

EVIDENCE OF OFF-BALANCE INFORMATION IN THE CONSOLIDATED FINANCIAL STATEMENT OF THE BRAZILIAN FEDERAL GOVERNMENT

DIANA VAZ DE LIMA

University of Brasília. *Address: Campus Universitário Darcy Ribeiro, s/n, Prédio da FACE - Salas B1-02, Asa Norte | 70.910-900 | Brasília/DF | Brazil.*

<http://orcid.org/0000-0002-4477-445X>
diana_lima@unb.br

DIEGO RODRIGUES BOENTE

Fucape Business School. *Address: SCS Quadra 07 Bloco A nº 100, Sala 1305 - Edifício Torre do Pátio Brasil, Asa Sul | 70.307-901 | Brasília/DF | Brazil.*

<http://orcid.org/0000-0002-2970-7427>
diegoboente@gmail.com

GABRIEL LOPES BARROS

University of Brasília. *Address: Campus Universitário Darcy Ribeiro, s/n, Prédio da FACE - Salas B1-02, Asa Norte | 70.910-900 | Brasília/DF | Brazil.*

<http://orcid.org/0000-0001-8524-5303>
bieltimao2008@gmail.com

ABSTRACT

This study aimed at identifying of off-balance information in the Consolidated Financial Statement of the Brazilian Federal Government (GBS). In order to achieve this purpose, we delimited the knowledge about the financial statements as the core of the accounting information, following the steps taken to elaborate and evaluate the Brazilian Federal Government institutions GBS and characterized what is information off-balance. From a methodological point of view, the document analysis technique was applied, based on Chapter 5 of the Report and the Prior Opinion on the General Government Accounts of the Republic, prepared by the Federal Court of Accounts (TCU), for the period between 2013 to 2015, dividing the didactic script into three stages: superficial reading, in the pre-analysis stage; splitting of the text by year and by groups of accounts, in the material exploitation stage; and presentation of results, highlighting the information provided by the analyzes, in the final stage. The Accounts of the President of the Republic reports, prepared by the Comptroller General of the Union (CGU), were also used for the period from 2013 to 2015 to observe the impacts of this information on the GBS. The findings of the study show that the off-balance information resulted in reliability and trustworthiness losses in the information analyzed, implying an unregistered amount of almost R\$ 1.9 trillion in 2013, R\$ 37.5 billion in 2014 and R\$ 23, 88 billion in 2015.

Keywords: GBS. Disclosure. Accounting Information. Public sector.

Article published in the proceedings of the 8th Brazilian Congress of Administration and Accounting - AdCont 2017.

Submitted on 01/24/2019. **Accepted on** 03/15/2019. **Published on** 04/23/2019.

1 INTRODUCTION

According to Silva, Gonçalves, Tavares, and Lima (2010, p.18), in ideal situations, accountants should make decisions based on his scientific knowledge, while not letting himself to be influenced by environmental issues. When analyzing the influence of the conservatism incentive on the accounting choices related to the recognition of the provision of contingent liabilities, the authors verified that the presence of a decoy might affect the accounting decisions and, in addition, this influence may vary according to the individual profile.

The Brazilian Public Sector Accounting Standard (NBC TSP) - in the Conceptual Framework applied to the Public Sector norm, edited by the Federal Accounting Board (CFC) - shows that the omission of some information may cause the representation of the acts and facts accounting for false or misleading information, resulting in loss, to the user, in the information usefulness (item 3.12). According to the standard, the selection and presentation of financial and non-financial information should not be made with the intention of achieving a particular predetermined result, as it may influence the users' accountability assessment and implying responsibility by entity (item 3.13) (CFC, 2016).

According to Cruvinel and Lima (2011, p. 77), the goal of Public Accounting is the faithful representation the assets of the entities, so the accounting information must show the real public entity situation and not the interest of individuals (Amaral & Lima, 2013, p.175).

While commenting on the necessity for research on Balance Sheet Management, Stology and Breton (2004, p.29), as cited in Paulo (2007, p.65), include information on the need for more research on the off-balance as the main research items. Lewis (2013) warns that there has been increasing development of off-balance paid practices, preventing the entire recognition of assets and liabilities.

In Brazil, the accounting information quality disclosed in the Federal Government has only recently been discussed, with the "*pedaladas fiscais*", practices which, according to Villaverde and Fernandes (2015), was considered a fiscal responsibility crime, an important fact for the impeachment of former President Dilma Rousseff.

For Schroeder (2001, p. 544), as cited by Xavier, Paulo and Da Silva (2014, p.2), the financial statements are part of a broad disclosure system, moreover, "the most relevant information should always be presented in the financial statements". According to Reis, Lima and Wilbert (2015, p.12), the explanatory notes are an integral part of the financial statements, but they do not replace their content, so much so that the Fiscal Responsibility Law (FRL), aiming transparency of public entities, has been requiring that the financial statements issued by these entities become even more open to public (Xavier et al, 2014, p.2).

Considering that the inadequate disclosure of public assets and the absence of accounting procedures supported by adequate concepts and principles reveal the need to develop strategic guidelines for the improvement of Accounting applied to the Public Sector (CFC, 2007) and that accounting information should allow evaluation of aspects related to economy, efficiency and efficacy in the application of resources to provide public service (CFC, 2016), this study has as its guiding question: **Is there evidence of off-balance statement information in the GBS?**

Thus, our objective in the present study was to identify evidence of off-balance information in the GBS, through the document analysis technique, based on Chapter 5 of the Report and the Prior Opinion on the General Government Accounts of the Republic prepared by the Federal Court of Accounts, covering the period from 2013 to 2015, and the Accounts of the President of the Republic reports prepared by the Office of the Comptroller General of the Union (CGU) for the period from 2013 to 2015.

In addition to the introduction, this study presents four more sections. In Section 2, we present the theoretical and normative reference on the subject, thus bringing the financial statements as the core of the accounting information, the steps for the elaboration and evaluation of the GBS, and the theoretical reference on off-balance information. The methodology we employed in the study is demonstrated in Section 3. In Section 4, we present the results obtained

from the analysis, displaying the pieces of evidences of the off-balance information and their impacts on the GBS. The final considerations of the study and the suggestion for future research are presented in Section 5, followed by the references used.

2 THEORETICAL FRAMEWORK

2.1 The Financial Statements as the Accounting Information Core

According to the notions provided by the Conceptual Framework applied to the Brazilian Public Sector (CFC, 2016), governments should disclose their accounting to those who provide their resources, as well as those who depend on them so that services are provided during a given year or in the long term (item 2.8).

Augustinho and Oliveira (2014, p. 55) argue that the financial statements are the main and most relevant documents of accountability disclosure of public agents. In the role of accounting information core, financial statements portray the financial and non-financial effects of transactions and other events by grouping them into broad classes that share common economic characteristics, named accounting statement elements (CFC, 2016).

According to the International Federation of Accountants (IFAC), the elements correspond to the basic structures from which the financial statements are prepared: Assets, Liabilities, Shareholders' Equity, Revenue, and Expenditure (IFAC, 2010, item 1.7). In some circumstances, recognizing the economic phenomena not captured by the previously defined elements (item 5.4) may be required to ensure that the financial statements provide useful information for a significant assessment of the entity's performance and financial position, (CFC, 2016).

For the NBC T SP Conceptual Framework, the recognition of an equity element is the process of incorporating and including an item expressed in values to be demonstrated in the appropriate accounting statement that satisfies the element definition. And this sho

uld be measurable in a way that observes the qualitative characteristics, taking into account the restrictions on the information included in the public sector entity's general purpose accounting reports (RCPG) (items 6.1 and 6.2) (CFC, 2016).

Another point established in this conceptual framework is that those responsible for the preparation of RCPGs should review and evaluate all available evidence in determining whether the element exists and should be recognized, whether that element remains qualified for recognition, or whether there is a change in an existing element (item 6.6) (CFC, 2016).

2.2 Elaboration of the Consolidated Financial Statement of the Brazilian Federal Government

In the Brazilian Federal Government scope, in addition to the budgetary and financial information, the accounting information is gathered in the Consolidated Financial Statement of the Brazilian Federal Government - commonly known as the General Balance of the Union (in Portuguese, GBS) - including, among other reports, the accounts of all entities of the Federal Public Administration, accompanied by the Report on the activities performed during the period (SIAFI macro-function 010400).

According to Federal Court of Accounts (TCU) (2015, page 13), the Ministry of Finance's National Treasury Secretariat (STN) is entitled to prepare and consolidate the GBS, according to art. 18, item VI, of Law 10,180, February 6, 2001, cc on art. 7, section VI of the decree 6.976 of 7th October 2009. As argued by Passos (2012, p.125), the disclosure of the information in the GBS is done by the STN through the Integrated Financial Administration System (SIAFI), which accounts for the acts and facts practiced by the public managers during the financial year within the scope of the Brazilian Federal Government.

After sending the information to SIAFI, the jurisdictional units accountants must issue a statement confirming the adequacy of the financial statements with the Brazilian accounting standards (SIAFI macro-function 020318, item 8.1.1). Should there be any caveat, this statement should be part of the explanatory notes to the GBS, and STN is responsible for evaluating any inconsistencies, irregularities or exceptions (SIAFI macro-function 020318, item 8.1.2)

The elaboration of the GBS is then accomplished with the consolidation of all this information, and the entities that use SIAFI in the full modality will have the data automatically integrated. For those bodies that do not meet these criteria, additional procedures will be required, such as the forwarding of balance sheets and statements of budget execution to the respective Accounting Sectors, which will perform the payment of the accounting balances within the present month (SIAFI macro-function 020311, items 2.2 and 4).

The GBS is composed of the following financial statements:

- a) Balance Sheet (BP): accounting statement that qualitatively and quantitatively states the financial status of the public entity through accounts representing the public equity, as well as the potential acts, which are recorded in clearing accounts;
- b) Budgetary Balance (BO): accounting statement showing the anticipated budget revenues and expenditures, in comparison with those realized;
- c) Financial Statement (BF): accounting statement showing the revenues and budgetary expenses, as well as extraordinary inflows and outlays, in addition to the cash balances of the previous year and those that are transferred to the beginning of the following year;
- d) Statement of Changes in Equity (DVP): accounting statement showing changes in equity, resulting from or independent of budget execution, indicating the net income for the year;
- e) Statement of Changes in Shareholders' Equity (DMPL): accounting statement showing the evolution of the entity's shareholders' equity, required only for the subsidiaries, provided that they are incorporated in the form of a corporation;
- f) Statement of Cash Flows (DFC): accounting statement that shows the cash inflows and outflows.

The Glossary SIAFI macro-function 010400 - establishes that the GBS should be sent to the Brazilian National Congress annually with the data of the previous exercise, within sixty days after the opening of the legislative session (XXIV, article 84 of the Federal Constitution). According to item IX, art. 49, of the Brazilian Federal Constitution (1988), the National Congress is responsible for judging the accounts rendered by the President of the Republic, of which the GBS is an integral part (item I, article 6, of CGU Ordinance No. 50,123 of November 2015).

Passos (2012, page 126) explains that the TCU is the entity responsible for auditing the accounts of the President of the Republic and, consequently, for auditing the GBS, sending recommendations and determinations to prepare this balance sheet.

Please note that to comply with the provisions of art. 71, item I, of the Federal Constitution of 1988, the TCU is delegated the function of assessing and issuing a conclusive preliminary opinion on the accounts of the President of the Republic, subsidizing the legislative body with technical elements to issue its political judgment.

According to the TCU (2015, page 13), in compliance with its constitutional and legal mandate, and as established in the caput and paragraph 1 of art. 228 of the Rules of Procedure of the Court, the prior opinion is conclusive in order to express:

- If the accounting provided by the President of the Republic adequately represents the financial, budgetary, accounting and equity position, at the end of each fiscal year;

- Compliance with the constitutional and legal principles that govern the Federal Public Administration, with particular emphasis on compliance with constitutional, legal and regulatory norms in the execution of the budgets of the Federal Government and in other operations performed using federal public funds, in particular regarding what is established in the annual budget law.
- In addition, Paragraph 2 of the same regimental provision establishes the obligation to prepare a report containing the following information:
- Compliance with the programs established in the annual budget law regarding legitimacy, efficiency and cost-effectiveness, as well as the achievement of goals and their consistency with the multi-annual plan and the budget directives law;
- The reflection of federal financial and budgetary administration on the economic and social development of the country;
- Compliance with the limits and parameters established by Complementary Law 101/2000 - Fiscal Responsibility Law (FRL).

The statement of accounts sent to the National Congress is published as a printed or digital document on the CGU's website, the date of its publication being the same as the delivery to the National Congress (article 12, of Ordinance CGU 50.123/15).

According to the TCU (2015, page 14), the prior opinion issued by the Court is a subsidy both for the opinion of the Joint Committee on Plans, Public Budgets and Surveillance (CMO) - which examines and issues opinions on the annual accounts presented by the President of the Republic (article 166, paragraph 1, item I, of the Federal Constitution of 1988), as well as for the judgment by the National Congress itself.

The synthesis of the observed steps for elaboration and evaluation of GBS is presented in Figure 1, below.

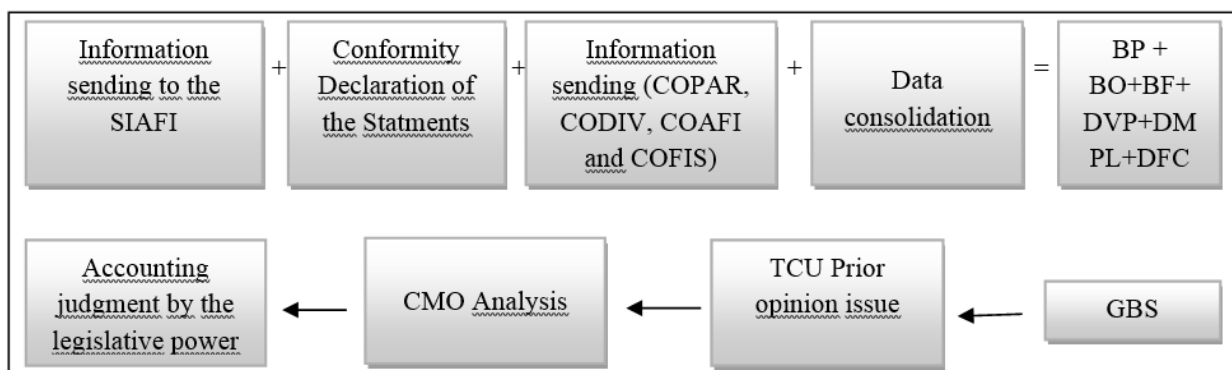


Figure 1. Steps for preparing and evaluating the GBS

Source: elaboration from information harvested.

It is important to emphasize that a prior opinion is issued only on the accounts provided by the President of the Republic, since the accounts of the Legislative and Judicial Branches and the Public Prosecutor's Office are not subject to individual prior opinions. Those are effectively judged by the TCU. However, the Report on the Accounts of the Government of the Republic may include information on the other branches of government and the Public Prosecutor's Office, thus, according to TCU (2012, p.11), a comprehensive overview of the Federal Public Administration.

2.3 Off balance information

As the name suggests itself, off balance information is are those pieces of information not evidenced in the financial statements. Lima and Carmo (2014, p. 40) comment that the Financial Accounting Standards Board (FASB) presents two basic dimensions regarding off balance information: full disclosure versus the Summary Annual Report, and the off-balance information.

In this last one, the contracted operations must be evidenced independently of its accounting record, since it was considered that its omission could harm the decisions of the users of the information.

For Iudícibus (1997, p. 115), the presence of hidden or very brief information is as damaging to the user as providing too much information. Padoveze (2009, p. 52) states that accounting information "should be treated like any other product that is available for consumption. It must be desired, to be necessary. To be necessary, it should be useful".

Tardoque (2011, p.25) commented on some attributes towards the high-quality of the accounting information, namely, the amount of information provided, clarity, transparency, precision, timeliness, materiality, relevance, and reliability. Dias and Vasconcelos (2015, p.18) consider as attributes: relevance, comprehensibility, reliability, and comparability. The authors add that the absence of such taxes may undermine the decision of the user of the information.

Milesi-Ferretti (2004, p. 378) notes that in the public sector, laws and regulations may be an incentive for doubtful accounting practices, which reduce the transparency of public accounts (Benito, Montesinos, & Bastida, 2008, p. 968).

Another variable to be considered in the public sector is the fact that in Brazil, in addition to the effort to comply with laws, decrees, regulations, among others, accountants and managers must observe the budgetary, equity and fiscal ramifications present in public accounting, in which budget registers and reports the approval and execution of the public budget; the equity, deals with the evolution of the public patrimony; and the fiscal ramification, display the indicators required by the FRL (MCASP, 2017, p.23).

For Lima (2016), it is essential to distinguish when government transactions may meet each of its fundamentals, identifying how these concepts are to be observed in the "world" to which these transactions, while understanding that these three branches of public accounting must coexist harmoniously,

When analysing the public-private partnership (PPP) case, Heald and Georgiou (2011, page 227) divided the ways of presenting the assets into four possibilities: On: On, On: Off, Off: Off and Off: On, according to Figure 2.

<i>On:Off</i> On the Public Power Balance Sheet Off the Concessioner Balance Sheet	<i>On:On</i> On the Public Power Balance On the Concessioner Balance Sheet
<i>Off:Off</i> Off the Public Power Balance Off the Concessioner Balance Sheet	<i>Off:On</i> Off the Public Power Balance On the Concessioner Balance Sheet

Figure 2. Forms of assets disclosure

Source: Salgado, Wilbert, Lima and Oliveira, (2017, p. 113), adapted from Heald and Georgiou (2011, p. 227)

In the case of Off:On or Off:Off information, the assets are out of balance of the Public Power. According to Heald and Georgiou (2011, page 234), there are some exceptional cases in which Off:Off information is legalized, but the existence of these orphan assets creates evidence that accounting has been distorted and possibly manipulated.

However, according to Paulo (2007, p. 48), the manipulation of accounting information does not only result from the artificial modification of accounting numbers, but also from the presentation of certain economic and financial aspects.

3 METHODOLOGY

Considering that the objective of this article is to identify evidence of off-balance information in the GBS, we may classify this research as descriptive since the analysis, recording and interpretation of the facts will occur without the interference of the researcher (Barros & Lehfeld, 2007).

Regarding the form, this is a documentary and bibliographical research. In procedural terms, a bibliographic review was performed and later applied to documentary analysis, which, according to Bardin (1979, p. 45) may be defined as "an operation or set of operations aimed at representing the content of a document in a form different from the original, in order to facilitate its subsequent consultation, and referral". According to Duarte (2008, page 271), documentary analysis "includes the identification, verification and assessment of documents for a particular purpose".

In procedural terms, the first step was to organize the material to achieve the research objective, by analyzing the contents of the Report and Prior Opinion on the Accounts of the Government of the Republic and the Provision of Accounts of the President of the Republic (PCPR), in the period from 2013 to 2015. These documents are available at www.tcu.gov.br and www.cgu.gov.br, respectively. From a superficial reading of the first document, only chapter 5 was selected, since this chapter deals specifically with the GBS audit.

In the second step, we defined some words related to the term off-balance, such as "absence", "lack" or similar. Then, this information was taken from the text and separated into years (2013, 2014 and 2015), which had subgroups: passive and active.

Subsequently, for information treatment and interpretation, the information on the financial assets, non-financial assets, financial liabilities and non-financial liabilities of the BP were withdrawn in the 2013 and 2014 PCPR, but in the period of 2015, due to the implementation of the new Plan of Accounts Applied to the Public Sector (PCASP), the information on current assets, non-current assets, current liabilities and non-current liabilities began to be analyzed.

Subsequently, we performed a comparative analysis between the values originally published in the GBS and the inclusion of the off-balance information from the analyzed reports. This study is limited to the use of only information quantified in the TCU opinion.

4 RESULTS ANALYSIS

4.1 Evidence of off balance information in the 2013 GBS

The analysis findings show that in the year of 2013, liabilities are the bulk of the off-balance information detected by the TCU, with emphasis on the actuarial liability of the Social Welfare System (RPPS), surpassing 1 trillion Reais. According to the auditors' explanations, this failure in the welfare system should not occur, since there is enough information to recognize, measure and reveal these amounts, despite the argument made by the Ministry of Social Security that there is a legal and institutional gap for these records to be made. So as to solve this problem, the TCU recommended that a competent body is defined to perform the registration until the creation of the Management Unit of the scheme.

It was also identified the absence of accounting evidence in more than 700 billion reais regarding provisions and contingent liabilities arising from lawsuits against the Union. According to the auditors, there was also sufficient information for its measurement, but it would be up to the sectoral bodies to recognize it in the financial statements.

In the view of the supervisory body, there was no need to classify these values as "remote", "possible", and "probable". If they had been properly classified, probably only part of those values would have been recognized by the GBS at the time, since only the amounts to be classified as "probable" would be recorded.

The assets represented only 0.6% of off-balance information during the year 2013; related to the omission of the registration of the update of the Company's shareholdings, of *circa* 12 billion reais. According to the auditors, the lack of this information was due to the fact that Siafi did not allow, on the occasion, retroactive releases in the month of January. It should be noted that companies publish quarterly statements, which are only closed on the last day of each quarter. The analysis findings in the year 2013 are summarized in Table 1.

Table 1
Off balance information identified in 2013

Liabilities	1.880 bi
Absence of accounting disclosure of the actuarial liability of the Social Welfare Regime (RPPS) of federal civil servants (item 5.3.1.1.1);	1,1 trillion
Absence of accounting disclosure of provisions and contingent liabilities arising from lawsuits against the Federal Government (item 5.3.1.1.2);	780 bi
Assets	12 bi
Failure to disclose shareholdings (item 5.3.1.6);	12 bi

Source: results obtained from the data searched on the TCU (2014).

Table 2 shows the originally published BP for the year 2013 and the adjusted balance with the off-balance information identified in the analyzed reports.

Table 2
Original 2013 GBS and with the inclusion of off balance information

2013 GBS– Original (in millions)			
Financial asset	749.316.970,78	Financial liabilities	256.833.738,57
Non-financial asset	3.832.118.235,10	Non-financial liability	3.142.132.411,37
Real asset ¹	4.581.435.205,88	Real Liabilities	3.398.966.149,94
		Net worth	1.182.469.055,94
2013 GBS– Including the off balance information (in millions)			
Financial assets	749.316.970,78	Financial liabilities	256.833.738,57
New financial asset	749.316.970,78	New financial liabilities	256.833.738,57
Non-financial assets	3.832.118.235,10	Non-financial liability	3.142.132.411,37
Shareholdings	12.000.000,00	RPPS actuarial liability	1.100.000.000,00
		Provision for judicial liabilities	780.000.000,00
New non-financial asset	3.844.118.235,10	New non-financial liability	5.022.132.411,37
New Real Assets	4.593.435.205,88	New Real Liabilities	5.278.966.149,94
		Net worth	-685.530.944,06

Source: results obtained from the data searched on the TCU (2014) and CGU (2014).

According to Table 2, the information not shown in the financial statements for the fiscal year of 2013 negatively impacted the GBS in around 158%, from a surplus situation of more than one trillion Reais to a deficit situation of more than 600 billion Reais.

4.2 Evidences of off balance information on the 2014 GBS

In 2014, the analysis shows that there was only off-balance sheet information on liability accounts, such as the one that led to the impeachment of former President Dilma Rousseff, due to the omission of a record of delays in the transfer of funds to public banks, referring to social programs without the authorization of the Legislature. This situation, according to the auditors, should have been included as a loan, in the order of 37.5 billion reais, according to Table 3.

Table 3
Off balance information identified in 2014

Liabilities	37,5 bi
Absence of Union liabilities records related to the transfer of funds from social program. (item 5.3.1.3)	37,5 bi

Source: results obtained from the data searched on the TCU (2015).

¹ Real assets and Real liabilities are terms used in the GBS

We should not that the omission of the loan registration was not the only problem in 2014, since the obligation with the social programs should already be recognized before the payment is made to the banks. Table 4 presents the BP for the 2014 fiscal year originally published and the adjusted balance sheet with the off-balance information identified in the analyzed reports.

Table 4

Original 2014 GBS and with the inclusion of off balance information

2014 GBS– Original (in millions)			
Financial asset	700.721.049,00	Financial liabilities	269.877.232,00
Non-financial asset	4.384.581.340,00	Non-financial liability	4.697.329.247,00
Real asset	5.085.302.389,00	Real Liabilities	4.967.206.479,00
		Net worth	118.095.910,00
2014 GBS – Including the off balance information (in millions)			
Financial assets	700.721.049,00	Financial liabilities	269.877.232,00
New financial asset	700.721.049,00	Fun. transf. for social programs	37.500.000,00
Non-financial assets	4.384.581.340,00	New financial liabilities	307.377.232,00
New non-financial asset	4.384.581.340,00	Non-financial liability	4.697.329.247,00
New Real Assets	5.085.302.389,00	New non-financial liability	4.697.329.247,00
		New Real Liabilities	5.004.706.479,00
		Net worth	80.595.910,00

Source: results obtained from the data searched on the TCU (2015) and CGU (2015).

According to information obtained in Table 4, we may verify that the impact of off-balance information on Shareholders' Equity (PL) in 2014 was lower when compared to the year of 2013, but if included, the off-balance information identified in 2014 would negatively impact the PL in more than 30%.

4.3 Evidences of off balance information on the 2015 GBS

In 2015, the off-balance information was classified only in liability accounts, related to the absence of recognition of the provision for judicial liabilities and lack of recognition of the Growth Acceleration Program (PAC) related to liabilities arising from the stages of contracts already executed. No off-balance assets were detected in the GBS of 2015, we could only find records overestimating the Union's shareholdings with Banco do Brasil. The analysis findings in the year 2015 are summarized in Table 5.

Table 5

Off balance informations identified in 2015

Liabilities	23,88 bi
Absent recognition of provision for judicial liabilities (item 5.3.1.1.1)	17,74 bi
Absent recognition of PAC related to liabilities arising from already implemented contract stages (item 5.3.3)	6,14 bi

Fonte: results obtained from the data searched on the TCU (2016).

According to the auditors, in 2015, proper accounting treatment had not yet been made on the provisions for legal liabilities by the Attorney General of the National Treasury (PGFN). That happened in spite of the fact that it was defined by the Federal Attorney General's Office (AGU) the information related to lawsuits classified as "probable", resulting in 17.74 billion omitted values.

The second part of the off balance information in 2015 liabilities was derived from the already executed stages of PAC contracts, the result of a working group of STN, from which the records should have been made by the sectoral bodies. It is worth noting that the value presented

in Table 5, in the order of 6.14 billion, was determined by the working group, but according to the TCU, there is a great possibility that the value is undervalued.

All the omissions indicated by the TCU resulted in a decrease of GBS's shareholders' equity of approximately 1.6% in relation to the amounts disclosed.

Table 6, below, presents the BP of the 2015 exercise originally published and the balance adapted with the information found by the TCU.

Table 6

Original 2014 GBS and with the inclusion of off balance information

2015 GBS– Original (in millions)			
Current assets	1.371.018.413,00	Current liabilities	1.046.070.069,00
Non-current assets	2.985.633.151,00	Non-current liabilities	4.735.108.810,00
		Total liabilities	5.781.178.879,00
		Net worth	-1.424.527.315,00
Total assets	4.356.651.564,00	Liabilities and new Net Worth	4.356.651.564,00
2015 GBS – Including the off balance information (in millions)			
Current assets	1.371.018.413,00	Current liabilities	1.046.070.069,00
Current assets	1.371.018.413,00	New Current Liabilities	1.046.070.069,00
Non-current assets	2.985.633.151,00	Non-current liabilities	4.735.108.810,00
		Provision for judicial liabilities	17.740.000,00
		Liabilities from Already exec. phases	6.140.000,00
Non-current assets new	2.985.633.151,00	New non-current liabilities	4.758.988.810,00
		Total new liabilities	5.805.058.879,00
		Net worth	-1.448.407.315,00
Total new assets	4.356.651.564,00	Liabilities and new Net Worth	4.356.651.564,00

Source: results obtained from the data searched on the TCU (2016) and CGU (2016).

We may note through these findings, that the government agencies had difficulty assimilating the new methods of accounting facts recognition. This fact becomes clearer in the situation regarding the PAC, in which these entities are still strongly linked to budget accounting and have not assimilated equity accounting.

It is important underscoring that we only employed in this work quantified findings, however, in the TCU reports there are other off-balance pieces of information that has not been quantified for several reasons, such as the registration of actuarial liabilities of pensioners and military inactive. Another caveat is that of the six GBS off-balance information found in the three years studied, only pieces of information classified as assets were identified, which shows a tendency of presenting more off-balance liabilities than off-balance assets.

5 FINAL CONSIDERATIONS

The objective of this study was to present evidence of off-balance information and its impact on the Consolidated Financial Statement of the Brazilian Federal Government (GBS), based on the categorical analysis of the Report and the Prior Opinion on the Accounts of the Government of the Republic, prepared by the Federal Audit Court, covering the period from 2013 to 2015, and the Accounts of the President of the Republic, prepared by the Office of the Comptroller General of the Union (CGU) for the period from 2013 to 2015.

The literature review has shown that accounting statements are the core of accounting information, even though the NBC T SP Conceptual Framework provides that the scope of accounting information is more comprehensive than that evidenced in the financial statements. Another point demonstrated is that the GBS contemplates the budgetary, financial and accounting information of the entities and organs of the Federal Public Administration, in a given financial year.

Regarding off-balance information. This information is the one that is not evidenced in the financial statements and the information in which the manipulation of accounting information does not only result from the artificial modification of the accounting numbers, but also from the presentation of certain economic and financial aspects.

The findings of the study show that, in 2013, the negatively affected records omission the GBS to be of *circa* 158%, leaving from a more than one trillion reais surplus situation to a deficit situation of more than 600 billion reais, for the absence of accounting disclosure of the actuarial liability of the own social security regime.

In 2014, the evidence of off-balance information found in the GBS did not substantially alter the Brazilian Federal Government's equity as the year 2013, but, if included, the off-balance information identified in 2014 would negatively impact the PL in more than 30%, mainly due to the absence of registration of Union liabilities related to transfers of funds from social programs, which was known as "pedaladas fiscais", accounted in around 37.5 billion reais.

The highlight of 2015 was the omission of recognition of a provision for judicial liabilities of more than 17 billion reais, resulting in a decrease of GBS's shareholders' equity of approximately 1.6% in relation to the amounts disclosed.

One issue to be discussed is the difficulty of federal agencies in assimilating the new methods of recognizing the accounting facts brought by the process of convergence of Brazilian public accounting to international standards, as in the case of recognition of provisions previously recommended by the TCU. Also, the evidence shows the trend in having more off balance liabilities than assets off balance.

For future research, we recommend analyzing whether the changes arising from the introduction of equity accounting in public accounts are contributing to the accounting information of the Brazilian Federal Government being fully evidenced in its financial statements.

REFERENCES

- Amaral, G. F., & Lima, D. V. (2013). A contribuição da nova Contabilidade Pública sobre os efeitos dos ciclos políticos no Brasil. *Revista de Ambiente Contábil*, 5(2), 173-189.
- Augustinho, S. M., & Oliveira, A. G. (2014). A informação contábil pública como instrumento de controle social: a percepção de líderes comunitários da cidade de Curitiba. *Revista de Informação Contábil*, 8(2), 49-68.
- Bardin, L. (1979). *Análise de Conteúdo* (L. A. Reto & A. Pinheiro, Trad.). São Paulo: Edições 70, Livraria Martins Fontes.
- Barros, A. J. P., & Lehfeld, N. A. S. (2007). *Fundamos de Metodologia Científica* (3a ed.). São Paulo: Editora Pearson.
- Benito, B., Montesinos, V., & Bastida, F. (2008). An example of creative accounting in public sector: the private financing of infrastructures in Spain. *Critical Perspectives on Accounting*, (19), 963-986.
- Constituição da República Federativa do Brasil*. (1988). Recuperado em 30 abril, 2017, de http://www.planalto.gov.br/ccivil_03/constituicao/ConstituicaoCompilado.htm
- Conselho Federal de Contabilidade. (2007). *Orientações Estratégicas para a Contabilidade Aplicada ao Setor Público no Brasil*. Recuperado em 10 março, 2017, de

http://www3.tesouro.gov.br/contabilidade_governamental/downloads/CCASP_Orientacoes_Estrategicas_Contabilidade.pdf

- Conselho Federal de Contabilidade. (2016). *NBC TSP Estrutura Conceitual*. Recuperado em 10 março, 2017, de <http://www1.cfc.org.br/sisweb/SRE/docs/NBCTSPEC.doc>
- Controladoria-Geral da União. (2015). *Portaria n. 50.123, de 20 de novembro de 2015*. Dispõe sobre as diretrizes para a elaboração da Prestação de Contas Anual do Presidente da República. Recuperado em 30 abril, 2017, de <http://ramec.mec.gov.br/spo/2015-orientacoes-tecnicas-da-setorial-contabil/encerramento-exercicio-2015/legislacao-1/4714-portaria-cgu-n-50-123-de-20-11-2015-diretrizes-para-elaboracao-da-pcpr-2015-dou-23-11-2015/file>
- Controladoria-Geral da União. (2014). *Prestação de Contas do Presidente da República: exercício 2013*. Recuperado em 24 março, 2017, de <http://www.cgu.gov.br/assuntos/auditoria-e-fiscalizacao/avaliacao-da-gestao-dos-administradores/prestacao-de-contas-do-presidente-da-republica/exercicios-anteriores/2013>
- Controladoria-Geral da União. (2015). *Prestação de Contas do Presidente da República: exercício 2014*. Recuperado em 24 março, 2017, de <http://www.cgu.gov.br/assuntos/auditoria-e-fiscalizacao/avaliacao-da-gestao-dos-administradores/prestacao-de-contas-do-presidente-da-republica/exercicios-anteriores/2014>
- Controladoria-Geral da União. (2016). *Prestação de Contas do Presidente da República: exercício 2015*. Recuperado em 24 março, 2017, de <http://www.cgu.gov.br/assuntos/auditoria-e-fiscalizacao/avaliacao-da-gestao-dos-administradores/prestacao-de-contas-do-presidente-da-republica/exercicios-anteriores/2015>
- Cruvinel, D. P., & Lima, D. V. (2011). Adoção do regime de competência no setor público brasileiro sob a perspectiva das normas brasileiras e internacionais de contabilidade. *Revista de Educação e Pesquisa em Contabilidade*, 5(3), 69-85.
- Dias, J. C. R., & Vasconcelos, M. T. C. (2015). As características qualitativas da informação contábil no desenvolvimento do controle social: uma análise da percepção dos conselheiros municipais do Recife sobre a utilidade das informações contábeis. *Revista Contabilidade Vista & Revista*, 26(2), 15-40.
- Duarte, J. (org.). (2008). *Métodos e Técnicas de Pesquisa em Comunicação* (Cap. 17, pp. 267-279). (2a ed.). São Paulo: Atlas.
- Heald, D., & Georgiou, G. (2011). The Substance of Accounting for Public-Private Partnerships. *Financial Accountability & Management*, 27(2), 217-247.
- International Federation of Accountants. (2010). *Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities: Elements and Recognition in Financial Statements*. Consultation Paper. p. 68.
- Iudícibus, S. (1997). *Teoria da contabilidade*. (5a ed.). São Paulo: Atlas.
- Lewis, M. K. (2013). Off-balance sheet activities and financial innovation in banking. *PSL Quarterly Review*, 41(167).

- Lima, D. V. (2016). *Contabilidade da Dívida Pública*. Brasília, Nov. 2016. 22 slides. Recuperado em 11 abril, 2017, de <http://www.mpf.mp.br/atuacao-tematica/ccr1/atuacao/eventos/jornadas-da-divida-publica/ii-jornada-de-debates-sobre-divida-publica-1/IIJornadaDvidaPblicaDiana VazdeLima.ppt>
- Lima, I. G., & Carmo, C. R. S. (2014). Convergência das normas contábeis brasileiras às normas internacionais de contabilidade: um estudo sobre evidenciação adicional. *Revista de Administração*, 12(21), 37-54.
- Milesi-Ferretti, G. M. (2004). Good, bad or ugly? On the effects of fiscal rules with creative accounting. *Journal of Public Economics*, 88(1-2), 377-394.
- Padoveze, C. L. (2009) *Sistemas de informações contábeis: fundamentos e análise*. (6a ed.). São Paulo: Atlas.
- Passos, L. H. S. (2012). O impacto das Normas Brasileiras de Contabilidade Aplicadas ao Setor Público: cenário atual e perspectivas na Administração Pública Federal. *Revista de Administração de Roraima*, 2(1), 110-135. Recuperado em 17 março, 2017, de <http://revista.ufrr.br/index.php/adminrr/article/view/771>
- Paulo, E. (2007). *Manipulação das informações contábeis: uma análise teórica e empírica sobre os modelos operacionais de detecção de gerenciamento de resultados*. Tese de doutorado. Universidade de São Paulo, São Paulo, SP, Brasil.
- Reis, C. E., Lima, D. V., & Wilbert, M. D. (2015). Impacto do Registro Contábil da Provisão Matemática Previdenciária dos Servidores Públicos Federais no Balanço Geral da União. *Anais do Congresso USP Controladoria e Contabilidade*, São Paulo, SP, Brasil, 15.
- Salgado, S. R., Wilbert, M. D., Lima, D. V., & Oliveira, W. A. (2017). Concessão das rodovias federais brasileiras: evidências de ativos órfãos. *Enfoque: Reflexão Contábil*, 36(1), 105-122.
- Secretaria do Tesouro Nacional. (2012). Base de Preparação das Demonstrações e das Práticas Contábeis. *BGU em Revista*, 1(1). Recuperado em 18 março, 2017, de <http://www.tesouro.fazenda.gov.br/documents/10180/243309/DCON+em+Revista+n%C2%BA%201.pdf/2aafc5a5-402b-47c7-86fc-fd844f0d1b99>
- Secretaria do Tesouro Nacional. (2015). *Manual SIAFI: 020311 – Integração de saldos contábeis para elaboração do BGU*. Recuperado em 22 março, 2017, de <https://manualsiafi.tesouro.fazenda.gov.br>
- Secretaria do Tesouro Nacional. (2016). *Manual SIAFI: 010400 – Glossário*. Recuperado em 22 março, 2017, de <https://manualsiafi.tesouro.fazenda.gov.br>
- Secretaria do Tesouro Nacional. (2017). *Manual SIAFI: 020318 – Encerramento do Exercício*. Recuperado em 22 março, 2017, de <https://manualsiafi.tesouro.fazenda.gov.br>
- Secretaria do Tesouro Nacional. (2017). *Manual de Contabilidade Aplicada ao Setor Público: Aplicado à União, Estados, Distrito Federal e Municípios*. (7a ed.). Brasília: STN. Recuperado em 22 março, 2017, de <http://tesouro.gov.br/mcasp>

- Silva, C. A. T., Gonçalves, R. S., Tavares, A. L., & Lima, D. V. (2010). Influência do incentivo ao conservadorismo nas escolhas contábeis relacionadas ao reconhecimento de provisão de contingências passivas. *Revista Universo Contábil*, 6(4), 6-20.
- Tardoque, P. R. (2011). *A qualidade da informação contábil na administração pública: uma proposta de melhoria da divulgação da informação, com enfoque nos atos de gestão*. Dissertação de mestrado. Faculdade Escola de Comércio Álvares Penteado, São Paulo, SP, Brasil.
- Tribunal de Contas da União. (2013). *Relatório e Parecer Prévio sobre as contas do Governo da República: exercício de 2012*. Brasília: TCU.
- Tribunal de Contas da União. (2014). *Relatório e Parecer Prévio sobre as contas do Governo da República: exercício de 2013*. Brasília: TCU.
- Tribunal de Contas da União. (2015). *Relatório e Parecer Prévio sobre as contas do Governo da República: exercício de 2014*. Brasília: TCU.
- Tribunal de Contas da União. (2016). *Relatório e Parecer Prévio sobre as contas do Governo da República: exercício de 2015*. Brasília: TCU.
- Villaverde, J., & Fernandes, A. (2015). As ‘pedaladas fiscais’ do governo Dilma. *Estadão*. São Paulo. Recuperado em 7 abril, 2017, de <http://infograficos.estadao.com.br/economia/pedaladas-fiscais/index>
- Xavier, A. E., Jr., Paulo, E., Silva, J. D. G. da (2014). Estudo sobre a capacidade informacional das novas estruturas das demonstrações contábeis aplicadas ao setor público. *ReCont*, 5(1). Recuperado em 14 março, 2017, de http://www.seer.ufal.br/index.php/registrocontabil/article/view/1/pdf_12