
Director General for Regulation

Martin Weale
Professor of Economics
King's College London
(by email)

14 December 2022

Dear Martin,

Office for Statistics Regulation External Scrutiny Programme

Following the end of the UK's membership of the European Statistical System, the Office for Statistics Regulation (OSR) has been developing new governance to ensure that the UK statistical system produces high quality internationally comparable economic statistics. OSR has been developing its thinking on auditing the quality of the UK's economic statistics. I would now like to update you on our approach.

In summary, we plan to undertake a rolling programme of assessments of ONS economic statistics, with a particular emphasis on quality.

The development of OSR's proposition needs to be informed by engagement with key stakeholders including HM Treasury, the Office for Budget Responsibility (OBR), members of the National Statistician's Committee for Advice on Standards for Economic Statistics (NSCASE) and senior ONS staff. So your comments and suggestions on the high level approach set out below would be very welcome.

Using input we have already had from some stakeholders, as well as using the Code of Practice for Statistics and elements from other assessment frameworks such as the IMF's Data Quality Assessment Framework, we have been developing an assessment framework that focuses more intensively on the quality of economic statistics. We will pay particular attention to technical reviews of;

- the appropriateness of the methods used to produce economic statistics
- biases and uncertainty arising from the production of economic statistics
- concept, coverage, and exhaustiveness adjustments and
- the quality assurance procedures in place for economic statistics.

We anticipate that in future work we may benefit from external expertise, either from another National Statistical Institute or an international body such as the IMF or OECD, to provide expert input to OSR's quality assessments.

As we develop and to help test our thinking, we have started a pilot assessment of ONS's Producer Price Indices. As well as testing our processes, this will enable us to gain a greater understanding of our role as an intelligent commissioner of external scrutiny and the extent to which OSR will need to look to bring in external expertise to assist with quality focussed assessments.

We will look to work together with our stakeholders to develop these assessments in the light of the PPI pilot to ensure that the assessment framework usefully contributes to the management of risks to the quality of the statistics, identified by both OSR and stakeholders.

We look forward to working with you on the development of OSR's external scrutiny programme. Please do let me know if you have any questions.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Ed Humpherson', written in a cursive style.

Ed Humpherson
Director General for Regulation