

Public Revenue and Personnel Spending under the Law of Fiscal Responsibility: The Case of the Municipalities of Maciço de Baturité-CE

Receita Pública e Gasto com Pessoal sob a Ótica da Lei de Responsabilidade Fiscal: O Caso dos Municípios do Maciço de Baturité-CE

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RESUMO

A primeira etapa consiste na apropriação dos recursos atribuídos ao setor para as atividades desenvolvidas. Como exemplo, o setor financeiro (institucional) de uma determinada câmara municipal terá seus custos apropriados para atividades como elaborar folha de pagamentos e fazer compras.

Na segunda etapa da MF II os custos das atividades institucionais e atividades-fim são alocados aos seus respectivos objetos de custo. Nesta etapa, todas as atividades consideradas institucionais deverão seguir para um único objeto de custo denominado Institucional. Nele deve estar todos os gastos efetuados com as atividades de manutenção geral da entidade, que por atender a todos os setores (ou a sua maioria), são de difícil alocação aos demais objetos de custo, resultantes das atividades-fim da

entidade. Enquanto mais detalhado for o controle interno da entidade, mais informações poderão ser capturadas pelo sistema de custos e, conseqüentemente, menor será o montante de recursos atribuídos ao objeto de custo Institucional.

A contabilidade de custos, nas funções gerencial e de controle, tem como uma de suas atribuições gerar dados que permitam a avaliação de desempenho operacional e a medição da eficiência do uso dos recursos. Neste contexto, de pesquisa documental por meio dos relatórios de acompanhamento gerencial, extraídos do site do Tribunal de Contas dos Municípios do Estado do Ceará (TCM-CE), em que foi analisado a relação entre previsão, arrecadação, empenho e gastos com pessoal dos municípios pertencentes ao Maciço de Baturité-CE no período de 2009 a 2014. Verificou-se que a maioria dos municípios não gastou mais do que arrecadou, entretanto 12, dos 13 municípios analisados, ultrapassaram o limite de gastos com pessoal em pelo menos um dos exercícios analisados. Todos os municípios apresentaram um aumento real de arrecadação acima da inflação do período analisado e que, mesmo assim, ainda apresentaram gastos com pessoal acima do permitido pela LRF. A partir desse estudo, conclui-se que a Lei de Responsabilidade Fiscal vem obtendo êxito parcial na busca pela responsabilidade na gestão fiscal, haja vista que a maioria dos municípios analisados apresentou estar em conformidade com a regra de orçamento equilibrado. No entanto, na análise do percentual de receita corrente líquida frente a despesa com pessoal, observou-se que, além dos municípios excederem o limite de 54% atribuídos ao Poder Executivo na maioria dos exercícios, houve um aumento, quase que gradativo, do percentual de receita corrente líquida frente a despesa com pessoal ao longo do período de 2009 a 2014.

Palavras-chave: Lei de Responsabilidade Fiscal. Ciclo orçamentário. Maciço de Baturité-CE.

ABSTRACT

Fiscal management presupposes a set of planned actions that bring several obligations to be fulfilled in the fiscal management of public resources, aiming at the balance of public accounts and in the transfer of funds to the various secretaries and public agencies. Thus, this research has as a general objective to analyze the impact of the Fiscal Responsibility Law on the financial performance of the municipalities of the Maciço de Baturité-CE. This research is characterized as descriptive as to the objectives, and qualitative as to the approach to the problem, based on bibliographic research on the impact of

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the Law of Fiscal Responsibility in the municipalities, as well as the analysis of its legal assumptions. Documentary research was used through the management follow-up reports, extracted from the website of the Court of Auditors of the Municipalities of the State of Ceará (TCM-CE), in which the relationship between forecasting, collection, commitment and spending on personnel in the municipalities belonging to the Baturité-CE Massif in the period from 2009 to 2014 was analyzed. It was found that most of the municipalities did not spend more than they collected, however 12 of the 13 municipalities analyzed exceeded the limit of spending on personnel in at least one of the years analyzed. All the municipalities showed a real increase in revenue above the inflation of the period analyzed and that, even so, still had personnel expenses above the allowed by LRF. From this study, it can be concluded that the Fiscal Responsibility Law has been partially successful in the search for responsibility in fiscal management, since most of the municipality's analyzed showed compliance with the balanced budget rule. However, in the analysis of the percentage of net current revenue in relation to personnel expenses, it was observed that, besides the municipalities exceeding the limit of 54% attributed to the Executive Branch in most of the fiscal years, there was an almost gradual increase in the percentage of net current revenue in relation to personnel expenses over the period from 2009 to 2014.

Keywords: Law Responsibility Fiscal. Budget cycle. Maciço de Baturité-CE.

1 INTRODUCTION

Responsibility in fiscal management presupposes a set of planned actions, aimed at maintaining the balance of public accounts, by preventing risks, by meeting a series of income and expenditure targets, and by obeying the limits and conditions imposed by the Fiscal Responsibility Law.

The concern to adopt control mechanisms over public resources to avoid the practice of irresponsible use of them is a concern observed in several economies. In view of this, Supplementary Law No. 101/2000, known as the Fiscal Responsibility Law (LRF), emerges in Brazil as a mechanism to combat acts that lead to inefficiency in the management of public financial resources, which are scarce and require an administration. Based on the principles of efficiency and effectiveness, thus enabling social gains for society.

The Fiscal Responsibility Law brought several obligations to be fulfilled in the fiscal management of public resources, aiming at the balance of public accounts, by meeting a series of goals and limits between expenses and revenues. The LRF also values transparency, control, planning and provides for punishment of public managers who violate its norms and principles.

After the LRF, the inspection of public contracts and the monitoring of public revenues and expenses became more effective, bringing a new cycle of change in Brazil (TORRES; VALLE, 2008; THOMÉ, 2012).

The LRF brings a set of fiscal rules that regulates and controls the level of public indebtedness by ensuring that the obligations assumed by the public manager have a sufficient source of revenue to ensure their payment, also imposes corrective measures by defining sanctions for those expenses that are not at the level permitted by law and that governments must observe so as not to compromise

government planning (GERIGK, 2008; MATIAS-PEREIRA, 2012).

Thus, the LRF disciplines managers in relation to the administration of public resources through explicit rules. It is also worth mentioning the contribution of the LRF with regard to social control, by discussing the transparency of public accounts, allowing society to know the application of public resources.

Considering the control of public resources, percentages were established to limit the personnel expenses of the Executive, Legislative and Judiciary Powers and the Public Prosecution Service, calculated on the Net Current Revenue (RCL), as well as limits for the consolidated net debt and operations credits.

The main motivation for the development of this article was based on the relevance of the Fiscal Responsibility Law for public administration, which contributes significantly to the efficiency in the management of public finances. And in its mechanisms that provide greater transparency and control of public spending. Another relevant aspect in the research is that the study was conducted under the municipal scope, but specifically in the municipalities that make up the Baturité-CE massif.

Referring to the LRF, Martins and Nascimento (2007) state that "this law aims to settle the responsible fiscal management regime through the implementation of legal mechanisms that should guide the direction of the Public Administration".

In this sense, the LRF regulated the tax liability of the manager in the Public Administration, since, at the time, scandals regarding the misuse of public money were recurrent. Thus, Almeida and Ferreira, (2005, p. 4), define that the "Fiscal Responsibility Law is presented as a code of conduct for public administrators with explicit normative obligations regarding the management of public resources".

In this context, this research intends to verify the effects on municipal development resulting from the fulfillment of the determinations of the Fiscal Responsibility Law in the municipalities that make up the Baturité Massif-CE. The problem to be investigated in this research is: what are the effects on municipal development resulting from compliance with the provisions of the Fiscal Responsibility Law?

However, this article has as its general objective: i) to analyze the impact of the Fiscal Responsibility Law on the financial performance of the municipalities belonging to the Baturité-CE massif during the years 2009 to 2014 and as specific objectives: i) to verify if the LRF It has been effectively contributing to a more responsible fiscal management in the municipalities of the Massif de Baturité-CE; ii) identify if the municipalities are performing the proper collection of funds provided, according to the approved budget; iii) identify if the municipalities are respecting the principle of financial equilibrium and; iv) verify if the municipalities are respecting the limits of personnel expenses.

2 LITERATURE REVIEW

2.1 Fiscal Responsibility and Municipal Development

The Federal Constitution of October 5, 1988, in determining, in paragraph 9, item II, that complementary law should "establish rules for financial and asset management of direct and indirect administration, as well as for the

establishment and operation of funds" , allowed for the creation of a law regulating the management of public administrators regarding the collection and use of public resources.

During the re-democratization of Brazil, laws were created to ensure citizens' access to information and participation in the public sector through legal instruments that would guarantee that citizens could participate in the formulation of public policies and democratic control (MATTOS, 2004).

Accordingly, on May 4, 2000, Supplementary Law no. 101, also called the Fiscal Responsibility Law (LRF), with the purpose of establishing public finance norms focused on fiscal management responsibility and other measures.

The LRF is supported by four axes, namely: planning, in which the goals to be reached during management are established; transparency, which consists in the wide disclosure of public administration accounts; control, which refers to monitoring carried out by both the competent bodies and society; and accountability, which are the penalties provided for by law due to misuse of public resources.

Figueiredo (2016) defines accountability as an organizer of democracy, based on the assumption that the mechanism of accountability in public institutions aims at the proper functioning of democracy through public servants, who must act in the interest of society by allowing access to information through social control. In this way, it allows citizens to evaluate the execution of public policies and their alignment with planning and the objectives initially defined.

Koppell (2005) establishes 5 (five) accountability dimensions: transparency, subjection, controllability, responsibility and responsiveness. According to the author, transparency is the basis for accountability because without it there is no evaluation for organizational performance, not making public institutions subject to control, supervision and questioning by society.

Figueirêdo and Nóbrega (2001) state that the Fiscal Responsibility Law has been influenced by successful tax management practices in various parts of the world. The first was from the International Monetary Fund (IMF) from the Code of Good Practices for Fiscal Transparency. Other important influences were from the United States and New Zealand, from the former were adopted some rules used in the LRF, such as the limitation of commitment, while New Zealand influenced by adopting a transparency model, which determines the publication of several simplified tax reporting and encouraging society's participation through social control. These measures adopted by these countries in fiscal management were quite successful and thus directly influenced the elaboration of the LRF in Brazil.

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expenses of the Executive, Legislative and Judiciary Powers and the Public Prosecution Service, calculated on the Net Current Revenue (RCL), as well as limits for the consolidated net debt and operations. credits.

It is noteworthy that the Net Current Revenue corresponds to the sum of the current revenues of all the agencies, excluding the contributions of the employees to the social security system, as well as the intra-governmental transfers (DIENG; DINIZ; MACEDO, 2004).

Nascimento and Debus (2011, p. 10), highlight the "risk prevention and correction of deviations that affect the balance of public accounts", among the postulates deriving from the LRF because, it is found that, in addition to determining compliance with the limits that have been exposed, this law is also concerned with errors and shortcomings in the Public Administration.

2.1.1 Limits Set by the Fiscal Responsibility Law

The LRF has rules that indicate how public managers should proceed so that they do not suffer sanctions, in addition to defining punishments for non-compliance. Among these procedures, the definition of limits for certain expenses and indebtedness can be highlighted.

The limits are intended to restrict Public Administration spending that was high at the time of the LRF's publication within the context of corruption, embezzlement and scandals. Beyond these limits, some determinations were reinforced, such as compliance with the minimum constitutional percentages related to the resources to be applied in health and education.

Matias-Pereira (2006, p. 305) states that "[...] with the Fiscal Responsibility Law the process was set in motion to combat the chronic fiscal imbalance of the Brazilian public administration, both at federal, state and municipal levels; through a strict control of public debt [...].

According to Silva (2004), the LRF is supported on four axes: planning, transparency, control and accountability. These aspects, together, regulate the implementation of the managerial information model, bearing in mind that planning and control are fundamental instruments for generating useful information to assist the decision-making process and consequently improve the other axes: transparency and accountability (GERIGK, W. CLEMENTE, A.; TAFFAREL, M., 2011).

In this context, it is observed that in addition to responsible fiscal management, the pursuit of improving the population's quality of life through the correct application of public resources in services that encourage social and economic development is the ultimate purpose of public management. As a means of measuring the performance of municipalities in terms of fiscal management responsibility, the National Confederation of Municipalities (CNM) makes available annually the Fiscal, Social and Management Responsibility Index (IRFS), which consists of three sub-indices: Fiscal Responsibility (IRF); Social Responsibility (IRS) and; Responsibility Management (IRG).

It is clear that by setting such limits, the law aims to achieve financial equilibrium and curb the practice of public administrators who spend more than they raise, leaving debts to their successors, this kind of practice, harmful to the country is strictly restrained. by the Fiscal Responsibility Law. **Table 1** presents the overall limit (percentage of net current revenue) of each government level and the limit by power.

Table 1. Limits Staff Spending

Government Spheres	Global limit (percentage of net current revenue)	Power Limit
Unity	50%	2.5% for the Legislative Power; 6% to the judiciary; 0.6% to the Public Prosecution Service of the Union; 3% to defray expenses of DF; 37.9% for the Executive Branch.
States	60%	3% to the Legislative Power; 6% to the judiciary; 2% for the Public Prosecution Service; 49% for the executive branch
Municipalities	60%	6% to the Legislative Power; 54% to the executive branch.

Source: Preparation based on the Fiscal Responsibility Law.

2.1.2 Main Aspects of the Fiscal Responsibility Law

Among the main aspects of the Fiscal Responsibility Law (LRF) are the principles of planning, transparency, balance of public accounts, control and accountability. While planning is of paramount importance to prepare a budget and set goals that can be achieved according to the expected revenue, but with due attention not to prepare a budget that does not express the reality. So, the budget must be worked from the perspective, putting the priorities in line with what is feasible with the reality of what the municipality collects.

Transparency, as well as planning, is one of the pillars of the Fiscal Responsibility Law, ensuring society's right to audit public accounts through the publication of financial statements, fiscal and budget management reports, in a simplified way to understand the society, directly encouraging social control.

Another important aspect of the LRF is the balance of public accounts, according to Debus and Nascimento (2002) the LRF seeks the self-sustaining balance, that is, the one that dispenses with credit operations and, therefore, without increasing public debt.

The control of public debt is strongly emphasized in the Fiscal Responsibilities Law, ie, public entities should not spend more than they raise and respect a series of limits, aiming to keep the public accounts balanced.

The relationship between collection and spending is closely related. If the state spends more than it collects, it will result in constant deficits, which will lead to progressive debt, thereby higher interest rates, unemployment, inflation. Financial equilibrium is a mandatory requirement for responsible financial management, a guiding aspect of accountability.

The Fiscal Responsibility Law is quite complex and sometimes difficult to understand. Initiatives aimed at facilitating the assimilation of this Complementary Law are commendable, especially if the target public is society, because in understanding this law, they will be better able to collect and supervise.

One of the most relevant aspects of the Fiscal Responsibility Law (LRF) is planning, municipalities must

2.1.3 The LRF and Public Planning Instruments

manage their finances responsibly and plannedly, to achieve this goal the budget plays a key role as it is a valuable planning and control tool. In Brazil, the budget cycle is composed of the following tools: the Multiyear Plan (PPA), Budgetary Guidelines Law (LDO) and Annual Budgetary Law (LOA). Meanwhile, the appraisal and approval of the Brazilian budget cycle will be as follows: In the Union, the PPA, LDO and LOA are forwarded by the executive power for the National Congress to approve them, while the other public entities, forward them to the legislative houses, to be appreciated and approved. These three laws are interconnected in a compatible and harmonious way, establishing an association between planning, execution and internal, external and social control.

The Fiscal Responsibility Law was created about successful influences in several countries of the world, in Brazil it was introduced with the purpose of containing the constant public deficits and indebtedness of the federation entities, but the law is not restricted to this issue alone, In addition to addressing responsibility for fiscal management, financial equilibrium, limitations on staffing and indebtedness, disciplining rules for credit operations, it also addresses the Brazilian budget cycle, as it establishes guidelines from its preparation to its execution.

Given the above arguments, there is no doubt that the LRF contributed directly to the strengthening of the Brazilian budget cycle. If before the municipalities understood that they were not required to draft the PPA, after the promulgation of the LRF they had the duty to elaborate it. The LRF also made LDO institutionalize fiscal targets, financial statements, among others, and LOA to be prepared in line with the PPA and LDO fiscal targets.

Government revenues and expenses should follow a whole schedule. This comprehensive plan is called the Multiyear Plan (PPA), which identifies management priorities during a quadrennium, and is undoubtedly the main tool for implementing planning in medium and long term government actions.

The PPA bill is submitted by the executive branch to the National Congress until August 31 of the first year of

government and returned for sanction until the closing of the legislative session on December 22, and is effective the following year. In the other entities of the federation, the term is contained in its own legislation.

The Budgetary Guidelines Law (LDO) guides the elaboration of the Annual Budgetary Law (LOA), seeking a synchronization with the goals defined by the Pluriannual Plan (PPA). According to Santos (2012) in the LRF, the importance of the LDO lies in the fact that it links the PPA with the Annual Budget Law (LOA), through which the government defines its goals and priorities for an exercise. “[...] Annually, the Executive Branch submits to the Legislature the budget guidelines bill that, approved, will set goals, priorities, fiscal targets and guide the preparation of the budget proposal” (Giacomoni, 2010, p. 223).

The Budgetary Guidelines Law (LDO) innovated the Brazilian budget system, especially after the enactment of the Fiscal Responsibility Law (LRF), in which the LDO was strengthened, encouraging transparency in the fiscal management of public administration and contributing to discipline in management of public finances.

Regarding the deadlines for referral to the Legislative Power, the Budgetary Guidelines Bill (LDO) will be defined in the complementary law. In the case of the Union, the LDO must be sent to the National Congress up to eight and a half months before the end of the fiscal year (April 15), and returned for sanction until the end of the first period of the legislative session (July 17).

The Annual Budget Law (LOA) is an instrument that allows defining the priorities contained in the Multi-annual Plan (PPA) and the goals that should be achieved during the year. Its main objective is to manage the balance between income and expenses. The Annual Budget Law contains the forecast of all revenue and authorization of public expenditure, ie no public expenditure can be executed outside the budget.

As for the deadlines for forwarding the Annual Budget Law (LOA) to the Legislative Power and its return for sanction, they are established in the Municipal Organic Laws and in the State and Federal constitutions. In the case of the government, it must be sent up to four months before the end of the year (August 31) and returned for sanction until the end of the legislative session (December 22).

However, this article aims to investigate the effects on the development of Ceará municipalities, located in the Massif do Baturité Region, resulting from compliance with the provisions of the Fiscal Responsibility Law (LRF), with the help of the methodology presented in the following section.

3 PROCEDURES METHODOLOGICAL

As material was used as main source of data the management monitoring reports of each municipality of Massif de Baturité-CE, issued on the website of the Court of Auditors of the Municipalities of the State of Ceará (TCM-CE). In addition, the Managerial Monitoring Report (REAGE), which contains informational and managerial data on the financial performance of municipal public administration, in a clear and objective manner, which enables analysis of the reporting of accounts reported through the Municipal Information System (SIM) and municipal transparency portals. In addition, the information was sought in the opinions of the Municipal Court of Auditors. The following information was extracted from the

reports for the six financial years 2009 to 2014: the estimated revenue initially made in the budget, the collection and commitment achieved at the end of the third quarter of the financial year, and the percentage of net current revenue spent on folks.

Will be used as research field the municipalities belonging to the Massif Baturité-CE: Acarape, Aracoiaba, Aratuba, Barrier, Baturité, Capistrano, Guaramiranga, Itapiuna, Mulungu, Ocara, Pacoti, Palmacia and Redenção. Data analysis will be made from the following information extracted from the management monitoring report of each municipality: forecast, collection, commitment, and percentage of net current revenue against personnel expenses.

After collecting data on the forecast, collection, commitment and personnel expenses of each municipality, we adopted the method of comparing the resources that were forecasted and those that were actually collected, given that the LRF values the proper collection of resources, all constitutional taxes; The second comparison was made in view of the principle of financial equilibrium, which is one of the main principles of the LRF. This analysis sought to verify if the municipalities were spending more than they raise, or if they were spending according to their collection, thus promoting a balance between income and expenditure; Finally, the percentage of net current revenue compared to personnel expenses, sought to verify if the municipalities are respecting the limit of personnel expenses attributed to the Executive Branch of the municipality.

In relation to collection and commitment, the percentages that were duly collected in relation to those predicted were taken into consideration, observing if the municipality exceeded 100% of collection, or otherwise, what was the percentage of collection obtained. It is an average among the percentages present in the years that did not reach 100% of collection over the six financial years analyzed. At the end of the analysis of the thirteen municipalities of the Massif de Baturité-CE, a general average was made taking into account the years in which the municipalities reached 100% of collection, and an average of the percentages obtained when the 100% of collection was not obtained. compared to what was predicted.

In relation to the collection and commitment relationship, three situations were considered: financial surplus (collection exceeding the commitment), financial deficit (commitment exceeding the collection) and financial balance (equality between collection and commitment). At the end of the analysis of all municipalities, the percentage obtained in each of the three situations was verified.

Finally, in the personnel expenses ratio, tables were created containing the percentages of net current revenue compared to municipal personnel expenses, four situations were considered: reaching the total limit (54%), reaching the prudential limit (51.30% to 53.99%), reach the alert limit (48.60% to 51.29%) and regular (below 48.60%). At the end of the analysis of all municipalities, the percentage obtained in each of the four situations was verified.

4 RESULTS AND DISCUSSION

In the following, the analysis and interpretation of the following data will be demonstrated: relation forecast, collection and commitment and limit of personnel expenses.

4.1 Forecast, Collection and Commitment Relationship

Revenue forecasting is of fundamental importance in the budget process, since it is from an adequate revenue forecast that the government sets its expenses, defines the priorities in the budget, aiming to meet what is most important for the good service. -being social.

There is no point in making an overestimated forecast if the municipality fails to actually collect the forecast value. Proper revenue planning is one that has a coherence between the amount actually collected and the amount initially forecast in the budget. The Fiscal Responsibility Law makes clear the importance of due institution, forecast and collection, as stated in the following: "Art. 11. The essential requirements of the responsibility for fiscal management are the institution, forecast and effective collection of all taxes within the constitutional competence of the federate entity".

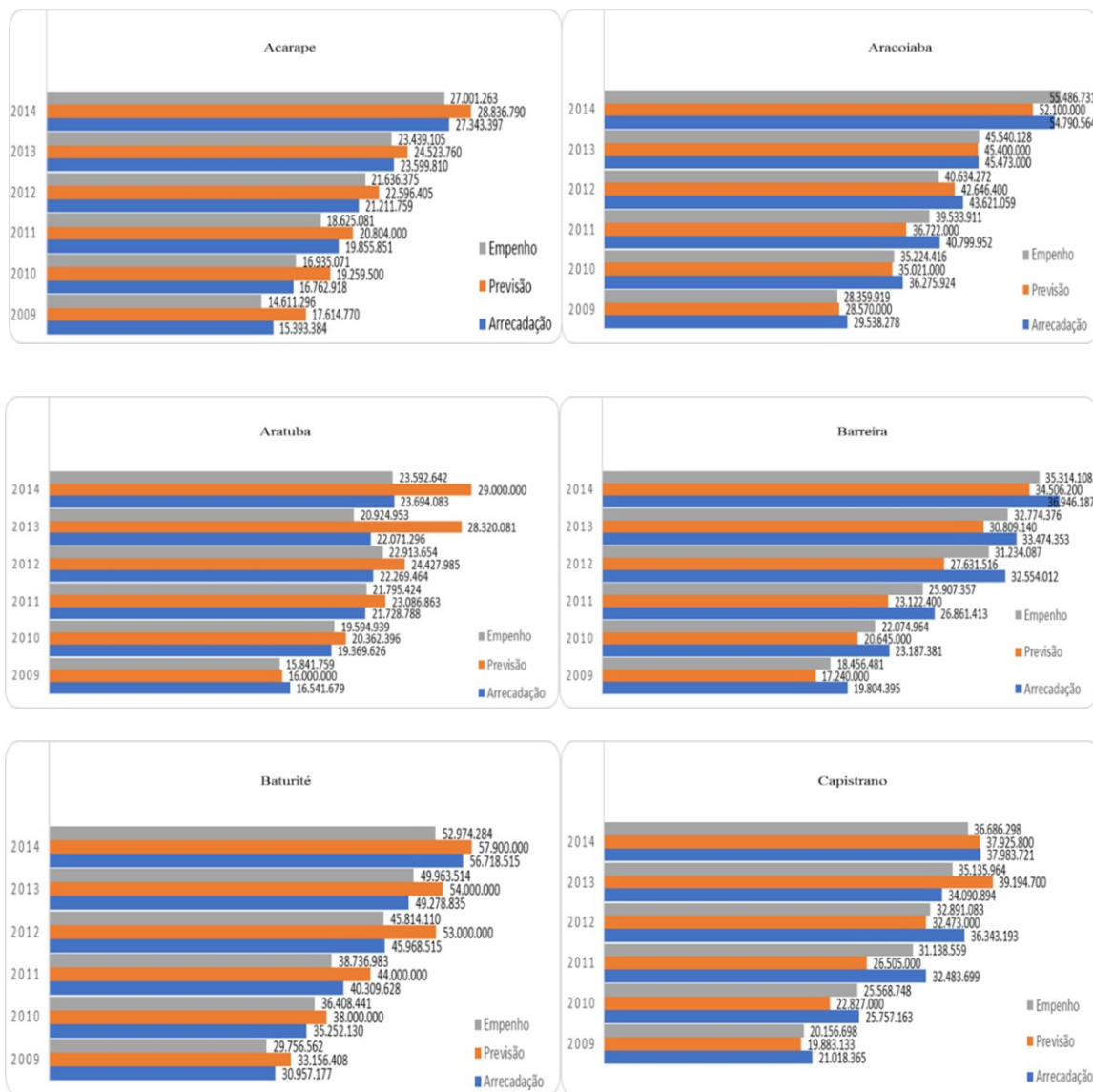
The budget result is obtained by comparing total budget

revenue with total budget expenditure. By obtaining a positive balance, one has the so-called budget surplus, however, if the expenses are greater than the revenues, the budget deficit is present. If the totals of income and expenses are equal, a financial balance is obtained.

The Fiscal Responsibility Law values the financial balance, thus avoiding state indebtedness. The analysis of the relationship between forecasting and collection, collection and commitment of the municipalities belonging to the Baturité Massif-CE, was performed taking into account the principles, guidelines and norms of the Fiscal Responsibility Law, that is, if the municipalities respected the principle of balance of the public accounts, and also the proper collection of resources that were initially foreseen in the budget.

Figures 1 and 2 present, for each municipality, three data: forecast, collection and commitment, over a period of six years (2009 to 2014) for all municipalities of the Massif do Baturité-CE.

Figura 1: Collection, forecast and commitment for the municipalities of Acarape, Aracoiaba, Aratuba, Barreira, Baturité, Capistrano, Guaramiranga and Itapiúna



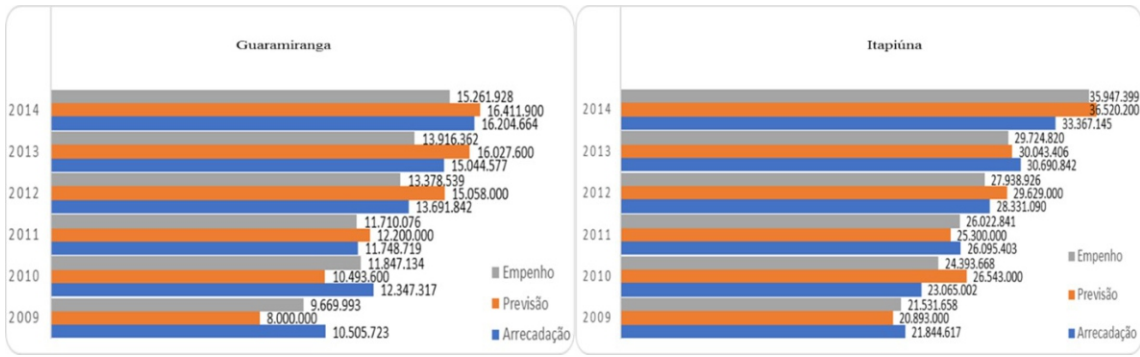
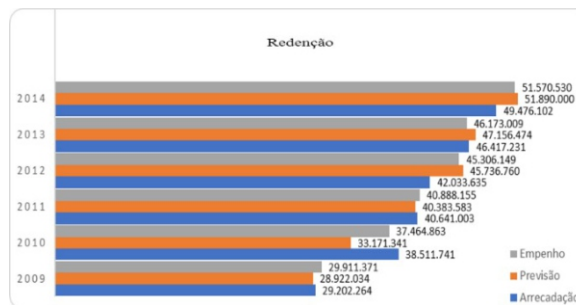
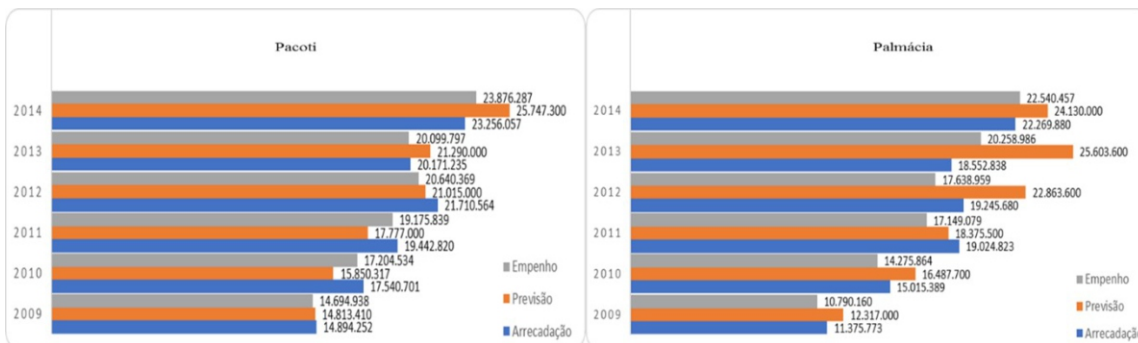
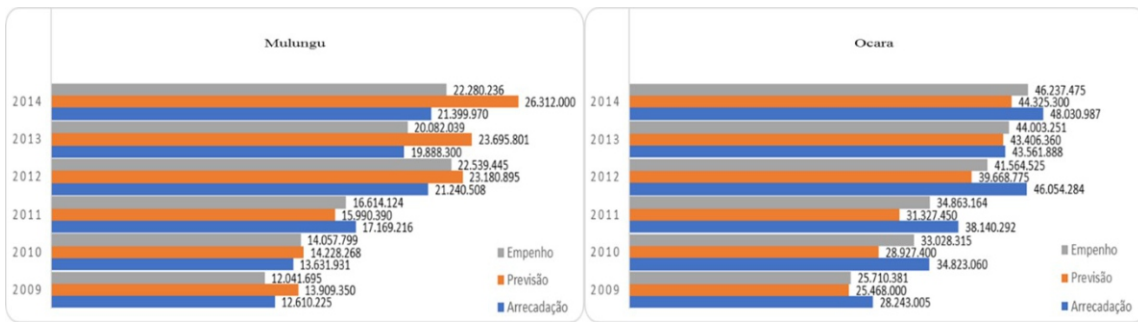


Figura 2: Relation collection, forecast and commitment for the municipalities of Mulungu, Ocara, Pacoti, Palmácia and Redenção



According to **Figures 1 and 2, Table 1** was elaborated, in which, for the analysis of the relationship between collection and commitment, three situations were considered: financial surplus (when the collection exceeded the forecast), financial deficit (when commitment exceeded revenue) and financial equilibrium (balance between revenue and commitment).

Table 2 shows that the financial surplus situation was the most present, representing a percentage of 50%, among all the municipalities analyzed. The municipalities in a situation of equality between revenues and expenses

obtained the percentage of 19.23%, it is noteworthy that the two situations fit what the Fiscal Responsibility Law values, that is, it can be stated that the percentage of 69,23% represents the amount at which municipalities respected the principle of financial equilibrium.

The financial deficits presented the percentage of 30.77%, this situation is contrary to the responsibility in fiscal management, because when the municipality spends more than it collects, it will accumulate debts, which will generate interest, inflation, reduction of investments in programs and public policy

Table 2: Summary of Budget Results obtained for the Municipalities of Baturité Massif from 2009 to 2014

Municipalities	Years					
	2009	2010	2011	2012	2013	2014
Acarape	+	-	+	-	=	=
Aracoiaba	+	+	+	+	-	-
Aratuba	+	-	-	-	+	=
Barreira	+	+	+	+	+	+
Baturité	+	-	+	=	-	+
Capistrano	+	=	+	+	-	+
Guaramiranga	+	+	=	=	+	+
Itapiúna	=	-	=	+	+	-
Mulungu	=	-	+	-	-	-
Ocara	+	+	+	+	-	+
Pacoti	=	=	=	+	=	-
Palmácia	+	+	+	+	-	-
Redenção	-	+	-	-	+	-

Source: Own elaboration based on TCM data

Caption: + Budget surplus; - Budget deficit and; = Budget balance

For all municipalities was also observed the percentage of the total collected compared to the budget, as shown in **Table 3**.

Table 3: Percentage of Total Revenue Compared to Forecast for Municipalities of Massif do Baturité from 2009 to 2014

Municipalities	Years / Total Raised from Forecast (%)					
	2009	2010	2011	2012	2013	2014
Acarape	87,4	87,0	95,4	93,9	96,2	94,8
Aracoiaba	>100,0	>100,0	>100,0	>100,0	>100,0	>100,0
Aratuba	>100,0	95,1	94,1	91,2	77,9	81,7
Barreira	>100,0	>100,0	>100,0	>100,0	>100,0	>100,0
Baturité	93,4	92,8	91,7	86,7	91,3	98,0
Capistrano	>100,0	>100,0	>100,0	>100,0	87,0	>100,0
Guaramiranga	>100,0	>100,0	96,3	91,0	93,9	98,7
Itapiúna	>100,0	86,9	>100,0	95,7	>100,0	91,4
Mulungu	86,6	95,8	>100,0	91,7	83,9	81,3
Ocara	>100,0	>100,0	>100,0	>100,0	>100,0	>100,0
Pacoti	>100,0	>100,0	>100,0	>100,0	94,8	90,3
Palmácia	92,4	91,1	>100,0	84,2	72,5	92,3
Redenção	>100,0	>100,0	>100,0	91,9	98,4	95,4

Source: Own elaboration based on TCM data

According to **Table 3**, Acarape obtained an average of effectively collected revenues compared to initially forecasted of 92.5%. For the municipality of Aracoiaba, the percentage of the total collected in relation to the forecast surpassed the forecast in all years. It is noteworthy that in 2011 the municipality of Aracoiaba raised 4,077,952 more

than was initially forecasted in the budget. Aratuba had an average collection of 88.0%. In Barreira it is observed that the percentage of the total collected in relation to the forecast surpassed the forecast in all the years, noting that in 2012 the municipality raised 4,922,496 more than initially forecasted in the budget. The municipality of Baturité

obtained an average collection in relation to the forecast of: 92.3%. With respect to the municipality of Capistrano, only in 2013 did the municipality raise below the forecast, equivalent to 87.0%. Guaramiranga presented an average collection of 95.0%. In Itapiúna there was an average collection of 91.3% while in Mulungu, the average was 87.9%. Ocara surprised in all the observed years and in 2011, specifically, the municipality raised 6,812,842 more than was initially forecasted in the budget. The average for Pacoti was an average of 92.5%, Palmácia 86.5% and Redemption 95.2%. However, it is observed that the municipality of Palmácia presented the lowest average of collection among all the municipalities of Massif and this result was based on the percentage of collection of almost 30% less in 2013.

The forecast and collection ratio presented the following results: exceeding the 100% of collection in relation to the forecast, it obtained the percentage of 48.72%, it should be noted that the 51.28% in which the municipalities did not exceed the forecast, also presented

collection amounts approximate to those predicted, equivalent to an average of: 90.80% of funds properly collected in relation to what was predicted.

4.2 Limit of Personnel Expense

For years the Brazilian municipalities had high rates of personnel expenses, with the overloaded public machine, eventually resulting in state indebtedness. In this context, the Fiscal Responsibility Law established limits for personnel expenses, which, in the municipalities, correspond to 60% of the percentage of net current revenue, of which 54% is attributed to the Executive Power and 6% to the Legislative Power.

It is important to note that there was a change of manager (mayor), with the years 2009 to 2012 of one management, and those of 2013 to 2014 of another. Regarding the situation, the limits established by the LRF should be verified, as indicated in **Table 4**.

Table 4: Limits and Status of Staff Spending Set by the LRF

PERCENT OF SPENDING WITH STAFF	SITUATION
below 48.60%	REGULAR
from 48.60% to 51.29%	ALERT
from 51.30% to 53.99%	PRUDENTIAL
greater than 54%	TOTAL

Source: Own elaboration based on LRF.

The following tables show the percentages of current net revenue from personnel expenses of the municipalities that make up the Baturité Massif-CE.

Table 5: Percentage of net current revenue spent on Acarape - CE personnel

Acarape	Net current	Revenue Personnel expenses	Percentage	Situation
2014	25.917.388,98	14.531.403,39	56,06%	TOTAL
2013	23.508.112,34	13.258.234,62	56,39%	TOTAL
2012	20.784.144,57	11.733.988,26	56,45%	TOTAL
2011	19.433.886,45	9.877.863,76	50,80%	ALERT
2010	15.778.551,54	8.877.173,47	56,26%	TOTAL
2009	15.393.384,03	7.874.133	51,15%	ALERT

Source: Own elaboration based on TCM-CE.

According to **Table 5**, the municipality of Acarape-CE exceeded the total limit in 2014, 2013, 2012 and 2010, and reached the alert limit in 2011 and 2009. It is noteworthy that the municipality exceeded the limit. total in most of the years, a situation that may be sanctioned for noncompliance with the determination of the limit of 54% of the percentage of net current revenue spent on personnel attributed to the executive branch.

Table 6: Percentage of net current revenue spent on personnel from Aracoiaba - CE

Aracoiaba	Net current	Revenue Personnel expenses	Percentage	Situation
2014	49.713.856	26.788.734	53,88%	PRUDENCIAL
2013	43.857.525	24.869.806	56,70%	TOTAL
2012	41.216.241	21.528.675	52,23%	PRUDENCIAL
2011	40.434.018	20.766.210	51,35%	PRUDENCIAL
2010	33.388.410	16.718.845	50,07%	ALERT
2009	29.109.524	14.285.379	49,07%	ALERT

Source: Own elaboration based on TCM-CE.

According to **Table 6**, the municipality of Aracoiaba-CE exceeded the total limit in 2013, reached the prudential limit in 2014, 2012 and 2011, and exceeded the alert limit in 2010 and 2009.

Table 7: Percentage of net current revenue spent on personnel Aratuba - CE

Aratuba	Net current	Revenue Personnel expenses	Percentage	Situation
2014	23.554.245	14.495.842	61,54%	TOTAL
2013	24.895.257	11.704.779	47,02%	REGULAR
2012	20.086.726	11.993.963	59,71%	TOTAL
2011	19.554.012	10.505.438	53,73%	PRUDENTIAL
2010	17.035.477	8.980.508	52,72%	PRUDENTIAL
2009	16.400.501	8.015.789	48,88%	ALERT

Source: Own elaboration based on TCM-CE.

According to **Table 7**, the municipality of Aratuba-CE exceeded the total limit in 2014 and 2012, was in a regular situation in 2013, and reached the prudential limit in 2011 and 2010. It is noteworthy that the municipality, in 2014, reached 61.54% of net current revenue spent on personnel, which is considered high, in relation to the legal limit of 54% attributed to the executive branch.

Table 8: Percentage of net current revenue spent on personnel Barreira - CE

Barreira	Net current	Revenue Personnel expenses	Percentage	Situation
2014	35.802.419	19.689.829	54,99%	TOTAL
2013	32.546.353	17.799.441	54,69%	TOTAL
2012	31.516.900	16.024.298	50,84%	ALERT
2011	26.630.671	13.281.114	49,87%	ALERT
2010	21.936.754	11.562.206	52,70%	PRUDENT IAL
2009	19.597.188	10.406.864	53,10%	PRUDENT IAL

Source: Own elaboration based on TCM-CE.

According to **Table 8**, the municipality of Barreira-CE exceeded the total limit in 2014 and 2013, reached the alert limit in 2012 and 2011, and exceeded the prudential limit in 2010 and 2009.

Table 9: Percentage of net current revenue spent on personnel from Baturité - CE

Baturité	Net current	Revenue Personnel expenses	Percentage	Situation
2014	54.512.582	29.543.091	54,19%	TOTAL
2013	48.583.087	24.468.827	50,36%	ALERTA
2012	45.215.810	24.007.864	53,09%	PRUDENT IAL
2011	37.974.025	20.047.188	52,79%	PRUDENT IAL
2010	34.472.662	17.664.846	51,24%	ALERT
2009	30.022.272	14.873.625	49,54%	ALERT

Source: Own elaboration based on TCM-CE.

According to **Table 9**, the municipality of Baturité-CE exceeded the total limit in 2014, reached the alert limit in 2013, 2010 and 2009, and exceeded the prudential limit in 2012 and 2011.

Table 10: Percentage of net current revenue spent on personnel Capistrano - CE

Capistrano	Net current	Revenue Personnel expenses	Percentage	Situation
2014	35.364.800	20.892.872	59,08%	TOTAL
2013	33.656.290	19.004.090	56,47%	TOTAL
2012	30.989.719	16.416.865	52,98%	PRUDENT IAL
2011	29.229.127	15.214.649	52,05%	PRUDENT IAL
2010	24.078.440	12.688.137	52,69%	PRUDENT IAL
2009	18.934.504	10.206.215	53,90%	PRUDENT IAL

Source: Own elaboration based on TCM-CE.

According to **Table 10**, the municipality of Capistrano-CE exceeded the total limit in 2014 and 2015 and exceeded the prudential limit in 2009-2012.

Table 11: Percentage of net current revenue spent on personnel from Guaramiranga -CE

Guaramiranga	Net current	Revenue Personnel expenses	Percentage	Situation
2014	15.705.271	8.718.799	55,51%	TOTAL
2013	14.036.306	7.481.135	53,29%	PRUDENT IAL
2012	13.516.882	7.122.668	52,69%	PRUDENT IAL
2011	11.475.067	5.925.964	51,64%	PRUDENT IAL
2010	10.544.461	4.744.572	44,99%	REGULAR
2009	10.018.803	3.829.449	38,22%	REGULAR

Source: Own elaboration based on TCM-CE.

According to **Table 11**, the municipality of Guaramiranga-CE exceeded the total limit in 2014, reached the prudential limit in 2013, 2012 and 2011, and was in good standing in 2010 and 2009.

Table 12: Percentage of net current revenue spent on personnel from Pacoti - CE

Pacoti	Net current	Revenue Personnel expenses	Percentage	Situation
2014	22.503.686	13.751.471	61,10%	TOTAL
2013	20.930.127	12.283.504	58,68%	TOTAL
2012	21.529.350	10.313.135	47,90%	REGULAR
2011	19.626.158	9.706.209	49,45%	ALERT
2010	15.742.967	7.975.189	50,65%	ALERT
2009	13.959.031	6.276.830	44,96%	REGULAR

Source: Own elaboration based on TCM-CE.

According to **Table 12**, the municipality of Pacoti-CE exceeded the total limit in fiscal years 2014 and 2013, reached the alert limit in fiscal years 2011 and 2010, and was in good standing in fiscal year 2012. It is noteworthy that in 2014 the municipality reached 61.10% of net current revenue spent on personnel, which is considered quite high compared to the limit assigned to the executive branch of 54%.

Table 13: Percentage of net current revenue spent on personnel from Ocara - CE

Ocara	Net current	Revenue Personnel expenses	Percentage	Situation
2014	45.946.540	24.616.988	53,57%	PRUDENT IAL
2013	41.531.405	22.145.769	53,32%	PRUDENT IAL
2012	39.264.001	19.806.517	50,44%	ALERT
2011	35.454.573	17.739.186	50,03%	ALERT
2010	29.996.588	14.457.993	48,20%	REGULAR
2009	26.203.104	11.967.145	45,67%	REGULAR

Source: Own elaboration based on TCM-CE.

According to **Table 13**, the municipality of Ocara-CE did not exceed the total limit in any of the years, respecting the limit of 54% of net current revenue spent on personnel allocated to the Executive Power, in compliance with the Law of Fiscal Responsibility determines. In the other years, it reached the alert limit in 2012 and 2011, and was in good standing in 2010 and 2009.

Table 14: Percentage of net current revenue spent on personnel from Itapiúna - CE

Itapiúna	Net current	Revenue Personnel expenses	Percentage	Situation
2014	31.363.889	19.100.705	60,90%	TOTAL
2013	33.079.035	18.547.602	56,07%	TOTAL
2012	26.751.868	12.993.648	48,57%	REGULAR
2011	26.392.086	12.391.161	46,95%	REGULAR
2010	22.128.566	10.554.281	47,69%	REGULAR
2009	20.367.173	8.481.723	41,64%	REGULAR

Source: Own elaboration based on TCM-CE.

According to **Table 14**, the municipality of Itapiúna-CE, exceeded the total limit in the years 2014 and 2013, and in the other years 2012, 2011, 2010 and 2009, was in a regular situation.

Table 15: Percentage of net current revenue spent on personnel from Mulungu - CE

Mulungu	Net current	Revenue Personnel expenses	Percentage	Situation
2014	19.523.858	12.624.899	64,66%	TOTAL
2013	19.883.206	10.706.097	53,84%	PRUDENT IAL
2012	19.299.758	10.115.288	52,41%	PRUDENT IAL
2011	16.477.911	8.114.980	49,24%	ALERT
2010	13.631.931	7.406.429	54,33%	TOTAL
2009	11.901.826	6.302.257	52,95%	PRUDENT IAL

Source: Own elaboration based on TCM-CE.

De acordo com a **Tabela 15** o município de Mulungu-CE, ultrapassou o limite total nos exercícios de 2014 e 2010, atingiu o limite prudencial nos exercícios de 2013, 2012 e 2009, e ultrapassou o limite de alerta no exercício de 2011. Ressalta-se que no exercício de 2014 o município obteve 64,66% de percentual de receita corrente líquida gasto com pessoal, valor muito acima do limite atribuído ao Poder Executivo de 54%. Importante salientar que houve mudança de gestor (prefeito), sendo os exercícios de 2009 a 2012 de uma gestão, e os de 2013 a 2014 de outra.

Table 16: Percentage of net current revenue spent on personnel from Palmácia - CE

Palmácia	Net current	Revenue Personnel expenses	Percentage	Situation
2014	21.244.198	11.409.899	53,70%	PRUDENT IAL
2013	18.105.499	12.336.007	68,13%	TOTAL
2012	17.026.588	9.761.347	57,33%	TOTAL
2011	17.015.685	8.933.091	52,49%	PRUDENT IAL
2010	14.255.994	7.569.507	53,09%	PRUDENT IAL
2009	11.375.791	5.466.423	48,05%	REGULAR

Source: Own elaboration based on TCM-CE.

According to **Table 16**, the municipality of Palmácia-CE exceeded the total limit in fiscal years 2013 and 2012, reached the prudential limit in fiscal years 2014, 2011 and 2010, and was in a regular situation in fiscal year 2009. that in 2013, the municipality obtained an exorbitant amount of 68.13% of net current revenue spent on personnel, which is the highest percentage among all the municipalities of Massif de Baturité-CE and well above the limit of 54% attributed to the executive branch.

Table 17: Percentage of net current revenue spent on personnel from Redemption - CE

Redenção	Net current	Revenue Personnel expenses	Percentage	Situation
2014	46.119.499	26.427.626	57,30%	TOTAL
2013	44.856.304	26.141.139	58,27%	TOTAL
2012	41.542.793	20.119.413	48,43%	REGULAR
2011	38.350.405	18.394.236	47,96%	REGULAR
2010	33.117.223	15.260.923	46,08%	REGULAR
2009	27.755.778	13.215.236	47,61%	REGULAR

Source: Own elaboration based on TCM-CE.

According to **Table 17**, the municipality of Redenção-CE exceeded the total limit of net current income spent on personnel in 2014 and 2013, and in other years was in good standing. It is important to note that there was a change of manager (mayor), with the years 2009 to 2012 of one management, and those of 2013 and 2014 of another.

4.3 Analysis of personnel expenses of the municipalities of Massif de Baturité-CE

The tables containing the percentages of current net revenue from personnel expenses showed that over these six years (2009 to 2014), the municipalities of Massif de Baturité-CE, presented the following percentages: in regular situation 20.51%; exceeding the alert limit 19.23%; exceeding the prudential limit 30.77%; and exceeding the total limit: 29.49%.

The study by Nunes et al. (2013) showed that 75% of the municipalities of Rio Grande do Sul, 66% of the municipalities of Santa Catarina and 92% of the

municipalities of Paraná met 70% or more of the pre-established requirements. Two characteristics were recurrent in the three states: the information was dispersed through the electronic sites, ie, not present in an integrated system; in addition to the fact that the requirement that requires the amount of the revenue entry has the lowest disclosure rate.

It is noticed that the municipalities, in most of the fiscal years, reached the prudential limit and presented an expense with personnel above the allowed by the Fiscal Responsibility Law, being subject to sanctions if they do not fall within the limit of 54% of the revenue percentage. net current of personnel expenses attributed to the Executive

Power.

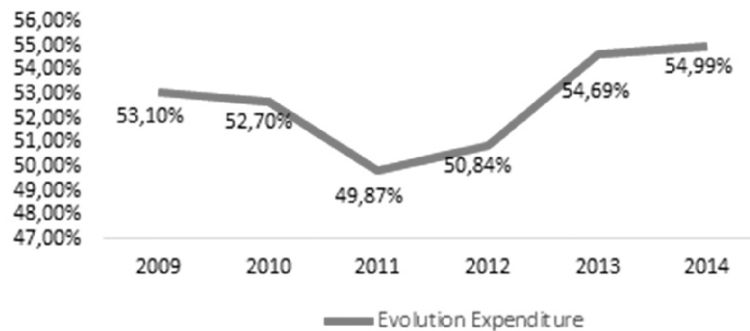
Another relevant factor observed in the analysis of the tables is that the municipalities exceeded the legal limit with higher incidence during the 2013 and 2014 financial years, even though in some municipalities these exercises were of different (mayor) managements, it was observed that this did not influence. For the increase in the percentage of net current revenue spent on personnel, this is because even the municipalities that did not have change of manager, also presented the increase in personnel expenses compared to net current revenue in these years.

According to a study by Crisostomo et al. (2015) the results indicate that TCM-CE has, in fact, used the LRF in

issuing opinions, since, more than 87% of the analyzed documents make explicit reference to the referred Law. % of the disapproved accounts had as justification of disapproval LRF precepts.

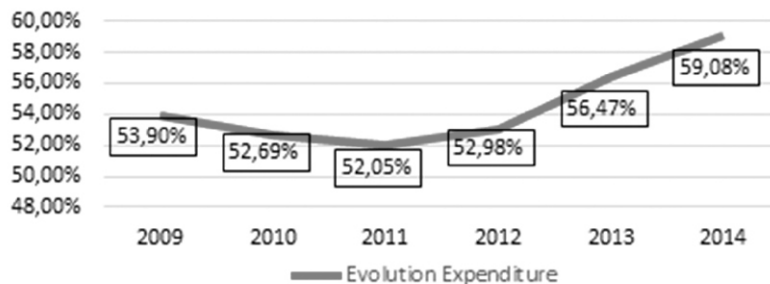
The municipalities of Barreira, Capistrano and Guaramiranga did not change managers from 2009 to 2014, yet showed a gradual increase in personnel expenses compared to net current revenue from 2011 to 2014. Although the municipalities of Barreira and Capistrano presented a reduction from 2009 to 2011, it can be observed that the values achieved in 2009 are much lower than in 2014. The following graphs illustrate this situation.

Figure 3: Evolution of personnel expenses in Barreira - CE



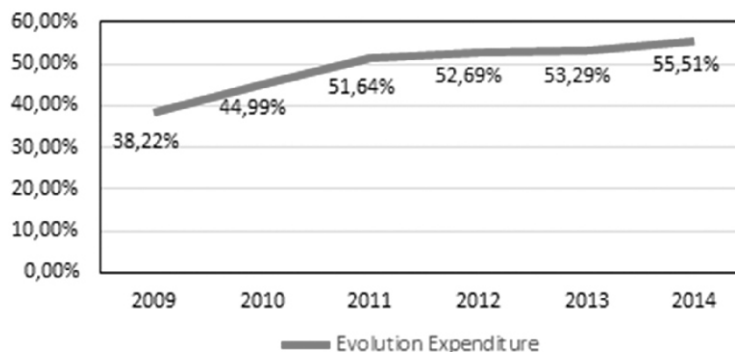
Source: Own elaboration based on TCM-CE.

Figure 4: Evolution of Capistrano personnel expenses - CE



Source: Own elaboration based on TCM-CE.

Figure 5: Evolution of personnel expenses in Guaramiranga - CE



Source: Own elaboration based on TCM-CE.

Municipalities that reached the total limit defined for personnel expenses in relation to the net current revenue, in breach of the determination of Art. 20, III, b of the Fiscal Responsibility Law, which was the case of higher incidence in the analyzed years, will have the duty to bring staff expenses back to the legal limit (54%) by eliminating the surplus percentage in the next two quarters, at least one third in the first (Article 23 LRF). If after exceeding the deadline the municipality does not make the necessary reduction established and while the excess lasts, may not: receive voluntary transfers; obtain direct or indirect collateral from another entity and, finally, contract credit operations, except those for the refinancing of the debt and those aimed at reducing personnel expenses (article 23 LRF, paragraph 3).

Regarding the alert and prudential limits, the municipalities must be aware of Article 22 of the Fiscal Responsibility Law, which states that if personnel expenses exceed 95% of the limit, ie (51.3%), to their respective power. veto: concession of advantage, increase, readjustment, except for those arising from a court decision or legal or contractual determination; create positions, employment or function; change career structure that entails increased spending; provision of public office, admission or hiring of personnel, except replacement due to retirement or death of employees; and to hire overtime, except in situations provided by law.

Regarding the previous empirical approaches on the subject, there are the studies by Freire (2004), Lopes; Slomski (2004); Oliveira, Peter and Meneses (2010); Andrade, Coscarelli, Paula and Ckagnazaroff (2011); Sousa, Lima, Gomes, Birth, Peter & Machado (2012); Lima, Sousa, Sousa, Nascimento, Peter and Machado (2013) who developed studies focused on the discussion about the Fiscal Responsibility Law and socioeconomic indicators.

Freire (2004) analyzed the financial indicators and the tax capacity of the Brazilian states, aiming to propose an index for the evaluation of public management as a signal of state government policy. The fiscal indicators were prepared based on the Budget Balance, the Financial Balance and the Fiscal Management Reports, with data obtained from the National Treasury Secretariat (STN) in the period 1998-2002. Freire (2004) constructed a tax management index from the score given to a set of indicators, allowing the construction of Brazilian states.

Lopes and Slomski (2004) identified the São Paulo municipalities awarded in 2002 and 2003 in the Responsible Fiscal Management Incentive Program, based on the Fiscal Responsibility Law, in order to verify the existence of antagonisms between fiscal responsibility and social responsibility. The results indicate that the municipalities awarded by the responsible fiscal management program, in their majority, have high social indexes, denoting congruence between the data of fiscal and social responsibility.

Andrade et al. (2011) describe the financial behavior of a municipality that has positive tax, social and management responsibility indices, in order to highlight the strategies used by it to make tax management compatible with the management of other relevant areas. for the society. Furthermore, Andrade et al. (2011) studied elements that make up the fiscal aspect of the Fiscal and Social Responsibility Index (IRFS). The findings of the research showed that the IRFS has shown higher values over the years studied, as well as positive changes in the financial structure of the municipality and the balance sheet quotients.

Oliveira et al. (2010) analyzed the implications of the LRF on social indicators at the municipal level, in order to verify if managers are able to reconcile social responsibility with fiscal responsibility. The results allowed us to state that the variations in the tax liability indexes impact on the evolution of the social indicators of education and health, since the better the tax liability index, that is, the closer the manager approaches the maximum index that would be 1 meaning greater control in the tax sector, consequently, the better was its performance in meeting social demands, thus, there is a compatibility of compliance with fiscal responsibility with social responsibility.

It is extremely important that the municipalities respect the limits established by the Fiscal Responsibility Law, given that, in addition to suffering sanctions for disrespecting the determinations provided for in this Complementary Law, by complying with its rules, they will contribute to the strengthening of fiscal management responsibility. , avoiding that the municipalities accumulate debts, and that public resources can be invested in actions and public policies that bring benefits to society.

5 FINAL CONSIDERATIONS

The present work had as general objective to analyze the impact of the Fiscal Responsibility Law on the financial performance at municipal level in a period of six fiscal years 2009 to 2014. Facing bibliographic research, study of the LRF articles, financial data analysis about the municipalities of the Massif Baturité-CE, it is concluded that the Fiscal Responsibility Law has been partially successful in the pursuit of responsibility for fiscal management, given that the municipalities of the Massif de Baturité-CE, presented in their financial performance are partially meeting the principles of this Supplementary Law, but adjustments are required to contain personnel expenses.

Regarding the specific objectives, it was found that the LRF has been partially contributing effectively to the fiscal management responsibility in the analyzed municipalities, because, although the data showed that most municipalities are complying with the balanced budget rule, the Expenditure on personnel has exceeded the legal limit in most financial years, which may, according to the LRF, imply from the termination of term and imprisonment of one to four years for the manager, and / or the prohibition on receiving voluntary transfers. , contract credit operations and obtain guarantees for the municipality.

In the analysis of the percentage of net current revenue spent with personnel of the municipalities of Massif de Baturité-CE, it was found that they are in most years exceeding the prudential limit and the total limit of 54% attributed to the Executive Power, and that the In each fiscal year the percentages of net current revenue against personnel expenses are increasing almost gradually, even if there is a decrease in some years, it was found that the values obtained in the 2009 fiscal years of each municipality are all lower than the values of the fiscal years. 2014 year.

The results of the research showed that the municipalities of Massif de Baturité-CE, are respecting, in part, what is determined by the Fiscal Responsibility Law, in the relationship forecast and collection was detected that often the municipalities collected even more than was originally planned. in the budget, and when not, they were very close to those expected.

In relation to collection and commitment, it was found that most municipalities are respecting the principle of financial equilibrium, that is, they are not spending more than they raise, thus avoiding contracting debts.

Another factor that drew attention was that all municipalities had a real increase in revenue above inflation in the period analyzed, and yet they still had personnel expenses above those allowed by the LRF, which shows that the lack of resources does not justify the increase in the percentage of net current revenue against personnel expenses over the years.

The study indicates a positive correlation between compliance with the Fiscal Responsibility Law and the municipal development index, which means a possible improvement in the living conditions of the population, due to the responsibility in fiscal management, was confirmed by the results obtained with the model. econometric.

From the present study it was found that the LRF fulfilled its role of balanced budget rule, given that most municipalities of the Massif Baturité-CE, showed, in most years, financial surpluses, however, in the matter Regarding the personnel expenditure limit, it was not found that the LRF was successful in containing the excess personnel expenses, which, in addition to the municipalities exceeding the legal limit in most years, still showed a partially gradual increase over the years, Although the LRF provides sanctions for municipalities that breach the established limit, they were not sufficient to curb this practice that was observed in the municipalities of Massif de Baturité-CE. As a possible solution to this problem, stricter sanctions would be imposed on municipalities as well as on public managers that breach the LRF limit on personnel

expenses against net current revenues. It is concluded, from the results obtained with the research, that the fulfillment of the determinations contained in the LRF have a positive impact on the municipal development.

The present work was mainly motivated to evaluate the importance of the Fiscal Responsibility Law and its implication in the management of public finances in the Massif region of Baturité-CE, where is also installed the University of International Integration of Afro-Brazilian Lusofonia (UNILAB), established in 2010.

It is concluded from the results obtained with the research that the fulfillment of the determinations contained in the LRF have a positive impact on municipal development, corroborating what was observed in the works of Oliveira et al., (2010); Sousa et. al. (2011); Lima et al. (2012) for the State of Ceará and for Brazil. However, as in this research it was decided to reduce the population universe, only for fourteen (14) municipalities that form the Baturité Massif, the results obtained allow to evaluate, locally, some of the impacts generated by compliance with the LRF.

For future work, it is suggested to continue the verification of the municipalities analyzed here, given that the installation of a public HEI has had a major impact on the region's economy, so this effect can significantly change the indexes of IFDM (Firjan Municipal Development Index) and IRF (Fiscal Responsibility Index). It is also important to highlight that the elaboration of more in-depth research that can measure Ceará's intraregional sensitivity regarding development and fiscal responsibility may guide government decisions to reduce the differences between these regions found in this research.

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