

Members of the Peer review team:

Gerry O'Hanlon Central Statistics Office, Ireland

Tuulikki Sillajõe Statistics Estonia

Pieter Everaers Eurostat

**Peer review on the implementation
of the
European Statistics Code of Practice**

Country visited: Hungary

Date: 30 May - 1 June 2007

18 October 2007

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1. EXECUTIVE SUMMARY

Main findings (including an assessment of the co-ordination role of the National Statistical Institute):

The Hungarian Central Statistics Office (HCSO) is 140 years in existence this year and has a proud professional image, which has been maintained through many changes in the political, economic and social environments over this long period. This came through strongly to the peer review team during its interactions with various stakeholders in the course of its visit. Strong adherence to traditional statistical values such as sound methodology and objectivity were particularly in evidence at all levels throughout the organisation.

The organisation of official statistics in Hungary is governed by Act XLVI of 1993 On Statistics. This law is wide ranging in that it covers not only the activities of the HCSO but also the official statistical activities of other public authorities such as the Ministries and the National Bank of Hungary. It is also comprehensive from a statistical perspective with provisions, inter alia, relating to: independence and objectivity; the status and tenure of the President and Vice Presidents of the HCSO; the detailed role of the HCSO; the establishment of an advisory National Statistical Council; the mandate to collect data; and the protection of individual information.

The Office is currently embarked on a major modernisation and re-organisation programme under its Strategy 2005-2008 plan and this has major implications for all aspects of the HCSO's operation, both professional and organisational. The success of this programme is of vital importance to the future capacity and capability of the Office to respond adequately to the increasing demands of its users in a climate of continuing resource constraint.

With regard to adherence to Principles 1 to 6 and 15 of the Code the following is a summary of the findings of the Team:

> The professional independence of the HCSO is guaranteed in law and is reflected in practice throughout the organisation. Furthermore, users in general accept that the HCSO is independent and that its outputs can be trusted. The controversial dismissal from office of the last President in 2003, before the expiry of his term, provoked some concerns regarding the true independence of the Office. The political context and legality of the removal from office were explained and it would appear that it did not have a direct impact on the statistical independence of HCSO.

> The mandate to collect data for statistical purposes is fully enshrined in the Act on Statistics and data may be collected on a voluntary or compulsory basis. The access to administrative data for statistical purposes is, however, restrictive insofar as a specific reference to such access must be included in any sectoral legislation governing such data that may exist.

> The financial and staff resources available to HCSO have declined sharply, in both nominal and real terms, since the accession of Hungary to the EU in 2004. These reductions have been accommodated within the restructuring programme without any significant negative impact on the statistical programme. However, in the event of this adverse trend continuing into the future

it is doubtful that HCSO could continue to sustain its overall programme at existing levels unless further significant efficiencies can be found.

> The HCSO places a strong emphasis on sound methodology and it is clear that the quality of the statistical outputs and processes in place is generally of a high standard. In common with many other national statistics institutes, however, there is still a clear lack of formalised procedures to deal with the many facets of statistical quality that arise from the proper implementation of the Quality Declaration of the ESS.

> Statistical confidentiality is very strongly protected both in the statistical law and in practice in the HCSO.

> In general, impartiality and objectivity are well respected in the HCSO but improvements could be made to the quality and extent of the background information provided in respect of some statistical releases.

> While the accessibility of the statistics produced by the HCSO is generally of a high standard, considerable improvement is required in respect of the availability of metadata to support the electronic dissemination of data. Access to microdata for research is also unduly restrictive due to very stringent statistical confidentiality provisions.

Under Act XLVI of 1993 on Statistics the HCSO has a co-ordinating role in respect of the activities of the other producers of official statistics. It is also intended under the legislation that the National Statistical Council (NSC), through its composition and remit, should play a significant supporting role in this respect. One very commendable output is the production of the annual National Statistical Data Collection Programme, which is drawn up in accordance with Section 11 of the Act by HCSO in consultation with the NSC. There are, however, considerable reservations regarding the efficacy of the co-ordination effort in general and the role of the NSC in particular. These issues are being examined and some changes can be expected in due course.

The Team formed the opinion that HCSO's relationship with its users is somewhat under-developed relative to best practice elsewhere. One factor in this regard is that the structure and focus of the NSC is not conducive to facilitating better contacts along the lines of the role played by statistical councils elsewhere.

The peer review team identified a number of good practices. These included the annual National Data Collection Programme, the recently established Statistical School within HCSO, the strong focus on methodology and the comprehensive approach being adopted towards modernisation within the Office.

2. INTRODUCTION

With the adoption of the European Statistics Code of Practice, the Statistical Programme (SPC) committed itself to adhering to its principles. At its meeting on 25 May 2005, the SPC endorsed a stepwise monitoring procedure for the implementation of the Code over three years during which countries' self-assessments should be combined with elements of peer review,

benchmarking and monitoring on the basis of the explanatory indicators added to each principle of the Code.

During December 2005 / January 2006 the National Statistical Institutes and Eurostat have completed their self-assessments, the results have been summarised by Eurostat in a report submitted to the Economic and Financial Committee in May 2006 which has been published on the Eurostat website.

As a next step towards implementation of the Code, the European Statistical System is organising peer reviews to complement the self-assessments starting with 2006. They are considered a vital element for the implementation of the Code of Practice given their capacity to encourage the sharing of best practice and to contribute to transparency in what is, essentially, a self-regulatory approach. This approach is designed to enhance accountability and to help building trust in the integrity of the European Statistical System, its processes and outputs.

The Code of Practice peer reviews follow a common methodology focusing on the institutional environment and dissemination part of the Code comprising the following principles: (1) Professional independence, (2) Mandate for data collection, (3) Adequacy of resources, (4) Quality commitment, (5) Statistical confidentiality, (6) Impartiality and Objectivity and (15) Accessibility and Clarity. In principle, the peer review is limited to the National Statistical Institute and its co-ordination role within a dispersed national statistical system. A short document provided by the National Statistical Institute which summarises key aspects of the functioning of the national statistical system is published together with this report.

During a three days visit on-site and on the basis of information material provided by the National Statistical Institute and Eurostat prior to the review, peer reviews yield a report assessing compliance with the Code of Practice at indicator level and by principle following a four point assessment scale. The report includes a refined set of improvement actions covering all principles of the Code which are being used to feed the monitoring process of the implementation of the Code in the European Statistical System.

While the peer reviewers will undertake to base their assessment to the extent possible on factual information, it is worth noting some of the limitations of the peer review process. For example, peer reviewers are dependent upon the resources made available to them (though experienced reviewers can be expected to identify where appropriate information is not forthcoming). In addition these reviews are conducted on a strategic, organisation-wide and system wide basis. Accordingly it is not straightforward to ascertain that certain practices or behaviours or systems operate in all statistical domains.

3. FINDINGS PER PRINCIPLE

Principle 1: Professional Independence

The professional independence of statistical authorities from other policy, regulatory or administrative departments and bodies, as well as from private sector operators, ensures the credibility of European Statistics.

Overall assessment: The professional independence of the HCSO is clearly laid down in the statistical legislation and is underpinned by the long tradition and culture of the office which has been in existence for 140 years. In the discussions with the stakeholders of HCSO the issue of professional independence was discussed at some length having regard to the fact that the previous President had been removed from office before his term was completed. While there was no consensus on all the factors surrounding the removal, it was generally agreed that it did not compromise the professional independence of the HCSO in practice.

Indicator 1.1: The independence of the statistical authority from political and other external interference in producing and disseminating official statistics is specified in law.

Fully met

Comments: Section 3A of the Act XLVI of 1993 on Statistics (English translation) states that the "head of the organ belonging to the official statistical service shall ensure the statistical independence of the statistical activity, and the objectivity of the statistical information provided". In addition Section 4 (1) states that the HCSO is a "professionally independent governmental office".

Indicator 1.2: The head of the statistical authority has sufficiently high hierarchical standing to ensure senior level access to policy authorities and administrative public bodies. He/She should be of the highest professional calibre.

Fully met

Comments: The President of HCSO has the position of the highest non-political public administration officers (equal to state secretaries) in the country. His appointment, similar to the Head of the Board of Auditors or other institutions is based on a fixed term contract, in this case for six years. In accordance with Section 4 of Act XLVI of 1993 on Statistics, the President is appointed and relieved by the Prime Minister. He or she has a right to participate at the meetings of ministerial state secretaries to express HCSO's professional view on relevant questions directly at that level. The conditions of appointment and dismissal are clearly regulated. However, the early removal from office of the previous President raised concerns amongst some commentators as to the extent to which the office holder can be considered to be fully independent in professional matters. The wider political context and legality of the removal from Office were explained and it would appear that it did not impact directly on the statistical independence of HCSO in practice.

Indicator 1.3: The head of the statistical authority and, where appropriate, the heads of its statistical bodies have responsibility for ensuring that European Statistics are produced and disseminated in an independent manner.

Fully met

Comments: As mentioned in respect of Indicator 1.1 above, Section 3 A of the Act on Statistics ensures that this indicator is fully met. In addition the users interviewed were unanimous in stating that they considered the HCSO to be independent in statistical matters.

Indicator 1.4: The head of the statistical authority and, where appropriate, the heads of its statistical bodies have the sole responsibility for deciding on statistical methods, standards and procedures, and on the content and timing of statistical releases.

Fully met

Comments: The intention of the statistical legislation is clearly to ensure that this is the case in the HCSO and all the evidence clearly points to this being the case in practice. Indeed in the detailed discussions on this issue with all stakeholders, particularly with users, it was generally acknowledged that this was a particular strength of the HCSO that was valued by all.

Indicator 1.5: The statistical work programmes are published and periodic reports describe progress made.

Largely met

Comments: As indicated in the self assessment, progress reports on the work programme are not published or made available on the website. In addition development projects are not documented in the annual programme. The National Data Collection Programme does, however, partly offer the possibility to assess progress in the implementation of the work programme. This programme is formally published in the Official Journal of Hungary and subsequently in the Official Journal of HCSO. Both Journals have their own websites from where the relevant documents can be downloaded. The Programme may also be accessed on the HCSO website. An English version of the Programme is not yet available.

Indicator 1.6: Statistical releases are clearly distinguished and issued separately from political/policy statements.

Fully met

Comments: The HCSO publishes its own statistical releases, which are clearly labelled as coming from the HCSO, and these are kept completely separate from any policy/political statements.

Indicator 1.7: The statistical authority, when appropriate, comments publicly on statistical issues, including criticisms and misuses of official statistics.

Fully met

Comments: HCSO is free to comment publicly, when appropriate, on statistical issues.

Principle 2: Mandate for Data Collection

Statistical authorities must have a clear legal mandate to collect information for European statistical purposes. Administrations, enterprises and households, and the public at large may be compelled by law to allow access to or deliver data for European statistical purposes at the request of statistical authorities.

Overall assessment: There is a clear legal mandate for the HCSO to collect data for statistical purposes. Data collection, at the discretion of the HCSO, may be either mandatory or voluntary. While access to administrative data is allowed it must however be confirmed in sectoral legislation in individual cases.

Indicator 2.1: The mandate to collect information for the production and dissemination of official statistics is specified in law.

Fully met

Comments: The mandate of the HCSO, and the other agencies comprising the official statistical system in Hungary, to collect data for statistical purposes is set out very comprehensively in the Act XLVI of 1993 on Statistics. The Act provides for the voluntary and obligatory collection of data and in respect of the latter lays down that an annual programme (the National Data Collection Programme) be drawn up and published by the HCSO in consultation with the National Statistical Council.

Indicator 2.2: The statistical authority is allowed by national legislation to use administrative records for statistical purposes.

Largely met

Comments: In line with the very stringent confidentiality procedures in place in Hungary, the legislation that governs administrative records must make specific reference to access for statistical purposes in order for it to be allowed. The use of administrative sources is therefore severely curtailed by this restrictive practice, which results in a relatively low level of use of administrative data for statistical purposes. A revision of the Law on Statistics is foreseen to lighten this procedure.

Indicator 2.3: On the basis of a legal act, the statistical authority may compel response to statistical surveys.

Fully met

Comments: The HCSO is entitled under the law to make response obligatory to its surveys. However certain special data (such as ethnic origin, nationality, religious conviction etc.), specified in Section 8 of Act XLVI, relating to natural persons can only be collected on a voluntary and non-identifiable basis.

Principle 3: Adequacy of Resources

The resources available to statistical authorities must be sufficient to meet European Statistics requirements.

Overall assessment: The resources currently available are sufficient to meet EU requirements. However, the level of resources has declined since accession in 2004 to the EU and major restructuring is taking place to accommodate the reduction without impacting seriously on the statistical programme.

Indicator 3.1: Staff, financial, and computing resources, adequate both in magnitude and in quality, are available to meet current European Statistics needs.

Largely met

Comments: As a consequence of recent public administration reform, HCSO has experienced several budget cuts in the period 2005-2007, which resulted in a reduction of approximately 20-25 % in financial resources over two years and a reduction of approximately 15% in staff members, primarily at local offices. To minimise the impact on the statistical programme, these actions were accompanied by reforms of both the local and central levels of the organization. Several objectives were implemented such as: centralization of supporting activities, the creation of competence centres, teleworkers, introduction of new IT technologies, and the introduction of a well organized internal education system (called the HCSO-School) within the framework of the HR development strategy. These actions have resulted in a more effective operation of the office including better planning, transparency and the development of the human resource capacity. Together they have enabled HCSO to continue to meet the requirements of the statistical programme. However, further budget cuts could seriously affect the sustainability of the statistical programme and new emerging tasks in particular could lead to the overburdening of staff and other resources. While further options still remain to improve efficiency and effectiveness most will require a significant initial investment in modern technology to realise their potential

Indicator 3.2: The scope, detail and cost of European Statistics are commensurate with needs.

For European level reply

Indicator 3.3: Procedures exist to assess and justify demands for new European Statistics against their cost.

For European level reply

Indicator 3.4: Procedures exist to assess the continuing need for all European Statistics, to see if any can be discontinued or curtailed to free up resources.

For European level reply

Principle 4: Quality commitment

All ESS members commit themselves to work and co-operate according to the principles fixed in the Quality Declaration of the European Statistical System.

Overall assessment: The HCSO has explicitly committed itself to working in accordance with the Quality Declaration of the ESS. It is recognised that a more central harmonised approach is needed. A quality team has been established for this work - linked to the methodology unit - and is focussing on developing quality methods for among others sampling methods, metadata, etc. However, the realisation of the implementation of this commitment in a structured and formal manner is very much at an early stage of development. Nevertheless, the quality of the statistical output and processes in place is valued by all stakeholders and considered to be of a high standard.

Indicator 4.1 Product quality is regularly monitored according to the ESS quality components.

Partly met

Comments: In the HCSO a quality team has been established. The subject matter departments in co-operation with the quality team produces quality reports according to EUROSTAT requirements. These reports are currently not available in public as they are only intended for internal use at present. Currently quality reports are available for approximately one third of the products. Formal procedures are still only in the course of preparation in the framework of the overall quality project.

Indicator 4.2 Processes are in place to monitor the quality of the collection, processing and dissemination of statistics.

Partly met

Comments: A specialised small quality team is now working on the development and implementation of formal quality management procedures for monitoring the quality of the collection, processing and dissemination of statistics. This will build on, and ultimately replace, the more ad hoc locally based systems in use up to now.

Indicator 4.3 Processes are in place to deal with quality considerations, including trade-offs within quality, and to guide planning for existing and emerging surveys.

Partly met

Comments: Formal procedures are still only in the course of preparation. HCSO is organising a variety of consultations on data quality issues and developing quality monitoring processes. There is no formal procedure for handling trade-offs among quality components.

Indicator 4.4 Quality guidelines are documented and staff are well trained. These guidelines are spelled out in writing and made known to the public.

Largely met

Comments: Formal procedures are in the course of implementation. Guidelines have been discussed and agreed at management level in the HCSO and heads of department have committed to their implementation. The guidelines are being prepared for general circulation throughout HCSO and will be communicated to external stakeholders in due course. Quality issues are also systematically addressed in staff training programmes.

Indicator 4.5 There is a regular and thorough review of the key statistical outputs using external experts where appropriate.

Partly met

Comments: Formal procedures are still only in the course of preparation. At present, the only external reviews are those undertaken by EUROSTAT in certain areas. Consideration is being given to the introduction of more formalised procedures, including external reviews, for key statistics.

Principle 5: Statistical confidentiality

The privacy of data providers (households, enterprises, administrations and other respondents), the confidentiality of the information they provide and its use only for statistical purposes must be absolutely guaranteed.

Overall assessment: Statistical confidentiality is very strongly guaranteed both in the statistical law and in practice in the HCSO. A very high value is placed on privacy in Hungary and this is reflected in the Data Protection legislation. However, this strong data protection environment has consequences for the use of data from administrative records by the HCSO as well as restricting the use of micro data by external users for research purposes.

Indicator 5.1 Statistical confidentiality is guaranteed in law.

Fully met

Comments: Sections 18 and 19 of Act XLVI of 1993 on Statistics provide a comprehensive legal guarantee of the statistical confidentiality of all individual data obtained for statistical purposes relating to persons, households and enterprises. All stakeholders interviewed expressed their complete confidence in the manner in which HCSO discharges its obligations in respect of statistical confidentiality. The confidentiality of administrative records in general is also strongly regulated by law.

Indicator 5.2 Statistical authority staff sign legal confidentiality commitments on appointment.

Fully met

Comments: All staff sign confidentiality commitments on appointment and this is reinforced in the obligatory training programmes, organised by the Methodology Department, that stress the critical importance of this issue. Discussions with all staff, including junior staff, revealed that there is a strong awareness of the importance of statistical confidentiality throughout HCSO.

Indicator 5.3 Substantial penalties are prescribed for any wilful breaches of statistical confidentiality.

Fully met

Comments: Breaches are punishable but, from the discussions with the stakeholders, it would appear that there have been no recorded breaches of statistical confidentiality. Furthermore, there is no evidence of any attempts having been made to re-identify persons or households.

Indicator 5.4 Instructions and guidelines are provided on the protection of statistical confidentiality in the production and dissemination processes. These guidelines are spelled out in writing and made known to the public.

Fully met

Comments: The Methodology Department of HCSO has developed guidelines for the protection of statistical confidentiality in the production and dissemination processes. In training sessions instructions and guidelines are provided to the staff of the HCSO. In addition, they are communicated in writing to the public and users of HCSO statistics.

Indicator 5.5 Physical and technological provisions are in place to protect the security and integrity of statistical databases

Fully met

Comments: The head of the IT section is responsible for ensuring the security and integrity of the statistical databases. Physical and technological protection provisions to this effect are clearly in place via common systems. While certain elements of these provisions are documented in various discrete sources, no overall consolidated source is available. For example, access to databases is regulated by provisions formally laid down by the President, while detailed descriptions of the network and security tools are contained in the overall documentation on systems development.

Indicator 5.6 Strict protocols apply to external users accessing statistical microdata for research purposes.

Fully met

Comments: Very strict written protocols are in place governing access by external researchers to statistical microdata. The strict legislation has also severely limited the external use of the micro data. While there has been a slight increase in demand in recent times, the use of micro data is still very much limited to a small number of users in related/neighbouring governmental institutions.

Principle 6: Impartiality and objectivity.

Statistical authorities must produce and disseminate European Statistics respecting scientific independence and in an objective, professional and transparent manner in which all users are treated equitably.

Overall assessment: This principle is well respected by the HCSO in the production and dissemination of its statistical outputs. There are many relevant procedures in place to ensure that this principle is followed in practice throughout the organisation and there is clear evidence that the responsible officials rigorously adhere to the requirements. Unfortunately these procedures are not always documented and/or made available to interested users.

Indicator 6.1: Statistics are compiled on an objective basis determined by statistical considerations.

Fully met

Comments: Section 3A of Act XLVI of 1993 on Statistics states that the head of an organ belonging to the official statistical service, the President in the case of the HCSO, shall ensure the objectivity of the statistical information provided. All the external stakeholders interviewed (media, civil servants, researchers, respondents) did not doubt the objectivity of statistics released by the HCSO. Mention was made of the recent large correction to the published EDP figures but some commentators in the media wondered whether the statisticians actually knew that the excessive deficit was larger than that reported by the Ministry. The discussions in the media would appear to have reflected this as the issue was portrayed as political rather than statistical in nature.

Indicator 6.2: Choices of sources and statistical techniques are informed by statistical considerations.

Fully met

Comments: All the evidence points to the choice of sources and methods being determined solely by statistical considerations. The central Methodology Department in the HCSO has a strong role in developing and monitoring the use of best practice throughout the organisation.

Indicator 6.3: Errors discovered in published statistics are corrected at the earliest possible date and publicised.

Fully met

Comments: The current practice of the HCSO is to correct errors at the earliest possible date - although instances of serious errors are rare. While there is no formal written procedure in place, it is clear that both the subject matter areas and the central Dissemination Department follow well established approaches for correcting errors in both hardcopy and internet publications. .

Indicator 6.4: Information on the methods and procedures used by the statistical authority are publicly available.

Largely met

Comments: While information on methods and procedures is generally available, many users frequently consider it necessary to make a direct contact with the responsible statistician in order to obtain further clarification. Procedures to address the quality of the information available are being developed.

Indicator 6.5: Statistical release dates and times are pre -announced.

Fully met

Comments: Release dates and times of the main statistical outputs are pre-announced. All first releases (31 themes, 225 issues per year), pre-defined tables of the Statdat system and data linked to the first releases in the dissemination database are all published at 9.00 am on the pre-announced date. Printed publications and related internet data are released simultaneously. Changes to the pre-announced publication times are only allowed when due to technical reasons and these are always communicated.

Indicator 6.6: All users have equal access to statistical releases at the same time and any privileged pre-release access to any outside user is limited, controlled and publicised. In the event that leaks occur, pre-release arrangements should be revised so as to ensure impartiality.

Fully met

Comments: Pre-release arrangements apply only in the case of the consumer price index, national accounts and unemployment statistics. The offices of the Prime Minister, the Minister of Finance and the President of the National Bank of Hungary have access to these data in the afternoon before the release day. Information on this practice is available on the IMF's SDDS website. However, the same information is not available on the website of the HCSO. None of the users met by the peer review team was aware of the practice. No known leaks have occurred.

Indicator 6.7: Statistical releases and statements made in Press Conferences are objective and non-partisan.

Fully met

Comments: The peer review team examined a sample of releases and was satisfied that this indicator is fully met. Furthermore, representatives of the media, interviewed by the peers, considered the HCSO to be impartial.

Principle 15: Accessibility and clarity

European Statistics should be presented in a clear and understandable form, disseminated in a suitable and convenient manner, available and accessible on an impartial basis with supporting metadata and guidance.

Overall assessment: The accessibility of the statistics produced by the HCSO is considered to be of a high standard. However, the availability of metadata, particularly to support electronic dissemination, needs to be improved. Also, more appropriate comments and interpretations should be added to statistical releases.

Indicator 15.1: Statistics are presented in a form that facilitates proper interpretation and meaningful comparisons.

Largely met

Comments: Appropriate comments and interpretations are often very limited in releases, especially first releases in English. The clarity of the tables and texts on the website could be improved.

Indicator 15.2: Dissemination services use modern information and communication technology and, if appropriate, traditional hard copy.

Fully met

Comments: The HCSO publishes statistics on the web and in paper format. The stakeholders confirm that the website of HCSO has improved during recent years. A web page for visually impaired persons will be launched shortly.

Indicator 15.3: Custom-designed analyses are provided when feasible and are made public.

Fully met

Comments: In practice custom-designed analyses are provided by the HCSO when resources are available. The policy of charging for them is under review. Some stakeholders met by the peer review team have ordered tailor-made statistics and were satisfied with the service.

Indicator 15.4: Access to microdata can be allowed for research purposes. This access is subject to strict protocols.

Partly met

Comments: Relative to the accepted norm in other Member States, access to microdata is rather restricted in Hungary due to national legislation. (See comment on Indicator 5.6). However, amendments to the legislation are currently in the course of preparation.

Indicator 15.5: Metadata are documented according to standardised metadata systems.

Partly met

Comments: The HCSO has a detailed metadata system for internal use. There are ongoing developments in that area, concerning the completion of the database on concepts, definitions and classifications. Considerable work still needs to be done in this area.

Indicator 15.6: Users are kept informed on the methodology of statistical processes and the quality of statistical outputs with respect to the ESS quality criteria.

Largely met

Comments: The stakeholders met by the peer review team considered statistics published by the HCSO to be of a high quality and that they were generally informed about methodology, but mainly via direct contacts with statisticians. The products of the HCSO include some description of metadata and some quality indicators. The metadata database is under development.

4. CO-ORDINATION ROLE OF THE NATIONAL STATISTICAL INSTITUTE

The HCSO is entitled under the Act XLVI of 1993 on statistics to co-ordinate the statistical activities of the other agencies mentioned in this legislation. This is largely achieved through the annual data collection programme and through the work of the NSC. There is however a general consensus that the current arrangements need to be strengthened and, in particular, that the role and function of the NSC needs to be reviewed.

5. GOOD PRACTICES TO BE HIGHLIGHTED

1) The HCSO Statistical school, which is preparing staff for careers in HCSO, has a general focus on methodology as well as on all issues related to quality and confidentiality.

Trainers and instructors of the HCSO school are mainly active or retired staff-experts of the HCSO, only some special courses (e.g. manager trainings) are conducted by external firms or experts.

The HCSO-school is aimed at raising professional standards and developing convertible skills needed to fulfil new requirements facing the office. Training is seen a tool to assist everyday duties and react on actual needs. The most important feature of the new internal training system of the HCSO is the huge number of participants: while the office can yearly delegate only 10-15 colleagues to about 20 international courses, in 2006 the HCSO School provided 70 courses for more than 1000 staff members. It means that almost every colleague was affected by the internal training. And more than 100 from the staff contributed as trainer or instructor to the courses. The new training system is also intended to hold together and systematise the dispersed training activities all over the office organised by different departments and sections. By providing training in the Statistical school the HCSO hopes to educate a quality staff that should improve the attraction of statistical profession and enhance the image of the office. And as qualification and training is intended to be connected with a new internal career program, training can also contribute to the commitment of the staff. Further advantage of internal training is that personal connections between trainers and participants facilitate everyday cooperation.

2) The National Data Collection Programme, which has the objective of coordinating the data collection activities of the agencies in the Hungarian Statistical System, ensures that overlaps etc. are avoided thus making the data collection more efficient while lowering the response burden.

The statistical data collections involving obligatory data supply – with the exception of those ordered by law – are included in the annual national statistical data collection programme of the official statistical service. The draft programme is drawn up by the HCSO based on the proposals of the bodies belonging to the official statistical service.

In order to support the operation and the co-ordination of the work of the official statistical service, a National Statistical Council operates as a professional advisory and opinion-forming body beside the President of the HCSO. The NSC expresses its opinion on the programme submitted by the HCSO primarily from the point of view of necessity and professionalism of data collections and the burden they mean represents for the data suppliers and in order to avoid duplication of works.

The president of the HCSO finalises the programme considering the NSC opinion. In the final phase of the procedure the government releases the decree on the programme and obligation of data supply.

3) The re-organisation of the regional offices into offices specialised in specific statistical domains.

The new organisational-operational model launched early in 2007 changes essentially the division of labour, the relations of statistical departments and regional directorates and data providers' relations.

At the level of organisation model two forms of competence centres were worked out. In the absolute competence centre only one organisational unit performs all the activities of the statistical area concerned. So the competence, the responsibility and

authority are focused at one place. In the partial competence centre the division of labour is based on the separation of production process phases. The production unit is established to organise and implement data collections and perform data entry and correction, while the statistical unit is organised to perform the tasks of the other four phases. In the new model, unlike the former practice, the production units fulfil their assigned tasks at national level. Three competence centres were established: population statistics competence centre, agricultural statistics competence centre and Business Statistics Department.

Centralisation of statistical activities contributes to reducing respondent burden and decreasing questionnaire and sample size.

- 4) A centralised Seasonal Adjustment system, allowing a harmonised approach to seasonal adjustment throughout HCSO.

The seasonal adjustment procedure is carried out according to Eurostat recommendations, tested and evaluated methods. There is a written regulation of the president on the procedure and documentation. The quality of seasonal adjustment is monitored and regularly (at least once a year) reviewed by experts from the Statistical Research and Methodology Department. That resulted in a centralized and standardized quality approach in the case of seasonal adjustment.

- 5) Cost based monitoring and planning for an efficient management in a time of important organisational changes and budget reductions.

HCSO has created two basic nomenclatures: "programmes" and "activities". The programme nomenclature is being used to identify the tasks that need human and financial resources. "Activities" determine the workflow of a programme element. Planning software exists in the Office. The units of HCSO plan their annual tasks' resource needs with this software in a monthly breakdown, in the frame of an internal iteration procedure. This results into an annual resource plan. There is an electronic system for registration of hours worked, where employees break down their daily work by the same nomenclatures. The Financial section is operating an integrated financial system where incoming bills are also recorded with the programme element id. number. The linking of these systems gives exact overview and comparison of planned and actual costs from organisation, time, programmes and activities dimensions. These data are analysed and reports are being produced on resource needs and usage. These are published in the Management Information System.

6. RECOMMENDATIONS OF THE PEER REVIEW TEAM

The following areas are identified as priority issues for the HCSO:

- (1) The systematic introduction of more formalised procedures to ensure the quality of statistical outputs and processes in line with the Quality Declaration of the ESS.

(2) The successful completion of the wide ranging development programme (including a wide variety of improvement actions) so that maximum use can be made of available resources in the full delivery of the statistical programme.

(3) The National Statistical Law should be revised to allow more automatic access to administrative sources for statistical purposes and to permit freer access to microdata to researchers.

(4) The team working on quality should be strengthened and the work of the team in implementing a more structured use of quality guidelines and tools for monitoring process and output quality should be speeded up.

(5) The role and composition of the NSC should be re-considered in order to promote greater co-ordination of official statistics and to facilitate more effective communications between HCSO, other governmental organisations and users in general.

(6) HCSO publications and releases should contain more comments and explanations to help both specialists and general users to use and understand statistics in a more effective manner. Junior staff considered that this would improve the work satisfaction of the statisticians and also reduce the workload involved in answering phone calls from individual users following the release of the latest statistics.

(7) The HCSO might consider developing a system for gathering feedback from different groups of users and a system of reflecting the results of user-surveys in the statistical output, incl. developing clearly targeted statistical products. Usability tests of the website of the HCSO might also be introduced.

(8) The HCSO should consider publishing, and/or making available on its website, information on the pre-release arrangements in place for some statistical series.

7. LIST OF IMPROVEMENT ACTIONS BY PRINCIPLE OF THE CODE

Principle 1: Professional Independence

Improvement actions

★Strengthening of the co-ordinating and supervising role of the Office (the HCSO) within the official statistical service, with the transformation of the role of the National Statistical Council by making a proposal for the amendment of the Act on Statistics

Timetable

2008

★Publication of the annual report on the operation of the HCSO both in Hungarian and English language

from subject year 2007 by Q2 2008

Principle 2: Mandate for Data Collection

Improvement actions

★Elaboration of the conditions for extending the co-ordinated use of administrative records for statistical purposes:

Timetable

- a full-scale review of usable records,

2010

- strengthening the co-operation between the bodies belonging to the official statistical service, extension of the legal framework, implying the amendment of Act on Statistics.

2008

Principle 3: Adequacy of Resources

Improvement actions

	Timetable
★Within the framework of the new HR strategy, create supporting rules for internal fluctuation, acknowledgement of tutors in HCSO School, design new personal performance assessment system and evaluate the introduction of e-learning courses.	2007
★Examine and assess the different job profiles and their sufficient, required education levels.	2007
★Introduction of the integrated data processing system ("EAR")	Q1 2010
★Extension of electronic data collection, assessment of different solutions for data collection via internet (project starts)	June 2007
★Introduction of new electronic data collection methods	2008 - 2009
★Introduction of mobile devices for data capture in surveys	2008 - 2009

Principle 4: Quality commitment

Improvement actions

	Timetable
★Establishment and introduction of a product quality measurement system	by 2007-2008
★Elaboration of a "Data quality evaluation methods and tools" reference book in the framework of an international project, in co-operation with other offices	by 2007
★Establishment and introduction of a process quality measurement system	by 2007 - 2008

Principle 5: Statistical Confidentiality

Improvement actions

	Timetable
★Revision and amendment of Act on Statistics concerning researchers' access to micro data	by 2008

Principle 6: Impartiality and objectivity

Improvement actions

	Timetable
★Introduction of a more interpretable but fully detailed description of methods, standard concepts, definitions and classifications linked to the ongoing project of making the meta database on HCSO's website accessible	by July 2008

Principle 7: Sound Methodology

Improvement actions

	Timetable
★Switch to the new NACE in process	by 2008
★Preparation for the introduction of the new version of SNA/ESA	by 2008
★Modernisation of the Meta database promotes to ensure that standard concepts, definitions and classifications are consistently applied throughout the statistical authority	by July 2008

Principle 8: Appropriate Statistical Procedures

Improvement actions

	Timetable
★Integration of process quality indicators into the internal information system	by 2009
★Publication of reference books containing proposed methods for all stages of the production process in the frame of the process quality project	Continuous to 2012
★Development of the address register to provide frame for household surveys	by end 2007
★Development of integrated data capture system for interview surveys ("LAKOS")	2008-2009
★Development of integrated data processing system ("EAR")	Q1 2010

Principle 9: Non-Excessive burden on respondents

Improvement actions

	Timetable
★Create internal working group for deciding in subject matter questions, simplification of questionnaires for reducing response burden on enterpr	2007 II half year
★Regular assessment of response burden indicators based on the finished project	From 2008 on
★Introduction of CRM (customer rights management) - like contact management system to handle contact data and other information of respondents easier	2008

Principle 10: Cost Effectiveness

Improvement actions

	Timetable
★Examine and assess the different job profiles and their sufficient, required education levels.	2007
★Introduction of a new personal performance assessment system	2008
★Introduction of the integrated data processing system ("EAR")	Q1 2010
★Extension of electronic data collection, assessment of different solutions for data collection via internet (project starts)	June 2007
★Introduction of new electronic data collection methods	2008-2009
★Introduction of mobile devices in surveys for data capture	2008-2009
Introduction of process quality management	2007-2008
Introduction of a general production process management system	2008

Principle 11: Relevance

Improvement actions

	Timetable
★Elaboration of methods for measuring user satisfaction and introduction of regular measurements	by Q2 2008

Principle 12: Accuracy and Reliability

Improvement actions

	Timetable
★Elaboration of methods for measuring user satisfaction and introduction of regular measurements	by Q2 2008
★By establishing the integrated data processing system ("EAR"), information on data receipt may be managed and analysed via a single information technology interface.	End of 2009
★Following the introduction of the continuous product quality measurement, elaboration of formal procedure rules for what data can be published, when and at what level of detail depending on the accuracy of data.	by the end of 2010

Principle 13: Timeliness and Punctuality

Improvement actions

	Timetable
★Elaboration of methods for measuring user satisfaction and introduction of regular measurements	by Q2 2008

Principle 14: Coherence and Comparability

Improvement actions

	Timetable
★The planned product quality indicators ensure the measurement of comparability too.	by 2008
★Modernisation of the Meta database promotes the improvement of product coherence and comparability	by July 2008

Principle 15: Accessibility and clarity

Improvement actions

- ★ Launch the HCSO's new website for users with disabilities
- ★ Assure direct access to the meta database of methods, standard concepts, definitions and classifications on HCSO's website

Timetable

by September 2007
by July 2008

- ★ Elaboration of methods for measuring user satisfaction and introduction of regular measurements by Q2 2008

8. ANNEX A: PROGRAMME OF THE VISIT

HUNGARY

Peer review programme
30 May – 1 June, 2007

1 st day	Discussion with internal stakeholders	Participants
9.15-9.30	Welcome and introduction of programme, organisational matters	E. Bagó K. Szép Á. Mészáros J. Kárpáti
9.30-11.00	Meeting with management and senior staff, Principles 1, 2, 3	D. Láng E. Nagy J. Kárpáti J. Kópházi T. Bodovics A. Hársfai E. Virágh E. Németh Á. Mészáros
11.00-11.45	Meeting with management and senior staff, Principle 5	D. Láng E. Nagy J. Lakatos R. Horváth J. Rajna
11.45-12.30	Meeting with management and senior staff, (Principle 6, 15)	E. Németh A. Kátainé Marosi Á. Hódsági L. Baracza
12.30-13.30	Lunch	
13.30-14.30	Interview with DG and Quality manager, Principle 4.	K. Szép K. Mag J. Vigh I. Gether É. Ménesi L. Horváth K. Kaszás Cs. Ábry
14.30-15.15	Presentation of User Satisfaction Survey	E. Németh A. Kátainé Marosi
15.15-16.00	Presentation of Strategic Master Plan	J. Kárpáti
16.00-17.00	Meeting with junior staff, Principles 1-6, 15	E. Földesi G. Valkó K. Mag K. Gelencsér A. Bány B. Mináry E. Nagy

2nd day	Discussion with external stakeholders	Participants
9.15-9.30	Meeting with the President of the HCSO	P. Pukli K. Szép Á. Mészáros J. Kárpáti
9.30-10.30	Meeting other national data producers (Ministries, regional offices)	I. Sándor Z. Végh J. Horváth H. Dániel É. Szilágyi S. Tassy
10.30-11.30	Meeting with main users (Ministries, National Central Bank)	G. Csonka E. Gódorné Kaló E. Szabó L. Farkas I. Busch Gy. Lázár L. Ulicska K. Haraszti L. Turóczy
11.30-12.30	Meeting with representatives from Statistical Council	É. Sándorné Kriszt M. Balogh E. Gódorné Kaló L. Ulicska
12.30-13.30	Lunch	
13.30-14.30	Meeting with main users (representatives from universities)	J. Becsei Zs. Spéder É. Palócz P. Bíró
14.30-15.30	Meeting with media	D. Chance P. Réti J. P. Martin
15.30-16.30	Meeting with representatives of respondents	F. Bálint O. Nemes Cs. Bach L. Tóth Á. Urbán

3 rd day	Conclusions	Participants
9.30-11.30	Meeting with management to sum-up and detailed review of list of improvement actions for all principles	D. Láng E. Nagy E. Németh J. Kárpáti K. Szép
11.30-13.00	Meeting with top management: conclusions, recommendations and follow-up (improvement actions)	P. Pukli E. Bagó K. Szép Á. Mészáros J. Kárpáti

Staff members participating in all the discussions: T. Pál and G. Varga

Annex B: List of participants

Representatives of the Hungarian Central Statistical Office

Péter Pukli	President	
Eszter Bagó	Deputy president	Deputy President responsible for statistical issues
Miklós Balogh	Deputy president	Deputy President responsible for economic affairs
Csaba Ábry	Councillor	Agriculture and Environment Statistics Department
Anita Bány	Head of section	Foreign Trade Statistics Department
Lajosné Baracza	Head of section	Statistical Research and Methodology Department
Tamás Bodovics	Head of department	Technical and System Supervisor Department
Kornél Gelencsér	Head of section	Financial Department
István Gether	Head of section	Services Statistics Department
Erika Groszné Földesi	Head of section	Statistical Research and Methodology Department
Ferencné Hársfai	Head of department	Financial Department
Ágnes Hódsági	Councillor	Statistical Research and Methodology Department
József Horváth	Director	Regional Directorate, Pécs
Lajos Horváth	Statistician of economics	Business Statistics Department
Roland Horváth	Statistical counsellor	Statistical Research and Methodology Department
Krisztina Kaszás	Chief councillor	Services Statistics Department
József Kárpáti	Head of department	Planning Department
Angéla Kátainé Marosi	Head of section	Dissemination Department
József Kópházi	Head of department	IT Department
Judit Lakatos	Head of department	Living Standard and Labour Statistics Department
Dóra Láng	Head of section	Administration and International Department
Kornélia Mag	Head of section	Planning Department
Éva Ménesi	Chief counsellor	Living Standard and Labour Statistics Department
Árpád Mészáros	Head of department	Administration and International Department
Borbála Mináry	Deputy head of department	Price Statistics Department
Eszter Nagy	Chief official	Administration and International Department
Eszter Németh	Head of department	Dissemination Department
Tamara Pál	Head of Section	Administration and International Department
János Rajna	Safety supervisor of informatics	Deputy Presidential secretariat
István Sándor	Director	Regional Directorate, Debrecen
Katalin Szép	Head of department	Statistical Research and Methodology Department
Gábor Valkó	Head of section	Agriculture and Environment Statistics Department
Gábor Varga	Councillor	Administration and International Department
Zoltán Végh	Director	Regional Directorate, Szeged
Judit Vigh	Professional advisor	Statistical Research and Methodology Department
Eszter Virágh	Professional advisor	Administration and International Department

Other Participants

Andrea Rohály - Interpreter

Representatives of national data producers

Hedvig Dániel	Chief senior councillor	Ministry of Economy and Transport
Éva Szilágyi	IT expert	National Institute for Strategic Health Research
Sándor Tassy	Deputy head of department	Ministry of Agriculture and Rural Development

Representatives of main users

József Becsei	Head of section	ECOSTAT
Péter Bíró	Head of research	GKI Economic Research Co.
Irén Busch	Head of statistics	Ministry of Social and Labour Affairs, National Employment and Social Office
Gizella Csonka	Deputy head of department	Ministry of Finance
László Farkas	Senior councillor	Ministry of Local Government and Regional Development
Edit Gódorné Kaló	Head of department	National Bank of Hungary
Katalin Haraszti	Deputy head of department	Ministry of Finance
György Lázár	Head of department	Ministry of Social and Labour Affairs, National Employment and Social Office
Éva Palócz	Chief executive officer (CEO)	Kopint-Tárki zRt. (Economic Research, Marketing and Computing Company Limited)
Zsolt Spéder	Director	Demographic Research Institute
Elemér Szabó	Senior councillor	Ministry of Environment and Water
László Turóczy	Deputy head of department	Ministry of Economy and Transport
László Ulicska	Professional advisor	Ministry of Social and Labour Affairs

Representatives of National Statistical Council

Edit Gódorné Kaló	Head of department	National Bank of Hungary
Éva Sándorné Kriszt	President of National Statistical Council (NSC), Vice-Rector for Life-Long Learning	Budapest Business School
László Ulicska	Professional advisor	Ministry of Social and Labour Affairs

Representatives of media

David Chance	Journalist	Reuters
József Péter Martin	Editor-in-chief	Newspaper "Figyelő"
Pál Réti	Editor-in-chief	Newspaper "Weekly World Economy"

Representatives of respondents

Csilla Bach	Economic assistant	STRABAG
Ferenc Bálint	Statistician	MOL Hungarian Oil & Gas Company Plc TOP FINANCE Kft.
Orsolya Nemes	Economic assistant	STRABAG
László Tóth	Councillor	National Federation of Consumer Co-operatives
Ágnes Urbán	Counselor	Hungarian Chamber of Commerce and Industry