

*Statistical services provided by the Census and Statistics Department*

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The Audit Commission ("Audit") conducted a review to examine the statistical services provided by the Census and Statistics Department ("C&SD").

2. Government statistical services were provided by C&SD and the statistical units established in various government bureaux and departments. Under the Census and Statistics Ordinance (Cap. 316), C&SD conducts statistical surveys which provide an important basis for the formulation of government policies. The surveys are either mandatory (e.g. population census conducted every 10 years and by-census conducted in the middle of intercensal period) or voluntary (e.g. General Household Survey ("GHS") conducted on a monthly basis and Household Expenditure Survey conducted every five years). In carrying out its activities, C&SD follows international standards and practices, such as the Special Data Dissemination Standard of the International Monetary Fund. In 2018-2019, the total expenditure of C&SD was \$666 million.

3. The Committee noted the following findings from the Director of Audit's Report:

Statistical surveys

- during in-depth quality checks of GHS enumerated cases from April 2018 to March 2019, only a small number of error cases were identified by field supervisors compared with those identified by GHS Central Field Team. There were also inadequate follow-up actions on non-contact cases due to wrong/no telephone numbers;
- while a complete sampling frame (i.e. a list of addresses of all quarters in Hong Kong) was necessary to ensure full coverage of target population in conducting Sub-divided Unit ("SDU") Survey in the 2021 Population Census, as of March 2019, there were only about 46 500 SDUs (i.e. about 50% of 92 656 SDUs reported in the 2016 By-Census ("16BC")) in the sampling frame;
- among the 92 656 estimated number of SDUs reported in 16BC, only 50 623 (54.6%) were derived from successfully-enumerated cases, with the remaining 42 033 (45.4%) based on imputation. The heavy reliance on imputation on estimating SDU figures was due to a relatively low success rate of SDU enumeration;

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- in conducting Monthly Retail Price Survey for compilation of the Consumer Price Index ("CPI"), price quotations of consumer goods and services were only collected from local stores/online retailers but not from non-domestic stores/online retailers although there was a growing popularity of online purchases;
- among the 984 CPI items of consumer goods and services in the prevailing CPI basket (which would be updated in a rebasing exercise every five years), as of June 2019, eight items<sup>1</sup> might have become unpopular (i.e. with over 60% of the price quotations without updated price data in the past 12 months);

Population censuses and by-censuses

- for the largest single payment of 16BC (i.e. \$74 million of salary payments to temporary field workers), 884 (61%) of 1 442 attendance records were verified and/or certified before the end of wage period, verified/certified without dates, or without sign-off to prove proper verification and certification;
- in disposal of surplus furniture after completion of 16BC through auctions, a successful bidder in April 2018 posted photographs showing the furniture with logo and name of C&SD onto the Internet to invite buyers, contravening the Terms and Conditions of sales;

Implementation of information systems strategy

- seven of the nine priority projects under the information systems strategy had implementation delays ranging from 1 to 7.8 years, averaging 2.6 years. The reason for the delay in the longest-delay case was the need to review and revise the user requirements and tender documents to include additional system functions;
- there was a lack of common data standards across the 80 End-User Computing systems/applications developed by individual sections of C&SD; and

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<sup>1</sup> These CPI items were: (a) sea perch - live; (b) sea perch - fresh/chilled; (c) mangrove red snapper - fresh/chilled; (d) edible tilapia - fresh/chilled; (e) pigeon - live/fresh/chilled; (f) electronic dictionary; (g) decorative items - wall painting/poster; and (h) school fees - French.

- as of August 2019, the migration of 31 End-User Computing systems/applications running on an obsolete programming language to other updated programming languages was still outstanding.

4. The Committee did not hold any public hearing on this subject. Instead, it asked for written responses regarding the commissioning of statistical surveys, conduct of population census and by-census and implementation of information systems strategy. The replies from **Secretary for Financial Services and the Treasury** and **Deputy Commissioner for Census and Statistics** are in *Appendices 39* and *40* respectively.

5. The Committee wishes to be kept informed of the progress made in implementing the various recommendations made by Audit.