Government Finance
Statistics in Brazil

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

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

New Federal Chart of Accounts (PCASP)

- Adherence to the IFAC/IPSAS standard
- Uniform language – Improving control and transparency
- Standards applied to the 3 levels of government, facilitating consolidation of public accounts
- Harmonized with GFSM
- Costs and property information more easily obtained
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 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.

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:

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<th>Phase 1: begin April 2014</th>
<th>Phase 2: 2016</th>
<th>Phase 3: 2017</th>
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<td>States and municipalities to send information regarding the consolidation of annual accounts by means of uploading spreadsheets</td>
<td>To conclude the development of an XBRL taxonomy to automatically generate GFS and SNA statements out of the annual statements</td>
<td>States and municipalities to send monthly information regarding the budgetary execution and accounting run by means of the Accounting Balance Matrix (ABM)</td>
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Development of a taxonomy for GFS and SNA statements

Phase 1
Jan/15

Creation of the definitional layer in the SICONFI taxonomy for GFS full set of tables, as well as for SNA intermediate general government account.

Phase 2
Feb/15

✓ Generation of reports layers.
✓ Study of duplicity of concepts between ABM – GFS – SNA.
✓ Creation of taxonomy for report output in the XBRL tool.

Phase 3
Jun/15

Conduction of tests and validation of generated reports.

Phase 4
2017

Mapping the input of data (ABM) and output reports (GFS and SNA).
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

Accounting adjustments
- Proxy of cash
- Conceptual harmonization

Imputation
- Clusters: population + localization + per capita GDP & 300 largest per capita GDPs

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:

**Done**
- Harmonization of revenue and expense accounts according to GFSM 2014, in order to better align them with SNA 2008.
- Mapping out the need for further openings and improvements in the new Federal Chart of Accounts in order to attend SNA requirements.

**Work in progress**
- Joint publication issued by both agencies in the 1st semester of 2015 focusing on the consistency of data of the two statistical systems, including a report of General Government Intermediate Consumption.
- New taxonomy for non financial assets, expanding the list of items classified as Gross Fixed Capital Formation. Examples:
  - all expenditures with software, databases and R&D will be considered GFCF, instead of intermediate consumption;
  - military expenditures will also be classified as GFCF.
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