

Annex 1: Proposed GSS Background Quality Report template

- **Background Quality Report:** Income tax deducted from Pay Statistics – April 2014

Dimension	Assessment by the author
Introduction	<i>Context for the quality report.</i>
	<p>The statistics show percentage distribution of income tax deducted from pay, by industry. The table currently covers tax years 2004-05 to 2011-12.</p> <p>The data source is a 1% sample of end of year returns (Form P14) drawn from the PAYE administrative system - National Insurance & PAYE Service (NPS) previously National Insurance Recording System (NIRS). End of year returns are linked through PAYE scheme reference to the Inter-Departmental Business Register (IDBR) which holds the Standard Industrial Classification (SIC) in order to provide the industry detail published in the table.</p>
Relevance	<i>The degree to which the statistical product meets user needs in both coverage and content.</i>
	<p>The table includes a descriptive title, along with footnotes and commentaries which allow users to interpret the key messages from the table, as well as making all key information about the table being available in the release.</p> <p>Users can request further analysis, although we have not received any such requests in recent years. However, we do encourage feedback from our users to allow us to understand our customer needs.</p>
Accuracy and Reliability	<i>The proximity between an estimate and the unknown true value.</i>
	<p>The estimates are based on a large sample so there should be good proximity between the estimates and the unknown population shares by industry.</p> <p>The accuracy of these statistics depends on information from HMRC systems that are used to administer tax system, the IDBR and the links between the two data sources.</p> <p>Once the initial dataset is compiled a process is run to distinguish between pay and pension. This draws on known business rules, knowledge gained from producing previous estimates etc. Additionally validation checks and quality assurance is applied to outlying values, significant changes etc.</p>
Timeliness and Punctuality	<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>Timeliness</p> <p>The statistics are published on an annual basis. A new tax year is added to time series 2 years after the end of the tax year. The introduction of PAYE Real Time Information (RTI) may allow for a more timely publication in the future.</p>

	<p>Punctuality</p> <p>The statistics have been published to planned date with only one recorded deviation, after which the annual publication date was permanently amended from March to April. Any delay to publication date would be announced on the HMRC Statistics Blog on the GOV.UK website.</p>
Accessibility and Clarity	<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 Income Tax Deducted from Pay by Industry Statistics release can be found at the Income Tax Deducted from Pay by Industry page within the GOV.UK website.</p> <p>The full release is made available in a PDF format, which includes all commentaries, notes, tables and charts. This can be viewed using free software. The table itself is also made available separately in both PDF and excel formats.</p> <p>The table itself contains multiple footnotes which help to clarify the information provided as fully as possible. If the user is still unsure or further analysis is required then there are contact details to the team's statisticians. There is also a HMRC User engagement survey available for all users.</p>
Coherence and Comparability	<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>Coherence</p> <p>Care should be taken when comparing these estimates with PAYE receipts or income tax liabilities.</p> <p>These estimates reflect the tax deductions in respect of a tax year, irrespective of when the tax is paid to HMRC (receipts). Income tax liabilities for a tax year are based on total income, not just income from which PAYE has been deducted.</p> <p>Due to the operation of the PAYE system, the tax deducted from pay may reflect estimated tax due on some non-pay income. The tax code may reflect standard personal allowance and estimates for items such as interest income, reliefs, Gift Aid etc. It also may include adjustments for over or underpayments of tax in a previous year.</p> <p>Comparability</p> <p>The Income Tax Deducted from Pay by Industry Statistics release highlights any changes to methodologies or data used (if any).</p> <p>The industry breakdown used is based on Standard Industrial Classification (SIC) sectors to allow comparison with other industrial breakdowns. When industry classification system was updated we provided a bridge year on both bases to aid comparability over time.</p>
Trade-offs between Output Quality Components	<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 size of sample and the amount of quality checks needed. It is not possible to obtain a larger sample to assess the impact. However we believe a 1% sample is sufficient to provide estimates of reasonable precision</p>

	whilst controlling the level of quality checks needed.
Assessment of User Needs and Perceptions	<p><i>The processes for finding out about users and uses, and their views on the statistical products.</i></p> <p>Contact details for the team have always been available on the website in case users wished to provide feedback, comments or queries on our National Statistics table.</p> <p>The team also has a query log to record all the enquiries so that we could analyse what our customers' requirements are.</p> <p>The team has conducted a survey which asked users a range of questions about our publication. This was implemented to raise user engagement and to allow us to update our process to reflect what customers want from our publication.</p> <p>Please refer to User engagement on the Income tax deducted from Pay Statistics – March 2012 release.</p> <p>User engagement Survey: https://www.surveymonkey.com/s/Income Tax Deducted from Pay</p>
Performance, Cost and Respondent Burden	<p><i>The effectiveness, efficiency and economy of the statistical output.</i></p> <p>The data extraction, data processing and quality assurance involved in producing these statistics is already undertaken to produce estimates for ONS that input into the National Accounts process. The marginal cost of producing these statistics is small.</p>
Confidentiality, Transparency and Security	<p><i>The procedures and policy used to ensure sound confidentiality, security and transparent practices.</i></p> <p>The standard HMRC data security and confidentiality policies have been applied in the production of these statistics.</p> <ul style="list-style-type: none"> • Data is held in a restricted folder that can only be accessed by specific team members. • Rounding convention is applied in the publications and suppression is applied on our Publication where necessary. • Printouts relating to unpublished figures are locked away securely when not in use, and are destroyed when no longer useful.