



Executive summary of public audit report

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## IMPLEMENTATION OF THE EUROPEAN STATISTICS CODE OF PRACTICE IN LITHUANIA

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Full audit report in Lithuanian is available on the website  
of the National Audit Office: [www.vkontrole.lt](http://www.vkontrole.lt)

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## EXECUTIVE SUMMARY

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Statistics is a necessary precondition for democratic processes and good governance in Europe. European statistics is statistical information necessary to carry out activities of the Community. It is important to ensure public confidence in European statistics in the European Union, where political decisions have to be based on evidence and where more and more decisions are made directly on the basis of statistical data or indicators determined on the basis of this data<sup>1</sup>. Statistical information is provided to Eurostat by statistics authorities of EU Member States. In order to ensure comparability of information, it is important to develop, produce and disseminate it on the basis of the same principles.

Reliable and credible statistical information is widely used when implementing tasks entrusted to the European Union. Statistical information is necessary in almost all areas for the formation, implementation, monitoring and evaluation of policies set out in Treaties and for the collection and allocation of EU funds. More and more European policies are based directly on statistics, and political decision-making or determination of sanctions is increasingly based on statistical indicators<sup>2</sup>.

The basic requirements for the production of statistical information in the European Union were laid down in the Regulation on European statistics adopted by the European Parliament and the Council in 2009 (hereinafter – the Regulation)<sup>3</sup>. Provisions of the Regulation on the development, production and dissemination of European statistics are specified in detail in the European Statistics Code of Practice<sup>4</sup> (hereinafter – the Code).

Figure 1. Relationship between the principles and quality criteria of the Regulation with the Code

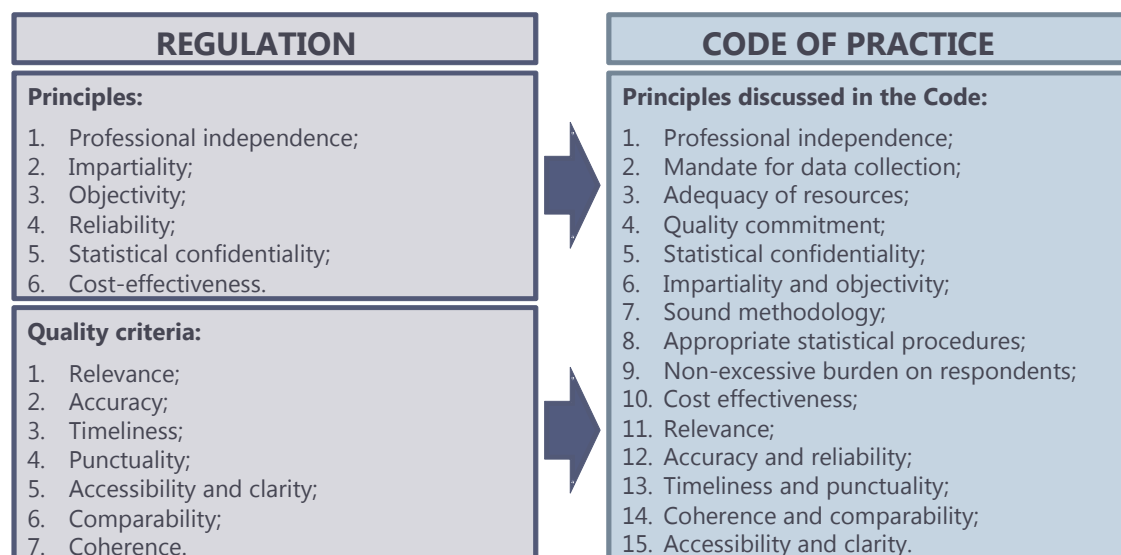
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<sup>1</sup> Audit report of the European Court of Auditors of 21 September 2012 “Did the Commission and Eurostat improve the process for producing reliable and credible European statistics?“, p.6.

<sup>2</sup> Ibid, p. 7.

<sup>3</sup> Regulation (EC) No. 223/2009 of the European Parliament and of the Council of 11 March 2009 on European statistics, Art. 1 and 2.

<sup>4</sup> European Statistics Code of Practice adopted by the Statistical Programme Committee on 24 February 2005 (revised by the European Statistical System Committee on 28 September 2011) [Accessed on 12 March 2013: [http://osp.stat.gov.lt/documents/29256/38310/Kodeksas\\_LT.pdf/b78162ba-9353-4188-8c2e-e0fb0a9c075f](http://osp.stat.gov.lt/documents/29256/38310/Kodeksas_LT.pdf/b78162ba-9353-4188-8c2e-e0fb0a9c075f)



Source: National Audit Office according to the Regulation and the Code of Practice

The principles of the Code cover all areas related to the production of statistical information – from the institutional environment, the statistical production process to the output of statistics – European Statistics. Statistical reliability and credibility depend on compliance with the Code and on how it is implemented<sup>5</sup>.

In 2012, the European Court of Auditors analysed the implementation of the Regulation requirements and found that the European Commission and Eurostat did not take necessary steps to ensure compliance with the provisions of the Code in the Member States. It was stated that the Code has only been partly implemented and that full implementation remains a challenge for all those involved both at the European level and within Member States. Also, the Commission did not involve national governments in the responsibility of respecting and applying the Code<sup>6</sup>. Sufficiently reliable information on the current state of implementation of the Code throughout the European statistical system is not available<sup>7</sup>. The Court of Auditors recommended to the Commission to evaluate implementation of the Code, covering the entire production chain<sup>8</sup>.

Since the report of the European Court of Auditors indicates the lack of reliable information about the implementation of the Code in the Member States, we have evaluated the implementation of the Code principles in Lithuania.

European statistical information is prepared by Statistics Lithuania and 23 other institutions: Bank of Lithuania, five ministries, Customs Department, Migration Department, etc. Every year Statistics Lithuania develops an official statistics work programme, which serves as a basis for the preparation of statistical information by

<sup>5</sup> Audit report of the European Court of Auditors of 21 September 2012 „Did the Commission and Eurostat improve the process for producing reliable and credible European statistics?“, p.30.

<sup>6</sup> Ibid, p. 42.

<sup>7</sup> Ibid, p. 6.

<sup>8</sup> Ibid, p. 43.

other institutions. About 74 percent of the statistical information is transmitted to European institutions.

The audit objective was to assess the implementation of the Code by institutions which produce European statistics, addressing the following questions:

- Does the production of statistical information by Statistics Lithuania meet the principles of the Code?
- Does the production of statistical information by other selected institutions producing (providing) official statistics meet the principles of the Code?
- Is the implementation of the principles of the Code in Lithuania subject to supervision?

The audit was conducted at Statistics Lithuania, state enterprise Agricultural Information and Rural Business Centre, Institute of Hygiene, Migration Department under the Ministry of the Interior, Lithuanian Labour Exchange under the Ministry of Social Security and Labour, and State Forest Service under the Ministry of Environment. Together these institutions produce and provide about 81 per cent of all European statistical information. In order to identify problems arising from the use of Lithuanian statistical information, users of statistics were contacted – representatives of Lithuanian Confederation of Industrialists, Lithuanian Free Market Institute, Institute for Demographic Research of the Lithuanian Social Research Centre.

The period under audit was the period until July 2013, data of earlier periods (2010–2012) was used for an analysis of changes.

The following public audit conclusions and recommendations were drawn upon the assessment of the audit findings.

## CONCLUSIONS

The European Statistics Code of Practice aims to ensure public confidence in European statistics determining how European statistics needs to be developed, produced and disseminated in accordance with the principles of statistics<sup>9</sup>. The assessment of the implementation of the Code principles and factors influencing the implementation at the audited entities showed the following:

1. Statistics Lithuania basically complies with all ten principles of the European Statistics Code of Practice, which were addressed during the audit. As to other five audited institutions which produce official statistical information, the audit found the following:

- The state enterprise Agricultural Information and Rural Business Centre – 6 principles are implemented<sup>10</sup>, 3 principles are partly implemented, 1 principle is partly not implemented;

<sup>9</sup> Regulation (EC) No. 223/2009 of the European Parliament and of the Council of 11 March 2009 on European statistics, Art. 11.

<sup>10</sup> Assessment of the implementation of the principles: “implemented” means implementation of at least 85 percent of the criteria of the principle; “partly implemented” means implementation of 50 to 85 percent of the criteria of the principle; “partly not implemented” means implementation of 15 to 50 criteria of the principle; “not implemented” means implementation of up to 15 percent of the criteria of the principle.

- Labour Exchange – 3 principles are partly implemented, 5 principles are partly not implemented, 2 principles are irrelevant<sup>11</sup>;
- Institute of Hygiene – 8 principles are partly implemented, 2 principles are partly not implemented;
- Migration Department – 6 principles are partly not implemented, 2 principles are not implemented, 2 principles are irrelevant<sup>12</sup>;
- State Forest Service – 3 principles are partly implemented, 4 principles are partly not implemented, 1 principle is not implemented, 2 principles are irrelevant<sup>13</sup>.

The statistics production process at these institutions, with the exception of Statistics Lithuania, does not comply with a number of the requirements set for the development, production and dissemination of European statistics. Therefore, there is a risk that European statistics produced by some of these institutions and transmitted to Eurostat is only partly reliable because of failure to fully implement the principles of accuracy, reliability, coherence, comparability, etc.

2. The State Forest Service produces statistical information, however, this function has not been clearly defined in its Regulations.

3. Statistics Lithuania, as the authority responsible for the coordination of all activities related to the development, production and dissemination of European statistics at the national level, and audited institutions have different understandings of the relevance of the measures applicable thereto in relation to the implementation of the Code principles, so the audited institutions implemented only part of the recommendations provided by Statistics Lithuania. There is a risk of that the principles of the Code may be only partly implemented at the remaining institutions producing European statistical information which were not covered by this audit.

4. Although Statistics Lithuania has formed a working group in the institutions dealing with official statistics of the implementation of the European Statistics Code of Practice and has signed agreements on the organisation, quality assurance and dissemination of official statistics, the said actions are not sufficient to implement the principles of the Code at the institutions producing European statistics.

## RECOMMENDATIONS

With a view to ensure that statistics produced in Lithuania and provided to Eurostat and to the public is reliable and credible, we recommend the following:

### **To the Ministry of Environment of the Republic of Lithuania**

1. To set tools and methods to implement the principles of the Code at the State Forest Service.

<sup>11</sup> It should be noted that a number of the principles are not applicable to and irrelevant for the institutions where the production of statistical information is not their main activity. In the opinion of Statistics Lithuania, the principles are irrelevant due to the nature of statistical surveys conducted by the institutions, because statistical information is produced only on the basis of the information contained in the registers.

<sup>12</sup> See Footnote 15.

<sup>13</sup> See Footnote 15.

2. To supplement the Regulations of the State Forest Service with the function of the production and dissemination of statistical information.

**To the Ministry of Social Security and Labour of the Republic of Lithuania**

3. To set tools and methods to implement the principles of the Code at the Lithuanian Labour Exchange.

**To the Ministry of Health of the Republic of Lithuania**

4. To set tools and methods to implement the principles of the Code at the Institute of Hygiene.

**To the Ministry of the Interior of the Republic of Lithuania**

5. To set tools and methods to implement the principles of the Code at the Migration Department.

**To the Ministry of Agriculture of the Republic of Lithuania**

6. To set tools and methods to implement the principles of the Code at the state enterprise Agricultural Information and Rural Business Centre.

Taking into account that Statistics Lithuania is responsible for the coordination of all activities related to the development, production and dissemination of European statistics at the national level, we recommend the following:

**To Statistics Lithuania**

7. To inform the institutions which produce and provide European statistical information and which were not covered by this audit about the results of the audit “Implementation of the European Statistics Code of Practice in Lithuania”.
8. To take additional measures to help institutions which produce and provide European statistical information to implement the principles of the Code.