

## MANAGEMENT OF DEBITS REMAINS TO PAY: CASE STUDY OF RESULTS ACHIEVED BY UFSC IN THE PERIOD FROM 2011 TO 2016

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## ABSTRACT

*This study sought the results of the actions carried out by a public higher education institution according to the year 2011 in 2016, based on its composition, evolution, the actions performed by the managers, and the results achieved. For that, a case study was carried out with inspection of data with the control and inspection bodies, information about the SIAFI system and the Management Reports. Doses were examined in the analysis of the total amount committed and registered during the period that the capital expenses were paid in RP. The expenses that make the payment of reimbursement to benefits paid (RPNP) noted that the representativeness of expenses was conditioned by the provision of services by legal entities, specifically functions essential to the functioning of the university. The creation of RPNP registrations referred to a more representative nature of remuneration in composition, together with the actions of the departments responsible for remuneration management, the disclosure of a greater interaction with the study contract, the performance of training for computers of expenses and Implementation of specific procedures.*

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## 1 INTRODUCTION

Law 4,320/64, in the chapter of art. 36, limits the date of December 31st of each year as the maximum term for the State to comply with its payments arising from obligations assumed with third parties; otherwise, the person responsible for the posting of the public accounts shall record, in the accounting records, as remnants to be paid, according to art. 34 of said Law. At the end of the fiscal year, the deferred charges are recognized as expenses that are still incurred but are not paid until the last day of the financial year and can be segregated into two categories: processed and unprocessed (MCASP, 2017).

Regarding the expenses incurred, Kohama (2010) points out that those are the ones whose commitment was presented to the lender, which in turn delivered the material or provided the service and the expense was settled, lying in the payment step. Unprocessed expenses are that whose commitment has been issued, however, the acquired object has not yet been delivered and depends on some factor for the effective settlement (Kohama, 2010).

In the academic literature, the debits remains to pay instrument is criticized by different authors and under different aspects: (i) because it allows for an accumulation of debts for the public entity, and, consequently, financial difficulties for management in the following year (Neres, 2010); (ii) for presenting an inappropriate equity result, thus disregarding the principle of competence (Piscitelli & Timbó, 2010); (iii) the fact that its procedures are carried out in a hurried way, given the interest that resources are not lost (Alves, 2011); and (iv) for presenting divergences between budget and financial execution (Giacomoni, 2012).

In the legal sphere, the Fiscal Responsibility Law (LRF) and Decree no. 93,872/86 seek to restrict the existence of remnants to be paid in public budgets, canceling those that do not comply with the articles and even punishing managers for crimes of responsibility. By the means of audits, the General Comptroller of the Union (CGU) monitors the Management Units in order to guide them for the adoption of necessary controls on the balances of remaining assets to be paid.

Aquino and Azevedo (2015) argue that Brazil's good position in the Public Expenditure and Financial Accountability (Pefa) and Open Budget Initiative (OBI) indices should be viewed with caution. In spite of the maximum note in the disclosure of the RPP to the federal government in the Pefa index, and the LRF to be praised for regulating the issue broadly, the authors emphasize that the measures apply to the RPP, and nothing is said about the URP, which has triggered in the last decade, perhaps because it has not been subject to any regulation.

In this sense, aiming at the goal of greater control of the balances on remnants to be paid, public institutions must establish routines and administrative procedures in order to guarantee the effective implementation of actions aimed at the adequate and efficient use of the debits remains to pay Instrument (Peixoto & Peixoto 2017). Given this understanding, in order to understand the reflexes of these actions in a public institution of higher education, the following research question has been presented: What is the reflection of the actions carried out by the Federal University of Santa Catarina (UFSC) in the management of the debits remains to be paid in the period from 2011 to 2016? Thus, the goal is analyzing the reflection of the actions carried out by UFSC in the management of the remains to be paid in the period from 2011 to 2016, based on the composition of the remainder payable, its evolution in the proposed period correlated with the actions carried out by the managers, and the results achieved.

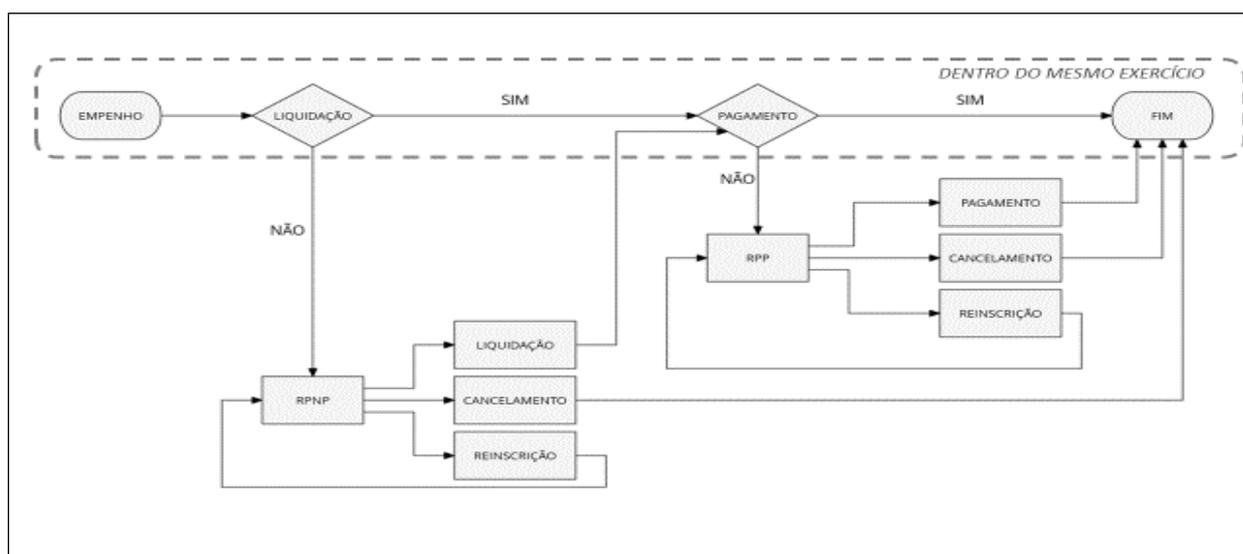
The justification for this study is based on role of public accounting, generating economic, financial, budgetary and property information, and then, allowing for greater transparency in society as to how public resources are being obtained and applied. This way, the purpose of analyzing the inscription of unpaid remnants is due to the relevance that this practice presents in the commitment of the financial execution of the budget of the subsequent fiscal year, as well as

turning it into a topic of discussion in relation to the moment of contingency of federal public authorities' resources. Regarding budgetary characteristics, UFSC presented in the analyzed financial years an excess of 900 million reais as initial funding, becoming one of the largest public budgets in the state of Santa Catarina. Therefore, it is expected that this study makes possible, under the light of the reality of UFSC, a better understanding about actions related to waste management.

## 2 THEORETICAL FRAMEWORK

### 2.1 Stages of budget expenditure and formation of remains to be paid

According to MCASP (2017), in its seventh edition, the expenditure execution stage is preceded by: (i) planning, which covers all analysis for the formulation of the plan and governmental actions, which will serve as a basis for the establishment of budgetary expenditure; (ii) decentralization or movement of credits; (iii) budget and financial programming; and (iv) bidding and contracting process. In turn, budget execution takes place in three stages: commitment, settlement, and payment. Figure 1 briefly presents a flowchart showing the main phases of the execution stage, as well as indicating the moment in which the registrations occur in processed and unprocessed unpaid remains.



**Figure 1.** Summary of expenditure execution steps

Source: Prepared by the authors (2018).

It should be noted that the flowchart shown in Figure 1 does not reveal all the specificities of the budget execution stage, instead it illustrates the sequence of events for inscription in remnants to be paid. That being considered, then it follows on the main concepts presented in Figure 1 according to the pertinent legislation, starting with commitment.

The commitment, according to art. 58 of Law No. 4,320/1964, is the act issued by a competent authority that creates, for the State, an obligation of payment pending or not of conditional implementation. Its formalization occurs with the issuance of a note of commitment, and only from this moment on the committed credit becomes unavailable for new applications (Lima & Castro, 2013). Still, according to the authors, the commitment represents a guarantee for the supplier or the contractor hired by the public administration that the part related to his contract has been blocked in order to honor the commitments assumed; therefore, the budget is committed through commitment. Giacomoni (2012) states that the commitment period does not adequately shape the competence of the exercise, which is characterized in the effective realization of the expenditure.

Still about the commitment, Garcia, Melo, Resende, Neto and Marciniuk (2015) argue that the commitment does not represent a net and certain obligation, but rather that the future expenditure is bound to the limit of available budget credit. The authors also point out that since the contractor has acquired a right, based on the documents proving the credit, in order to determine the origin, the object, the creditor and the importance of what should be paid, the liquidation stage is the most representative of the event generating the expense.

The next element is settlement, which consists of verifying the right acquired by the creditor based on the evidentiary titles and documents of the respective credit and has the purpose of ascertaining: the origin and object of what must be paid; the exact amount to pay; and to whom must be paid in order to extinguish the obligation (Law No. 4,320/1964, article 58). Also in article 58 it is observed that the settlement of the expense for supplies made or services rendered will be based on: the respective contract, adjustment or agreement; the note of commitment; the proof of the delivery of material or the actual rendering of the service.

It is worth mentioning that PCASP (Plan of Accounts Applied to the Public Sector) has included the step of execution of the expense - "on sale" which seeks the accounting record in equity according to the occurrence of the generating event, not the commitment. According to the MCASP (2017), such step inclusion makes it possible the process of convergence to international accounting standards, IPSAS, and that is demonstrated by the untying of recognition of the event generating the budget execution, commitment or settlement of the expense. Therefore, at the end of the financial year, this will be the stage where the classification of expenditures recorded as Remaining Payable in Processed (fulfillment of obligations by the creditor) and Non-Processed will occur.

With respect to the item of processed remnants (RPP), it is defined in accordance with MCASP (2017) as the expenses duly committed whose object of engagement has been received and not paid until December 31st. According to Aquino and Azevedo (2017), RPP enrollment may originate from expenditures already settled that have not been paid within the year, either by processing time or by the title maturity date. Instead, the inclusion in the URP would come from the need to maintain commitments for future execution that have suffered delays due to unforeseen events, in non-recurring services that will be finalized only after the end of the fiscal year.

It should be noted that there are several reasons why the authorized budget share is not implemented within the envisaged financial year. Garcia *et al.*, (2015) point some reasons such as: (i) contingency, which is the mechanism utilized to limiting federal government expenditures; (ii) complexity of the bidding process; and (iii) excessive bureaucracy and lack of planning, leading to a large number of budget releases at the end of the year, which entails large quantities of commitments. Therefore, the time for the effective achievement of the expense becomes scarce, remaining to promote the enrollment of balances of unprocessed commitments in remnants to pay.

Unpaid remnants (URP), in turn, have their occurrence registered as indicated by the authorizing officer based on the documents that may be registered on 12/31, that is, in the commitment balances (MCASP, 2017). In this regard, Garcia *et al.*, (2015) affirm that managers should be zealous in evaluating the balances of commitments at the end of the period, with a view to canceling all documents that do not have legal support, as provided by Law 4,320/64, art. 35, II.

Payment consists on delivery of cash to the creditor by means of a check, payment orders or credit account, and can only be achieved after the regular settlement of the expense (MCASP, 2017). Regarding the payment order, Law No. 4,320/1964, in art. 64, defines it as the dispatch by competent authority, determining that the liquidated expense is paid. It should also be noted that expenditure can only be paid by treasury or payment regularly established by banks and, in some cases, by advances (Slomski, 2013).

The cancellation of expenses committed and inscribed in remnants to pay must observe specific routines regarding information of patrimonial, budgetary and control nature. This routine will get a specific treatment, according to the stage in which the expense is, and may be pending settlement (“liquidating” or “in liquidation”) or liquidated (MCASP, 2017).

Finally, it is worth mentioning, according to art. 70 of Decree No. 93,872 (1986), that the liabilities related to remnants payable are prescribed in five years. However, there are situations where a discontinued prescription occurs, which are the expenses whose registration in remnants have been canceled, but the creditor's right is still in force, due to liquidation. Given the write-off of the remainders to be paid and even their prescription, the expenses recognized will be paid, describing them as “Expenses of Previous Years.”

After describing the particularities of the stages of the budget expenditure and the formation of remains to be paid, it is interesting presenting some national studies carried out at university level.

## **2.2 Impact of Remains to Pay on fiscal balance management**

The two forms of remains to pay (processed and unprocessed) challenge the tax regime. However, the URP way is particularly problematic as it does not circulate in the regular budget; what should have been an exception becomes a rule (Aquino & Azevedo, 2017).

According to Camargo (2015), the government finances’ management is compromised whether every year, a portion of the expenditure ceases to be paid and is classified in remnants to be paid, with the simple aim of broadening the fiscal targets or performing political control.

Aquino and Azevedo (2017) found that, in addition to increasing indebtedness, poor regulation, especially unprocessed remnants, is seriously reducing the credibility and transparency of the budget at all levels of government. According to the authors, the current regulation and the low carry-over control via remnants of pay have, as a side effect, the increase of indebtedness, the loss of the principle of annuity and the reduction of budgetary credibility and transparency. The authors emphasize the need for the public administration to invest in the utilization of tools that allow for monitoring of budget execution in order to assist the budget manager in achieving the improvement of the management of public expenditures, thus avoiding the public budget remain simply a “piece of fiction”.

The present study, based on UFSC’s reality, aims proposing a better understanding of how actions related to waste management can impact the reduction of their registration, thus fighting fiscal imbalance, as pointed out in the literature.

## **2.3 Previous studies on budgetary expenditures in universities**

In order to broaden the understanding of budgetary expenditures within Brazilian federal universities, we discuss a number of studies (Magalhães, Oliveira, Wakim & Faroni, 2006; Neves, Libonati, Miranda & Menezes, 2014; Silva, Neves, Campos & Vasconcelos, 2014 and Santana, 2016) that emphasized different samples and aspects. It is highlighted as the criterion of choice of these studies the similarity of application of the problematic and of the research environment.

Magalhães *et al.*, (2006) have analyzed the budgetary evolution of the Federal University of Viçosa (UFV) over a period of three years (2001-2003). The results showed that the amount of the budgeted expenditure greater than the executed expenditure was due to the contingency of budget quotas by the federal government, it was not possible to spend it in that period, besides there was not enough time to proceed with the bidding for the acquisition of supplies and services needed for the maintenance of the Institution's daily activities. As for the remainder to be paid from each element of expenses, it has been verified that these could have occurred due to the longer term granted by the suppliers for the purchases made by the UFV.

In order to investigate the events that affected the physical and budgetary execution of the programs “Brasil Universitário” (Universitary Brazil) and “Development of Postgraduate Education and Scientific Research”, conducted by the managers of the Brazilian federal universities, Neves *et al.*, (2014) applied the method of content analysis in the information of the management reports of nineteen universities, located in four Brazilian regions. Among the findings, they observed that delays in the release of resources, when resulting from parliamentary amendments, significantly influenced the budgetary and physical execution of actions. Moreover, they concluded that the investments, which corresponded to the execution of works and acquisition of equipment, have a low liquidation and payment index in the year in which the commitment occurs.

In order to verify if there has been a modification in the situation of the remains payable at federal universities in the Northeast region with the advent of Decree No. 7,654, dated of December 23rd, 2011, which increased the validity period of unpaid remnants by six months and also allowed exceptions to the cancellation of certain expenses after its publication, Silva *et al.*, (2014) analyzed the budget execution of fourteen universities. The authors observed that there were no statistical differences between before and after the decree in relation to the percentage of remnants to pay on the amount committed by the institutions.

Santana (2016) studied the total executed volume of the budget for the years 2011 to 2013 at the Federal University of Santa Catarina (UFSC), correlating with the implementation of the Remains to Pay enrolled by the institution. Analyzing the budget data, it has been verified that the volume of Remains to Pay kept above 50% of the amount originally committed in the three years analyzed. He pointed out the difficulty in the execution of works by the institution, as well as in other capital expenditures, since they had an inscription in Remains to Pay above average and a higher rate of cancellation.

In view of the description of the studies presented, there is research on the problem of registration of Remains to Pay in public universities. However, there is also need for studies that address the issue of actions taken by institutions in the area of waste management and results obtained.

### **3 METHODOLOGICAL PROCEDURES**

This descriptive study featuring a qualitative approach has been carried out through a case study, together within a public and federal higher education institution - Federal University of Santa Catarina (UFSC). Regarding the approach, it is emphasized that although simple statistical instruments have been utilized in the process of data analysis and interpretation, the intention was to describe and understand the peculiarities and dynamism of the management of Remains to Pay.

#### **3.1 Data Collection and Processing**

Data collection took place partly online within the Transparency Portal and electronic sites of control and inspection bodies, and via the SIAFI Management system (a platform that provides consultation services, built-in consultation and reporting to the General Balance Sheet of the Union, based on budgetary, financial and equity execution registered information). It is emphasized, for purposes of validity of the research, that, because it is a public institution, Law 12,527/11 (Law on Access to Information) guarantees access to public information upon request.

It should be noted that access was obtained to the Management Reports of the years analyzed (2011 to 2016), in order to enabling the evaluation together with the quantitative data, re-occurrences or not of notes on Remaining Payments in the audit reports, and indications of possible changes to the procedures relating to Remains to Pay in the analyzed period. Therefore, from the compilation and processing of the collected data, tables and graphs have been prepared with the use of tools such as MS Excel in order to facilitate the interpretations and analyzes

proposed. That way, the data extractions performed by SIAFI Managerial systems are classified as first-hand sources in this collection process, since they have not undergone any previous analytical treatment; as for the Management Reports, they have been previously analyzed as second-hand sources (Gil, 1999).

### **3.2 Research Delimitation**

This study focuses on analysis of UFSC's remaining assets payable from 2011 within 2016. The choice of those six years is justified because it allows for a greater analysis and comparison of values, allowing to identify how the remains to pay have actually evolved, which is their composition, what are the most significant inscriptions by classification, the amount registered each year and what are the impacts of managers' actions on evolution over the years. It is worth mentioning that the year 2017 was not included in the analysis because the accounting of the exercise had not been finalized when this research was elaborated.

UFSC is headquartered in Florianópolis (Santa Catarina), a municipality under a special regime linked to the Ministry of Education (MEC). It has been created in the year of 1960 through Law No. 3,849 and it harbors a community estimated at 50 thousand people, among students and servants (for example: teachers and administrative technicians). Regarding budgetary characteristics, UFSC (Management Unit 153163) presented in the analyzed financial years an excess of 900 million reais as initial funding, becoming one of the largest public budgets in the state of Santa Catarina.

## **4 DATA ANALYSIS AND DISCUSSION OF RESULTS**

The analysis set out in this section concerns discretionary expenditure, not part of the analysis of staff costs, since they present a greater facility for execution, in part because they are not governed by the Bidding Law (Law 8,666/93) for their realization, and because the budget credits are authorized based on previously established values. Therefore, compulsory expenses, those that do not depend on the action of the manager to occur, having a mandatory nature regarding their payment, have also been excluded from the analysis.

The tables and graphs presented herein are at a thousand scale (x1000), for a better disclosure of values and balances. Acronyms have been used in the elaboration of tables and graphs, as well as in the analysis performed, such as: Remains to Pay (RP), Processed Remains to Pay (RPP), Unprocessed Remains to Pay (URP). Finally, it should be noted that the analysis only includes the inscription of remnants payable of the periods, thus excluding reinscriptions, cancellations and payments from the balances and movements presented.

The first subtopic presents the composition of the remains to pay of the investigated period, presenting the classifications provided by law and showing in more detail the most significant expenses of the composition. The second sub-topic analyzes the evolution of the inscriptions, presenting the “cause-effect relations” of the actions carried out by the administration in the institution regarding the management of the remains to pay.

### **4.1 Composition of Remains to Pay registered for the period 2011 to 2016**

Law No. 4,320/64 classifies the current expenses as (i) cost expenses (salary charges, acquisition of materials, etc.), and (ii) current transfers (charges for idles and pensioners, interest on active debt, etc.). Capital expenditures, according to said Law, comprise investments, financial investments and capital transfers. In this understanding, Table 1 makes use of this classification in order to highlight the amounts committed and inscribed in remnants payable in the period from 2011 to 2016, showing the corresponding percentage of inscribed values.

Table 1

**List of values committed and inscribed in Remains to Pay for the period 2011 to 2016**

Year	Current			Capital stock			Total		
	EMP (1)	RP (2)	% (2/1)	EMP (3)	RP (4)	% (3/4)	EMP	RP	% (1+3) (2+4)
2011	198,126	80,431	(40.60%)	70,157	57,518	(81.98%)	268,284	137,949	(51.42%)
2012	269,376	131,177	(48.70%)	83,610	48,475	(57.98%)	352,986	179,652	(50.90%)
2013	302,878	136,794	(45.16%)	86,953	65,060	(74.82%)	389,831	201,854	(51.78%)
2014	257,586	84,158	(32.67%)	43,648	34,992	(80.17%)	301,234	119,150	(39.55%)
2015	219,756	57,967	(26.38%)	42,760	36,540	(85.45%)	262,516	94,507	(36.00%)
2016	299,308	70,757	(23.64%)	39,981	26,297	(65.77%)	339,289	97,054	(28.61%)
<b>Total</b>	<b>1,547,030</b>	<b>561,284</b>	<b>(36.28%)</b>	<b>367,109</b>	<b>268,882</b>	<b>(73.24%)</b>	<b>1,914,140</b>	<b>830,166</b>	<b>(43.37%)</b>

**Note.** EMP: Allocation; RP: Debits to pay

Source: Source of the search (2018).

According to the data featured in Table 1 it is possible to verify a high enrollment index for capital expenditures, with enrollment percentages above 50% at the end of each year analyzed, reaching rates above 80% in 4 of the 7 analyzed years. Since capital expenditures are linked to investment expenditures, such as works and the purchase of permanent equipment, these expenses tend to present a more complex and longer-term execution process, and may be more subject to delays or even discontinuities due to contractual problems or economic factors. This is a good case for a future study about budget execution of capital expenditures.

Current expenditures present percentages ranging from 23.64% (2016) to 48.7% (2012), well below those of capital expenditures. It is worth noting the decrease in the percentage of RP enrolled over the period, and in the first three years analyzed (2011, 2012 and 2013), the data indicate that for each R\$ 2.00 committed, at least R\$ 1.00 was converted into a planned expense, but not executed, thus being inscribed in remains to pay. From 2014 onwards, the enrolled percentage of remains to pay fell in proportion to the commitments made, reaching the lowest rate (28.61%) in 2016. The analysis of the causes of these variations is addressed in the next subtopic. Regarding the composition of the RP for the period, there is a predominance of current expenses, which amount a total of R\$ 561,284.00 and represents 80.82% of the registrations made.

The total amount inscribed in remains to pay in the analyzed period is presented in Table 2, which segregates the Remains to Pay in: Processed Remains to Pay (RPP) and Unprocessed Remains to Pay (URP). The processed ones represent the expenses settled, those in which the corresponding good or service has already been delivered. In turn, the unprocessed ones went through only the stage of commitment and have not been liquidated.

Table 2

**RP Composition in Processed Remains to Pay (RPP) and Unprocessed Remains to Pay (URP)**

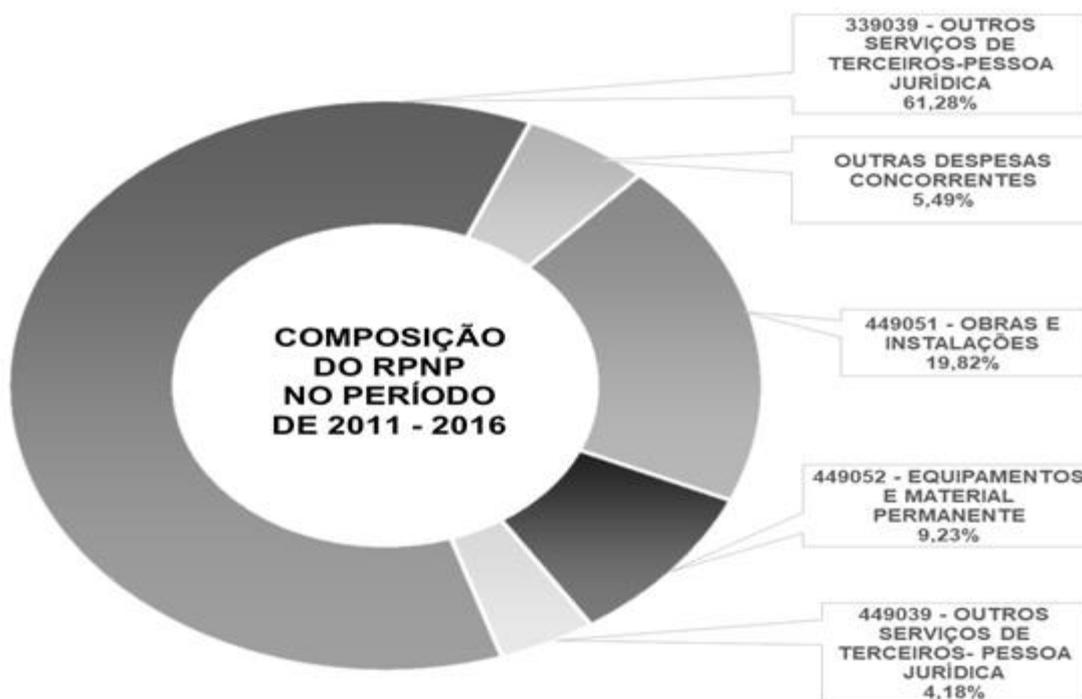
Year	Processed	%	Not Processed	%	Total
2011	822	(0.60%)	137,127	(99.40%)	137,949
2012	5,768	(3.21%)	173,884	(96.79%)	179,652
2013	4,555	(2.26%)	197,299	(97.74%)	201,854
2014	7,115	(5.97%)	112,035	(94.03%)	119,150
2015	10,389	(10.99%)	84,118	(89.01%)	94,507
2016	12,035	(12.40%)	85,018	(87.60%)	97,054
<b>Total</b>	<b>40,684</b>	<b>(4.9%)</b>	<b>789,481</b>	<b>(95.10%)</b>	<b>830,166</b>

Source: Source of the search (2018).

The data allows us to verify that about 90% of the amounts registered in Remains to Pay are Unprocessed. Unprocessed Remains to Pay carry an appropriation that, although bound, is not jeopardized, as the corresponding expense still lacks settlement (also called Remains To Do). The proportion of RPNP in relation to the total registered decreased over the years, with a peak

in 2011 of 99.4% of the registered value, falling to 87.6% in 2016. The RPP increase indicates that over the years more expenses have been settled in the year in which they were committed, only the financial obligation being transferred to the following year.

Given the representativeness of RPNPs in the analyzed period, it is worth examining the natures of expenditure that compose the 95.10% of the registrations in remains to pay in the period from 2011 to 2016 (R\$ 789,481,267.83). Figure 2 shows the proportion by nature of expenditure of the inscriptions made in RPNP in the analyzed period.



**Figure 2.** Composition of Unprocessed Remains to Pay (RPNP) over the period

Source: Source of the search (2018).

In addition to Figure 2, Table 3 is presented, which shows the annual amount registered in each type of expenditure presented and the corresponding percentage relative to the total annual subscribed value.

Table 3

**Composition of RPNP segregated by nature of expenditure and year of registration**

Year	Other services from third-parties-LP (current)		Other expenses (current)		Equipment and permanent material (capital)		Works and installations (capital)		Other services from third-parties-LP (capital)		Total
	\$	%	\$	%	\$	%	\$	%	\$	%	
2011	73,164	(53.35)	7,266	(5.30)	18,456	(13.46)	32,498	(23.70)	5,742	(4.19)	137,127
2012	118,116	(67.93)	7,931	(4.56)	20,601	(11.85)	23,695	(13.63)	3,542	(2.04)	173,884
2013	124,344	(63.02)	8,643	(4.38)	12,205	(6.19)	42,170	(21.37)	9,936	(5.04)	197,299
2014	71,009	(63.38)	7,085	(6.32)	10,863	(9.70)	16,806	(15.00)	6,272	(5.60)	112,035
2015	44,458	(52.85)	5,925	(7.04)	5,803	(6.90)	21,063	(25.04)	6,868	(8.16)	84,118
2016	52,691	(61.98)	6,471	(7.61)	4,963	(5.84)	20,270	(23.84)	623	(0.73)	85,018
<b>Total</b>	<b>483,784</b>	<b>(61.28)</b>	<b>43,320</b>	<b>(5.49)</b>	<b>72,892</b>	<b>(9.23)</b>	<b>156,502</b>	<b>(19.82)</b>	<b>32,983</b>	<b>(4.18)</b>	<b>789,481</b>

Source: Source of the search (2018).

Table 3 makes use of the economic categories to classify expenditures, segregating them, and it is possible to classify budget expenditures as current (category 3) and capital (category 4). The currents can be understood as those of cost of public administration; while those of capital are those that incorporate value to the public patrimony in the form of acquisition or formation of capital goods.

By means of the detail of the expenses that make up the RPNP, it is verified that the majority of this composition (66.77%) corresponds to current expenses (economic category 3), being formed by services of third parties - legal person (61.84%). For purposes of better presentation, 16 types of expenses have been grouped under the heading "Other Current Expenses" and represent 5.49% of the total. Capital expenditures (economic category 4) represent 33.23% of the total and are composed of 3 types of expenditure: construction and facilities (19.82%), equipment and permanent equipment (9.23%), and other third-party legal person services (4.18%).

It should be noted, therefore, that the expenditures entered in relation to the type of current expenditure (economic category 3, expenditure nature group 3), of direct application (modality of application 90), specifically referring to "other services of third parties - legal entity" (Expenditure item 39), represent a significant portion in each of the years analyzed. Over this element of expenses, they are recorded as those arising from the provision of services by legal entities to public bodies.

Table 4, on the other hand, intends to list the composition of this type of expenditure by sub elements, based on the internal plan classifications of the analyzed institution.

Table 4

**Detailing by sub element of expenses recorded in Remains to Pay of the nature of expenditure "other services of third parties - legal entity"**

Nature of expense	Description according to internal plan	Registration (R\$)	% total
33903979 – Administrative, technical and operational support service	It records the value of expenses such as cleaning services, sanitation, garbage collection, removal of rubble, conservation, fumigation and the cleanliness of public agencies and washing of vehicles. (In cases where the contract does not specify the physical quantity of personnel to be used).	223,512	(46.20%)
33903965 – Teaching support services	Records the expense value of all services utilized in order to provide the development and improvement of vocational assets, at all levels, including surveys, experiments, and similar.	162,854	(33.66%)
339039 – Other third party services – Legal Entity	A total of 43 expenditure sub elements have been grouped in this category by their representativeness in relation to the total analyzed	97,417	(20.14%)
<b>Total</b>		<b>483,784</b>	<b>(100.00%)</b>

Source: Source of the search (2018).

The analysis of the information contained in table 2 altogether with tables 3 and 4 allows the interpretation of the composition of the values recorded in Remains to Pay of the Federal University of Santa Catarina in the period from 2011 to 2016, thus responding to the research objective. The RP of UFSC is mostly composed (61.28%) by RPNP referring to other third party services – legal entity, which records the costs of electricity, water and sewage, outsourced contracts, maintenance of real estate, telephony, equipment leasing, equipment maintenance, among others, composes this heading for they are the main and essential for the operation of UFSC.

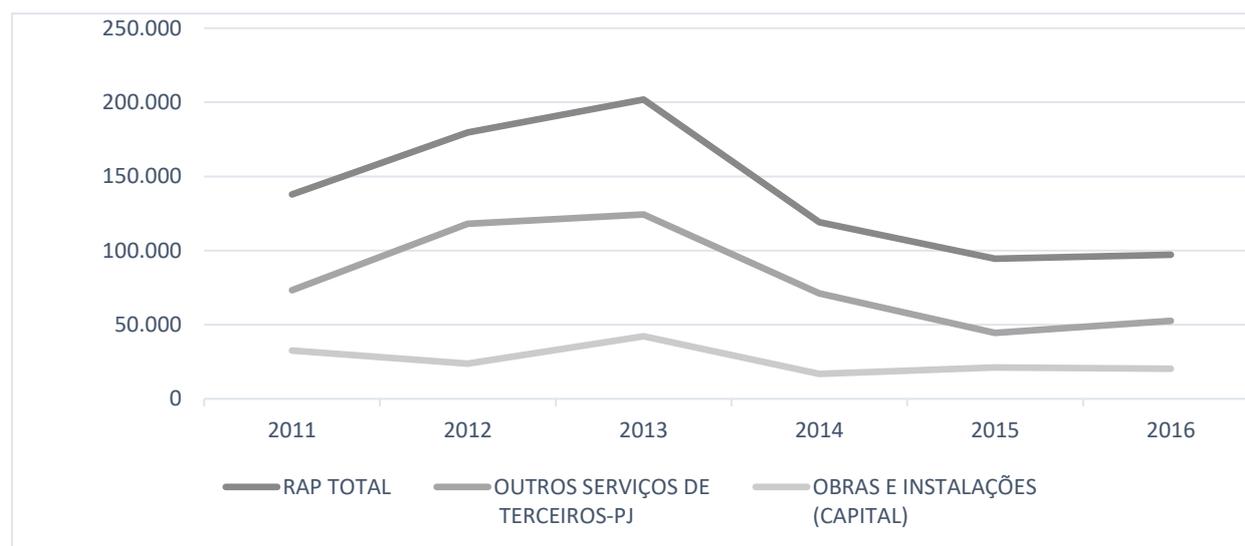
Using the data in table 1, by analyzing horizontally the evolution of the remains to pay over the years, it is noted that the year 2014 presents a reduction in the total of registered RP,

ranging from a 51.78% rate of registration in RP of total commitments issued to 39.55%, representing a fall of 12.23 percentage points. The subsequent years recorded the lowest enrollment rates for the analyzed period, 36% (2015) and 28.61% (2016). The management reports of UFSC recorded the decline of this percentage and indicate the actions performed that resulted in fall of registrations in remains to pay in each of the years:

- “In 2014, the Accounting and Finance Department (DCF) made an effort to reduce the remains to pay within the tax authorities of the contracts whose commitments were in that situation.” (UFSC, 2014, p. 250).
- “Carrying on the effort made in 2014 to reduce the remains to be paid, the DCF contacted the fiscal contracts whose commitments were without liquidation.” (UFSC, 2015, p. 116).
- “Such a reduction is due to the process of improvement of controls related to the remains to pay, including the realization of specific trainings in the area for expense ordinator and their advisors, and the implementation of specific procedure for indication of remains payable to be enrolled at the end of the year, according to the Decree 93.872/86.” (UFSC, 2016, p. 118).

The impact of the actions performed resulted in a significant drop in the most representative accounts of the RPNP over the period. Because it has a constant presence in all financial years and because it has the highest representativeness in view of the total amount of registrations, as can be seen in table 3, the expenses relating to contracts of legal persons providing the services essential for the university have a difficulty to go through the settlement stage in the year that is committed. However, specific actions implemented by the management, such as controls in the flow of registration, monitoring of the settlement step and training of the expense ordinator, reflected in a reduction in the account more representative of the composition of the RP and, for consequence, a reduction in the volume of RP enrolled in that period of time.

Figure 3 shows the evolution of the RP amounts entered altogether with the two most representative expenditure natures of the composition during the six years delimited by this study for analysis.



**Figure 3.** Evolution of RP 2011 to 2016

Source: Source of the search (2018).

Based on the tables and Figure the growth of RP is observed up to the year 2013 and consequent decrease up from 2014.

In addition to the measures observed in the management reports of the entity from 2014, which demonstrate a management action in order to reduce the inventory of remains payable, one should also consider the amendment of the Decree 93.872/86 in 2011, through the Decree 7.654/11, which despite bringing a relaxation in relation to the validity period of the RP, also brought the responsibility of the registration of the RPNP for the manager, no longer automatic, as pointed out by Santana (2016). Thus, the change itself can have a cause and effect relationship in the institutional effort established in the management reports between 2014 and 2016.

From the findings, it is emphasized that they are aligned with the studies of Neves *et al.*, (2014), Silva *et al.*, (2014) and Santana (2016), in which it becomes evident that the expenses that most contribute to the registration of remains to pay are the capital expenditures. The current expenses, also known as costing expenses, represent in absolute values an amount that corresponds to 80.82% of the registrations made. Pointing this same direction, Magalhães *et al.*, (2006) found similar results in their study, in which they pointed out the largest deadline given by suppliers in the purchases made.

## 5 FINAL CONSIDERATIONS

This study aimed in verifying the reflection of the actions performed by the Federal University of Santa Catarina in the management of remains to pay in the period from 2011 to 2016. By means of the analysis of the composition of remains to pay, it has been verified that the capital expenditures present high rates of registration in RP, above 70%, when analyzing the total amount committed and enrolled over the period.

The segregation in processed and non-processed RP showed that 95.10% of the entries entered are expenses whose commitment was issued, however, the object acquired had not yet been delivered, depending thus on some factor for the effective liquidation (unprocessed). Detailing the expenses that compose the amount of RPNP from the period 2011 to 2016, there has been a significant representativeness of expenses resulting from the provision of services by legal entities to public agencies, specifically expenses essential for the functioning of the university, such as administrative, technical and operational support, and services used in order to provide the development and improvement of education.

The year-on-year evolution of the RPNP entries of nature of more representative expenditure in the composition, together with the correlation with indication of the actions of the departments responsible in the management of remains to pay, evidenced that a greater interaction with the tax contract, the improvement of controls related to the remains payable, the realization of specific training in the area for expense ordinarators and the implementation of specific procedures for indication of the remains to pay culminated in a fall of the inscription of RPNP and therefore in RP. This result verified in the research, therefore, evidences that the management effort, verified in the reports taken from the management reports, was, in some way, effective in reducing the inventory of remains payable.

The results corroborate the findings of Aquino and Azevedo (2017), a study in which the authors emphasize the need for public administration to invest in utilization of tools that enable the monitoring of budgetary execution, with the aim of assisting the budget manager in achieving improved management of public spending, thus avoiding the public budget being simply a “piece of fiction”.

It is hoped that a study will enable, based on the reality of UFSC, a better understanding of how actions related to the management of the remains to pay can impact on the reduction of enrollment, thus combating the loss of the principle of annuity and the reduction of credibility and budgetary transparency caused by the postponement of expenditures by the Brazilian public management.

Finally, we emphasize as a limitation of this research the emphasis on the data of only one institution, which does not allow for the generalization of its findings. As a suggestion for future

research, it is possible: (i) extending the period analyzed for previous and later years and thus becoming able to draw a broader evolutionary line; (ii) applying more robust statistical procedures, such as panel data for visualization of data behavior; and (iii) applying the research to other public agencies (universities or not), in order to compare the behavior of the studied phenomenon.

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