



National Audit Office

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Dear Sirs

INDEPENDENCE FOR STATISTICS - RESPONSE TO CONSULTATION DOCUMENT

I am delighted to be able to respond on behalf of the National Audit Office to "Independence for Statistics - A Consultation Document", which you sent to us earlier this year. The Chancellor of the Exchequer's announcement to Parliament last November of his intention to legislate for independence in statistics has provided a valuable opportunity to build upon current arrangements. We support wholeheartedly the stated intention to reinforce the independence, integrity and quality of statistics produced in government. Likewise we agree with the key principles underpinning a strong statistical system outlined in paragraph 4.3 of the consultation document.

My comments concern chiefly the proposed structure and functions of the new Non-Ministerial Department, and the related accountability arrangements. Perhaps the most significant proposal is to introduce an independent board both to oversee the department itself, and to ensure quality and integrity across the entire National Statistics system. This latter role will be fulfilled through the development and maintenance of the National Statistics Code of Practice, and through assessment against the Code of those statistics currently designated as National Statistics. The Board would also take on the role currently carried out by the Statistics Commission for advising Ministers about areas of widespread concern about the quality of official statistics.

It is not clear from the consultation document how the proposal to give the Board executive responsibility for the statistics office will be made compatible with the prevailing Accounting Officer model. The Government's detailed proposals will need to set out clearly the respective responsibilities and accountabilities of the Board and the Chief Statistician who, as the consultation document notes, will take on the role of Chief Executive of the statistics office and Chief Statistical Adviser to the Government.

The proposals also provide for direct reporting to the Board of the "assessment function", rather than via the Chief Statistician, since this work will entail review of National Statistics produced by the statistics office itself (as well as National Statistics produced by other Government Departments). This solution seeks to maintain an appropriate degree of independence for the Board in carrying forward its role in ensuring quality and integrity across all National Statistics, but it also points up a possible perceived tension between the different roles which the Board is asked to take on. We will be interested to see more detailed proposals on this in due course. Ultimately, of course, this will be a matter for Ministers to conclude upon taking into account a broad range of factors, including the likely resource implications of different options.



The proposals to introduce an enhanced process of assessment of National Statistics, whatever the underpinning organisational model, are to be welcomed. Of course, the status and scope of the National Statistics Code of Practice itself will be a critical element. The proposals make clear that the Board will be responsible for developing and maintaining the Code, but are silent on the option of grounding the Code itself in legislation. The Statistics Commission's 2004 report, Legislation to Build Trust in Statistics, outlined proposals for a statutory Code of Practice. There is merit in giving this proposal serious consideration, to help enhance the effectiveness of the proposed assessment arrangements and, ultimately, the quality and reliability of National Statistics themselves.

The document sets out a number of possible principles underpinning the assessment of National Statistics. These principles seem entirely appropriate. Of course this is an area of activity in which the National Audit Office itself is well-versed. We would be happy to share our own thoughts and experience to assist HM Treasury colleagues and others in developing detailed proposals in this area going forward.

Lastly, the proposals deal in general terms with the funding arrangements for the non-ministerial department. This will be an important aspect in entrenching the independence of the department which underpins this whole initiative. Perhaps inevitably, at this early stage, the proposals lack detail in relation to who will set the funding formula for the department, who will be responsible for its periodic review, and how this will fit into the broader Supply Estimate system. We would be happy to comment further on this as more detailed proposals are developed.

If you wish to discuss further any of the points I have raised, please feel free to contact either myself, as NAO client director for the audit of the Office for National Statistics (on 020 7798 7126) or Nick Sloan, who leads on our broader performance measurement work (020 7798 7174).

Yours sincerely

MIKE SUFFIELD

Director