Application of the Protocol on the excessive deficit procedure annexed to the EC Treaty. Codification

2008/0053(CNS) - 13/04/2012 - Follow-up document

The Commission presents its report on the quality of fiscal data reported by Member States in 2011 in accordance with Council Regulation (EC) No 479/2009 on the application of the Protocol on the excessive deficit procedure. The Regulation was amended in July 2010 by Council Regulation (EC) No 679/2010. The Regulation requires the Commission (Eurostat) to report regularly to the European Parliament and to the Council on the quality of the actual data reported by Member States.

This report provides an overall assessment of compliance with accounting rules, completeness, reliability, timeliness and consistency of the data. Eurostat regularly assesses the quality of the actual data reported by Member States and of the underlying general government sector accounts compiled in accordance with Council Regulation (EC) No 2223/96 on the European system of national and regional accounts in the Community (ESA95). The assessment is mainly based on data regarding the general government's budget execution and general government assets and liabilities. This work concentrates on the factors that explain the general government deficit/surplus and the change in the general government debt. Member States send this information to Eurostat twice a year. This report is based on the main findings and results of the EDP reporting in 2011, focusing on the latest (October 2010) reporting exercise.

Main conclusions:

- Eurostat states that progress on the quality of fiscal data continued in 2011. In general, Member States have provided better information, both in EDP notification tables and in other relevant statistical returns.
- Overall consistency of EDP data with the reported ESA95 government accounts is satisfactory, and there are improvements on the financial side.
- Reservations on the quality of the reported data were expressed in 2011 for Romania and the United Kingdom in the April 2011 notification. These reservations were lifted in November 2011. However, an amendment has remained necessary for the UK.
- In spite of the recognised improvements, some issues nevertheless persist linked to the compliance with accounting rules and the completeness and consistency of some of the statistical information provided. For example, some Member States need to improve the completeness of data on the sub-national government levels whilst others could improve the monitoring of the public financial defeasance structures that were established in the wake of the financial crisis.

Eurostat therefore invites Member States to continue investing in the quality of government finance statistics with a view to achieving further the desired level of quality as regards the compliance with the relevant accounting rules, completeness, reliability, timeliness and consistency of government data, including better quality management of the upstream data flows that are the input to the EDP deficit and debt figures.