

## **EXPENDITURE OF GENERAL GOVERNMENT SECTOR BY CLASSIFICATION OF THE FUNCTIONS OF THE GOVERNMENT (COFOG)**

Expenditure of the general government sector and more detailed presentation of their cost by type acquire important role and give rise to interest because they give possibilities to trace their use for the provision of various public services and redistributive purposes. Due to increasing importance of the quality of public finances is therefore necessary to ensure a high quality and comparable data on government expenditure by function. Functional division of costs is made based on The classification of the functions of government (COFOG), which was developed by the Organization for Economic Cooperation and Development (OECD) and is imposed as a standard for national accounts. Data for expenditure of general government by function, according COFOG are based on the methodology described in Regulation 549/2013 of European Parliament - European System of National Accounts (ESA 2010) and corresponding Regulations of the European Union.

According to ESA 2010, sector General government includes three subsectors: Central government - S.1311 (includes all entities which annual reports are included in the Government budget; Bulgarian Academy of Sciences; Bulgarian National TV; Bulgarian National Radio; extra-budgetary accounts of central government; hospitals, funded from the central government and other institutional entities with separate budgets), Local government - S.1313 (includes all municipalities; hospitals, financed by them and extra-budgetary accounts and funds to municipalities) and Social security funds - S.1314 (includes National Insurance Institute and the National Health Insurance Fund).

Eurostat published a Guide to sources and methods for developing COFOG statistics, which provides methodological recommendations, practical advice, and national sources and methods for elaboration expenditure of general government by function of COFOG. The main source of statistical information on the costs of general government by functions of government (COFOG) is an execution report on the consolidated fiscal program provided by the Ministry of Finance. Reports on implementation of the consolidated fiscal program prepared in accordance with national budget classification.

Statistical information on the expenditures of general government by functions is calculated by National Statistical Institute (NSI) once a year. It is published twelve months after the expiration of reporting period. Relevant date for publication of statistical information is specified in the Calendar presenting the results of the statistical surveys of NSI.