

## BREACH OF THE CODE OF PRACTICE FOR OFFICIAL STATISTICS

This document reports a breach of the Code of Practice for Official Statistics, or the relevant Pre-release Access to Official Statistics Orders, to which the Code applies as if it included these orders.

### 1. Background information

Name of Statistical Output (including weblink to the relevant output or 'landing page')

UK Trade March 2013 (published 10 May) and Index of Production March 2013 (published 9 May)

Name of Producer Organisation

Office for National Statistics (ONS)

Name and contact details of the statistical Head of Profession (Lead Official in an Arm's Length Body) submitting this report, and date of report

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### 2. Circumstances of breach

Relevant Principle/Protocol and Practice

Protocol 2 release practices:

**Practice 7:** "Subject to compliance with the rules and principles on pre-release access set out in legislation, limit access before public release to those people essential for production and publication, and for quality assurance and operational purposes. Publish records of those who have access prior to release."

**Practice 8:** "Ensure that no indication of the substance of a statistical report is made public, or given to the media or any other party not recorded as eligible for access before publication. Report to the National Statistician immediately any accidental or wrongful release, and investigate the circumstances."

Date of occurrence

Occurred at the Monetary Policy Committee (MPC) on 8 and 9 May 2013.

Nature of breach (including links with previous breaches, if any)

This was a breach of the pre-release access rules by the Bank of England at the MPC on 8 and 9 May 2013.

A member of the Bank of England Court's Oversight Committee was at the May MPC meeting where pre-release information on UK Trade and/or the Index of Production was shared with MPC members (who all have pre-release access). This new member had not yet been granted pre-release access.

A member of the MPC Secretariat realised the issues during the policy meeting on 8-9 May when the information was revealed. They sought confirmation from the relevant Bank staff that a form had been signed. When it was realised that had not occurred the Bank alerted ONS to this. Due to the investigation that had been required to establish a breach had occurred there was a time delay in reporting this and the Bank advised ONS of the inadvertent breach on 16 May 2013.

Reasons for breach

The pre-release arrangements for the monthly MPC meetings have been in place for several years. Under this framework, the Governor provides a verbal update at the policy meeting with respect to any indicators for which he has been granted pre-release access. This may not happen at every meeting – it will depend on when the meeting falls relative to the indicator release date – and all MPC members and Bank staff who regularly attend the meeting have been approved for pre-release access for the information in question.

The pre-release breach arose as a consequence of the reform of governance that is going on within the Bank, designed to hold Bank staff to greater accountability. This includes giving a bigger role for the Bank's Court of Directors (the equivalent of their Board of non-executives). The Bank therefore decided that a member of the Court's Oversight Committee should in future attend the monthly MPC meetings.

As background, this is a statutory sub-committee of the Court that has the principle function of keeping under review the performance of the Bank in relation to its objectives and strategy. Under the Financial Services Act 2012, the Bank of England Act 1998 was amended to provide for 'one or two members of the Oversight Committee [to] attend any meeting of the Financial Policy Committee or the Monetary Policy Committee'.

This was the first such occasion when a member of the Oversight Committee was in attendance and the proper paperwork relating to additional pre-release access had not been completed by the Bank.

### **3. Reactions and impact (both within the producer body and outside)**

There was no reaction outside of the Bank and ONS. The Bank has expressed their sincere apologies and sought to prevent the error in future. The breach only affected the UK Trade and Index of Production releases as no other pre-release information was available to the meeting at this time.

#### **4. Corrective actions taken to prevent reoccurrence of such a breach (include short-term actions, and long-term changes made to procedures)**

Following this breach the Bank has taken action to ensure that all staff are now aware that anyone attending MPC is required to have pre-release access.

- The member of the Oversight Committee who had been in attendance at MPC without pre-release access was also made aware of their responsibilities verbally.
- The member of staff within the Governor's Office who is responsible for ensuring pre-release access is granted to those individuals attending the meeting was also reminded of their responsibilities.
- The Bank ensured that all staff within the department who have already been granted pre-release access have been emailed, reminding them of their individual responsibilities.

ONS and the Bank have been in close contact over the issue to ensure that i) the proper measures are put in place to ensure that all staff are aware of the need for pre-release access if attending MPC and ii) that the specific issue is dealt with. On the latter, the Bank has submitted a business case to extend the current pre-release access arrangements to all members of the Oversight Committee (as any member could attend MPC in a given month). It should be noted that no member of the Oversight Committee is sent pre-release information, access is to cover the potential of pre-release information being discussed at a MPC meeting where they are present. Such an extension of pre-release access means that the risk of breaching again in this way is eliminated. It should be noted that all instances of pre-release access are currently being reviewed by ONS with a view to minimising those who receive access. This is being discussed by Authority Board in autumn 2013.

This business cases for pre-release access for Oversight Committee members were submitted to ONS on 22 May and approved on 8 July. For the June MPC meeting two members of the Oversight Committee were yet to return their signed declarations meaning they were not yet granted pre-release access. This was understood by the Bank and the staff and no further breaches occurred.

Work has also confirmed that in some months, the advance estimate of the Consumer Price Index may also be shared in MPC and that this should be included in any pre-release access given to MPC members. This is already the case.

The delay in advising ONS of the breach has been discussed and staff in the Governor's Office have been reminded of their over-arching responsibility to report any breaches immediately and will make every effort to do so in future.

The breach will be submitted to the ONS Board as a matter of course. The corrective actions are being tracked to closure by the Bank of England, business area and the corporate centre.