

Follow-up Audits Report by the National Audit Office 2021

Volume II





Follow-up Audits Report 2021

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Report by the Auditor General
October 2021

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Foreword

Like most other national audit institutions, the National Audit Office (NAO) reaffirms the critical importance of having in place a reliable follow-up mechanism essentially to be aware of the level of implementation by the Executive of the recommendations made by the respective audit teams. These recommendations are a fundamental aspect of each and every audit assignment since they are meant to address any shortcomings or issues identified during the carrying out of the audit. This is in line with the NAO's main objective of enhancing good governance across the public sector.

The second Part of this follow-up assignment, which complements the first Part which we issued in June 2021, focuses on audit assignments carried out by two other Sections within the Office, namely the Performance Audit and the IT Audit teams. In a nutshell, as in the case of Part I, the scope of these follow-up assignments was to check with the respective auditees on the developments of the audits carried out and evaluate the extent to which the recommendations put forward by our audit teams were actually acted upon. This essentially entailed the analysis of comments and related supporting evidence, together with any additional information and clarifications, which were requested to substantiate such assertions.

The extent of implementation in respect of each individual audit is shown in the Table being inserted after this Foreword.



Charles Deguara
Auditor General

October 2021

GUIDELINES FOR THE CLASSIFICATION OF THE IMPLEMENTATION OF RECOMMENDATIONS FOLLOWED UP BY THE NATIONAL AUDIT OFFICE

RATING	EXPLANATION
Fully Implemented	The action taken met the intent of the recommendation and issues were rectified. Structures and processes were in place to prevent a repetition of shortcomings. Sufficient evidence was provided to demonstrate action taken.
Partly Implemented	<p>This category encompasses one or more of the following considerations:</p> <ul style="list-style-type: none"> • Action taken was less extensive than recommended by the National Audit Office. Action either fell short of the intent of the recommendation, or only addressed some of the identified risks and/or issues. • The auditee may have established structures and processes but only within some parts of the organisation, although some achieved results were identified; however, plans exist for the full implementation of the recommendation. • The specific action noted in the recommendation was not complete at the time of the assessment. • The auditee may have commenced action to address a recommendation, but subsequent policy changes may have influenced how it might be implemented.
Significant Progress	The auditee demonstrated that it made all preparations for implementing a recommendation, including a clear path (plan) duly approved at the proper executive level. It also showed that it had a clear timeline for completion and closure of the issue.
Insignificant Progress	<p>This category may include one or more of the following:</p> <ul style="list-style-type: none"> • Action to address recommendation was very limited. • No supporting evidence that action has been undertaken. • Albeit unintentional, action taken does not address the recommendation. • Actions such as having meetings, discussions and generating informal plans, should be regarded as insignificant progress.
Not Implemented	<p>No effort was made by the auditee to address the recommendation. <i>(This may also include those instances where the auditee did not provide any evidence suggesting efforts to implement the recommendation.)</i></p>
Not Accepted	The auditee did not accept the recommendation in the first instance.
No Longer Applicable	In instances when the recommendation ceased to apply.

Title of Follow-up	Developments					Totals	Implemented in Full or in Part, or Significant Progress registered
	Fully Implemented	Partly Implemented	Significant Progress	Insignificant Progress	Not Implemented		
The use of IT Systems to identify the skills and professional development within the Public Service	12	3	5	0	0	20	100%
Cyber Security across Government Entities	23	1	9	0	1	34	97%
A Strategic Overview on the Department of Fisheries and Aquaculture's Inspectorate function	1	2	3	4	0	10	60%
A Review on the Contract for MCH's Clerical Services	7	5	0	1	3	16	75%
The Designation and effective management of Protected Areas within Maltese waters	7	1	0	0	0	8	100%
Totals	50	12	17	5	4	88	79
Totals in Percentage	57%	14%	19%	6%	4%	100%	90%

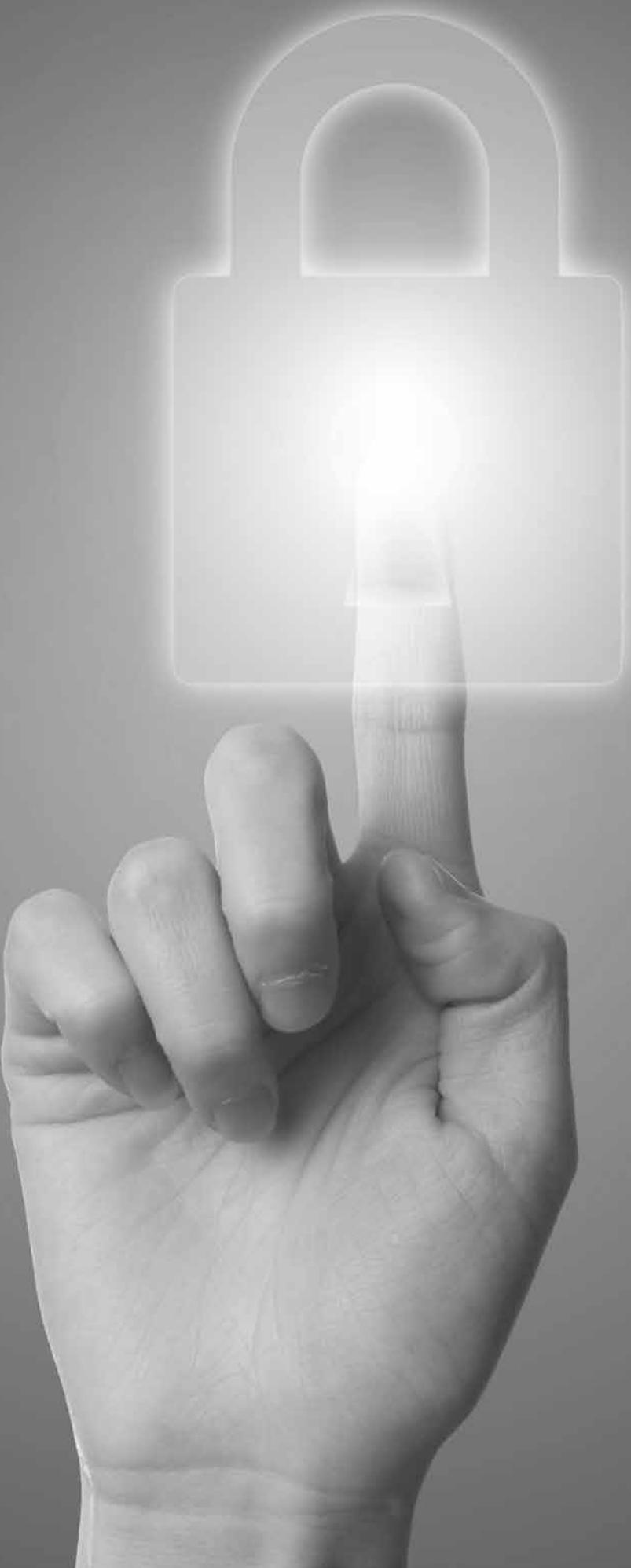
List of Abbreviations

The following is the list of abbreviations used throughout the report:

AFM	Armed Forces of Malta
AMS	Absence Management System
AMS	Asset Management System
BCP	Business Continuity Plan
CBE	Capacity Building Exercise
CED	Compliance and Enforcement Directorate
CEO	Chief Executive Officer
CIO	Chief Information Officer
COM	Conservation Objectives and Measures
CPSU	Central Procurement and Supplies Unit
CRPD	Commission for the Rights of Persons with Disability
CSD	Continental Shelf Department
CSD	Corporate Services Directorate
DFA	Department of Fisheries and Aquaculture
DOC	Department of Contracts
DP	Data Protection
DRP	Disaster Recovery Plan
EHD	Environment Health Directorate
EPA	Environment Protection Act
ERA	Environment and Resources Authority
ERD	Environment and Resources Directorate
EU	European Union
FCU	Fisheries Control Unit
FIS	Fisheries Information System
GDPR	General Data Protection Regulation
HOO	Head of Operations
HR	Human Resources
HRIMS	Human Resources Information Management System
ICT	Information and Communications Technology
IPA	International Protection Agency
IPS	Institute for Public Services
IT	Information Technology
IUCN	International Union for Conservation of Nature
MCH	Mount Carmel Hospital
MECP	Ministry for the Environment, Climate Change and Planning

MedPAN	Mediterranean Marine Protected Areas Network
MESDC	Ministry for the Environment, Sustainable Development and Climate Change
MFC	Malta Freeport Corporation
MFE	Ministry for Finance and Employment
MFED	Ministry for Education
MFH	Ministry for Health
MFIN	Ministry for Finance
MFJG	Ministry for Justice and Governance
MHS	Mental Health Services
MHSE	Ministry for Home Affairs, National Security and Law Enforcement
MITA	Malta Information Technology Agency
MoU	Memorandum of Understanding
MPA	Marine Protected Area
NAO	National Audit Office
NASMS	National Asylum Seekers Management System
NBSAP	National Biodiversity Strategy and Action Plan
NGO	Non Governmental Organisation
NSE	National Strategy on the Environment
OPM	Office of the Prime Minister
PAHRO	Public Administration Human Resource Office
PCRB	Public Contracts Review Board
PoM	Programme of Measure
RHIB	Rigid-Hulled Inflatable Boat
SFTP	Secure File Transfer Protocol
SPAMI	Specially Protected Areas of Mediterranean Importance
TM	Transport Malta
TMS	Training Management System
UN	United Nations
VMS	Vessel Monitoring System

Information Technology Audits



The use of IT systems to identify the skills and professional development within the Public Service

Background

In 2018, the National Audit Office (NAO) published an Information Technology (IT) audit report to analyse the extent and effectiveness of the use of IT systems in the identification of skills, professional development, and training needs across a selected number of Ministries. This IT audit looked into Human Resources (HR) Management in the Public Service, focusing mainly on how the four selected Ministries, namely the Ministry for Finance and Employment (MFE), the Ministry for Education (MFED), the Ministry for Justice and Governance (MFJG) and the Office of the Prime Minister (OPM), identified and developed the necessary skills/competencies of their own workforce, together with any related professional needs.

In this report, the NAO had focused its study on three main areas, namely the role of the Research and Personnel Systems Directorate within the People and Standards Division; how the selected Ministries comply with the directives and policies issued by OPM; and how they maintain the confidentiality and integrity of their HR data.

The 2018 report had concluded that the selected Ministries did not have a uniform formal approach for the identification of skills that their Ministries/departments required, nor did they have the tools in place to achieve that objective. Only MFED, to a certain extent, could identify the skills/qualifications of their teaching workforce in Government schools. Furthermore, Ministries were limited in their ability to plan ahead and fill the workforce capability gaps in a comparable or structured way due to the fact that the Skills and Qualifications module of the Dakar system was not implemented yet across Government. The NAO had also questioned how employee-training needs analysis were carried out within the selected Ministries, given that basic information of professional/training courses attended by Public Service officers were not being maintained by the respective Ministries.

Audit Scope and Methodology

In view of the findings and conclusions emanating from the 2018 IT audit report, the NAO had proposed a number of recommendations, the implementation of which is the primary focus of this follow-up IT audit.

Online introductory meetings were held with senior officials of each of the four Ministries, to explain the scope behind this audit exercise and to highlight the key issues that were raised in the previous report. These issues were then presented to the respective Ministry in the form of a checklist, to obtain an update of the actions taken and verify whether they had addressed the highlighted issues. The replies from each Ministry were analysed, and supporting evidence was requested to substantiate any assertions made and to establish the extent of the progress made. The latter were assessed against a scale to determine the level of implementation of the recommended actions.

For reference purposes, the findings and recommendations highlighted in the 2018 report are reproduced in grey text below.

Key Issues

Human Resources Information Management System

Ministry for Education

“For GP47 purposes, the new updated HRIMS does not allow MEDE Administration to extract information on unpaid leave (Absence History) prior to 2014. Some limited information is available from DAKAR ... the NAO recommends that the Directorate ensures that all the functionalities and data residing on the existing HRIMS application are included in the new system.”

Developments: Fully implemented

MFED were granted access and could now extract reports directly from the Dakar application.

Ministry for Finance and Employment

“The NAO observed that while some Ministries (MEDE and MJCL) have access rights to amend only personnel details (ex. surname, marital status, telephone number and home address) another Ministry (MFIN) only has read-only access. The NAO observed that Central MFIN are under the impression that they only have read-only access on the Human Resources Information Management System (HRIMS). Thus, in the event that a small change in home address, surname or contact number is required, an e-mail is sent to the Research and Personnel Systems Directorate within OPM to update HRIMS and amend the personnel details accordingly ... the NAO recommends that the Research and Personnel Systems Directorate ensures that all the Ministries should follow a common process flow and in this case, personal details should always be updated directly on HRIMS by the respective Ministries and line departments.”

Developments: Partly implemented

Officials within MFE’s HR units and line departments can post remarks on HRIMS, which are then updated by officials from the Research and Personnel Systems Directorate within the People and Standards Division.

Office of the Prime Minister

“A number of inconsistencies between the different Ministries and line departments were observed by this Office in terms of who is responsible to update personal details on HRIMS ... The NAO notes that apart from obvious inconsistencies of administration/management of data between the different Ministries, this increases the possibility of errors due to the additional human input in the process ... the NAO recommends that the Research and Personnel Systems Directorate ensures that all the Ministries should follow a common process flow and in this case, personal details should always be updated directly on HRIMS by the respective Ministries and line departments.”

Developments: Significant progress

With the advent of the *Personnel* module, intended to be the central IT system to which all Dakar modules will be connected, the dependence on HRIMS will decrease, and eventually this system will be decommissioned. Currently, Dakar payroll plays a very important central role and all the details of employees within the Public Service must be inputted onto this module to feature in any of the other Dakar modules. It is envisaged that once the new *Personnel* module is implemented across Ministries and line departments, details of new employees

will then be inputted by the respective Ministry. All the data is inputted into the system in real time, making this whole process much faster and accurate.

“This Office was also informed that whilst certain officials within the Ministry’s HR departments can modify minor personnel details in the current HRIMS application, the new HRIMS web portal does not permit any official within the Ministry’s HR departments to modify any personnel details, with the only exception that they can type in any remarks in the appropriate box ... the NAO recommends that the Directorate ensures that all the functionalities and data residing on the existing HRIMS application are included in the new system.”

Developments: *Partly implemented*

When it comes to responsibilities to update personal details on HRIMS, it is to be noted that all responsibilities for the updating of data was explained to line departments from the outset, that is, line departments were responsible for the updating of a number of fields, like the employees’ home address, level of education, etc., whilst the People and Standards Division were responsible for inputting new employee details into the system, terminations, progressions, and promotions. Such information was and is still being retrieved from the ‘*Employment Movements Information Sheets*’, which are received from line departments every month, or whenever changes in personnel details are required. Information is also retrieved from letters of appointment and copies of employment contracts, which are regularly received from line departments. Despite all this, some Ministries were not aware that they could make changes in HRIMS, and thus they send all the information to the Research and Personal Systems Directorate to update the personnel records accordingly. This situation will be rectified towards the end of this year when the new *Personnel* module will be implemented across all Ministries. In this regard, line departments will be able to enter data of their employees in real-time as soon as any approvals or letters of appointment are issued, whilst the Research and Personnel Systems Directorate will then assume a more monitoring role.

Dakar System

Ministry for Finance and Employment

“With reference to the skills, knowledge, qualifications, experience, and special abilities of every Public Service officer within Central MFIN, the NAO was informed that Central MFIN do not keep any records to keep track of an individual’s skills profile, notwithstanding the fact that the skills profiling exercise was carried out in 2010. However, it was also explained that discussions are currently underway within MFIN to address this issue, particularly taking into consideration the Skills and Qualifications module, which should be incorporated with the existing Dakar systems and implemented across the Public Service in 2017 ... the NAO opines that unless the Skills and Qualifications module of the Dakar system is implemented across Government, Ministries will be limited in their ability to plan ahead and fill the workforce capability gaps in a comparable or structured way.”

Developments: *Fully implemented*

Since the conclusion of the IT audit report in 2018, OPM has recently implemented the Dakar’s *Skills and Qualifications* module across all Government Ministries and line departments. User training was provided only to key officials within the HR unit (including MFE) who will be administering this module within their respective Ministry and line departments.

In the meantime, OPM has introduced a new module on Dakar, namely *My Personal Kiosk*¹, whereby every official within MFE was instructed to update their profile through an e-form when logging on to their *My Personal Kiosk*. This will ensure that every individual is responsible for their personal upkeep of their personal records and qualifications, to be used for future career paths and progressions within the Public Service.

Ministry for Justice and Governance

“The NAO was informed that the HR section was collating a database, also in Microsoft Excel format, related to qualifications, knowledge and skills attributed to MJCL’s personnel. In view of the fact that a similar exercise was already carried out across the Public Service in 2010, the HR function clarified that since the Ministry’s portfolio had vastly changed since then, the HR function felt the need to refresh and update the qualifications, knowledge and skills database pertaining to MJCL’s personnel. In this regard, this process is still in its initial stages and the HR function has only recently started collating such information. Whilst the NAO commends the initiative, the HR function admitted that this was not an easy task and understands the fact that employees might not fully co-operate, since not everyone is willing to divulge all the academic qualification that they possess ... the NAO opines that unless the Skills and Qualifications module of the Dakar system is implemented across Government, Ministries will be limited in their ability to plan ahead and fill the workforce capability gaps in a comparable or structured way.”

Developments: Fully implemented

Following the implementation of two new Dakar modules in 2020, namely the *My Personal Kiosk* and the *Skills and Qualifications* module, the MFJG has been collecting data regarding employees’ skills and qualifications ever since. Such data is then forwarded to the People and Standards Division for uploading on to the respective module. Once the data is uploaded, these are also visible on the *My Personal Kiosk* module. In the process, the Ministry’s CSD is also vetting the original skills and qualifications certificates to ascertain authenticity.

In addition, a separate Microsoft Excel database is maintained by the Ministry’s HR unit to monitor the list of staff who have complied with this exercise. Finally, before any request for qualification allowance is approved by the Ministry’s CSD, the HR unit ensures that the qualification in question has been uploaded on the *Skills and Qualifications* module.

Office of the Prime Minister

“With regard to the data already collated as part of the skills profiling exercise, the Skills and Qualifications Module of Dakar was almost completed and was ready to be launched across the Public Service last year, but, as mentioned in the NAO report, all efforts had suddenly to be diverted from this module onto the new Performance Appraisal module, which was considered as more urgent at that time. So, the Skills and Qualification module had to be temporarily postponed. Still, no time has been lost, since the Directorate has embarked on a cleansing exercise of the data submitted and it is the intention of this Directorate to launch this module with ‘cleaned’ data. Naturally, all departments would need to contact each individual to complete any missing qualifications details. This Directorate should also ensure that new entrants within line departments are, actually, being asked to complete a form, electronic or otherwise, which will be used to populate the fields of this module ... the NAO opines that before the Skills and Qualifications module is implemented across the Public Service, the Research and Personnel Systems Directorate ensures that all the information relating to existing Public Service employees is updated before the data is migrated into the new module, including those employees who were newly recruited within the Public Service since the exercise was first carried out.”

¹ <https://mypersonalkiosk.gov.mt/> - This application, which is accessible through e-ID, is intended to show personal details, salaries, allowances, and absences of individuals who are presently being paid from the central payroll system of the Public Service of Malta.

Developments: Fully implemented

The skills profiling data was cleaned, standardised, and uploaded onto the *Skills and Qualifications* module. All the skills and qualifications' data is now also visible from *My Personal Kiosk*. Upon logging to the system through their e-ID credentials, users can input details of their qualifications and upload scanned copies of their qualification certificates online through an e-form. Users must then call at their Ministry's CSD and present the original documentation for verification purposes. An authorised person from within the Office of the Director of Corporate Services will verify the document and tick the related checkbox on the *Skills and Qualifications* module.

"There are a number of Public Service officers who cannot access the Performance Appraisal module, due to the fact that they authenticate to a different Domain Controller (ex. iLearn (Schools), AFM, Embassies Domains). Since the Dakar application is only integrated with the CORP Domain, ideally all users should authenticate on the same (CORP) Domain. Upon enquiry by the NAO, the Research and Personnel Systems Directorate stated that together with MITA, they are trying to find a workaround so that all Public Service officers would be in a position to use the new Performance Appraisal module. The same applies to Public Service officers who are not on the Government Payroll, typically being engaged by a Public Sector entity (ex. Foundation for Medical Services personnel could not use the Performance Appraisal module initially). In this regard, the NAO was informed that as a temporary solution, these Public Service officers were still set up with a 'limited' account on the Dakar Payroll module, with no salary scale or amount being allotted, to enable these users to access this Performance Appraisal module from the Dakar system."

Developments: Fully implemented

The problem to authenticate across different Domains has been resolved. To date, all Public Service personnel can log into the various modules of Dakar HR Suite through their CORP Domain credentials, with the exception of iLearn users, who could still access the various Dakar modules using a separate password.

"Upon enquiring on the Ministry/department users' acceptance and uptake of the new module, the two officers within the Research and Personnel Systems Directorate, commented that as at the time of the site audit visit (6th April 2017), there were still a number of users who had not yet even logged on to the new system, even though, at the latest, this should have been accessed by end January 2017 (being the latest date when the 2016 Performance Appraisals were due for submission) ... the NAO encourages the Research and Personnel Systems Directorate to ensure that this new system is perceived as a proactive form of Public Service officer appraisal through which Management can support team members and increase their engagement, motivation and job performance."

Developments: Fully implemented

The Research and Personnel Systems Directorate constantly monitors the progress of all employees eligible for a performance appraisal and regularly informs the respective Ministry's CSD by giving details of the missing appraisals for each year. To simplify matters, as from this year, every Ministry's CSD was provided access to monitor all the appraisals that fall within their remit.

"The Research and Personnel Systems Directorate stated that a few enhancements should be implemented to the current Performance Appraisal module (ex. to minimise the number of tabs visible on screen) according to the different stages (ex. Initialisation of Appraisals, Start-of-Year, Mid-Year, and End-of-Year) and/or levels (ex. Appraisee, Next-level Supervisor), which are aimed at making the system/process more user friendly. Furthermore, the NAO was also informed that a number of enhancements and alerts (about 47 in total) for this module are in the pipeline, and it is planned that these should be implemented by May 2017. However, the NAO was not informed of any progress registered in the implementation of these enhancements ... the NAO commends the effort involved in moving from a manual to an electronic Performance Appraisal process and encouraged the Research and Personnel Systems Directorate to ensure that this new system is perceived as a proactive form

of Public Service officer appraisal through which Management can support team members and increase their engagement, motivation and job performance.”

Developments: Fully implemented

The system was upgraded with a system of alerts and e-mails. In this context, when a supervisor completes a user’s appraisal and saves it, the respective user will receive an e-mail notification stating that his/her appraisal has been completed. The *Performance Appraisal* module was also configured to automatically send e-mail notifications to all supervisors in January and June of each year, to remind them that the mid-year or the final stage is due.

Ministry-level Human Resources Systems

Ministry for Education

“The NAO observed that MEDE utilizes a specific reporting application, referred to as Foxfire, to retrieve data from the HRIMS application and extract data to determine which MEDE Public Service officer is eligible for a career progression in a particular year in Microsoft Excel worksheet. Foxfire is installed on a shared network drive and can only be used by one user at a time ... the NAO is of the opinion that such processes and methodologies should be streamlined and consistent throughout each Ministry or line department.”

Developments: Fully implemented

MFED are nowadays issuing such reports directly from the Dakar application.

“The NAO was informed that MEDE intends to phase out the current STS application together with the Pearson e1 application and replace them with two separate data management systems ... the STS application will be replaced with a new Records Management System (RMS), which will be integrated with the current Dakar application, and which will include details of all teaching staff as well as any teaching and non-teaching grades within MEDE ... the Pearson e1 application will be replaced with a Management Information System (MIS), which will be integrated with the new RMS application. The MIS will mainly contain information on all the students enrolled in all Government schools. Any related teacher information required could then be retrieved from the RMS application.”

Developments: Significant progress

Following the previous audit exercise, the NAO was informed that MFED do not intend to phase out the STS application, as it is considered a very important tool for the management of all educators employed in State schools. In this regard, it is envisaged that the STS application is integrated with the centralised Dakar application, so that all the relevant data could then be accessed centrally from *My Personal Kiosk*.

In the meantime, MFED stated that whilst the MIS application was implemented to keep records of all the students who attend State schools, the implementation of the RMS application was no longer required, as details of all teaching and non-teaching grades, can be inputted and retrieved from the centralised Dakar application already in use within the Ministry.

Ministry for Finance and Employment

“The NAO observed that the preparation of progressions and promotions concerning Central MFIN employees is carried out manually from start to end. In fact, at the end of the year, Central MFIN manually goes through every physical personal file stored within the office, and every Public Service officer who is eligible for a progression

or promotion in the upcoming year is manually listed in Microsoft Excel worksheet. To supplement this, Central MFIN also records eligible Public Service officers on the HR office's generic mailbox calendar throughout the year to notify them when a particular Public Service officer within Central MFIN is due for a progression or promotion. Throughout this whole process, Central MFIN does not use the HRIMS application to extract any data related to positions, substantive grades, dates of last promotions/progressions and dates when next promotions/progressions are due. Instead, as highlighted earlier, all this is carried out manually by going through all the physical personal files (around 172 personal files and record all the necessary information in a Microsoft Excel worksheet. As a result, the NAO notes that this manual process is lengthy to complete, when this whole process can be partly facilitated by extracting a report from HRIMS and saving the report data in Microsoft Excel format. In addition, the NAO also observed that the current manual process unnecessarily increases the possibility of errors due to the high dependency on human input ... the NAO is of the opinion that such processes and methodologies should be streamlined and consistent throughout each Ministry or line department."

Developments: Significant progress

In the beginning of 2021, MFE took the initiative to reduce the use of various Microsoft Excel sheets to the bare minimum, with the introduction of a new web-based application within the Ministry. The new application, which was developed by a local-third party supplier, is still in its testing phase and for the time being, it is only being used within the central MFE. The application is similar to an electronic personal file, whereby all the data related to who is working on teleworking, reduced hours, maternity leave, individuals due for career progression, etc. is being centralised in one location. For instance, the officer in charge for career progressions and promotions within the HR unit, inputs all the information pertaining to that individual who is eligible for a career progression during a particular year, so that when the due date arrives, an e-mail notification is automatically sent to the officer in charge for career progressions and promotions to kick off the process. All this data inputted into the system is displayed on the calendar of the online application, which is visible to all the officials working within the HR unit.

Office of the Prime Minister

"In terms of the widespread use of Microsoft Excel worksheets, the NAO acknowledges the fact that such worksheets are very useful, particularly when filtering data after generating a report from an existing HR system. Such worksheets also facilitate the Public Service officers' day-to-day operations especially if an HR IT system does not offer the required functionality (for instance, to record who is teleworking). However, the NAO is concerned that overall, there is substantial manual inputting and possible duplication of processes, which are more prone to human errors. For instance, it was observed that every Ministry selected for the purpose of this IT audit, records all absences (whether it's vacation, study, sick, cultural leave etc.) in such Microsoft Excel worksheets, since the users usually feel that these worksheets are more practical and give them better control of such movements. At the same time, these users have continued to record these absences manually on the Public Service officer's personal card (such as vacation leave) or the 'yellow card' (for sick leave) amongst other manual documents. In addition, certain types of absences, such as (vacation leave) are also being inputted in the Dakar's Absence Management module since the introduction of this application. The NAO recommends that such manual processes, especially the use of these 'cards', are phased out completely, whilst all kinds of absences are eventually recorded centrally into the Dakar's Absence Management module."

Developments: Partly implemented

With regards to absences, line departments are now keying-in all absences onto the Dakar's *Absences Management System (AMS)* module. All absences availed of by each employee are also shown on *My Personal Kiosk* after logging into the system. Towards the end of this year, it is envisaged that vacation leave applications and approvals will start to be performed through *My Personal Kiosk*.

Professional Development Across Ministries

“The NAO observed that none of the selected Ministries keep track of those Public Service officers within their Ministry who may have attended one of the courses on offer at the Institute for the Public Services (IPS) ... the NAO observed that certain Ministries keep a separate physical file to record those individuals who attended specialised training courses, which are offered either locally or abroad. Whilst this Office commends this initiative taken by the respective HR sections, however the NAO is of the opinion that unless this information is stored electronically, kept centrally, and made available to all the relevant entities/departments, such specialised training courses may remain unnoticed unless the HR section or line managers recall that such information is kept aside in a separate physical file ... In this context, the NAO questions how the training needs analysis is carried out within the selected Ministries to establish the areas and priorities for training, especially when a performance appraisal is carried out, if a basic list/record of those Public Service officers who attended any training courses/seminar during a particular year is not being kept ... the NAO believes that line managers should maintain and have access to professional development and training courses attended by Public Service officers under their responsibility. Such records should be kept by the Ministry’s HR section and a copy of the certification obtained is stored in the Public Service officer’s personal file.”

Developments:

- a. **Ministry for Finance and Employment** – The new web-based application, that was implemented within the Ministry, functions as an electronic personal file to log in any training courses that every individual has attended, thus reducing the use of various Microsoft Excel worksheets to the bare minimum. It is also pertinent to note that the IPS is also logging the training attended by Public service employees, which is then easily accessible when logging into *My Personal Kiosk* – **Fully implemented**
- b. **Ministry for Education** – Training will soon be linked to the Dakar’s *Performance Appraisal* module whereby the respective supervisor could choose suitable training from the IPS courses on offer to any employee who requires such training to perform his/her duties better. Thus, when the supervisor selects ‘requires further training’ in the *Performance Appraisal* module, the list of training being offered by IPS will be displayed and upon selection, the respective employee is placed on the waiting list. It is to be noted that every employee could then view all the training attended upon logging on to the *My Personal Kiosk* with their respective e-ID credentials – **Significant progress**
- c. **Ministry for Justice and Governance** – The Ministry’s CSD has requested MFJG employees to submit information regarding any training attended during 2020 and 2021. This information is currently being maintained in a Microsoft Excel worksheet saved on the shared network drive. Once completely compiled, the Heads of Department shall be informed of all training attended by their staff during the year bi-annually. As such, Head of Departments shall be in a better position to access their staff training requirements during the ratings of performance appraisals. In addition, the Director of Corporate Services is currently preparing an exercise in conjunction with a skills gap analysis within the Ministry’s CSD – **Fully implemented**

Human Resources Training Systems

Office of the Prime Minister

“Public Service officers wishing to attend training courses organised by the IPS must download an application form from the IPS website and then submit the relative application form either through the Government e-mail or by post. In addition, the processing of these applications as well as the preparation, co-ordination and scheduling

of a typical training course is carried out manually by the respective section within IPS. In this regard, the NAO is concerned with the high dependency of manual input, which could lead to inefficiencies. Thus, the NAO recommends the introduction of a web-based application form that should be integrated to the new Training Management module. Moreover, the IPS should ensure that this new Training Management module would eventually automate both the online submission and processing of such application forms."

Developments: Significant progress

The IPS is making use of a web-based application system, which feeds directly to the *Training Management System (TMS)*. The IPS is currently also working to enhance the TMS to accept all kinds of applications for training, thus eliminating most of the manual inputting.

"The TMS, also referred to as the SDO Training database, is the main software application used within IPS ... it is envisaged that the current TMS application is replaced with a new training management system that is integrated with the current Dakar application used across Ministries ... Apart from the TMS application, the IPS has two separate Microsoft Access databases, to cater for the Public Management Toolkit and Induction training courses respectively ... the NAO already acknowledged that these Microsoft Access databases were created due to certain limitations on the existing TMS application and thus were specifically designed to address the needs of the IPS to cater for these new training courses on offer ... the NAO suggests that the IPS together with the Ministry's IMU office should look into the new Training Management module and ensure that these issues are addressed before the new Training Management module is implemented."

Developments: Fully implemented

A customised training module was implemented and integrated within the Government-wide Dakar application.

"Whilst reviewing both databases the NAO observed that every database is accessible either through a generic admin or user login. Whilst the admin credentials are used by a limited number of users to input or amend existing applicant's personal details and courses, the user logins are used by the remaining users within the different sections to relate courses to the existing applicants and to schedule the courses accordingly ... In this context, the use of shared usernames and passwords amongst a number of employees goes against Information Security best practices. The NAO recommends that the use of shared generic login credentials is discarded, and instead every user is provided with a personal login."

Developments: Fully implemented

After the new training module was launched, every user can only access the system with his/her user credentials.

Conclusion

The NAO acknowledges the significant efforts to address the shortcomings and take on board the recommendations that were highlighted in the 2018 IT audit report. However, it is pertinent to note that most of the remaining observations rated as *'partly implemented'* and/or *'significant progress'*, will be addressed, once the Research and Personnel Systems Directorate, in conjunction with the Office of the Chief Information Officer within OPM and MITA implement a series of new initiatives and enhancements to existing Dakar modules and integrate all these modules into one centralized IT system across Ministries and line departments.

Cyber Security across Government Entities

Background

In 2017, the National Audit Office (NAO) published an Information Technology (IT) audit report to assess Information and Communications Technology (ICT) security, physical and environmental controls, and the level of Cyber Security across 10 different Government Entities. This IT audit determined whether these Government Entities had the necessary controls to maintain data confidentiality, integrity, and reliability, identified any potential risks, and made the necessary recommendations to mitigate those risks.

The NAO's 2017 IT audit report had concluded that only four out of the 10 Government Entities, namely the Malta Enterprise Corporation, WasteServ Malta Limited, the Regulator for Energy and Water Services and the Malta College of Arts, Science and Technology, were considered to be the most prepared against Cyber Security threats. In this regard, the NAO had recommended that the other six Entities, which had participated in this audit exercise, had to review their IT operations with the aim of improving their level of preparedness towards Cyber Security, thus, ensuring that the audit's principal objectives are attained.

Audit Scope and Methodology

This follow-up IT audit sought to determine the extent to which Management addressed the issues that had been raised by this Office and implemented the appropriate corrective measures, in line with the recommendations put forward by the NAO in the above-mentioned IT audit report. For the purpose of this follow-up IT audit, the NAO selected three out of the six Government Entities, which had to review their IT operations, namely the Commission for the Rights of Persons with Disability (CRPD), the Refugee Commission, referred today as the International Protection Agency¹ (IPA), and the Malta Freeport Corporation (MFC) Limited.

An online introductory meeting was held with senior officials of each of the three Government Entities selected for the purpose of this follow-up IT audit, to explain the scope of this exercise and to highlight the key issues that were raised in the previous IT audit report. These issues were presented to these three Government Entities as a checklist, to obtain an update of the actions taken and verify whether they had addressed the highlighted issues. The replies and supporting documentation from each Entity were analysed and the developments pertaining to every issue were assessed against a scale, in order to determine the level of implementation of the recommended actions.

As a point of reference, the key issues and the corresponding recommendations highlighted in the previous IT audit report are shown in grey text below.

¹ The change from a Government department to an agency occurred in August 2020, to serve as Malta's agency for asylum status determination and international protection.

Key Issues

In-house IT unit or Outsourced IT services

“The NAO noted that five out of the 10 audited Entities, including the Malta Freeport Corporation Ltd., the Commission for the Rights of Persons with Disability and the Refugee Commission have no IT department/person and all their IT requirements are being out-sourced to third party contractors ... The NAO is of the opinion that each Entity should have at least one person in charge of its IT components. The NAO believes that whilst outsourcing all IT needs may apply in certain cases, the Entity involved unavoidably needs to understand its IT business requirements and be able to independently co-ordinate and evaluate the third-party services acquired.”

Developments:

- a. **Commission for the Rights of Persons with Disability** – The CRPD has since engaged an IT manager to deal with any IT related matters, and two third-party suppliers that provide technical support on databases and website, and for their on-site server and office infrastructure respectively – **Fully implemented**
- b. **International Protection Agency** – Since the IPA is still in a transition phase, the Office of the Chief Information Officer (CIO) within the Ministry for Home Affairs, National Security and Law Enforcement (MHSE) provides assistance and technical support when necessary, especially with the National Asylum Seekers Management System (NASMS)². In the meantime, the IPA is currently negotiating a collective agreement, to tackle issues related to human resources, with the intention to engage amongst others, an IT officer, to provide IT support services within the Agency – **Partly implemented**
- c. **Malta Freeport Corporation Limited** – The MFC has since appointed two IT Coordinators to assist in any IT related matters and to liaise with the Malta Information Technology Agency (MITA) and the Ministry’s CIO Office whenever the need arises – **Fully implemented**

Data classification policy

“The NAO noted that only one out of the 10 audited Entities (namely the Malta Enterprise Corporation), had a Data Classification policy as part of its Information Security Policy. Thus, the NAO recommends that all Entities draft their own policy in this regard and implement a Data Classification framework.”

Developments:

- a. **Commission for the Rights of Persons with Disability** – Even though the CRPD does not have its own Data Classification policy, the NAO was informed that they have set up different user access levels for their shared folders and databases, whereby certain folders are restricted to certain users only – **Significant progress**
- b. **International Protection Agency** – The NAO was informed that the IPA does not have its own Data Classification policy, but it adheres to MITA’s Information Security policy³, which is followed across Government Departments – **Significant progress**

² The NASMS is an internal database, hosted at MITA, that caters for the Ministry’s (MHSE) Departments, Agencies and/or Entities involved in the field of international protection, or to assist in giving services to asylum seekers, beneficiaries of international protection and/or failed asylum seekers.

³ Information Security (gov.mt)

- c. **Malta Freeport Corporation Limited** – The MFC also adheres to MITA’s Information Security policy. However, the NAO was informed that they are currently drafting their own Data Classification policy that will include data access to operational procedures. It is envisaged that this policy will be concluded by the end of March 2021 – **Significant progress**

Data retention and storage policy

“The NAO noted that only one out of the 10 audited Entities (namely the Malta Enterprise Corporation), has a formal procedure in this regard ... The NAO also recommends that all Government Entities follow the Government’s Human Resources (HR) retention policy with regards to their HR data. This policy was issued by the former Public Administration Human Resource Office (PAHRO), today known as the People and Standards Division, in conjunction with the National Archives, who endorsed this policy, in line with the provisions of the National Archives Act and the Commissioner for Information and Data Protection.”

Developments:

- a. **Commission for the Rights of Persons with Disability** – The CRPD have drafted their own data protection, retention, and privacy policy to cater for the highly sensitive data about their clients. The NAO was informed that this policy was approved by the Information and Data Protection Commissioner – **Fully implemented**
- b. **International Protection Agency** – The NAO was informed that since the Agency is still in a transition phase, the IPA’s HR is mostly handled by the Ministry’s HR section. In this regard, even though the IPA is still governed by the data retention policy for all Government entities, the IPA intends to draft its own HR policy once there is a final agreement on the substance of the collective agreement that the IPA is currently negotiating – **Not implemented**
- c. **Malta Freeport Corporation Limited** – In 2019, the MFC appointed a General Data Protection Regulation (GDPR) officer to ensure, amongst other things, that the MFC complies with GDPR requirements. The MFC has drafted a Data Protection (DP) Retention policy with the aim of regulating the retention, maintenance, and disposal of information, both personal and other, within the MFC, in accordance with the principles of data protection legislation and other legal provisions in Maltese Law. In terms of National Security Data information, the NAO was informed that the data is classified as restricted and is limited to only the Chief Executive Officer and the Chief Security Officer within the MFC – **Fully implemented**

Training programme

“The NAO noted that all the Entities concerned provided some form of training to their new employees although none of the Entities had a structured and documented training programme ... the NAO also noted that none of the Entities had a structured induction training programme for new employees and such information was only handed over through on-the-job type of learning and in an unstructured manner ... The NAO recommends that all Government Entities have a formal documented training strategy that includes a training programme catering for the needs of each role within the organisation.”

Developments:

- a. **Commission for the Rights of Persons with Disability** – All the users are provided with training on the IT systems in use within the CRPD, and user manuals are also made available. The CRPD have drafted a number of policies, such as: *'The use of CRPD IT systems'*, *'The use of social media in the Public Service'*, and on *'The Retention of documentation'* together with a PowerPoint presentation on *'General Data Protection Regulation'*. Such documentation is provided to all new employees, as part of their induction training. The new entrants must sign a declaration form stating that they have read and understood the above-mentioned policies – **Significant progress**
- b. **International Protection Agency** – As part of the training and induction course for new employees, the IPA has recently adopted a *'Code of Conduct'*, which includes strict rules on the non-disclosure of any IPA data. Due to the nature of the IPA's work, confidentiality, and data privacy play an important role in the asylum application procedures that the Agency administers. Training is also provided periodically, especially on the NASMS application when new features are added to the system – **Significant progress**
- c. **Malta Freeport Corporation Limited** – The NAO was informed that new administrative employees are provided with on-the-job training through a "buddying" programme so that proper training and handover is given. Further training is provided by the supplier whenever a new system or changes to an existing system is made. In this regard, the supplier had provided training to MFC employees when the new payroll software application was implemented in 2018. In addition, training sessions on Microsoft Office, Teams and OneDrive was provided to all MFC employees once Office 365 was implemented across MFC in March 2020 – **Significant progress**

User manuals

"The NAO noted that 50% of the Entities included in this audit did not have any user manuals ... the NAO also suggests that Government Entities should draft their own set of user guidelines for software applications, which did not come with the manual. In this regard, all user documentation needs to be kept up-to-date and amended every time an enhancement is carried out on the software in question."

Developments:

- a. **Commission for the Rights of Persons with Disability** – The NAO was informed that user guidelines and manuals for software applications are now made available to all the CRPD users – **Fully implemented**
- b. **International Protection Agency** – Since the NASMS is the main software application in use within the IPA, the NAO was informed that users are provided with written guidelines and basic instructions on how to use this system. Training is also provided periodically whenever new features are added to this system. In this scenario, the user manuals and guidelines are continuously being updated to reflect these changes and/or enhancements to the system – **Fully implemented**
- c. **Malta Freeport Corporation Limited** – The Accounting and Payroll software applications have their own user manuals. MFC employees can access user manuals and online tutorials prepared by MITA on the use of Microsoft Office applications. – **Fully implemented**

E-mail usage – offline mailboxes

“The NAO is of the opinion that Government Entities should discuss the possibility and feasibility of having offline mailboxes saved on network drives and backed up regularly.”

Developments:

- a. **Commission for the Rights of Persons with Disability** – The NAO was informed that the CRPD utilizes a cloud-based email services provided by a third-party – **Not applicable**
- b. **International Protection Agency** – Whilst the NAO acknowledges the fact that the IPA adheres to the ‘Electronic Mail and Internet Services Directive’, the IPA stated that since the email accounts were recently upgraded to 10GB, they are not storing any emails offline – **Not applicable**
- c. **Malta Freeport Corporation Limited** – The NAO was informed that offline mails are being backed up on external hard disks, which are labelled, sealed, and stored in the respective Departments – **Fully implemented**

User awareness on cyber risks

“The NAO noted that most of the Entities under review, are relying on policies to convey their message. Whilst the NAO commends structured policies stipulating what is considered as misuse, on the other hand it stresses that such policies should not replace the need for training ... The NAO therefore recommends that such training is offered as part of the induction sessions given to new employees. This training should also be part of an ongoing programme, that seeks to ensure that all users are familiar with Information Security policies and best practices that govern the use of IT Assets.”

Developments:

- a. **Commission for the Rights of Persons with Disability** – The IT policies and Data Protection policies that were drafted by the CRPD highlight the risks of Internet usage and the consequences of misuse. All CRPD users are made aware of these policies, even for new employees during their induction training. In addition, mail shots on Cyber Security are sent periodically to all CRPD users – **Fully implemented**
- b. **International Protection Agency** – The NAO was informed that new employees are offered training on IT security as part of their induction training. In addition, the IPA stated that any breach of data privacy is considered to be a serious offence in the terms of the Agency’s ‘Code of Conduct’ – **Fully implemented**
- c. **Malta Freeport Corporation Limited** – The Institute for Public Services (IPS) provides training and user awareness on IT security. In this regard, the MFC is in communication with IPS to allocate slots for their employees to attend the next training sessions on IT security. In addition, the MFC regularly receive email notifications on IT security best practices from both MITA and the Ministry’s CIO Office – **Significant Progress**

Use of portable smart media and storage devices

“The NAO noted that personal (i.e. employee-owned) portable devices can be used in all the Government Entities under review, to access Internet and e-mail through segregated Wi-Fi connections. All the Entities audited informed the NAO that such devices are not allowed to access the internal networks. However, one should note

that personal, sensitive, and commercial data is also shared through e-mail, and thus accessing the Government e-mail through such devices is automatically posing a risk to the Government Entities owning that data ... the NAO is aware that such devices are nowadays considered necessary tools, this Office encourages the implementation of the best practices, so as to mitigate the risks associated with the use of such technologies, as much as possible."

Developments:

- a. **Commission for the Rights of Persons with Disability** – In terms of storage devices, the NAO was informed that all CRPD users were provided with USB drives and no one is allowed to bring their own devices and connect them to their internal networks and/or electronic equipment – **Fully implemented**
- b. **International Protection Agency** – The IPA adhere to information security best practices, especially the retrieval and storage of confidential information. In this regard, the NAO confirmed that the IPA has drafted a 'Standard Operating Procedures relating to the receipt, examination and collection of documents' and the relative documentation is stored securely – **Fully implemented**
- c. **Malta Freeport Corporation Limited** – Once the rollout of Microsoft Office 365 was implemented across Government, the MFC is nowadays using Microsoft OneDrive file-hosting services for the storage of document and backups, thus making it easier for users to access their data from portable devices. In this regard, MFC employees adhere to the DP policy regulating the retention of documentation within the MFC – **Fully implemented**

Business continuity and disaster recovery plans

"During the course of this audit, the NAO assessed whether the Entities under review had any Business Continuity Plans (BCP) and Disaster Recovery Plans (DRP) in place ... the NAO noted that none of the Entities audited had any documented plans in this regard ... the NAO also sought to gauge whether the Entities audited have a manual process in place that could temporarily maintain the operational functionality of the Entity in the event of a total IT system collapse. It was noted that none of the Entities have a clearly defined set of manual processes that could be adopted in such circumstances ... the NAO recommends that all Government Entities should draw up a formal documented BCP and DRP, designed to reduce the impact that disruptions might inflict on the Entity's operations."

Developments:

- a. **Commission for the Rights of Persons with Disability** – The NAO was informed that a BCP is currently being drawn up. However, during the Covid-19 pandemic, when everyone was instructed to work from home, the CRPD users followed manual procedures to ensure continuity of services to their clients – **Significant progress**
- b. **International Protection Agency** – Although the IPA rely on MITA in terms of network infrastructure, the NAO was informed that the IPA has drafted Standard Operating Procedures, which include BCP and DRP on document analysis to maintain the operational functionality of the Agency – **Fully implemented**
- c. **Malta Freeport Corporation Limited** – In 2020, the MFC started backing up all their data on Microsoft OneDrive hosting services, following the implementation of Microsoft Office 365 on all its workstations. The NAO was informed that all MFC employees were provided with online training, on the use of OneDrive by MITA, which facilitated the smooth transition of their modus operandi and ensure that business continuity was in place, especially during the Covid-19 pandemic, when all the MFC employees were instructed to work from home. Having said that, to date the MFC does not have any formal BCP and/or DRP documentation in place – **Significant progress**

Backups

"The NAO noted that all the Entities audited run their backups daily ... the NAO understands the various limitations (human, knowledge and financial) of some Entities, the NAO is deeply concerned about the lack of backup procedures and awareness on this subject, and thus recommends that CIO's provide their expertise on the ground in order to help Government Entities in this regard. Furthermore, the NAO is of the opinion that the responsibility of establishing an adequate backup procedure and the overseeing mechanism to ascertain that such procedure is being followed, should be a shared responsibility between the Entity and its Ministry CIO."

Developments:

- a. **Commission for the Rights of Persons with Disability** – The NAO was informed that the CRPD have implemented cloud-based database backups, which are automated and taken daily. Backups are retained for 28 days after which they are overwritten. In addition, they created a Secure File Transfer Protocol (SFTP) link to back up the cloud-based databases, on a daily basis, on a virtual machine that is hosted on a local server at the CRPD offices – **Fully implemented**
- b. **International Protection Agency** – As part of the rollout of Microsoft Office 365 across Government, the IPA is making use of OneDrive Backup services to automatically backup their Office documents in real-time. In addition, certain data is still being replicated locally on a PC server – **Fully implemented**
- c. **Malta Freeport Corporation Limited** – Since the rollout of Microsoft Office 365 and OneDrive, all MFC users are nowadays backing up all their data on the cloud (OneDrive hosting services), thus reducing the risk of losing data in the event of any hardware malfunction or loss of equipment – **Fully implemented**

Storage of backup media

"The NAO recommends that backup media is stored off-site. Notwithstanding this, the NAO acknowledges that the Entities concerned may only have one physical location available and thus this measure would be difficult to implement ... the NAO discourages the practice of storing backup media in office cabinets and deems the possibility of backup media being taken home by personnel as unacceptable."

Developments:

- a. **Commission for the Rights of Persons with Disability** – The NAO was informed that the CRPD are storing their backups in the cloud on a daily basis. As a fallback, the CRPD keeps a copy of the backup on a virtual machine hosted on their local server, through an SFTP link – **Fully implemented**
- b. **International Protection Agency** – The NAO was informed that the PC server that was being used for the storage of sensitive documents/data was decommissioned and all the data is nowadays being saved on MITA's Hosting services – **Fully implemented**
- c. **Malta Freeport Corporation Limited** – The NAO was informed that users are nowadays storing their data on Microsoft OneDrive hosting services, whilst offline mailboxes are backed up on external hard disks, which are labelled, sealed, and stored in their respective Departments. Having said that, since the mailboxes were upgraded to 10GB, the MFC are no longer storing their emails offline, to free up space on their mailbox – **Fully implemented**

IT inventory

"IT hardware inventories in Microsoft Excel are kept and utilized by Malta Freeport Corporation Ltd. and the Refugee Commission, which include assets' serial numbers and to whom each asset has been allocated, amongst other details, whilst the CRPD does not have an IT inventory to keep track of their respective IT hardware ... This Office observed that the CRPD and the Malta Freeport Corporation Ltd. does not keep an inventory of software licences owned, whilst the Refugee Commission claimed to have adopted a software asset register, although these files/documents were not provided during the IT audit ... The NAO strongly recommends that each of the Entities reviewed should maintain a detailed inventory of their IT hardware and software licences. Such an inventory database could be set up using basic tools such as Microsoft Excel or Access, and at the least, should include fields such as item details, uniquely identifiable item number, physical location and/or to whom this has been assigned."

Developments:

- a. **Commission for the Rights of Persons with Disability** – The CRPD keeps an IT inventory of their IT hardware and software licences on a Microsoft Excel spreadsheet, and a hard copy of which is kept at the Executive Director's office – **Fully implemented**
- b. **International Protection Agency** – Both the ICT hardware and software inventory are updated centrally on the Asset Management System (AMS) by the Ministry's CIO Office. If any changes to the hardware or software inventory are required, the IPA will liaise with the Ministry's CIO Office to update their records accordingly – **Fully implemented**
- c. **Malta Freeport Corporation Limited** – All the assets are recorded and updated centrally on AMS by the Ministry's CIO Office, whilst the software licences are recorded centrally on MITA's online reporting tool. The MFC IT coordinator has read-only access to the AMS and liaises with the Ministry's CIO Office whenever changes to the hardware or software inventory are required – **Fully implemented**

Conclusion

The NAO commends the significant efforts that were made by the CRPD, the IPA and MFC, to address the shortcomings and take on board the recommendations that were put forward in the 2017 IT audit report. Whilst most of the recommendations that were highlighted in the report were fully implemented, it is pertinent that the remaining observations rated as *'partly implemented'*, *'not implemented'* and *'significant progress'* are addressed by the respective Entity.

Performance Audit Reports



A Strategic Overview on the Department of Fisheries and Aquaculture's Inspectorate Function

Background

This follow-up audit reports on the progress registered by the Department of Fisheries and Aquaculture (DFA) since the publication of the National Audit Office's (NAO) performance audit report: *A Strategic Overview on the Department of Fisheries and Aquaculture's Inspectorate Function*, published in November 2018. Issues and conclusions presented in this study reflect information available as at end of March 2021. It is worth noting that the Director General of the Department has changed twice from the publication of the original report.

The fisheries sector in Malta is of national importance particularly due to its cultural bearing as well as its recognition as an area of interest in the international thrust towards the ascertainment of sustainable economic activities. To this end, in 2018, the NAO saw fit to carry out a performance review on how the DFA (as the national regulator in this sector) carries out its inspectorate function to protect the industry.

Audit Scope and Objectives

The DFA has remits in both the fisheries as well as the aquaculture sectors. However, as the original study focused solely on the fisheries arm of the Department's operations, this follow-up will also be focused on the same area.

The regulation of the fisheries sector is a complex and multifaceted task. To this end NAO primarily focused its 2018 analysis on the extent of visibility that DFA's inspectorate had on the sector in question, the Department's prioritisation of available effort and resources and its risk management system. These areas, NAO opined, formed the basis into which DFA's fisheries operations were rooted, and were consequently used as the primary gauge through which this Office assessed the Department's overall performance. Through this stated scope, the original study assessed whether the DFA's inspectorate arm, through its operations and capacity, was identifying and managing risk as well as allocating the resources at its disposal in an effective and efficient manner.

For the purpose of this follow-up study, NAO retained the same objectives of its 2018 report and endeavoured to determine whether the DFA has implemented or otherwise the recommendations made by this Office in its original report.

Methodology

In order to complete this follow-up exercise, NAO listed the most salient recommendations made in the original audit report and forwarded these to the DFA. The Department, in turn, went through this compiled list and forwarded written feedback to the audit team on progress, or lack thereof, on each. Clarifications, verifications and further discussions on the forwarded information were consequently sought during semi-structured interviews between NAO and the DFA. Supporting documentation was also requested where deemed necessary and analysed accordingly.

Implementation of NAO Recommendations

DFA's Operational Environment

Recommendation 2.4.1 – DFA to streamline internal operations to relieve resources from any inefficient practices and directing them towards more pressing areas

NAO once again acknowledges the unavoidability and importance of DFA's reporting obligations towards supranational entities and the strain that this may exert on the Department's resources. Nonetheless this Office encourages DFA to continually seek ways through which it could streamline its internal operations (with particular reference to the considerations tackled in Chapters 3 and 4), thereby relieving its resources from any inefficient practices and directing them to more pressing areas, be it to satisfy DFA's reporting obligations or to consolidate its core function as a regulator.

Developments: Partly Implemented

The Department asserted that it is currently performing a business process re-engineering exercise intended to re-calibrate the aims and objectives of the Control and Fishing Vessel Section. NAO observed that, as at time of writing, the processes pertaining to these sections had been mapped out with the new procedures still at a development stage. In addition, this Office was informed that the DFA has commissioned a number of internal audit assignments to evaluate the Fisheries Control Unit's (FCU) key risk exposures and assess whether the current control processes are adequate to mitigate the identified risks. Subsequently this exercise is intended to propose recommendations on how any gaps identified in the analysed processes can be addressed.

While commending the Department for such initiatives, this Office however also observed that both of these are yet to be completed. In view of this, NAO understands that the full effect of these initiatives, including that on DFA's human resources, is still to reveal itself.

Recommendations 2.4.2 and 2.4.3 – DFA to address its significant staff shortages by conducting a full-scale internal efficiency exercise and redeploy any resulting pool of freed resources. If, following these initiatives, the Department would still determine that it is under resourced, NAO urged it to increase its efforts in exerting the necessary pressure for more human capital to be allocated to it

With respect to DFA's assertions on the significant staff shortages it is experiencing, NAO firstly recommends that the Department engages in a full-scale internal efficiency exercise to determine whether and where inefficiencies prevail. In so doing, it could then pursue a solution for these, thereby relieving potentially underutilised human capital. Any resulting pool of freed resources can be then redeployed efficiently and effectively to other areas. This internal exercise could also aim to identify and address factors that are leading to the resignations highlighted by the Department. In addition, NAO also urges DFA to engage in a comprehensive training needs analysis so that it may then organise a systematic training programme for all its staff, particularly its inspectorate pool. These measures, NAO opines, would be pivotal for DFA to reach a healthier utilisation of its human capital and, consequently, potentially decreasing the overall requirement for further resources.

If, following the above exercise, the Department would still determine that it is under resourced, NAO urges it to redouble its efforts in exerting the necessary pressure for more human capital to be allocated to it. This Office however also recommends that DFA carefully examines its human resource requirements, and possibly propose different classifications of positions especially among its inspectorate staff, each assigned with commensurate entry requirements, tasks and salary packages. In so doing, the Department could engage personnel with lower educational background to carry out the more basic of tasks, while other, better qualified officers, could be assigned with more technical responsibilities. Through such categorisation, NAO opines that each position can be better focused, with the prospect of DFA benefitting from eventual specialisation.

Developments: Significant progress

DFA informed NAO that it has conducted an exercise in which the number of required staff and its intended allocation was analysed, with particular emphasis on efficiency. In view of this assertion, the audit team asked for a copy of any documentation related to this exercise with the Department asserting that no documentation was generated during this initiative. Notwithstanding, this Office was informed that this exercise has led to a shift in the complement allocated to some of the DFA's sections and to an overall increase in its staff. Despite not being forwarded with information directly related to this exercise NAO observed through other documentation, that while the Department experienced 12 resignations, it recruited a total of 66 employees from 2019 to 2021, thereby amounting to a net overall increase of 54 employees. Specifically with respect to the FCU, NAO observed that the number of inspectors has increased by 17¹, with the DFA stating that the number of inspectors is now considered sufficient for this unit to adequately carry out its mandate.

Insofar as the recommended formulation of a training needs analysis is concerned, NAO was informed that this has as yet to be compiled and that the Covid-19 pandemic has had a negative impact on progress in this respect.

Recommendation 2.4.4 – DFA to better project its role and functions to the general public

In addition, this Office further encourages the Department to better project its role and functions to the general public. While this serves as awareness on the importance of sustainable and responsible fishing in itself, NAO opines that it would also showcase DFA as a potential employer.

Developments: Significant Progress

During meetings with the audit team, DFA management highlighted that it allocates effort towards the better projection of the Department's role and functions to the general public, particularly through education campaigns in schools with the aim of enhancing the knowledge of the Department's role within the younger generation. In addition, the DFA also regularly provides opportunities of work placements for university students, with the Department having 10 students in its employ as at time of writing of this report. These placements, NAO was informed, benefit both parties as the students would be gaining valuable on the job experience and in-turn provide the DFA with an opportunity to nurture a positive relationship with future job candidates.

This notwithstanding, DFA acknowledged that certain issues in recruiting officials still prevail (particularly insofar as recruiting scientific professional staff is concerned). In this regard, the Department asserted that it was in a disadvantageous position when compared with the private sector as it could not compete with the overall remuneration packages being offered to such professionals.

DFA's Data Management System

Recommendation 3.3.1 – DFA to improve the automation and integration of the Fisheries Information System (FIS)

NAO opines that the further automation and comprehensive integration of the FIS system, should be placed high among the Department's priorities so that the latter could benefit from the added derived efficiency and effectiveness in its operational processes. In particular, this Office urges DFA to see to a wider spread of electronic logbook installation among the local fishing fleet, and to the incorporation of a number of validations and cross checks across the system's components.

¹ 5 employed with DFA + 12 employed via contract of service

Developments: Significant progress

DFA informed the audit team that the Department has initiated the process of procuring a new FIS with an increased ability to integrate, process and display data from multiple sources. When reviewing the documentation provided by the DFA, NAO in fact observed that the technical specifications of this IT system were being finalised by the Department.

Recommendation 3.3.2 – DFA to expedite the process of procuring tablets and making them operational for its inspectorate staff

With respect to the management of inspection reports generated by DFA's on-the-ground officials, NAO urges the Department to expedite the process of procuring tablets and making them operational as soon as possible (mainly by integrating them within the FIS), so that this pivotal information is electronically recorded at once and without the need for manual reproduction. NAO notes that this tool could drastically increase the efficiency and effectiveness by which the Department's inspectorate staff operate, primarily by relieving them of cumbersome administrative tasks, therefore leaving them with more time to conduct additional inspections.

Developments: Insignificant Progress

DFA provided documentation which shows that 5 tablets were procured following NAO's original report. Despite this, the Directorate informed NAO that this initiative fell short from serving the original recommendation to its full extent, as the electronic devices which were procured did not have the necessary specifications to adequately automate or facilitate in terms of connectivity, the intended operational processes carried out by DFA's inspectorate staff. In view of this, DFA management feels that the initiative failed to reap the desired positive outcome on the inspectorate's efficiency. In fact, the Directorate went as far as expressing that the inadequacy of the procured tablets has actually slowed down the processes even further as they created duplication of work with regards to recording inspection results. NAO was informed that, consequently the devices are currently not in use by inspectorate staff. This notwithstanding the DFA asserted that it has initiated a procurement process with the aim of acquiring more suitable devices by 2022.

Inspectorate's visibility and effort allocation on the local fishing activity

Recommendation 4.4.1 – DFA to conduct an all-encompassing risk profiling exercise to cover all levels of the Department's inspectorate operations

This Office strongly opines that an all-encompassing risk profiling exercise is the main answer to the Department's shortcomings in its allocation of inspectorate effort. Specifically, NAO recommends that this exercise should cover all levels of the Department's inspectorate operations, both vertically in each function (such as risk profiling of each vessel) and horizontally across inspectorate functions (such as allocating effort between inspections at sea, on land and at retailers). To this end, NAO urges DFA to ascertain that the proposed risk profile exercise takes into account all of these factors and that its completion is expedited. Once this is ready, NAO encourages the Department to implement the resulting proposed way forward comprehensively and at the earliest so that it can better streamline the effort allocation in its inspectorate function.

Developments: Insignificant Progress

This Office was informed that the DFA's methodology when allocating inspection effort has remained as yet unchanged. This notwithstanding, the Department submitted a concept note to the European Commission, detailing a change from the current approach of a 100% inspection regime. This concept note specifically states that:

"the Department is in the process of shifting to a risk-based approach to implement a more focused inspection system that guarantees streamlined attention to high-risk profiles."

While still awaiting feedback from the European Commission on this proposal, the DFA is also in the process of drafting the technical specifications of the software required to enable this shift in the Department's approach towards inspections.

Recommendation 4.4.2 – DFA to consider adequate and feasible methods by which it increases its spread of remote monitoring and visibility on the local fishing fleet

NAO strongly recommends to DFA to actively consider adequate and feasible methods by which it could increase its spread of remote monitoring and visibility on the local fishing fleet, especially on those vessels which do not meet the threshold subjecting them to the installation of a tracking system. NAO notes that the risk profiling exercise as mentioned in point 4.4.1 above may come in particularly useful for it to determine which vessels should be subjected to tighter controls.

Developments: Partly Implemented

This Office was informed that the DFA is now monitoring all vessels registered under the MFA and MFB categories within the local fishing fleet, irrespective of the length of the vessel. Upon reviewing the supporting documentation provided however, NAO noted that 73 vessels (8.7% of the fleet) which are required to have a tracking device installed and operational (that is, vessels registered as MFA or MFB), were not fully compliant with this requirement. When raising this point with the DFA, this Office was informed that, for most of these identified cases (47), the Department is currently working to resolve a contractual issue with the responsible third-party supplier. Documentation forwarded to the audit team also showed that another 14 vessels had VMS installed on them but was faulty, while the remaining 12 other vessels were not operational as at time of writing. Despite these identified shortcomings, NAO noted that the situation has improved when compared to the findings of the original 2018 report which found that 76% of the vessels registered in the same categories, had no tracking device installed. The same cannot however be said on the vessels registered under the MFC category. In fact the DFA confirmed that, as at time of writing, none of these vessels are equipped with any tracking system.

Recommendation 4.4.3 – DFA to expedite the RHIB acquisition process and design and launch a training programme intended to train and license its officials to operate these vessels. In addition, the Department is to consolidate its physical presence at sea, through the re-design of its patrol roster to relinquish AFM's resources from short-range patrols

In further strengthening DFA's visibility at sea, this Office also urges the Department to expedite the RHIB acquisition process, thereby securing the necessary assets to conduct inspections at sea. NAO also encourages DFA to design and launch a training programme intended to train and license its officials to operate these RHIBs. Once this is in place, the Department needs to design a comprehensive patrol roster intended at consolidating the DFA's physical presence at sea. In so doing, DFA would be relinquishing AFM's resources from carrying out short-range patrols, so that the latter may focus on more remote areas, therefore capitalising better on their capabilities. This would

ensure that better value for money is achieved from the yearly agreements signed between the Department and the AFM, while ascertaining that a wider fishing area is covered through these two types of inspections.

Developments: Fully implemented

NAO observed that, since the original report the DFA has procured two Rigid Hulled Inflatable Boats (RHIBs) bringing its total fleet up to three. The Department also informed this Office that the other RHIB, which during NAO's 2018 audit was not operational, is currently at an advanced stage of repair and should be re-commissioned in the near future. To complement this investment, this Office was informed that the DFA now has eight officers that are officially licensed to operate these vessels, an increase of six operators when compared to the situation highlighted in NAO's original report. NAO positively noted that these two initiatives have left a significant impact on the number of inspections carried out by the DFA. Documentation provided to this Office shows that, during 2020, one of the RHIBs conducted 288 inspections solely on farming inspections. On the other hand, the other RHIB assigned with conducting inspections on fishing activities as scoped in this audit, carried out 83 inspections in total within the same period. This latter figure still presents a significant improvement to the situation highlighted in the original report where a total of 6 inspections were carried out in 2017 and only one inspection between January and June 2018.

When querying on any developments about the patrols performed by the AFM, the DFA asserted that the situation on this front has changed due to the commissioning of the new RHIBs. In this regard, the Department highlighted that, in view of the extended capabilities of the newly acquired RHIBs to perform patrols at a longer range, rather than dividing inspection areas into short and long distances, the Department is in ongoing coordination with the AFM to assign different inspection areas to each of the two entities thereby minimising overlap. Furthermore, the DFA asserted that it is currently in the process of bolstering its presence at sea by chartering a vessel that is capable of performing patrols of up to 50 nautical miles of range.

Recommendation 4.4.4 – DFA to work closer with Transport Malta (TM) to create a more systematic practice by which fisheries-oriented inspections can be carried out on vessels other than those strictly registered with the DFA

While this Office once again acknowledges that vessels which are not registered with DFA do not strictly fall under the latter's remit, it nonetheless perceives the possibility and opportunity for DFA to work closer with TM in this regard. This initiative should be geared towards the intent of creating a more systematic practice by which fisheries oriented inspections could be carried out on vessels other than those strictly registered with DFA.

Developments: Insignificant Progress

During this follow-up study, feedback from DFA indicated that the Department still has no visibility on vessels used for recreational fishing. This notwithstanding, NAO was informed that the Department has entered into discussions with TM to set up a mechanism which would enable it to access information on recreational vessels. The DFA however acknowledged that these discussions are still in very early stages and a lengthy process is expected.

Recommendation 4.4.5 – DFA to strengthen its communication with the Environmental Health Directorate (EHD) so that any information gathered by the latter on the fisheries sector, is forwarded to the Department

NAO considers inspections at retail stage as an essential final step in the Department's inspectorate cycle. To this end, this Office urges DFA to ascertain that this area is given its due importance, mainly by setting a determined and real presence on the ground through a systematic inspection regime dictated by the results of the aforementioned risk profiling exercise. In addition, NAO strongly urges the Department to strengthen

its communication with the EHD so that any information gathered by the latter on the fisheries sector may be effectively and consistently forwarded to DFA.

Developments: Insignificant progress

The Department informed NAO that the situation on inspections on retail outlets has remained largely unchanged. In fact, this Office was informed that the EHD is still responsible for performing inspections on behalf of DFA however, at present, the Department's has no visibility over the results of such inspections. The DFA asserted that although its intention is still that of eventually receiving the results of such inspections automatically, progress in this regard has as yet been minimal.

Conclusion

The findings presented in this follow-up review indicate that the DFA has accepted all of NAO's recommendations from the original report. Despite this however, progress on the implementation of most of these recommendations, has been rather limited. In fact, this review shows that the Department has fully implemented one of the ten original recommendations, shown significant progress in three, while only partly implementing two of these recommendations and registering insignificant progress in the remaining four.

It is therefore this Office's considered opinion that while the DFA has registered improvements in critical areas since the original audit, it still needs to invest significant effort to better consolidate its regulatory function.

A Review on the Contract for MCH's Clerical Services

Background

This follow-up audit reports on the progress registered by Mount Carmel Hospital (MCH) on recommendations made by the National Audit Office (NAO) in its 2019 Performance Audit: *A Review on the Contract for Mount Carmel Hospital's Outsourced Clerical Services*. Issues and conclusions presented in this study reflect information available as at end of August 2021. It is worth noting that there was a change in MCH management in the period between the publishing of the original report and the initiation of this follow up study.

MCH is managed by Mental Health Services (MHS), and is the national hub intended to offer a range of hospital-based services to mental health in-patients. In its July 2018 report titled "*Performance Audit: A Strategic Overview of Mount Carmel Hospital*", NAO observed that outsourced security personnel in this facility were in fact governed through a contract calling for clerical services. This led the NAO to conduct an in-depth review to obtain a clearer picture on how the hospital was managing this outsourcing contract. To this end, the 2019 audit primarily focused on the contract document governing outsourced clerical services at MCH and the manner it was being utilised and managed by the hospital at the time.

During the 2019 exercise, the audit team also reviewed information and documentation relating to the outsourcing agreement for cleaning services. Although at the time, this was not within the study's scope, NAO felt compelled to carry out a cursory review of this service and report on the more salient issues accordingly.

Audit Scope and Objectives

During its 2019 performance review, this Office sought to analyse if the management of the contract for clerical services was impinging on the value for money being attained by Government and therefore the taxpayer. This was primarily achieved through an analysis of the contract document itself, as well as through a review on how these outsourced personnel were being deployed within MCH, and whether the contract in question was managed efficiently and effectively.

For the purpose of this follow-up study, NAO retained the same objectives of its 2019 report and endeavoured to determine whether MCH has implemented or otherwise the recommendations made by this Office in its original report.

Methodology

In order to determine the progress made by MCH on NAO's recommendations, the audit team compiled a list of the most salient recommendations and transmitted these to MCH, for the latter to forward its feedback. Following a preliminary review by the audit team on the information forwarded by MCH, NAO held meetings with MCH to clarify emerging queries and request further related documentation. The audit team also conducted on-site fieldwork to analyse documents which couldn't be forwarded to NAO in soft copy.

Implementation of NAO Recommendations

NAO's Observations on the contract governing outsourced clerical services at MCH

Table 1: Contract Clause 4.1.1 – MCH to include in contracts stronger and more clearly defined parameters in prerequisites being cited for candidates

NAO feels that the prerequisites being cited for Category 1 are too broad and subjective. Specifically, this Office feels that merely asking candidates to tangibly prove their competence in the absence of academic qualifications, without specifically identifying what this would entail and how this would be measured, is not strong enough a parameter. Conclusively, NAO is of the opinion that this clause should not contain any requirements of a subjective nature. Parameters for recruitment should be more clearly defined to ensure quality, fairness and transparency.

Developments: Not implemented

A review of the new contract for clerical services showed that NAO's recommendation was not taken on board as this clause remained unchanged. When enquiring what was the reason for this, MCH management explained that the new tender for clerical services had been already submitted to the Department of Contracts (DOC) by the time NAO's report was published, and therefore this recommendation could not be acted upon. This Office notes that the original report was published on 27th March 2019 while the tender in question was issued on 4th April 2019. As the tender would have been submitted to DOC some time before the mentioned publication date, this Office acknowledges that MCH did not have enough time to take this recommendation on board.

Notwithstanding the events surrounding this particular incident, MCH management stated that it may consider this recommendation when drafting future tenders.

Table 1: Article 24 – The Contract should contain provisos which enable MCH to perform periodic assessments on outsourced employees

This Office recommends that the contract should contain a provision which enables MCH to perform periodic assessments on the performance of the outsourced employees. Areas to be assessed could include different groups of competencies, such as work aptitude, quality of work, communication skills and ability to work with others. NAO feels that having a clearer picture of the outsourced employees' performance, will facilitate the hospital's management function of identifying performing and non-performing individuals, to retain and replace accordingly.

Developments: Fully Implemented

When reviewing the current contract for clerical services, the audit team noted that Article 24.1 inter alia states that:

"Interim progress reports must be prepared every six (6) months during the period of execution of the contract. A final report must be issued after the issue of the final invoice at the end of the period of execution. The draft final progress report must be submitted at least one (1) month before the end of the period of execution of the contract. Note that these interim and final progress reports are additional to any required in Section 4.2 of the Terms of Reference."

Apart from reviewing the new contract's text, NAO also assessed whether this clause is being put to practice. During meetings with the audit team, MCH management explained that the performance levels of outsourced

clerical employees are being followed up by the respective heads of section through an internal assessment form which is filled in twice yearly. A template of this form has been forwarded to NAO, and a sample of actual assessments (i.e. filled-in) were reviewed by the audit team on site. The audit team positively notes that the reviewed assessments were found to be satisfactorily filled in.

Recommendation 2.3.1 – MCH to start working on the issuance of new tenders before the expiry of contracts in vigore

While NAO acknowledges MCH's assertion that the issuance of the new tender for clerical services is underway, it nonetheless urges the involved parties to ascertain that similar renewal processes which may be required from time to time are initiated and processed in a carefully planned manner to mitigate the risks already identified by this Office in section 2.1.

Developments: Not implemented

In its original report, NAO had highlighted that the re-issuance of the outsourcing clerical services contract was overdue, with MCH entering into a negotiated procedure with the same service provider for a period of 12 months, starting from 1st June 2018. At the time, MCH had informed the audit team that the tender for outsourced clerical services had been submitted to DOC for processing in March 2018, with this tender being eventually published on 4th April 2019. MCH Officials informed the audit team that a new contract for the provision of clerical services was awarded and signed on 16th March 2020 (that is slightly more than 21 months after the expiration of the original contract), covering a three-year period ending 10th March 2023. NAO was forwarded with an abridged version of this contract, while the contract in its entirety was made available to the audit team for review at MCH. Noting a gap of contractual cover between June 2019 and March 2020, NAO asked MCH for an explanation, to which the latter affirmed that through written communication by the Ministry for Finance (MFIN) (dated 16th May 2019) the hospital was formally granted a budget of €1,500,000 (excl. VAT) to enter into a further negotiated procedure with the same service provider for a period of six months. This however also meant that even this latter extension did not formally cover the period between December 2019 to March 2020.

Asked why NAO's recommendation was not taken on board, MCH management highlighted that, although it will endeavour to implement such recommendation, the latter feels that this will prove to be very challenging unless a Contracts Manager is assigned to the hospital (refer to 3.4.1 below).

MCH's staff deployment and contract management

Recommendation 3.4.1 – Contract Management function to be assigned to a suitably qualified individual

This Office is of the opinion that the responsibility for service contracts should be assigned to a key official who would assume overall responsibility to ascertain that all clauses within are observed through continuous monitoring and liaison both with the service provider as well as MCH management itself. To this end, NAO recommends that a contracts management function is assumed, at the earliest, by a suitably qualified official to ensure contractual compliance and value for money.

Developments: Insignificant Progress

MCH management asserted that, although the need for a Contracts Manager post has been identified in Human Resources (HR) Plans since 2018, multiple calls for this position did not yield any positive outcomes and, as at

time of writing of this report, this post is still vacant. When prompted by NAO to explain further, MCH highlighted that the call for 'Manager 2 (Projects Management)¹', intended to fill this vacancy was issued internally on 18th September 2020, but attracted no eligible applicants. Following this, a call for the post of 'Manager 1 (Project Management)' was issued again internally on 5th February 2021, but yet again did not attract any eligible applicants.

This call (Manager 1) was then issued externally on 14th May 2021. MCH management however informed this Office that none of the successful candidates accepted to fill this post.

When queried by NAO as to why the calls were yielding unsuccessful results, MCH management replied that, in its opinion there is a disparity between the responsibility attached to the position and the offered remuneration (which is regulated by public service pay scales). The audit team was however further informed that, in the absence of a full time Contracts Manager, the contract management function is currently being absorbed by multiple members of MCH management according to needs. Specifically, MCH officials stated that a Procurement Committee has been set up in May 2021, with one of its objectives being the monitoring of existing contracts. MCH further highlighted that, as much as possible, an official would be identified to take responsibility for the monitoring of a substantial contract, taking into account the area in question as well as the official's knowledge.

Recommendation 3.4.2 – MCH to carry out a human complement requirement exercise to establish and document the hospital's human resources requirements, including those relating to outsourced clerks

In view of the fact that the outsourced clerks are not included in the hospital's CBE, NAO recommends that MCH embarks on a human complement requirement exercise aimed at establishing and comprehensively documenting the hospital's human resource needs, including that of outsourced clerks. Apart from providing this procurement process with adequate accountability, this exercise can also be utilised to identify areas of improvement vis-à-vis staff efficiency and deployment.

Developments: *Partly Implemented*

During a meeting held with MCH management, this Office was informed that the hospital's organigram is the only document in which any vacancies for outsourced clerks are represented. MCH further stated that, at present the hospital is not in need of additional outsourced clerical staff, and any new engagements are for replacement purposes or due to creation of new services. However, MCH asserted that even in the event of any emerging vacancies for outsourced clerks, these will still not be included in the entity's capacity building exercise (CBE) as the latter should only include vacancies which are intended to be filled in through direct recruitment. MCH management further affirmed that it has already carried out an internal exercise to determine whether each of the hospital's sections was adequately staffed, with any identified excess personnel being redeployed in other sections and re-trained accordingly. Nevertheless, MCH explained that this internal exercise was taken on a section-by-section basis rather as a holistic approach and was not formally and comprehensively documented.

While this Office acknowledges MCH's efforts to streamline the allocation of outsourced personnel throughout the hospital, it still encourages the latter to comprehensively document all its human resources needs (including those to be outsourced) and corresponding justifications for audit trail purposes, even if in a formal document separate to the CBE.

¹ While the designation did not strictly call for a Contracts Manager, MCH forwarded NAO with the accompanying job description for this call, with the latter noting that this description quoted duties which are in line with the roles and responsibilities of a Contracts Manager.

Recommendation 3.4.3 – Personnel deployment should come about as a collaborative effort throughout the hospital’s management

Proficient communication throughout an organisation is key for an efficient and effective operation, not least at the highest levels of its management. To this end, NAO recommends that personnel deployment initiatives, particularly those of the magnitude as that of the May 2017 deployment, need to be adequately communicated throughout the hospital’s management from the planning phase. This would ensure that all the involved sections would synchronise their efforts accordingly in a timely manner.

Developments: Fully Implemented

In reply to this Office’s recommendation, the Hospital affirmed that the May 2017 deployment was a one-time occurrence and that currently MCH’s Chief Executive Officer (CEO) holds a weekly management meeting with senior management to discuss ongoing issues and design action plans in relation to operational matters across MCH. However, when NAO requested minutes of these meetings, MCH management replied that requests for additional staff were carried out through emails. The audit team reviewed a sample of these emails and could verify that these could be regarded as clear internal communication regarding the issue at hand.

Recommendation 3.4.4 – MCH should not directly source and refer individuals to an engaged contractor for employment and eventual deployment at a public entity

NAO strongly recommends that Government officials should refrain from directly sourcing potential applicants to be considered for recruitment under such contracts for service. This Office contends that, in these instances, the hospital should instead ascertain that it reaps the full benefit of an outsourcing agreement, particularly by transferring as much as possible the administration of the recruitment process and associated costs onto the contractor.

Developments: Fully Implemented

During meetings with the audit team, MCH management asserted that whenever a vacancy presents itself, the hospital now submits a request to the respective contractor so that a suitable candidate is found by the latter and is deployed accordingly. The audit team reviewed a sample of emails documenting the above-mentioned process, and can confirm that in the forwarded documentation, this process was followed. Specifically, the audit team noted that whenever the need for a senior clerk, clerk or assistant clerk arose, MCH contacted the contractor specifying what duties were expected from eligible candidates, so that the contractor would supply personnel who fit these requirements. It is worth noting that MCH management also indicated that they would also conduct an interview themselves of such candidates to confirm suitability for the job.

Recommendation 3.4.5 – MCH should not absorb administrative tasks that should be borne by the third-party supplier as part of the service for which it is being paid

NAO also strongly recommends that, although a good working relationship has to be maintained with the outsourced personnel, the hospital should not absorb any associated administrative burden which, by virtue of the employer-employee relationship, falls squarely on the supplier’s shoulders. In so doing, MCH would ascertain that better value is reaped from the contract.

Developments: Fully Implemented

During a meeting with MCH management, this Office was informed that the hospital was no longer involved in any employment disputes concerning outsourced staff, and any issues which now arise are dealt with directly with the Contractor.

However, MCH highlighted that it still retains certain administrative responsibilities, such as the palming of a substantial number of contractual employees and the updating of staff lists, so as to cross check with the contractor's palming system especially when effecting payments. MCH management also explained that it is imperative that the hospital monitors outsourced employees especially when it comes to the utilisation of sick leave or in the eventualities that contractual employees are absent without justification.

Recommendation 3.4.6 – MCH to regularise its clerical contract and ensure that it only caters for outsourced personnel carrying out clerical duties, while entering into separate agreements to cover those carrying out other functions

The importance of having all outsourced personnel being covered and governed by an adequate contract cannot be overemphasised. To this end, NAO recommends that MCH regularises its position at the earliest, possibly by entering into separate agreements that would better cater for those outsourced personnel who are currently engaged through the clerical services contract but deployed to carry out other functions. Apart from adequately safeguarding the outsourced personnel's interests, this would ensure that MCH would have a solid basis through which it could manage these personnel (and consequently their performance), as well as to address any shortcomings through legally binding contractual mechanisms. This Office further notes that such an arrangement would relinquish the hospital from any unnecessary liability which may prevail through the current situation.

Developments: Partly implemented

MCH forwarded NAO with a copy of an interim agreement, "for the provision of mechanical, electrical and building fabric maintenance services" which was entered into in December 2019. The audit team was informed that the purpose of this contract was to regulate the position of technical staff who were engaged through the clerical contract. Concurrently MCH stated that a tender specification document for the "provision of maintenance, general mechanical and electricity equipment", as well as "Building Fabrics" was drawn up, sent to Central Procurement and Supplies Unit (CPSU) and was, as at time of writing, awaiting publishing from DOC. NAO was additionally informed that the hospital has drafted tenders to cover the services for Security and Gardening, and is also in the process of drafting tenders for Transport and other ancillary services. MCH Management asserted that these initiatives have addressed the issue as identified through the original NAO report and that only clerical staff are now deployed through the contract for clerical services.

Recommendation 3.4.7 – MCH to implement mechanisms by which it can successfully gauge the performance of outsourced personnel and be in a position to dismiss non-performing employees

This Office also strongly suggests that MCH implements systems and mechanisms by which it could effectively gauge the performance of outsourced personnel, thereby ascertaining the best possible product to all MCH service users and that the contract is delivering the full value for the money being invested. Following this, NAO urges the hospital's management to pursue the necessary course of action and ensure that any persistent non-performers are immediately replaced by other better-suited individuals through specifically targeted contracts. In addition, this Office strongly feels that this practice should also be adopted for currently deployed personnel, irrespective of the latter's method of recruitment.

Developments: *Partly Implemented*

During a meeting held with MCH management this Office was informed that all outsourced clerical staff are now being subjected to performance reviews twice every year. As already highlighted in the recommendation under Table 1: Article 24, NAO reviewed a sample of the actual assessments and found these to be satisfactorily documented.

In the case of outsourced personnel engaged to carry out maintenance at the hospital, MCH management explained that the Head of Operations (HOO) communicates with the manager of these personnel on a daily basis. MCH further explained that the quality of such work would be evident upon completion and consequently it does not deem it necessary to conduct formal performance assessments with respect to personnel engaged in such tasks. NAO however contends that this does not fully capture and document the performance of each individual.

MCH further stated that any reports of misconduct or unacceptable levels of performance are analysed internally, and then referred to the contractor so to provide a suitable replacement. The hospital's management affirmed that, in such cases, it is satisfied with the Contractor's response. In order to verify this, the audit team asked for a sample of documentation relating to such incidents. The forwarded sample documented such requests from MCH but did not feature respective replies from the Contractor.

Similar shortcomings identified in MCH's outsourced cleaning services

Recommendation 4.4.1 – MCH to enter into an official agreement covering cleaning services

The importance of having an official contract governing a pivotal function, such as that of cleaning services particularly within a mental health institution, is uncontested. In view of this, NAO urges MCH to regularise its position and enter into a robust and official agreement at the earliest, thereby ensuring a solid contractual basis through which this service could be duly managed.

Developments: *Fully implemented*

A contract for the provision of cleaning services was signed on 14th May 2021 for a period of three (3) years with the possibility of two (2) further extensions of six months each. NAO was forwarded with a copy of this contract.

Prior to the current contract, the previous service was extended pursuant to written communication (dated 2nd May 2019) between MCH, CPSU and Ministry for Health (MFH), where the hospital was granted a further €2,890,398 (excl. vat) per year, to enter into a negotiated procedure with the same service provider until 2022.

Recommendation 4.4.2 – MCH to hasten the tendering process for the contract for cleaning services

In implementing the above recommendation, however, NAO strongly urges MCH to hasten the tendering process currently underway. This method of procurement will ensure fair competition and consequently the best value for money for the procured service while ascertaining a higher level of transparency in the institution's procurement function.

Developments: *Fully implemented*

NAO noted that although the tender for cleaning services was published on 14th September 2019 as one out of an eight lot tender issued by MFH's CPSU, the respective contract was signed in May 2021, showing that

two years elapsed for NAO's recommendation to be taken on board. When queried further by this Office, MCH management asserted that after awarding the tender for cleaning services, an objection from one of the bidders was put forward. This notwithstanding, the Public Contracts Review Board (PCRB) decided in favour of the Evaluation Committee's recommendation to award the tender. MCH management further informed this Office that the bidder then proceeded to open an appeal in Court, where the latter again upheld the decision of the PCRB on 25th February 2021. NAO notes that, while a significant delay was experienced in this respect, this was not within MCH's control.

Recommendation 4.4.4 – MCH to ensure that only those carrying out cleaning services fall under the latter's agreement

As already stated in Chapter 3, this Office feels that outsourced personnel engaged with a Government institution should be governed by an outsourcing contract which specifically caters for the circumstances surrounding their deployment and assigned responsibilities. To this end, NAO once again encourages MCH to rectify this position at the earliest with respect to those individuals employed under the cleaning service agreement but assigned to carry out non-related tasks.

Developments: Partly Implemented

MCH informed NAO that several tenders intended to regularise outsourced personnel who were deployed through the contract for cleaning services, (but who are not in reality assigned to carry out cleaning duties-including amongst others, Transport, Gardening and landscaping) were in drafting stage as at time of writing of this report. MCH further explained that at present, there are approximately only 20 outsourced personnel still to be regularised according to their respective contract, and it is envisaging that this process will be finalised by the end of this year.

Recommendation 4.4.5 – The contractor is to provide a holistic training program to the deployed cleaners as part of his contractual obligations

In view of the sensitive environment surrounding MCH, this Office urges the latter to ascertain that all deployed cleaners, especially those who are in direct contact with patients, are adequately trained to satisfy the particular requirements of the job. This would ensure that the cleaning service would add to, rather than hinder, the therapeutic process being delivered by the hospital. NAO therefore refers to recommendations 4.4.1 and 4.4.2 and further asserts that mechanisms should be in place in the upcoming contract document to ascertain this level of service.

Developments: Not Implemented

MCH informed NAO that unless a Contracts Manager is provided, the Hospital may not be in a position to implement and monitor the above recommendation. It also affirmed that it is the contractor's responsibility to provide training to the outsourced cleaning staff. When reviewing the contract, the audit team noted that this document stipulates that the Contractor shall be:

“responsible for the delivery of training in the use of materials and equipment to all employees who will participate in the cleaning operations.”

Seeing that this requirement is of a purely operational nature and does not take into account the hospital's sensitive environment, NAO further queried whether specific training in this respect is being provided to outsourced cleaning staff. In reply, MCH stated that most of the cleaning staff have been working at the hospital for a number of years and therefore have had their training on the job through experience. This notwithstanding,

NAO notes that neither MCH, nor the service provider, are delivering specific training to outsourced cleaners, particularly on interaction with mental health in-patients. However, MCH asserted that there are currently six supervisors deployed by the same contractor who are carrying out rigorous checks on the cleaning services.

Recommendation 4.4.6 – MCH to certify that administrative burdens of outsourced staff should fall under the contractor’s responsibility

This Office once again encourages MCH not to absorb burdens which it is not strictly required to shoulder through an outsourcing agreement. Specifically, challenges emanating from industrial relations with outsourced staff should not feature in the decision-making process of the hospital as these, in reality, are the contractor’s responsibility. Likewise, this Office also recommends that the upcoming contract should emphasise that the responsibility for replacing unsuitable individuals sits squarely on the supplier’s shoulders and, therefore, the unavailability of adequate replacements by the latter should not be a contractually acceptable excuse. These provisions, NAO asserts, would provide MCH with much better leverage in ascertaining full value for the public funds being utilised on this service.

Developments: Fully Implemented

As already mentioned in 3.4.7 above, MCH management informed NAO that, even in the case of cleaners, the contractor is compliant with any requests for replacement raised by MCH, and any issues related to employment conditions are fully shouldered by the contractor.

When reviewing the new contract for the provision of cleaning services, the audit team also noted that a clause now clearly defines the contractor’s responsibility to ‘redeploy and substitute, with immediate effect, any employee who in the opinion of the contracting authority is not competent to execute the requested services to the required standards and/or is not of good conduct. Such employee shall not be re-employed for the duration of this contract without the written consent of the contracting authority’. Moreover, the contractor is also bound to replace any workers who do not report for work due to sick leave or vacation leave, so that the compliment of the cleaning personnel remains the same.

Recommendation 4.4.7 – MCH to ascertain that there are detailed specifications for cleaning products in the upcoming contract and set up rigorous monitoring mechanisms

Lastly, NAO strongly urges MCH to ascertain that the upcoming contract includes comprehensive and detailed specifications insofar as cleaning products and their utilisation are concerned. Following this, the hospital should set up rigorous monitoring mechanisms to ensure that the cleaning service at MCH is being provided comprehensively and that adequate materials are being used, in the best interest of both patients and staff.

Developments: Partly Implemented

When reviewing the tender for cleaning services, the audit team noted that it featured the ‘National Green Public Procurement Guidelines’, detailing the criteria that should be applied to products for cleaning operations. During the review of the contract agreement, the audit team took note of an attachment which was forwarded by the contractor in its bid, detailing the specifications of the products which it was proposing to use for the contract. NAO considers these specifications as a binding document which can be used by MCH for monitoring and quality control purposes. The contract also stipulated in its terms of reference the cleaners’ job description and a detailed work plan.

In so far as the monitoring of cleaning services is concerned, the audit team noted that the agreement specifically

indicates that the contractor is contractually bound to provide MCH with regular reports on employees' attendance, as well as which equipment is being used during cleaning operations, breakdown of activities, reports on detergents and on any other information as needed by MCH.

The contract also stipulates that *'at the end of each month a contracting authority's representative will assess and evaluate the adequacy of the performance of the contractor. Spot checks will also be carried out on site by contracting authority's personnel to verify the quality of cleaning products and to ensure correctness of invoices and the adequate level of service being provided'*.

When NAO enquired on what monitoring is being carried out by MCH, the hospital's management however stated that it is the contractor who has the appropriate tools to test and verify the level of cleanliness. MCH affirmed that, given that the contract has only been signed recently, it was still too early for it to delve into similar monitoring mechanisms from its end, and it is currently primarily ensuring that the outsourced cleaning personnel are adapting to the new systems. MCH management additionally indicated that it still needs to acquire testing tools so that it could verify whether the contractor is abiding with certain specifications such as quantities of the cleaning products.

NAO does not agree with MCH's assertion that it is too early to start making use of specific testing instruments. To this end, this Office strongly urges MCH to ensure that monitoring mechanisms are set in place before the signing of future contracts to ascertain that it will be reaping the full benefit from outsourcing agreements from the very start.

Conclusion

NAO positively notes that, notwithstanding the particular challenges within this Hospital, out of the 16 recommendations put forward in its original report, 12 were, to differing degrees, implemented by MCH. In fact, seven recommendations were fully implemented and five were partly implemented. This Office also acknowledges that all of its recommendations were accepted by MCH management and that efforts are being made to address those which have as yet not been implemented. This follow-up review shows that much depends on the expeditious engagement of a Contracts Manager for MCH to better manage its outsource personnel.

The designation and effective management of protected areas within Maltese Waters

Background

This follow-up audit aims to report on the progress registered since the publication of the performance audit report: *The designation and effective management of protected areas within Maltese Waters*, which was published in January 2018. Issues and conclusions presented in this follow-up audit reflect the information made available to the National Audit Office (NAO) as at end September 2021.

The NAO's 2018 report raised the following main issues, which to varying degrees, threatened the sustainability of Marine Protected Areas (MPAs):

- The Environment and Resources Authority (ERA) did not issue conservation orders in terms of SL 549.44;
- Site-specific management plans were overdue or still in the process of compilation;
- The monitoring and enforcement of MPAs, which is severely limited for a number of reasons, including due to lack of financial, human and technological resources;
- Lack of holistic and comprehensive approach regarding enforcement initiatives undertaken by National Authorities.

The 2018 Report acknowledged that managing and enforcing the regulatory framework concerning MPAs is complex, involves many stakeholders with competing interests and necessitates that National Authorities allocate significant resources to this end. Until such time that these elements are fully in place, the good work undertaken to designate MPAs would not be fully effective in further encouraging the sustainability of the marine environment.

Audit Scope and Methodology

In view of the findings and conclusions emanating from the 2018 performance audit report, the NAO had proposed a number of recommendations, the implementation of which is the primary focus of this follow-up audit. For the purpose of this follow-up study, the NAO retained the same objectives of the 2018 Report, which sought to determine the extent to which Malta is safeguarding its biodiversity through the designation and management of its marine protected areas.

The findings and conclusions presented in this follow-up report are primarily based on documentation reviews. To illustrate the progress achieved in implementing the NAO's recommendations, this follow-up report reproduces the proposals made to the Ministry for the Environment, Sustainable Development and Climate Change (MESDC) now known as the Ministry for the Environment, Climate Change and Planning (MECP) in the 2018 Report in italic text. This is followed by an outline of the progress registered. The ensuing text also classifies implementation progress in one of the following six self-explanatory categories, namely: fully implemented, partly implemented, significant progress, insignificant progress, not implemented or not accepted.

Strategic Recommendations

National Authorities are to consider establishing MPAs in conjunction with neighbouring countries

Where circumstances permit, National Authorities are to consider establishing MPAs (Specially Protected Areas of Mediterranean Importance [SPAMIs]) in conjunction with neighbouring countries. Such action would contribute towards creating MPAs within the Mediterranean high seas. Cooperation and coordination on a bilateral or multilateral basis between Mediterranean countries widen the scope of conservation of the marine environment.

Developments: Partly Implemented

Due to the prevailing complex geopolitical climate, this recommendation could not be fully addressed.

Notwithstanding this, ERA is actively collaborating at a regional Mediterranean level in various initiatives and projects on MPAs with such entities. ERA is also a member of the MedPAN (the Mediterranean Marine Protected Areas Network) and the IUCN (the International Union for Conservation of Nature), both particularly active in the Mediterranean region.

A National Strategy on the Environmental Policy should be drafted and finalised

The Ministry for Environment, Sustainable Development and Climate Change (MESDC) and ERA are to start up a process to draft and finalise a National Strategy on the Environmental Policy, the scope of which extends beyond 2020. This is especially important as the current National Environmental Policy covers up to this period. MESDC and ERA are encouraged to ascertain the immediate embarkation of this process in view of the lead-time required to compile and adopt a new strategic plan.

Developments: Partly Implemented

The National Strategy on the Environment (NSE) will set out what should be done to improve the environment within a generation, targeting up to 2050. The NSE is envisaged to be published for public consultation in 2022.

The vision for the NSE (the Well Being First 2050) was issued for public consultation on the 20 July 2020. It was published in November 2020 and the full Vision Document, Annexes, and replies to public consultations can be accessed through the ERA website. This will include long-term goals for 2050, details and plans of actions that need to be undertaken will be in 10-year phases, with intermittent reviews to update the Strategy as necessary. It is expected that the strategy will be published by the end of 2022.

The potential conflict of interest faced through ERA's dual role as environmental regulator and implementer of measures should be minimised

Consideration is to be given to minimise the potential conflict of interest faced through ERA's dual role as environmental regulator and implementer of measures. ERA's dual role becomes emphasised in circumstances where national strategies and plans – such as those related to the National Biodiversity Strategy and Action Plan (NBSAP) and Programme of Measures (PoMs) allocate implementation responsibilities to this Authority. While acknowledging that ERA houses key marine sector expertise, the Authority's main role as national regulator should trump all other considerations.

Developments: *Partly Implemented*

MECP contends that such considerations are addressed within day-to-day administration. This ministry also noted that an appropriate governance structure is in place within ERA to ensure that its policy implementation and regulatory functions are duly distinct, with separate Directorates to address the two issues, with the Environment and Resources Directorate (ERD) being the technical policy-oriented office and the Compliance and Enforcement Directorate (CED) addressing the regulator functions. These functions are in line with the legal set up of the Authority as established under the Environment Protection Act (EPA, Cap. 549).

Additional considerations are linked with the setting up of Ambjent Malta, which assists in the implementation of functions linked with MPAs. In this respect, in order to ensure better streamlining in approach; clarify roles; provide for the regular review of the implementation of management agreements, plans and orders; audit their progress; and adapt and renew them, as necessary, the Flora, Fauna and Natural Habitats Protection Regulations (SL 549.44) were amended via Legal Notice 164 of 2019.

Administrative Capacity Recommendations

Responsible entities for the maritime sector are to ascertain that the appropriate administrative capacity is in place

Responsible entities for the maritime sector are to initiate action to ascertain that the appropriate administrative capacity is in place. This will enable better planning and a timelier implementation of the measures and related resource mobilisation. Subsequently, it would enable more effective monitoring and enforcement of the measures listed in the legal and strategic frameworks.

Developments: *Partly Implemented*

As part of MECP's commitment to the designation and management of MPAs, both the ERA and Ambjent Malta have undergone recruitment processes. Since 2016, the staff complement within ERA increased by 140 to 253 employee and Ambjent Malta also recruited its capacity by 70 additional staff. About 40 officers work directly or indirectly on MPAs within MECP, on various regulatory and policy functions. It is noteworthy that these figures exclude indirect work linked with policy, assessments, permitting, compliance, enforcement, data management and administration.

Surveillance compliance monitoring and enforcement plans, embracing risk analysis principles, should be compiled

Consideration is to be given to compile relevant surveillance compliance monitoring and enforcement plans, which embrace risk analysis principles. These plans are to detail the administrative capacity requirements and the approaches to be adopted by the national competent authorities. Such plans will render enforcement more effective and transparent.

Developments: *Partly Implemented*

Marine surveillance, monitoring and enforcement processes are ongoing as part of the daily administration of the relevant entities. Plans in relation to marine monitoring measures and related programme of measures have been adopted and are being implemented.

These are being implemented through both domestic funding and assistance through the European Union (EU) or the United Nations (UN) funded projects. Moreover, on the basis of ongoing results, ERA is currently reviewing the approved Marine Monitoring Programme and the Marine Programme of Measures, with a view to update them on the basis of resulting information from ongoing assessment and monitoring as well as emerging issues.

Operational Recommendations

ERA should exercise its role as the sector's regulator by invoking the legislative provisions related to Conservation Orders

ERA is to consider invoking the legislative provisions related to Conservation Orders as a measure to safeguard MPAs until such time that site-specific management measures are formally adopted and implemented. Invoking these provisions enables ERA to exercise its role as the sector's regulator and thus be in a strong legal position to address marine ecosystems threats and irregularities.

Developments: *Partly Implemented*

In general, the process for the adoption of MPAs and their management through the establishment of conservation measures follows the provisions of Article 4 of the EU Habitats Directive. In light of this process, Malta commenced an extensive process of public consultation with consultations over a period of three years, through the bottom-up approach and involving a wide range of stakeholders.

The resulting draft Conservation Objectives and Measures (COMs) were published for public consultation on the 10 July 2021, with a view to complete the official set of objectives and measures and publish/adopt them through management tools under the powers of the Environment Protection Act (Cap. 549) and other legal tools, as relevant, by 2023. This is accompanied by a series of documents and a public campaign on MPAs, which include both traditional and social media.

The development of Conservation Orders and similar legal tools is already being implemented in line with the provisions of the Environment Protection Act (Cap. 549), the Flora, Fauna and Natural Habitats Protection Regulations (SL 549.44) and other tools available to ERA.

Cooperation and coordination between National Authorities are to be strengthened through Memoranda of Understanding

Cooperation and coordination between National Authorities are to be strengthened. While, in this regard, the work of the inter-ministerial committee is acknowledged, the opportunity exists for these stakeholders to formalise their commitments, including the allocation of respective resources, through memoranda of understanding. This approach will encourage good governance in implementing measures of the sustainable use of marine protected areas. To this end, Memorandum of Understandings (MoUs) will encourage efficiency, the optimisation of resources as well as transparency.

Developments: *Fully Implemented*

MoUs have been developed with relevant public entities, such as the Department of Fisheries and Aquaculture (DFA) and Transport Malta (TM). A MOU was also signed with the Continental Shelf Department (CSD) regarding the exchange and use of technical data and information.

A contract was also developed by ERA with a local non-governmental organisation, namely Nature Trust Malta, to address issues linked with protected species, including injured marine animals in MPAs, like sea turtles, dolphins and whales. Such contract also envisages rehabilitation, veterinary care and reintroduction of such animals, as applicable, in line with national and international law, also including awareness-raising considerations. This is being considered on an annual basis.

A number of Management Agreements are in place with Non Governmental Organisations (NGOs), including amongst others for coastal sites; most of these were till 2020, and have/are being renewed for another interim term.

The compliance surveillance and enforcement functions concerning MPAs are to be supported through the use of technology

The compliance surveillance and enforcement functions concerning MPAs is to be supported through the use of technology and relevant authorities regulating different activities from different sectors. Investment in Information Technology (IT) systems would offer the possibility of broadening the scope of surveillance, especially in view of the vast area, which has been designated as MPAs. Moreover, it is proposed that such systems are to be made available to the different national entities involved in the maritime sector.

Developments: Partly Implemented

ERA has already purchased and is purchasing, relevant equipment, which is also being used in its current surveillance and monitoring functions. As at end August 2021, this expenditure in terms of such related aspects amounted to over €800,000 between 2019 and 2020. It is noted that this figure does not include the budget costs linked with EU projects associated with MPAs; in this respect expenditure on MPA-related matters linked with EU funding exceeded €10.5 million.

In addition to this, a number of systems have been and/or are being developed and made available to the different national entities involved in the maritime sector namely: Transport Malta; the Department of Fisheries and Aquaculture; the Planning Authority; the Continental Shelf Department; and the Environment Health Directorate. Moreover, multiple information-sharing systems have been designed and are available publicly to all stakeholders and the general public alike.

Conclusion

This follow-up performance audit has shown that MECP has registered substantial progress in implementing NAO recommendations which were proposed in 2018. To this effect, seven of the eight recommendations were partly implemented while the remaining proposal pertaining to cooperation agreements with other national entities was fully implemented.

MECP is striving to conclude the national strategy for the environment. This follow-up audit acknowledges the technical and administrative complexities involved but urges a more expedient approach to conclude the management of MPAs process at the earliest to provide a clearer direction regarding its implementation. Both in anticipation of the implementation of the national strategy as well as to better manage and regulate protected zones, ERA and Ambjent Malta have strengthened their administrative capacity and the regulatory framework.

Since 2018, the number of MPAs increased to 18 and now cover more than 35 per cent of Malta's waters up to the Fisheries Management Zone. This further illustrates the commitment in place to safeguard the marine environment. It is augured that national entities complement these EU obligations by expediting processes through their continued effort to implement the remaining elements of the NAO proposals.

2020-2021 (to date) Reports issued by the NAO

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May 2021 National Audit Office Annual Report and Financial Statements 2020

NAO Audit Reports

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