

## HMRC Statement of Administrative Sources

### Introduction

Official statistics published by HM Revenue & Customs are based mainly on data extracted from administrative or management systems.

By using data which is already available within administrative or management systems, rather than collecting data afresh, we are able to limit the overall burden placed on data providers, and also avoid the costs of mounting dedicated data collection exercises. In addition, the information we extract from such systems often has the advantage of being more timely than statistical data and, when compared with data from surveys (and particularly sample surveys), can also deliver data with a greater breadth of coverage.

The UK Statistics Authority actively encourages public bodies to exploit administrative and management sources for statistical purposes. However, the Authority recognises that the statistical advantages of such arrangements can only be fully realised if statisticians have appropriate access to such systems; if statistical purposes are reflected in the design, management, and development of such systems; and if adequate safeguards are put in place to ensure the professional integrity of any official statistics derived from them.

The Authority's main requirements are set out in the third Protocol attached to their *Code of Practice for Official Statistics*. Amongst other things, this Protocol requires all producers of official statistics to publish, in consultation with the National Statistician, a 'Statement of Administrative Sources' which lists:

- a. The administrative systems currently used in the production of official statistics.
- b. Procedures to be followed within the organisation to ensure that full account is taken of the implications for official statistics when changes to administrative systems are being contemplated.
- c. Information on other administrative sources that are not currently used in the production of official statistics but have the potential to be so used.
- d. Arrangements for providing statistical staff, whether inside the producer body or elsewhere, with access to administrative data for statistical purposes.
- e. Arrangements for auditing the quality of administrative data used for statistical purposes.
- f. Arrangements for ensuring the security of statistical processes that draw on administrative data.

## **Administrative sources used for statistics production within HMRC**

The full range of administrative data that HMRC use to produce official statistics is given in the spreadsheet accompanying this statement. For each of the administrative sources there is a brief description of the data, its main uses for statistical purposes and the publication(s) that the data is ultimately used to produce.

<http://www.hmrc.gov.uk/stats/cop-admin-sources.xls>

The majority of data used within HMRC for statistical production is derived from the Department's own administrative systems. These systems contain wide ranging information on the various taxes that are collected and administered by the Department, in addition to the benefits and credits that are paid out.

There are many other uses of these data sources in addition to statistical publication. Extensive use is also made of many of the administrative sources listed here to monitor performance against key operational targets, to produce internal Management Information within the Department, and to answer Parliamentary Questions and Freedom of Information requests. Where the Department has Management Information that covers the same ground as its official statistics, the latter will always be used in any form of public statement prepared for Ministers or officials.

## **Procedures for Handling Change**

For HMRC data sources, statistical staff have strong links to officials in the part of the Department that are responsible for maintaining/updating our IT systems. They are formally involved in the change control process that relates to these systems to ensure that as far as possible statistical needs are taken into account in any decision-making around changes in the data collected or its format.

Similarly, statistical officials are consulted about the data content of new systems when they are produced. If any new administrative sources of data are used for statistical purposes then these are added to the published list on the HMRC website. This will be reviewed, updated and re-published every 6 months.

If there is a change or discontinuity in the underlying source data that could affect comparability over the time series, this would always be highlighted and described in the publication.

## **Other administrative sources with potential to be used for statistical purposes**

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HMRC acknowledge that there are existing administrative and management information within the Department that are not currently used for statistical purposes, but have the potential to be in the future. HMRC is committed to investigate these additional sources and, where appropriate, consider their release as official statistics.

Systems that have so far been identified as such are included within the published list. Examples of these data sources are the VAT mainframe and the Customs Handling of Import and Export Freight.

### **Arrangements for providing statistical staff with access to administrative data**

The Department has comprehensive governance arrangements in place for controlled access to administrative and analytical data. More details can be found in the Department's policy on Confidentiality and Access, which is published alongside this statement on the HMRC website.

<http://www.hmrc.gov.uk/stats/cop-confidentiality.pdf>

### **Arrangements for auditing the quality**

Most HMRC official statistics are based on administrative sources. Quality assurance processes are designed into the operational systems that collect the data and further quality checks are added by analysts using the data for analytical purposes. These checks include manual and automated checking processes.

Where appropriate, HMRC statistical users will produce their own quality assurance of the data and take appropriate action. Computer programming code for producing official statistics may at times be peer-reviewed, for example when it is especially complex. Some statistical processes are also subject to formal independent peer review, internal audit assessment, NAO assessment, UKSA assessment and/or peer review by other Departments.

For all statistical outputs, reasonableness checks are carried out when new statistics are produced (are they in line with previous figures, are they what we would expect given what has happened since, are there plausible explanations for changes).

### **Arrangements for ensuring the security**

The Department has comprehensive arrangements in place for ensuring the security of statistical processes that draw on administrative data. More details

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[\[http://www.hmrc.gov.uk/stats/cop-confidentiality.pdf\]](http://www.hmrc.gov.uk/stats/cop-confidentiality.pdf)