

**Opening statement by Mr Pádraig Dalton,
Director General, Central Statistics Office to the Committee of
Public Accounts**

Consideration of the 2017 Appropriation Account (Vote 4)

Good morning Chairman, Committee members

Thank you for the invitation to meet the committee today to discuss the 2017 appropriation account for the Central Statistics Office. I am Pádraig Dalton, Director General. I am joined by my colleagues

- Maria Hurley, Assistant Director General with responsibility for the CSO's Corporate Affairs Directorate, which includes the CSO's Finance, Governance and Human Resources functions,
- by Jennifer Banim, Assistant Director General of the Economic Statistics Directorate and
- by Richard McMahon, Assistant Director General of the Social and Demography Directorate.

In this statement I propose to

- Briefly outline the role of the Central Statistics Office, our strategy and achievements during 2017, and

- Give an overview of the CSO's 2017 Appropriation Account and outline the CSO's expenditure in 2017

Role of the CSO

The CSO is Ireland's national statistical institute and is responsible for the production or oversight of the production of all official statistics for Ireland.

The CSO is an independent Office of the Civil Service, under the aegis of the Taoiseach.

The role of the Director General of the CSO is prescribed in the Statistics Act 1993, which provides that the office holder acts independently and exercises sole responsibility in relation to professional statistical matters including statistical methodology, professional standards, timing and content of statistical releases and methods of dissemination.

The National Statistics Board, with the agreement of the Taoiseach, has the general function of guiding the CSO's overall strategic direction. This independent position reflects international best practice for the organisation of official statistics.

The functions of the CSO as set out in the Statistics Act are "the collection, compilation, extraction and dissemination for statistical purposes of information relating to economic, social and general activities and conditions in the State."

This mandate was broadened under EU Regulation 223/2009, which makes the CSO's Director General responsible for the co-ordination and oversight of the quality of all European Official Statistics compiled by public authorities in Ireland.

Confidence in the quality and independence of official statistics is crucial, as this information serves as an objective input to policy development, oversight and governance at both national and international levels.

Under EU Regulation, each Member State was invited to commit to improve or maintain the conditions for the implementation of the European Statistics Code of Practice via a Commitment on Confidence.

In May 2017, the Irish Government adopted a Commitment on Confidence in Statistics. In signing this declaration, the Government reaffirmed the CSO's independence, impartiality and commitment to quality.

From a governance and planning perspective, good policies start with good data, and good data is the lifeblood of decision-making and the basis for accountability.

CSO's role is to make sense of data by providing high quality statistics, independent insight and information for effective debate and decision-making across government, business and society. The work that we do creates good quality statistics which

help people to understand the changes taking place in Ireland's economy and in our society.

Delivery in 2017

The key deliverables and objectives for the CSO are informed by national and European policy. The CSO delivers a demanding and growing statistical work programme each year.

In 2017, 345 electronic releases and publications were published which included 13 outputs on Census 2016. We are currently preparing for the next Census 2021.

In addition to the electronic releases and publications, the CSO transmits data to Eurostat, the Central Bank, the European Central Bank, the Organisation for Economic Cooperation and Development, and the World Health Organisation, amongst others.

The European Statistical System has a significant impact on the work of the CSO and approximately 73% of the statistics we produced in 2017 were required under EU statistical legislation.

The CSO is an active member of the European Statistical System and is centrally involved in key committees and executive bodies across a range of domains.

We delivered across all our strategic aims in 2017.

- Alongside our 2017 statistical work programme, we completed the Census 2016 project during 2017, producing

some new style results publications and over 30 individual infographics to support the communication of key releases.

- We published the first estimate of GNI*. This is a modified indicator of the overall size or level of the economy and a modified total domestic demand indicator that focuses on activity within the Irish economy which is designed to exclude significant globalisation effects that disproportionately affect the Irish economic results.
- We established our new Irish Statistical System Coordination Directorate which is leading on key strategic issues such as the development of the National Data Infrastructure and the coordination of professional statistical services to the broader Irish public system.
- We continued to explore the use of secondary and blended data sources to compile new analysis, progressing the evolution of official statistics through the use of emerging data resources while focusing on burden reduction for respondents
- We introduced a more cost-effective data collection methodology in our Household Survey domain, namely, Computer Assisted Telephone Interviewing, which has afforded Respondents a greater degree of flexibility in the manner in which they engage with the Office and supports our field force in concentrating its efforts on respondent

recruitment in an environment of persistently falling response rates.

- The CSO ran the Civil Service Employee Engagement Survey in 2017, which operated across the entire civil service under Action 25 of the Civil Service Renewal Plan and provided important insights into the experiences and opinions of those working in the civil service. The results were compiled by the Office before being supplied to the Department of Public Expenditure & Reform for analysis and publication and the resulting outputs were used to inform further development towards the reform of the Civil Service.
- We capitalised on new approaches to communication and user engagement by developing a new style of infographic and developing user applications on Brexit, house prices and the consumer price index amongst others.
- CSO also improved access to data for researchers by launching a Remote Access to microdata solution for researchers in 2017, significantly improving data security.
- From an internal statistical quality perspective, during 2017, CSO continued its investment in the new Quality and Methodology Support function, headed by a Senior Statistician and tasked with underpinning the Office's efforts to consistently refine its approach to quality management in

Official Statistics and its commitment to continuous methodological improvement

Overall, 2017 was a year of transition for the CSO, maintaining the historic focus on the systematic production of key economic and social indicators, whilst striving to broaden the focus and the reach of official statistics to a more mainstream audience, in response to the public demand for access to impartial and high-quality data to inform evaluation and decision making.

Financial Information

The net outturn for the Central Statistics Office in 2017 was €44.727 million against an Estimate provision of €48.584 million. This lower than anticipated expenditure resulted in €3.856 million surrender back to the Exchequer at end December 2017. The bulk of the saving related to expenditure on Salaries, Wages and Allowances that are payable to permanent staff assigned to the Office. The 2017 Appropriation Account was audited by the Office of the Comptroller and Auditor General (C&AG).

I will now briefly outline the Office's expenditure in 2017:

2017 Expenditure

Salaries

The bulk of the Office's Expenditure is expended on salaries, wages and allowances that are paid to permanent staff assigned to the CSO. In 2017, this expenditure amounted to €36.080

million against an Estimate of €38.983 million. Savings of €2.903m were realised. The Estimate allocation was based on staff numbers of 755 but the actual number serving throughout the year was lower at 736. This was mainly due to difficulties and delays in the filling of vacancies at statistician level and in IT technical grades during the year.

Other expenditure – non-pay

In line with other Votes, the CSO has several non-pay administrative subheads:

- (ii) Travel and Subsistence
- (iii) Training & Development and Incidental Expenses
- (iv) Postal and Telecommunications Services
- (v) Office Equipment and External IT Services
- (vi) Office Premises Expenses
- (vii) Consultancy Services and Value for Money Policy Reviews
- (viii) Collection of Statistics

Non-pay administrative expenditure of the Office in 2017 amounted to €10.189 million against an Estimate of €10.989 million. Savings of €0.800m were returned to the Exchequer. The detail of this expenditure is set out in the Appendix A which has been circulated to the Committee.

Conclusion

Our strategic goals were captured in our Statement of Strategy 2016-2019, which was published in late 2016.

In this, we said that we aim to turn data and statistics into information and knowledge for all; to increase the use of secondary data sources; to continue to build the capacity of our people; to modernise our statistical processes and systems, and to coordinate, oversee and assure the quality of all official statistics produced in Ireland.

CSO is operating in an increasingly challenging environment. We are experiencing growing user demand – both nationally and from Europe (Eurostat and ECB).

CSO is increasingly being asked to take on new survey work or to incorporate existing studies into its programme of official statistics, as can be seen by the recent announcement to embed the Growing Up in Ireland survey from 2023 and the decision to task the CSO with conducting a new Sexual Violence Survey, a modern successor to the 2002 SAVI report.

The complexity of the world we are trying to measure is also increasing with emerging issues such as Globalisation and Digitalisation, which result in complex economic transactions necessitating sophisticated analysis to decipher.

We are experiencing transformational change in the range and complexity of the data sources available to describe our economy and our society.

We are witnessing the use of statistics and data by a growing variety of stakeholders, sometimes with agenda driven emphasis.

And we are experiencing growing levels of scrutiny of data, to ascertain its reliability, accuracy and veracity.

In this environment, CSO is responding by maintaining a focus on its important heritage of impartiality and objectivity in the formulation of transparently produced, accurate and reliable official statistics, whilst exploring the boundaries of technology, data sources and statistical methods and techniques to persistently enhance the quality and insight afforded by our outputs.

To do this, we are committed to building an innovative, agile and high performing organisation to fully exploit the potential of the data and technological revolutions. Our aim is to deliver a broader range of high-quality information on societal and economic change for Ireland, which is demonstrably independent and

without bias, and which can withstand scrutiny as regards data sources, statistical methodology and the impartiality of its compilers. In so doing, we can support the process of guiding Ireland's future development for the benefit of all our citizens.

That concludes my statement to the Committee. Thank you for your attention. My colleagues and I are happy to take any questions the committee has to offer.

Appendix A Non-Pay Administrative expenditure 2017 in Central Statistics Office

A (ii) Travel and subsistence

Estimate provision: €1,035m, Outturn: €1,348m

The Subhead provides for both home and foreign travel by the staff of the Central Statistics Office.

The bulk of the home travel costs incurred by the CSO relates to the field staff who collect data for the Labour Force Survey (LFS) and the Survey on Income and Living Conditions (SILC). This expenditure is necessary to ensure that collection of the household surveys is continued at the level of sample size needed. Most foreign travel relates to EU statistical meetings organised by Eurostat.

The overspend of €0.313m on expenditure on travel and subsistence was due to higher than expected travel and subsistence costs for both home and foreign destinations in 2017.

A (iii) Training and development and incidental expenses

Estimate provision: €1,142m, Outturn: €1,439m

This Subhead provides for a variety of items. The most important of which is staff training and development. It also includes a wide variety of other expenses such as advertising, legal costs, newspapers etc.

An allocation of approximately €500,000 for staff training and development each year reflects the importance of training to the CSO. The 2017 allocation provided for core training on statistical, IT and management development topics.

The overspend of €0.297m in 2017 was due to increased expenditure on IT related training and development and by the

payment of a once-off legal cost amounting to €0.086m relating to compliance with CSO Surveys that was finalised in 2017. The IT training was necessary because of the recruitment of new staff.

A.(iv) Postal & telecommunications services

Estimate provision: €1,039m, Outturn: €0,797m

This Subhead provides for telephone, data communications and postal charges. Postal services account for a large part of the provision, given the high volume of survey forms processed by the Office each year.

The Subhead allocation in 2017 reflects a reduction in expected costs for the year in the absence of large postal surveys.

A (v) Office equipment and external IT services

Estimate provision: €4,203m, Outturn: €3,907m

This Subhead covers the costs of computer hardware and software. It also includes the costs of the purchase and repair of office equipment; the costs of the CSO's print managed service; the costs of printing CSO publications; and stationery costs.

The Subhead allocation in 2017 continued to reflect the importance of information technology in the work of the CSO and the commitment to maintaining the systems for collection, processing and publication of statistics.

A (vi) Office premises expenses

Estimate provision: €1,173m, Outturn: €1,057m

This Subhead provides for general office expenses in maintenance, heating, lighting, furnishing costs and accommodation.

The CSO operates at three major sites: Skehard Road, Cork (Headquarters), Ardee Road, Rathmines and Swords Business Campus.

A (vii) Consultancy Services and value for money and policy reviews

Estimate provision: €0.511m, Outturn: €0.069m

The saving of €0.442m was due to the continued process of implementing considerable change in the Irish Statistical System during 2017. Because of the scale of change, the consultancy provision was made in 2017 for anticipated needs that might have arisen during the year. In the event, no such need arose on the scale that was anticipated

A (vii) Collection of statistics

Estimate provision: €1.886m, Outturn: €1.572

The Subhead provides for the salaries and expenses of temporary field staff engaged by the CSO to collect many regular high-profile statistics – including the data used in the Consumer Price Index, Tourism Statistics and Household Surveys

The CSO has a permanent field force for its main household surveys – the Labour Force Survey and the Survey on Income and Living Conditions (SILC). The cost of any backup interviewers, when required temporarily for these surveys, is paid from Subhead A (viii).

Subhead B – Appropriations-in-Aid

Estimate provision: €1.388m, Outturn: €1.542m

The Pension Related Deduction is the largest item in this Subhead. The remainder comprises EU receipts and revenues from special analyses. EU payments provide part-funding for some activities.

Increased pay costs increased the amount of Pension Related Deduction in 2017.

Earnings from miscellaneous sources for example, statistical analyses were correctly projected at €70,000 in 2017. This will reduce over time as all CSO publications are now freely available on the Web.

European Union receipts from EU contracts produced €277,000 in 2017 on foot of a prices contract.