B. General purpose and description of administrative records

9.7. Administrative records are compiled for regulatory purposes or to support and document the administration of various government programmes, such as immigration regulations, social security benefits, education and public health services. Important potential sources of data for the compilation of statistics on international trade in services include customs records, records of immigration authorities and records of tax authorities.

9.8. The use of administrative data has become a cornerstone of economic statistics programmes in many countries.[1] Administrative data are a valuable source for updating statistical business registers. However, other sources with similar information should also be considered, such as income statements made by public enterprises and public quasi-corporations.

9.9. In some cases, statistical outputs are produced at the national level from information obtained from different administrations and/or from various levels of the same administration. The characteristics of each source are important, as are the differences among the sources and how those differences affect statistical output. For example, different regional offices of the same administrative agency may experience different changes to their budget, capacity and workload, which may influence the timeliness and consistency of the processing and registering of the data.

9.10. Collecting, understanding and documenting information (metadata) about the administrative data sources is critical to the design of the data compilation system. Also, such documentation will improve the coherence of the resulting statistics by helping users to assess the advantages and limitations of data obtained from different administrative sources. The information that compilers should document includes: details of how the variables are processed (e.g., collected and stored), concepts and definitions of data variables, changes in data collection methodologies, available metadata on the coverage and number of data reporters, changes in sample size and/or sample composition, breaks in series for any reason and the time and date that the administrative data were processed and revised. Compilers should also document the features of the environment of the system of administrative recordings, which can influence the quality of such recording; those include changes in regulations pertaining to the scope and composition of administrative data being collected, the level of permanency of the mandate to collect such data, resource requirements and possible interruptions to staffing and technological needs, as well as budgetary constraints.

9.11. Ideally, access to the administrative sources should be guaranteed to compiling agencies by national legislation. However, the availability of legislation is not a sufficient condition for the efficient use of administrative records. A cooperative approach to the development and use of administrative records for statistical purposes is likely to be far more effective for obtaining access to administrative records than an approach based on legal arguments. Managers within organizations that gather administrative information should be sensitized to the importance of the data and contribution of each data provider to the overall statistical system.

9.12. With the increasing role of administrative data in the overall statistical process, clear arrangements between statistics offices and administrative authorities must be in place and reviewed regularly to ensure continuity of the use of those important data sources in the statistical system. The agreements should contain clauses about confidentiality, coding, data transfers and their frequency and the content of the administrative database. Strict measures should be taken within the statistical agencies to ensure that the administrative data records remain confidential, are treated as survey microdata and are used only for statistical purposes.

Advantages and limitations of administrative data

9.13. If administered and maintained properly, administrative records can offer strategic and statistically important advantages over direct collection of corresponding data from respondents. The advantages and limitations of using administrative data must be considered, including the following:

(a) **Methodological soundness** As administrative recording must comply with relevant legal and other administrative concepts and requirements, the resulting records typically conform to the administrative standards of methodological soundness and consistency. Therefore, the use of such administrative records for statistical purposes normally requires transforming them to better approximate statistical concepts. When adequate transformation procedures are developed and systematically applied, administrative records can be a reliable and valuable primary, as well as complementary, source of statistical information (see paras. 9.11 – 9.13);

(b) **Cost** Administrative records are a relatively inexpensive source of information compared with surveys and censuses, which is an important factor for statistical agencies faced with tightening budgets. However, the cost may be higher than anticipated if the administrative data require complex transformation and/or processing to meet statistical requirements;

(c) **Coverage** Because of their nature, administrative records usually have the advantage of covering a large segment of the economy, if not the entire economy. Moreover, owing to the administrative character of the data, non-response is normally negligible and data are subject to substantial scrutiny, which should generally ensure their accuracy. However, statistical compilers should be aware that the coverage and content of administrative records can be subject to discontinuities resulting from changes in regulations or administrative practices. Also, not all variables in administrative records may receive the same level of attention; for example, revenues may be examined closely, whereas less effort may be devoted to ensuring that industry codes are correct. Nonetheless, with the increasing demand to produce statistics for small domains, in which sample surveys may be difficult to implement, administrative records represent a valuable alternative or complement to sample surveys, when the limitations above are considered and addressed;

(d) **Periodicity and timeliness** The availability and timeliness of administrative records may not align well with the data release deadlines of statistical agencies. For example, individuals and/or entities may not be required to report to administrative agencies at common intervals, resulting in some data being reported monthly, while other data are reported quarterly or annually. Moreover, annual data may be presented in administrative records on a calendar year basis or on a fiscal year basis. There may also be delays before the administrative data can be used and procedures established for allocating the records to the proper period;

(e) **Response burden** Administrative records allow for the reduction of the burden of statistical inquiries made by compiling agencies. Administrative records can be adapted to and compared with data collected by other methods, such as surveys, for validation purposes. Linking administrative records to other administrative data sets, survey data or census data is increasingly being performed to produce richer data sets for statistical use;
Administrative records can be used to complement survey data and, in the absence of information owing to such issues as non-response to surveys, administrative data can be very useful in the imputation process.

9.14. In order to make administrative records useful for statistical compilation, it is necessary to show how the concepts, definitions and classifications of administrative data can approximate the economic variables required by the statistical system. For example, a correspondence table can be established that describes how business accounting data are linked to the economic variables of the statistical agencies. Methodologies incorporating economic accounting concepts and definitions should be developed for the ways in which administrative data can be used as extrapolators for economic data collected from official surveys and censuses.

9.15. Additional work is needed to link the legal entities used by administrative authorities to the enterprises and establishments used by statistical agencies. One of the prerequisites for using administrative data is to rigorously map the relationships among the various structures of entities maintained by administrative departments and statistical agencies. This is necessary to avoid duplication in coverage and to match up information from various sources. Some countries have a unique identifier for economic units that is used by all administrative authorities. This greatly facilitates the integration of administrative records into the statistical system.

9.16. When using administrative records, it is good practice for the files used for statistics to be separate from the system in which the administrative records and transactions are stored for operational use. The separation enables compilers to manipulate the data without interfering with the administrative processes. It also helps to maintain the integrity and consistency of the data and preserves the confidentiality of the outcomes of statistical editing and adjustment.

Next: C. Examples of administrative records

[2] See chapter 3 for more information on effective institutional arrangements.