

MODERN GOVERNMENT ACCOUNTING II

by A. van Dongen

Summary.

In this article the function of the administration as a source of information to the central management of the Government is considered. The author proceeds from a number of periodical surveys, the data of which are taken entirely or largely from the Netherlands Government accounts.

1. Monthly surveys of the Budget Execution

Each ministry prepares a survey every month which states to what extent credits of the budget have been used. As regards the expenditure there are entered per budget item (article): description of the item, amount on the budget, expenditure up to and including the month under review, current obligations, credits opened by the Minister of Finance.

Beside for the department concerned the above mentioned periodical data are also to be considered necessary for the Ministry of Finance in view of the supervision required of this Ministry of the execution of the Budget.

2. Monthly surveys of the cash-mutations

Knowledge of the size and of certain particularities of the cash-mutations of the State is, especially with their present very great extent, a.o. indispensable for judging the importance of the State finance for the monetary development and in connection with this the monetary policy to be adopted. It is especially important that it is possible to ascertain in what measure the State finances have in a certain period had an inflatory or a deflatory effect.

Together with other data the cash-mutations of the recent past form a basis for the making of cash predictions. The need for cash figures is met by the drawing up of monthly surveys, which briefly contain the whole cash movement of the State.

3. Monthly surveys of the State of the Treasury

In the so-called „State of the Treasury” are put the liquid funds of the State, as well as the debts at short notice and claims that are not directly related to the Budget (e.g. the debt on account of Exchequer issues).

4. Quarterly surveys of the Budget incomings and outgoings,

classified according to the system of the National Accounts. The National Accounts aim at rendering in figures the economic occurrences in the nation's economic system in a systematic and succinct way.

Separate heads are distinguished for the economies of enterprises, of families, of the government (central and local) and abroad. The State accounts must provide the data for the head of the Central Government. The financial mutations are subdivided in seven separate accounts, each

of which deals with a special aspect of the State Finances. These accounts are:

- I. Consumption
- II. Interest, profit and loss
- III. Transfers of income
- IV. Transfers of capital
- V. Direct investments
- VI. Indirect investments
- VII. Other mutations of capital

5. Annual accounts of the State

Since 1947 an arrangement is made annually of the assets and liabilities of the State Economy, which are of importance because they give an insight into the development of the various components of capital and property and into the balance. This insight referred to is indispensable with the present size and differentiation of the assets and liabilities of the State. It is often thought that the valuation of most of the State properties presents insurmountable difficulties in arranging the Government accounts. The experience acquired with the State accounts has shown that though the valuation of the assets presents some difficult problems, it has turned out to be possible to find a satisfactory solution for them, which is mainly based on the application of the principle of the replacement value.

As appears from an article by E. Sambach in „Finanzarchiv, Band 15 Heft 2", which appeared at the end of 1954 and is entitled „Probleme einer staatlichen Vermögensbilanz", experts in West-Germany are also interested in the significance and the problems of the State Accounts.

LA COMPTABILITE MODERNE DE L'ETAT I

par A. van Dongen

Résumé

La comptabilité de l'Etat a pour fonctions principales de fournir:

1. à l'Exécutif les éléments permettant de rendre compte de son activité;
2. des moyens de contrôle, au sens le plus étendu du mot;
3. les éléments en vue d'une gestion efficiente par:
 - a. les Chefs des différents secteurs au service de l'Etat;
 - b. l'Administration centrale des Pouvoirs Publics.

Ce n'est qu'au cours des dernières dizaines d'années, et surtout depuis quelques années seulement que l'on a commencé à prendre conscience de l'importance de la comptabilité pour la gestion des affaires de l'Etat. Cette prise de conscience a été favorisée par la forte extension et par la complexité grandissante de la tâche des Pouvoirs Publics accompagnée d'un accroissement énorme du niveau des dépenses et de revenus de l'Etat.

La manière dont la comptabilité de l'Etat est établie est fortement influencée par la législation en matière budgétaire. Dans de nombreux pays le budget est basé sur le principe du „budget de gestion" qui comprend