Basic information

2011/2289(INI) INI - Own-initiative procedure	Procedure completed
Quality management for European statistics **Subject** 5.10.01 Convergence of economic policies, public deficit, interest rates 8.60 European statistical legislation	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
ECON Economic and Monetary Affairs	SCICLUNA Edward (S&D)	27/09/2011
	Shadow rapporteur GAUZÈS Jean-Paul (PPE) BOWLES Sharon (ALDE) GIEGOLD Sven (Verts/ALE) FORD Vicky (ECR)	

Committee for opinion	Rapporteur for opinion	Appointed
REGI Regional Development	ŁUKACIJEWSKA Elżbieta Katarzyna (PPE)	23/11/2011

European Commission

Commission DG	Commissioner
Eurostat - European statistics	ŠEMETA Algirdas

Key events

Date	Event	Reference	Summary
15/04/2011	Non-legislative basic document published	COM(2011)0211	Summary
17/11/2011	Committee referral announced in Parliament		
06/02/2012	Vote in committee		
14/02/2012	Committee report tabled for plenary	A7-0037/2012	Summary
13/03/2012	Decision by Parliament	T7-0073/2012	Summary

13/03/2012	Results of vote in Parliament		
13/03/2012	End of procedure in Parliament		

Technical information	
Procedure reference	2011/2289(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 55
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	ECON/7/07573

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE478.483	15/12/2011	
Amendments tabled in committee		PE480.594	19/01/2012	
Committee opinion	REGI	PE480.521	27/01/2012	
Committee report tabled for plenary, single reading		A7-0037/2012	14/02/2012	Summary
Text adopted by Parliament, single reading		T7-0073/2012	13/03/2012	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2011)0211	15/04/2011	Summary
Commission response to text adopted in plenary	SP(2012)387	18/07/2012	

Quality management for European statistics

2011/2289(INI) - 14/02/2012 - Committee report tabled for plenary, single reading

The Committee on Economic and Monetary Affairs adopted the own-initiative report by Edward SCICLUNA (S&D, MT) on quality management for European statistics.

The report notes that **reliable and accurate statistics are essential** to allow effective economic and budgetary policy making by Member States and at Union level. The success of the Europe 2020 Strategy for Growth and Jobs and the economic governance package, including the European Semester, demands high-quality independent statistics.

Accordingly, Members take the view that **a systemic approach to quality** needs to be taken, which may require a reform of the method of producing European statistics and a **gradual transition from a corrective approach to a preventive approach** to the quality management of European statistics in general and public finance statistics in particular.

The report supports the Commission's intention of **proposing amendments to Regulation 223/2009 (Statistical Regulation)** in order to establish a proactive approach to monitoring and assessing public finance data at an early upstream stage in order to allow for corrective action at the earliest possible point. It also supports the proposal to **establish a legal framework aimed at reinforcing the governance framework**, especially as regards the professional independence of national statistical authorities and Eurostat.

Members emphasise that the **independence of the statistical services** must be safeguarded at both national and European level from the threat of possible political interventions.

The Commission is asked to submit to the European Parliament and the Council **proposals for legislation aimed at introducing elements of the revised European Statistics Code of Practice** into EU law, with a view to (i) distinguishing clearly between the responsibilities and competences of national statistical agencies and those of Member State governments and (ii) ensuring more transparent and coordinated accountability for data quality. For their part, Member States should make sure that **statistics are accurate across all levels of government**.

Members also want the Commission to present proposals ensuring greater independence and greater coherence in the competences of the national courts of auditors in verifying the quality of the sources used to establish national debt and deficit figures and strengthening the coordinating role of the European Court of Auditors.

The committee calls upon **Eurostat:** (i) to pursue its efforts to modernise the European statistics production methods in order to maintain cost-effectiveness; (ii) to ensure that public accounting systems are established in all Member States in a standardised manner and that they are strengthened with both internal and external audit mechanisms; (iii) to disclose publicly whether it has doubts concerning accuracy across all types of statistics; (iv) to look at ways to make its publications, particularly those online, more user-friendly to the average citizen and non-professionals.

The report welcomes the European Commission's intention to give Eurostat greater investigative powers. It emphasises the need for Eurostat to ensure transparency with regards to its own staff and supports Eurostat’s intention of establishing a **legal framework for ‘Commitments on Confidence in Statistics’.**

Noting that it is essential to **improve the way that public accounting systems work**, Members ask the Commission, to draw up a common methodology and implement effective, suitable, proven solutions. They stress the need to develop a coherent system for research into socio-economic processes in cross-border areas, including those in the regions located on the external borders of the European Union, together with statistics for macro-regions. Lastly, they consider that the research mechanisms connected with the balance of payments should be improved.

Quality management for European statistics

2011/2289(INI) - 13/03/2012 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution on quality management for European statistics.

The resolution notes that **reliable and accurate statistics are essential** to allow effective economic and budgetary policy making by Member States and at Union level. The success of the Europe 2020 Strategy for Growth and Jobs and the economic governance package, including the European Semester, demands high-quality independent statistics.

Systematic approach to quality: Members take the view that **a systemic approach to quality** needs to be taken, which may require a reform of the method of producing European statistics and a **gradual transition from a corrective approach to a preventive approach** to the quality management of European statistics in general and public finance statistics in particular.

The resolution supports the Commission's intention of **proposing amendments to Regulation 223/2009 (Statistical Regulation)** in order to establish a proactive approach to monitoring and assessing public finance data at an early upstream stage in order to allow for corrective action at the earliest possible point.

Independent statistics: it also supports the proposal to **establish a legal framework aimed at reinforcing the governance framework**, especially as regards the professional independence of national statistical authorities and Eurostat.

Members emphasise that the **independence of the statistical services** must be safeguarded at both national and European level from the threat of possible political interventions.

Revised codes of practice: the Commission is asked to submit to the European Parliament and the Council **proposals for legislation aimed at introducing elements of the revised European Statistics Code of Practice** into EU law, with a view to (i) distinguishing clearly between the responsibilities and competences of national statistical agencies and those of Member State governments and (ii) ensuring more transparent and coordinated accountability for data quality. For their part, Member States should make sure that **statistics are accurate across all levels of government**.

Palriament also wants the Commission to present proposals ensuring greater independence and greater coherence in the competences of the national courts of auditors in verifying the quality of the sources used to establish national debt and deficit figures and strengthening the coordinating role of the European Court of Auditors.

Eurostat’s powers of investigation: the resolution welcomes the European Commission's intention to give **Eurostat greater investigative powers**. It emphasises the need for Eurostat to ensure transparency with regards to its own staff and supports Eurostat’s intention of establishing a **legal framework for ‘Commitments on Confidence in Statistics’.**

Parliament calls upon **Eurostat:** (i) to pursue its efforts to modernise the European statistics production methods in order to maintain cost-effectiveness; (ii) to ensure that public accounting systems are established in all Member States in a standardised manner and that they are strengthened with both

internal and external audit mechanisms; (iii) to disclose publicly whether it has doubts concerning accuracy across all types of statistics; (iv) to look at ways to make its publications, particularly those online, more user-friendly to the average citizen and non-professionals.

Public accounting: noting that it is essential to **improve the way that public accounting systems work**, Members ask the Commission, to draw up a common methodology and implement effective, suitable, proven solutions. They stress the need to develop a coherent system for research into socio-economic processes in cross-border areas, including those in the regions located on the external borders of the European Union, together with statistics for macro-regions. Lastly, they consider that the research mechanisms connected with the balance of payments should be improved.

Quality management for European statistics

2011/2289(INI) - 15/04/2011 - Non-legislative basic document

PURPOSE: Communication on a strategy for a quality management framework for statistics related to enhanced economic policy coordination.

BACKGROUND: in the specific context of the EU fiscal surveillance system and of the excessive deficit procedure (EDP) exercise, the Commission has been entrusted with the task of regularly assessing the quality both of actual data reported by Member States and of the underlying government sector accounts compiled according to the European System of Accounts. Recent developments, in particular the inaccuracy of the Greek government deficit and debt statistics, have demonstrated that **the system for fiscal statistics did not sufficiently mitigate the risk of substandard quality data** being notified to Eurostat.

In the context of the recent financial crisis, the **weaknesses in the quality of upstream public accounting data** and their statistical integration within the EDP reporting process were compounded by **weaknesses in the current statistical governance arrangements**. The lessons learnt also concern the credibility of national statistical systems, and of the European Statistical System (ESS) as a whole. More specifically, there is a **clear case for reinforcing the legal framework in place regarding the professional independence of ESS members**, and for progressively **moving from a mainly corrective approach to a preventive approach** to the quality management of European statistics in general and public finance statistics in particular.

CONTENT: this Communication builds on the existing framework which lays the foundations for a governance framework for the production of European statistics. Its aim is:

- to address the weaknesses which have become apparent from experience gained in recent years and second to raise the quality of European statistics, taking a priority and risk-based approach that builds on existing quality management systems in Member States;
- take into the account statistical implications of the legislative proposals adopted by the Commission on 29 September 2010 (see COM (2011) 0522-0527).

In order to develop and implement a quality management framework, the Commission will pursue the following **two lines of action**.

First action line: further strengthening the governance of the European Statistical System (ESS). This involves certain actions.

Reinforcing the implementation of the European Statistics Code of Practice: the Commission intends to improve implementation of the governance framework for statistics, by proposing amendments to Regulation (EC) No 223/2009 on European Statistics, a revised European Statistics Code of Practice and a new process for the implementation of this Code by National Statistical Institutes and other relevant National Authorities, notably:

- **amendments to Regulation (EC) No 223/2009** will make clear that the principle of professional independence of National Statistical Institutes applies unconditionally. The mandate of statistical authorities for data collection when data are extractable from available administrative records will be enhanced by clarifying their role in the design of the content of administrative records and the quality requirements applicable to administrative data. Where appropriate, this amendment of Regulation (EC) No 223/2009 will also set a legal framework for other initiatives, in particular implementation of the new **'Commitments on Confidence in Statistics',** allowing for a stronger Code of Practice implementation framework.
- **The Code of Practice** will be revised to distinguish between principles to be implemented by ESS members and principles, relating to the institutional environment, to be implemented by Member State governments. The Commission Recommendation of 25 May 2005 will subsequently be updated.
- The Commission proposes that Member States should formally commit themselves, based on the Code of Practice, to **taking all necessary measures to maintain confidence in their statistics and to monitoring the implementation of the Code** ('Commitment on Confidence in Statistics'). The Commission will draft an agreed core of basic principles of 'Commitments on Confidence in Statistics' in cooperation with Member States with a view to incorporating it in Regulation (EC) No 223/2009.

These minimum standards apply to all statistical domains. There would also be specific requirements for the statistical domains that underpin enhanced economic policy coordination.

The Role of the European Statistical Governance Advisory Board (ESGAB): the Commission will make further proposals on the functioning of this Board, if need be. It will also seek the advice of the Board on proposals to update the Code of Practice and on ways to facilitate its implementation.

Eurostat's institutional environment as regards the production of European statistics: the Commission proposes to align Decision 97/281/EC with the current framework which is already implemented.

Second action line: Preventive approach to verifying government finance (EDP) statistics: EDP statistics are the result of re-compiling primary public finance data ('upstream data'). Recent experience has shown that it is as important to assess the quality of upstream data as it is to continue assessing

the quality of the translation of this data into ESA standards. Preventive measures, such as promoting further standardisation in public accounts, and a wider proactive management of risk assessment are needed, including assessing the adequacy of the quality of upstream data for compiling statistics in accordance with ESA rules. Corrective actions will however remain as a necessary tool in parallel. Eventually, once it is assured that preventive measures are effective, the need for these corrective actions will be more limited.

Positive benefits are expected from reinforcing the governance of the European Statistical System: the Communication notes that as well as a preventive approach, the following arrangements are important: a clear mission statement (and ethical and organisational values known by the staff), proper management supervision and segregation of duties, an internal audit capacity or similar entity and an appropriate risk management process, including IT aspects. Substantial changes to those arrangements should be properly analysed to evaluate their impact on the risks associated to public finance statistics processes.

Specific measures are also needed: in addition to the need to mitigate these risks of a general nature, Eurostat will develop a **specific quality management system for public finance statistics** in cooperation with the National Statistical Institutes and the national bodies responsible for verifying upstream public finance data (in particular National Courts of Auditors).

The aims of a quality management approach to public finance statistics will be achieved primarily by **introducing improved quality assurance systems** within the ESS and close monitoring by Eurostat through systematic risk analysis and regular EDP dialogue visits.

Eurostat will introduce a harmonised and robust approach to quality management for EDP purposes, taking into account the relevant risk factors in its risk assessment model.

This new approach will cover an analysis of arrangements regarding the responsibility of national officials and staff involved in these workflows, the verification of accounting data by Member States at all levels of general government, as well as effective supervisory and control systems at national level. For instance, a set of quality management standards tailored to the specificities of the EDP compilation process could be agreed, implemented by NSIs and certified by the Commission.

Lastly, a **more rigorous enforcement policy** will supplement this new approach and **infringement procedures will be systematically initiated** in the event that a Member State has clearly falsified fiscal data or provided misleading information. Enforcement rules will also be envisaged in the context of the Commitments on Confidence in Statistics.