



Performance Audit:
Is LESA suitably geared to perform its traffic
enforcement function adequately?

January 2021



Performance Audit:

Is LESA suitably geared to perform its traffic enforcement function adequately?

Table of Contents

List of Abbreviations	5
Executive Summary	7
Chapter 1 – Introduction	8
1.1 Why this study?	8
1.2 Background Information	8
1.3 Audit Objectives and Scope	9
1.4 Methodology	10
1.5 Limitations	10
1.6 Report Structure	10
Chapter 2 - LESA's Financial Considerations	12
2.1 LESA relies solely on generated revenue, is legally obliged not to retain surplus, and has financial commitments with third parties	12
2.2 LESA does not fully follow its Legal Obligations on distribution of surplus	14
2.3 Recommendations	15
Chapter 3 – LESA's Enforcement Capacity and Capabilities	16
3.1 LESA's operations supported by an extensive information system, but lack comprehensive SOP coverage	16
3.2 LESA facing challenges to address CO shortage, but has no adequate HR requirements study in hand	18
3.3 Allocation of COs among regions is not supported by a technical study	19
3.4 LESA seeking to enhance the overall quality of its COs	20
3.5 Unstructured and basic Performance Monitoring on COs	21
3.6 CO presence on the ground insufficiently complemented with CCTV and Speed Cameras	22
3.7 Recommendations	26
Chapter 4 – Securing the provision of CCTV and Speed Camera services	27
4.1 Outsourced CBA on way forward - Result stands though better methodology could have been adopted in certain instances	27
4.2 Contract for CCTV and Speed Cameras could have better safeguarded Government's interests	29
4.3 Recommendations	31
Concluding Remark	32

List of Table and Figures

Table 1: Number of officers assigned to each region	18
Table 2: CCTV Cameras monitored by LESA for traffic enforcement purposes	23
Table 3: List of Speed Cameras installed in Malta by Locality	24
Table 4: Extension of Contract for CCTVs and Speed Cameras benchmarked against best practice guidelines	30
Figure 1: Chronology of Events - LESA's Distribution of Surplus	13

List of Abbreviations

AKL	Assoċjazzjoni Kunsilli Lokali
CBA	Cost-Benefit Analysis
CCTV	Closed-Circuit Television
CO	Community Officers
GDPR	General Data Protection Regulation
GPS	Global Positioning System
LC	Local Council
LES	Local Enforcement System
LESA	Local Enforcement System Agency
MAC	Malta Arts Council
NAO	National Audit Office
RC	Regional Committees
REO	Regional Enforcement Officer
SOP	Standard Operating Procedure

Executive Summary

LESA's potential as an enforcement Agency is evident, but it requires investment in the quality and quantity of its officers as well as better planning in resource allocation.

Why This Study?

The enforcement of traffic related regulations is an important function both due to its impact on social order, as well as to the safety considerations it entails. As the Local Enforcement System Agency (LESA) is a primary stakeholder in this respect, the National Audit Office (NAO) carried out a review to determine whether this Agency is adequately managed and resourced to carry out its mandate.

What NAO Recommends

This Office urges the Agency to petition through the appropriate channels, for a change in legislation so that it would be able to retain sufficient funds that could be used to finance any major unexpected expenses, LESA's normal operations during low revenue periods, or significant investment. NAO also recommends that the Agency commissions studies to establish the number of resources it requires (both in terms of COs and surveillance cameras), as well as to determine where these resources are to be best allocated to guarantee maximum efficiency and effectiveness. LESA is also urged to go through with its planned training programme, extend it to all COs, as well as to include new applicable topics whenever possible. To complement this initiative, NAO also advises the Agency to invest more effort to comprehensively and systematically monitor its COs' performance. Finally, this Office also recommends that LESA implements the CBA's outcome with respect to both CCTV and speed cameras at the earliest, as well as to ascertain that any future contracts intended to secure such assets adequately safeguard Government's interests.

NAO's Key Observations

Throughout this review, the audit team noted LESA's recurrent concern that, in the absence of a financial allocation from central Government, it has to rely solely on the revenue it generates from the issuance of contraventions to finance its operations. Further compounding this concern, the Agency is legally obliged to re-distribute any net surpluses among Local Councils. This Office acknowledges that this situation could lead to a scenario whereby LESA's revenue would significantly decrease if its effectiveness, as a deterrent against traffic related infringements, increases.

This audit found that the Agency is not managing to recruit the number of community officers (COs) it contends are required. This review however also observed that the exact quantity of LESA's ideal complement, and its allocation across the five geographical regions, is not validated through a comprehensive and adequately documented study. Such an exercise, this Office noted, would ascertain a more efficient, effective and risk-oriented allocation of officers.

NAO also highlighted concerns on the quality of some of LESA's COs, particularly their lack of basic soft skills. As COs are the primary point of contact between the Agency and the general public, this Office feels that this issue is having a negative impact on LESA's projected image. This concern is further compounded as a number of these individuals also lack basic technical skills and do not exhibit the willingness to address such shortcomings.

This study also found that, despite being backed by an extensive information system, the Agency still does not have a systematic and formal process by which to comprehensively monitor its COs performance. The audit team observed that the monitoring being undertaken could be more analytical and is not compiled into a single, structured and comprehensive profile for every CO.

The audit team found that significant gaps prevailed in LESA's coverage over the local arterial road network, insofar as speed cameras are concerned. Furthermore, this Office observed that the Agency has as yet never commissioned a study which accurately determines all the areas in which CCTV or speed cameras are required on a national level.

This Office commends LESA's initiative to commission a Cost Benefit Analysis (CBA) to determine whether the current arrangement (through which CCTV and speed cameras are being secured), presents good value for money when compared with other possible options. Notwithstanding, NAO notes that, as at time of writing, the results of this CBA (which concluded that an alternative arrangement would present better value for money) have not as yet been fully implemented even if a year had already elapsed since its completion, thereby possibly eroding its validity. The audit team also reviewed the one-year contract extension governing the procurement of CCTV and speed cameras and found that this agreement could have better safeguarded Government's interests.

Chapter 1

Introduction

This introductory chapter contextualises the audited area and presents the audit’s overall scope, objectives and adopted methodology. These are followed by a synopsis of the report’s chapters.

1.1 Why this study?

1.1.1 The enforcement of traffic related regulations is an important function both due to its impact on social order as well as to the safety considerations it entails. As the Local Enforcement System Agency (LESA) is a primary stakeholder in this respect, the NAO carried out a review to determine whether this Agency is adequately managed and resourced to carry out its mandate.

1.2 Background Information

1.2.1 LESA is an executive agency of the Government of Malta, set up by virtue of L.N. 153 of 2015, under the terms of Section 36 of the Public Administration Act, Cap. 497. The primary role of the Agency is to provide for the enforcement of any law, regulation or by-law, which enforcement function has been delegated to Regional Committees (RC), Local Councils (LC) or to such other local or regional authorities as are designated by the Local Councils Act. Prior to being set up as an Agency and becoming the operator of the local enforcement system, LESA was delegated regulatory authority on the area in question, with the actual provision of enforcement services being outsourced to a third-party contractor.

1.2.2 Apart from being assigned with the local traffic enforcement function, LESA is also entrusted with other services, such as traffic management, collection of information on vehicle collision incidents as well as serving as the enforcement arm on some ecological regulations (particularly littering and waste collection schedules). LESA is also responsible for various educational campaigns (such as pedestrian and traffic education) aimed at different segments of the community.

1.2.3 As at October 2020, the Agency employed 112 staff, of which 87 are community officers (COs), 12 are members of management and 13 are assigned with administrative duties. The COs employed by LESA are each assigned to carry out enforcement duties in one of the five designated regions (that are the North, Gozo, Central, South and Southeast regions)

or other duties, which include traffic management and operating the Agency's control room. In addition to the CO complement, the Agency also operates 90 Closed Circuit Television (CCTV) and 21 speed cameras to further bolster its enforcement function.

- 1.2.4 The majority of LESA's operational processes are heavily reliant on an information system namely the Local Enforcement System (LES), the service of which is procured through an outsourcing agreement with a third-party provider. This software is the Agency's key tool in processing issued contraventions and acts as a repository for the data which LESA requires to operate.
- 1.2.5 In terms of funding, LESA is not allocated with an annual allocation from Central Government's budget. In turn, the Agency finances its operations through the revenue it generates from issued contraventions. According to LESA's latest audited financial statements, the Agency registered a net profit of €561,877 during its first 15 months of operations, that is between 1st October 2015 till 31st December 2016. As will be discussed further in this report, financial statements for following years show higher amounts of generated profit, but these are still at draft stage and have as yet to be audited.
- 1.2.6 During the period January to December 2019, LESA's COs issued 137,584 citations related to traffic violations and 2,797 related to littering. An additional 54,316 contraventions related to over-speeding were issued through speed cameras and 44,892 offences were identified through CCTV footage. During the same period, a total of 13,480 contraventions were cancelled.

1.3 Audit Objectives and Scope

- 1.3.1 This review sought to determine whether LESA is adequately geared towards carrying out its traffic enforcement mandate. In order to establish this, the audit team set out to:
- review the Agency's financial model with a view on how this may impact its operations;
 - determine whether LESA is resourced with a sufficient CO complement and how it ensures that the latter's performance is up to the required standard;
 - establish if the Agency is equipped with sufficient surveillance cameras (namely CCTV and speed cameras) and assess if these are effectively distributed throughout the country; and
 - review the contract governing the procurement of CCTV and speed cameras services, to establish if it presents good value to the Agency.
- 1.3.2 This review focused exclusively on traffic enforcement. To this end, other responsibilities entrusted to LESA were not included in this analysis. This area was analysed solely from a performance and value for money perspective and therefore, considerations on financial compliance were also scoped out.

Is LESA suitably geared to perform its traffic enforcement function adequately?

1.3.3 Unless otherwise stated, the scoped period for data analysis purposes spanned between January and December 2019. Findings presented in this report reflect the situation as at October 2020.

1.4 Methodology

1.4.1 After acquiring a clear overview of the Agency's operations through preliminary research and an initial meeting with LESA's Management, the audit team carried out a detailed issue analysis exercise on the scoped audit area to determine the main audit question. Following this, a number of sub-questions emerged, providing the audit team with a clear pathway towards the successful conclusion of this audit.

1.4.2 Following the issue analysis exercise, the audit team held a series of semi-structured meetings with members of LESA's management. It should be highlighted that this study was carried out during the COVID-19 pandemic. In view of this, and in compliance with guidelines issued by local health authorities, meetings between the Agency and the audit team were mostly held virtually.

1.4.3 The audit team also requested (and was forwarded with) documentation and reports related to the audited area, which were duly reviewed and analysed. These methodologies led to the findings of this study which, together with this Office's observations and recommendations, were presented to the audited entity for its feedback.

1.4.4 NAO conducted this performance audit in line with the Standard for Performance Auditing, ISSAI 3000.

1.5 Limitations

1.5.1 As already stated, this performance review was carried out during the COVID-19 pandemic. This situation presented some challenges in the logistic considerations of the audit team's work.

1.6 Report Structure

1.6.1 **Chapter 1** - This introductory chapter contextualises the audited area and presents the audit's overall scope, objectives and adopted methodology. These are followed by a synopsis of the report's chapters.

1.6.2 **Chapter 2** - This chapter considers how the Agency's financial model as well as financing agreements with other entities, affect its overall operations. Specifically, this part of the report takes into account relative governing legislation currently in vigore, together with other related official documentation. This chapter also deliberates whether shifting towards a different financing mechanism would enable LESA to operate better.

- 1.6.3 **Chapter 3** – This chapter presents NAO’s analysis on LESA’s capacity to fulfil its traffic enforcement function, particularly through its deployment of COs and cameras. This part of the report also delves into functions which support front-line enforcement, including the Agency’s information system and training provided to officers.
- 1.6.4 **Chapter 4** – This chapter presents the manner by which LESA secures services for CCTV and speed cameras and analyses the Agency’s intent to change the current arrangement. A review of the related agreement currently in vigore also identifies prevailing shortcomings with a view to avoid reoccurrence in any new upcoming contracts.

Chapter 2

LESA's Financial Considerations

This chapter considers how the Agency's financial model as well as financing agreements with other entities, affect its overall operations. Specifically, this part of the report takes into account relative governing legislation currently in vigore, together with other related official documentation. This chapter also deliberates whether shifting towards a different financing mechanism would enable LESA to operate better.

2.1 LESA relies solely on generated revenue, is legally obliged not to retain surplus, and has financial commitments with third parties

2.1.1 Before being established as an agency in 2015 through LN153/15, the audited entity was entrusted to regulate, rather than to operate the local enforcement system. As already stated in Chapter 1, the services of community officers (COs) were outsourced from a third-party contractor during this initial period with any generated revenue from issued contraventions being received by the respective Regional Committees (RCs)¹ and their associated Local Councils (LCs). In contrast, since the establishment of LESA as the operator of the local enforcement system, revenue generated by issued contraventions is being received by the Agency itself. It is however to be noted that this is the sole source of revenue for LESA, as the Agency does not benefit from a recurrent financial allocation from Central Government's annual budget. This was cited as a cause for concern by LESA's management as the Agency must satisfy its financial requirements solely from the revenue it generates through its enforcement remit.

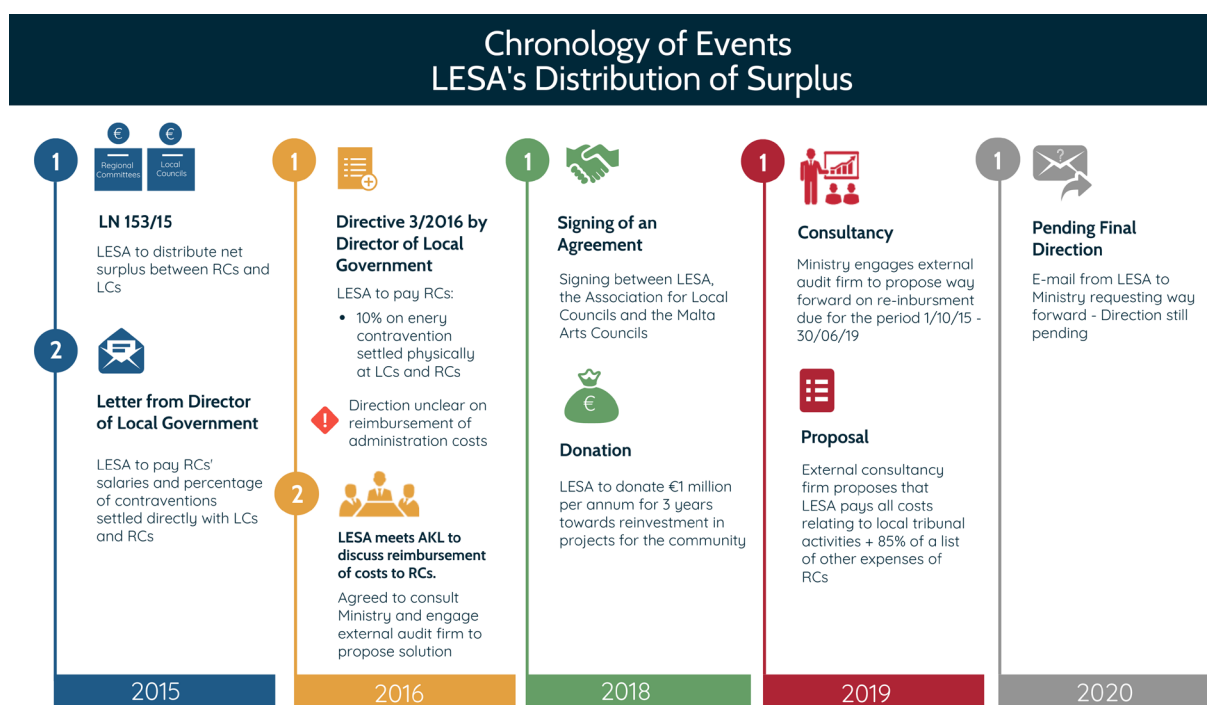
2.1.2 Notwithstanding, LN153/15 stipulates that at the end of every operational year, the Agency is legally bound to distribute any remaining net surplus between LCs. During meetings with the audit team, the Agency expressed concern that while legal obligations in this respect stand, the exact process with which the indicated reimbursements towards LCs and RCs should be affected is still unclear. The audit team was however further informed that LESA was, as at time of writing of this report, holding meetings with the Ministry and communicating with the Director of Local Government, with the aim of resolving this issue.

¹ Regional Committees are responsible for the administration of local tribunal cases for contested contraventions. In addition to the administration and salaries of officials involved in this process, RCs also receive payments (in the name of LESA) for contraventions for which the case has been lost by the alleged offender.

2.1.3 LESA also forwards funds to Assoċjazzjoni Kunsilli Lokali² (AKL) and the Malta Arts Council (MAC), through an agreement dated 29th April 2017. This agreement stated that the Agency was to contribute €1 million per annum in total, with €900,000 being received by the AKL for reinvestment in the development of cultural and artistic projects for the benefits of the community, and the remaining €100,000 paid to MAC for the promotion of culture within localities. Having an effective period of three years this agreement expired on the 29th April 2020, with LESA stating that discussions on its renewal were still ongoing between the involved parties.

2.1.4 Figure 1 provides a visual representation of the chronology of events on the issue of LESA's distribution of surplus as discussed above.

Figure 1: Chronology of Events - LESA's Distribution of Surplus



2.1.5 The audit team requested copies of the Agency's audited financial statements so that it could gain a better understanding of the manner by which these financing obligations are executed by the Agency. This Office was however informed that LESA's latest completed set of audited financial statements relate to the period ending December 2016. When queried about the status of financial statements between this date and time of writing of this report, Agency officials asserted that these have not as yet been issued due to a stalled vetting process on claims for reimbursement submitted to LESA by RCs. NAO was however additionally informed that this issue is being addressed and the Agency was, as at time of writing of this report, in the process of finalising these accounts.

² AKL represents all 68 Local Councils with the aim of protecting and promoting the common interests of said Local Councils as well as offering consultancy services and training on its own initiatives

NAO Observations

2.1.6 While NAO acknowledges the obvious benefits of a self-sustaining entity, it also perceives the possibility that the Agency could become the victim of its own success, with revenue set to decrease if its effectiveness in being a deterrent against traffic infringements increases. Though a remote scenario, this Office perceives the possibility that, if this phenomenon occurs to a sufficient extent, the Agency may not have adequate financing levels to continue its operations unhindered. Notwithstanding, this review has not given NAO any reason to believe that this consideration is, at present, serving as a disincentive for the Agency in its efforts to improve performance.

2.1.7 NAO acknowledges the Agency's concern about the uncertainty on some of its financial obligations. This Office believes that not being able to account for substantial financial commitments accurately, significantly inhibits the Agency's ability to produce its audited annual financial statements in a timely manner, as it is legally bound to do.

2.2 LESA does not fully follow its Legal Obligations on distribution of surplus

2.2.1 LESA asserted that the aforementioned finance related legal obligations (as outlined in LN153/15) are having negative effects on its financial management. The Agency asserted that having no recurrent financial allocation from central Government, and not being legally at liberty to carry forward reserves from one year to the next, does not allow it to have comfort that salaries are always provided for. During meetings with the audit team LESA Officials cited the COVID period (particularly early on in the outbreak) as an example in which revenue from issued contraventions plummeted, with the consequence of LESA finances becoming significantly strained. The Agency also asserted that these financial restraints negatively impact its growth potential particularly when considering projects which require significant capital expenditure or additional recruitment.

2.2.2 Notwithstanding, the audit team observed that LESA did manage to engage in significant capital investments, including the upgrading of its motor vehicle and motorcycle fleets. In addition, NAO is also informed that the Agency has managed to secure a renewable ten-year rent agreement on adequately sized premises as its headquarters. When queried on how the Agency managed to secure the above despite the previously mentioned assertions of financial constraints, the former replied that all these initiatives were only carried out because, since its inception, LESA did not fully comply with LN153/15 and always retained the registered surplus. Specifically, NAO was informed that LESA honours its agreement with AKL and MAC (which totals €1 million per year) and retains any remaining surplus. This is done in part to create a fund intended to honour the aforementioned obligations with LCs and RCs once the issue on reimbursement is resolved (section 2.1 refers), with the remaining balance being retained to finance future initiatives and low-revenue periods.

NAO Observation

2.2.3 This Office acknowledges that not being in receipt of an annual financial allocation from central Government, and being legally bound to re-distribute any net surpluses, puts the Agency in a difficult position when it comes to its overall financial planning. NAO also understands that the uncertainty on how this annual surplus is to be re-distributed, poses further problems on an already difficult situation. Notwithstanding, while NAO can appreciate the practical difficulties being faced by LESA in this respect, it can never endorse a situation in which a public agency does not fully adhere to set legal obligations.

2.3 Recommendations

2.3.1 Given the constraints that LESA's financial considerations could pose, this Office is of the opinion that it would only be fair and reasonable that the Agency is allowed to retain a capped contingency fund to finance any major unexpected expenses, its normal operations during low-revenue periods or significant investment. What could be financed from this fund, should be specifically agreed upon between the Agency and its Ministry and documented accordingly in a memorandum of understanding. NAO does not contend the principle that any remaining surplus could then be re-distributed. To this end, this Office recommends that LESA petitions, through the appropriate channels, for the relevant legislation to be amended accordingly.

2.3.2 NAO encourages the Agency to clear the uncertainty surrounding some of its financial obligations at the earliest. This would allow LESA to finalise the unissued financial statements as well as to publish future ones in a timely manner as required by law. This Office notes that, should LESA be successful in implementing this recommendation together with the one immediately preceding it, the Agency would have no practical reason to withhold funds which it is legally bound to re-distribute.

Chapter 3

LESA's Enforcement Capacity and Capabilities

This Chapter presents NAO's analysis on LESA's capacity to fulfil its traffic enforcement function, particularly through its deployment of COs and cameras. This part of the report also delves into aspects which support front-line enforcement, including the Agency's information system and training provided to officers.

3.1 LESA's operations supported by an extensive information system, but lack comprehensive SOP coverage

Outsourced LES is comprehensive and performs satisfactorily

3.1.1 As explained in Chapter 1, LESA's operational processes are largely centred around the Local Enforcement System (LES), which is provided through an outsourcing agreement with a third party. Primarily, this system acts as a repository for the data generated by the Agency itself. Such information is fed into the system through the COs' electronic hand-held devices and includes the periodic location of every officer on the ground as well as the details on every contravention issued. The LES also enables LESA to access certain relevant information owned by other entities. This latter information may, for instance, be required to complete certain processes, such as identifying a vehicle's owner through registration plates for the purpose of issuing citations. During meetings with the Agency and representatives from the outsourced LES provider, NAO was assured that all the information required for LESA to carry out its mandate (particularly the processing of a contravention from its issuance through to its potential hearing at tribunal level) as well as any performance monitoring related analysis, was available in the LES. This system also offers the Agency a reporting facility with the option of compiling both pre-set and custom reports.

3.1.2 Notwithstanding, NAO has already highlighted (through a number of other published reports³) that the LES has not been subjected to a systems audit. This Office is however informed that such a study has been commissioned by LESA with the actual audit commencing in October 2020.

³ Report by the Auditor General on the Workings of Local Government 2018 ;
Report by the Auditor General on the Workings of Local Government for year 2017;
Annual Report on the Workings of Local Government for year 2016;
Report by the Auditor General on the Workings of Local Government for year 2015;
Annual Reports for the year 2014 on the workings of Local Government.

- 3.1.3 While the audit team did not undertake an IT systems audit itself on the LES, it requested a demonstration from LESA officials on how this system operates. During this exercise, NAO noted that no apparent difficulties were encountered in the operation of this system. Furthermore, LESA officials also asserted that the LES had rarely experienced any downtime.
- 3.1.4 The audit team also tested the system's capability to generate custom reports, specifically through a request for reports which include particular parameters (discussed further in subsequent parts of this report). It is important to note that such reports are not usually generated for LESA's normal use. The audit team once again positively noted that the Agency, through its third-party provider, encountered no difficulties in seeing to this request.

NAO Observation

- 3.1.5 NAO observes that the LES is an extensive system and one which caters for the operational needs of the Agency. This Office feels that such a tool facilitates the Agency's operational efficiency, particularly through the automation of information processes. Notwithstanding, NAO acknowledges that this system's robustness is, as at time of writing, being tested through the commissioned systems audit.

Insufficient SOP coverage for LESA's operations

- 3.1.6 As part of this study, NAO sought to review the Standard Operating Procedures (SOP) that guide the Agency's operations. This Office therefore requested copies of any such documentation, with LESA forwarding a significant number of memos but only six official SOP documents.
- 3.1.7 The audit team carried out a cursory review of the forwarded memos and noted that, while covering a wide range of considerations, these can be at best described as a haphazard collection of directions which do not follow a standardised format. On the other hand, NAO observed that the six forwarded SOPs were all comprehensively written and followed a standardised format.
- 3.1.8 When queried on the fact that not all operational areas were adequately covered by SOPs, LESA officials acknowledged that this was not an ideal situation. However, NAO was further informed that the Agency had initiated an exercise in early 2020 to formalise its processes into SOPs. In fact, NAO observed that the six reviewed SOPs were all introduced recently.

NAO Observation

3.1.9 While this Office remains concerned that LESA does not, as yet, have a full set of formalised SOPs to regulate all its operations, it acknowledges that the Agency has kick-started a process to draw up and formalise these procedures.

3.2 LESA facing challenges to address CO shortage, but has no adequate HR requirements study in hand

3.2.1 As indicated in the first chapter of this report, LESA employed 87 COs as at October 2020. The Agency explained that 62 of these officers are delegated enforcement duties and assigned to one of the five different geographical regions, specifically North, Gozo, Central, South East, and South. Officers deployed in each of these regions are managed by a regional enforcement officer (REO). Table 1 presents the number of officers assigned to each region. It is to be noted that the remaining 25 COs are assigned duties relating to the Agency’s control room, traffic management, collision duties and supporting the Agency’s administration function.

Table 1 - Number of officers assigned to each region

Region	No. of REOs	No. of COs
North	1	15
Gozo	(overseeing both North and Gozo)	5
Central	1	17
South East	1	14
South	1	11

3.2.2 During meetings with NAO, the Agency repeatedly asserted that it considers the current complement of on-the-ground officers as low. The audit team was particularly directed to the situation in Gozo where, as at October 2020, only five officers were deployed (two of whom are mainly tasked with collision duties). LESA asserted that its long-standing HR shortage is posing significant challenges for it to adequately cover all localities within the five regions.

3.2.3 In view of LESA’s assertions, the audit team queried what would be an ideal complement for LESA to cover all operational areas. During meetings with the Agency, NAO was however informed that the former does not have a definitive figure in mind but aiming for approximately 200 COs would be a good estimate. When asked if any studies have been compiled to substantiate this figure, as well as to determine the ideal allocation of such officers across all regions, LESA replied that no such exercise was undertaken and that quoted figures are based solely on operational experience.

- 3.2.4 When queried by NAO why such an HR shortage prevails, the Agency remarked that ongoing recruitment efforts from its part are registering limited success. Specifically, LESA officials asserted that prospective applicants may perceive conditions to the job, as well as the offered financial package, as being unfavourable.

NAO Observations

- 3.2.5 Though NAO takes note of the Agency's concerns on its staff shortage, it cannot endorse a declared estimation of additionally required officers which, while being based on operational experience, is not substantiated with a comprehensive and documented HR study. Such a situation puts the Agency in a weakened position to justify this estimation if challenged. In this case, this concern becomes particularly pressing when one considers the large number of cited vacant positions.

- 3.2.6 While acknowledging that factors which the Agency has limited control over may be at play, this Office remains concerned with the fact that the former is not managing to recruit the number of COs it believes are required. Not having a sufficient HR complement to adequately cover all operational areas, hinders any initiative which the Agency makes towards improving its operational efficiency and effectiveness. This is particularly so in areas in which staff levels are at an unacceptably low level such as those assigned to Gozo.

3.3 Allocation of COs among regions is not supported by a technical study

- 3.3.1 As part of this review NAO sought to understand how COs are deployed throughout the country. During meetings with the Agency, the audit team was informed that, while each CO is designated to one of the five regions, these are afforded with a significant amount of discretion when it comes to how they actually allocate their surveillance and enforcement effort towards specific locations. In addition, LESA officials explained that certain baselines on how many officers are deployed in each region and locality were determined through operational experience. The Agency highlighted that these baselines take into account certain factors such as seasonality, varying traffic volumes and peaks, as well as requirements emanating from scholastic periods. Notwithstanding, when the audit team asked for a copy of any formal exercise or calculations which were carried out to determine these baselines, LESA officials replied that no such documented study exists.

NAO Observation

- 3.3.2 NAO does not discount the value of the Agency's operational experience when allocating COs across the country. Notwithstanding, this Office remains concerned with the fact that this distribution is not validated through a comprehensive and adequately documented study. NAO feels that such an exercise would better guarantee a more efficient, effective and risk-oriented allocation of COs, which consideration is particularly pressing when one considers LESA's HR shortage.

3.4 LESA seeking to enhance the overall quality of its COs

- 3.4.1 NAO enquired with members of the Agency's management on whether the latter is satisfied, or otherwise, with the overall quality of its COs. During meetings with NAO, LESA admitted that a number of its COs, particularly those transferred from the private contractor in 2018, do not meet what it considers as minimum quality thresholds. Members of LESA's management went as far as stating that some of these individuals could be considered illiterate or only fit to carry out the most basic of tasks. The Agency also informed the audit team that a number of officers do not possess adequate soft skills. LESA's management asserted that this situation has led to a number of incidents, some of which merited disciplinary action. NAO was additionally informed that, further compounding these issues, some of these officers do not exhibit the willingness to invest any effort towards rectifying this situation. The Agency expressed concern that such issues significantly erode its image with the general public.
- 3.4.2 When the audit team enquired whether any efforts are being made for the Agency to enhance the quality of its complement, LESA's management explained that the new recruitment mechanism has been modified to enable the filtering-out of applicants who lack basic reading and writing skills. The Agency also highlighted that new recruits are provided with an extensive induction course which is delivered at the Academy of Disciplined Forces. This, NAO was informed, has significantly mitigated the concerns mentioned above. LESA officials explained that, unlike the 3-day induction course that used to be delivered to newly recruited officers in the past, the current training programme is more comprehensive, spans over a period of weeks and is delivered by professional lecturers.
- 3.4.3 In substantiating these claims, LESA officials forwarded to the audit team the induction course outline as delivered in July 2020. Through a review of this document NAO observed that this course covers a wide range of topics relevant to the responsibilities of a CO. This Office also positively noted that the delivery of this material is entrusted to a number of lecturers hailing from various areas of expertise.
- 3.4.4 The Agency further asserted that ongoing training is being delivered to all COs within its employ and not just to new recruits. In this respect, LESA forwarded the audit team with a training plan covering a period between July 2020 and mid-February 2021. Apart from complete induction courses being scheduled for new recruits, this training programme also features separate courses intended to be delivered to all COs. It is important to note that the topics being covered by these courses (namely first aid, GDPR, radio communication as well as communication and ethics) are included in the induction course itself. Upon the audit team's request, the Agency forwarded attendance lists of courses which have been already delivered. NAO noted that these courses were well attended.

NAO Observations

- 3.4.5 NAO draws attention to the fact that COs are the primary point of contact between the Agency and the general public. To this end, having a number of these officers lacking basic soft skills is a considerable cause for concern to the NAO as this undoubtedly erodes the

Agency's projected image. LESA expressed concern that such individuals also lack basic technical skills and do not exhibit the will to address such shortcomings.

3.4.6 NAO however positively acknowledges efforts being undertaken by the Agency to deliver training to all its officials. This Office believes that such an initiative should address some of the highlighted concerns.

3.5 Unstructured and basic Performance Monitoring on COs

3.5.1 During meetings with LESA Officials, the audit team enquired whether the performance of COs is periodically assessed and adequately documented. In reply the Agency highlighted that the following checks are carried out:

- the number of contraventions issued per hour by every CO;
- contraventions being randomly selected and reviewed for completeness by management;
- general monitoring of daily operations of COs by REOs;
- checks carried out by management and COs' direct supervisors on submitted petitions as well as during tribunal sittings, to assess whether evidence and testimonies put forward by COs are well prepared and presented; and
- investigation of complaints received by the general public, particularly through LESA's customer care unit, website and social media.

3.5.2 To verify these claims, NAO requested from the Agency any periodically compiled documentation to support the above-mentioned checks. However, in this respect, the audit team was only forwarded with very limited documentation.

3.5.3 Specifically, LESA provided NAO with a sample report which captures the REOs' observations on the performance of COs during tribunal sittings. While the forwarded report was presented in electronic format, LESA's management asserted that this document is a transposition, prepared by the Director of Operations, from handwritten reports drafted by the REOs during tribunal sittings. However, the audit team was informed that the versions as prepared by REOs sometimes do not capture the actual occurring events clearly and accurately. In fact, LESA officials expressed concern on the overall quality of the REOs and consider this as a weak point in the Agency's monitoring structure on its COs. Notwithstanding, the audit team was also informed that LESA's management is actively seeing to this issue.

3.5.4 In addition to the above, LESA provided the audit team with a spreadsheet which detailed the number of contraventions issued by each CO and the number of hours each respective CO spent on duty for the period between 7th September and 4th October 2020. This information, which was extracted from the LES, is used by the Agency so that it could carry out a basic calculation yielding the number of contraventions issued per hour by every CO.

Is LESA suitably geared to perform its traffic enforcement function adequately?

- 3.5.5 As discussed in section 3.1, LESA is supported by an information system which contains comprehensive data generated by the Agency's daily operations. To this end, the audit team sought to determine the extent to which LESA's management makes use of this system to monitor the performance of its COs. However, during discussions with the Agency and from the abovementioned limited documentation forwarded to the audit team, NAO observed that, despite having comprehensive information at its disposal through the LES, LESA may not be utilising this system to its full potential when monitoring the performance of its COs.
- 3.5.6 In particular, to better understand how LESA's COs are actually deployed among the five regions, NAO requested a report from the LES which shows the locations in which these officers were present (obtained through the GPS tracking of each officer's electronic hand-held device). This information was requested in a 'per hour' format for the months of August and November 2019. When requesting this information, the audit team was informed that, even if easily compiled, a custom report had to be generated in this respect as it had never been requested before. In fact, when queried if any similar reports were generated by LESA to monitor the movement of COs, the Agency replied in the negative. The latter however asserted that GPS tracking is used to carry out ad hoc checks on the location of officers while on duty.

NAO Observations

- 3.5.7 This Office is concerned with the fact that LESA does not have a systematic and formal process by which to comprehensively monitor its COs' performance. While NAO acknowledges that the Agency does carry out various forms of monitoring on its officers' operations, it notes that these are not compiled into a single, structured and comprehensive profile of each CO's overall performance. In addition, NAO believes that the monitoring being undertaken by the Agency with respect to COs' performance as at time of writing, is rather basic and can consequently be more analytical. These concerns become particularly pressing when one considers the relative ease by which a stronger performance measurement system can be developed in view of the readily available data in the LES and the reporting potential this system has.

3.6 CO presence on the ground insufficiently complemented with CCTV and Speed Cameras

Number of operational CCTV Cameras may be insufficient

- 3.6.1 As at time of writing of this report, LESA secured the service of a total of 33 CCTV cameras in 18 different localities in Malta (discussed in detail in Chapter 4) for monitoring and enforcement purposes. Supplementing these, a further 57 CCTV cameras were procured by 12 different LCs but whose management was handed over to LESA. All CCTV cameras are monitored by COs stationed at LESA's control room and contraventions are issued according to observations made. Table 2 below presents the location of all CCTV cameras monitored by LESA. As can be seen from this table, the Agency has no CCTV coverage in Gozo.

Table 2 - CCTV Cameras monitored by LESA for traffic enforcement purposes

CCTVs secured and managed by LESA			CCTVs owned by LCs and managed by LESA		
Locality	Street		Locality	Street	
Attard	Triq Santa Katerina		Balzan	Triq Wesghet Aquilina	x2
Attard	Triq il-Pitkali		Birgu	Fortini	x2
Birgu	Misraħ ir-Rebħa	x2	Birgu	Mandraġġ	x2
Għaxaq	Dawret Ħal Għaxaq		Birgu	San Lawrenz	
Gżira	Triq The Strand		Birgu	Simenta	x3
Ħamrun	Triq il-Kbira San Ġuzepp		Birgu	Torri ta' San Ġwann	x2
Ibraġġ	Triq l-Ibraġġ		Birgu	Triq il-Foss	x2
Iklin	Triq Ġeronimo Abos		Għaxaq	Triq G. Demicoli	
Kalkara	Triq ix-Xatt		Għaxaq	Triq San Ġorg	x2
Mdina	Parking next to Saqqajja Hill		Gudja	Bir Miftuħ	
Paceville	Triq Dragunara		Gudja	Ġnien il-Qari	
Paceville	Wilġa Street		Gudja	Triq il-Palazz	
Paceville	St Rita Steps, Wilġa Street		Ħamrun	Ħamrun Ground	x6
Paceville	Triq San Ġorg		Ħamrun	Qormi Road	x8
Paceville	Wilġa Street		Isla	Main Square	x2
Paola	Paola Centre	x3	Kalkara	Rinella Bay 1	
Pembroke	Triq Alamein		Kalkara	Rinella Bay 2	
Pieta	Gwardamangia Hill		Kalkara	Rinella Bay 3	
Sliema	The Strand		Kalkara	Triq Luigi Pisani	
Sliema	Triq il-Kbira	x2	Marsa	Marsa Race Track	x4
Sliema	Bisazza Street		Marsa	Regatta	
Sliema	Triq ix-Xatt		Marsa	San Bernard	x2
St Julians	Il-Bajja ta' San Ġorg		Marsa	Triq Saura	
St Julians	Triq Santu Wistin		Mellieħa	Triq l-Iżbark tal-Francizi	
St Julians	Ix-Xatt ta' Spinola		Paola	Market	x3
St Julians	Triq San Ġorg		Pieta	Triq Qrejten	
St Venera	Misraħ il-Barrieri		Santa Luċija	Triq Berganja	x2
Ta' Xbiex	Triq Ġuzeppi Cali		Santa Luċija	Triq Ines Soler	
Żurrieq	Misraħ ir-Repubblika		Santa Luċija	Triq ta' Garnaw	

3.6.2 While noting that the situation in Gozo is evidently unacceptable in terms of CCTV coverage, this Office questioned whether the 90 CCTV cameras which LESA has access to in Malta, are sufficient or otherwise. In reply, LESA informed the audit team that, while relying on requests and information received by LCs on where such cameras are needed, no nation-wide studies were ever undertaken by the Agency to determine the amount and exact areas in which such cameras are actually required.

NAO Observation

3.6.3 NAO cannot accept the absence of CCTV cameras in Gozo and is concerned that the Agency does not have a comprehensive study in hand which adequately determines all the areas in which such assets are required on a national level. This Office deems CCTV cameras as a means through which traffic enforcement can be applied efficiently and effectively, not only by complementing the COs' presence on the ground, but possibly also by reducing the Agency's perceived need for additional COs.

Insufficient deployment of speed cameras

3.6.4 As discussed further in Chapter 4, the Agency secured the services of 21 speed cameras through an outsourcing agreement. As shown in Table 3, these cameras are installed in 11 localities in Malta and cover 13 points of the country's arterial road network. None of these are installed in Gozo.

Table 3 - List of Speed Cameras installed in Malta by Locality

Camera Name	Road / Street	Locality	Direction
SPD - Attard 1	Triq in-Nutar Żarb	Attard	Dual
SPD - Bkara 1	Triq Dun Karm	B'Kara	Single
SPD - Bkara 2	Triq Dun Karm		Single
SPD - Burmarrad	Triq Burmarrad	St Paul's Bay	Dual
SPD - Gudja	Triq Ħal Far	Gudja	Dual
SPD - Mrieħel 1 - Qormi 1	Mrieħel By-Pass	Mrieħel	Single
SPD - Mrieħel 2 - Qormi 2	Mrieħel By-Pass		Single
SPD - Pembroke	Triq St. Andrew's	Pembroke	Single
SPD - Qormi 3	Triq I-Imdina	Qormi	Single
SPD - Qormi 4	Triq I-Imdina		Single
SPD - RGRDTSGN	Triq Reġjonali	St Venera	Single
SPD - RGRDTSTJ	Triq Reġjonali		Single
SPD - Siġġiewi	Triq Mons. Mikiel Azzopardi	Siġġiewi	Dual
SPD - STVNRT 1	Triq Reġjonali	St Venera	Single
SPD - STVNRT 2	Triq Reġjonali		Single
SPD - Xemxija 1	Dawret San Pawl il-Baħar	St Paul's Bay	Single
SPD - Xemxija 2	Dawret San Pawl il-Baħar		Single
SPD - Żebbug 1	Mdina Road	Żebbug	Single
SPD - Żebbug 2	Mdina Road		Single
SPD - Żejtun 1	Triq Tal-Barrani	Żejtun	Single
SPD - Żejtun 2	Triq Tal-Barrani		Single

- 3.6.5 During meetings with NAO, LESA's management acknowledged the audit team's observation that the number of locations covered by speed cameras is insufficient for the local arterial road network to be considered as being adequately covered. When queried what was limiting the Agency from extending the coverage of these assets, the latter replied that the service for these is currently being procured through a contract which yields less than favourable conditions (issue discussed further in Chapter 4). Due to this, the Agency believes that it does not logically follow to secure additional speed cameras with the current arrangement.
- 3.6.6 Similarly to what was observed on the CCTV situation, the audit team noted that the Agency once again does not have a completed study which specifically outlines how many speed cameras are required to adequately cover the local arterial road network. Specifically, when queried on this, LESA officials asserted that while the Agency is aware of locations which merit the installation of a speed camera, these have not been formally compiled into a document which accurately outlines these gaps. Notwithstanding, the Agency highlighted its intention of procuring and deploying hand-held speed cameras to complement the abovementioned fixed points. LESA officials asserted that these would give the Agency more flexibility in carrying out speed related surveillance where and when needed.

NAO Observations

- 3.6.7 The evident shortage of speed cameras within the local arterial road network is an obvious cause for concern to this Office. While NAO acknowledges that, as presented in Chapter 4, the current arrangement by which these assets are secured may not be presenting the best value for money for the Agency, it questions whether this is sufficient justification for LESA's hesitation to install additional speed cameras. This is particularly the case when one considers the significant safety risks that over speeding presents to road users. Notwithstanding, NAO recognises LESA's intent to increase its coverage with respect to speed related surveillance through the acquisition of hand-held speed cameras.
- 3.6.8 This Office is additionally concerned with the fact that the Agency has as yet never commissioned a study which accurately determines the required quantity as well as the locations in which speed cameras are needed for the local arterial road network to be adequately covered. NAO notes that the lack of such a study renders any decision on the way forward in this respect questionable in terms of the efficient and effective use of these resources.

3.7 Recommendations

- 3.7.1 This Office urges LESA to expedite the process of formalising a full set of SOPs for all its operations so that these are better regulated. This Office further points out the importance of these SOPs being adequately and comprehensively transmitted to all LESA officials, particularly its front-liners. Preferably, access to these SOPs should be made available through each CO's hand-held electronic device. In addition, the Agency could consider providing access to both full versions of these documents for full detail, as well as to abridged versions for more practical and immediate reference.
- 3.7.2 Though NAO does not contend that the Agency may require more COs, it strongly urges the latter to substantiate its claims with a detailed study to determine the optimum number of required COs. In addition, this study could also determine the most efficient and effective distribution of COs across the five regions. This Office feels that, through such an initiative, LESA would be better equipped with the necessary knowledge to mitigate the risk of engaging more personnel than strictly required for it to cover all its areas of responsibilities, thereby preserving value for money.
- 3.7.3 Following the preceding recommendation, this Office proposes that the Agency conducts a thorough review to determine what is inhibiting potential new recruits from responding positively to LESA's call for applications. After identifying these issues, LESA is urged to devise a plan of action on how these can be rectified so that the ideal complement of COs is fulfilled in a timely manner.
- 3.7.4 This Office urges LESA to go through with the already planned training programme, and to extend such an initiative to all COs as well as to include new applicable topics whenever possible. While this Office is convinced that in so doing the Agency would be addressing identified shortcomings in the quality of its staff complement, it also perceives the possibility that some officials will remain unresponsive to this initiative. In such cases, NAO urges LESA to take corrective action as necessary.
- 3.7.5 Complementing the immediately preceding recommendation, NAO also advises the Agency to invest more effort to comprehensively and systematically monitor its COs' performance. NAO noted that this function can be greatly facilitated and enhanced through the use of data within the LES, which would complement a formalised performance monitoring mechanism. It is also suggested that LESA ensures that the necessary skill set required for such analysis is secured.
- 3.7.6 NAO urges the Agency to commission studies through which it can accurately determine how many CCTV and speed cameras (both fixed and hand-held) it requires, and where should these be deployed, so that it achieves adequate coverage on these fronts. Once this is established, LESA should expedite the process by which these additionally needed cameras are installed and made operational (as discussed in Chapter 4).

Chapter 4

Securing the provision of CCTV and Speed Camera services

This chapter presents the manner by which LESA secures services for CCTV and speed cameras and analyses the Agency's intent to change the current arrangement. A review of the related agreement currently in vigore also identifies prevailing shortcomings with a view to avoid reoccurrence in any new upcoming contracts.

4.1 Outsourced CBA on way forward – Result stands though better methodology could have been adopted in certain instances

4.1.1 NAO noted that the Agency is securing both the service as well as the maintenance of CCTV and speed cameras through a one-year extension of a three-year outsourcing contract that originally expired in December 2019. The Agency is charged a daily flat rate for every CCTV camera in operation and a percentage from every contravention issued through speed cameras. It is to be noted that the above-mentioned payments do not cover the active functions of monitoring CCTV cameras and the issuing of related contraventions, with these remaining LESA's responsibility. The issuance of contraventions through speed cameras is handled through a separate outsourcing agreement with another third party.

4.1.2 During meetings with the audit team, LESA stated that it had decided to assess whether the all-round service being procured by the contract currently in vigore, was presenting best value for money or otherwise. To this end, it had commissioned a cost-benefit analysis (CBA) to be carried out by a third-party provider to guide it on the best way forward. As part of this review, the audit team had planned to carry out an analysis to determine whether the aforementioned arrangements secured by the Agency with respect to the operation of both the CCTV and speed camera systems, present good value for money or otherwise. However, in view of LESA's initiative to commission this CBA, the audit team opted not to replicate this exercise but rather to assess the latter in terms of quality and completeness, thereby endorsing or otherwise its conclusion.

4.1.3 While reviewing the forwarded CBA, NAO noted that it comprehensively covered six possible courses of action for the continued operations of CCTV and speed cameras. Namely, these scenarios were:

1. Do nothing.
2. Issue a tender similar to the existing one.
3. Buy existing equipment and LESA operates it itself.
4. Buy existing equipment and issue a tender for management and operation of service.
5. Buy new cameras and issue a tender for management and operation of service.
6. Issue a tender for the supply and maintenance of new cameras, but LESA operates cameras itself.

4.1.4 The forwarded CBA concluded that scenario six as presented above (that is, that LESA should issue a tender for the supply and maintenance of new cameras but operate them itself) would yield the highest value for money. In reviewing this CBA, the audit team however could not fully understand the origin of a number of presented figures. These identified instances were communicated to LESA who, after consulting with the engaged third party, could justify some of them while confirming that others were indeed errors or assumptions which NAO could not fully agree with.

4.1.5 In view of this, the audit team recalculated the six different scenarios presented in the original CBA, correcting errors which were confirmed by LESA and adjusting assumptions with which it did not agree. As a result of this exercise, some scenarios ranked differently from the original CBA. However, option six retained the highest ranking with a net present value of €18.5million, exceeding the closest alternative by approximately €2.4million. As a result, while NAO does not fully agree with the methodology used in the submitted CBA, it agrees with the latter's conclusion that scenario six presents the best value for money.

4.1.6 During meetings with the audit team, LESA highlighted that, after receiving the completed CBA on 20th November 2019, it initiated the process of drafting a new tender to follow this study's conclusions with respect to CCTV cameras. It however further asserted that, as at time of writing of this report, this tender has not yet been finalised and, in fact, LESA is in the process of securing approval for the current contract to be re-extended by a further year to complete this process. With respect to speed cameras, LESA officials asserted that this is a much more complicated area and, as a consequence, it has been put on hold for the time being.

NAO Observations

4.1.7 NAO commends LESA's initiative to commission a CBA to determine which way forward presents the best value for money when securing and operating CCTV and speed cameras. Undertaking such an initiative should allow LESA to make an informed decision on what this Office considers to be an important aspect of the former's enforcement function, and one which carries with it significant and long-standing financial implications. Notwithstanding, this Office is concerned that a number of errors, as well as what could be considered as implausible assumptions, were not challenged by the Agency upon receipt of this CBA. While in this instance this did not affect the final outcome, such occurrences have the potential to completely derail the outcome of a CBA, with obvious negative repercussions.

4.1.8 This Office is concerned with the fact that, as at time of writing of this report, a year had already elapsed since the completion of this CBA and therefore any further delays from acting comprehensively on its conclusions (particularly with respect to speed cameras) may erode its validity.

4.2 Contract for CCTV and Speed Cameras could have better safeguarded Government's interests

4.2.1 NAO sought to determine whether Government's interests were adequately safeguarded through the clauses of the contract procuring the services of CCTV and speed cameras. As already mentioned, these services were being procured through a one-year extension as at time of writing of this report. To this end, the audit team carried out an in-depth review of the contract document governing this extension and benchmarked its clauses with a series of prerequisites which are considered as good practice and which, in NAO's opinion, should be followed. Table 4 presents NAO's findings in this regard. It is to be noted that this Office also reviewed the original contract and noted that, even if still lacking in some respects, the extension contract fared better than the former insofar as safeguarding Government interests is concerned.

Is LESA suitably geared to perform its traffic enforcement function adequately?

Table 4 - Extension of Contract for CCTVs and Speed Cameras benchmarked against best practice guidelines

Best Practices Contractual Clauses	Appropriately included	Status		NAO Observations
		Not appropriately robust to safeguard Government's interest	Omitted	
Termination	✓			NA
End Date	✓			NA
Penalties		✗		<i>While this contract features a penalty clause, it is unclear whether this applies to every unavailable camera or whether it is an umbrella penalty in the event of any number of unavailable cameras. As for speed cameras, the clause also fails to distinguish between a major and a minor fault.</i>
Payments	✓			NA
Confidential information	✓			NA
Contract variations			✗	<i>The agreement does not outline any limits on the number of additional cameras that can be installed.</i>
Dispute resolution	✓			NA
Insurance	✓			NA
Key personnel			✗	<i>The contract does not identify any personnel with specific skills which need to be engaged during the delivery of this service.</i>
Liabilities and indemnities	✓			NA
Sub-contracting	✓			NA
Transition agreements			✗	<i>This contract does not contain any transition-in or transition-out clauses.</i>
Deliverables	✓			NA

NAO Observation

4.2.2 Through this analysis, NAO observed that the contract extension which is currently governing the services of CCTV and speed cameras, while better than the original contract, still falls short in a number of key areas when it comes to securing Government's interests. Such a situation exposes the Agency to otherwise avoidable risks which, if they materialise, will have a negative impact on the smooth running of this surveillance function.

4.3 Recommendations

4.3.1 NAO once again highly commends LESA's initiative to commission a CBA so that any decision made on the way forward regarding CCTV and speed cameras is adequately informed. Notwithstanding, this Office recommends that any future studies commissioned to third parties are, upon receipt, duly tested in terms of completeness and quality. This would ensure that such studies are truly dependable and that they would steer the Agency's decision making towards the right direction.

4.3.2 This Office once again notes that the CBA has concluded that a different scenario to what is currently in place would prove to return better value for money with respect to the provision, maintenance and operation of CCTV and speed cameras. In view of this, NAO urges LESA to follow through with the recommended scenario in a timely manner so that the intended benefits are reaped at the earliest.

4.3.3 In acting on the preceding recommendations, NAO also urges the Agency to take due note of the identified and presented shortcomings in the extension contract currently in vigore, and take corrective action accordingly so that at any upcoming agreements would better safeguard Government's interests.

Concluding Remark

Throughout this review, the audit team noted a recurrent concern being voiced by the Agency, specifically that, in the absence of a financial allocation from central Government, generated revenue is the only way to finance its operations. NAO does not contend the merits of having national agencies operating through a self-sustaining model. In LESA's case however, this comes at the cost of the Agency having little option but to adopt an operational philosophy which is more geared towards generating sufficient revenue to ascertain adequate financing of its operations, rather than primarily focusing on being a universal service provider. Though this Office acknowledges numerous instances in which the Agency offers non-revenue generating services (such as educational campaigns and community assistance), the above-mentioned concern still impedes the extent to which LESA can engage in such services. While it is inevitable that an enforcement agency will encounter public relation difficulties, this unbalanced situation further compounds such challenges.

This Office notes that the Agency still has to invest effort in its staff complement so that all COs are adequately trained, with particular attention being given to the soft skills applied during the execution of duties. This is particularly pressing when one considers that COs on the ground are the primary (and in many cases the only) contact that LESA has with the general public. To this end, regardless of other efforts invested by the Agency in any other areas, the performance of COs on the ground is the predominant factor which most influences the former's projected image. In this respect, NAO also draws the Agency's attention to the importance of monitoring its COs in a more comprehensive manner through a structured performance measurement system. In so doing, LESA could identify officers who are not performing adequately and take corrective action as required.

This being said, officers on the ground need to be adequately supported, deployed and managed for the Agency to effectively and efficiently address its remit. Central to this consideration is the entity having a clear vision of what assets it requires and where these are to be deployed. In this respect, particular attention needs to be given to locations in which LESA's visibility is severely lacking. Given that the Agency is still to commission such studies (both with respect to additional COs required as well as cameras), this Office remains concerned on the adequacy of LESA's operational planning.

NAO however believes that LESA is an entity with the potential to change. If the concerns outlined throughout this report are duly addressed by the Agency, NAO believes that LESA's image will inevitably be enhanced and the provision of a higher quality and more comprehensive service can be secured.

2020-2021 (to date) Reports issued by NAO

NAO Annual Report and Financial Statements

May 2020 National Audit Office Annual Report and Financial Statements 2019

NAO Audit Reports

January 2020	Performance Audit: Community Care for Older Persons
February 2020	Performance Audit: Assessing the Public Transport Contract and Transport Malta's visibility on the service
March 2020	Information Technology Audit: ICT across Local Councils
March 2020	The disposal of the site formerly occupied by the Institute of Tourism Studies
April 2020	A review of the ethical framework guiding public employees
April 2020	Addendum Investigation: The Mater Dei Hospital Project
May 2020	Performance Audit: Tackling Child Abuse
June 2020	Follow-up Reports by the National Audit Office 2020 Volume I
June 2020	Performance Audit: A Follow-Up on the 2016 Analysis on OHSA's Operations - A Case Study on the Construction Industry
July 2020	An audit of matters relating to the concession awarded to Vitals Global Healthcare by Government Part 1 - A review of the tender process.
July 2020	An audit of matters relating to the concession awarded to Vitals Global Healthcare by Government Part 1 - Addendum
October 2020	Follow-up Reports by the National Audit Office 2020 Volume II
November 2020	Information Technology Audit: Planning Authority
November 2020	Performance Audit: An analysis of Malta Medicines Authority recruitment process
November 2020	Information Technology Audit: Malta Industrial Parks Ltd
November 2020	Report by the Auditor General on the Workings of Local Government for the year 2019
December 2020	Report by the Auditor General on the Public Accounts 2019
December 2020	A review of implementation of Sustainable Development Goal 1 - Malta's efforts at alleviating poverty