the year, without prior authorization from the Legislative Power, up to the limit of 10% of the expenditure budget, i.e. R\$ 55.920.000,00.

Until the day of 02/12/2013, the Executive Power had changed R\$ 51,275,314.04 (9% of the expenditure budget). Thus, the last additional of credit opening in the year was appraised and authorized by the City Council, through Law 3352/2013, in the amount of R \$ 63.203.500,00 on 04/12/013, with 68% of this amount destined to cover payroll expenses for active and inactive servers; and 7% to cover employers' obligations (employer's obligations derived to the payroll). The additional credits authorize in this period were intended to supplement appropriations to carried out the expenses detailed below.

Table 2 - Opening Additional Expenditure Credits

Year 2013		
EXPENDITURE COMPONENTS	Authorized Val-	%
3.1.90.11 - Fixed Salaries and Benefits	R\$ 57.162.500,00	47,67%
3.3.90.39 - Other Third Party Services – Legal Entity	R\$ 30.694.514,04	25,59%
3.3.90.30 - Consumption's Material	R\$ 10.456.000,00	8,72%
3.1.91.13 - Employer Obligations – Intra Budget In-	R\$ 6.159.000,00	5,14%
3.3.90.67 - Compulsory Deposits	R\$ 4.007.900,00	3,34%
3.3.90.91 - Judicial Verdicts	R\$ 2.300.000,00	1,92%
3.3.90.36 - Other Third Party Services – Physical	R\$ 1.801.500,00	1,50%
3.1.90.13 - Employer Liabilities	R\$ 1.786.000,00	1,49%
Others	R\$ 5.557.300,00	4,63%
Total	R\$ 119.924.714,04	100,00%

Elaborated by the authors, based on data collected from the Santana de Parnaíba Municipality website

The salaries and fixed benefits of the Municipality employees' payroll were the most used expenditure component, responding for slightly more than 47% of the additional credits in the year, which shows the impact on the planning, being this the main element of the budget expenditure.

Exercise of 2014

The expenses established in the Budget Law 3347/2013 were R\$ 620.713.000,00. The additional credits corresponded to 20,78%, distributed among the Secretaries demonstrated in the Table 3.

Table 3 - Changed Values in the Institutional Classification

YEAR OF 2014		
	Approved Value	%
0210 - Municipal Secretary of Education	R\$ 37.990.657,91	29,45%
0232-Fundeb	R\$9.408.000,00	7,29%
0216 - Municipal Secretary of Health	R\$ 43.578.000,00	33,78%
0223- Municipal Secretary of Services	R\$ 6.619.000,00	5,13%
0222 - Municipal Secretary of Construction	R\$ 5.815.200,00	4,51%
0219 - Municipal Secretary of Social Assistance	R\$ 4.802.000,00	3,72%
0203- Legal Affairs	R\$ 4.721.000,00	3,66%
0235- Municipal Secretary of Urban Securities	R\$ 3.358.500,00	2,60%
0205- Municipal Secretary of Finance	R\$ 2.749.000,00	2,13%
Others	R\$ 9.960.044,80	7,72%
Total	R\$ 129.001.402,71	100,00%

Elaborated by the authors, based on data collected from the Santana de Parnaíba Municipality website

In 2014 were proposed 31 decrees, summing the amount of R\$ 129.001.402,71 in additional credits, one of which, one of them in the amount of R\$ 26.544,80, was a special credit destined to a social grant that was not included in the budget. As well as in the year of 2013, the Secretary of Education and the Secretariat of Health were those that received the major part of supplementary credits: 70,52% of all additional credits. Together they had a supplementation of R \$ 90.976.657,91 in the budget, which is equivalent to 29% of the expenses fixed by Law.

Very similar to the Budgetary Law of the previous year, in 2014 the Law 3347/2013 authorized the Executive Power to open additional supplementary credits up to the amount of 10% of the expenditure budget, that is, R\$ 62,071,300.00. However, the same law authorized that changes related to certain expenses could occur independently of this limit, such as personnel expenses and all those necessary to comply with constitutional determinations.

Personnel expenses could be changed up to the sum of the amounts assigned to this group, i.e., R\$ 234,154,500.00. The expenses necessary to comply with constitutional determinations, such as Education and Health, could be changed up to the limit of the excess of collection (financial surplus) of 2013, which was R\$ 73.752.228,26. Therefore, it was not necessary the Legislative Power appraisal regarding the additional credits that exceeded 10% of the budget expenditure, differently from

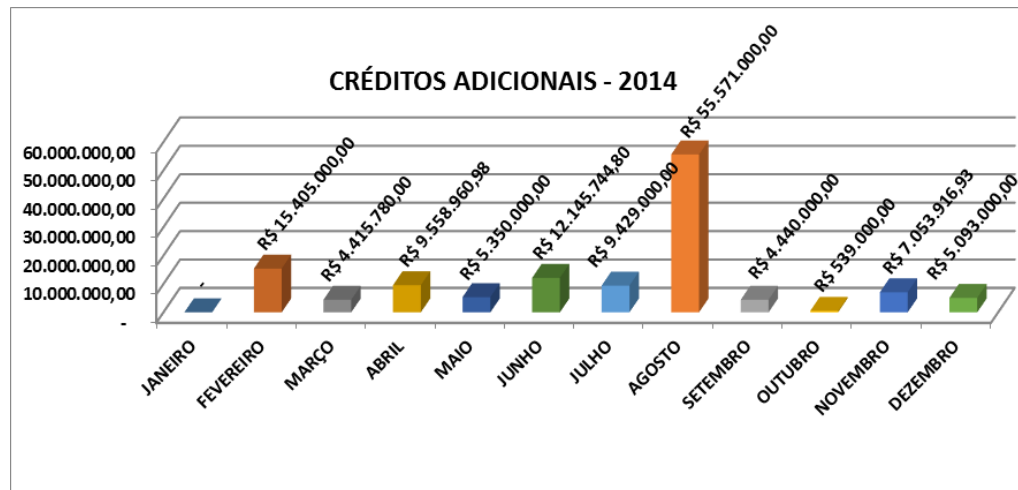
what happened in 2013. The expenses supplemented in the period of 2014 are listed in table 4.

Table 4. Opening Additional Expenditure Credits

YEAR OF 2014		
EXPENDITURE COMPONENTS	AUTORIZED	%
3.3.90.39- Other Third Party Services	R\$ 43.767.500,00	33,93%
3.1.90.11- Fixed Salaries and Benefits	R\$ 36.777.000,00	28,51%
4.4.90.51- Constructions and Facilities	R\$ 16.999.200,00	13,18%
3.3.90.30- Consumer Material	R\$ 13.972.877,91	10,83%
3.3.90.32- Material, Bem ou Serviço para Distribuição	R\$ 5.630.000,00	4,36%
4.4.90.52- Equipment and Fixed Assets AAAs-	R\$ 2.901.780,00	2,25%
3.1.91.13- Employers 'Obligations	R\$ 2.868.000,00	2,22%
3.3.90.36- Other Third Party Services	R\$ 1.501.500,00	1,16%
Others	R\$ 4.583.544,80	3,55%
Total	R\$	100,00%

Elaborated by the authors, based on data collected from the Santana de Parnaíba Municipality website

In the opening of the additional credits, it was verified that, as well as what happened in the year 2013, it still occurred in the first semester, but in greater proportions. In the first semester were issued 16 decrees, being the first on 07/02/2014, summing R\$ 46.875.485,78, or the equivalent of 36% of all additional credits. In the second semester there were 15 authorizations, with the total of R\$ 82.125.916,93.



Graphic 2 – Additional Credits

Elaborated by the authors based on data from the Santana de Parnaíba Municipality Website

Final Remarks

Based on the data collected, comparing them to the objective of this study, it is observed an inadequate planning and management. The supplementation occurs since the firsts months of the exercise in the years studied. In the year of 2013 the

supplementation occurred more strongly in the months of July and December, whereas in 2014 they are concentrated in the month of August.

Such indicatives are evidence of a structural failure in public planning, since education has consolidated historical data, therefore, enabling to establish analogies with previous years.

This Municipal Secretary is not subject to calamities and other public conditions that demand emergency credits, distinct from the Health, which could be subject to endemic or pandemic situations, which was not the case of the Municipality surveyed.

In an interview to seek explanations for all of these additional credits it verified that, at the time of the request for such amendments, many of the reasons given could be foreseeable in the moment of the budget elaboration.

In the Health Sector it was informed that the expenses happened to supply the demands of the population in the acquisition of medicines, nursing and dental materials, and outsourced services of nursing, laboratory services and, mainly, salaries and fixed benefits. In the Educational Services, the expenses were incurred in the acquisition of equipment for schools, contracting of maintenance services, school materials of free distribution, salaries and fixed benefits.

According to what was presented in the tables, expenses with salaries and fixed benefits were among the main elements that were object of supplementation during financial years. Being fixed, payroll expenses reduce the complexity of planning, since there are records from previous years and a limited number of staff make easier the projections.

One point that caused an increase in the expenditure, which is highly predictable, was the general review of salaries, which takes place every May, which is based on the replacement caused by inflation. In the year 2013 the value of this replacement was 5.5% and in 2014 it was 5.0%, which also does not justify the disorderly changes.

The Municipal Law 3478/13 provides about the power delegation to order the expenses of the Municipality to the actual managers of the administrative units. In this way it is not justifiable to claim responsibility to the manager of the expenses of the budget units, since the final decision is the competence of the Main Executive elected by the people. Neither an alleged "accountability" guarantees a real transparency in the administration procedures. To support this statement here is what Abrucio and Loureiro (2004, p. 75) define by accountability "the construction of institutional mechanisms through which the mayors are obliged to respond uninterruptedly by their actions or omissions before the governed ones."

As a conclusion, on the base of the evidences here presented this responsibility has not been treated as prescribed in Law, being the documents elaborated a guidance the public policies. Instead of that, there are mere fictitious pieces.

As a contribution, this study points to the need for public monitoring of the budget, as well as their participation in its elaboration and execution, given publicity to the findings and researches.

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