

NSCASE(23)19

Update on OSR's enhanced scrutiny of economic statistics

As set out in Ed Humpherson's recent letter to Martin Weale, OSR has been developing proposals to replace the external audit role of economic statistics previously performed by Eurostat. The aim of our enhanced scrutiny of economic statistics programme is to provide assurance to key stakeholders and the wider public on the quality of UK economic statistics. As Martin Weale emphasised in his response, NSCASE has a strong and shared interest in assuring users that the UK's key economic statistics are of the highest quality.

The Producer Price Inflation (PPI) statistics assessment is the pilot assessment for OSR's enhanced scrutiny programme. The PPI statistics were chosen due to the contained scope and achievability of a quick review. We have used our newly developed quality framework to guide our investigation of quality. The framework is structured around the Code of Practice's quality pillar, with additional elements from other quality assessment frameworks, including the European Statistical System and the International Monetary Fund's Data Quality Assessment Framework (DQAF). We have reviewed in detail all aspects of quality of the PPI statistics, including changes in the sample of the statutory surveys, revisions, and methodological changes.

OSR gathered feedback on the quality of the statistics from a wide range of users, with emphasis on their primary use as a deflator. To understand the extent to which PPI statistics meets user needs for deflation, we spoke to a range of ONS teams. OSR also spoke to users who use the PPI statistics as an economic indicator or as a basis for indexing prices in contracts. To understand the data sources used and data supply chain, we spoke to a handful of data suppliers, including the ONS team that carries out the statutory surveys used to collect prices from manufacturers. To understand the extent to which the PPI statistics are produced in line with international best practice, we spoke to a couple of price statistics experts from other national statistical institutes.

OSR are currently reviewing the evidence gathered through our desk research, analysis and user/stakeholder conversations. We have shared emerging findings with our Regulation Committee and with the ONS PPI team. We expect to publish our assessment report in early June.

OSR would be happy to discuss the assessment at the next NSCASE meeting, both in terms of its findings and what lessons can be drawn from it as a pilot exercise.