

EDP Consolidated Inventory of sources and methods

Slovak Republic

September 2007

1. Delimitation of General Government

Classification of units is under the responsibility of the SOSR as a Register of organizations supervisor. In the register is every unit classified in particular institutional sector in accordance with ESA95. Both The State Treasury and DataCentrum¹ process accounting statements data for units classified under the general government sector. For 2005 SOSR has started to use individual data (accounting statements) for every unit.

In accordance with ESA 95 methodology 50% rule is accessed regularly for units classified in general government sector, non-financial corporations sector an NPISH. For the reasons of the stability of the register of organisations of SOSR, transfer of units is carried every 3 years.

The delimitation of the general government sector in March and September is identical and done according to the Business Register of the Statistical Office of the Slovak Republic (SOSR).

The delimitation of general government sector, both in national accounts and in The State closing account is same.

Annex 1 contains a list of units classified within the General Government sector along with institutional subsector and the main activity code NACE used for 2006 data. Annex 2 presents broader categories of groupings of units (so called “zložky”) classified in the general government sector.

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 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):

Table 1– Source Data Accounting ²

Accounting Rules(C/A/M)	Source Data Accounting	April (n)	October (n)
-------------------------	------------------------	-----------	-------------

¹ DataCentrum is an independent budgetary organisation established by Ministry of Finance and The State Treasury is a budgetary organisation established by the act No. 291/2002 Z. z. on The State Treasury. Responsibility of DataCentrum is to process accounting statements of budgetary organizations of municipalities and their subsidised organizations. Except of this DataCentrum is responsible for processing of accounting statements of units classified in other institutional sectors than S.13.

² A/U (available/used), A/NU (available/not used), NA/NU (not available/not used)
C (Cash), A (Accrual), M (Mixed Cash-Accrual)

		Year n-1	Year n-2	Year n-1	Year n-2
	• Budget Reporting				
	Summary				
C	(1) Current revenue and expenditure	A/U	A/U	A/U	A/U
C	(2) Current and capital revenue and expenditure	A/U	A/U	A/U	A/U
C	(3) Current and capital revenue and expenditure and financial transactions	A/U	A/U	A/U	A/U
A	(4) Balance sheets	A/U	A/U	A/U	A/U
	Detailed				
C	(5) Current revenue and expenditure	A/U	A/U	A/U	A/U
C	(6) Current and capital revenue and expenditure	A/U	A/U	A/U	A/U
C	(7) Current and capital revenue and expenditure and financial transactions	A/U	A/U	A/U	A/U
A	(8) Balance sheets	A/U	A/U	A/U	A/U
	• Financial Statements				
A	(9) Profit and loss accounts ³	A/U	A/U	A/U	A/U
A	(10) Balance sheets	A/U	A/U	A/U	A/U
	• Other Reporting				
A	(11) Statistical surveys	NA/NU	NA/NU	A/U	A/U
	(12) Other:	NA/NU	NA/NU	NA/NU	NA/NU

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 sources of data are accounting sources of data and statistical sources are only supplementary source for data validation. All the sources available are also used.

Data from statements on revenues and expenditures (national methodology), balance sheets and profit and loss accounts are treated as accounting sources of data. Results of statistical surveys are considered as statistical sources of data.

The statistical data provide data on the commodity structure of production, intermediate consumption and capital formation used in supply and use tables. The survey is exhaustive. The data are on accrual basis. For the sector account compilation of B.9 for S.13 the statistical data is not used.

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

The counterpart information is available from the budget reporting for capital and current transfers and some financial transactions.

Furthermore in accordance with the official decision of MoF SR all units classified in the S.1311 and S.1313 are obliged to provide (annually as well as quarterly) to the State Treasury information system following statements:

Annual statements

³ Profit and loss account statement refers to particular expenditure items of market activity only

Fin FAP 6-01 Statement on sector breakdown of financial assets and liabilities as of 31st December 2006

Fin FAP 8-01 Annual statement on debt structure by maturity as of 31st December 2006

Quarterly statement

Fin FAP 5-04 Statement on sector breakdown of increase/decrease of financial assets and liabilities

Fin FAP 7-04 Quarterly statement on debt structure by currency.

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

The Assets and Liabilities Management Department of the Ministry of Finance of the Slovak Republic provides Information on the government guarantees. The data needed for accrual recording of taxes are obtained from the Tax and Customs Directorate and for accrual recording of social contributions from particular social security funds. The complementary source of data is the State Closing Account that is audited by the Supreme Audit Office and approved by the Parliament. See also point 2.2.1 g.

1e) Consistency of classifications used in the Budget Reporting of “the State” and in the Budget Reporting of other General Government entities.

All the entities of general government sector use the same classification (functional, economic, and organisational).

1f) Source (direct or indirect) of basic data requested by the National Statistical Institutes

There is a framework agreement in the form of a legal document signed between SOSR and The Ministry of Finance of SR as well as agreements on data provision between SOSR and DataCentrum and State Treasury, which form the basis for data provision on all parts of S.13 respectively.

DataCentrum is an independent budgetary organisation established by Ministry of Finance and State Treasury is a budgetary organisation established by the act No. 291/2002 Z. z. on The State Treasury.

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

See Table 1.

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

The primary data sources are available in the non-consolidated version exclusively.

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

The implementation of accrual accounting for all the entities of general government sector is being prepared within the project of Public Finance Governance Reform. This means, that in

addition to the existing data sources, accrual financial statements will be available for all General government sector institutional units, starting with data for 2008.

2.1.2 Data sources for Central Government: Other entities / other central government bodies

The system of the State Treasury (and DataCentrum for municipalities and their subsidised organizations) provides a unified system of budgetary reporting for all parts (zložky) of the General Government sector. The system is valid for the state budget as well as other entities then the state.

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):

Table 2– Source Data Accounting

Accounting Rules(C/A/M)	Source Data Accounting	April (n)		October (n)	
		Year n-1	Year n-2	Year n-1	Year n-2
	• Budget Reporting				
	Summary				
C	(1) Current revenue and expenditure	A/U	A/U	A/U	A/U
C	(2) Current and capital revenue and expenditure	A/U	A/U	A/U	A/U
C	(3) Current and capital revenue and expenditure and financial transactions	A/U	A/U	A/U	A/U
A	(4) Balance sheets	A/U	A/U	A/U	A/U
	Detailed				
C	(5) Current revenue and expenditure	A/U	A/U	A/U	A/U
C	(6) Current and capital revenue and expenditure	A/U	A/U	A/U	A/U
C	(7) Current and capital revenue and expenditure and financial transactions	A/U	A/U	A/U	A/U
A	(8) Balance sheets	A/U	A/U	A/U	A/U
	• Financial Statements				
A*	(9) Profit and loss accounts	A/U	A/U	A/U	A/U
A	(10) Balance sheets	A/U	A/U	A/U	A/U
	• Other Reporting				
A	(11) Statistical surveys	NA/NU	NA/NU	A/U	A/U
	(12) Other:	NA/NU	NA/NU	NA/NU	NA/NU

** all units except National Property Fund (FNM)*

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.

See 2.1.1 - 1b)

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

See 2.1.1 – 1c)

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

See 2.1.1 – 1d)

2e) Consistency of classifications used in this sub-sector and in the Budget Reporting of units in other sub-sectors of General Government.

See 2.1.1 – 1e)

2f) Source (direct or indirect) of basic data requested by the National Statistical Institutes

See 2.1.1 – 1f)

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

See Table 2.

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

See 2.1.1 – 1h)

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

See 2.1.1 – 1i)

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.

The same data sources have been used for the current year in the first notification (March) as are used for the compilation of previous years:

- Statement on revenues and expenditures (national methodology),*
- Balance sheets,*
- Profit and loss account.*

By autumn notification deadline the data will slightly improve (only minor changes occur).

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

See 2.1.3 i)

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.

Document on the compilation of accrual taxes is enclosed in Annex 3.

2.1.4 Auditing Process

I) Working balances of Central Government that were submitted to an auditing process.

In autumn notification there are starting working balances of all parts of general government included in the State Closing Account, which is audited by the Supreme Audit Office and approved by the Parliament.

The audit is performed by the Supreme Audit Office and it covers the following: The State Budget, National Property Fund, two health insurance companies, state funds, Slovak Consolidation a. s., Slovak Land Fund, The Social Insurance Agency and other institutional units established by the state.

Some institutional units are also audited by the private auditing companies (National Property Fund, Slovak Land Fund, health insurance companies, The Social Insurance agency, Slovak Consolidation a. s.).

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

In May the State Closing Account is approved by the Parliament and afterwards all the changes are incorporated in the September notification and the national accounts.

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.

The financial transactions that may be included in the public accounts of central government and are excluded in notification table 2:

Loans – granted, repayments (code ESA95 F.41, F.42)

Equities – acquisition, sales (F.5)

As the reporting changed since 2005 it is not necessary to exclude financial transactions and report them separately on the table 2.

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

Document on the compilation of accrual taxes is enclosed in Annex 3.

For adjustment of revenues and expenditures for accrual recording data for payables and receivables is used:

Receivables:

Advances – allocated to P.2

Advances – allocated to P.51

Trade credits – purchasers – allocated to P.11

Rents – allocated to P.2
 Employees – allocated to D.11
 Other – allocated to D.75

Payables:
 Advances – allocated to P.2
 Trade credits – suppliers – allocated to P.11
 Rents – allocated to P.2
 Employees– allocated to D.11
 Other - allocated to D.75

Description is valid for all subsectors S.1311, S.1313, S.1314.

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

Information on the accrual interests compilation.

Calculation of accrual interests is based on redistributing of the amount of interests over the appropriate accounting periods during the life of the government securities.

Calculation of accrued interest is applied to interest payments from central government treasury bills (with maturity up to one year) and central government bonds (with maturity more than one year) mainly. Accrual interests are compared with actual corresponding interest payments, which were included into expenditure of the State Budget for the relevant years.

Central government securities	
CASH BASIS	
actually paid	(1)
ACCRUAL BASIS	
CG treasury bills	
issued in t-1 with maturity t	(2)
issued in t with maturity t+1	(3)
issued in t with maturity t	(4)
CG bills total	(5)
(5 = 2+3+4)	
CG bonds	(6)
Accrued CG securities (total)	(7)
(7 = 5+6)	
Difference between accrual and cash interest payments = 7-1	

In addition to accrual interest based on securities other than shares, adjustments on accrual interest (receivable and payable) on loans is made - data are taken up from the analytical accounting data sources.

Starting with the year 2006, calculation of accrual interest is based on accounting data sources. Accrual interest data are undertaken from accounting on interest liabilities. Impact of accrual interest recording on deficit is calculated as a change of stocks of interest liabilities.

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

This information should be available to broad public in the scope of EDP tables presentation.

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

See Annex 2 (General government delimitation). Relevant information is gathered from individual accounting statements data.

f) Other adjustments regularly implemented.

For purposes of the compilation and balancing of the financial account in general government sector we use the data from the National Bank of Slovakia, in particular bank and foreign exchange statistics, the international investment position and the annual report.

List of EDP table 2A other adjustments is enclosed in the Annex 10:

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.

For information concerning state guarantees (information on the state guarantees compilation) see 7.4.2.

Specific flows are monitored and data is collected by particular departments of the MoF SR:

- state guarantees see Annex 4 and point 7.4.2*
- capital injections see Annex 5*
- dividends see Annex 6*
- debt cancellation (foreign claims) see Annex 7*
- EU flows see Annex 8*
- privatisation see Annex 9*

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

Data for 2006 have been updated on the basis of the final data sources, which were provided by institutional units of GG at the end of August 2006. See also 2.1.3 i).

3. State Government

Not applicable for Slovak Republic

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):

Table 3 – Source Data Accounting ⁴

Accounting Rules(C/A/M)	Source Data Accounting	April (n)		October (n)	
		Year n-1	Year n-2	Year n-1	Year n-2
	• Budget Reporting				
	Summary				
C	(1) Current revenue and expenditure	A/U	A/U	A/U	A/U
C	(2) Current and capital revenue and expenditure	A/U	A/U	A/U	A/U
C	(3) Current and capital revenue and expenditure and financial transactions	A/U	A/U	A/U	A/U
A	(4) Balance sheets	A/U	A/U	A/U	A/U
	Detailed				
C	(5) Current revenue and expenditure	A/U	A/U	A/U	A/U
C	(6) Current and capital revenue and expenditure	A/U	A/U	A/U	A/U
C	(7) Current and capital revenue and expenditure and financial transactions	A/U	A/U	A/U	A/U
A	(8) Balance sheets	A/U	A/U	A/U	A/U
	• Financial Statements				
A	(9) Profit and loss accounts ⁵	A/U	A/U	A/U	A/U
A	(10) Balance sheets	A/U	A/U	A/U	A/U
	• Other Reporting				
A	(11) Statistical surveys	NA/NU	NA/NU	A/U	A/U
	(12) Other:	NA/NU	NA/NU	NA/NU	NA/NU

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.

See 2.1.1 - 1b)

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

⁴ A/U (available/used), A/NU (available/not used), NA/NU (not available/not used)
C (Cash), A (Accrual), M (Mixed Cash-Accrual)

⁵ Profit and loss account statement refers to particular expenditure items of market activity only

See 2.1.1 – 1c)

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

See 2.1.1 – 1d)

1e) Consistency of classifications used in this sub-sector and in the Budget Reporting of other General Government units.

See 2.1.1 – 1e)

1f) Source (direct or indirect) of basic data requested by the National Statistical Institutes

See 2.1.1 – 1f)

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

See Table 3.

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

See 2.1.1 – 1h)

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

See 2.1.1 – 1i)

4.1.2 Data sources for Local Government: Local Government bodies / non-profit institutions

Subsidised organisations of municipalities

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):

Table 4 – Source Data Accounting

Accounting Rules(C/A/M)	Source Data Accounting	April (n)		October (n)	
		Year n-1	Year n-2	Year n-1	Year n-2
	• Budget Reporting				
	Summary				
C	(1) Current revenue and expenditure	A/U	A/U	A/U	A/U
C	(2) Current and capital revenue and expenditure	A/U	A/U	A/U	A/U
C	(3) Current and capital revenue and expenditure and financial transactions	A/U	A/U	A/U	A/U

A	(4) Balance sheets	A/U	A/U	A/U	A/U
	Detailed				
C	(5) Current revenue and expenditure	A/U	A/U	A/U	A/U
C	(6) Current and capital revenue and expenditure	A/U	A/U	A/U	A/U
C	(7) Current and capital revenue and expenditure and financial transactions	A/U	A/U	A/U	A/U
A	(8) Balance sheets	A/U	A/U	A/U	A/U
	• Financial Statements				
A	(9) Profit and loss accounts	A/U	A/U	A/U	A/U
A	(10) Balance sheets	A/U	A/U	A/U	A/U
	• Other Reporting				
A	(11) Statistical surveys	NA/NU	NA/NU	A/U	A/U
	(12) Other:	NA/NU	NA/NU	NA/NU	NA/NU

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.

See 2.1.1 – 1b)

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

See 2.1.1 – 1c)

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

See 2.1.1 – 1d)

2e) Consistency of classifications used in this sub-sector and in the Budget Reporting of units in other sub-sectors of General Government.

See 2.1.1 – 1e)

2f) Source (direct or indirect) of basic data requested by the National Statistical Institutes

See 2.1.1 – 1f)

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

See Table 4.

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

See 2.1.1 – 1h)

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

See 2.1.1 – 1i)

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.

See 2.1.3 i)

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

In the context of the first notification, no specific data sources are used.

See 2.1.3 i)

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

Compilation of the current year is based on the basic data sources (see 2.1.3 i)), therefore there is no need to use estimations.

4.1.4 [Auditing Process]

I) Working balances of Local Government that were submitted to an auditing process.

In autumn notification there are starting working balances of all parts of general government included in the State Closing Account, which is audited by the Supreme Audit Office and approved by the Parliament.

After end of the financial year municipalities and higher territorial units compile the final data into a closing account of the municipality and the closing account of the higher territorial unit. Municipality as well as higher territorial unit are obliged to conduct audit. If auditing institution finds breaking of the rules it is obliged to inform MoF SR in written. MoF SR can check the results.

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

In May the State Closing Account is approved by the Parliament and afterwards all the changes are incorporated in the September notification and the national accounts.

4.2 Data treatment

4.2.1 Half finalised and finalised data

a) Original source of data used as a starting step

All points mentioned under 2.1.3 i) and State Closing Account.

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

See 2.2.1 a)

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

Revenue of the municipalities is the proportional part of the accrual tax revenue. See also 2.2.1 b).

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

Interest is recorded on a cash basis due to the lack of data. However, the amount of interest payable is negligible.

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

See 2.2.1 d)

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

See Annex 2 (General government delimitation). Relevant information is gathered from individual accounting statements data.

g) Other adjustments regularly implemented.

See 2.2.1 f)

List of EDP table 2C other adjustments is enclosed in the Annex 10:

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.

There are not available special data sources on specific transactions. Specific transactions are examined on the case-by-case basis. This is done within the basic data verification and clarification, in the cases of significant flows occurrence in revenues and expenditures, or in the case of unexplained changes in particular items of the balance sheet.

4.2.2 Revision process

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

See 2.2.2

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

The Social Insurance Agency, 6 health insurance companies (5 at the end of 2005)

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):

Table 5 – Source Data Accounting ⁶

Accounting Rules(C/A/M)	Source Data Accounting	April (n)		October (n)	
		Year n-1	Year n-2	Year n-1	Year n-2
	• Budget Reporting				
	Summary				
C	(1) Current revenue and expenditure	A/U	A/U	A/U	A/U
C	(2) Current and capital revenue and expenditure	A/U	A/U	A/U	A/U
C	(3) Current and capital revenue and expenditure and financial transactions	A/U	A/U	A/U	A/U
A	(4) Balance sheets	A/U	A/U	A/U	A/U
	Detailed				
C	(5) Current revenue and expenditure	A/U	A/U	A/U	A/U
C	(6) Current and capital revenue and expenditure	A/U	A/U	A/U	A/U
C	(7) Current and capital revenue and expenditure and financial transactions	A/U	A/U	A/U	A/U
A	(8) Balance sheets	A/U	A/U	A/U	A/U
	• Financial Statements				
A*	(9) Profit and loss accounts	A/U	A/U	A/U	A/U
A	(10) Balance sheets	A/U	A/U	A/U	A/U
	• Other Reporting				
A	(11) Statistical surveys	NA/NU	NA/NU	A/U	A/U
	(12) Other:	NA/NU	NA/NU	NA/NU	NA/NU

* *The Social Insurance Agency and health insurance companies*

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.

⁶ A/U (available/used), A/NU (available/not used), NA/NU (not available/not used)
C (Cash), A (Accrual), M (Mixed Cash-Accrual)

All the sources available are also used. The main sources of data are accounting sources of data and statistical sources are only supplementary source for data validation. In case of sub sector of social security funds the statistical sources of data were the main data source until 2003. See also 2.1.1 1b).

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

See 2.1.1 – 1c)

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

See 2.1.1 – 1d)

1e) Consistency of classifications used in this sub-sector and in the Budget Reporting of other General Government units.

See 2.1.1 – 1e)

1f) Source (direct or indirect) of basic data requested by the National Statistical Institutes

See 2.1.1 – 1f)

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

See Table 5.

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

See 2.1.1 – 1h)

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

See 2.1.1 – 1i)

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.

See 2.1.3 i)

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

In the context of the first notification, no specific data sources are used. See also 2.1.3 i).

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

Compilation of the current year is based on the basic data sources (see 2.1.3 i)), therefore there is no need to use estimations.

5.1.3 Auditing Process

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

See 2.1.4 I

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

See 2.1.4 II

5.2 Data treatment

5.2.1 Half finalised and finalised data

a) Original source of data used as a starting step

All points mentioned under 2.1.3 i) and the State Closing Account.

b) Adjustments for financial transactions in units' data sources used for units classified in the Social Security Funds sub-sector.

See 2.2.1 a)

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

Information on the accrual social contributions compilation is included in Annex 3.

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.

Not applicable.

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

See 2.2.1 d)

f) Other adjustments regularly implemented.

See 2.2.1 f)

List of EDP table 2D other adjustments is enclosed in the Annex 10:

5.2.2 Revision process

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

See 2.2.2

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.

The main data sources for the general government debt calculation is information on the state debt in nominal value (from Debt Management Agency), which covers more than 95% of the General Government Maastricht debt. Therefore, no adjustments are needed.

As for other General Government units, the main data sources are balance sheets and no adjustments are made. We do not have clear information, if this data does not include capitalised interest, however, possible amount of interest should be negligible.

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).

In the process of consolidation the data obtained from the State closing account summarising the revenues and expenditures of the State Budget and the analytical accounts of particular institutional units are used as a source of information for consolidation at the level of each government sub-sector and general government sector. This kind of consolidation affects mainly the financial transactions in loans granted by the State to sub-sectors.

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

The annual financial accounts published by the Statistical Office of the Slovak Republic provided the data source for the actual data on financial categories notified in the years 2000 – 2005.

The data sources for compilation of the financial accounts are all data from accounting balance sheets. Particular balance sheet items were transformed into ESA95 financial categories using bridging-table. Volumes of financial transactions were derived from the initial and final stocks of separate financial assets and liabilities in balance sheets. Financial transactions for 2003-2005 were taken over from the Statement on Revenues and Expenditures.

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.

The information about the adjustment concerning difference between interest accrued and paid, redemptions of debt above/below par and appreciation/depreciation of foreign-currency debt is from public accounting and is provided in the State closing account.

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.

Other change in volume refers mainly to changes in sector classification. Data sources – balance sheets and register.

Specific cases, such as CSOB case was treated in line with Eurostat decision. Data sources – relevant departments of the MoF SR.

6.2 Data for the current year notified in April

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

The main data sources for the general government debt calculation are balance sheets for the general government institutional units. The same data sources are used as in the case of half-finalised and finalised data.

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

Compilation of the current year was based on the basic (preliminary) data sources (see point a)), therefore there was no need to use estimations.

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

Data for 2003-2005 have been precised on the basis of the final data sources. Each institutional unit of the general government sector provided the accounting statements and additional information needed for the financial accounts compilation and debt calculation.

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).

Currently PPP contracts have not been explicitly identified yet. However, further improvements have been realised. According to the government decision, GG units will be obliged to provide MoF SR information on the planned PPP and its realisation. This will be the main data source in order to examine the impact of PPP on the GG accounts.

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

No alternative data sources.

7.1.3 Terminology used for PPPs in the national language(s) and correspondence in English.

The following terms are used interchangeably – “Projekty s privátnym partnerom”, “Verejno-súkromné partnerstvo” (english translation Public – Private Partnership) or “Partnerstvo verejného a súkromného sektora” (Partnership of public and private sector).

7.1.4 Agency, organization, or association dealing specifically with PPPs.

MoF SR will be involved in examination of PPPs.

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

New regulations were adopted to allow GG units enter into PPP contracts. GG units are obliged to provide MoF SR information on the planned PPP and its realisation.

7.2 Long-term contracts for military equipment

7.2.1 Contracts used by military forces for the procurement of equipment:

Military forces in Slovak Republic use the following kinds of contracts for the procurement of equipment:

- contracts (contracts of purchase) that are result of the public tenders*
- contracts that are result of the Agreement between the Government of the Russian Federation and the Government of the Slovak Republic on the Resolution of the Debt of the Former USSR and the Russian Federation to the Slovak Republic*
- international contracts concluded within the framework of Warsaw initiative – donations from the United States*

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

The data obtained by the Slovak Statistical Office (SO SR) for the procession from the Ministry of Finance of Slovak republic (MF SR) are already classified according to ESA rules (the military goods purchased by the government are recorded as intermediate consumption and not as gross capital formation) and the SO SR does not do any adjustments to the classification of the goods as military goods or as other equipment used by military forces (classification into current or capital expenditures).

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

Since the data used for the compilation of the national accounts statistics are based on the cash expenditures of the government, the contracts are recorded when they impact the expenditure side of the state budget, i.e. when the financial transaction (including advance payments) takes place.

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

SOSR obtains information on military expenditures from the questionnaire filled in by the Ministry of Defence of the Slovak Republic.

7.3 Pension Schemes

Obligatory pension schemes classified in general government sector consist of:

Obligatory social security scheme

Payments of social contributions and pensions are realised by Social Insurance Agency according to the law No. 461/2003 Coll. in which participation is obligatory.

Financing of the scheme: contributions are paid by employers on behalf of their employees, employees, self employed persons, voluntary contributors, from the state budget on behalf of persons defined by the law, National Labour Office (until 2003) and Social Insurance Agency.

Special pension security scheme (army and police)

By the current act No. 443/2005 Coll. are contributions paid on special accounts of competent Ministries, which activity is to manage the police, Slovak Intelligence Service, National Security Authority (NBÚ), members of prison guards, members of railway police, customs officers and members of armed forces. Employees and employers on behalf of their employees are contributing to the specific social security extrabudgetary account.

Social benefits and social assistance scheme

Since 1994 wife's pensions, social pensions, increase of pension in case of disability and increase of pension in case of sole source of income are state benefits returned by government, financed from the state budget.

Recording of the second pillar

In 2005 funded pensions schemes (2nd pillar) were created, which are recorded in line with Eurostat's guidelines (outside general government sector).

7.4 Guarantees

7.4.1 Treatment of new guarantees provided

No new guarantees have been provided in the Slovak Republic in the last years.

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

Examination and quantification of debt assumption referring to state guarantees is made regularly for the current year by the Ministry of Finance. The initial comprehensive analysis and quantification of debt assumption referring to state guarantees was made in 2003 by the State guarantees department at the MF SR for the years 1993-2002; the similar approach is being used regularly in the current year(see Annex 4).

A. Examination of guarantees for 1993-2002

On the basis of the examination of the state guarantees case by case, guarantees are split into 3 parts:

- guarantees which have not been (will not be) exercised*
- guarantees which have been (will be) exercised and are recoverable*
- guarantees which have been (will be) exercised and are non-recoverable = risky part*

Debt assumptions in particular years correspond with the third group – risky guarantees. Capital transfers were recorded in the whole amount of the principal at the time (in the year), when state guarantee was provided, and/or the effective call and non-recoverability was recognized.

The examination was done on the basis of the following available information:

- The register of state guarantees (contingent) for 1993-2002*
- The register of cases, when the original borrower was not in a position to repay a principal amount of the debt in the particular year and the guarantee was exercised implying a “new loan agreement” between the central government and public enterprise (the amount of such loan is equal to the annual repayment of the principal by the public enterprise to the creditor).*
- The register of repayments of such “new loans” by the public enterprise vis-à-vis government.*

On the basis of such information (1993-2002) it was possible to clearly determine cases of the permanent call for government support by the enterprise without any repayment vis-à-vis government. These cases have been considered at the inception as government debt in the whole amount of the principal.

As for cases, when enterprise has not permanently asked for government support, or, as for new guarantees, following criteria have been taken into account in determination of risky guarantees:

- *The enterprise has not asked government for support, however, at the same time the latter is not repaying debt vis-à-vis creditor.*
- *The existence of recurrent losses of the enterprise.*
- *On the basis of the evidence on called guarantees referring to the particular enterprise in previous years it could be expected that the own capacity of the “new” borrower is insufficient and the borrower will be not in a position to repay debt in the future.*

The part of provided guarantees considered as risky (non-recoverable) guarantees has been recorded as debt assumption.

B. Examination of guarantees in the current year (2003 onwards)

- new guarantees provided in the current year are treated in the same way described above.

- in the case, when the original debtor of the assumed “risky” debt becomes solvent and is in position to repay its own debt, this debt could not be considered as the state debt anymore. Such case was recorded in 2005 as superdividends.

7.4.3 Treatment of repayments related to guarantees called

There has been identified only one case of repayment by original debtor in 2005, referring to the debt previously assumed by the state. This was treated as superdividends.

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 such write-offs in Slovak Republic.

ANNEX 1

List of the units included in each of the sub-sectors of general government.

Attached as an excel file: 'SK - EDP Inventory – Annex.xls'

ANNEX 2

Delimitation of the General Government sector.

Attached as an excel file: 'SK - EDP Inventory – Annex.xls'

ANNEX 3

Attached as an word file: 'SK - EDP Inventory – Annex 3.doc'

ANNEX 4

State guarantees.

Attached as an excel file: 'SK - EDP Inventory – Annex.xls'

ANNEX 5

Capital injections.

Attached as an excel file: 'SK - EDP Inventory – Annex.xls'

ANNEX 6

Dividends.

Attached as an excel file: 'SK - EDP Inventory – Annex.xls'

ANNEX 7

Debt cancellations.

Attached as an excel file: 'SK - EDP Inventory – Annex.xls'

ANNEX 8

EU flows.

Attached as an excel file: 'SK - EDP Inventory – Annex.xls'

ANNEX 9

Privatisation.

Attached as an excel file: 'SK - EDP Inventory – Annex.xls'

ANNEX 10

List of EDP table 2A other adjustments

Attached as an excel file: 'SK - EDP Inventory – Annex.xls'