

**STATISTICAL OFFICE OF THE REPUBLIC OF SLOVENIA
MINISTRY OF FINANCE OF THE REPUBLIC OF SLOVENIA**

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**EXCESSIVE DEFICIT PROCEDURE REPORTING
INVENTORY OF SOURCES AND METHODS**

Introduction

All EU Member States have to notify the Excessive Deficit Procedure related data to the Commission (Eurostat) twice a year (at the end of March and at the end of September) for the four last years and for the current year, where data for the current year are forecast.

The fiscal surveillance is based on the Excessive Deficit Procedure (EDP), set out in the Maastricht Treaty. The EDP is used for monitoring and control of the Member States fiscal policies. The rule set out in the Maastricht Treaty is that Member States should comply with the following two convergence criteria: a deficit of the general government sector not exceeding reference values of 3% of gross domestic product and a debt not exceeding 60% of gross domestic product. If criteria are not met, the European Commission can launch the EDP.

In Slovenia, EDP related data are prepared by the Statistical Office of the Republic of Slovenia, the Ministry of Finance and the Bank of Slovenia and are published on the Statistical Office web site:

http://www.stat.si/eng/tema_ekonomsko_nacionalni_racunidrzave.asp.

The document describes main sources and methods used for compiling EDP data in Slovenia. The structure of document is prescribed by Eurostat and is uniform for all EU Member States. The first chapter shows delimitation of general government sector. In the second chapter the availability and use of data sources are shown for the central government sub-sector, together with data treatment and revision process. The same type of information is shown in the fourth chapter for local government and in the fifth chapter for social security funds. Government debt is subject of the sixth chapter and specific issues of the seventh (long-term contracts between government and private entities, long-term contracts for military equipment, pension schemes and guarantees).

1. Delimitation of general government

The Ministry of Finance uses the sector classification applied in the Business Register of Slovenia in line with the European System of Accounts 1995 (ESA95). In Slovenia belonging to an institutional sector has to be determined for each entity by the law. The sector is determined by the Agency for Public Legal Records and Related Services, which is responsible for keeping and maintaining the Business Register. Problems with sector delimitations are discussed regularly and solved within a special working group (members from the Statistical Office - chair, the Ministry of Finance, the Bank of Slovenia and the Agency for Public Legal Records and Related Services).

2. Central government data

This section describes the availability and use of main data sources for the central government sub-sector (S.1311) by type of unit and the adjustments made in order to reach ESA95 definitions. It also covers the treatment for half finalised, finalised and current data, and the process of revision of data.

2.1 Availability and use of data sources

2.1.1 Data sources for the central government main unit: "the State"

1a) Information available/used for this sub-sector in the current year n-1 and year n-2 notified in April (n) and October (n)

See Table 1.

Table 1 – Source data accounting¹

Source data accounting	Accounting rules	April (n)		October (n)	
		year n-1	year n-2	year n-1	year n-2
A. Budget Reporting					
A.1 Summary					
Current revenue and expenditure	cash	A/U	A/U	A/U	A/U
Current and capital revenue and expenditure	cash	A/U	A/U	A/U	A/U
Current and capital revenue and expenditure and financial transactions	cash	A/U	A/U	A/U	A/U
Balance sheets		NA/NU	A/NU	A/NU	A/NU
A.2 Detailed					
Current revenue and expenditure	cash	A/U	A/U	A/U	A/U
Current and capital revenue and expenditure	cash	A/U	A/U	A/U	A/U
Current and capital revenue and expenditure and financial transactions	cash	A/U	A/U	A/U	A/U
Balance sheets		NA/NU	A/NU	A/NU	A/NU
B. Financial statements					
Profit and loss accounts	cash	NA/NU	A/U	A/U	A/U
Balance sheets	cash	NA/NU	A/NU	A/NU	A/NU
C. Other reporting					
Statistical surveys: Gross fixed capital survey	accrual	NA/NU	A/U	NA/NU	A/U
Other: VAT reports, custom declarations	accrual	A/U	A/U	A/U	A/U
Monthly reports on government revenue (taxes, social contribution, etc.)	cash	A/U	A/U	A/U	A/U

¹ A/U (available/used), A/NU (available/not used), NA/NU (not available/not used).

1b) Reasons for not using the available accounting reports and criteria for choosing only one of them (consistency with data sources used in other sub-sectors, accrual basis, etc.) if two different accounting reports are available for the same unit

The main source for direct budgetary units is budget reporting which is consistent with financial statements data but more detailed and available sooner.

1c) Complementary codification at data source, by counterpart sector

This information is not available.

1d) Complementary information of other units/departments that are not reflected in the budget reporting, when compiling ESA95 accounts

Complementary information is used to make more accurate estimates of ESA95 categories. For all indirect budgetary units (public service providers and agencies, non-market public corporations) profit and loss accounts are used. In addition, results from the statistical survey on gross fixed capital formation (GFCF) are also used. GFCF data from the basic source are available only according to cash data. These data are later on replaced with accrual GFCF data according to the survey (data are available in $t + 11$ months). Also information on the central budget reserve fund and on actual spending on military equipment is used.

1e) Consistency of classifications used in the budget reporting of "the State" and in the budget reporting of other general government entities

Classifications used in the budget reporting are the same for all direct budgetary units but more detailed for "the State".

1f) Source (direct or indirect) of basic data requested by the national statistical institute

Budget reporting is provided by the Ministry of Finance. Financial statements are provided by the Agency for Public Legal Records and Related Services, the entity responsible for collecting and processing financial statements.

1g) Nature of the data sources – cash, accrual or mixed

See Table 1.

1h) Circumstances in which data available from basic sources is consolidated

No such circumstances.

1i) Changes in the accounting rules foreseen in the near future (if any)

No changes are foreseen.

2.1.2 Data sources for central government: other entities/other central government bodies

Other entities at central level are public non-profit institutions as indirect budgetary units, public agencies, extra budgetary funds and public companies.

2a) Information available/used for this sub-sector in the current year n-1 and year n-2 notified in April (n) and October (n)

See Table 2.

2b) Reasons for not using the available accounting reports and criteria for choosing only one of them (consistency with data sources used in other sub-sectors, accrual basis, etc.) if two different accounting reports are available for the same unit

The main source for indirect budgetary units is financial statements available by the end of April for the previous year. Data comprise two separate sets of data, cash and accrual. Accrual data are used.

2c) Complementary codification at data source, by counterpart sector

Not available.

Table 2 – Source Data Accounting¹

Source data accounting	Accounting rules	April (n)		October (n)	
		year n-1	year n-2	year n-1	year n-2
A. Budget Reporting					
A.1 Summary					
Current revenue and expenditure		NA/NU	NA/NU	NA/NU	NA/NU
Current and capital revenue and expenditure		NA/NU	NA/NU	NA/NU	NA/NU
Current and capital revenue and expenditure and financial transactions		NA/NU	NA/NU	NA/NU	NA/NU
Balance sheets		NA/NU	NA/NU	NA/NU	NA/NU
A.2 Detailed					
Current revenue and expenditure		NA/NU	NA/NU	NA/NU	NA/NU
Current and capital revenue and expenditure		NA/NU	NA/NU	NA/NU	NA/NU
Current and capital revenue and expenditure and financial transactions		NA/NU	NA/NU	NA/NU	NA/NU
Balance sheets		NA/NU	NA/NU	NA/NU	NA/NU
B. Financial statements					
Profit and loss accounts	cash/accrual ²	NA/NU	A/U	A/U	A/U
Balance sheets	cash	NA/NU	A/NU	A/NU	A/NU
C. Other Reporting					
Statistical surveys: Gross fixed capital survey	accrual	NA/NU	A/U	NA/NU	A/U
Other		NA/NU	NA/NU	NA/NU	NA/NU

¹ A/U (available/used), A/NU (available/not used), NA/NU (not available/not used).

² Profit and loss accounts for indirect budgetary units are available on cash and on accrual basis.

2d) Complementary information which is not in the financial statements, when compiling ESA95 accounts

Complementary information is used to make more accurate estimates of ESA95 categories. For gross fixed capital formation results from the statistical survey are used. GFCF data from the basic source are available only according to cash data. These data are later on replaced with accrual GFCF data according to the survey (data are available in t + 11 months).

2e) Consistency of classifications used in this sub-sector and in the budget reporting of units in other sub-sectors of general government

Classifications used for indirect budgetary units are the same but less detailed in cash data and different in accrual data. Classifications used for extra budgetary funds are the same as for budget reporting but less detailed. Companies use business accounting.

2f) Source (direct or indirect) of basic data requested by the national statistical institute

The Statistical Office receives accounting data from the Agency for Public Legal Records and Related Services, the entity responsible for collecting and processing financial statements.

2g) Nature of the data sources – cash, accrual or mixed

See Table 2. Cash and accrual data sets are available.

2h) Circumstances in which data available from basic sources is consolidated

No such circumstances.

2i) Changes in the accounting rules foreseen in the near future (if any)

No changes are foreseen.

2.1.3 Data for the current year (n-1) notified in April (n) - detailed explanation

i) Common data sources used for finalised and half-finalised data for the current year in the first notification

Data for the state budget are based on preliminary accounting data. Those data include almost definitive information on execution of the state budget.

Data for extra budgetary funds and agencies are based on preliminary outturn, provided at the end of the previous year when the state budget is prepared and some additional information on most recent development in cases of more important institutions.

ii) Data sources specifically used in the context of the first notification

For the first notification estimates on certain categories of taxes are used.

iii) Estimation methods that may be used in the context of the first notification and their importance in the central budget and for other units included in central government

For the state budget no estimation methods are in use because actual data are available.

For other units included in central government actual data are not available and estimates are used based on preliminary outturns, information on recent development in important institutions and on data from a previous year.

2.1.4 Auditing Process

I) Working balances of central government that are submitted to an auditing process

Working balances of each of the sub-sectors are submitted to an auditing process. The auditing process is finished in t+10 months.

II) Incorporation of the findings of the auditing process in national accounts

The findings are incorporated in accounts. The only correction after the revision was done in year 2002 concerning the interests from T-bills.

2.2 Data treatment

2.2.1 Half finalised and finalised data

a) Financial transactions that may be included in the public accounts of central government and are excluded in notification table 2

In the general government accounts amounts corresponding to amortization of debt from credits for purchases of military equipment are included instead of actual spending on military equipment in the current year. In table 2 of the EDP Notification a correction is made for the difference between the amounts included in the general government accounts and actual spending for military material (until 2007, the last year of the TRP – Temeljni razvojni programi za vojsko – Basic Military Development Programmes).

b) Information and method(s) used for the adjustment cash/accrual for items other than interest

According to the data sources available, main categories of taxes are recorded on an accrual basis (VAT, excise duties and custom duties). For taxes on property cash data are used as well as for all non-tax revenues, capital revenues, grants and receipts from the EU. For other categories of taxes, cash/accrual adjustments are made. For personal income tax advanced payments lag of one month is used. The annual assessments paid by the end of May of the current year refer to income received in t-2 and are moved two years behind. The annual assessments paid from the end of May up to the end of the year refer to the income received in t-1 year and are moved to the revenues in the previous year. For social security contributions lag of one month is used as well as for the payroll tax. For corporate income tax to cash data in year t the net amount of annual final payments for year t-1 is deducted and net amount of annual final payment for year t is added.

On the expenditure side, accrual data are used for interest payments and cash data are used for all current transfers. For other categories of expenditure cash/accrual adjustments are made, using the time lag method for wages, salaries and social security contributions, for expenditure on goods and services, social transfers in cash and in kind a lag of 30 days (due payment), and for capital investment a lag of 60 days (due payment) is used in the first estimate/notification. These adjustments are relevant only for direct budgetary units and components for which the central budget (state budget) is the main source. More aggregate data for direct budgetary units are available also at the unit level.

c) Sources and methods used for the calculation of interest on an accrual basis

Sources: amortization schedules according to each individual contract/instrument.

Methods: As interest is booked in the state budget on cash basis, adjustment to accrual value is done according to individual contracts taking into account valuation of the instrument and interest rate by the Ministry of Finance. Due to inflation adjustment is necessary particularly for valuation/indexation of instruments (USD, EUR, HICP, etc.). For bonds issued by the Slovenian Restitution Fund due to restitution of nationalised private property after the Second World War accrual interest are by the Statistical Office estimated (imputed) by each paper for the period when interest are due (from inclusive 1996 and 2002 on). This interest is not shown separately but included in the calculation of net lending/net borrowing of the Slovenian Restitution Fund.

d) Information on other accounts receivable/payable that may be provided in public accounts data

Within accounts payable, the difference between payments of unpaid commitments from the previous budget year and payments of unpaid commitments from the current budget year in the next budget year is recorded.

e) Sources and method(s) for the adjustment related to units classified within or outside central government

All units are classified within or outside central government in line with ESA95 and each unit is identifiable having complete set of financial statements.

f) Other adjustments regularly implemented

List of EDP table 2A other adjustments:

- The item **debt assumptions** captures the capital transfer associated to debt assumptions benefiting Slovenian Railways (2003, 2004), the Health Fund and the Pension Fund (2005) and INFRA (2010).
- The item **guarantees called less repayments** captures the impact of calls on guarantees. Guarantees called are booked as capital transfer expenditure. Repayments by the debtor are booked as capital transfer revenue. Guarantees being systematically called three years in a row lead

to a debt assumption in national accounts: the whole outstanding amount of debt guaranteed though not yet called at the end of third year is booked as a capital transfer, for the total amount.

- The item ***conversions of claims into acquisition of equity (loss-making companies)*** corresponds to capital injections (in the form of capital equity in public accounts) recorded as capital transfers in national accounts, for companies subsequently gone bankrupt (also capital injections via extra budgetary fund – the Slovenian Restitution Fund 2007-2009).
- The item ***liquidation revenue*** captures the classification of termination payments of entities being unwound as financial transaction: the Agency for Payments (2003) and the Slovenian Development Fund (2004).
- The item ***claims to the Craftsmen Pension Fund*** captures the impact of claims that government has to pay, due to the court decision in 2005.
- The item ***budget reserve fund*** captures the adjustment for the reserves for natural disasters, which is not fully incorporated in the central budget accounts. The difference that is not incorporated in the central budget is recorded as other adjustments: with this the actual budget reserves are replaced with the actual spending from reserves in a year.
- The item ***GFCF adjustment for financial leasing*** is from 2007 on excluded from GFCF cash/accrual adjustment and shown here.

g) Sources of information used for transactions which need specific attention (in cases where they are not directly identifiable in public accounts): debt assumption, debt cancellation, privatisation, securitisations, capital injection into public corporations, payments from the central bank

Information on debt assumption and debt cancellation is available within the Ministry of Finance in the Public debt management department. Data on privatisation receipts are included in general government accounts under financial transactions and are not included in deficit/surplus. There is no securitisation process in Slovenia. Data on capital injections into public corporations and payments from the central bank are also included in general government accounts.

2.2.2 Revision process

Steps in the revision process of data, for the State and for other units included in central government, after the first notification

For central budget

For central government, preliminary outturn data for year n-1 used in the first notification are revised with final data for the state budget.

For other units included in central government

For other units estimates for year n-1 used in the first notification are revised with the data from the financial statements.

3. State government

Not applicable for Slovenia.

4. Local government

This section describes the availability and use of main data sources for the local government sub-sector (S.1313) by type of unit and the adjustments made in order to reach ESA95 definitions. It also covers the treatment for half finalised, finalised and current data, and the process of revision of data.

4.1 Availability and use of data sources

4.1.1 Data sources for local government main units: municipalities, localities

1a) Information available/used for this sub-sector in the current year n-1 and year n-2 notified in April (n) and October (n)

See Table 3.

Table 3 – Source Data Accounting¹

Source data accounting	Accounting rules	April (n)		October (n)	
		Year n-1	Year n-2	Year n-1	Year n-2
A. Budget Reporting					
A.1 Summary					
Current revenue and expenditure	cash	A/U	A/U	A/U	A/U
Current and capital revenue and expenditure	cash	A/U	A/U	A/U	A/U
Current and capital revenue and expenditure and financial transactions	cash	A/U	A/U	A/U	A/U
Balance sheets		NA/NU	NA/NU	NA/NU	NA/NU
A.2 Detailed					
Current revenue and expenditure	cash	A/U	A/U	A/U	A/U
Current and capital revenue and expenditure	cash	A/U	A/U	A/U	A/U
Current and capital revenue and expenditure and financial transactions	cash	A/U	A/U	A/U	A/U
Balance sheets		NA/NU	NA/NU	NA/NU	NA/NU
B. Financial statements					
Profit and loss accounts	cash	NA/NU	A/U	A/U	A/U
Balance sheets	cash	NA/NU	A/NU	A/NU	A/NU
C. Other reporting					
Statistical surveys: <i>Gross fixed capital survey</i>	accrual	NA/NU	A/U	NA/NU	A/U
Other: VAT reports, custom declarations	accrual	A/U	A/U	A/U	A/U
Monthly reports on government revenue (taxes, social contribution, etc.)	cash	A/U	A/U	A/U	A/U

¹ A/U (available/used), A/NU (available/not used), NA/NU (not available/not used).

1b) Reasons for not using the available accounting reports and criteria for choosing only one of them (consistency with data sources used in other sub-sectors, accrual basis, etc.) if two different accounting reports are available for the same unit

The main source for direct budgetary units is budget reporting, which is consistent with financial statements data but more detailed and available sooner.

1c) Complementary codification at data source, by counterpart sector

This information is not available.

1d) Complementary information which is not in the financial statements, when compiling ESA95 accounts

Complementary information is used to make more accurate estimates of ESA95 categories. For gross fixed capital formation results from the statistical survey are used. GFCF data from the basic source are available only according to cash data. These data are later on replaced with accrual GFCF data according to the survey (data are available in $t + 11$ months).

1e) Consistency of classifications used in this sub-sector and in the budget reporting of other general government units

Classifications used in the budget reporting are the same for all direct budgetary units.

1f) Source (direct or indirect) of basic data requested by the national statistical institute

Budget reporting is provided by the Ministry of Finance. Financial statements are provided by the Agency for Public Legal Records and Related Services, the entity responsible for collecting and processing financial statements.

1g) Nature of the data sources – cash, accrual or mixed

See Table 3.

1h) Circumstances in which data available from basic sources is consolidated

No such circumstances.

1i) Changes in the accounting rules foreseen in the near future (if any)

No changes are foreseen.

4.1.2 Data sources for local government: local government bodies / non-profit institutions

Local government bodies are non-profit public units as indirect budgetary units, public agencies, local communities and extra budgetary funds.

2a) Information available/used for this sub-sector in the current year n-1 and year n-2 notified in April (n) and October (n)

See Table 4.

2b) Reasons for not using the available accounting reports and criteria for choosing only one of them (consistency with data sources used in other sub-sectors, accrual basis, etc.) if two different accounting reports are available for the same unit

The main source for indirect budgetary units is financial statements available by the end of April for the previous year. Data comprise two separate sets of data, cash and accrual. Accrual data are used.

2c) Complementary codification at data source, by counterpart sector

Not available.

Table 4 – Source Data Accounting¹

Source data accounting	Accounting rules	April (n)		October (n)	
		year n-1	year n-2	year n-1	year n-2
A. Budget Reporting					
A.1 Summary					
Current revenue and expenditure		NA/NU	NA/NU	NA/NU	NA/NU
Current and capital revenue and expenditure		NA/NU	NA/NU	NA/NU	NA/NU
Current and capital revenue and expenditure and financial transactions		NA/NU	NA/NU	NA/NU	NA/NU
Balance sheets		NA/NU	NA/NU	NA/NU	NA/NU
A.2 Detailed					
Current revenue and expenditure		NA/NU	NA/NU	NA/NU	NA/NU
Current and capital revenue and expenditure		NA/NU	NA/NU	NA/NU	NA/NU
Current and capital revenue and expenditure and financial transactions		NA/NU	NA/NU	NA/NU	NA/NU
Balance sheets		NA/NU	NA/NU	NA/NU	NA/NU
B. Financial statements					
Profit and loss accounts	cash/accrual ²	NA/NU	A/U	A/U	A/U
Balance sheets		NA/NU	A/NU	A/NU	A/NU
C. Other reporting					
Statistical surveys:	accrual	NA/NU	A/U	NA/NU	A/U
<i>Gross fixed capital survey</i>		NA/NU	NA/NU	NA/NU	NA/NU
Other		NA/NU	NA/NU	NA/NU	NA/NU

¹ A/U (available/used), A/NU (available/not used), NA/NU (not available/not used).

² Profit and loss accounts for indirect budgetary units are available on cash and on accrual basis.

2d) Complementary information which is not in the financial statements, when compiling ESA95 accounts

Complementary information is used to make more accurate estimates of ESA95 categories. An example is the use of results from the statistical survey on gross fixed capital formation. GFCF data are from the basic source available only according to cash data. These data are later on replaced with accrual GFCF data according to the survey (data are available in $t + 11$ months).

2e) Consistency of classifications used in this sub-sector and in the budget reporting of units in other sub-sectors of general government

Classifications used for indirect budgetary units are the same but less detailed in cash data and different in accrual data. Classifications used for extra budgetary funds and local communities are the same as for budget reporting but less detailed.

2f) Source (direct or indirect) of basic data requested by the national statistical institute

The Statistical Office receives accounting data from the Agency for Public Legal Records and Related Services, the entity responsible for collecting and processing financial statements.

2g) Nature of the data sources – cash, accrual or mixed

See Table 4.

Cash and accrual data sets are available.

2h) Circumstances in which data available from basic sources is consolidated

No such circumstances.

2i) Changes in the accounting rules foreseen in the near future (if any)

No changes are foreseen.

4.1.3 Data for the current year (n-1) notified in April (n) - detailed explanation

i) Common data sources used for finalised and half-finalised data for the current year in the first notification.

For the first notification data are based on preliminary accounting data for local government budgets. Those data include almost definitive information on execution of the budgets.

ii) Data sources specifically used in the context of the first notification

No specific sources.

iii) Estimation methods that may be used in the context of the first notification

For local government budget no estimation methods are used because data are available. For other units included in local governments estimates are used based on data from previous year.

4.1.4 Auditing process

I) Working balances of local government that are submitted to an auditing process

Working balances of each of the sub-sectors are submitted to an auditing process. The auditing process is finished in t+10 months.

II) Incorporation of the findings of the auditing process in national accounts

There are so far no relevant findings within auditing process at local level to be incorporated in national accounts.

4.2 Data treatment

4.2.1 Half finalised and finalised data

a) Original source of data used as a starting step

As starting step preliminary accounting data are used containing data on execution of local government budgets.

b) Financial transactions that may be included in the public accounts of local government and are excluded in notification table 2

There are no financial transactions included in local governments' accounts.

c) Information and the method(s) used for the adjustment cash/accrual for items other than interest

The methods used are the same as applied for the central government budget.

d) Sources and methods used for the calculation of interest on an accrual basis

From inclusive 2007 on the local government debt (loans) is adjusted for accrual interest using actual interest rates for bank loans (the source is the Bank of Slovenia). In table 2 the difference between accrual interest (adjustment of loans) and cash figures is shown.

e) Information on other accounts receivable/payable that may be provided in the data sources

No information on other accounts receivable/payable.

f) Sources and method (s) for the adjustment related to units classified within or outside local government

All units are classified within or outside local government in line with ESA95 and each unit is identifiable having complete financial statements.

g) Other adjustments regularly implemented

List of EDP table 2C other adjustments:

- The item ***guarantees called less repayments*** captures the impact of calls on guarantees (from 2008 on).
- The ***statistical discrepancy***, notably due to the difference in transfers between local governments and social security funds.
- The item ***GFCF adjustment for financial leasing*** is from 2007 on excluded from GFCF cash/accrual adjustment and shown here.

h) Sources of information used for transactions which need specific attention (in cases where they are not directly identifiable in public accounts): debt assumption, debt cancellation, privatisation, securitisations and capital injection into public corporations owned by local government

None of the processes mentioned above are going on at the local government level.

4.2.2 Revision process

Steps in the revision process of data, after the first notification

Estimates for year n-1 used in the first notification are revised with the accounting data from financial statements for local governments.

5. Social security funds

This section describes the availability and use of main data sources for the social security funds government sub-sector (S.1314) by type of unit and the adjustments made in order to reach ESA95 definitions. It also covers the treatment for half finalised, finalised and current data, and the process of revision of data.

5.1 Availability and use of data sources

5.1.1 Data sources available: social security funds

1a) Information available/used for this sub-sector in current year n-1 and year n-2 notified in April (n) and October (n)

See Table 5.

Table 5 – Source Data Accounting¹

Source data accounting	Accounting rules	April (n)		October (n)	
		year n-1	year n-2	year n-1	year n-2
A. Budget Reporting					
A.1 Summary					
Current revenue and expenditure	cash	A/U	A/U	A/U	A/U
Current and capital revenue and expenditure	cash	A/U	A/U	A/U	A/U
Current and capital revenue and expenditure and financial transactions	cash	A/U	A/U	A/U	A/U
Balance sheets		NA/NU	NA/NU	NA/NU	NA/NU
A.2 Detailed					
Current revenue and expenditure	cash	A/U	A/U	A/U	A/U
Current and capital revenue and expenditure	cash	A/U	A/U	A/U	A/U
Current and capital revenue and expenditure and financial transactions	cash	A/U	A/U	A/U	A/U
Balance sheets		NA/NU	NA/NU	NA/NU	NA/NU
B. Financial statements					
Profit and loss accounts	cash	NA/NU	A/U	A/U	A/U
Balance sheets	cash	NA/NU	A/NU	A/NU	A/NU
C. Other reporting					
Statistical surveys: <i>Gross fixed capital survey</i>	accrual	NA/NU	A/U	NA/NU	A/U
Other: VAT reports, custom declarations	accrual	A/U	A/U	A/U	A/U
Monthly reports on government revenue (taxes, social contribution, etc.)	cash	A/U	A/U	A/U	A/U

¹ A/U (available/used), A/NU (available/not used), NA/NU (not available/not used).

1b) Reasons for not using the available accounting reports and criteria for choosing only one of them (consistency with data sources used in other sub-sectors, accrual basis, etc.) if two different accounting reports are available for the same unit

The main source for two units (the Pension and Disability Fund, and the Health Insurance Fund) is budget reporting, which is consistent with financial statements data but more detailed and available sooner.

1c) Complementary codification at data source, by counterpart sector

This information is not available.

1d) Complementary information which is not in the financial statements, when compiling ESA95 accounts

Complementary information is used to make more accurate estimates of ESA95 categories. An example is the use of results from the statistical survey on gross fixed capital formation. GFCF data from the basic source are available only according to cash data. These data are later on replaced with accrual GFCF data according to the survey (data are available in $t + 11$ months). For the Capital Fund also the official Annual Report is used.

1e) Consistency of classifications used in this sub-sector and in the budget reporting of other general government units

Classifications used in the budget reporting (for the Pension and Disability Fund, and for the Health Insurance Fund) are the same as for direct budgetary units. For the Capital Fund business accounting is used.

1f) Source (direct or indirect) of basic data requested by the national statistical institute

Budget reporting is provided by the Ministry of Finance. Financial statements are received from the Agency for Public Legal Records and Related Services, the entity responsible for collecting and processing financial statements.

1g) Nature of the data sources – cash, accrual or mixed

See Table 5.

1h) Circumstances in which data available from basic sources is consolidated

No such circumstances.

1i) Changes in the accounting rules foreseen in the near future (if any)

No changes are foreseen.

5.1.2 Data for the current year (n-1) notified in April (n) - detailed explanation

i) Common data sources used for finalised and half-finalised data for the current year in the first notification

For the first notification preliminary data for the year n-1 are used for social security funds.

ii) Data sources specifically used in the context of the first notification

There are no specifically used data for the first notification.

iii) Estimation methods that may be used in the context of the first notification

There are no estimation methods used for the first notification for the social security funds.

5.1.3 Auditing process

I) Working balances of each of the sub-sectors that are submitted to an auditing process

Working balances of each of the sub-sectors are submitted to an auditing process. The auditing process is finished in $t+10$ months.

II) Incorporation of the findings of the auditing process in the national accounts

There are so far no relevant findings within auditing process for social security funds to be incorporated in national accounts.

5.2 Data treatment

5.2.1 Half finalised and finalised data

a) Original source of data used as a starting step

Data for social security funds financial statements for the previous years are used and preliminary data for the year n-1.

b) Adjustments for financial transactions in units' data sources used for units classified in the social security funds sub-sector

There is no need for adjustment for financial transactions.

c) Information and the method(s) used for the adjustment cash/accrual (excluding interest) for social contributions and social benefits

The methods used are the same as applied for the central government budget.

d) Sources and method used for the calculation of interest on an accrual basis where units' data sources provide only information on a cash basis

Sources: amortization schedules according to each individual contract.

Methods: according to individual contract.

e) Information on other accounts receivable/payable that may be provided in units' data sources

No information on other accounts receivable/payable.

f) Other adjustments regularly implemented

- The item **Other adjustments** in EDP table 2D includes debt assumptions by central government from social security funds (2005), the statistical discrepancy due to the unbalanced intra sub-sectors flows, capital injections as capital transfer in loss making companies via Capital Fund (2007-2010), special health budget reserves (2007 and 2008) and also the item GFCF adjustment for financial leasing is from 2007 on excluded from GFCF cash/accrual adjustment and shown here.

5.2.2 Revision process

Steps in the revision process of data, after the first notification

Preliminary data for the year n-1 used in the first notification are revised with the accounting data from financial statements for social security funds.

6. Actual data on government debt

6.1 Half finalised and finalised data

a) Adjustments to the data sources that may be needed in order to value debt according to the specific EDP rules for each government sub-sector

In the past cash data in public accounts on interest payments were adjusted to accrual figure and for indexation effect. The latter correction was necessary because domestic instruments were valued or indexed by domestic inflation (HICP) or linked to EUR/SIT exchange rate and other indexes. This practice of debt valuation and interest payments was abandoned in 2002. Total amounts of guarantees called are divided into interest part and debt. If figures were used according to data sources of the Bank of Slovenia it was occasionally also necessary to adjust loans for interest part (e.g. local government loans). Database of the Ministry of Finance consists of instruments in nominal values.

Accrued non-paid interest = (a) accrued interest from last payment (coupon) to the end of the year n minus (b) accrued interest from the beginning of the year n to the first payment (coupon).

Accrued interest for planned new borrowing: Calculated from (a) amount of new borrowing for current year multiplied by (b) weighted average interest rate (actual interest rate at the auction) for long-term securities in the year n-1 and (c) average maturity of auctions till the end of the current year.

b) Sources of information used for the consolidation of debt and the valuation of holdings at the level of each government sub-sector (intra-flows and positions) and at the level of general government sector (inter-flows and positions)

Consolidation is implemented from 2000 on inclusive (for 2001 and 2000 with debt 2010 revision). According to data sources of the Ministry of Finance consolidation is done by instrument and relevant units. For local level also financial accounts database of the Bank of Slovenia is used. This was the reason for some improvements and revision of debt data in 2007 for the period from the end of 2001 on and in revision 2010 (with debt figures from the end of 1994 on).

c) Use of financial accounts for the implementation of notification table 3, concerning assets and other liabilities

Financial accounts are now regularly used (with revision of historical EDP tables from inclusive 2002 on) for all financial assets in table 3 except for other financial assets (F.1, F.6 and F.7) and other liabilities (F.5, F.6 and F.7).

d) Sources of information for the adjustments relating to transactions in debt instruments that are not valued at the nominal (face) value of the instrument, for each government sub-sector

Source: actual contract for each instrument for central government and social security funds sub-sector.

e) Sources of information used for the adjustments relating to a change in nominal debt that does not result from a transaction (other change in volume), for each government sub-sector

Source: outstanding debt for each contract at the end of the year, adjusted on the base of mid exchange rate at the end of the year, published by the Bank of Slovenia.

6.2 Data for current year notified in April

a) Data sources that may be used specifically in the context of the first notification

Estimations (half finalized data) received from each unit of general government are used for social security funds sub-sector and partly for central government sub-sector. For central government sub-sector mostly data from the Ministry of Finance internal database are used.

For local government estimations are made based on past data on the level of debt and financial transactions reported in the current year.

b) Estimation methods that may be used in the context of the first notification

For year $t+1$ fiscal estimations for deficit, exchange rates, inflation and GDP growth and estimates on borrowing requirements (according to borrowing plan) for all government sub-sectors are used.

Borrowing cost is calculated as weighted average interest rate (actual interest rate at the auction) for each instrument / maturity.

c) Steps in the revision process of data, after the first notification

Estimates used in the first notification are revised with data from the final statements for all general government sub-sectors.

7. Specific issues

7.1 Long-term contracts between government and private entities

7.1.1 Identification and data sources of long-term contracts between government and private entities (PPPs)

Not relevant.

7.1.2 Alternative data sources in cases of lack of comprehensiveness or reliability

Not relevant.

7.1.3 Terminology used for PPPs in the national language and correspondence in English

“Javno zasebno partnerstvo”, otherwise English terminology is used.

7.1.4 Agency, organization, or association dealing specifically with PPPs

Not relevant.

7.1.5 Legal instruments, including laws, regulations, or decrees, governing or regulating PPPs

The law on the PPP entered into force in March 2007 (Official Journal No. 127/2006).

7.2 Long-term contracts for military equipment

7.2.1 Contracts used by military forces for the procurement of equipment

Until 1996 special trade credits were used for military equipment purchases. After that only loans are used for financing the purchases of military equipment.

7.2.2 Borderline cases regarding the classification of some goods as military goods or as other equipment used by military forces

Data on product level are available by the Ministry for Defence which regularly reports to the annual GFCF survey. GFCF products are excluded from intermediate purchases in public accounts. However, additional information is provided by the Ministry of Finance if these purchases include other equipment, which has to be booked as GFCF.

7.2.3 Recording of the impact on government expenditure from the above-mentioned contracts

In public accounts current repayments of credits are shown as expenditure and are replaced with figures on current purchases of military equipment. Data are available by the Ministry of Finance and are shown as other financial transactions. Therefore, expenditure in general government accounts show values of goods when equipment is delivered.

7.2.4 Available information for the treatment of the above-mentioned contracts in national accounts

Data are fully available to the Statistical Office.

7.3 Pension schemes

7.3.1 Definition of pensions

National pension system includes old age pensions, disability pensions, survivors' pensions, anticipated old age pensions, partial pensions, early retirement's benefits due to reduced capacity to work and early retirement's benefits for labour market reason.

7.3.2 Classification of pension schemes

There is only one pension scheme in general government sector which could be classified as general social security scheme. All other pension schemes are not treated as social insurance schemes but as other insurance. From 2000 on several pension schemes by insurance companies or autonomous pension funds were introduced. In principal all these schemes are supplementary and taken voluntarily at the private initiative. Government provides the licences to carry out the pension schemes and encourage citizens to join such insurance (premiums are tax relief).

7.3.3 Classification of social insurance pension schemes

We have one social security scheme (see below).

7.3.4 Definition of social security schemes

Our social security scheme is imposed, controlled and financed by government units. Participation in the scheme is compulsory for all employees in the country (employed, self-employed and other persons with earnings on regular basis). All other persons can join insurance on a voluntary basis. The scheme is contributory. Actual contributions are paid by the employers and by the employees. The scheme is established by the law. The level of contributions and benefits is determined by general government. The scheme is unfunded. Management of deficit situation is responsibility of the government.

7.3.5 Classification of institutional units supporting pension schemes. Borderline cases

Our general social security scheme is supported by social security funds.

Other insurance is carried out by insurance corporations and pension funds.

7.4 Guarantees

7.4.1 Treatment of new guarantees provided

New guarantees are treated as contingent liabilities and are therefore not recorded in national accounts.

7.4.2 Treatment of guarantees called (and not repaid within the same year by the original debtor)

The amounts of called guarantees are booked as capital transfer. For guarantees being systematically called three years in a row also the whole outstanding amount of guarantees given but not yet called are booked as capital transfer in the third year in the total amount.

7.4.3 Treatment of repayments related to guarantees called

Repayments are recorded as capital transfers received from other institutional units.

7.4.4 Treatment of write-offs by government, if any, of government assets that arose from calls

There have been no recent cases of write-offs in Slovenia.