



ORGANISATION OF OFFICIAL STATISTICS

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SUMMARY

Relevance of the Audit

Relevant and high-quality data are essential to adapt to a constantly changing world and to answer the questions of public and private decision-makers and national and international institutions. Reliable official statistics are essential for evidence-based policy-making and for achieving effective results in the national, societal or individual interests. The quality of the work of the Lithuanian Department of Statistics determines the validity of political decisions not only in Lithuania but also in the European Union - 84% of the statistical surveys carried out by the Lithuanian Department of Statistics in 2021 are required for the European statistics, i.e. are submitted to the statistical office of the European Union (Eurostat)¹.

Crisis situations in Lithuania in the period 2020-2022 (state-level emergencies due to the COVID-19 pandemic and the massive influx of foreigners, and the state of emergency due to the Russo-Ukrainian war) have highlighted the importance of the production of official statistics, as well as the importance for the institutions of having access to timely and detailed data, and to use this data to forecast the evolution of the crisis through situational analyses, and to make urgent and data-based decisions.

The Eighteenth Government Programme, approved by the Seimas, stipulates² that the current (crisis) circumstances dictate not only the need to act swiftly but also on the basis of knowledge, forecasts, and data, to open a new chapter of progress, and, wherever possible, for the Government to take decisions and interpret them on the basis of open data.

To assess whether the existing official statistics system in Lithuania is functioning effectively, whether its development meets the needs of the State and society, whether the conditions are in place to ensure the quality of official statistics, and whether the

¹ Guide to statistics in European Commission development cooperation, European Union, 2021; 2021 Activity Report of Lithuanian Department of Statistics, 01/03/2022 No VN-143.

² Government Resolution of 10/03/2021 No 155 "On the Approval of the Implementation Plan for the Provisions of the Eighteenth Government Programme of the Republic of Lithuania", 4, p. 19.

preconditions for data-based management decisions are in place, we carried out a public performance audit.

Objective and Scope of the Audit

The objective of the audit is to assess whether official statistics are organised in such a way that they can be used for management decision-making.

Key audit questions:

- whether the Official Statistics Programme is designed to meet the needs of the State;
- whether the implementation of the Official Statistical Programme has created the conditions to ensure data quality;
- whether the timely availability for data use is ensured for decision-makers.

Audited entities:

- Ministry of Finance, as it forms, organises, coordinates and monitors the implementation³ of public policy in the field of official statistics, and approves Part I of the Official Statistical Programme⁴;
- The Lithuanian Department of Statistics, as it participates in the formation of the state policy in the field of official statistics management, prepares Part I of the Official Statistics Programme, executes it, and coordinates the activities of the other institutions that manage these statistics in the implementation of the Official Statistics Programme⁵;
- Institute of Hygiene, Information Technology and Communications Department, Lithuanian Sports Centre, State Labour Inspectorate under the Ministry of Social Security and Labour, State Enterprise Agricultural Information and Rural Business Centre, as they carry out statistical surveys included in Part I of the Official Statistics Programme.

During the audit, we gathered information from the Office of the Government, the Communications Regulatory Authority, and interviewed all (14) ministries, the Employment Service and the Government Strategic Analysis Centre.

Audited period - 2019–2021. In order to assess trends and changes in the organisation of official statistics, we have used data from the previous year and 2022.

Given that the activities of the Bank of Lithuania in the management of official statistics are mainly regulated by the legislation of the European Central Bank, the Bank of Lithuania is not included in the audit of the organisation of official statistics as an audited entity.

³ Resolutions of the Government: 24/03/2010 No 330 on the areas of governance delegated to ministers, p. 1.3.4.; 08/09/1998 No 1088 on approval of the Regulations of the Ministry of Finance of the Republic of Lithuania, p. 7.4.

⁴ Law on Official Statistics, Article 9 (1)(1).

⁵ Ibid., Article 6 (1), (4).

The audit has been performed in accordance with the International Standards of Supreme Audit Institutions. The scope and methods of the audit are described in greater detail in Annex 2, Audit Scope and Methods (p. 46).

Key Results of the Audit:

Official statistics are not yet organised in such a way that they could be used in all cases to make management decisions.

1. The creation and implementation of the Official Statistical Programme are flawed

- Statistical surveys are included in the Official Statistics Programme when they are mandated by European Union legislation, laws of the Republic of Lithuania and the Government's resolutions. The Lithuanian Department of Statistics, in preparing this programme, and the Ministry of Finance, in approving it, have not ensured that all statistical surveys were included in the 2019–2021 programmes on an appropriate legal basis: 11 out of 44 (25%) statistical surveys, included in the 2019–2021 Official Statistics Programmes, are not mandated by the above-mentioned legislation. The inadequate legal basis prevents the programme to be designed to meet the needs of the State as set out in legislation (Section 1.1, p. 13).
- Lithuanian Department of Statistics performs experimental statistical surveys, which are not included in the Official Statistics Programme, as they are carried out using new, alternative methods of statistical calculation. Experimental statistics are expanding every year and funding for them is increasing: EUR 82.5 thousand are allocated in 2020 and EUR 124.7 thousand in 2021. The Official Statistics Portal provides indicators for experimental statistical surveys, however, there is a lack of regulation of these activities: the assessment and selection of the need for experimental statistical surveys are not defined, as well as the focus of these surveys, the assessment of the feasibility of the use of new innovative data sources, the applicability and use of the survey data, etc. Without defining when and how experimental statistical surveys are carried out, the conditions for the relevant information to be obtained faster are not ensured (Section 1.1, p. 16).
- The funds needed to perform statistical surveys are increasing: in 2019–2021, it increased by EUR 2.7 million (34%) to EUR 10.6 million. One of the reasons for this is the increase in the wages of staff producing official statistics. Although the amount of funds required for each statistical survey is provided in the Official Statistical Programme, only the Lithuanian Department of Statistics plans such funds for its surveys. The other audited institutions managing these statistics do not plan the need for funds for statistical surveys and explain the need for funding these surveys by analyses of the wage bill of the staff carrying out them. Furthermore, the use of funds for these surveys is not assessed, and none of the official statistics offices audited carries out a cost-benefit analysis of statistical surveys. The Ministry of Economy and Innovation reimbursed EUR 1.3 million to the State Enterprise Centre of Registers in 2019–2020 for uncompensated services provided to the Lithuanian Department of Statistics.

This amount is not included in the Official Statistics Programme. The exact cost of producing official statistics is not provided. The absence of uniform principles in the planning of funds for statistical surveys, the failure to evaluate their use, and the absence of a cost-benefit analysis of statistical surveys prevent the more efficient organisation of official statistics (Section 1.2, p. 17).

- The information published in the annual report on the implementation of the Official Statistical Programme, prepared by the Lithuanian Department of Statistics, is not tracked by statistical surveys. Not providing information based on statistical surveys complicates the assessment of whether all the surveys referred to in the Programme have been carried out and the results thereof (Section 1.3, p. 21).
- Almost half (21 out of 44) of the statistical surveys imposed a statistical reporting burden on respondents in 2019-2021, however, this burden was only assessed by 1 out of 7 institutions audited, i.e. the Lithuanian Department of Statistics for its own statistical surveys. The actual average annual time spent per enterprise on compiling statistics and completing statistical reports decreased from 7.9 hours in 2019 to 6.8 hours in 2021. The Lithuanian Department of Statistics does not plan to reduce this indicator in the future. Without systematically assessing the statistical response burden on respondents imposed by all official statistical offices, there is no basis for taking measures to reduce this burden if it is excessive (Section 1.4, p. 22).

2. There is room for improvement in data quality assurance conditions

- The Lithuanian Department of Statistics is the coordinating body for the organisation of official statistics and is responsible for ensuring quality statistics. The Department is based on an appropriate methodology, which sets out procedures to ensure the application of standard concepts, definitions, classifications and other standards. However, almost one-third (14 out of 44) of the statistical surveys carried out by the official statistics offices between 2019 and 2021 were carried out without following methodologies or in accordance with methodologies that were not harmonised with the Lithuanian Department of Statistics. One of the sources of information about a statistical survey is its meta-description, which helps external users to better understand the statistical information. The meta-descriptions of 44 statistical surveys do not provide information on all the established data quality criteria. Due to a lack of this information and the failure to approve or harmonise the methodologies with the Lithuanian Department of Statistics Sufficient, the conditions for ensuring data quality are not created (Section 2.1, p. 26).
- The results of 25% (11 out of 44) of statistical surveys are not published on the official statistics portal. In addition, 5 of the 33 published statistical surveys do not provide meta-descriptions. The incomplete publication of official statistics on the portal does not allow users to access the statistics in a user-friendly way (Section 2.2, p. 29).
- Revisions of indicators ensure the reliability of the data and therefore it is important that they are reviewed, revised and the traceability of these actions is clear. The official statistics offices have revised 69 (out of 314) indicators in

more than a third (16 out of 44) of the surveys for the period 2019-2021, however, the meta-descriptions of 33 of them did not provide reasons for the revisions. In addition, the Official Statistics Portal does not indicate the information on indicators only reviewed but not revised. Not having full information on revisions of indicators prevents users from understanding changes to indicators and proper use of them (Section 2.3, p. 30).

3. A tool to speed up data acquisition has been developed but is not yet sufficiently functional

- In order to ensure completeness, structuring and non-duplication of data in public information resources, to increase data availability and timely access to data for decision-makers, the development of the State Data Governance Information System was launched in 2020. Between 2020 and 2021, EUR 5.9 million has been spent on developing and maintaining the system, and EUR 9.6 million is planned for 2022–2024. Lithuanian Department of Statistics had projected that the number of external users of the system would grow by 5% annually compared to 2021 data. According to the March 2022 data, the growth in the number of external users reached 74% compared to 2021, exceeding the 2022 target 15 times and the 2024 target - by 5 times. The Department had also foreseen that the number of administrative data sources to be integrated into the system would reach 50 in 2021, however, the achievement of this indicator was 70%. The State Data Governance Information System is in place and there is a growing demand for its data, however, it is not fully functional because there is no legal basis for “filling” the tool with data and making it available to decision-makers at a faster pace (Section 3, p. 34).

Changes during the audit

- On 16 May 2022, the Draft Law on Amendment to the Law on Official Statistics, prepared by the Lithuanian Department of Statistics⁶, was registered. The Draft Law is intended to formalise the governance of state data and transform the Lithuanian Department of Statistics into a State Data Agency.
- On 25 March 2022, the Lithuanian Department of Statistics approved the Statistical Reporting Burden Reduction Policy⁷, which stipulates that the average annual time spent by an enterprise on the preparation of statistical data and filling in statistical forms should not increase.
- On 12 April 2022, the Lithuanian Sports Centre agreed with the Lithuanian Department of Statistics and approved the methodology of the statistical survey Statistical Indicators of Physical Activity and Sports⁸.

⁶ Draft Law No XIVP-1692 amending the Law on Official Statistics No I-270 (recast).

⁷ Approved by the Order of the Director General of the Lithuanian Department of Statistics No DJ-86 of 25 March 2022 On Establishment of Statistical Reporting Burden Reduction Policy.

⁸ Order of the Director of the Lithuanian Sports Centre No V-20 of 12 April 2022 On the Approval of the Methodology for the Preparation of Lithuanian Sports Statistics.

- On 29 April 2022, the State Labour Inspectorate under the Ministry of Social Security and Labour submitted to the Lithuanian Department of Statistics for approval the draft methodology for the statistical survey Accidents at Work and Occupational Diseases in a new wording, which is expected to be discussed at the meeting of the Methodological Commission on 16 June 2022⁹.

Recommendations

To the Ministry of Finance

1. In order to improve the conditions for ensuring the quality of statistical data, we recommend that action be taken to strengthen the role of the Lithuanian Department of Statistics in coordinating the organisation of official statistics (1 and 2 key audit results).

To the Lithuanian Department of Statistics

2. In order to ensure that the Official Statistics Programme is designed to meet the needs of the State and its obligations to the European statistics system, we recommend that control procedures be put in place to ensure that all statistical surveys are mandated by European Union legislation, the laws of the Republic of Lithuania, and the Government's resolutions (1 key audit result).
3. In order to improve the efficiency of the official statistics production process, we recommend (1 key audit result):
 - 3.1. develop a methodology for calculating and evaluating the use of planned resources for all statistical surveys and ensure that it is applied by all official statistical offices;
 - 3.2. ensure that an assessment of the use of funds for all statistical surveys is carried out and that the results are used to decide whether to carry out a statistical survey;
 - 3.3. ensure that the report on the implementation of the Official Statistical Programme provides information on the results of statistical surveys and the use of funds;
 - 3.4. define the cases, procedures, scope and monitoring of experimental statistical surveys.
4. In order to reduce the statistical reporting burden on respondents, we recommend a systematic assessment of the statistical reporting burden on respondents imposed by all official statistical offices (1 key audit result).
5. In order to provide users with information on statistical surveys in a user-friendly and clear way, we recommend (2 key audit result):

⁹ Letter No SD-129-10835 of the State Labour Inspectorate under the Ministry of Social Security and Labour of 17 May 2022 on the draft public audit report Official Statistics Organisation.

- 5.1. publish all statistical surveys carried out under the Official Statistics Programme on the Official Statistics Portal;
- 5.2. publishing meta-descriptions of all statistical surveys, indicating the reasons for revisions.

Measures and deadlines for the implementation of the recommendations, the expected impact of the audit and indicators for measuring change are set out in the Recommendations Implementation Plan section of the Report (p. 39). Relevant information on the status of implementation of the recommendations, results and developments is published as open data on the National Audit Office's website <https://www.valstybeskontrole.lt/LT/AtviriDuomenys>.