Danish GFS compilation system

by

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Overview

Structure of entries and sources
- Budgetary sources
- Non-budgetary sources

Delimitation
- General government
- Financial/non-financial

The classification process

Time adjustment

Micro-macro link

Software

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Structure of entries and sources

Budgetary units

- Central government accounts

- Municipality and regional accounts

- Accounts for Social security funds
  - Unemployment funds

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Structure of entries and sources

Extra budgetary units

- Central government extra budgetary units
    - Universities
    - Secondary schools

- Local government extra budgetary units
    - Tourist information agencies

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Structure of entries and sources

The amount of primary entries and level of detail:

Central government transactions:

55.000 entries

Municipalities and counties:

15.000 entries

Social security funds:

150 entries

Extra budgetary central government institutions:

4.000 entries

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Structure of entries and sources

Overview of paragraphs/sections:

§ 01-45	Central government accounts
§ 51	Consolidation
§ 52-56	Various national account calculations and imputations
§ 56-59	Extra budgetary units
§ 61	State Church calculations
§ 62	State Church Accounts
§ 63	Social security funds
§ 64-69	Various national account calculations and imputations
§ 70	Local government accounts (regions)
§ 71-79	Various national account calculations and imputations
§ 80	Local government accounts (municipalities)
§ 81-89	Various national account calculations and imputations

Central government	RED
Social security	YELLOW
Local government	BLUE

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Delimitation (sector)

- *Extra budgetary institutions* are added to the dataset

- Entries outside the GFS definition of general government in the budgetary information concerning e.g. *public quasi corporations* are not removed but classified as "sector delimitation corrections"

- The primary data is intact and the working balance can be calculated

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The classification process (75000 entries)

Overview

Automated process

- Codes are applied using a matching process:
    - type of transaction
    - COFOG
    - Industry

- Non matched and trivial entries are coded automatically using conversion rules from primary accounts to GFS/national accounts

Manual process

- Manual classification is applied on residual entries (around 5000 entries)

- A classification manual is used for the manual classification

Validation of data

- Logic tests
- Inspection of time series at micro level

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The coding process

Consolidation issues

- All entries relevant to the consolidation process are classified as consolidation entries

- This makes consolidation easy.

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Time adjustments

- All time adjustments are made as supplementary corrections to the original entries and not by substituting the entries

- This again helps keeping track on the transition from primary data to national accounts variables and aggregate/GFS statistics

- On a quarterly basis more time adjustments needed

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Micro-macro link

Input data				Output statistics
Primary accounts of government units				**GFS/national accounts**

Entry no. 1 → 　Dior　 → Entry no. 1 classified by TOF, COFOG, industry and grouped by subsector

Entry no. 2 → 　Dior　 → Entry no. 2 classified by TOF, COFOG, industry and grouped by subsector

Entry no. 75.000 → 　Dior　 → Entry no. 75.000 classified by TOF, COFOG, industry and grouped by subsector

DIOR = Detailed Integrated Government Accounts

Categories defined by: Sector, Type of transaction, COFOG, Industry

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Micro-macro link

Two types of questions can be answered:

1. How has a given transaction in a certain government institution been classified in GFS/national accounts and with which effect on government consumption, deficit etc.?

2. Where does an expenditure/revenue category in GFS have its origin in primary accounts of government units?

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Output

- Type of transaction (SNA/ESA) table
  - Revenue, expenses and net lending/borrowing
  - On subsectors
- COFOG table
- Cross compilation table – COFOG and type of transaction
- Tax, specification table
- Social benefits, specification table
- Subsidies, specification table
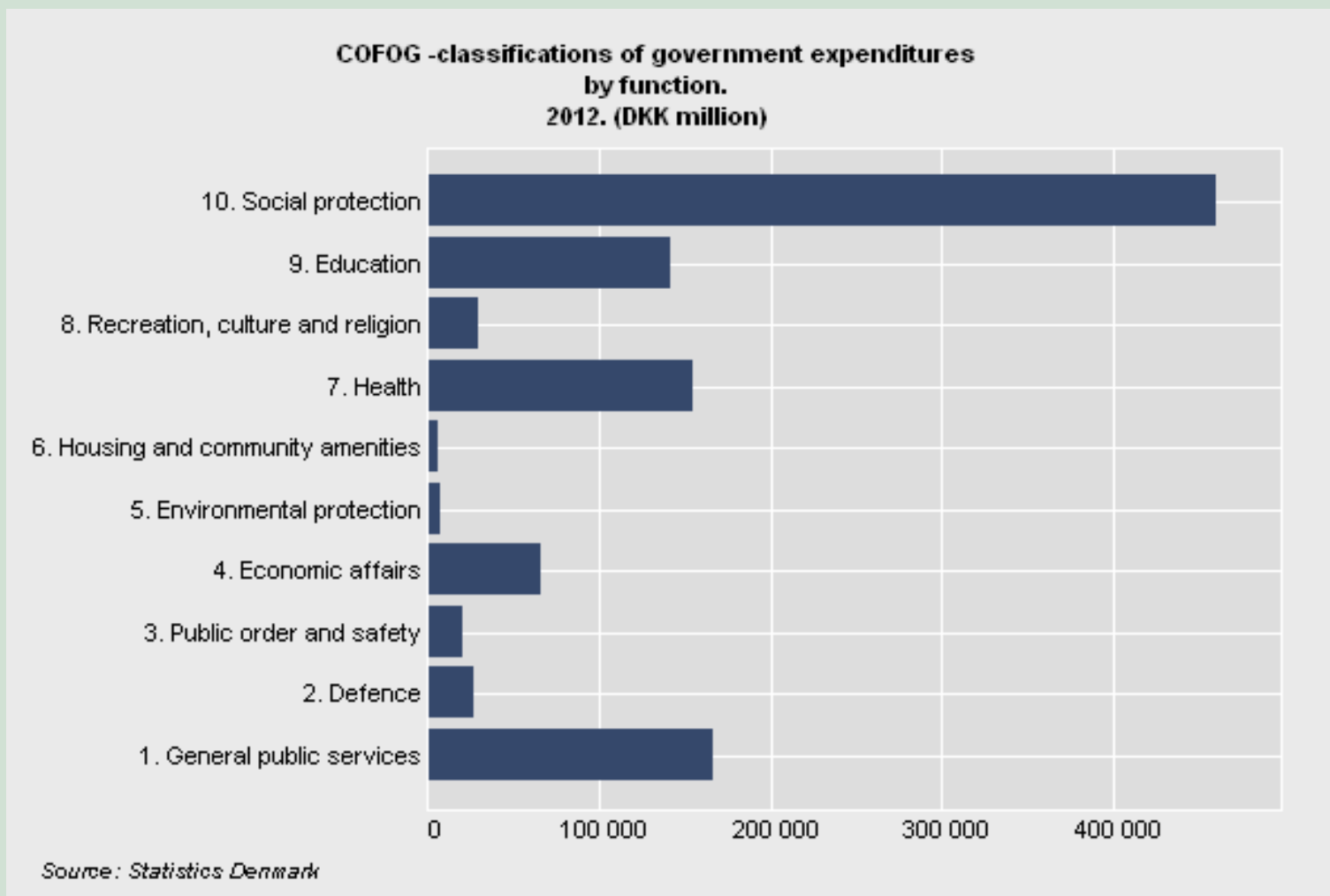- Interest, specification table

Software

- The GFS compilation system is developed in Oracle

- The system generating tables is programmed using SAS

- The GFS compilation system is basically a database where:

- calculations is manually added to the entries in the system

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Software

- or where semi manual calculations made in Excel are loaded

- or where fully automatic applications are executed

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COFOG in Denmark

COFOG -classifications of government expenditures by function. 2012. (DKK million)

Source: Statistics Denmark

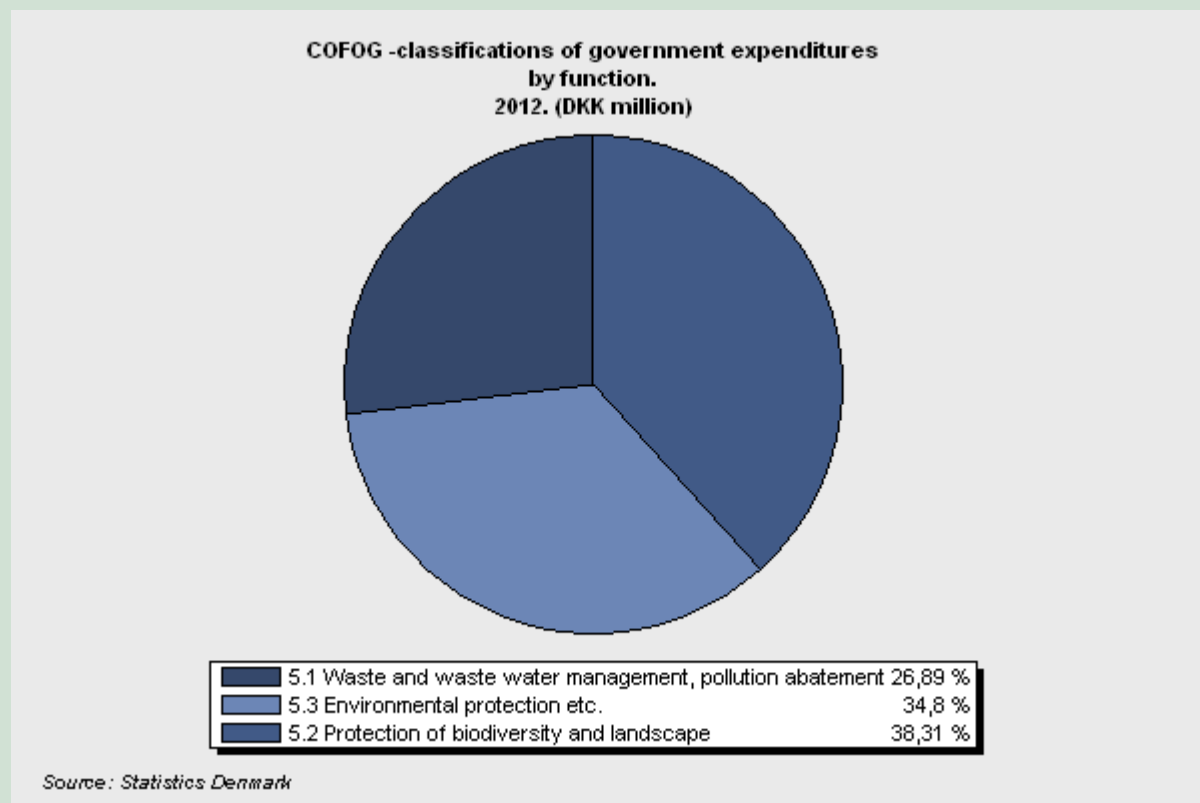STATISTICS DENMARK

COFOG in Denmark

5. Environmental protection

- Based on the CEPA classification

- Will be split into six groups in the future

COFOG -classifications of government expenditures by function.
2012. (DKK million)

5.1 Waste and waste water management, pollution abatement	26,89 %
5.3 Environmental protection etc.	34,8 %
5.2 Protection of biodiversity and landscape	38,31 %

Source: Statistics Denmark

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COFOG in Denmark

9. Education
Strong links to ISCED classification

COFOG -classifications of government expenditures by function. 2012. (DKK million)

Category	%
9.5 Education n.e.c	2,83 %
9.4 Adult and supplementary education	4,6 %
9.3 Higher education	20,09 %
9.2 Youth-level education	23,13 %
9.1 Primary education	49,35 %

Source: Statistics Denmark
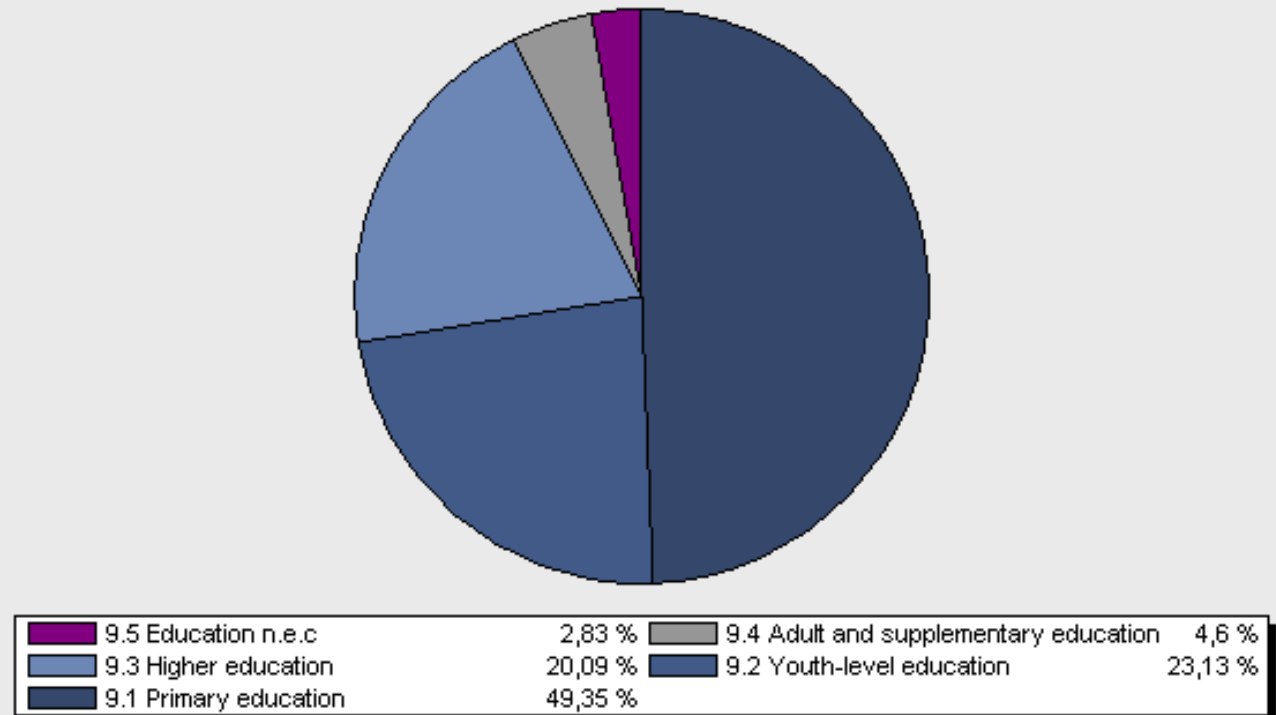
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Coorperation with the Ministry of Finance

- Most important supplier of input data
- Best knowledge of central government accounts
- One of the most important users
- Close cooperation in relation to budget versions of the GFS statistics
- Excessive deficit procedure
  - MoF: Forecast years
  - DST: Historical years

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Coorperation with the Ministry of Finance

How do we ensure a good and consistent relationship to MoF?

- A written agreement – memorandum of understanding

- This approach also ensures the independence of the statistical agency

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