



Central Statistics Office Ireland

Large Cases Unit

Operation of the Large Cases Unit

Ruth O Shaughnessy

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Contents

- Evolution of LCU within CSO
- Institutional structure
- Operation of LCU
 - Interaction with MNEs
 - Company visits
 - Data collection



CSO Consistency Unit

- Established in 1990s
- High concentration of MNEs in a small economy
- Irish institutional arrangements:
 - Trade, National Accounts, BOP, Business Statistics
 - Unit in Tax department of Revenue Commissioners
- Quarterly / monthly data review - improved data quality

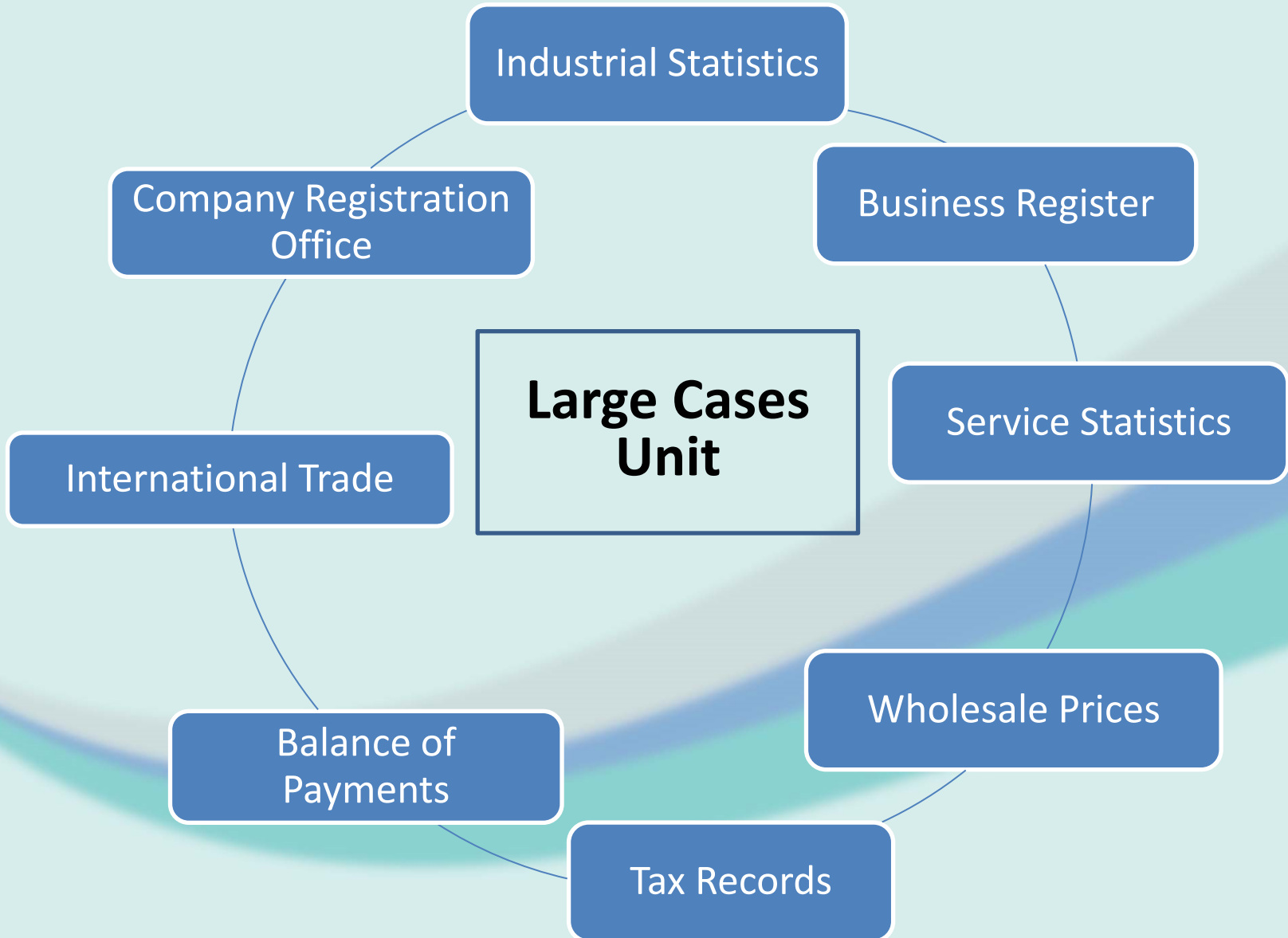


Institutional and Legal Framework

- Statistics Act (1993) gives CSO wide ranging powers to collect / access data for statistical purposes
- Memorandums of Understanding with Central Bank of Ireland and Revenue Commissioners (tax authorities)
- Agreed data strategies with several other Government Departments
- Member of European Statistical System (ESS)
- Agreement with ECB regarding Balance of Payments statistics
- Main initiatives currently relate to greater use of Administrative data and unique coding for businesses, persons and geography.



Large Cases & Consistency Network





Large Cases Unit (LCU)

- Impact of MNEs on CSO outputs – LCU established 2009
- Consistent data across surveys essential for National Accounts
- Centralised unit responsible for all economic data for top MNEs
 - Respondent management / company visits
 - Data collection and editing
 - Analysis and consistency checking
 - Using Micro data to inform Macro aggregates
- ~ 1,500 surveys annually
- 6 full time and 1 part time staff
 - 2 Statisticians, 4 Admin, 0.5 Accountant





LCU Coverage

- Multinational Sectors
 - » Pharmaceuticals / Chemicals
 - » Computer Hardware / Electronics
 - » Food / Drink
 - » Medical Devices
 - » Software
- Company Numbers
 - » ~ 70 Local Units
 - » ~ 60 Enterprises
 - » ~ 40 Company Groups



LCU Objectives

- Build good relationships with companies
- Reduce burden on respondents
- Improve data quality and consistency
 - Initial data quality improvement
 - Incremental / thematic improvements
- Streamline data processing and analysis





Company Visits

1. Policy

- Meet with LCU companies every two years
 - More frequent visits for very large companies
- Build relationships
- Identify and resolve issues





2. Preparation

- Review of company structure
- Review of previous meetings notes and actions
- Review of data to compile meeting agenda
 - Standing agenda items
 - Identify company-specific issues
- Preparation of customised slide deck





Company Visits

Review company structure

Company	Comment
1 XXX International Company	This company is resident in Bermuda and is therefore treated by the CSO as falling outside its scope.
2 XXX Systems International	This company is owned by (1) and is surveyed by LCU. Its ownership is attributed to Bermuda.
3 XXX Ireland Holdings	This company is also owned by (1) and it is surveyed annually by Balance of Payments (“BOP”). Its ownership is attributed to Bermuda.
4 XXX Management Limited	This newly registered company has branches in four foreign countries. Charges flow through the Irish Head Office but at present the level of activity does not require BOP to gather its data and it is far below LCU’s threshold.
5 XXX Holdings Limited	This company is foreign resident and is therefore treated by the CSO as falling outside its scope.
6 XXX International Limited	This company is Irish resident but its activity level at present does not require it to supply data to BOP. It is far below LCU’s threshold.
7 XXX Solutions Limited	This company is surveyed annually by BOP.



Structure of the Irish economy

Contribution of LCU companies (2015)





GDP – Gross Domestic Product

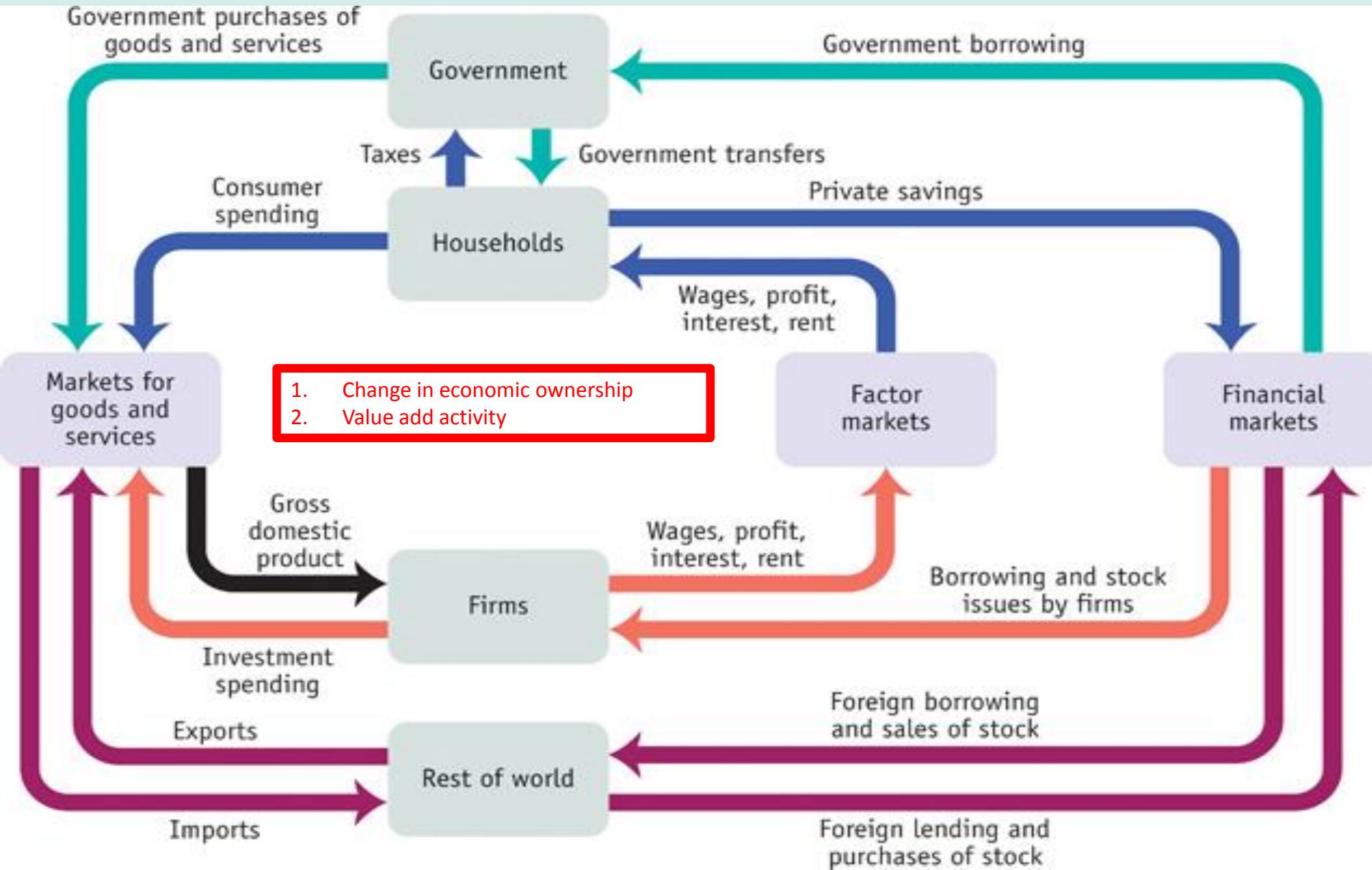
- Income estimate:
 1. profits of companies / self-employed,
 2. remuneration of employees (wages, salaries, pensions and employers' contributions to social insurance)
 3. depreciation (consumption of fixed capital).
- Expenditure estimate:
 1. personal expenditure on consumers' goods and services,
 2. expenditure by public authorities on current goods and services,
 3. gross domestic fixed capital formation and the value of physical changes in stocks,
 4. exports minus imports.

Economic Globalisation: The inward and outward flow of goods, services, and investment across national borders, along with the functions - including functions related to innovation - that enterprises and organisations use to set up, support, and manage these flows.



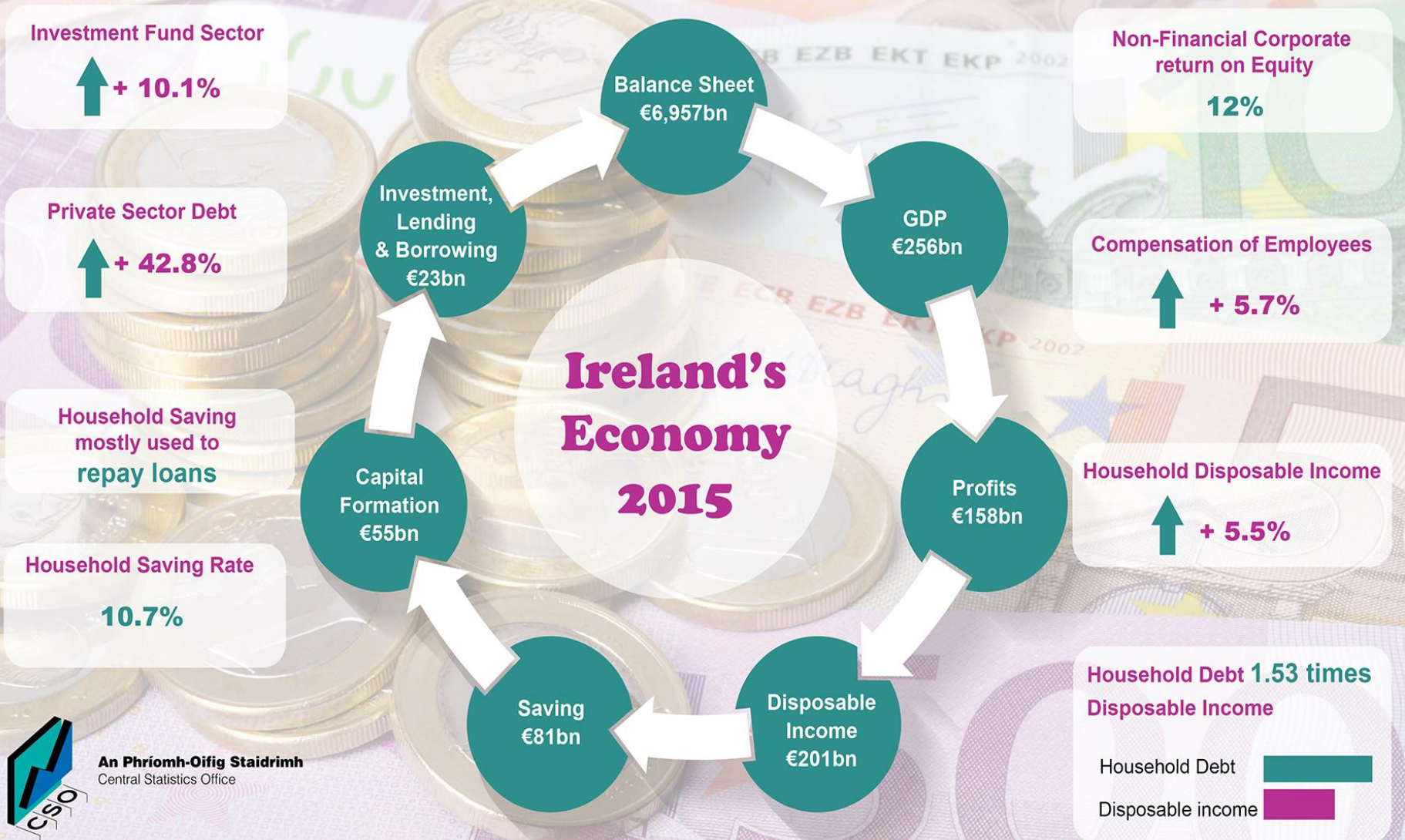


GDP – Gross Domestic Product





GDP – Gross Domestic Product





Statistics Act (1993)

Part V (Protection of Information)

Restrictions on use of information.

32. All information furnished by a person, undertaking or public authority under this Act shall be used only for statistical compilation and analysis purposes.

Prohibition on disclosure of information.

33.(1) No information obtained in any way under this Act or the repealed enactments which can be related to an identifiable person or undertaking shall, except with the written consent of that person or undertaking or the personal representative or next-of-kin of a deceased person, be disseminated, shown or communicated to any person or body except as follows -

- (a) for the purposes of a prosecution for an offence under this Act;
- (b) to officers of statistics in the course of their duties under this Act;
- (c) for the purposes of recording such information solely for the use of the Office in such form and manner as is provided for by a contract in writing made by the Director General which protects its confidentiality to his satisfaction.





Checks carried out by CSO

Basic checks carried out by both LCU and BOP

- Arithmetic accuracy of forms.
- Comparison of one quarter with the previous quarter and the corresponding quarters in prior years.
- Investigation of large fluctuations.
- Comparison of opening balances with closing balances in previous quarter.
- Review of “Transactions” vs “Revaluations”.
- Review of “Transactions” with foreign counterparties.
- Comparison of LCU / BOP forms with accounts filed with CRO.
- Cross checking of very large balances and transactions between entities surveyed, e.g. loan to a manufacturing plant (surveyed) from a treasury (also surveyed).

Additional checks carried out by LCU as a matter of course and by BOP on an exceptional basis

- Comparison of turnover on monthly, quarterly and annual forms.
- Comparison of profits on quarterly forms with annual forms.
- Comparison of turnover on monthly forms with exports (VIMA forms) and with sales (on quarterly forms).
- Review of imports vs COGS.
- Comparison of Revenue data with LCU data.
- Comparison of employment details on annual form with EHECS.
- Review value added in Ireland in light of LCU’s understanding of company.





Main relevant CSO publications

LCU Monthly Form

1. Industrial Production & Turnover: Industrial inquiry index monitoring current trends in the volume of production of industrial local units

<http://www.cso.ie/en/releasesandpublications/er/ipt/industrialproductionturnoverdecember2016/>

LCU Quarterly Form

1. Quarterly National Accounts
<http://www.cso.ie/en/releasesandpublications/er/na/quarterlynationalaccountsquarter32016/>
2. Balance of Payments: A statistical statement that summarises, for a specific time period, the economic transactions of the residents of an economy with the rest of the world.

<http://www.cso.ie/en/releasesandpublications/er/bop/balanceofinternationalpaymentsq32016/>

3. Estimates of the Capital Stock of Fixed Assets

<http://www.cso.ie/en/releasesandpublications/er/csfa/estimatesofthecapitalstockoffixedassets2015/>

4. International Investment Position and External Debt

<http://www.cso.ie/en/releasesandpublications/er/iiped/internationalinvestmentpositionandexternaldebtseptember2016/>

LCU Annual Form

1. National Income and Expenditure: Main National Accounts aggregates and their components

<http://www.cso.ie/en/releasesandpublications/er/nie/nationalincomeandexpenditureannualresults2015/>

2. Census of Industrial Production: Structural information on miscellaneous accounting variables

<http://www.cso.ie/en/releasesandpublications/er/iips/irishindustrialproductionbysector2015/>



Company Visits

3. Meeting

- Preference – office of respondent
 - Access to company colleagues if issues arise
 - Factory visits
- But: remote locations can mean inefficient use of resources
- At least 2 from LCU: accountant and at least one statistician
- Balance in terms of numbers and seniority.
 - Try to meet senior staff (including tax managers)
- Try to give other LCU staff opportunities to attend





4. Post-meeting

- Issue and agree notes and actions with company
- Log actions and information on database
- Follow up

5. Challenges

- Companies are sometimes resistant to meetings
- Time required to set up meetings, travel, document etc.
- Failure of senior company staff to attend.
- Issues identified at meeting may not be resolved.
- Changes in respondents – cannot build relationships / expertise



Process Flow





Administrative Data used by LCU

Data	Administrative Source
International Trade	Revenue / Customs
Corporate Tax	Tax Authorities (Revenue)
Dividend Withholding Tax	Tax Authorities (Revenue)
Statutory Accounts	Companies Registration Office



LCU Survey Areas

Monthly	Quarterly	Annual	Other
Monthly Production Inquiry	Balance of Payments	Census of Industrial Production	Business Enterprise R&D
Monthly Services Inquiry	Quarterly Account Inquiry	Annual Services Inquiry	Community Innovation Survey
Wholesale Price Index (Merchandise Trade)	(Earning Hours and Employment)	PRODCOM	Continual Vocational Training Survey (Business Energy Use)





Customised / Combined Forms

- Reduce duplication of questions
- Reduce number of forms
 - Use of alternative data sources
- Addition of specific questions
- Electronic forms
 - 1 Monthly, 1 Quarterly, 1 Annual
 - Data review of all forms





LCU Monthly Inquiry

Before you begin, you will need...

Your CSO reference number and company type

Please note all values must be reported in **thousands**

About this Survey

Data Confidentiality

CSO Contact Details

Enter your CSO reference number:

Company Type

Production Services

Company Name

Company Name

Month to which figures relate

Select Month / Year

Period Covered

From D / M / Y
To D / M / Y

Please specify currency used in this return

Turnover (excluding VAT) in this period

000's

Merchandising

Total Merchandising Sales

000's

Total Merchandising Costs

000's

Production

Value of Goods Produced in Ireland

000's

Value of Goods Produced Abroad

000's

Please explain any significant differences between data for the current month and previous months

How many minutes did it take to collect the data for this return

Declaration

Return completed by :

Name :

Position :



PROFIT & LOSS

Section A PROFIT & LOSS DATA OF THE IRISH UNIT

1. Income

- sale of goods	
(of which to Irish resident purchasers)	
- price adjustments	
- sale of services	-
- other income	

2. Expenditure

Sales of Services		Total	0
ServiceType	Country	Value	

- 3. Net Interest received by the Irish unit
- 4. Profit of the Irish unit before tax
- 5. Tax payable by the Irish unit
- 6. Profit after tax of the Irish unit

Balance Sheet Summary

	Opening Value	Transactions	Revaluations	Closing Value	Check
1. Assets	0	0	0	0	
A-Equity Investments	-	-	-	-	
A-Stocks & Fixed Assets	-	-	-	-	
A-Trade Receivables	-	-	-	-	
A-Other Assets	-	-	-	-	
Total Assets	-	-	-	-	
2. Liabilities					
L-Trade Payables	-	-	-	-	
L-Other Liabilities	-	-	-	-	
L-Shareholder Funds	-	-	-	-	
Total Liabilities	-	-	-	-	
Check : Total Assets - Total Liabilities	0	0	0	0	



	Revenue	
Turnover from sale of produced goods		,000
: % of which sold to affiliates		%
Goods resold without further processing		,000
Turnover from sale of services		,000
Subsidies received		,000
Other income		,000
Total		,000

	Profit	
Total Revenue		
Total Expenditure		,000
Net Interest Received/(Paid)		,000
Depreciation		,000
Capital and FX Gains/(Losses)		,000
Exceptional Gains/(Losses)		,000
Profit before corporation tax		,000

	Expenditure	
Cost of materials		,000
: % of which purchased from affiliates		%
Cost of goods resold without further processing		,000
Royalties paid		,000
R&D costs		,000
Water charges		,000
Refuse charges		,000
Hire and operational leasing of machinery		,000
Non-capital expenditure on environmental protection		,000
Freight charges		,000
Payments to employment agencies		,000
Indirect taxes paid		,000
Other Expenditure		,000
Total		,000

Additions to Capital Assets		
Land (not built on)		,000
Purchase of existing buildings or structures		,000
Construction or alteration of buildings		,000
Transport equipment		,000
Computer and office equipment		,000
Radio, TV and communication equipment		,000
Plant and equipment for pollution control		,000
Plant and equipment for clean technologies		,000
Other tangible assets		,000
Capitalised Research and Development (R&D)		,000
Computer software		,000
Copyright, patents and licenses for Intellectual Property		,000
Other intangible assets		,000
Total Additions	0	,000
: of which manufactured by enterprise by its own workforce		,000

Disposals of Capital Assets		
Total Receipts from Disposals		,000



Unit Level Editing

Goods Sold: 000 Euro

Goods Sold to IE: 000 Euro

Price Adjustments: 000 Euro

Services Sold: 000 Euro

Other Income:

Cost of Goods Sold (COGS): 000 Euro

Goods purchased from Irish suppliers: 000 Euro

Service Purchased: 000 Euro

Labour Cost: 000 Euro

Depreciation: 000 Euro

Other Costs: 000 Euro

Net Interest Received: 000 Euro

Tax paid: 000 Euro

Reported Profit IE post tax: 000 Euro

Reported Consolidated Profit:

Dividends Payable: 000 Euro

Date of dividend payment:

Goods Sold -- History

11 Rows

Survey Period	Value	Percentage Change
2014Q2	153,672	-11.61
2014Q1	141,686	-4.13
2013Q4	141,612	-4.08
2013Q3	129,311	5.04
2013Q2	135,954	-0.09
2013Q1	118,036	15.08
2012Q4	137,093	-0.92
2012Q3	113,154	20.04
2012Q2	127,444	6.58
2012Q1	124,777	8.86
2011Q4	110,695	22.71

OK





Analysis

- SAS programmes / stored processes
- Data pulled from multiple sources
 - » Annual analysis – more than 400 variables
- Single platform for LCU surveys
- All data matched to register and tagged
 - » Unit ID
 - » Company group
 - » Period : month, quarter, year
 - » Type, NACE
- Aggregated or micro data analysis possible





Consistency Checking

Data Source 1	Data Source 2
Monthly & quarterly turnover	Trade exports
Cost of Goods	Trade imports
Quarterly GVA	Annual GVA
BOP profits	Revenue profits
Stock changes	Production values
EHECS	Quarterly labour wages
Balance sheet transactions	Treasury companies





BOP and National Accounts

Trade Adjustments

- Based on change of ownership principle
 - Contract manufacturing: in Ireland and abroad
 - Price adjustments: point of valuation
- Conceptual adjustments:
 - CIF to FOB, cross border goods, aviation fuel
- Aircraft imports

Positive and negative adjustments are made to imports and exports for multiple companies



LCU Trade Adjustments

Count of LCU companies making export adjustments by quarter

Export Adjustments	Q1 2015	Q2 2015	Q3 2015	Q4 2015
Positive	18	21	18	16
Negative	3	5	9	9
Unadjusted	38	33	32	34
Grand Total	59	59	59	59



Summary

- Evolution of LCU within CSO
- Institutional structure
- Operation of LCU
 - Interaction with MNEs
 - Company visits
 - Data collection

Thank you for your attention.