



**Government Finance Statistics
Office**

**Fiscal and Economic Studies
Department**

Government Finance Statistics in Brazil

Recent developments

Advances in public accounting (1/4)

Recording of non financial assets

As a necessary step for the adoption of an **accruals-based** accounting framework, an effort was made to assess and record non financial assets of the central government

Examples of recorded assets

- Depreciation of real estate
- Provisions and contingent liabilities arising from judicial demands
- Tax credits

These values will already be included in the **accounting** statements published in 2015, relative to the position in December 31th, 2014

Advances in public accounting (2/4)

Recording of pension liability

Pension liability is a peculiar class of liability whose value is difficult to determine, but which usually represents a **large share** of total liability

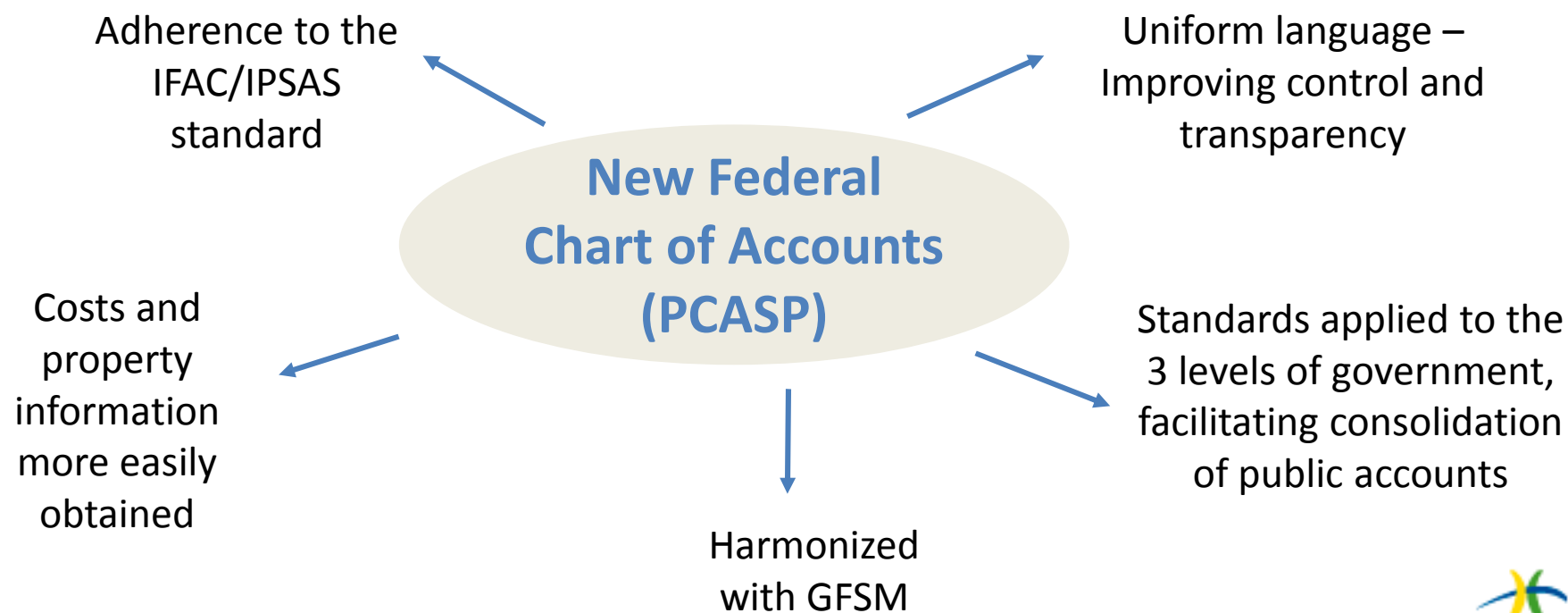
Up until the previous financial year, Brazil published an estimate of employment-related pension liability **only as a memorandum item**

- From the current financial year on, **employment-related** pension liability will be recorded **in the main body of the General Balance Sheet (BGU)** and an estimate of the pension liability related to the General Social Security System will be included as a memorandum item.
- In addition, **NTS is hiring a consultant** to study the need for improvement in the methodology of calculation and recording of pension liability in the GFS Statistical Tables and National Accounts.

Advances in public accounting (3/4)

New Federal Chart of Accounts (PCASP)

In 2015 the use of the new Federal Chart of Accounts (PCASP) became mandatory for all Federation bodies



Advances in public accounting (4/4)



Tesouro Gerencial is a modern information system to record Central Government data based on a business intelligence platform, using a single database extracted from SIAFI, which will enable:

- a **shift of efforts** spent in intermediary procedures of report production to activities that add real value to the decision making process;
- the setting of **indicators panels** updated automatically every day and visualized through mobile devices;
- **interactive reports** with scheduled delivery and simplification of historical series;
- **public access** to Siafi data for any internet user.

SICONFI – Brazilian Public Sector Accounting and Tax Information System

What it is:

SICONFI is a new tool developed by the NTS to facilitate the **reporting of financial information** by the federation units **other** than Central Government.

It is based on the **XBRL** standard, an internationally recognized standard that was specifically developed to handle transfers of financial data.

How it works:

Units will use an **Accounting Balance Matrix** to send each month information regarding the movements in the accounts of all classes (budgetary, equity and control) following the **same standard**



Process of **consolidation** more straightforward and less prone to errors

Phases of development:

Phase 1: begin april 2014

Phase 2: 2016

Phase 3: 2017

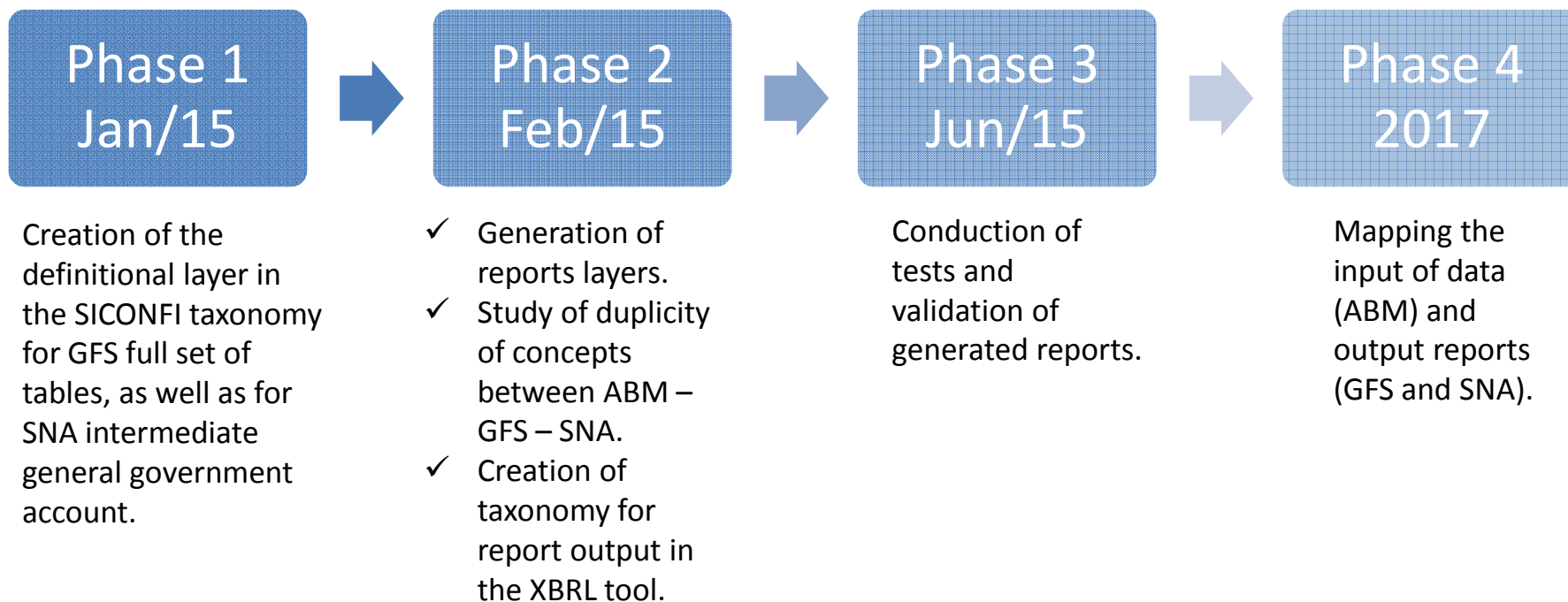
States and municipalities to send information regarding the **consolidation of annual accounts** by means of uploading spreadsheets

To conclude the development of an XBRL taxonomy to automatically generate GFS and SNA statements out of the annual statements

States and municipalities to send **monthly** information regarding the budgetary execution and accounting run by means of the Accounting Balance Matrix (ABM)

SICONFI – Brazilian Public Sector Accounting and Tax Information System

Development of a taxonomy for GFS and SNA statements



Quarterly Subnational Governments Finance Statistics

Main objectives

- GFSM 2014 implementation path
 - Integration with other Macroeconomic Standards (SNA 2008, BPM6, etc.) → Consistency
- Fill a gap in the Brazilian subnational governments finance statistics
 - Above-the-line statistics
 - Timely Quarterly data

Challenges

- Differences in primary data sources: coverage, basis of accounting, frequency, level of disaggregation, etc.
- Non available data: increasing local governments coverage
- Socioeconomic heterogeneity

Quarterly Subnational Governments Finance Statistics

Methodology

Classification compatibility

- National standards ↔ GFSM 2014
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Accounting adjustments

- *Proxy* of cash
 - Conceptual harmonization
-

Imputation

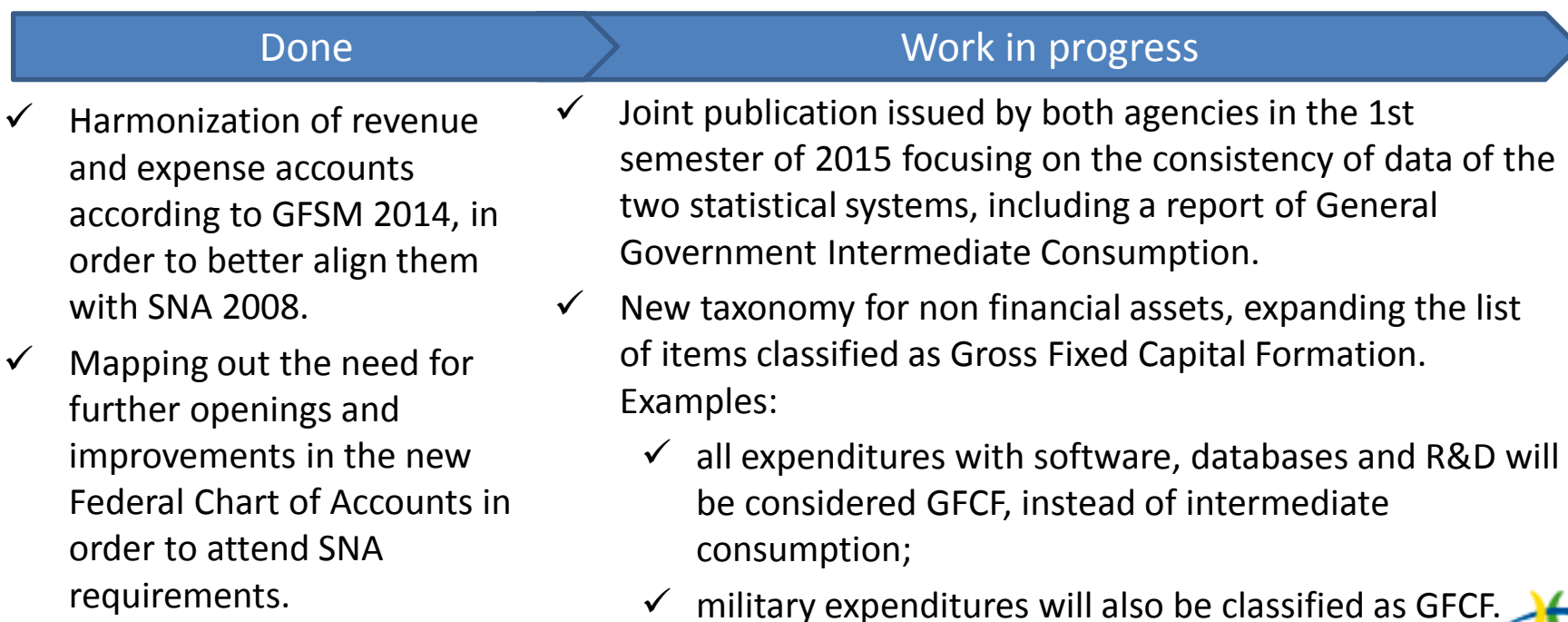
- Clusters: population + localization + *per capita* GDP & 300 largest *per capita* GDPs
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Temporal disaggregation

- Denton methodology (1971) – used in SNA

Working together with the Brazilian Institute of Geography and Statistics

- ✓ Since 2013, studies and meetings are being held by the NTS and IBGE (National Bureau of Statistics) with the objective of achieving consistency of General Government Sector data in both the GFSM 2014 and SNA 2008
- ✓ As a result of this partnership, some adaptations have been made and more positive changes are expected:



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