

Central government accounts

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Overview

Structure of entries and sources

- *Budgetary sources*
- *Non-budgetary sources*
- *Social security funds*

Accounting principles in primary “government” accounts

1. Structure of entries and sources

Central government

Data source:

Central government account and budgets

Electronic transfer from Ministry of Finance/Agency for the Modernisation of Public Administration.

Complete accounts on the most detailed level available, which make the calculation of the working balance possible.

xxyzwqrrddgg (12digits)

xx=section

xxy=main area

xyz=activity area

xyzwq=main account

xyzwqrr=sub account

dd=standard account (e.g.: 18=wages,.....,

22=intermediate consumption, 26=interest, 51=acquisition of fixed capital,

ddgg= detailed account (e.g.: 1831=overtime payment)

1. Structure of entries and sources

§ 1-45 (Central government accounts):

§ 1	The Queen	§ 20	Ministry of Education
§ 2	Members of the Royal House	§ 21	Ministry of Culture
§ 3	The Parliament	§ 22	Ministry of Ecclesiastical Affairs
§ 5	The Prime Minister's Office	§ 23	Ministry of the Environment
§ 6	Ministry of Foreign Affairs	§ 24	Ministry of Food, Agriculture and Fisheries
§ 7	Finance Ministry		
§ 8	Ministry of Economy and Business Affairs	§ 28	Ministry of Transport and Energy
§ 9	Ministry of Taxation	§ 34	Labour Market Fund
§ 11	Ministry of Justice	§ 35	General reserves
§ 12	Ministry of Defence	§ 36	Pensions
§ 15	Ministry of Social Affairs	§ 37	Interest
§ 16	Ministry of the Interior and Health	§ 38	Taxes
§ 17	Ministry of Employment	§ 40	Re-loans etc.
§ 18	Ministry of Refugee, Immigration and Integration affairs	§ 41	Changes in volumes
§ 19	Ministry of Science, Technology and Innovation	§ 42	Repayments of central government debt

1. Structure of entries and sources

Extra budgetary central government institutions

- **Data sources: “Business like” accounts on paper and electronic transfers from the Ministry of Education**
- **Very important “subsector” in Denmark**
- **Includes all universities and secondary schools**

1. Structure of entries and sources

Social security funds:

Data sources: “business like” accounts on paper

1. Structure of entries and sources

Central government transactions:

xyzwqrrddgg.....[amount] [transaction code SNA/ESA] [COFOG code]
[industry code]

55.000 entries

Social security funds:

xyyyyyvvzzz.....[amount] [transaction code SNA/ESA] [COFOG code]
[industry code]

150 entries

Extra budgetary central government institutions:

xyyyyyvvzzzzz.....[amount] [transaction code SNA/ESA] [COFOG code]
[industry code]

4.000 entries

2. Accounting Principles in primary “government” accounts

- **Micro accounting on a accrual or commitment basis**
- **Commitment basis used as a proxy for accrual basis**
- **Accounting principles very close to the IPSAS standard developed by the International Public Sector Accounting Standards Board.**

2. Accounting Principles in primary “government” accounts

- **Full cost approach**

- Income and expenditure attributed to the period accrued: Accrual principle
- Accounts show the use of resources including depreciation rather than the period’s income and expenses.
- Consumption of fixed capital but still possible to extract gross fixed capital formation
- The major difference between now and before is found in investments

- **Cost approach in accounts and budgets (Appropriations Acts)**

2. Accounting Principles in primary “government” accounts

Exceptions from accrual accounting

- Taxes revenue not on an accrual basis - time adjustments needed**
- Time adjustments made by use of data from the Tax authorities.**
- Capital spending on infrastructure, military assets, national heritage are not included in the reform and remain on a commitment base.**

2. Accounting Principles in primary “government” accounts

- Investments are financed within the government’s liquidity scheme (“loan financed”).
- This means that investments can be started before the funds have been saved for it.
- This gives institutions an incentive to optimize their investment decisions.