



Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra

Swiss Confederation

Federal Department of Finance FDF  
**Federal Finance Administration FFA**

## International Good Practices in UCoA

# Introduction to the Swiss Chart of Accounts and insights on the use for GFS reporting

André D. Schwaller

Deputy Head of Financial Statistics

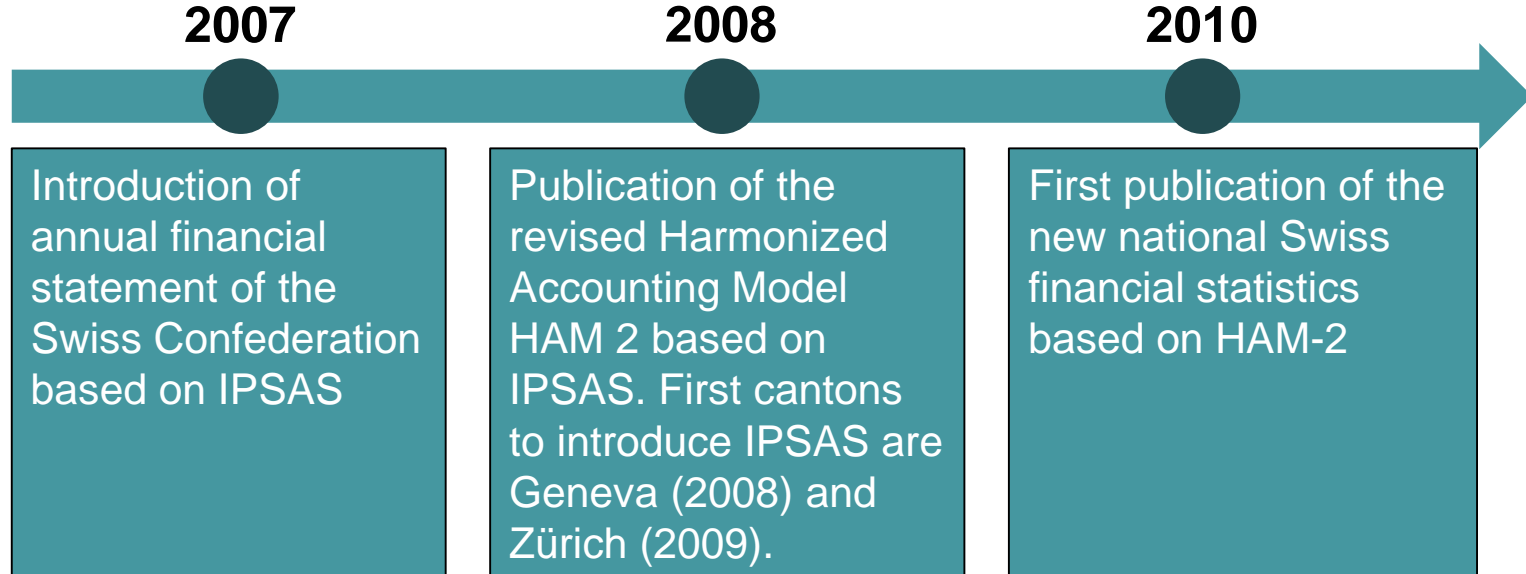
Member of the Swiss Public Sector Financial Reporting Advisory Committee

Pulsar Financial Reporting Community of Practices,

Working Group meeting, 3-4 June 2019, Winterthur, Switzerland



# Starting Points



## What is new about the Chart of Accounts in HAM 2?

- Introduction of **counterpart information** for selected unrequited and requited transactions: contributions (unrequited) and compensations / remunerations (requited)
- Alignment of the national Functional classification on the international Classification Of the Functions Of Government (COFOG)

**Important:** Every amount for non-financial transactions (revenue, expense and net acquisition of non-financial assets is double coded with a position of the economic and also functional classification)



# HAM 2 accounting and national statistical (FS) models

## Statement of financial position<sup>1</sup>

<b>Assets (1)</b> + Non-administrative assets (10) (Current and non-current assets)  + Administrative assets (14) (Current and non-current assets)
<b>Liabilities and equity (2)</b>  - Short-term liabilities  - Long-term liabilities
<b>= Net assets/equity</b>

**Statement of net assets/equity<sup>2</sup>**

## Statement of fin. performance<sup>3</sup>

<b>Financial performance by 3 stages</b> + Operating revenue (4) - Operating expenses (3) ----- <b>= Operating Result</b>  + Financial revenue (44) - Financial expense (34) ----- <b>= Financial result</b> <b>= Ordinary result</b> + Extraordinary revenue (48) - Extraordinary expenses (38) ----- <b>= Extraordinary result</b> ----- <b>= Surplus / Deficit (SFP)</b>
---

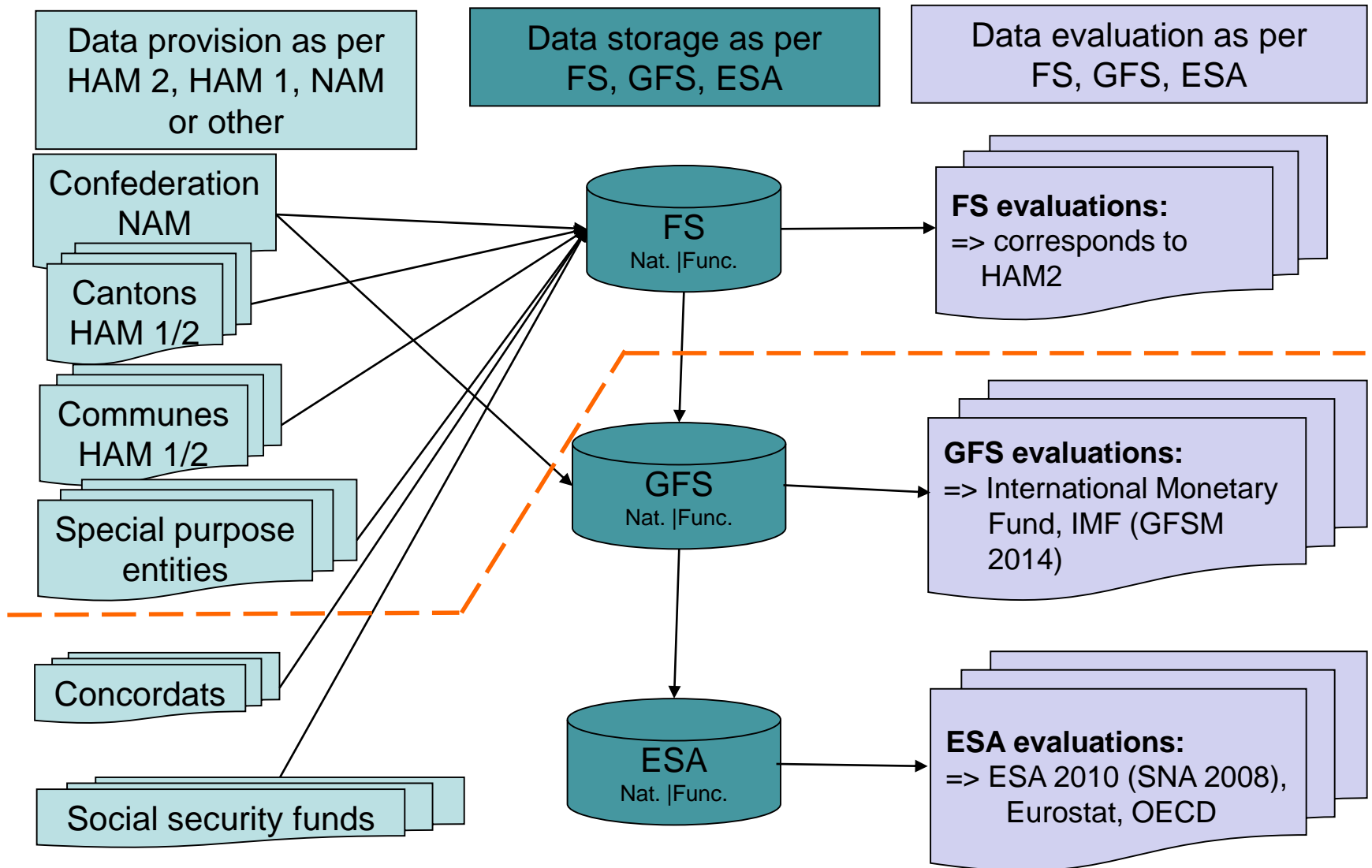
## Statement of investments<sup>4</sup>

+ Disposal of tangible fixed assets + Disposal of intangible fixed assets + Repayment of loans/financial interests + Repayment of investment contributions ----- <b>= Investment receipts (6) (+)</b>  - Acquisition of tangible fixed assets - Acquisition of intangible fixed assets - Granting of loans/financial interests - Investment contributions ----- <b>= Investment expenditure (5) (-)</b> ----- <b>= Net investments</b>
--

<b>Cash flow / financing statement<sup>5</sup></b> +/- Cash flow / flow of funds from operating activities +/- Cash flow / flow of funds from investing activities +/- Cash flow / flow of funds from financing activities ----- <b>= Inflow/outflow "cash" fund / Overall fiscal balance</b>
--

- 1 Illustration of the asset and financing situation: statistical snapshot (stocks)
- 2 Illustration of the change in net assets/equity
- 3 Illustration of the expense and revenue situation: dynamic presentation of flows for a specific period
- 4 Illustration of investment expenditure and receipts
- 5 Sources and uses of cash / flow of funds: dynamic presentation of flows for a specific period

# The financial statistics data model





# Example for data collection with csv-interface

## Example for data collection with csv-interface

Code	Variable	Municipality
"year"	Accounting year	2018
"am_type"	Type of accounting model (HAM1 = 1 or HAM2 = 2)	1
"hng"	Number of the Canton (State Government, public unit group)	21
"hhnr"	Number of the Municipality (individual public unit)	5002
"au"	Code of the Administrative unit (Departement, Division etc.)	220
"ve_txt"	Name of the Administrative unit	School name
"acc"	Complete account number of the economic classification	302
"acc_txt"	Name of the account number	wage
"func"	3 digit code for the classification of the functions of government (could be empty for balance sheet position)	210
"func_txt"	Name of the function of government	Primary education
"value"	Amount (in CHF, negative amounts with negative sign - )	12525.35



# From HAM 2 to the UCoA of the FS-Model

## **Basic elements of the UCoA of the national statistical FS-Model:**

The FS-Model has the same financial statements and classifications as the HAM 2 accounting model:

- *Statement of financial performance (4 to 5 digits)*
- *Statement of investments (3 digits)*
- *Balance sheet (4 digits)*
- *Functional classification (3 digits)*

The HAM 2 and FS-Model CoA is harmonized up to the 2<sup>nd</sup> digit (and 3<sup>rd</sup> digit for the balance sheet) with the CoA of the New Accounting Model (NAM) of the Confederation (Central Government)

## **Particularities of the UCoA in the FS-Model**

Streamlining the HAM 2 CoA for reasons of practicability, in particular for consolidation reasons (double accounting must be eliminated as well for positions of the economic classification by nature and simultaneously for the functional classification involved between payer and recipient unit / account within and between level of Governments)

Introduction of additional accounts positions of the former HAM 1 at the lowest level as possible for accounts not elsewhere classified (n.e.c.) due to missing counterpart information



# Swiss Confederation: Structure of the CoA

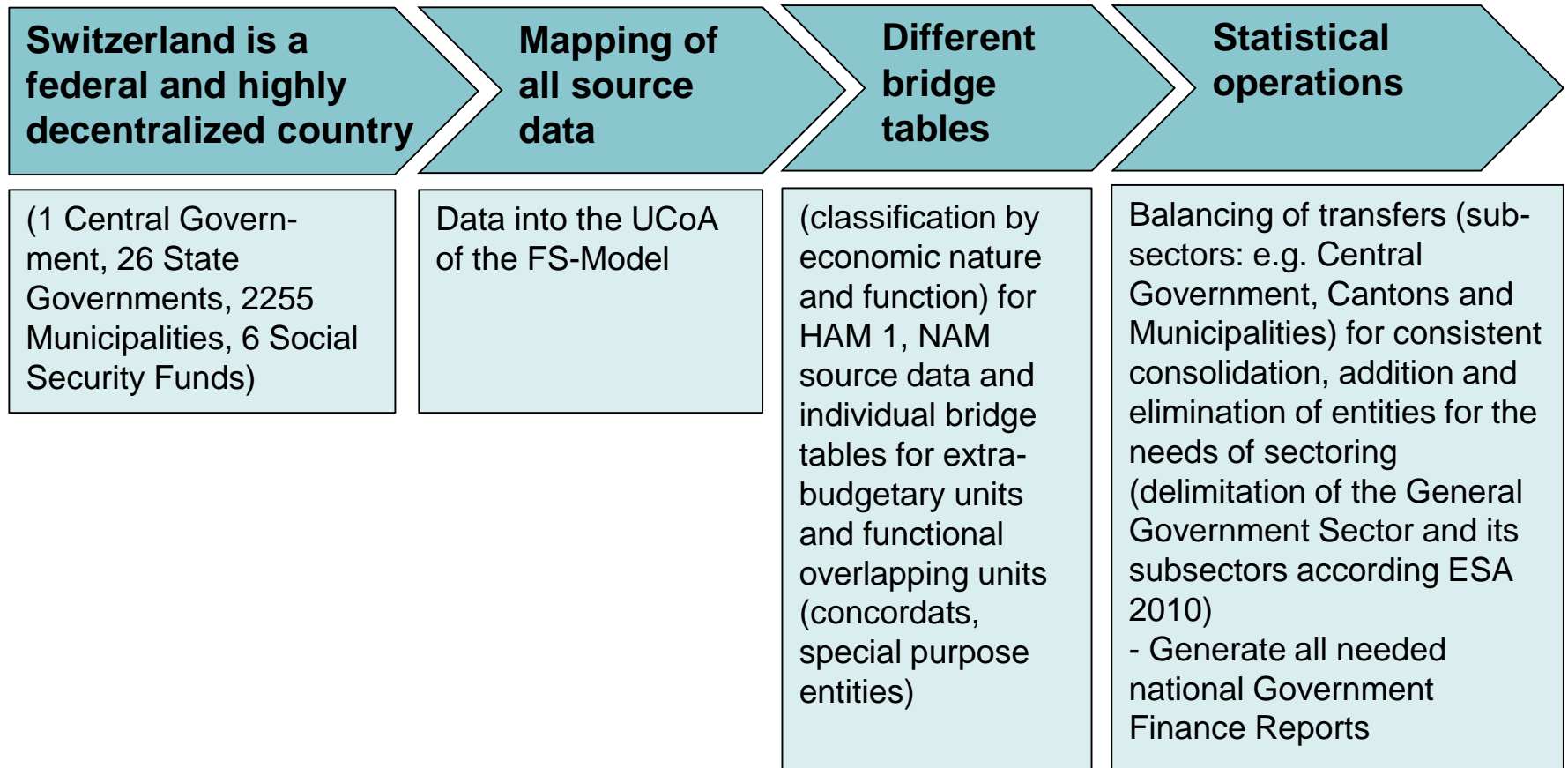
(limited counterpart accounts, but additional account. information)

CoA notions		Digits	Label	Notes	
Standard schedule of accounts	CoA of the master unit (MA)	CoA of an administrative unit (AU)	n	Account category	Classified in accordance to the disclosed statements and by debit and credit.
			nn	Account group 1	The various groups structure the statements.
			nnn	Account group 2	
			nnn.n	Account group 3	
			nnn.nn	Account group 4	
		nnn.nnn	Individual account MA	Used for the consolidation of the master unit with the different administrative units. At this lowest level all flows of the account group 4 of the MA are partitionned into an individual account for a cash, non-cash or internal charging posting.	
		nnn.nnn.n	Account group AU	At the free disposal of the administrative unit for specific analysis needs.	
		nnn.nnn.n.nnn	Individual account AU	General ledger account, where the individual financial procedure is recorded.	



# From Source data to FS-Model and GFSM 2014 / ESA 2010

## 1. Stage: steps to generate the national FS-Model







# From Source data to FS-Model and GFSM 2014 / ESA 2010

## 2. Stage: steps to generate the GFS 2014 and ESA 2010 models

### Mapping the sub-sectors

Data of State and Local Governments and Social Security and separately the Central Government source data into the GFS

- 4 Bridge tables for the classification by economic nature and by function
- 2 for the sub-sector data
  - 2 for the central government source data

Statistical operations to fulfill GFS 2014 and ESA 2010 requirements



# Statistical operations with the GFS Model

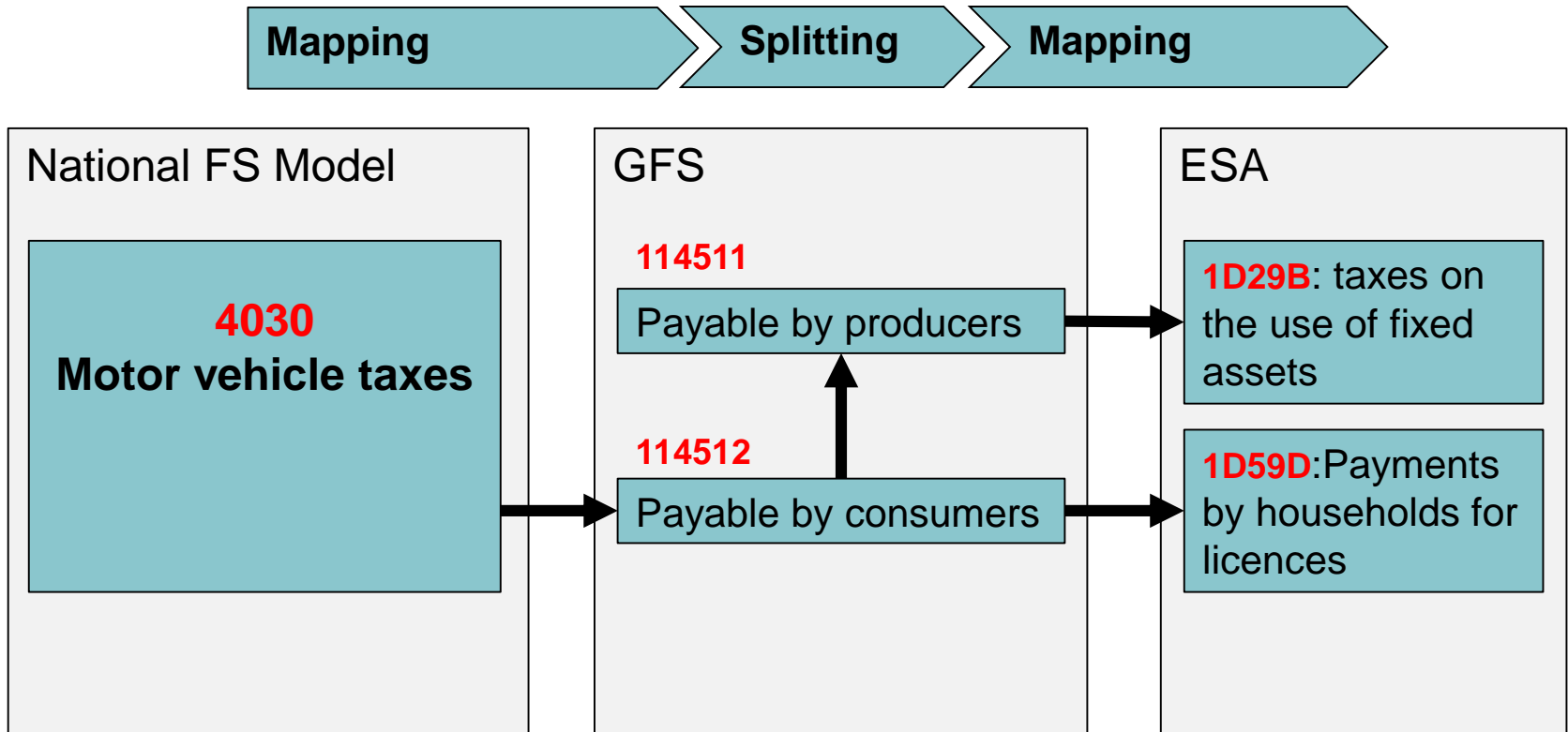
- Reclassifications (rearrangement of individual business transactions, particularly extraordinary receipts / expenditure)
- Additions and eliminations (particularly market value adjustments and claims against the Swiss National Bank)
- Breakdown of positions (domestic vs. foreign, by economic sub-sector of the taxpayer)

## **Prerequisites:**

- Same sectoring as with the FS Model
- Mapping of FS sub-sector / NAM positions into the GFS model
- The statistical operations take place at the level of the economic sub-sector
- External information (sources) and data needed to implement the statistical operation
- With ESA 2010 positions expanded GFSM 2014 CoA (from 1074 positions to about 2800)



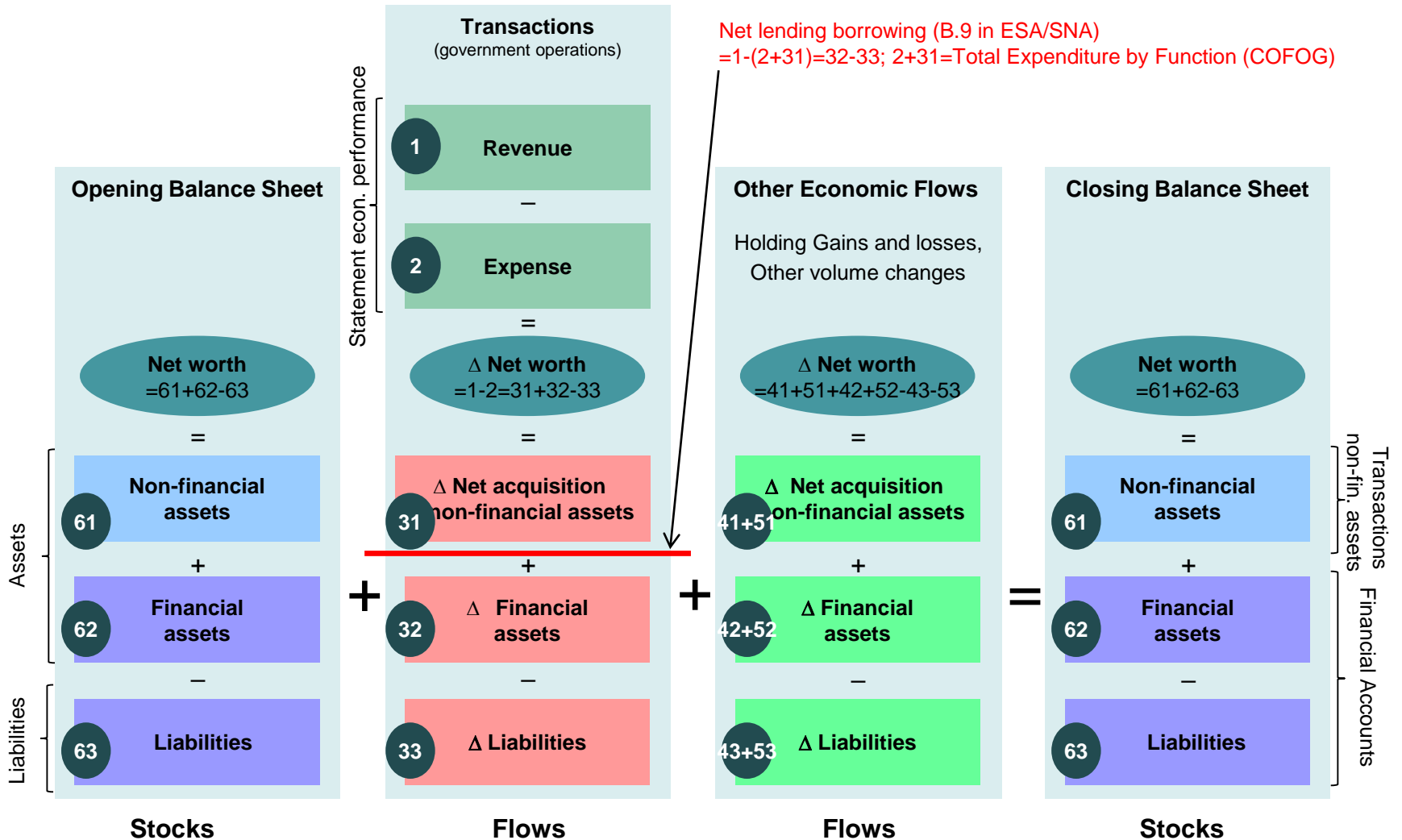
# Example for bridge tables and statistical operations in GFS





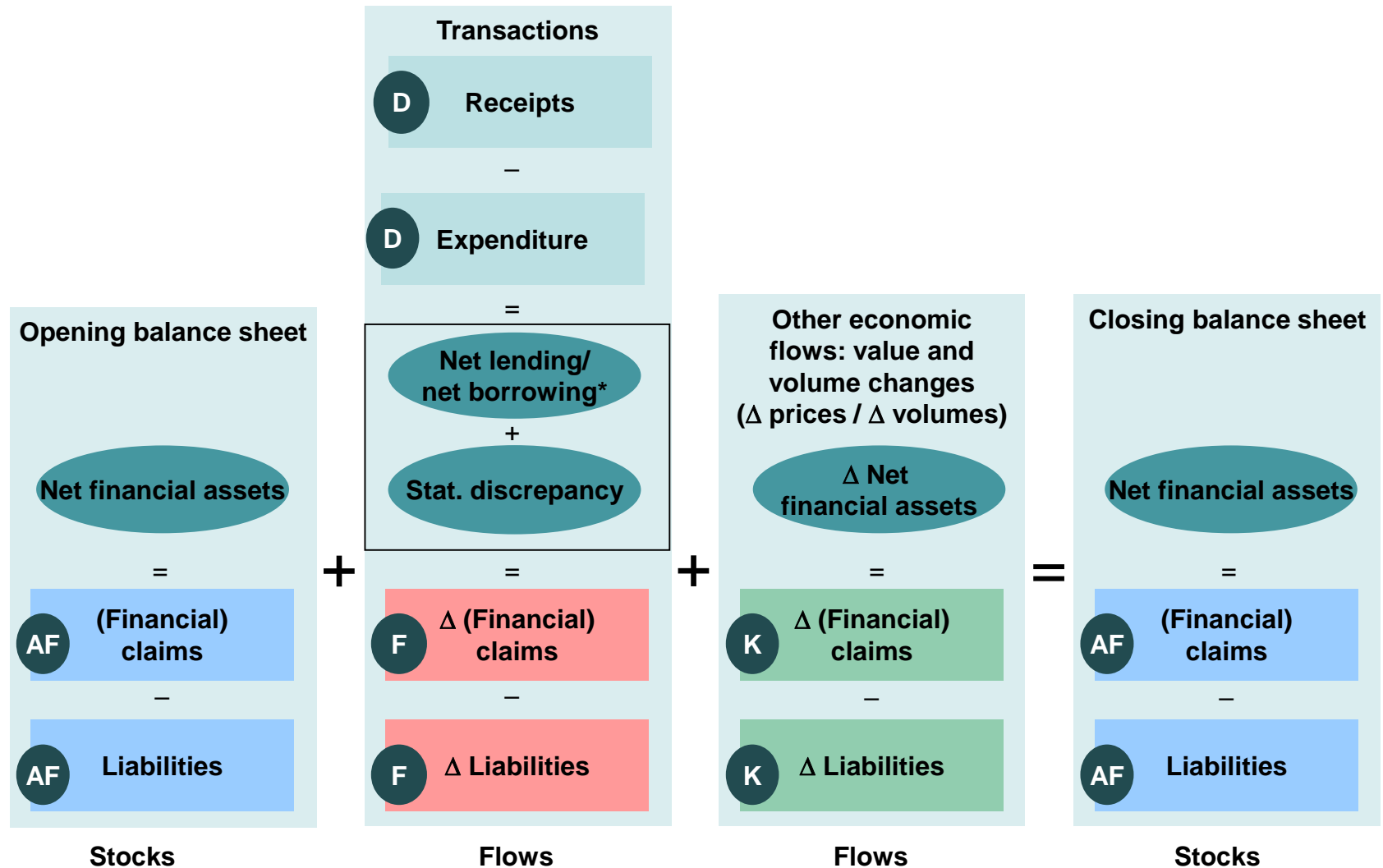
# The GFS Model of financial statistics

Only transactions are under control of fiscal policy





# The ESA Model of financial statistics



\*Net lending/net borrowing (=  $\Delta$  net financial assets) as per the ESA 95 or EDP (includes balancing for swaps, as well as other balancing processes)



# Conclusions

- Accrual accounting (IPSAS) are a necessary although not a sufficient prerequisite for establishing GFSM2014 and ESA 2010 financial reports on a "genuine" accrual basis
- Mapping experience with Swiss IPSAS:  
GFSM and ESA does not have the concept of materiality
  - Lack of counterparty information's in the CoA: identify transactions by counterparty
  - OEF in accordance with GFSM and ESA should be posted as separately as possible: Separation of statistical “Other economic flows” from transactions
  - The CoA should reflect an integrated, consistent and closed circuit of stocks and flows
  - CoA and presentation of financial reports should be harmonised as far as possible
- The transition from an IPSAS financial report to a GFSM and ESA presentation should be as easy to comprehend as possible for outsiders



# Contact information

Swiss Federal Finance Administration

Financial Statistics (FS) contact point

[finstat@efv.admin.ch](mailto:finstat@efv.admin.ch) / Tel. +41 31 322 15 44

Further Information could be found under:

<https://www.efv.admin.ch/efv/en/home/themen/finanzstatistik/grundlagen.html>

Thank you