

Public Governance and Governability: Accountability and Disclosure permitted by Accounting Applied to the Public Sector as a Sustainability Instrument for the State

Abstract

In an accounting-financial perspective applied to business organizations, the Going-Concern Principle presupposes their sustainability towards perpetuity, influencing and guaranteeing investors' returns. In Public Management, this is no different, underlining the existence of the Going-Concern Principle of the State. This describes the State as a political society that, like the company, should be perennial and sustainable, always aiming for the promotion of the common good and the development of its people. In line with the expected contribution, this paper is aimed at discussing the importance of Accounting Applied to the Public Sector as a useful tool for effective Public Governance and Governability, in accordance with a sustainability view that is applicable to the management of the State. What the method is concerned, regarding the ends, it was an exploratory and explanatory research and, regarding the means, bibliographic and documentary research and theoretical-empirical observation were used, focusing on compliance with Public Management disclosure (transparency) and accountability (social responsibility to render accounts to society). As a result, a strong interrelation between the terms was verified, as Accounting evidences governments' results and actions based on governance (the means/ the how) related to governability (political power and actions), and also that both are oriented towards the sustainability of the State. As regards the latter, it was also verified that it is more comprehensive than the term "sustainability" itself, which is often narrowed down to the eco-environmental view and ignores important financial (equilibrium) and economic-social variables inherent in the social function of the State Como.

Key words: accountability; disclosure; public governance; State; governability.

Antonio Gonçalves Oliveira

Ph.D. in Production Engineering (UFSC), Adjunct Professor at Universidade Tecnológica Federal do Paraná (PGP/UTFPR). **Contact:** Av. Sete de Setembro, 3165, Centro, Curitiba, PR, Brazil, CEP: 80.230-901. E-mail: agoliveira@utfpr.edu.br

Hilda Alberton Carvalho

M.Sc. and Ph.D. candidate in Technology (UTFPR), Adjunct Professor at Universidade Tecnológica Federal do Paraná (UTFPR). **Contact:** Av. Sete de Setembro, 3165, Centro, Curitiba, PR, Brazil, CEP: 80.230-901. E-mail: hilda@utfpr.edu.br

Dayanne Paretti Corrêa

Undergraduate Student in Electric Industrial Engineering at Universidade Tecnológica Federal do Paraná (UTFPR). **Contact:** Av. Sete de Setembro, 3165, Centro, Curitiba, PR, Brazil, CEP: 80.230-901. E-mail: day.paretti@gmail.com

1. Introduction

The foundations of public management are based on the principles of legality, which is fundamental with regard to public managers' actions, determining that they are only allowed to do what the law describes, and not what the law does not prohibit, as applicable to private managers' actions.

In that sense, Fiscal Responsibility Law (FRL) (Complementary Law 101/2000) sets the limits of public action, with a view to strengthening the main public management axes which according to Santos (2002, apud Slomski, Mello, Tavares & Macêdo, 2008, p.174) are: planning, transparency, control and responsibility in public resource management and accountability.

In accordance, Accounting, as an Applied Social Science with a method that has been especially conceived to capture, register, accumulate, summarize and interpret the phenomena that affect any entity's equity, financial and economic situation ([...] even public entities like: state, city, Union, local authority, etc.) have a very broad activity area.

With regard to public persons, in Iudicibus (2006, pp.22-24), among the groups of "people" and "interests" that need financial information, the Government and public economists are highlighted, which take a double interest in financial information, as they support the state's taxation practices (in the broad sense), and even contribute to the sustainable foundation of public policies directed at the wellbeing of society.

Likewise, Horngren, Sundem and Stratton (2004, p.4), in accordance with Marion (2010, p.145), contribute to the discussion, highlighting the importance of Accounting in decision making, describing that "[...] the basic objective of financial information is to help someone make decisions". Nevertheless, independently of who makes the decision, understanding financial information enhances its quality, security and foundations. Therefore, compliance with one of the fundamental principles of governance (in this case public governance) is highlighted: accountability, articulated with other extremely important principles for the management of the public good: disclosure, equity and responsibility. According to Marques apud Slomski *et al.* (2008, p.51), articulated compliance with these principles represents a great challenge for the public sector.

Linking the accounting view with public governance, Matias-Pereira (2010, p. 164) underlines that public accounting is also aimed at "applying accounting concepts, principles and standards in budget management, (...) of Public Management, with a view to offering society comprehensive knowledge on public affairs".

In the strict sense, Mota (2009), aligned with the view by Kohama (2006), Matias-Pereira (2010) and Slomski *et al.* (2008), contributes to the theme, highlighting that the main function of Accounting for public entities is to study, register, control and disclose equity and its variations. In that sense, this task imposes the use of a large number of accounting techniques and procedures that turn it into a complex branch of Accountancy.

Also, Accounting Applied to the Public Sector is subject to compliance with legal standards that address control requirements on the public budget and administrators' actions that can affect equity. According to Mota (2009), Financial Law principles also fit into this context.

In view of the fact that the public sector is totally regulated, in compliance with the general principles of Law, mainly Administrative Law, Law 4.320/64 is the most important standard in force to define specific disclosure procedures for public entities. Other requirements are addressed in Complementary Law 101/00 (the renowned Fiscal Responsibility Law), as well as in other laws and normative acts, including: Decrees, Resolutions and Normative Instructions.

In addition, the regulator and supervisor of accounting practice – the Federal Accounting Council (CFC) – "legislates" on the use of Accountancy in the Public Sector. In that sense, the Council issues CFC Resolution CFC 1.111/07 especially to address the Fundamental Accounting Principles from a public-sector perspective and, more recently, published the Brazilian Accounting Standards Applied to the Public Sector (NBC T SP), which have been established in a set of ten resolutions (CFC-1.128/2008 to 1.137/2008).

In view of the above, the aim in this research is to discuss the importance of Accounting Applied to the Public Sector as a useful tool for the effectiveness of Public Governance and Governability, in accordance with a sustainability perspective applicable to the Management of the State.

Thus, the study proposal is justified as it adds up to the development of knowledge in the area (Public Management and Governance), in view of the valuation of the principles of disclosure, equity, accountability, social responsibility and the going-concern of the State, with a view to the development of the state and its people in the broad sense.

In that direction, according to the study objective and justification, the authors do not intend to exhaust the theme, which represents a fertile area for future research. Respecting the limitations to reach the proposed objective, in line with the method applied, classified as an exploratory and explanatory bibliographic and documentary research with theoretical-empirical observation (Vergara, 2004, pp. 46-50), this study is divided in eight parts, including this introduction and the bibliographic references.

In the first part, the importance of Accounting is discussed as a Public Management Information System, showing that Accounting as a science can also be understood as a fertile database that can be transformed into useful information for the decision process, departing from planning and control actions.

In the second part, the financial information system is situated in the public management context, defining the initial and final limits for its effective use. In the third part, the inter-relation is discussed between the State as a political-social entity, governance as a means, governability as political power and sustainability as the going-concern principle of the State, in search of the common good of its people.

The methodological procedures employed in the study are addressed in the fourth part, where the methods' possible limitations are acknowledged, given the understanding that they are not finite and finished, but always (depending on the "analyst") open to inquiries (like allocation criteria and valuation procedures) and constant improvement. Closely connected is the fifth part, which presents references observed in other studies with similar or approximate designs.

In part six, reference is made to suggestions for further research on the theme, highlighting it as fertile ground for further exploration, acknowledging this excerpt as a contribution to other studies that emerged from the concerns of researchers who look for answers and solution to the "endless" demands of modern society, broadening the frontiers of science to an invisibility to the eyes of the researchers who nurture it and provide feedback.

At the end, the final considerations, followed by the bibliographic references that sustained the study, confirm the healthy interrelation between the terms studies, applied to public management with a view to contributing to the sustainability of the State, covering its component triad: (i) its people and (ii) its territory, administered under the political auspices of the (iii) government.

2. Accounting as an Information System in Public Management

Objectively, Accounting is an information and evaluation system aimed at providing its users with economic, financial, physical and productivity analyses, related to the entity that is being accounted for. Therefore, the aims of Accounting should in some explicit or implicit way adhere to what users consider as important elements for their decision process (Padoveze, 2004, pp.51-52).

What Accounting Applied to the Public Sector is concerned, also called Public Accounting, Kohama (2010, p.25) highlights it as "the branch of Accounting that studies, directs, controls and demonstrates the organization and execution of the Public Treasury; public equity and its variations".

Thus, Public Accounting is one of the most complex branches of Accountancy and is aimed at capturing, registering, accumulating, summarizing and interpreting the phenomena that affect the budget, financial and equity situations of internal public entities, that is, the Union, States, Federal District and Cities and respective local authorities (Kohama, 2010, pp. 25-26), acting on the budget, financial, equity and compensation system.

Similarly and in addition to Kohama's view (2010), Mota (2009, p.222) highlights that, "to establish an appropriate Public Accounting concept, knowledge is needed about all relevant legal determinations, particularly Law 4.320/1964". Hence, according to the author:

[...] Public Accounting is that branch of Accountancy that applies the registration techniques of administrative acts and facts to Public Management, determining results and elaborating periodical reports, in view of Financial legal standards (...), general public finance principles and Accounting principles (Mota, 2009, p. 222).

Based on the interpretation of articles 29 and 89 of the same Law, it is observed that Accounting (in this case Public Accounting) is responsible for monitoring the execution of budgetary revenues, according to its exegesis, describing that "Accounting entities are responsible for organizing monthly income statements to support revenue estimates in the proposed budget..." and also that "Accounting discloses facts related to budget, financial, equity and industrial management".

In addition, in compliance with Law 4.320/64, Mota (2009, p.223) shows that:

Public Accounting registers revenue forecasts and determined expenses, as established in the public budget approved for that year, records the budgetary execution, compares estimated and actual revenues and expenses, reveals equity variations, demonstrates equity values and controls: credit operations; active debt; credits and obligations (...). According to article 85 in Law 4.320/64, Accounting should be organized to permit: the monitoring of the budgetary execution; knowledge about the equity composition; determination of industrial service costs; survey of general balance sheets; and the analysis and interpretation of economic and financial results.

Thus, "(...) Accounting will disclose, before the Public Treasury, the situation of all to the extent that, in any way, they collect revenues, incur expenses, administer or store goods belonging or trusted to it" (Art. 83 of Law 4.320/64).

Besides Law 4.320/64, the Brazilian Accounting Standards Applied to the Public Sector (NBC T SP) are highlighted, issued by the Federal Accounting Council (CFC) through Resolutions 1.128 to 1.137/2008, according to which "Accounting Applied to the Public Sector is that branch of Accountancy that applies, in the information production process, the Fundamental Accounting Principles and accounting standards directed at the equity control of public entities".

As regards the object of Accounting as a science, although it is expressively defined as (private) equity in the private sector; the same is true for Public Management, expanding it to the public equity level, which is exegetically defined in CFC Resolution 1.129/2008 as:

the set of rights and goods, whether tangible or intangible, taxed or not, purchased, constituted, produced, received, maintained or used by public entities, which hold or represent a present or future flow of benefits, inherent in the delivery of public services or the economic exploration by public entities, and its obligations (Mota, 2009, p. 223).

As one of the objectives of Accounting is to provide information on the changes that occur in (public and private) entities' equity, Accountancy should not be considered, as many do, as a mere information instrument. It should be kept in mind that all knowledge areas produce information.

Accounting not only produces information, but also permits explaining equity phenomena, constructing prosperity models, elaborating analyses, controlling, also serving to forecast and project future years, among so many other functions. In that context, accountability and disclosure are included, as the transparent, timely and comprehensible rendering of accounts to society.

From a systemic viewpoint, Accounting is integrated in the environment. This evidences the view of Accounting as an open system, that is, which depends not only on internal information, but also on the link with and filtering of information external to the organization.

Regarding the systemic view applied to Accounting, elevating it to the situation of a system, Kroetz, Mattos and Fontoura (1998, pp. 20-28) mention that:

the likelihood between the company and a living organism is known to everyone. In this organism, we can distinguish a brain, in charge of decisions; the limbs, in charge of action; the nervous system, in charge of transmitting the command of the brain to the limbs, and information from the senses to the brain.

Departing from this organization focus, which extends to public organizations and the political entities of the State, by analogy, Accounting Applied to the Public Sector (Public Accounting) is considered as a nervous system that serves as a link between the Administration (the decision power at the political and planning level: governability and the execution areas (governance) and vice-versa. In fact, there is a dependence on the parts (governance/governability), as all of them are intentionally connected to keep the organism functioning and in line with the going-concern principle.

Hence, it is not enough to have a good nervous system if the brain does not respond to stimuli and vice-versa. A functional public service depends on good management, with the advice of Public Accounting as a useful information source for management processes, highlighting the need for managers to use the information the accounting information system produces.

3. Environment of the Accounting Information System Applied to the Public Sector

In practice, Accounting Applied to the Public Sector can be understood as a subsystem within the macrosystem (Public Management – the State). This, in turn, is part of a broader system, which is the environmental system.

Users of the statements provided by the financial information system are considered as any private or public person interested in evaluating the situation and progress of a given entity, whether a company or public entity.

This is the perspective adopted to approach Accounting Applied to the Public Sector and the environment, that is, how it contributes to the global environment and how it captures the external inputs to process them and transform them into useful information (outputs) for the decision process.

Using a systemic focus, it is highlighted that the environment interferes directly in (public and private) equity variations, which are registered and studied by Accounting. As an example, one may say that part of governmental actions cause equity variations, and also that natural events can cause damage to the same equity, which Accounting should register and disclose.

Receiving and processing internal and external data, public accounting is responsible for complying with its social responsibility (accountability), informing society and demonstrating how administrative actions can interfere in the global system (disclosure).

Thus, as a system that is inserted in the broader system and considering that the public sector has a relationship level between the internal and external environments (Nakagawa, 1993; Oliveira, 2004; Padoveze, 2000), the accounting information system, by analogy, assumes the same relationship.

This means that the accounting information system extends to the borders of the public sector which, by analogy with the “company system” described by Riccio (1989, p.62), is initially limited by: the occurrence of any transaction that results in a public equity change, that is, any act practiced by the administration that can be valued in monetary terms, and can therefore be registered and controlled by Accounting and, as the final limit: whenever any decision has to be made, whether at operational, tactical or strategic level, resulting in any change in the equity covered. Figure 1 graphically represents the limits of the accounting information system applied to the public sector.

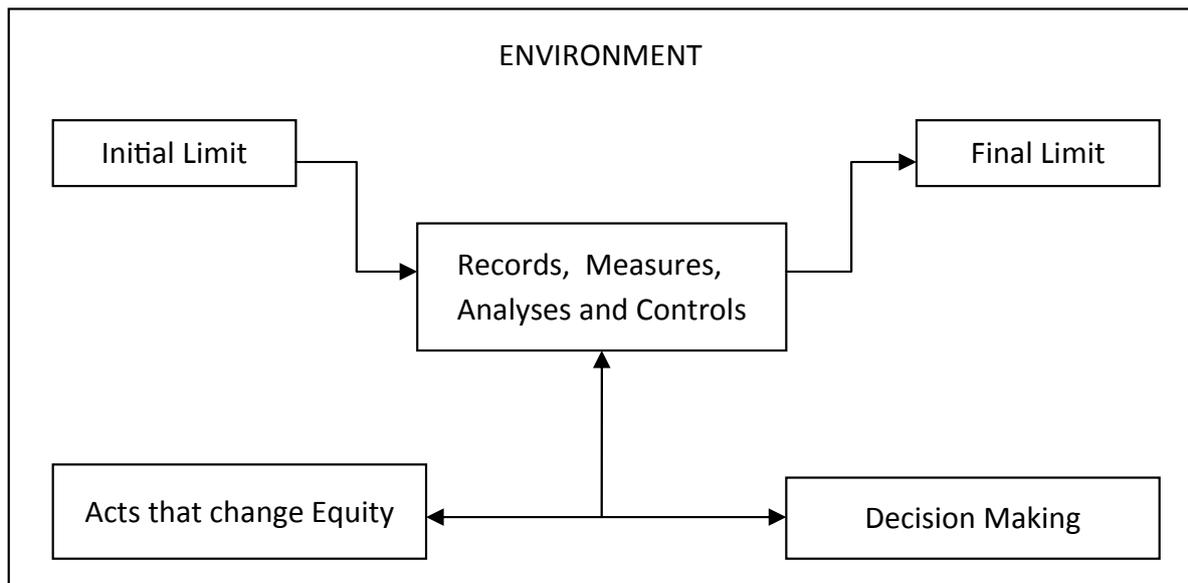


Figure 1. Limits of the accounting information system

Source: The authors (2010).

Although the importance of Accounting is understood as a useful information source for the planning, control and decision process, the activity of Accounting Applied to the Public Sector depends on the actions of the State, within a public governance philosophy linked with political governability action, aiming for sustainability. The following part permits understanding the importance of the theme.

4. State, Governance, Governability and Sustainability

The State (Dallari, 2003, apud Cruz, Marques & Ferreira, 2009, pp. 10-23) “is a sovereign legal order that aims for the common good of a people in a given territory”, resulting in the conventional goal of the emergence of the State according to Dallari: the common good.

The authors highlight that:

(...) in general, people tend to believe that the State exists to promote the common good, to guarantee people’s access to basic rights defined in the constitution of each territory, so as to guarantee that private and public interests do not overlap (Cruz, Marques & Ferreira, 2009, p. 10-23).

Ratifying the people’s expectation (people in a given sovereign territory), especially in Brazil, the constitution of the republic, as the fundamental primary source of the Brazilian legal order, regulates that the fundamental goals of the Brazilian State are to guarantee the exercise of social and individual rights, freedom, wellbeing, development, equality and justice, raising them to the level of supreme social values.

Thus, according to Cruz, Marques and Ferreira (2009), in accordance with Botelho (2004, p.36), “the action of the State to respond to the demands of the group is conditioned to the availability of public resources”. That is where Accounting gains force as a useful instrument for the management process, at the level of public governance, governability and sustainability, with a view to acting, as demonstrated, on the Public Budget (elaboration, execution, control and evaluation, including the quality of public spending), which is the instrument used to define the quantity and destination of the State’s resources.

To promote the common good of its parts, the State necessarily practices executive actions and government policies, particularly governance and governability, currently studied in a contemporary public

management view as New Public Management (NPM), which presupposes administering the public sector in the light of the management models applied in private initiative, in line with strategic management and even entrepreneurship concepts (aiming for public entrepreneurship, which is still incipient in Brazil, in view of the still deep-rooted characteristics of Patrimonial and Bureaucratic Administration).

Regarding Public Governance (Kissler & Heidemann, 2006, pp. 479-499), considering the current debate about the modernization of the German public sector, the authors underline that “it has turned into a key concept everyone uses without knowing exactly what it is”, and also that:

(...) its original meaning contained an understanding associated with the political-developmental debate, in which the term was used to refer to development policies that were guided by certain premises on structural elements – such as management, responsibilities, transparency and legality of the public sector – considered necessary for the development of all societies (at least according to the models idealized by international organizations like the United Nations Organization [UN] or the Organization for European Cooperation and Development [OECD] (Kissler & Heidemann, 2006, pp. 479-499).

Nevertheless, when transferring the discussion to the Brazilian public sector, Fonseca and Bursztyn (2009, pp.17-46), in accordance with Kissler and Heidemann’s view (2006), consider public governance as “a key term in the implementation of environmental and developmental policies” and that:

(...) the strengthening of governance represents a possibility to establish a broader, more efficient and fair political process. The idea of governance promotes political pluralism (McFarland, 2007), efficiency and transparency in public choices and decisions, with a view to including a wide range of social actors and processes (Fonseca & Bursztyn, 2009, pp.17-46).

In the same sense, the authors reveal Grindle’s relevant view (2004, pp. 525-548) for whom, in a more substantial approach:

(...) governance involves: distribution of power between governmental institutions: the legitimacy and authority of these institutions; the rules and standards that determine who holds power and how decisions about the exercise of authority are made; accountability relations between representatives, citizens and agencies of the State; the government’s ability to make policies, manage administrative and tax issues of the State, and provide for goods and services; and the impact of institutions and policies on public wellbeing.

In this tone, it is inferred that the public governance process involves multiple categories of stakeholders. These refer to the people, the government, institutions and their interrelations, aiming for the interest of the group and the prevalence of the common good – the principle of the supremacy of public interest –, and for sustainable continuity, the reason why the State exists as a public entity.

Governability, in turn, is related to the action of the government, that is, the “governing” action as a verb. Hence, one may infer that governability befits more the political-state dimension and refers to the “systemic and institutional conditions under which power is exercised, including the characteristics of the political system, the form of government, the relations among the Power, the intermediation system of interests” (Santos, 1997, p. 342).

Thus, an interrelation is implied between Public Accounting, governance and governability, converging towards a focal point, which is the common good of the people. Therefore, the State, in its political (governability) and executive-operational actions – the means/the how (governance) – should act by envisaging the essence of the going-concern principle, whether in the accounting view or even in a substantial state view, related to the going concern of the State to the benefit of its people.

Compliance with the going-concern principle of the State is directly related with the public sustainability view. In that context, this study considers sustainability as going beyond the eco-environmental

perspective as, in the public sector, besides environmental variables, substantially, variables related to legality, public finance (financial health) and economic-social policies should also be considered.

Thus, to discuss public sustainability, trends and discourse free-riders should be (dis) considered, which according to Fonseca and Bursztyn (2009) reproduce the “good” discourse of governance and sustainability without the need for compliance in practice, which broadens the distance between discourse and reality in public management issues.

Hence, public sustainability can be understood as the public entity’s ability to subsist over time and across governments (governability) – the going-concern principle of the State –, promoting, despite free-riders, the continuity of the state, based on accountability and disclosure actions, aiming for the common good of the people.

5. Method

The research method used in this study, in line with the taxonomy described by Vergara (2004, pp. 46-50), was based: in terms of ends on exploratory and explanatory research; and in terms of means on bibliographic and documentary research and the theoretical-empirical approach. It is important to observe the author’s highlight that exploratory research (not to be mixed up with exploratory reading) is undertaken in an area whose knowledge production is dynamic in view of social changes (therefore, little knowledge is accumulated) and which, due to its inquisitive nature, does not accept hypotheses, which may however emerge during or at the end of the research. Then, further research is suggested.

Regarding explanatory research, in turn, Vergara (2004, p.47) shows that its main aim is to make something intelligible, justifying its reasons. It is therefore aimed at clarifying what factors somehow contribute to the occurrence of a given phenomenon. This explains the research developed here about the overlapping, interdependence and importance of Accounting Applied to the Public Sector with regard to Public Governance, Governability and sustainability of the State, aiming for the common good of its people.

In the same research classification, considering the means used, bibliographic research (Vergara, 2004, p. 48) represents systemized studies, developed based on published material that is accessible to the public in general, as an important analytic instrument for any other research type. Thus, in this study, this bibliographic research logically focused on the research theme (Accounting Applied to the Public Sector, Public Governance, Governability and Public Sustainability), in books, dissertations, theses and relevant scientific papers published in specialized print and/or electronic journals, available on the Internet.

In the same classification, considering the means, the research is also considered as documentary and involving theoretical-empirical observation (Vergara, 2004, p. 57). Documentary because it is based on surveys taken from official regulatory documents published: Laws, Decrees, Regulations, Resolutions, etc.; theoretical-empirical observation, in view of the authors’ daily academic experiences in a research group, which gave rise to the concern that originated in the development of this study.

Also, regarding bibliographic research (including documentary research), Vergara (2004), according to Koche (2003), despite the highlight that this is a fundamental instrument in any research type, also acknowledges the problem of its possible exhaustion by itself. Hence, obviously, this study neither makes any claim on, nor is it able to exhaustively treat such a relative and extensive theme as addressed here. That means that this is an excerpt from a fruitful area for further research.

Exploratory essays, undertaken through bibliographic, documentary and observation research, have been valued and widely accepted in the academic world, in view of their range, relevance and contributions to the theme studied, for which the strictly positivist and parametric application that used to rule academic studies is not necessarily justified.

Hence, to avoid talking about the theme as a mere theoretical hypothesis, distant from its application, in view of the possibilities envisaged in the bibliographic extent of the studies, this study particularly addressed, is based on and supports results verified in other similar or related studies, as observed next.

6. Highlights Observed in Other Similar or Related Studies

As observed based on the theoretical framework that sustains the discussion presented here, the theme addressed is highly relevant, as it discusses important topics that are applied to better public management nowadays, mainly the study of disclosure and accountability, sustained by Accounting as the science that joins useful data for the information process which, if well used, can support different decisions.

In this standard, considering this study's possible contributions to scholars and anyone interested in the theme, these contributions actually add up to the highlights presented in other studies, like what Silva (2007) demonstrates about the standardization of Governmental Accounting, highlighting that:

(...) it is essentially a continuous process for decision making, and these decisions gain complexity to the extent that accounting and control entities need to obtain information rapidly for different management levels.

Therefore, a good accounting information system needs to join the following fundamental characteristics:

- a) focus on information production for distinct executive levels in all Government areas;
- b) function as an independent unit of the entity it is integrated in;
- c) be a system adapted to the management needs of the organization.

Considering the expectation of a better public governance without addressing the binomial "cost information in the public sector" and "quality of public spending" as a possible weakness, Machado and Holanda (2010) present a valuable contribution by affirming that "cost information provides fundamental contents to support governmental decision about more efficient allocation, facilitating sustainability and economic development". Thus, for the authors, it is both necessary and healthy to increase the debate (further studies) about cost measurement and to underline its importance to improve the quality of public sector spending and qualify the discussion about perspectives and challenges in cost information management in public administration.

In the same contributive tone, highlighting Public Management and Accounting as support for its practice, the study by Oleiro, Mendes and Quintana (2008) contributes to the theme about the contribution of Governmental Accounting and Auditing towards better disclosure in Public Management, with a view to fighting corruption. That study shows that, particularly in Brazil, given its continental dimension, to fight corruption, the joint actions of accounting and internal and external control entities are fundamental.

In the same sense, in Castro and Garcia (2004), the authors look for the explanation that "in an objective view, the information Accounting produces offers greater credibility, not only because it is based on a supportive document, but mainly because of a professional who assumes responsibility and can be punished if it is incorrect".

Despite the importance and possible contributions of other studies, one more is mentioned here: Cruz, Ferreira, Silva and Macedo (2010) offer a dense and relevant empirical study about the disclosure of Public Management in large Brazilian cities, in the attempt to prove it by the existence or not of an association between the analyzed cities' socioeconomic conditions and public management information disclosure.

In line with its objectives, that study, considering Brazilian tax management disclosure, also discussing accountability, highlights that:

(...) it has become a legal requirement, which can be periodically monitored and supervised by competent entities, as well as by the population. However, transparent public management goes beyond the disclosure of fiscal transparency instrument and involves the concretization of the **accountability concept, when it allows citizens to monitor and effectively participate in the public management acts that affect all of society** (*our italics*). (Cruz *et al.*, 2010).

What regards the proof of whether an association exists or not between the analyzed cities' socioeconomic conditions and the disclosure of public management information, those authors' study para-

metrically considers that the cities' socioeconomic conditions are associated with the public management disclosure levels observed on the websites of large Brazilian cities, and that this association is generally positive, that is, better socioeconomic conditions tend to imply a greater disclosure level in the cities.

Among the studies addressed here and the present study, a focal point, a core is underlined, culminating the importance attributed to accounting, in this case accounting applied to the public sector, as a useful “database” for the production of information (“processed” data) to support decision making, control, disclosure and accountability of public actions on public management, in line with the sustainability of the State, which can be addressed or supported in other and further research on the theme, as observed next.

7. Suggestion for Further Research

Departing from what was observed in this study, as mentioned, it is acknowledged that this research does not fully cover the research theme (knowledge and science are not finite), in view of its extent and “fecundity” – as a theme – for a wide range of punctual concerns, which give rise to studies that enrich the academic world.

Therefore, in view of the fertile ground for further research, among other studies, the following possibilities are suggested: (i) public governance as a management philosophy applied to Public Management; (ii) disclosure and public sustainability, considering not only eco-environmental, but also financial, economic and social variables extracted from Accounting; (iii) governability and governance applied to municipal public management, (iv) Contributions of Accounting Applied to the Public Sector to New Public Management (NPM) and to Public Management Administration, etc.

Other positive parametric studies can also be developed, which can measure, among other statistical tests, (in)existing (cor)relations/regression between: users' perception about the information the cost system produces in the public sector and the quality of public spending; political party in power and the governance/governability level the population perceives, etc.

8. Final Considerations

Despite legal requirements (Law 4.320/64), Accounting as an applied social science can be considered a useful tool for the public “management” process, allowing managers to transform data (arranged in the form of a database) into information for decision making that feeds and gives feedback to the system.

Thus, Accounting acts systemically, linking governance and governability actions with a view to supporting decisions and accomplishments that contribute to the sustainability of the State, providing substantial feedback in a virtuous circle of continuity.

The sustainability of the State addressed in this study moves further than the commonly used term sustainability as, therefore, the researchers went beyond the (often reductionist) view of sustainability as a “philosophy” applied to the eco-environment, also considering legal, financial, political and economic-social variables.

The aim of the study was to encourage discussions about commonly used terms in the public sector (although some can still be considered contemporaneous, like governance and public sustainability for example), which agents (politicians, the public or public administrators) often do not know and use like Fonseca and Bursztyn's discursive free-riders (2009), reproducing the “good” discourse of governance and sustainability without the need to use them in practice.

In conclusion, the studies cited here in the exploratory, bibliographic, documentary and theoretical-empirical contexts are closely linked. The same is true for the terms focused on, in view of the operational link found (accounting – public governance – governability – public sustainability), as Accounting modifies and is modified by the environment.

Public governance (means/how) directs the actions Accounting registers, while governability, represented by the government's political actions (legitimated in power by the administered subjects who elected it), results in decisions and actions that, when put in practice (executed), turn into "raw material" for Accounting records and control. All of this is aimed at the sustainability of the State, closely complying with the going-concern principle in an accounting-financial perspective, and with the supremacy of public interest and the continuity of the State in a political-social view, aiming for the common good of its people.

9. References

- Botelho, E. C. (2004). *A contribuição das funções de governo dos municípios catarinenses para o desenvolvimento sustentável*. Monograph Universidade Federal de Santa Catarina, Florianópolis, SC, Brasil.
- Castro, D. P. de; Garcia, L. M. (2004). *Contabilidade Pública no Governo Federal*. São Paulo: Atlas.
- Cruz, C. F., Marques, A. L., & Ferreira, A. C. S. (2009). Informações ambientais na contabilidade pública: reconhecimento de sua importância para a sustentabilidade. *Revista Sociedade, Contabilidade e Gestão*, 4(2), 10-23.
- Cruz, C. F., Ferreira, A. C., Silva, L. M., & Macedo, M. A.S. (2010, November) Um Estudo Empírico Sobre a Transparência da Gestão dos Grandes Municípios Brasileiros. *Anais do Encontro de Administração Pública e Governança da ANPAD*, Vitória, ES, Brasil, 4.
- Fonseca, I. F.; Bursztyn, M. (2009). A banalização da sustentabilidade: reflexões sobre governança ambiental em escala local. *Revista Sociedade e Estado*, 24(1), 17-46.
- Grindle, M. (2004). Good enough governance: poverty reduction and reform in developing countries. *Governance: An International Journal of Policy, Administration, and Institutions*, 17(4), 525-548.
- Horngren, C. T., Sundem, G. L., & Stratton, W. O. (2004). *Contabilidade gerencial* (12a ed.). São Paulo: Pearson/Prentice Hall.
- Iudícibus, S. (Coord.). (2006). *Contabilidade Introdutória* (10a ed.). São Paulo: Atlas.
- Kissler, L., & Heidemann, F. G. (2006). Governança Pública: novo modelo regulatório para as relações entre Estado, mercado e sociedade? *Revista de Administração Pública*, 40(3), 479-499.
- Koche, J. C. (2003). *Fundamentos de metodologia científica: teoria da ciência e prática da pesquisa* (21a ed.). São Paulo: Vozes.
- Kohama, H. (2006). *Contabilidade pública: teoria e prática* (10a ed.). São Paulo: Atlas.
- Kohama, H. (2010). *Contabilidade pública: teoria e prática* (11a ed.). São Paulo: Atlas.
- Kroetz, C. E. S., Mattos, W. C., & Fontoura, J. R. (1998). Aplicação da teoria geral dos sistemas à contabilidade. *Revista Brasileira de Contabilidade*, 27(114), 20-28.
- Lei n.º 4.320 de 17 de março de 1964*. (1964). Estatui Normas Gerais de Direito Financeiro para elaboração e controle dos orçamentos e balanços da União, dos Estados, dos Municípios e do Distrito Federal. Diário Oficial da República Federativa do Brasil. Brasília, DF: Poder Executivo. Retrieved March 13, 2010, de http://www.planalto.gov.br/ccivil_03/Leis/L4320.htm
- Lei Complementar n.º 101 de 04 de maio de 2000*. (2000). Estabelece normas de finanças públicas voltadas para a responsabilidade na gestão fiscal e dá outras providências. Diário Oficial da República Federativa do Brasil. Brasília, DF: Ministério da Fazenda, Ministério do Planejamento Orçamento e Gestão. Retrieved March 13, 2010, from http://www.planalto.gov.br/ccivil_03/Leis/LCP/Lcp101.htm

- Machado, N., & Holanda, V. B. (2010). Diretrizes e Modelo Conceitual de Custos para o Setor Público a Partir da Experiência no Governo Federal do Brasil. *Revista de Administração Pública, Rio de Janeiro*, 44(4), 791-820.
- Marion, J. C. (2010). *Contabilidade empresarial* (14a ed.). São Paulo: Atlas.
- McFarland, A. (2007). Neopluralism. *Annual Review of Political Science*, 10, 45-66.
- Matias-Pereira, J. (2010). *Finanças Públicas: A Política Orçamentaria no Brasil* (5a ed.). São Paulo: Atlas.
- Mota, F. G. L. (2009). *Contabilidade aplicada ao setor público*. Brasília: Collection Gestão pública.
- Nakagawa, M. (1993). *Introdução à controladoria: conceitos, sistemas, implementação*. São Paulo: Atlas.
- Oleiro, W. N., Mendes, R. C., & Quintana, A. C. (2008). A Contribuição da Contabilidade e Auditoria Governamental Para Uma Melhor Transparência na Gestão Pública em Busca do Combate à Corrupção. *Revista Sinergia*, 1(12), 37-48.
- Oliveira, D. P. R. (2004). *Planejamento estratégico* (20a ed.) São Paulo: Atlas.
- Padoveze, C. L. (2000). *Sistemas de informações contábeis: fundamentos e análise* (2a ed.). São Paulo: Atlas.
- Padoveze, C. L. (2004). *Contabilidade gerencial: um enfoque em sistema de informação contábil* (4a ed.). São Paulo: Atlas.
- Resolução n.º 1.111 de 29 de novembro de 2007* (2008). Aprova o Apêndice II da Resolução CFC n.º. 750/93 sobre os Princípios Fundamentais de Contabilidade. Diário Oficial [da] República Federativa do Brasil, Brasília, DF: Conselho Federal de Contabilidade, 29 nov. 2007. Retrieved March 14, 2010, from <<http://www.cfc.org.br/sisweb/sre/Default.aspx>>.
- Resolução n.º 1.128 de 21 de novembro de 2008* (2008a). Aprova a NBC T 16.1 – Conceituação, Objeto e Campo de Aplicação. Diário Oficial [da] República Federativa do Brasil, Brasília, DF: Conselho Federal de Contabilidade, 25 nov. 2008. Retrieved March 14, 2010, from <<http://www.cfc.org.br/sisweb/sre/Default.aspx>>.
- Resolução n.º 1.129 de 21 de novembro de 2008* (2008b). Aprova a NBC T 16.2 – Patrimônio e Sistemas Contábeis. Diário Oficial [da] República Federativa do Brasil, Brasília, DF: Conselho Federal de Contabilidade, 25 nov. 2008. Retrieved March 14, 2010, from <<http://www.cfc.org.br/sisweb/sre/Default.aspx>>.
- Resolução n.º 1.130 de 21 de novembro de 2008* (2008c). Aprova a NBC T 16.3 – Planejamento e seus Instrumentos sob o Enfoque Contábil. Diário Oficial [da] República Federativa do Brasil, Brasília, DF: Conselho Federal de Contabilidade, 25 nov. 2008. Retrieved March 14, 2010, from <<http://www.cfc.org.br/sisweb/sre/Default.aspx>>.
- Resolução n.º 1.131 de 21 de novembro de 2008* (2008d). Aprova a NBC T 16.4 – Transações no Setor Público. Diário Oficial [da] República Federativa do Brasil, Brasília, DF: Conselho Federal de Contabilidade, 25 nov. 2008. Retrieved March 14, 2010, from <<http://www.cfc.org.br/sisweb/sre/Default.aspx>>.
- Resolução n.º 1.132 de 21 de novembro de 2008* (2008e). Aprova a NBC T 16.5 – Registro Contábil Diário Oficial [da] República Federativa do Brasil, Brasília, DF: Conselho Federal de Contabilidade, 25 nov. 2008. Retrieved March 14, 2010, from <<http://www.cfc.org.br/sisweb/sre/Default.aspx>>.
- Resolução n.º 1.133 de 21 de novembro de 2008* (2008f). Aprova a NBC T 16.6 – Demonstrações Contábeis. Diário Oficial [da] República Federativa do Brasil, Brasília, DF: Conselho Federal de Contabilidade, 25 nov. 2008. Retrieved March 14, 2010, from <http://www.cfc.org.br/sisweb/sre/Default.aspx>.
- Resolução n.º 1.134 de 21 de novembro de 2008* (2008g). Aprova a NBC T 16.7 – Consolidação das Demonstrações Contábeis. Diário Oficial [da] República Federativa do Brasil, Brasília, DF: Conselho Federal de Contabilidade, 25 nov. 2008. Retrieved March 14, 2010, from <http://www.cfc.org.br/sisweb/sre/Default.aspx>.

- Resolução n.º 1.135 de 21 de novembro de 2008 (2008h)*. Aprova a NBC T 16.8 – Controle Interno. Diário Oficial [da] República Federativa do Brasil, Brasília, DF: Conselho Federal de Contabilidade, 25 nov. 2008. Retrieved March 14, 2010, from <http://www.cfc.org.br/sisweb/sre/Default.aspx>.
- Resolução n.º 1.136 de 21 de novembro de 2008 (2008i)*. Aprova a NBC T 16.9 – Depreciação, Amortização e Exaustão. Diário Oficial [da] República Federativa do Brasil, Brasília, DF: Conselho Federal de Contabilidade, 25 nov. 2008. Retrieved March 14, 2010, from <http://www.cfc.org.br/sisweb/sre/Default.aspx>.
- Resolução n.º 1.137 de 21 de novembro de 2008 (2008j)*. Aprova a NBC T 16.10 – Avaliação e Mensuração de Ativos e Passivos em Entidades do Setor Público. Diário Oficial [da] República Federativa do Brasil, Brasília, DF: Conselho Federal de Contabilidade, 25 nov. 2008. Retrieved March 14, 2010, from <http://www.cfc.org.br/sisweb/sre/Default.aspx>.
- Riccio, E. L. (1989). *Uma contribuição ao estudo da contabilidade como sistema de informação*. Doctoral Thesis, Universidade de São Paulo, São Paulo, SP, Brasil.
- Santos, M. H. C. (1997). Governabilidade, governança e democracia: criação da capacidade governativa e relações executivo-legislativo no Brasil pós-constituente. *Revista de Ciências Sociais*, 40(3), 335-376.
- Silva, L. M. (2007). A Normatização da Contabilidade Governamental: Fatores Críticos que Impactam as Informações Dadas aos Usuários das Informações Contábeis. *Revista de Educação e Pesquisa em Contabilidade*, 1(1), 25-38.
- Slomski, V. (2005) *Controladoria e governança na gestão pública*. São Paulo: Atlas.
- Slomski, V., Mello, R. de, Tavares, F. Filho., & Macêdo, F. de Q. (2008). *Governança corporativa e governança na gestão pública*. São Paulo: Atlas.
- Vergara, S. C. (2004). *Projetos e relatórios de pesquisa em administração* (5a ed.). São Paulo: Atlas.