

**Standard Report
on
Methods and Quality
for
Enterprise Statistics for the Financial Sector**

This documentation applies to the reporting period:

2012

CENTRAL STATISTICS OFFICE

Table of Contents

1 Overview	3
2 General Information	3
2.1 Statistical Category	3
2.2 Area of Activity	3
2.3 Organisational Unit Responsible, Persons to Contact	3
2.4 Objectives and Purpose; History	3
2.5 Periodicity	3
2.6 Client	3
2.7 Users	3
2.8 Legal basis	3
3 Statistical Concepts, Methods	3
3.1 Subject of the Statistics	3
3.2 Units of Observation/Collection Units/Units of Presentation	4
3.3 Data Sources	4
3.4 Reporting Unit/Respondents	4
3.5 Type of Survey/Process	4
3.6 Characteristics of the Sample/Process	4
3.7 Survey Technique/Data Transfer	4
3.8 Questionnaire (including explanations)	4
3.9 Participation in the Survey	4
3.10 Characteristics of the Survey/Process and its Results	4
3.11 Classifications used	5
4 Production of the Statistics, Data Processing, Quality Assurance	5
4.1 Data Capture	5
4.2 Coding	5
4.3 Data Editing	5
4.4 Imputation (for Non-Response or Incomplete Data Sets)	5
4.5 Grossing and Weighting	5
4.6 Computation of Outputs, Estimation Methods Used	5
4.7 Other Quality Assurance Techniques Used	5
5 Quality	
5.1 Relevance	5
5.2 Accuracy and Reliability	6
5.2.1. Sampling Effects, Representativity	6
5.2.2. Non-Sampling Effects	6
5.3 Timeliness and Punctuality	6
5.4 Coherence	6
5.5 Comparability	7
5.6 Accessibility and Clarity	7
5.6.1 Assistance to Users, Special Analyses	7
5.6.2 Revisions	7
5.6.3 Publications	7
5.6.4 Confidentiality	7

1. Overview

The Financial & Insurance Activities sector, NACE Section K, has traditionally been excluded from the Structural Business Statistics arising from difficulties in generating definitions for production value, gross value added and gross operating surplus. However, these definitions have been developed over the last number of years at European level.

The objective behind producing Structural Business Statistics for the Financial Sector is to complete the coverage of the business economy and to allow meaningful comparisons with other business sectors such as Industry and Services.

2. General Information

2.1. Statistical Category

The CSO information on “Enterprise Statistics for the Financial Sector” is generated from the output of a number of different surveys for Financial Sector companies. These companies include banks, life insurance companies, non-life insurance companies and reinsurance companies.

2.2. Area of Activity

To provide information on key accounting variables such turnover and gross value added (GVA) for both banks and insurance companies.

2.3. Organisational Unit Responsible, Persons to Contact

Structural Business Statistics (SBS)

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The business specialists above can be contacted by e-mail using their firstname.lastname@cso.ie or sbs_rap@cso.ie

2.4 Objectives and Purpose; History

Enterprise statistics for the Financial Sector are compiled by all 27 EU member states under an EU Regulation which was adopted in 2008. This information is compiled in Ireland using existing surveys that are administered by the Balance of Payments (BOP) Division of the CSO and the Statistics Department of the Central Bank of Ireland. The data are derived primarily from the profit & loss accounts provided on the BOP forms. This is the third year that enterprise statistics have been compiled for the Financial Sector.

2.5. Periodicity

Annual

2.6. Client

European Commission (via Eurostat)

2.7. Users

Primary users of the survey results are academics, Government and the European Commission (via Eurostat)

2.8. Legal basis

Regulation (EC) No 295/2008 of the European Parliament and of the Council of 11 March 2008 concerning structural business statistics (recast) – Financial Annexes V, VI and VII. The main objective of this Regulation is to establish statistical quality standards and a common framework for the systematic production of comparable statistics on enterprises in the financial sector in the EU.

3. Statistical Concepts, Methods

3.1. Subject of the Statistics

The principal variables published are turnover, production value, gross value added (GVA) at factor cost and gross operating surplus. These variables are not easily derived for Financial Sector companies. However, specific definitions have been developed by Eurostat (European Commission) in recent years.

3.2. Units of Observation/Collection Units/Units of Presentation

The data are broken down by the principal activity of the enterprise; namely banks (NACE K6419 excluding credit unions) and insurance companies (NACE K651 and K652). Insurance companies include life insurance, non-life insurance and reinsurance.

3.3. Data Sources

CSO Survey of Non-Life Insurance and Reinsurance Companies

- Annual (BOP42A) Survey of Non-Life Insurance and Reinsurance Companies
- Quarterly (BOP42Q) Survey of Non-Life Insurance and Reinsurance Companies

CSO Survey of Life Assurance and Reinsurance Companies

- Annual (BOP43A) Survey of Life Assurance and Reinsurance Companies
- Quarterly (BOP43Q) Survey of Life Assurance and Reinsurance Companies

CSO/Central Bank Survey of Credit Institutions

- The data required from credit institutions to meet data requirements are being collected quarterly by the Central Bank of Ireland under its legislation as well as European legislation. The data are supplied by the Central Bank of Ireland to CSO for statistical compilation purposes. Further information on this joint survey can be found at the following link: <http://www.cso.ie/shorturl.aspx/188>

3.4. Reporting Unit/Respondents

The Irish resident enterprise reports the data to either the CSO or the Central Bank of Ireland. The register of enterprises for banks and insurance are taken from a number of sources including the Central Bank of Ireland.

3.5. Type of Survey/Process

The Balance of Payments surveys are effectively a census of all relevant financial entities.

3.6. Characteristics of the Sample/Process

3.6.1. Population and Sampling Frame

A register of relevant entities is maintained by Balance of Payments Division. Qualitative information useful for statistical register purposes is obtained from the CSO Central Business Register (CBR) and from other sources. In addition, information from the Department of Finance, the Central Bank of Ireland and the Companies Registration Office (CRO) is used in the maintenance of the BOP financial services enterprises section of the register.

3.6.2 Sampling Design

All banks and insurance companies were included in the sampling frame.

3.7 Survey Technique/Data Transfer

Soft (electronic) copies of the forms are issued each quarter to relevant entities. The forms are available on the CSO website and are returned electronically to the CSO by most respondents. This data can then be loaded automatically to the BOP database. For the small number of respondents who return information in hard copy the data has to be keyed manually into the database.

3.8 Questionnaire (including explanations)

The survey forms may be accessed on the CSO website at:

<http://www.cso.ie/en/surveysandmethodology/services/enterprisestatisticsforthefinancialsector/>

3.9 Participation in the Survey

The surveys are carried out under the Statistics (Balance of payments and Financial Accounts) Order, 2010 (Statutory Instrument S.I. No. 206 of 2010) made under the Statistics Act, 1993. Participation in the survey is mandatory.

3.10 Characteristics of the Survey/Process and its Results

The information is primarily collected quarterly for the preceding calendar quarter. The data obtained cover profit & loss account information as well as transaction and balance sheet information. To compile the annual enterprise statistics, the profit & loss data are summed over the relevant four quarters. The results published and disseminated are essentially an aggregation of the raw data collected.

Specific validity checks for the enterprise statistics have been integrated into the survey processes which are carried out by the survey owners in the CSO Balance of Payments (BOP) Division.

3.11 Classifications used

NACE Rev.2 is used to classify the companies by activity

<http://www.cso.ie/en/surveysandmethodology/classifications/classificationofindustrialactivity/>

4. Production of the Statistics, Data Processing, Quality Assurance

4.1. Data Capture

For BOP survey operations, the CSO operates an integrated computer processing system (Bopfacts) using Sybase relational database technology. A standard processing approach applies to all quarterly surveys and administrative data. The system was designed to streamline the entire statistical production operation. Where data are returned in electronic form, they are imported through a bulk loading process into the database. Any forms received in hard copy are keyed manually into the database.

4.2. Coding

Some codes (e.g. currency) are assigned automatically in Bopfacts while other codes (e.g. economic activity, institutional sector) are obtained automatically from the Balance of Payments SMS Register.

4.3. Data Editing

On receipt in the CSO, all quarterly (and annual) returns in paper form are manually checked for obvious reporting errors. If no errors are apparent, the data are keyed into the Sybase database (Bopfacts) and undergo various automated consistency and plausibility data checks. Where data are returned in electronic form, they are subjected to a similar checking procedure once imported into Bopfacts. If the data fail the more important checks, the CSO contacts the company concerned to query the data and make any necessary corrections.

4.4. Imputation (for Non-Response or Incomplete Data Sets)

Estimates are made for partial or complete non-responses using either automated or manual imputation procedures. These estimates are based on previous returns made by the entity or on returns made by similar entities. Data available from Revenue, Central Bank of Ireland and CRO are also used in making these estimates. This facility is largely applied only to non-returning smaller companies surveyed, as the larger companies are pursued until the data are supplied.

4.5. Grossing and Weighting

No specific grossing or weighting for banks or insurance companies.

4.6. Computation of Outputs, Estimation Methods Used

All data are converted to single euro within Bopfacts. Apart from the analyses available within the processing system, further analyses are undertaken using SAS software. Once verified and further processed as necessary, the data from all surveys are summarised to produce the results. These are then used to prepare the tables for national publication and also to provide the data required by Eurostat.

4.7. Other Quality Assurance Techniques Used

As regards financial enterprises, the quality analyses undertaken by the CSO involve comparison of its results with aggregate data available from other sources. These include representative associations for insurance companies. In addition, the CSO and the Central Bank of Ireland undertake a detailed reconciliation of aggregate money and banking statistics and BOP statistics for Monetary Financial Institutions (i.e. credit institutions and money market funds) each quarter.

5. Quality

5.1 Relevance

The compilation of enterprise statistics for the Financial Sector is important in order to complete the overall picture of the business economy in Ireland. The data are used in the annual “Business in Ireland” publication to present a detailed analysis of the structure and performance of enterprises. This report is widely used by, for example, Government Departments (e.g. Department of Jobs, Enterprise & Innovation), the ESRI, Forfas, Enterprise Ireland, Central Bank of Ireland and the general public.

The enterprise statistics for the Financial Sector are also used as an input into the National Accounts estimates of GDP and GNP. Note that specific definitions of production and gross value added (GVA) for banks and insurance in the National Accounts are different to the definitions used in Structural Business Statistics. The concept of Financial Intermediation Services Indirectly Measured (FISIM), which applies to banks in National Accounts, is not used in Structural Business Statistics. Also, specific items in the profit & loss accounts of insurance companies are included in the calculations for Structural Business Statistics but excluded from National Accounts. These include 1) investment income from the non-technical account and 2) realised and unrealised capital gains and losses.

5.2 Accuracy and Reliability

5.2.1. Sampling Effect & Representativity

A census of banks and insurance companies was taken in 2012 therefore there are no specific sampling errors in the survey.

5.2.2. Non-Sampling Effects

5.2.2.1 Quality of the Data Sources used (other than survey register)

The only sources used were the results from the survey forms.

5.2.2.2 Register Coverage

Every effort is made to ensure the register coverage is complete. Information from Central Bank of Ireland, Department of Finance, Companies Registration Office and Revenue is used to ensure coverage of relevant financial enterprises.

5.2.2.3 Non-response (Unit and Item)

For financial enterprises the response rate for the quarterly surveys is close to 100%.

5.2.2.4 Measurement Errors

Measurement errors were not formally calculated for the survey.

However, all measures were taken to prevent their occurrence

- (a) All efforts were made to make the questionnaire form as clear as possible. Detailed instructions on how to fill it are also provided.
- (b) Queries were dealt with by phone or e-mail on a day-to-day basis.
- (c) Individual companies’ data are confidential under the Statistics Act, 1993, and can only be used for statistical purposes. All efforts are made to make this fact known to the respondents.

5.2.2.5 Processing Errors

All possible measures were taken to avoid processing errors. Validity checks are carried out on the Bopfacts system in order to identify potential processing errors and corrections are made accordingly.

5.3 Timeliness and Punctuality

Final 2012 results for banks were produced and sent to Eurostat ten months after the end of the reference year while the data for insurance companies were sent to Eurostat twelve months after the end of the reference year. The national release was published in November 2014, ten months after the data was sent to Eurostat. The reason that the national publication is delayed is because the data does not get finalised in the BOP area until 18 months after the end of the reference year. Revisions are sent to Eurostat as required.

5.4 Coherence

The enterprise statistics data are consistent with CSO National Accounts data as the same sources are used in both sets of statistics. There are however definitional differences of variables between Structural Business Statistics and National Accounts (See 5.1 above).

5.5 Comparability

The results for 2011 are directly comparable with the results from 2009 and 2010. While compiling the 2011 results, revisions were made to the previous years in order to ensure comparability.

5.6 Accessibility and Clarity

5.6.1 Assistance to Users, Special Analyses

The “Business in Ireland 2011” publication included a chapter on the enterprise statistics for the Financial Sector in the context of the business economy in Ireland. See the following link <http://www.cso.ie/shorturl.aspx/230> . The “Business in Ireland 2012” publication will be available on the CSO website from December 2014. This report will have an updated chapter on enterprise statistics for the financial sector.

StatBank tables are available from the following link:

<http://www.cso.ie/shorturl.aspx/201>

The Surveys and Methodology page is available here: <http://www.cso.ie/shorturl.aspx/202>

5.6.2 Revisions

Revisions were made to the enterprise statistics for 2009 and 2010 for insurance companies. These revisions resulted from an improvement in the quality of reporting by some key respondents. Revisions were made to the 2010 data for banks as new information became available during the compilation of 2011 results.

5.6.3 Publications

5.6.3.1 Releases, Regular Publications

Data are published annually via an electronic release.

5.6.3.2 Statistical Reports

Data are published in the annual “Business in Ireland” report which is released in early November every year.

5.6.3.3 Internet

StatBank tables are available from the following link:

<http://www.cso.ie/shorturl.aspx/201>

5.6.4 Confidentiality

Data are treated as strictly confidential under the Statistics Act, 1993.