Case study 3

Workshop of Quality on Statistics for SDG

13-15, May 2019

Chiba, Japan

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| Table 2b. Assessment of Data Quality—Dimensions 0 and 1—Ministry of Finance | |
| **0. Prerequisites of quality** | **1. Assurances of integrity** |
| **Legal and institutional environment**  The responsibility to collect, process, and disseminate fiscal data of government is clearly assigned in the *Financial Law*, Royal Decree No. 47/98. The *Statistical Law* (Royal Decree No 29/2001,) does not support the MOF with the authority to collect data from government units.  **Resources**  None of the current MOF officials have attended an IMF course based on Government Finance Statistics Manual 2001; however the staff is well trained for their current needs. The MOF has no dedicated statistical positions for the compilation of GFS. Recently the *Civil Service Law* was revised, whereby conditions of employment are determined evenly across ministries and no longer at the discretion of ministries. This has increased the attractiveness of the MOF as employer and reduced staff turnover. Efficient use of resources is ensured through sound performance management, evaluations and training.  **Relevance**  The relevance of fiscal data is illustrated by the MOF, Ministry of Planning, line ministries, and other policymakers (including the CBE) who use these data while determining, monitoring, and evaluating fiscal policy. Fiscal data produced by the MOF are also used by the Fund for surveillance purposes. User needs other than that of government are not actively sought.  **Other quality management**  Quality management is well exercised by the MOF, including measures to control and audit all relevant processes. | **Institutional integrity**  The *Financial Law* (Royal Decree No. 47/98) assigns the responsibility for compiling government accounts. The *State Audit Law* (Royal Decree No. 112/2011) and the *Protection of Public Property and Preventing of Conflict of Interest Law* (Royal Decree No. 112/2011) strengthen the controls on the compilation of data and the required integrity of staff. The Ministry of Civil Services appoints staff through an open public enrollment process that includes a targeted skills assessment. Professionalism is actively promoted and supported through formal and on-the-job training of staff and continued participation in seminars, courses, and workshops arranged by regional and international organizations.  **Transparency**  The methodology according to which fiscal statistics are compiled is promoted by wide availability of the *Financial Law* and regulations related to the budgeting and planning process. The MOF issues financial circulars every year to spell out budgeting processes and the terms and conditions for compiling government accounts. Fiscal data are well identified as being compiled by the MOF. However, the extent of internal government access to statistics prior to their release to the public is not publicly identified and no advance notice is given of methodological changes.  **Ethical standards**  Ethical standards are supported through the legal framework applicable to all government employees. Government employees are subject to a code of conduct. Sound management and cultural practices, as well as mentoring and peer review, ensure that staff are regularly reminded of the behavior expected of them. |

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| Table 3d. Assessment of Data Quality—Dimensions 2 and 5—Government Finance Statistics | | | |
| **2. Methodological soundness** | **3. Accuracy and reliability** | **4. Serviceability** | **5. Accessibility** |
| **Concepts and definitions**  Fiscal data broadly follow the Government Finance Statistics Manual (GFSM 1986). The MOF bridges data from the fiscal accounts to the GFSM 2001 cash bases of accounting format, when compiling the GFS Yearbook (GFSY). Although data are bridged, some concepts such as the consumption of fixed capital, other accounts payable or imputations are not captured.  **Scope**  The GFS scope is not fully consistent with international standards, since gaps remain. Only the revenue, expense and balance sheet flows data of the budgetary central government are published, although stock positions are also available. Sovereign Wealth Funds are excluded in the compilation of GFS for the budgetary central government.  **Classification/sectorization**  Classification and sectorization are broadly in line with GFSM 2001 guidelines. A noteworthy caveat is that the Current defense and security expenditure includes compensation of employees and acquisition of nonfinancial assets that cannot be delineated.  **Basis for recording**  Transactions data are recorded on cash basis. Stock position data are only available at face or book value. | **Source data**  The MOF obtains source data for the GFS on budgetary central government ministries and units from comprehensive and fully electronic and hard copy administrative records. However, for other units the MOF does not have a secure collection remit that is supported by the *Statistical Law*. Non civil service ministries data are recorded on an aggregated level, whereby a significant part of expenditure is appropriated to an inappropriate classification. All source data are received timely.  **Assessment of source data**  Source data are mainly based on administrative records and are sufficiently assessed through internal and external audit controls.  **Statistical techniques**  Generally, data compilation employs sound statistical techniques to deal with data sources, which are mainly administrative.  **Assessment and validation of intermediate data and statistical outputs**  Strict legal requirements and well-established management practices have led to continued assessment and validation of intermediate data and statistical outputs.  **Revision studies**  The well-documented audit trail serves as revision studies. Audit reports document the nature of any discrepancies discovered. | **Periodicity and timeliness**  Revenue and expenditure data for budgetary central government are disseminated annually and monthly, which adheres to the GDDS recommendations. Debt data are only disseminated annually, which does not adhere to the GDDS good practices. Although monthly operations data are generally published within 45 days after the end of the reference month, December final data are published 6 months after the reference month.  **Consistency**  GFS data are consistent internally and over time. Consistency between GFSY, balance of payments, and national accounts cannot be verified.  **Revision policy and practice**  The revision policy and practice are primarily determined by the internal and external controls mandated by the legal framework. Revisions are affected after audits have been performed. In practice revisions are immaterial. | **Data accessibility**  GFS accessibility could be improved in a number of aspects. Annual GFS are only disseminated in the GFSY. Fiscal data are available monthly in Excel or PDF format on the websites of the CBE and NSOE, and annually on the MOF website. However, there is no database that contains a long times series.  **Metadata accessibility**  Summarized metadata accessibility is only facilitated by the summary methodologies available on the IMF’s DSBB website (GDDS metadata), but no cross-reference to this website or a hyperlink is provided in national websites.  **Assistance to users**  Users can contact the MOF, CBE or NSOE through centralized contact points. |