

ACCOUNTABILITY OF RESEARCH PROJECTS: AN ANALYSIS OF REPORTS AND INTERNAL CONTROLS IN A SUPPORT FOUNDATION IN BRAZIL

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ABSTRACT

This article analyzes whether the accountability reports of research projects financed by FAPDF (Research Support Foundation for Distrito Federal), Brazil, meets the legal requirements. To this end, 116 accountability reports related to application guidelines for the period of 2008 to 2010 were analyzed. For a better understanding of the evidence obtained by the previous stage, interviews were conducted with researchers benefiting from the application guidelines, whose data were analyzed through descriptive statistics and principles of content analysis. The results obtained by the analysis of the accountability reports show the existence, more frequently and persistently, of reservations arising from: 1) the use of financial income without authorization (34.5%); 2) non-presentation of the three budgets for capital items (23.3%); 3) non-presentation of all bank statements; and 4) non-use of nominative check for payment of expenses (33.6%). The results of the interviews corroborate that such evidences are driven by the lack of clarity and difficulty of understanding the established rules by the application guidelines. To do so, it is concluded that there is a need to adopt control mechanisms that monitor the use of public resources, as well as the mapping of occurrences of reservations in accountability reports.

Keywords: Accountability. Research Support Foundation. Public Resources. Internal Control.

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1 INTRODUCTION

In recent years, public administration has undergone several transformations, among them standing out or trying to execute the bureaucratic model for management, focused not only on formalist aspects, but also in search of results that add greater value to the services available to the citizens.

In the context of knowledge production and innovation that seek improvements in the public sector, there are the funding entities, such as research support foundations. In the Federal District we find the Federal District Research Support Foundation (FAPDF in Portuguese), a public foundation whose purpose is to “stimulate, support and promote the scientific, technological and innovation development of the Federal District, aimed at the well-being of the population, environmental protection and progress of science and technology” (FAPDF, 2017).

The scientific production in search of innovation and improvements to society has deserved special attention, as counting from the year 2013, a change in the Federal District Organic Law (1993) then allocated a minimum of 2% of the Federal District Government Budget Revenue to the FAPDF monthly, which should be applied to scientific and technological development. It occurs that, for the proper utilization of the resources applied in scientific and technological research, it is necessary to adopt a set of measures and methods adapted to the fulfillment of their obligations and management processes in the respective support foundations.

This scenario sheds light on the role played by internal controls, which have, among their objectives of safeguarding resources, to ensure the reliability and correctness of operations and information, encouraging adherence to established policies and standards, and which organizations will comply with their *accountability* obligations in order to achieve their mission (CFC Resolution No. 1,135 of 2008 (2008); INTOSAI, 2004).

According to CFC Resolution No. 1,135 (2008), in item 2, internal controls, especially in the public sector, must pay attention to the observation of several aspects, namely: “(a) safeguarding the assets and ensure the accuracy of the equity components; (b) complying with the accounting record in relation to the corresponding act; (c) providing timely and appropriate information; (d) encouraging adherence to the rules and guidelines set forth; (e) contributing to the promotion of the entity's operational efficiency; (f) assisting in the prevention of inefficient and uneconomical practices, errors, fraud, malpractice, abuse, diversion and other inadequacies”.

In this regard, Capovilla (2016, p. 18) states that “public managers have been encouraged to put in place effective internal control structures that contribute to reducing the risk that government organizations will be run at odds with citizens' interests”. To this end, it is expected that public entities will present both internal and external audit mechanisms, so that their internal control structures are able to support the actions of the public manager in search for the correct allocation of public resources.

In view of the systemic aspect of audits, they should serve as an instrument of help to the manager, as it seeks, among other things, according to Capovilla (2016, p. 20) “to gain an adequate understanding of the effectiveness of the entity's internal controls”, which, in turn, would allow the reliability and validation of internal procedures adopted by organizations, in this case, regarding the use of resources applied in research projects.

In this light, it is expected that, as internal controls are adopted to monitor the budget execution of research projects, it will be possible to carry out monitoring which allows the allocation of resources in accordance with legal and public requirements. To this end, we have the following research question: to what extent does the FAPDF internal control system contribute to the follow-up and compliance analysis of the allocation of financial resources among the research projects it finances?

Considering these aspects, this article aims to analyze the internal control system of FAPDF with a view to the compliance of the accountability of funded research projects aiming at

meeting its institutional objective. The specific aims are: 1) evaluating accountability reports from legal framework that research projects are submitted to; and 2) identifying the perception of the researchers with resources in their projects, about the procedures performed to execute the financial schedule and their accountability.

The paper has its theoretical underpinning in the concepts of *accountability* and auditing - the latter centered on the role of the internal control system. These concepts that in public administration are associated with responsibility, accountability according to the parameters of the law, which involves the possibility of onus or penalty for non-compliance with this directive. To this end, this research advances by seeking to understand the accountability process to which the person responsible for the execution of the resource must submit its challenges and difficulties to fulfill this task.

On the other hand, it also seeks to identify the challenges experienced by FAPDF, as it should present control mechanisms to monitor and evaluate accountability reports, and promote actions that seek to align the interests of society and the scientific community, not only regarding the results of the funded research, but also regarding the correct allocation of the resources allocated to the respective projects.

The methodological course of the article is directed towards a descriptive orientation, with a qualitative look, poring over the reporting reports delivered from 2011 to 2016, as well as the perception of the benefited researchers.

2 THEORETICAL FRAMEWORK

Accountability and Audit

The definition of the term *accountability* is of complex translation, and there are disagreements about the actual expression of the term in Portuguese language. However, the basic idea encompasses the evaluation and accountability of those entrusted with resources or powers. O'Donnell (1998) classifies *accountability* in society as vertical and horizontal, the first being the choice of leaders in the democratic environment as a way of rewarding or sanctioning acts performed by one or a group, and the second as a way of supervision between powers, known as the *checks and balances* system. In the vertical view, there is a relationship between society and state, while horizontally, this relationship occurs between the representatives of the state itself. Thus, it is through horizontal *accountability* that institutional supervision is exercised between public entities, supervising, evaluating, and punishing, if necessary, the responsible agents or agencies, according to pre-established parameters.

Rocha (2011) explains that *accountability* can be understood as a process of evaluation and accountability of public agents, either directly to society or to internal supervisory bodies for actions or omissions, and may suffer sanctions, whether legal or moral. According to Campos (1990), the concern for knowing what has been done with the public resource is a good item to infer the maturation of society. In addition, by this and other interpretations, accountability becomes a term in constant use in public administration for efficiency and economy.

However, Lopes and Freire (2010, p. 72) problematize around the concept of accountability by saying that “this concept cannot be limited only to account for its quantitative aspects, but self-evaluating the work done, giving to know what has been achieved and justifying what has failed”.

In the Brazilian case, the Federal Constitution of 1988, in its article 70, sole paragraph, gives legal order on the subject, contemplating the strict sense of *accountability*, but expanding the accountability and evaluation to all those who utilize public resources: “Shall be accountable any individual or public entity that uses, collects, stores, manages or administers public money, assets and values or by whom the Union is responsible, or those who, on its behalf, assume obligations of a pecuniary nature”.

Therefore, the importance of the term *accountability* is unquestionable since society demands information about what and why has been done, how much, how and other clarifications about the spent public resource. It is important for the public service to play this role efficiently and effectively in society in order to meet the demands of the population.

Thus, the term *accountability* in the field of public administration in Brazil becomes, therefore, a constant discourse, given that, beginning from the year 1995, the new process of State Apparatus Reform has been installed in Brazil. This process was materialized by the Master Plan and its objective was to transform Brazilian public administration into a professional service based on the rule of law and technical competence, thus making the state apparatus more effective (Bresser-Pereira, 2002). According to the widely debated international literature, it is in the third phase of *New Public Management* - "Public Service Orientation" (Denhardt, 2012), that its central axis becomes both *accountability* and equity. It is based on republican and democratic principles and preaches values such as transparency, political participation and justice, themes hitherto absent from the debate on the management model.

In the Brazilian case, the constitutional text dealing with the relationship between state and society recommends the direct involvement of society through participation in the boards of directors of the various representative segments of civil society (Bresser-Pereira, 1997, p. 14), with the greater objective of claiming the best performance, quality and effectiveness of services rendered to the population. Thus, the new managerial public management model involved the decentralization of the execution of social policies – local actions and infrastructure – with the provision of monitoring of expenditures by society, as well as the decentralization of the execution of public policies to other entities of the society federation; the return of the execution of these Union policies to other organs of the same federal sphere; and publicization understood here as decentralization to social organizations (Bresser-Pereira, 1997).

From that moment on, countless actions have been implemented. This includes the increasing autonomy and *accountability* of public borrowers, which are driven to produce increasingly clear and objective accountability reports. In this sense, the information in the *accountability* must contain inherent characteristics such as timeliness, materiality, relevance, reliability, neutrality, so that it is useful, not only for the decision making process, but also as an aid for the evaluation of the managers' actions in the sense of making the aspects related to the *accountability* process occur.

However, when misused, the information may be biased in order to corroborate actions that the manager has taken, but does not want to show due to the personal injury that it may cause. According to Gonçalves, Gonçalves and Tavares (2011, p. 663), "with regard to the scope of the disclosed information, Hendriksen and Van Breda (1999) and Scott (1941) understand that all information must comply with the principles of justice, fairness and truth, in order to contribute to the well-being of all. As for the increment in well-being, it is worth mentioning the observance of the improvement of governance principles that not only includes accountability, but also equity." It is necessary, especially in the context of this study, in view of its systemic aspect, especially regarding the internal control system that must ensure that actions are convergent to meet the organization's strategic aims (COSO, 2013).

In this sense, the International Federation of Accountants (IFAC, 2001) defines four dimensions to guide public sector governance practices: 1) patterns and behaviors; 2) organizational structure and processes, whose focus is on transparency and accountability of the parties involved; 3) structure of controls - aiming at achieving effective internal control, autonomous internal audit and empowerment of employees in order to understand the responsibility for mitigating organizational risk; and 4) management reports - whose purpose is, among other elements, linking the compliance of reported data and performance evaluation.

Regarding the relationship between the quality of internal controls and the reliability of the information provided, the Committee on the Financial Aspects of Corporate Governance (1992) emphasizes that these elements are only achieved as long as there is adequate space for

the professionalism of its members, bumping into what IFAC advocates (2001). Not least, in the view of Schwartz, Dunfee and Kline (2005), in order for such mechanisms to be effective there is the necessary compromise of top management, known by the expression “*tone at the top*”.

Thus, according to Bergamini (2005, p. 158), the materialization of operational risks “occurs due to inadequate organizational design, lack of planning and monitoring in the delegation of powers, the use of non-uniform procedures and product and process obsolescence”. Therefore, the corporate governance structure must maintain risk management in an integrated manner, with effective internal controls sponsored by senior management (Zahra, 2014; Schwartz, Dunfee, & Kline, 2005).

Therefore, core issues such as: *what, where, how* and *when* regarding decision-making on resource allocation, supervision and monitoring, could be better defined, fact which would contribute to the role of the audit and internal controls by reviewing the allocation procedures. resources and their accountability.

Lima and Castro (2006) state that the audit should act to assist the manager in making decisions via reports and opinions; as well as, in the event of error, omission or fraud, with a view to safeguarding the entity's assets.

As for Castro (2008, p. 86), he argues that “the audit needs to act by validating and giving credibility to the disclosed data, becoming responsible for controlling their quality. There goes the role of internal control and auditing.”

Thus, by means of an active audit it is possible to identify failures, processes and point out solutions in the field of management of organizations. It is noted that in the case of Research Supporting Foundations, they must have and address both types of existing audits: internal audit and external audit.

The external audit, which in the public entities is performed by the Courts of Auditors, is focused on expressing opinion on the financial reports, in this case, on the reporting of research projects.

On the other hand, internal auditing should focus on helping management to achieve its objectives by assessing internal processes, systems and controls (Fontenelle & Brito, 2013; Silva, 2009; Vieira & Freitas, 2015). Under this perspective, it is observed that the internal audit must understand the organizational structure and culture, the applicable legislation and internal standardization in order to better perform its job. Only in this way can it achieve its aim and contribute to the achievement of the organization's strategic aims.

Such aspects affect internal control and the way the organization responds to problematic situations identified in organizations. Thus, the audit goes beyond checking the accounting records, also verifying operational processes and enabling making an analysis with a longer time limit than the external audit (Ferreira, 2002).

3 METHODOLOGY

The purpose of this study is the financial reporting of financial and technological research projects sponsored by FAPDF and the documents that support the accountability process. Thus, it is a descriptive research, with documentary technical procedures, using primary data without analytical treatment (Hair, Rabin, Money, & Samouel, 2005).

3.1 Research Locus

The FAPDF has been created by District Law No. 347 of 1992 and became operational in 1993. It is a public foundation with legal personality under private law, which aims to support, promote and stimulate the scientific and technological development and innovation of the Federal District (FAPDF, 2017).

Oliveira, Hochman, Nahas and Ferreira (2005) argue that scientific research supports academic development, having great effects mainly among undergraduate and postgraduate students. However, financial support is needed to promote this research. Thus, funding agencies are also of great importance for university development. The Research Support Foundations (FAP in Portuguese), linked to the states and the Federal District, act through public notices, specific area or spontaneous demand of researchers, supporting research proposals through grants, participation aids and promotion of scientific events, acquisition of materials, among other aids that are necessary for the development of research.

According to its bylaws (District Decree No. 27,958, 2007) and amendments, the FAPDF is composed of two collegiate bodies, the Superior Council and the Directing Council. The first is a deliberative body consisting of the CEO and fourteen other members. The latter is entrusted with the technical-scientific and administrative management of the Foundation, formed by the Presidency, the Scientific, Technological and Innovation Superintendence, and with the Superintendence of the General Administration Unit. There are also Advisory chambers that are made up of people with notorious knowledge of the scientific area and are responsible for preparing programs and notices, as well as analyzing and recommending project support requests to the Directing Council and issuing opinions and reports on the evaluation and control of the scientific projects.

3.2 Data Collection and Data Analysis

The data have been collected from the financial reporting of scientific and technological research projects without yet being submitted to FAPDF internal analysis. Considering the moment the data have been collected, it was delimited, for the sake of identification of the reports to be analyzed, those that had a statute of limitations on May 31, 2016. Pursuant to Normative Instruction 01 (2005) of the General Secretariat of Federal District, internal and external control bodies may take action within five years of the reporting period.

Accordingly, the period for review of benefits was set from June 1, 2011 to May 31, 2016. Since the research projects last, according to the public notice, two years and are renewable for the same period, it would be possible for 2008 research projects to have been reported in 2011. Therefore, the edicts analyzed were those published between 2008 and 2016, with accountability between June 1, 2011 and May 31, 2016.

In order to define the number of reports, data has been collected on 77 notices between 2008 and 2016, available on the FAPDF website at the time of collection. It is important to highlight that this procedure has been performed due to the absence of internal controls that pointed the referred edicts as well as the approved and executed projects. At first, this aspect strikes the eye as it goes against what is expected of a control system that provides reasonable assurance that internal procedures are aligned with organizational objectives, as proposed by the major internal control *frameworks* (COSO, 2013; GAO, 2001).

The complete absence of a system of controls, as initially identified, usually occurs when there is no basic aspect to the existence of this component: the support of the organization's top leaders - the *tone at the top* (Schwartz, Dunfee, & Kline, 2005; COSO, 2013). Overcoming this issue, we can take as a starting point the components of COSO (2013) in order to elaborate a structure of internal controls, and, with the aid of a maturity model, as proposed by Capovilla, Gonçalves, Dantas and Oliveira (2018), to identify the features necessary for the implementation of this structure, as well as the necessary advances so that it contributes to the achievement of organizational objectives.

From a total of 77 edicts identified, 15 supported research projects, focus on research analysis. However, 5 notices have been excluded, as follows: 1) 1 was still in research step; 2) 1 canceled by budget cut; 3) 1 did not get the proposal approved; and 4) 2 notices whose projects and financial reports have not made available by FAPDF. Thus, the processes comprised in ten notices, contained between 2008 and 2010, have been analyzed. Among these, the processes

containing financial accountability report delivered in the delimited time frame have been identified, resulting in a universe of 152 financial accountability processes. As the processes were submitted for analysis, a total of 36 have been discarded, as follows: 1) 4 archived files; 2) 16 without accountability; 3) 10 for not being made available; and 4) 6 with accountability already analyzed by FAPDF. Therefore, a total of 116 cases and their respective financial reports have been analyzed.

After analyzing the reports, and aiming to deepen the knowledge of the object of study, a questionnaire has been elaborated for the 113 researchers who submitted the accounts of the processes during the analyzed period. The survey questionnaire was constructed based on the research instrument developed for analysis of accountability reports (details in item 3.3), with twelve closed questions, with a standard response according to the Likert scale, and one open question, for suggestions from researchers. The questions have been divided into two related sections: 1) how often the researcher observed the appropriate norms for carrying out the expenses of the research project; and 2) the level of difficulty in *accountability*. For the first section, the pattern used was a scale between never, rarely, sometimes, often and always; and in the second section we used a scale between none, very little, little, medium and much.

The questionnaires have been made available via email and the response rate reached 34,51%, i.e. 39 respondents. The questionnaire data have been analyzed using descriptive statistics and their results were compared with the results of the accountability reports.

3.3 Report Analysis Instrument

The carried out research had an audit plan, with schedule, competencies, objects, aims and justifications. Therefore, the elaborated audit program had procedures to fulfill objectives, delimitations and exams (Silva, 2009).

In order to apply the provided procedures and to support the final opinion on the adherence of the reports to the respective public notice, the document analysis technique has been used, via a research instrument that evaluated the compliance of the accounting reports with the respective public notice. The analysis of the reports has been made from the theoretical framework of this study, as well as from the conformity of the procedures for budget execution from the applicable legislation.

The research instrument was developed as a *checklist* and evaluated ten items considered relevant, that the researcher must prove, in order to consider their accountability in accordance with their respective edict and the law. The variables of the research instrument and their legal basis are shown in Table 1.

Table 1
Legal background of the checklist

Variables	Legal Support
Were expenses planned in the budget?	Normative Instruction 01, art. 8th, IV
Did you provide supporting documents for your expenses?	Normative Instruction 01, art. 28th
Did you submit three procurement budgets?	Law No. 8,666/1993, art. 15th
When authorized, were daily expenses less than the maximum allowed?	Normative Resolution, 01, August 16, 2013
Have resources been relocated from one heading to another?	Law No. 4,320/1964, art. 11th
Has there been a relocation of allocated resources from one element of expenditure to another, under the same heading, above 20%?	Granting Agreement and Acceptance (TOA)
Did you use financial income without FAPDF authorization?	Normative Instruction 01, art. 7th, XIV
Returned the residual value?	Normative Instruction 01, art. 7th, XI
Did you submit all bank statements for your account?	Normative Instruction 01, art. 7th, VII

Did you use a personal check when required to pay for expenses?

Granting Agreement and Acceptance (TOA)

Source: Research data (2017)

For each analyzed report a suggestion of opinion has been elaborated. Each report was classified into: “Without reservations”, when complying with the notice and applicable law, and “with reservations” when the item identified any non-compliance with the notice and current legislation.

4 RESULTS ANALYSIS

A total of 116 cases have been examined, with their respective financial report, distributed in ten notices from 2008 to 2010. It is important to highlight that from 2011 to 2016 no reports have been analyzed due to the fact that in 2011 there was no publication of public notices, and from 2012 to 2016, because these were ongoing projects, and therefore did not have, at the time of the carrying out of the survey, accountability reports.

This way, considering the period analyzed (2008-2010), it was possible to identify, from the accountability reports, the following trend about the occurrence or not of reservations by notice, as shown in Figure 1.

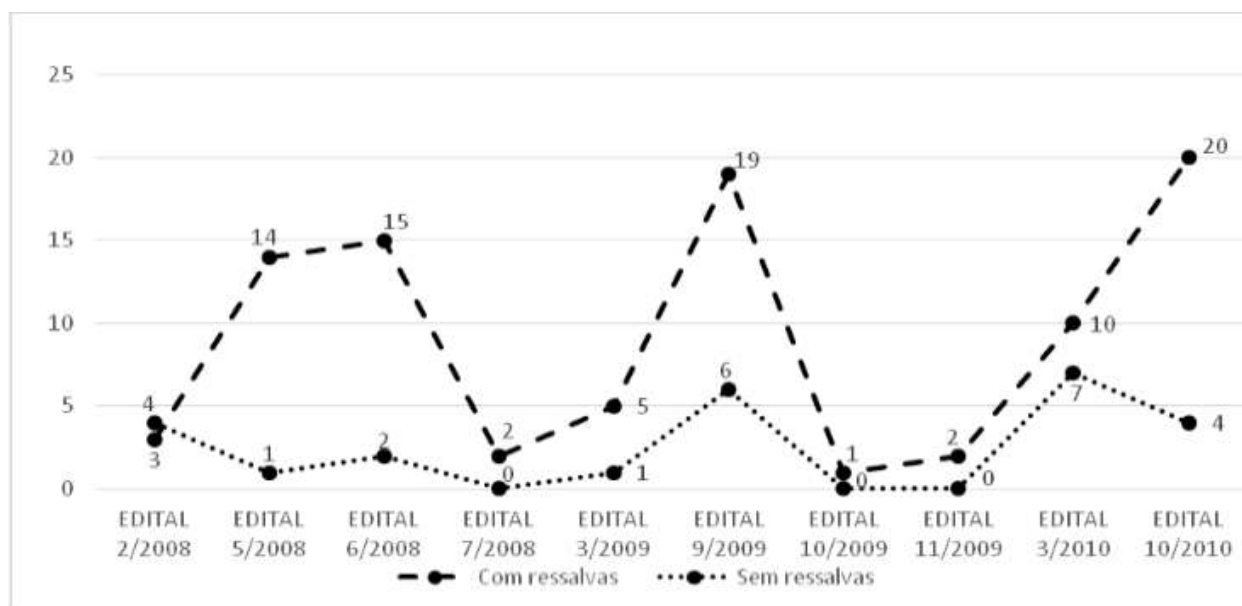


Figure 1. Analyzed processes by notice with proportion of reservations

Source: Research data (2017)

The analysis of the graph highlights that, among the 116 reports, only 25 were in accordance with the respective edicts, which corresponds to 21.55% of the total. This result is relevant, since the tendency is that there is always an absolute majority of research projects with reservations in their budget execution.

In addition, the observance of this graph identifies a trend for the number of reservations to increase, given that whether the beginning of the historical series is analyzed, the proportion of edicts with reservations for the total of edicts is 57%, i.e., among the total projects funded by bid 2/2008 (7), 4 had some type of caveat. This number rises in announcement 5/2008 to 93% (14/15) and ends the series with 83% (20/24) when analyzing announcement 10/2010.

In spite of the non-linearity of the historical series when it comes to the number of projects funded between 2008 and 2010 and their proportion between those that presented reservations and those that did not, the number of reports with some item that justifies their non-

approval or partial approval is relevant, signaling that orientation actions should be taken in order to minimize or even mitigate such inaccuracies.

For this, in a first analysis, it is highlighted that the monitoring of the financial budget execution of the research projects is a necessary step for such reservations to diminish. However, at the current internally identified stage in FAPDF, it is still urgent to implement internal controls that signal basic aspects, such as: 1) published notices; 2) number of projects and their details, including data from the researchers and deadline for submission of accountability reports; and 3) financial schedule of each project. The items indicated have been tabulated by the research by means of their own survey.

Therefore, as Lima and Castro (2006) and Castro (2008) state, the contribution of internal controls to promote greater reliability of information, in this case, the financial execution of research projects, will only occur when they are effective, which in turn, shall happen as each employee understand their role in the routine flow of internal processes as well as the control system.

To this end, such procedures will only occur or in fact play the role of ensuring that actions or decision-making converge with the strategic objectives of the organization, as long as senior management sponsors and fulfills the purpose for which the control system should be implemented (Schwartz, Dunfee, & Kline, 2005; COSO, 2013). While this does not occur, the actions are carried out reactively, that is, as there are external charges, especially from the supervisory body which, according to Capovilla and Gonçalves (2018, p. 179), entails in an environment characterized by “Lack of employee compliance and commitment to build a control environment that aims to meet organizational objectives.”

As a consequence of an environment characterized by the absence of controls, there is a greater risk regarding the following aspects: reputational, compromising the expected behavior from the ethical point of view of processes, the existence of staff without the necessary skills to perform their duties, resource allocation diverging from the entity's strategic objectives (Schwartz, Dunfee, & Kline, 2005; Johnstone, Gramling, & Rittenberg, 2013).

Additionally, in order to raise the aspects that led these reports to obtain reservations, Table 2 was prepared, which shows each of the reservations segregated by each announcement, distributed in the 116 reporting reports analyzed. For each item at the end of the line, the sum of the number of reservations in all notices has been raised.

Table 2

Qualifications identified in the accounting reports by public notice

Notes	Public notices										T O T A L
	2008					2009			2010		
	2	5	6	7	8	9	10	11	3	10	
	Reports by public notice										
	7	15	17	2	6	25	1	2	17	24	116
1) Did you use financial income without authorization	0	9	3	2	3	12	0	2	4	5	40
Did not submit the three item budgets	1	2	5	0	2	5	0	0	4	8	27
3) Did not submit all bank statements	0	4	5	1	1	5	1	1	2	3	23
4) Did not use personal check for expense payment	1	0	5	0	3	2	0	0	1	4	16
5) Have resources been	0	1	4	0	3	2	0	0	1	4	15

relocated from one heading to another											
6) Purchased item that was not in budget	0	5	4	0	1	2	0	0	0	1	13
7) Did not present invoice of item	0	1	3	0	0	1	0	0	3	3	11
8) Has there been reallocation of earmarked resources, item by item, over 20%	0	1	1	1	0	1	0	0	1	2	7
9) Spent by day above the allowable amount	0	3	0	0	0	0	0	0	0	0	3
10) Did not return residual value	1	1	0	0	0	0	0	0	0	0	2

Source: Research data (2017)

According to Table 2, we identified a total of 157 reservations, sum of the amount of reservations per item, for the 116 reports analyzed, thus, it is noted that the identified differences, considering the analysis by project/edict and in descending order of total occurrence, most have been observed in more than one financial report. It is noteworthy that, on average, none of the edicts presented reports in full compliance with the necessary procedures for budget execution.

By analytically exploring each of the caveats, the first item with the most caveats (*used unauthorized financial income*) presents the purpose to identify whether the proceeds from the financial investment of the funds deposited in the project have been returned or used with prior authorization. According to Normative Instruction 01 (2005), art. 7th, item XIV, income from investment in the financial market shall be collected from the grantor's account and shall only be used with prior authorization from FAPDF. Over this item, forty projects (34.5%) that used the proceeds from the proceeds of financial investments have been identified, however, without authorization by the funding agency. This type of occurrence is mainly due to the lack of knowledge of the researcher who is performing the financial execution, since by identifying the existence of financial balance in the project, he or she realizes that the resource is available for carrying out the research activities.

From the perspective of a system of internal controls, avoiding misuse of financial resources (in this case without prior authorization) is one of the most basic aspects that should exist (especially in the case of entities that fund research projects), once the entity controlling resources should be able to monitor the progress of budget execution to the extent that resources beyond the approved research project limit are not used without their consent (COSO, 2013; GAO, 2014).

The second item with the highest occurrence of reservations (*have not presented the three budgets of the item*) analyzes whether, for the acquisition of goods classified as capital, have presented at least three budgets according to Law No. 8,666/1993, art. 15th 27 projects have been identified (23,3%) which executed the capital budget, however, without presenting their budgets. Despite this result, the researchers when asked specifically about this aspect, 92% said they had complied with this device, while approximately 8% said they rarely or never did.

In spite of the respondents representing a sample of the total of analyzed projects, a discrepancy is identified between what was verified through the accountability reports and what the researchers report as a procedure performed for the execution of the capital budget.

Perhaps the results presented for items 1 and 2 may be partially explained by what the researchers state when asked about the difficulty of understanding the rules for accountability, as well as the clarity with which such rules are presented. Thus, despite frequently observing the items contained in the budget of their projects, in the researchers' view, 79% say that they have difficulty understanding the rules for accountability, while 77% say they have difficulty regarding the clarity of which rules for the financial execution of projects are presented.

Also, in this regard, one of the researchers suggests that “training of the contemplated as a mandatory item for the release of the resource and to fulfill the accountability” (Researcher B), as well as a manual that has more clarity to help identify the items characterized as capital or cost expenditure. In this respect we acquire the following researcher's perception, which suggests:

Create an explanatory folder with what you can and cannot do. But let it be in a manner that any researcher can understand. No use saying can capital or can cost... It has to say what is capital and what is costing. Like an instruction manual for an equipment. (Researcher D)

An example of this lack of clarity regarding the procedures for the execution of the financial schedule is evidenced by the caveats of items 3 (*not all bank statements*) and 4 (*did not use paycheck for expense payment*), which deal with aspects that are easy to accomplish, and together represent 33,6% of the total reservations.

Although there is a legal provision for such documents to be presented in the accountability report (Normative Instruction 01, 2005, art. 26, item VII – with relation to the presentation of the bank statement, and issuance of a personal check, as per Term Granting and Acceptance of each project) it appears that such aspects are possibly unknown to researchers precisely by the aspect mentioned in here.

In general, the exceptions are repeated among the analyzed reports, and it appears that most of the notices had a significant number of reservations (more than 20% of the reports per announcement) in dissonance with the legislation in force in the first three topics, related to items 1, 2 and 3 respectively. In relation to the total reports, the first six observations were found in at least 10% of the reports.

Interestingly, over the years, it appears that the errors are repeated, which may be a signal for the existence of procedures considered appropriate by researchers or simply for lack of knowledge, which indicates the need for closer approximation between the Development Organ and the researchers. Nevertheless, items 1 to 4 may be considered less relevant when compared to items 5 to 10, which, although less frequently, represent aspects of greater attention at the time of report analysis and together reached approximately 44% of the caveats total.

Item 5 (*reallocation of funds allocated from line to line*) aims to analyze whether there was reallocation of funds allocated to costing the capital or vice versa. According to Law No. 4,320/1964, art. 11th, resources from one heading may be used only for expenditure on the same heading. This situation has been identified in approximately 13% of the analyzed reports.

As is the case with the use of financial resources other than the one approved in the research project (use of income from financial investments), the use of resources under different headings, in the case of capital costing or vice versa, results initially from a lack of basic understanding of the use of public resources, as this is a basic rule from a budgetary perspective. However, despite this aspect, controls directed at this issue, and above all, orientation actions that demand low cost compared to the implications of this practice, can substantially mitigate the occurrence of this incongruity.

As for item 6 (*acquired item that was not foreseen in the budget*), it aims to identify that there was full compliance with the financial schedule approved initially or afterwards through prior authorization, since Normative Instruction 01 (2005), in its Article 8th, prohibits the use of resources for purposes other than the pre-established, even if emergency. Thirteen projects (11.2%) have been identified in this item with a different utilization of resources from what was initially proposed in their financial schedule.

About 89% of researchers mention that, while performing the execution of the financial schedule, always or often, they observed the budget approved in their research project, which to some extent meets the data obtained through the analysis of accountability reports. However,

looking at the other respondents, approximately 11% rarely or never analyzed the project's approved financial schedule for budget execution. The verification of the items financed by the public notice, as well as those approved in the project is a basic and necessary procedure for the execution of the allocated financial resources, considering the feature of the execution of public resources (resources destined to the specific lines).

This type of behavior also ends up explaining the caveats identified in items 8 (*there has been reallocation of resources destined item for item, above 20%*) and 9 (*spending on daily over the allowed value*), since in these cases, only non-compliance with the approved financial proposal justifies non-compliance with such items.

Although they are not aware of the results presented in here, researchers generally expect the procedures adopted by FAPDF to approximate what is done in another funding agency (CNPq) in which it allows the reallocation of resources under the same heading without prior authorization.

Adopt models similar to CNPq, which most researchers are already familiar with. (Researcher E)

Procurement of consumable material items should not be specified at the beginning of the project. This determination does not bring smoothness nor better spent by the researcher. Example of a common situation – I make a project, put a consumable. Implementation and start-up takes on average, if all goes well, one year. As I begin, new technical activities may emerge, new experiences in the area, and other projects may be underway and the researcher may be able to acquire certain material from other sources. **Thus, consumables must be extremely flexible.** (Researcher C, our highlight)

On the other hand, in item 7 (*no item invoice*), which occurred in 9.4% of the reservations, despite being an important item, it is observed that this occurrence is due to the lack of knowledge as to what the legislation defines it as skilled proof and what was presented as supporting document by the researcher (for example: invoice for the purchase of goods and services from legal entities and receipts for individuals).

The results reported so far demonstrate a lack of knowledge about the handling of public resources in line with what is expected from a process that is based on the concept of *accountability*, since it is directly related to the accountability of those who handle public resources. This environment contradicts the idea of the efficient use of these resources and there is concern, to some extent, with compliance of the legal norm, as several authors (Campos, 1990; Carneiro, 2004; Afonso, 2009; Pinho & Sacramento, 2009); already stated in their works. When comparing the questionnaire data with the data in the reports, there are obvious divergences. Researchers are aware of the norms in use of public resources when they say they take recommended actions, however, superficially and more linked to popular notions than the requirements of the law, emphasizing that in relation to public resources, the use must be in full compliance with the legal norms.

It is believed that most of the identified caveats are due, in part, to the researcher's lack of knowledge on how to proceed, given that these are procedures that do not require greater complexity and, in turn, highlight the need for improvements in communication between the parties (one of COSO's dimensions for internal controls), in this case the FAPDF and the researchers.

Considering the identified control environment, as well as the repetition of the caveats in the accountability reports, it appears that FAPDF's internal control failed to achieve its operational and strategic objectives. Initially because it did not monitor relevant and cumulative inconsistencies that occurred in the financial reports of research projects, and on the other hand, when this fact occurred, it does not subsidize through timely and relevant responses to management to correct such occurrences. The results identified here are in line with what is

expected from the role to be played by internal control and audit structures in the evaluation of organizational processes in order for the organization to achieve its aims (Fontenelle & Brito, 2013; Silva, 2009; Vieira & Freitas, 2015).

By analyzing the procedures individually, it is possible to state that they are relatively simple, however, considering the entire process of accountability in the current context, the excessive bureaucracy in the process of resource use is visible, not being a transparent procedure, for example, to obtain income authorization or changes in the financial schedule. In this regard it is worth noting the following perception.

The process is very tied and bureaucratic. The researcher has to think *a priori* on all the items he will have to buy. This is impossible in experimental research, particularly with regard to costing expenses. **There should be greater flexibility in spending (subject to rubric limits) for researchers, rather than having to ask FAP for authorization for each acquisition that may not have been mentioned in the original budget.** (Researcher A, our emphasis)

Under this perspective, it is observed that the whole process related to the accountability of projects funded by this organization does not observe the menu of new public management in Brazil, especially regarding the production of indicators and results control (Hood, 1991; Pollitt, 2002). Kelly (2000) also states that, within the Public Administration, processes need to be remodeled to avoid management failures, especially since the attention given to strategic aims, performance and evaluation adds, to the public perception, gains regarding the institution's performance. Kelly (2000) points out that the simplification of administrative processes and procedures improves levels of organizational effectiveness and efficiency.

Thus, the improvement of the accountability process will only be possible with the review, simplification of processes and production of efficient communication between collaborators and researchers. This communication resides by means of dialogue, the accountability manual and the development of an accountability system. This may stimulate the design of a control system that will understand the organization's strategic and social context (Salas & Gomes, 1999).

5 FINAL CONSIDERATIONS

The responsibility of the Federal District Research Support Foundation for the monitoring and execution of processes aims at the development, growth of various projects and works that will add value to the scientific field. Such research is extremely important, because from them it is possible to develop important areas, such as technology and issues necessary for the growth of the country, considering that the higher the levels of research, the more the Federal District tends to gain from their returns, and to a greater extent, Brazil as a country too.

This article aimed to understanding the research project reporting process, specifically to what extent FAPDF's internal control system contributes to the follow-up and analysis of the compliance of the allocation of financial resources of the research projects it finances.

In view of the responsibility involved in the execution and accountability of public resources, there must be consistency in their internal procedures and in the achievement of the entire reporting process. This is not a simple task, and therefore there was a pressing need to improve organizational processes, especially overcoming excessive bureaucracy. If not surpassed, it implies the loss of objectivity and distancing from the principles of the new public management. Such a departure from purpose tends to be due to the absence of principles that guide the system of internal controls that allow pointing out recurring failures throughout the budget execution of the respective projects, which in turn contributes to the persistence of these failures.

Failure to properly use public resources, poor communication between collaborators and researchers, and lack of control over the accountability process can cause the support foundation to lose control of scientific and technological research project funding. These controls must be interconnected (Schmidt & Arima, 2006) and encompass all administrative functions, coherently connecting the structure of the institution to planning, execution and control, since it deals with an organization of a public nature.

The adoption of internal procedures, such as descriptive, exemplary and itemized guidelines, can help to reduce the researchers' existing doubts when spending on their research projects. In addition, the pursuit of reducing bureaucratic procedures could also contribute to a better dynamics of budget execution and, consequently, its accountability.

Finally, the research can inspire the development of solutions that provoke or arouse the change in the organization internally, and consequently, in its external environment, in view of its valuable participation in the development of research in the Federal District. It is suggested that research of this nature be developed in other funding agencies in the various units of the federation, as the indications shown here may be similarly identified, given the functioning of organizations of this nature.

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