

Background Quality Report: Statistics of HMRC Survey Compliance Costs

Dimension	Assessment by the author
Introduction	<p data-bbox="539 338 1394 376"><i>Context for the quality report.</i></p> <p data-bbox="539 376 1394 577">Statistics of HMRC Survey Compliance Costs is an Official Statistics publication on the cost to businesses and Local Authorities of complying with HMRC statistical surveys. It is an annual publication, first released in September 2011 and is published by HM Revenue & Customs (HMRC) via its website here:</p> <p data-bbox="539 607 1394 645">HMRC Survey Compliance results</p> <p data-bbox="539 674 1394 943">The publication is produced in order to meet HMRC's commitment under Principle 6 of the Code of Practice for Official Statistics (2009) that all producers of National and Official Statistics should report annually the estimated cost to businesses and Local Authorities of responding to its surveys. HMRC's figures feed into the cross-government Annual Report on Government Statistical Surveys of Businesses and Local Authorities, published by ONS.</p> <p data-bbox="539 972 1394 1218">The method used to estimate costs involves calculating separately for each survey, the number of questionnaires despatched (or otherwise requested) multiplied by the average completion time, with the result then multiplied by the typical hourly rate of pay of the respondent. Completion times and hourly rates are estimated from survey reviews and the knowledge of the survey manager.</p>
Relevance	<p data-bbox="539 1249 1394 1317"><i>The degree to which the statistical product meets user needs in both coverage and content.</i></p> <p data-bbox="539 1317 1394 1384">The publication includes the cost and number of surveys conducted by HMRC for the last two complete financial years.</p> <p data-bbox="539 1413 1394 1615">Costs are calculated on a per survey basis and from the October 2012 publication only cover surveys that contribute to Official Statistics, in line with the Code of Practice. The September 2011 publication covered all surveys of businesses and Local Authorities conducted by HMRC, in line with previous guidance from the ONS.</p>
Accuracy and Reliability	<p data-bbox="539 1653 1394 1720"><i>The proximity between an estimate and the unknown true value.</i></p> <p data-bbox="539 1720 1394 1921">The true values of the number of surveys in the sample and the number of responses received are known as they are taken from survey data held by the survey managers. The estimated time taken to complete the survey is taken from regular survey reviews, where these are carried out, or survey manager expertise.</p> <p data-bbox="539 1951 1394 2018">As of the October 2012 publication, only surveys contributing to Official Statistics are included. All HMRC surveys that meet these</p>

	<p>criteria undergo quality reviews, typically every three or five years, in which a separate survey of survey users and responders is carried out. Information gathered from the review survey is used to estimate the time taken to complete the survey and the job function of those who complete it.</p> <p>These job functions are compared to hourly wage rates in the Annual Survey of Hours and Earnings (ASHE), as per the suggested ONS methodology, to arrive at a typical hourly rate for respondents. Where there is more than one contributor to the survey, the hourly rates are apportioned accordingly to arrive at a total hourly cost for the survey.</p> <p>These estimates are produced at an aggregate level for each survey, so that a single time for completion and hourly rate are used for each survey. This method is consistent with that suggested by ONS for use across government.</p> <p>A change in methodology for one of HMRC's surveys in the October 2012 report brought it in line with the standard methodology suggested by ONS. Previously, a bespoke method for calculating compliance costs using the number of seconds for each line of a respondent's declaration was used. From 2011-12 a methodology based on completion of the whole declaration, in line with the standard approach suggested by ONS, has been adopted. The estimated time for completion has been taken from the most recent triennial review and it is believed that this will give a more accurate result than the previous method, as well as being consistent with ONS recommendations.</p>
<p>Timeliness and Punctuality</p>	<p><i>Timeliness refers to the time gap between publication and the reference period. Punctuality refers to the gap between planned and actual publication dates.</i></p> <p>Data in each release relates to the most recent financial year and is therefore collected in May and June of the following year to ensure completeness. Releases are pre-announced and usually in September each year (although the 2012 publication was delayed until October). The October 2012 release, for example, therefore includes statistics relating to the 2011-12 financial year.</p> <p>As HMRC publishes its compliance cost data before the government-wide publication from ONS, which is normally in the following January, there is a balance to be struck between timeliness and accuracy. ONS have overall quality control for compliance costs across departments and so HMRC seek ONS' input before publication. Scheduling the release for September allows time for HMRC to calculate costs and for ONS to provide feedback or seek clarification on any points.</p>
<p>Accessibility and Clarity</p>	<p><i>Accessibility is the ease with which users are able to access the data, also reflecting the format in which the data are available and the availability of supporting information. Clarity refers to the quality and sufficiency of the metadata, illustrations and accompanying advice.</i></p>

	<p>The publication is available on the HMRC website, is free to all users and contains contact details for further information. An introductory section gives information to the user on what the publication contains and to whom it might be of interest.</p> <p>Further information within the publication explains the context of the statistics and the methodology used and provides links to, amongst other things, the ONS publication and publications relating to the surveys covered.</p> <p>A separate release alongside the main publication contains just the data tables in xls format for ease of use.</p>
<p>Coherence and Comparability</p>	<p><i>Coherence is the degree to which data that are derived from different sources or methods, but refer to the same topic, are similar. Comparability is the degree to which data can be compared over time and domain.</i></p> <p>The statistics should be both coherent and comparable with the ONS publication, as HMRC use the standard methodology recommended by ONS for calculating compliance costs.</p> <p>A change in methodology in the 2012 publication is in line with guidance from ONS and changes the estimated costs significantly. Costs under both the old and new methodology have been presented in the October 2012 release for comparison.</p> <p>Changes in, for example, the coverage or customer base of the survey, are explained in the publication, along with their quantifiable impact on compliance costs.</p> <p>It is important to note that compliance costs only relate to those surveys completed by businesses and Local Authorities and so exclude those completed by households or individuals. Where surveys are issued to both businesses/Local Authorities and households/individuals the proportion of respondents from each group is used to calculate total cost to businesses and Local Authorities.</p> <p>As above, from 2012 they also only relate to surveys contributing to Official Statistics and so cannot be taken as an estimate of the total cost of responding to all HMRC surveys. An explanation of what an Official Statistic is and what constitutes a statistical survey is given in the 2012 publication. It is also not an estimate of the total administrative burden to businesses of complying with HMRC's information requirements.</p>
<p>Trade-offs between Output Quality Components</p>	<p><i>Trade-offs are the extent to which different aspects of quality are balanced against each other.</i></p> <p>There is a trade-off between using simple hourly rates based on broad job functions and grades versus more detailed rates for specific job descriptions. Due to the large-scale surveys that HMRC conducts it would be difficult to arrive at specific rates from ASHE that would accurately reflect the job role of respondents to each survey. Therefore survey managers' judgement and</p>

	<p>information from survey reviews is used to arrive at the most suitable rate. This helps to ensure consistency both between surveys and across years at the potential expense of reduced accuracy.</p> <p>The current methodology recommended by ONS suggests incorporating external costs (such as where a business engages an agent) but HMRC do not have this data for the surveys included in the 2012 report. We intend to collect this at the next periodical survey reviews.</p> <p>Estimates of time taken to complete surveys also come from survey reviews or survey manager expertise. There is therefore the possibility that they will become out of date between reviews. However, it would not be possible to update these estimates more frequently for most surveys.</p>
<p>Assessment of User Needs and Perceptions</p>	<p><i>The processes for finding out about users and uses, and their views on the statistical products.</i></p> <p>Survey reviews consider the needs of users of each survey and will seek to maximise efficiency and reduce costs. No assessment of user needs has been conducted in relation to the Survey Compliance Costs publication, although contact details and a link to HMRC's user engagement form are provided in the publication.</p>
<p>Performance, Cost and Respondent Burden</p>	<p><i>The effectiveness, efficiency and economy of the statistical output.</i></p> <p>There are no external cost burdens as all data is sourced from within HMRC, apart from information which is collected as part of periodical survey reviews.</p> <p>HMRC resource required to produce the publication consists of survey managers reporting information to HMRC's Survey Control Liaison Officer (SCLO), the SCLO collating that information and producing the report and quality assurance work carried out by the statistics Head of Profession/deputy Head of Profession and other stakeholders. In total, the resource required is in the region of 15 days per year.</p>
<p>Confidentiality, Transparency and Security</p>	<p><i>The procedures and policy used to ensure sound confidentiality, security and transparent practices.</i></p> <p>Only aggregate data is used in producing the statistics and no confidential data is accessible to those responsible for producing the publication.</p> <p>There is no risk of disclosure in the publication.</p>