

BANK OF UGANDA



REVISIONS POLICY FOR OFFICIAL STATISTICS

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Acronyms

BOP	Balance of Payments
BOU	Bank of Uganda
BPM6	Balance of Payments Manual, 6 th Edition
CDIS	Coordinated Direct Investment Survey
DCS	Depository Corporation Survey
DQAF	Data Quality Assessment Framework
EAC	East African Community
GFS	Government Finance Statistics
IMF	International Monetary Fund
MFPED	Ministry of Finance Planning and Economic Development
MFSM	Monetary and Financial Statistics Manual
MOU	Memorandum of Understanding
NSDP	National Data Summary Page
SDDS	Special Data Dissemination Standards
SNA	System of National Accounts
UBOS	Uganda Bureau of Statistics

1. Preamble

The mission of Bank of Uganda is to foster price stability and a sound financial system. To be able to achieve this, Bank of Uganda (BOU) management relies on policy advice provided by the Research and Operations Functions for appropriate monetary policy formulation and implementation, and on the oversight of the deposit taking financial institutions by the Supervision Function. The policy advice is based on macroeconomic data which is produced by different departments in BOU, as well as other organisations.

The statistics must be timely, up to date, accurate, consistent and relevant for policy formulation. However, due to the urgency of some data needs, provisional data may be used to bridge the gap, pending availability of firm data. In this regard, revision of data becomes inevitable. Indeed it is a fairly routine exercise if the data quality must be maintained. Broadly, revisions are changes to the value of a statistic released to the public (Carson et al, 2004:5¹). This definition is based on the assumption that the data has been published, but owing to some reasons, requires revision. However, the revision should be effected in an orderly and transparent manner, guided by a documented revisions policy.

2. Statement of the Problem

According to the MOU between BOU and the Uganda Bureau of Statistics (UBOS), BOU is mandated to produce and disseminate monetary and external sector statistics. Besides monetary and external sector statistics, the different departments in BOU generate data during the course of their operations. These and other sets of data are used to inform the monetary policy making and implementation process, supervision of financial institutions, management of external reserves, issue of currency notes and coins and to execute other functions. Furthermore, the statistics is included in the appendix tables to the monthly, quarterly and annual reports of BOU, and is also available for academic research purposes. The statistics produced by BOU is not only used for policy making, but also shared with various international and regional organisations such as the World Bank, the International Monetary Fund (IMF), and the East African Community (EAC), as well as local organisations and institutions.

Although statistics are compiled following international standards, timely revisions are necessary to improve data quality and incorporate changes in methodologies. The current practice in the Bank is that revisions of data are conducted in each department independently and there is no clear obligation on the compilers to inform the users about the revisions. Subsequently, each department conducts its own revisions and no

¹ Carson, C.S., Khawaja, S., and Morrison, T.K., (2004) Revisions Policy for Official Statistics: A Matter of Governance+IMF Working Paper No. WP/04/87 available from <http://www.imf.org/external/pubs/ft/wp/2004/wp0487.pdf> accessed on 16 August 2006.
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uniform procedure is followed for communicating the changes to the data users. There is also no harmonised process followed by departments in undertaking revisions even where such revisions are of a significant nature. For this reason, data users often make their own attempts to establish the sources and causes of the revisions. It is therefore important that revisions when undertaken are carried out transparently and in accordance with international guidelines throughout the Bank. Data users need to be informed when such changes are effected and where they are significant, their effects on other existing statistics.

This policy will therefore be a crucial tool in ensuring that data revisions are done according to set standards which follow international best practice.

3. Objectives of the Policy

- a) To maintain the quality and integrity of the data.
- b) To adopt the international standards in the process of revising data.
- c) To ensure transparency of the process of revising data.
- d) To ensure that the statistics used for policy formulation is accurate, credible and reliable.
- e) To inform data users and compilers about the process followed for revising data.

4. Justifications

This Revisions policy sets out to guide the process of revising the statistics compiled by the Bank. The policy is aligned to the Bank values in SP-2012²; Accountability, Commitment, Ethical behaviour, Excellence, Transparency and Teamwork. In this regard, the policy seeks to enhance the Bank's efforts towards provision of accurate, credible and reliable data to all users, and to ensure transparency of the revision process. It also seeks to uphold the integrity of the data and the image and reputation of the Bank.

This Revisions policy takes into consideration the requirements of the International Monetary Fund (IMF) under the Special Data Dissemination Standards (SDDS) to which Uganda is preparing to subscribe, and the Data Quality Assessment Framework (DQAF). Under the SDDS, member countries regularly provide economic and financial data to the public which is a prerequisite for access to international capital markets. The overriding objective is to enhance the availability of timely, accurate, and comprehensive statistics and therefore contribute to the pursuit of sound macroeconomic policies, as well as sound international capital markets. The dissemination of economic and financial data is done using both hard copies and on-line means, and it is premised on four dimensions of: Coverage, periodicity, and timeliness;

² Bank of Uganda Strategic Plan 2012
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Access by the public; Integrity of the disseminated data; and Quality of the disseminated data.

Similarly, the DQAF uses five data quality dimensions and a set of prerequisite comprehensive assessments of countries' data quality. The 5 dimensions are Integrity; Methodological soundness; Accuracy and reliability; Serviceability; and Accessibility. The need for a Revisions policy is highlighted under the Integrity and Serviceability dimensions³. The DQAF assessment process covers institutional environments, statistical processes, and characteristics of the statistical products.

Reasons for revising data generally vary, and very often, revisions result from more than one reason. In BOU, data shall be revised for any of the following reasons;

- a) Recalculating the data series such as rebasing an index or incorporating seasonality factors. Rebasing is a fairly routine and regular activity.
- b) To reflect improved methodology. This could be due to changes in statistical methods, and/or changes in concepts, definitions or classifications. A typical example is the adoption of recommendations in the updated IMF statistics manuals such as the Balance of Payments and International Investment Position Manual version 6 (BPM6), and the Monetary and Financial Statistics Manual (MFSM) 2000.
- c) To incorporate better or improved source data that was not previously available. There are instances where compilers of data can access data that was hitherto not available, or owing to the introduction of statistical techniques to replace value judgement; improved estimation techniques; or where actual data becomes available replacing estimates. Sometimes survey results are used to recalculate intra-survey data series.
- d) To correct errors in the data. This could arise from the data sources.
- e) Revisions may also be effected following reconciliation and validation with other data sets. Typically this could be with another set of macroeconomic data or companies that provide data or partner country data.

5. The Policy

The data revisions policy will guide the revision of all macroeconomic and financial data produced and compiled by the different departments within Bank of Uganda.

Any revisions in the Bank will be conducted in accordance with the following principles:

³ The draft Code of Practice for the Production of official statistics by UBOS also highlights the need to publish a Revisions Policy
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- That the reasons for any revision will be made clear and disseminated to the public
- That revised statistics will be clearly identified during dissemination to the public along with any explanatory notes
- That the factors outlined in section 6 will be carefully examined during each revision exercise
- That the Statistics Department shall be informed of the revisions made by other Departments and shall provide advice on the revisions where necessary to ensure that the policy is adhered to.

6. Factors to consider when revising the data series.

The process of revising statistics should take cognisance of the following factors.

a) Timing

This raises issues with when the revision should be reflected. Sometimes revisions are regular for example where at the end of the year all data becomes available, and therefore, is revised accordingly. In other instances, it might coincide with an updated publication of the same data. If it is regular, then timing becomes a reason for revising the data, and the users should be made aware.

b) Frequency of revision

This refers to the regularity of the revisions. It seeks to answer the question whether the revisions should be effected as soon as it becomes apparent that they are required, or if they should be accumulated and effected on set dates.

c) Communication of the revisions

A decision should be made on when and how the revisions are communicated to the users. Commonly, changes are communicated at the time of introducing them, using footnotes, explanatory notes or special articles released simultaneously with the publication of the updated data (IMF, 2005⁴).

d) Cut off date for revisions

Since the data revisions effected cover earlier periods (weeks, months, quarters or years), a decision on how far back the revisions should be implemented has to be made.

e) Implication for other data sets

⁴ Statistics Department, IMF (2005) Revision Policy and Practice: A First Overview of Country Practices+ available from <http://www.imf.org/external/pubs/ft/bop/2005/15.htm> accessed on 17 August 2006.
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In most cases, revision of one data set implies revision of other data sets, because of the inter-linkages amongst the data sets. The proposed change therefore, must take this into account. Subsequently, the compilers of the other data sets must be made aware of the revisions. This calls for consensus amongst the data producers.

f) Magnitude of revision

The size of the revision may affect the trends, and therefore, trend analysis. Where this occurs a commentary may be required on the effect of the changes on the trend analysis and the true position reflected.

g) Access to the revisions methodology

Authorities have to decide if the revisions methodology should be disseminated. Dissemination of the revisions methodology would enhance transparency, credibility of the statistics producers, reliability and accuracy of the data series.

h) Effect on trend analysis

Sometimes data quality is improved but leads to breaks in the data series.

7. Procedure for revising official statistics

- a) Regular revisions to data shall be communicated through the usual channels to the Head of the respective Department copied to the Director Statistics Department, indicating;
 - i. the data set to be revised,
 - ii. the reason(s) for revising,
 - iii. the period over which data is to be revised,
 - iv. the method of revision: new series, new column, etc
 - v. the effect on other data sets, magnitude of the revision, and the likely effect on trend analysis,
 - vi. proposed date for effecting the revision (the publication)
 - vii. anything that might be peculiar to the data set,
- b) Extraordinary revisions which as suggested by the name arise from unexpected events or to a large extent from events that are exogenous to the production process thereby affecting compilation significantly shall be communicated to the Director of Statistics, the Executive Director (ED) of the Function, and the Executive Director of Research (EDR) Function by the Director of the respective Department,. The EDR shall convene a meeting of stakeholders within the Bank to discuss the proposed revisions and their implications. The revisions shall then be effected once approval has been granted following the meeting.

- c) The department intending to conduct a revision of their statistics shall inform and consult with the Statistics Department prior to undertaking the revision. The department will also continue to update Statistics Department and seek guidance when necessary throughout the revisions process. After the statistics have been revised, the Statistics Department, as the primary data disseminating department, shall inform the public of the revisions and the reasons for the revision.
- d) All regular revisions shall be explained in footnotes to the respective tables. In the case of extraordinary revisions, a section in the report or a separate note shall be written and published in the usual channels including posting it on the BOU website. The latter might apply where the department is adopting a new methodology based on a compilation manual. Where applicable, the metadata should also be updated accordingly.
- e) Where data is rebased such as an index, or recalculated, then the new series shall be published immediately after the revision, i.e. in the first hard copy publication whether monthly, quarterly or annual, and on the website.
- f) Whenever provisional data is used/ published, it shall be indicated with P ~~%Preliminary~~ and, when the actual or final data is obtained, the revised data shall be indicated with R ~~%Revised~~ in the subsequent dissemination. However, high frequency data which is released regularly to meet target deadlines shall not be subjected to procedures (a) and (b) above. Finalized data series should eventually drop the ~~%R~~ during the second dissemination following the final revision. The categories of data compiled by BOU are indicated in Appendix I.
- g) To ease monitoring of the monetary programme, revisions shall be done prior to the end of the financial year, i.e. before June, or after June. There should not be any revisions of the June statistics which form the basis for a monetary program for the following financial year except where there is no effect on program monitoring and performance.
- h) Data revisions resulting from changes in the compilation methodology for example adoption of a new compilation manual shall be effected as far back as data availability shall allow. The improved methodology should be disseminated along with the revised data.
- i) When better source data is identified, then the preceding series shall be revised for the length of period over which it is available. Different data sources must be harmonized and revisions and final data generated by similar approaches and sources.
- j) Revisions to correct errors, if they occur, shall go back to cover all the periods affected. This reinforces the accuracy of the data.

- k) Where there are links to other data sets or where data in one table feeds into another, compilers shall make sure that the revisions are appropriately reflected.
- l) Revisions on the appendix tables that are included in a bank publication shall be reflected in the subsequent issue of that publication.