

## **MANAGEMENT SUMMARY OF THE AUDIT OF THE CZECH STATISTICAL OFFICE STATISTICS METHODOLOGY**

**Audited subject:** business cycle surveys

**Audited department:** Business Statistics Coordination and Business Cycle Surveys Department

**Audit took place:** January 2015 – April 2015

### **AUDIT TEAM MEMBERS:**

Pavel Hnát (University of Economics, Prague) – team leader

Zdeněk Veselý (Ministry of Finance)

Bohuslav Čížek (Confederation of Industry of the Czech Republic)

David Kocourek (Czech National Bank)

Lukáš Kučera (CZSO, Compendious Analyses Unit)

### **MAIN AUDIT CONCLUSIONS:**

Based on the audit of the methodology, the audit team:

- 1) states that harmonized methodology determined by the European Commission is strictly applied;
- 2) highly appreciates a long-term cooperation of the audited department with the European Commission Directorate-General for Economic and Financial Affairs (DG ECFIN), based on which not only methodology and survey outputs are harmonized, but also major part of costs for carrying out surveys in the Czech Republic are covered by grants;
- 3) appreciates linkage of collection and processing of data within one department and recommends to further support close cooperation between those who process and the respondents, which leads to higher willingness of respondents to respond in business cycle surveys and thus continuity of responses within a surveyed panel is ensured;
- 4) states that the sample of respondents covers the population sufficiently; however, with regards to importance of services for capture of business cycle situation, it recommends to increase the sample size in all economic activities of services;
- 5) states that the methodology of processing of results and seasonal adjustment corresponds to the DG ECFIN methodology.

### **MAIN AUDIT RECOMMENDATIONS:**

Based on the audit of the methodology, the audit team:

- 1) recommends to continue with thorough dealing with non-response especially as for important respondents; to eliminate errors in processing it recommends to use as much as possible electronic transfer of forms (questionnaires) to the processing programme (input database);
- 2) recommends to consider a possibility to extend/replace surveyed questions above the frame of harmonized requirements, namely depending on needs of national users and survey costs;
- 3) recommends to pay increased attention to updating of used weights and their conformity with data available at the CZSO;
- 4) states that for publication of results of summary indicators for analytical purposes the longest possible time series should be used;
- 5) further recommends to consider publication of machine-readable data, which would markedly increase comfort of primarily the most advanced users; as for the scope of data, the time series must be the longest possible and in the most possible detailed breakdown by economic activity;
- 6) recommends to raise general awareness of business cycle surveys and available information, e.g. also on the main website, and to cooperate more actively with analysts and companies, which might be interested in the data;
- 7) proposes to consider in the future the issue of compilation of the so-called national sentiment indicator, calculation of which would better reflect specific features of the Czech Republic and its macroeconomic development.

**RESPONSE OF THE AUDITED DEPARTMENT:**

Audited department:

- 1) agrees with the conclusions of the methodological audit;
- 2) acknowledges recommendations of the audit team;
- 3) undertook to gradually implement recommendations of the audit team.