

# Follow-up Audits Report by the National Audit Office 2022

Volume II





# Follow-up Audits Report 2022

## Volume II

Report by the Auditor General  
November 2022



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# Foreword

This Part II Follow-Up audit assignment evaluates the level of implementation by the Executive of the main recommendations made in three Performance Audit and one IT Audit Reports issued by the National Audit Office between 2018 and 2019.

Thus, in this second volume for 2022, our Performance Audit and IT Audit teams have based their extensive review on these four audits, as can be seen in the detailed Table being inserted after this Foreword.

As emphasised in previous editions of this Follow-Up audit assignment, the timely and efficient implementation of our recommendations is deemed of critical importance to the National Audit Office. Our audit reports seek to assist Government Ministries, departments and public entities in improving their operations, not just by identifying shortcomings, but also by making recommendations to address them. Our ultimate aim is to help improve the economy, efficiency and effectiveness of operations being audited, ultimately leading to a better use of public resources and an enhanced quality of service.



Charles Deguara  
Auditor General

November 2022

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

<b>RATING</b>	<b>EXPLANATION</b>
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"> <li>• 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.</li> <li>• 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.</li> <li>• The specific action noted in the recommendation was not complete at the time of the assessment.</li> <li>• The auditee may have commenced action to address a recommendation, but subsequent policy changes may have influenced how it might be implemented.</li> </ul>
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"> <li>• Action to address recommendation was very limited.</li> <li>• No supporting evidence that action has been undertaken.</li> <li>• Albeit unintentional, action taken does not address the recommendation.</li> <li>• Actions such as having meetings, discussions and generating informal plans, should be regarded as insignificant progress.</li> </ul>
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.

## TABLE OF IMPLEMENTATION FOR EACH INDIVIDUAL AUDIT

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	Not Accepted		
An Analysis of Issues Concerning the Cooperative Movement in Malta	1	1			3		5	40%
An Evaluation of Feed-In Tariff Schemes for Photovoltaics	4	1				2	7	71%
An Evaluation of the Community Work Scheme	4	5			2		11	82%
The Effective Use of Tablets in State, Church and Independent Primary Schools	6		1				7	100%
<b>Totals</b>	<b>15</b>	<b>7</b>	<b>1</b>	<b>0</b>	<b>5</b>	<b>2</b>	<b>30</b>	
<b>Totals in percentage</b>	<b>50%</b>	<b>23%</b>	<b>3%</b>	<b>0%</b>	<b>17%</b>	<b>7%</b>	<b>100%</b>	<b>77%</b>

\* Excludes 'No Longer Applicable'



# List of Abbreviations

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AA	Appropriate Assessment
CCF	Central Cooperatives Fund
CPD	Continuous Professional Development
CV	Curriculum Vitae
CWS	Community Work Scheme
CWSE	Community Work Scheme Enterprise
CWSEF	Community Work Scheme Enterprise Foundation
DDLTS	Directorate for Digital Literacy and Transversal Skills
EOY	End-of-Year
EWA	Energy and Water Agency
EU	European Union
FiT	Feed-in Tariff
GHG	Greenhouse Gas
IT	Information Technology
KM	Koperattivi Malta
KPI	Key Performance Indicator
LCDS	Low Carbon Development Strategy
LN	Legal Notice
LOF	Learning Outcomes Framework
MCF	Malta Cooperation Federation
MEDE	Ministry for Education and Employment
MEEE	Ministry for the Environment, Energy and Enterprise
MITA	Malta Information Technology Agency
MEYR	Ministry for Education, Sport, Youth, Research and Innovation
NAO	National Audit Office
NECP	National Energy and Climate Plan
NREAP	National Renewable Energy Action Plan
OTPC	One Tablet Per Child
PLRC	Premises and Legacy Review Committee
PV	Photovoltaic
RES	Renewable Energy Source
REWS	Regulator for Energy and Water Services
RfP	Request for Proposal
SAC	Special Areas of Conservation
SEA	Strategic Environmental Assessment
SEN	Special Educational Needs
SOP	Standard Operating Procedure
SPA	Special Protection Areas
SPE	Social Purpose Entity

Ministry for the Economy,  
European Funds and Lands



# An Analysis of Issues Concerning the Cooperative Movement in Malta

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## Background

The importance of cooperatives is entrenched in Article 20 of the Constitution of Malta, which specifically states:

*'The State recognises the social function of cooperatives and shall encourage their development'.*

NAO's 2019 Performance Audit: *An analysis of issues concerning the Cooperative Movement in Malta*, was originally intended to embark on a research initiative to better understand this area. However, preliminary work undertaken at that time by the audit team immediately showed that the cooperative movement in Malta had, for quite some time, been passing through a very trying period. This was mainly due to the internal strife among the two primary associations which represent the local cooperative societies. In view of this, and of the major effect it is having on the sector in question, NAO decided to carry out an audit (rather than a study) to determine how events occurred chronologically, and consequently put forward its observations on the matter while recommending measures by which to improve the situation.

It is worth noting that during the compilation of its original report NAO observed the involvement of what was referred to as a Premises and Legacy Review Committee (PLRC). As explained in the 2019 report, this Committee was commissioned by government to mediate between the two Associations and set out a clear way forward for this sector. After reviewing claims made by both parties, this Committee compiled the PLRC report which made a number of recommendations on how the premises and funding disputes could be resolved. Yet, as at time of writing of the 2019 NAO publication, disputes had re-emerged between the two Associations on the conclusions made in the PLRC report, which resulted in a renewed impasse.

Since NAO's 2019 publication, however, a compromise agreement has been signed by the interested parties, with the intention of ironing out any prevailing issues. This new agreement will be discussed further in subsequent parts of this report.

This follow-up audit therefore reports on the progress registered in the implementation of recommendations presented in this Office's 2019 Performance Audit report. Issues and conclusions presented in this follow-up study reflect information available as at end of June 2022.

## Audit Scope and Methodology

During the 2019 performance audit, this Office sought to understand what led up to the issues which prevailed in this area and therefore the scope was set to cover notable contributory events. The original study analysed the involvement of multiple stakeholders namely the Cooperatives Board, the Central Cooperatives Fund (CCF) and the Premises and Legacy Review Committee (PLRC). Being the two cooperative associations as well as the two main opposing parties in the prevailing issues at the time, the audit team also took into account Koperattivi Malta's (KM) and Malta Cooperation Federation's (MCF) actions in this respect, rather than focusing on individual cooperatives themselves. This original study was carried out with the primary objectives of: identifying what factors contributed to the state of affairs at the time; determining whether government's attempted remedies were successful; and forwarding recommendations on how identified issues can be mitigated.

For the purpose of this follow-up study, NAO retained the same scope and objectives of its 2019 report and endeavoured to determine the extent to which its forwarded recommendations have been implemented.

In order to complete this exercise, the audit team compiled a list of the recommendations made in the original 2019 report and forwarded these to the CCF committee, requesting the latter to forward its feedback on any registered progress. Following a preliminary review by the audit team on CCF's reply in this respect, NAO held a meeting with the Committee for further clarification and reviewed related documentation for verification purposes.

## Recommendations

### ***Government should retrain majority control over this public fund***

*NAO acknowledges that Government has already made efforts (particularly through the establishment of the Provisional Board and the change of CCF composition through legal provisions) to mitigate governance risks highlighted in this chapter. This Office nonetheless recommends that in the interim period, Government retains majority control over this public fund. This should apply until such time that the latter deems the cooperative movement (particularly through its representative associations) as adequately functional rather than having the movement expanding its energy on internal disputes which negatively affect both cooperatives as well as the CCF.*

### **Developments: Fully Implemented**

In following up on this recommendation, NAO noted that Legal Notice (LN) 81 of 2019, which currently governs the composition of the CCF Committee, differs in this respect from prevailing legislation as at time of the original report. Specifically, LN 81 of 2019 now calls for this committee to be composed of 11 voting members, six of whom are to be chosen by Government. The remaining five members are to be made up of two from each association and an independent member nominated by the joint consent of the two leading eligible and recognised organisations. During a meeting with the audit team, CCF confirmed that the committee's current composition reflects this new legal requirement. A list of current members was also forwarded to NAO for further verification.

### ***CCF control to be relinquished back to cooperative movement only through a transitional period and should be governed by a supervisory board***

*In the eventual scenario that Government deems it appropriate to start relinquishing CCF control back to the cooperative movement, NAO suggests that this is effected through a transitional period, during which a supervisory board is appointed to ascertain the smooth running of this process. However, unlike the Provisional Board which was operational between 2012 and 2016, NAO recommends that this board is allowed a broader and more active remit. Specifically, such a body should not be limited to merely approving or otherwise claims forwarded to it by the CCF, but rather be allowed to supervise the latter in its entirety (including its decisions, procedures and claim requests), thereby ensuring that principles of good governance are respected on all fronts. NAO further recommends that, in the event that Government deems this transition period as successful, the supervisory board may be dissolved and an appeals or grievances unit external to CCF could be established. This latter body may serve as a facility for any complainants to lodge appeals on CCF processed claims.*

### **Developments: No Longer Applicable**

Through feedback received by CCF, the audit team was informed that Government does not intend to change the composition of the CCF committee in the foreseeable future. NAO considers the enshrinement of this decision in local

legislation as sufficient verification of this statement. As a consequence, the audit team feels that this recommendation is no longer applicable.

### ***A comprehensive audit on past disbursements should be carried out***

*While acknowledging that unblocking the current impasse and finding a way forward for the cooperative movement is of utmost importance, this Office suggests that a comprehensive audit on CCF disbursements is carried out, particularly on the period in which significant governance risks prevailed. This will certify whether the use of this public fund was always appropriate and, if not, determine what remedial action is required.*

#### **Developments: Not Implemented**

When queried on this, CCF informed the audit team that no developments were registered on this recommendation. CCF further stated that, in their view, given that the period in question occurred a significant number of years ago it would be very difficult for the CCF to carry out a retrospective audit in this respect.

### ***CCF to ascertain whether further documentaton on the purchase of Balzan and Qormi premises exist and determine whether any related remedial action is needed***

*Reference is made to the fact that current CCF could not trace both the financial transaction used to finance the purchase of the Balzan premises, as well as any documented justification for the procurement of the Qormi premises. NAO urges CCF to make every effort so that it can determine with certainty whether such documentation ever existed and, if in the affirmative, trace, retrieve and archive it appropriately. In view of the probability that such documentation was never generated in the first place, this Office recommends that CCF determines whether any remedial action needs to be taken to safeguard government interests and/or mitigate any negative repercussions which may have materialised through such shortcomings.*

#### **Developments: Not Implemented**

The CCF committee informed NAO that no further documents could be traced with respect to the process used in the acquisition of both Balzan and Qormi premises. In fact, the same documentation made available to the audit during the original audit was provided again during this follow-up audit. To this end, NAO concludes that no progress has been registered in this respect.

### ***CCF to ascertain that any retrospective, remedial or future contracts are comprehensice drafted***

*NAO also urges CCF to ascertain that any retrospective, remedial or future contracts should be properly and comprehensively drafted. This recommendation is being made in view of the flaws in both the retrospective agreement on the sale of the Balzan premises, as well as the Qormi premises lease. In these specific cases, this Office encourages CCF to find any avenues through which it could: better secure the sale of the Balzan premises so that Government's interests are safeguarded, both in terms of value and timeliness; and set obligations/deliverables on the Qormi premises' lessee in return for the very favourable rate and conditions.*

#### **Developments: Not Implemented**

#### Balzan Premises

Given particularly that the involved parties have signed a compromise agreement since the publication of the 2019 report (to be discussed further in the subsequent part of this report), NAO assessed whether new

conditions were set so as to secure an expedited and fairly valued sale of the Balzan premises as per NAO's original recommendation. However, a review of this document shows that no such conditions were set in this new agreement, with the document merely reinforcing the fact that, should the Balzan premises be sold, proceeds should be forwarded to CCF.

Highlighting this to CCF during a meeting with the audit team, the latter was informed that enforcing conditions or timeframes for these premises to be sold is rendered legally challenging by the fact that the deed of sale for it calls KM as the owner and not CCF, even if its purchase at the time was funded by the latter (which assertion has already been verified in NAO's 2019 report). In this regard, CCF feels it is very limited in what it can do on this issue.

### Qormi Premises

With respect to the Qormi Premises, NAO notes that the agreement with KM as reviewed in the original report (for the latter to rent one room in this premises from CCF and have right of use of the rest of the premises' facilities at a heavily subsidised price of €2 a year) is still in vigore and is set to expire in 2025. The compromise agreement reached since the publication of the original report also reconfirms CCF's obligation to continue honouring this contract up till its date of termination. As a consequence, no changes have been made in this respect.

This notwithstanding, CCF expressed the intention that any such upcoming agreement is to be drafted in a manner which better safeguards government's interests, particularly insofar as the annual rent amount is concerned. CCF further stated that it will consider using the negotiation power brought about by the expiration of this contract, and consequently the need for renewal, to convince KM to release the Balzan premises and hence enable CCF to recover funds currently tied up in an unused property.

### **CCF to adopt a more assertive approach towards disentangling the prevailing impasse**

*As already highlighted, NAO considers the PLRC as having adopted an accommodating approach towards the two associations in the hope of disentangling the prevailing situation. However, given the renewed impasse following the PLRC report's publication, NAO recommends that CCF (possibly through the PLRC) adopts a more assertive approach. Specifically, this Office urges CCF to explore all possible avenues through which the PLRC report, and consequently its recommendations, are time-barred. Following the expiration of this specified period, a new set of recommendations should come into force. Considering the length of time that this issue has remained unresolved and the several attempts by Government to solve this issue amicably, this Office recommends that any updated recommendations should now call for disincentives to associations if they do not forge a workable way forward, rather than propose renewed accommodating incentives for the same result. While NAO will refrain from suggesting measures on specific considerations so as not to influence the current situation of affairs, it does suggest one overarching measure. Specifically, this Office suggests that, if the associations fail to agree on a workable way forward and put it to practice within the specified deadline, CCF should explore legal avenues so that funds accumulated at the CCF (fully or in part) should lose their ring-fencing status and be released for other use within the country's consolidated fund.*

### **Developments: Partly Implemented**

As already mentioned, what is referred to as a compromise agreement was signed on the 23 November 2020 between the CCF, the two Cooperative Associations and the Ministry. During its review of this documented agreement, the audit team confirmed that this was duly signed by all parties, indicating endorsement and acceptance by all. The copy of the agreement forwarded to NAO also included copies of cheques issued by CCF

in favour of the two associations which reflect the terms of this same agreement. To this end, NAO considers its recommendation for a timely resolution of the matter as being implemented, as this agreement was signed practically within a year after NAO's original report.

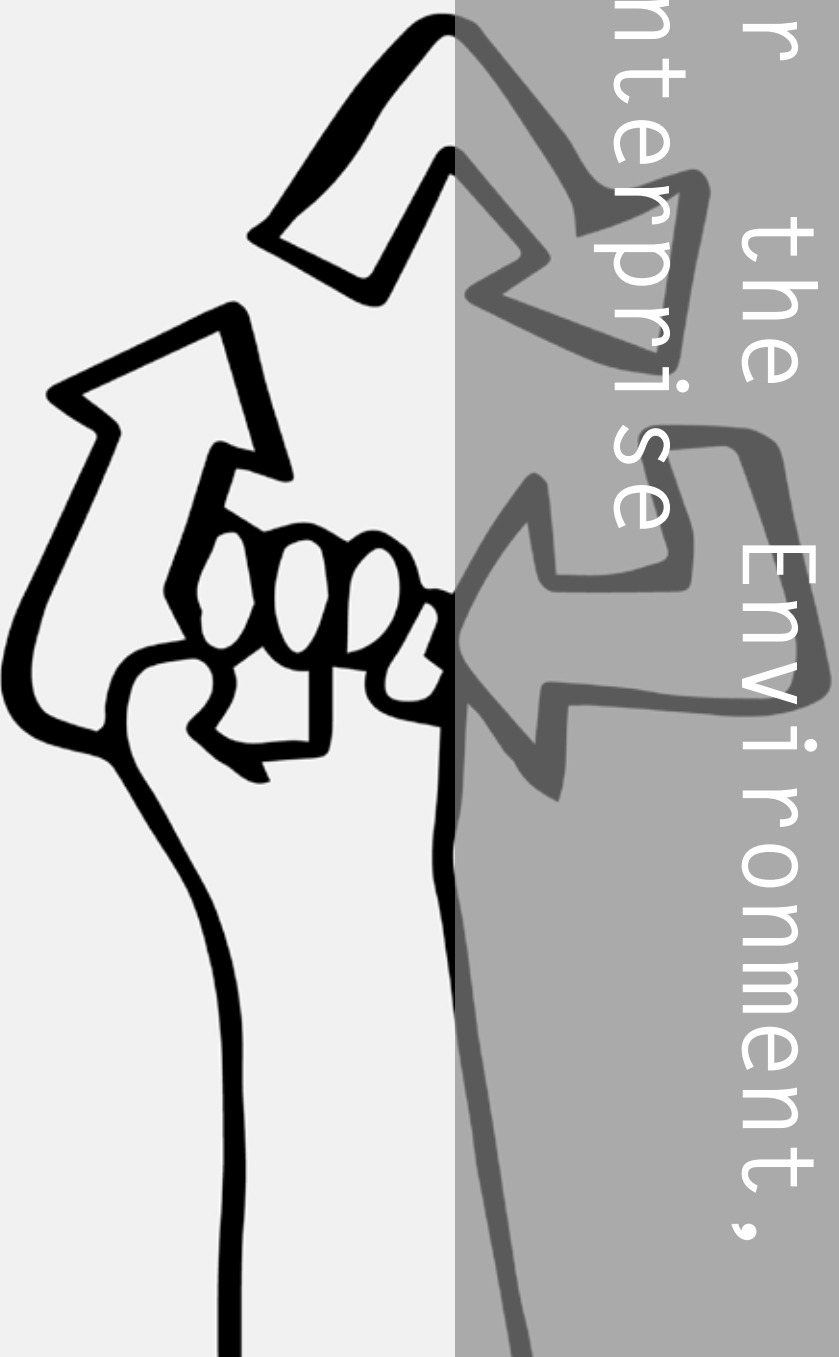
This Office however observes that the compromise agreement, rather than adopting a firmer approach to the situation as recommended by NAO, has further extended the accommodating approach as previously afforded during the PLRC. Amongst others, NAO notes that through this agreement, KM was granted an additional €80,000 over and above the settlement as originally proposed in the PLRC. On the other hand, rather than allocating MCF with a room in the same Qormi premises (and use of facilities) on terms similar to those afforded to KM, the compromise agreement states that CCF binds itself to acquire another premises to lease it to MCF on similar terms. When enquiring why this latter decision was taken, CCF confirmed that the Qormi premises are large enough to accommodate both Associations but the friction between the two is such that renders the sharing of a single premises very challenging.

It is also worth noting that this agreement specifically states that the new premises (intended to be leased to MCF) shall be of value which is equal to the aggregate value of the room leased to KM in the Qormi premises and the value of the Balzan Premises. NAO considers the inclusion of the Balzan premises value in this equation as a strong indication that CCF does not have the real intention to pursue the sale of these premises as recommended by NAO in its original report.

## Conclusion

This Office notes that half of the recommendations in its 2019 report have not been implemented, which raises evident cause for concern. While this Office acknowledges that some progress has been registered in this area, most notably the change in composition of the CCF Committee and the signing of the compromise agreement (even if this extended the accommodating approach observed in 2019 rather than adopting a firmer approach as recommended by NAO), it feels that the general negative spirit which prevailed between the two associations in the original report, is still strong as at time of writing of this follow up. NAO feels that this friction is surely counterproductive to the success of the cooperative movement, posing significant risks to this movement's growth and opportunities.

Ministry for the Environment,  
Energy and Enterprise





# An Evaluation of Feed-In Tariff Schemes for Photovoltaics

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## Background

This follow-up audit reports on the progress registered since the March 2018 publication of the performance audit report: Evaluation of Feed-In Tariff Schemes for Photovoltaics. Issues and conclusions presented in this follow-up audit reflect the information made available to the National Audit Office (NAO) as at end September 2022. The NAO's 2018 report raised the following main issues which, to varying degrees, influenced management planning, control and monitoring over the exploitation of photovoltaics (PVs) within the residential as well as non-residential sectors including 'solar farms'<sup>1</sup>:

- The National Renewable Energy Action Plan 2015-2020 (NREAP) did not fully support the attainment of the 2020 target with measure specific goals and targets.
- Data concerning the generation of renewable energy from PVs was fragmented among various National Entities and, was amalgamated and analysed manually.
- The contribution of solar farms to the PV Renewable Energy Source (RES) share was limited due to delays in the adoption of the relative policy as well as planning issues.
- Policy decisions to focus on indigenous RES were not supported by detailed studies that actively consider the potential benefits of cooperation mechanisms.

## Audit Scope and Methodology

The aim of this follow-up audit is to assess any developments vis-à-vis the recommendations proposed by the NAO in the 2018 performance audit report. The NAO has retained the same objectives of the 2018 Report, which sought to determine the extent to which Feed-in Tariff (FiT) schemes for PVs are effectively contributing to the generation of renewable energy.

The findings and conclusions presented in this follow-up report are generally 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 now known as the Ministry for the Environment, Energy and Enterprise (MEEE) in the 2018 Report in italic text. The implementation progress is then classified into one of the following self-explanatory categories, namely: fully implemented, partly implemented, significant progress, insignificant progress, not implemented, not accepted

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<sup>1</sup> According to the Solar Farms Policy dated June 2021, a 'Solar Farm' is defined as '*A commercial installation with a footprint larger than 1000m<sup>2</sup> being one consolidated and contiguous area included in one development application, not usually related to residential development, for the purpose of renewable energy generation by means of photovoltaic technology*'. In view of the lack of a proper definition of a 'Solar Farm' in the relevant legislation, assuming that 1kW<sub>p</sub> of PVs would take up an average footprint of 7m<sup>2</sup>, the above definition would imply that a PV installation of more than around 143kW<sub>p</sub> would constitute a 'Solar Farm' for the purpose of this assessment.

or no longer applicable. This is followed by an outline of the progress registered with respect to each of the NAO recommendations, thereby supporting the resulting classification.

## Recommendations

### ***National Authorities are to consider developing more detailed measure-specific plans***

*The NREAP 2015-2020 is to be supported with measure specific plans outlining the respective goals and targets. Such an approach will facilitate management control over the relative processes particularly by facilitating implementation and monitoring of the measures in question.*

#### **Developments: Partly Implemented**

MEEE contends that the NREAP 2015-2020 was the plan that guided the deployment of renewable energy until 2020. In addition, policy driven measures like PV grants and FiT schemes were regularly monitored and updated to reflect the available budget as well as the respective uptake, in accordance with an annually updated internal plan. This Ministry also noted that the 10 per cent RES target by 2020 has been achieved, reaching 10.7 per cent when including also the 0.3 per cent contribution from statistical transfers.

While we acknowledge the importance of annual plans and the potential budgetary and resources limitations faced by the Ministry, the NAO is still of the opinion that strategies and action plans are to be supplemented with more detailed measure-specific plans that include interim milestones and Key Performance Indicators (KPIs). This approach would support the implementation of the long-term goals and targets emanating from Malta's 2030 National Energy and Climate Plan (NECP) as well as the Low Carbon Development Strategy (LCDS) up to 2050.

### ***The National Competent Authorities are to consider the setting up of an information-sharing platform that is supported by a comprehensive database management system***

*The National Competent Authorities are to consider the setting up of an information-sharing platform that is supported by a comprehensive database management system, primarily intended to facilitate the real-time sharing of PV RES related data including installations and the respective renewable energy generated. Such a setup will minimise duplication of work as well as enable timelier and more informed interventions.*

#### **Developments: Not Accepted**

The Ministry, whilst acknowledging the benefits of an information-sharing platform including the wisdom in facilitating the transfer of information and avoiding possible duplications, contends that this should not affect the integral independence of databases managed by the Regulator for Energy and Water Services (REWS) and Enemalta. MEEE also stressed that the integration of databases with 'private operators' in the energy sector does not constitute good public administration practice. Following the 2018 performance audit by the NAO, REWS enforced the use of a common database key with the Operator, thereby facilitating the cross checking of data by the Regulator.

Notwithstanding this, such a measure does not ensure that National Competent Authorities, including the Energy and Water Agency (EWA), manage to reap all the benefits associated with an information-sharing platform that is based on a comprehensive database management system. Such a system is intended primarily to minimise the duplication of work whilst enabling more effective communication and timelier interventions, including vis-à-vis

the management of FiT schemes for PVs. To this end, the NAO's opinion on this issue becomes more relevant since an exercise to determine the implementation of indigenous PV solar farms proved to be challenging, as discussed further below.

### ***The NREAP should cover a longer period to enable improved foresight***

*While acknowledging that the EU direction relating to the post 2020 Member State specific RES targets is yet to be formally adopted, the Energy and Water Agency (EWA) is encouraged to sustain its work in connection with the updating of the NREAP to cover the period up to 2030. Expediting work on the updating of the National plan will provide a more realistic lead-time for National Authorities to determine whether changes are required to the prevailing RES mix to reach new and possibly more stringent EU targets. Such workings will entail cost-benefit analysis and considerations within the broader context of the local environment and the National economy.*

### **Developments: Fully Implemented**

The NREAP 2015-2020 has now been superseded by the NECP that covers the period 2021 to 2030, which also includes an impact assessment. In view of the cross-ministerial nature of the NECP, this was developed through an ad-hoc Inter-Ministerial Steering Committee. A recently appointed Inter-Ministerial Committee, chaired by the Office of the Prime Minister, shall oversee its implementation.

In October 2021, the Ministry for the Environment, Climate Change and Planning published the LCDS. This Strategy elaborates further on the NECP by mapping out the country's decarbonisation journey up to 2050.

### ***Statistics on PVs should be compiled and analysed on a regular basis***

*In line with the comments presented in the preceding paragraph, it is critical that statistics depicting clearly the contribution and impact of the PV industry on the Maltese economy are regularly compiled. While, qualitatively there are widespread indicators that it is positive, to date such a contribution has not been accurately quantified.*

### **Developments: Fully Implemented**

In 2020, the Ministry commissioned a study to assess the contribution and impact of the PV industry on the Maltese economy, more specifically through the 2013-2018 PV installations benefitting from FiT schemes. Such study has indicated that there is a net positive economic and environmental contribution from PVs and the related incentives. To this end, such benefits include 269 full-time equivalent jobs annually during the indicated period, an annual economic value added of €12.1 million and, savings of €139.2 million (net present value) in power production costs when compared to the electricity generated through combustion.

Furthermore, FiT schemes for PVs are also expected to generate an increase in the disposable income of households for a net present value of €66 million and, energy cost savings of €21 million to commercial entities, over the expected lifetime of 25 years. MEEE intends to update such study every five years, as the results are not expected to change in the near future.

### ***Deeper studies regarding cooperation mechanisms should serve as a policy input***

*National Authorities are encouraged to undertake deeper studies on the potential benefits of cooperation mechanisms as outlined in the Renewable Energy Directive, namely with respect to statistical transfers and joint projects. This performance audit acknowledges the complexities involved, including the rapidly changing*

*circumstances – namely through technological advances and the volatile energy market. Nonetheless such an assessment will prove a useful policy input, specifically with respect to the NREAP covering the period 2021-2030.*

### **Developments: No Longer Applicable**

Government policy is to prioritise the development of indigenous RES, and utilise cooperation mechanisms, particularly statistical transfers, only as a fallback position. MEEE contends that due to the disincentives associated with joint projects—namely that the emissions saved would not account for the national Greenhouse gas (GHG) emissions reduction target if such projects are not installed on Maltese territory as well as in view of the increasing importance of security of supply—the Ministry does not presently feel the need to carry out deeper studies on cooperation mechanisms but does not exclude such an option should the need arise.

MEEE also noted that new tools being made available at EU level, such as the EU RES financing mechanism and the Renewable Development Platform, are being considered also in view of the forthcoming update of the NECP (by 2024).

### ***National Authorities should further consider the benefits of statistical transfers***

*Further to the foregoing, National Authorities are to consider the benefits, particularly in terms of cost effectiveness, of engaging into negotiations with third parties on the procurement of statistical transfers. There is publicly available evidence that the recently signed bilateral agreements between Member States take into consideration the decreasing trend of the cost of statistical transfers.*

### **Developments: Fully Implemented**

As noted in the NECP, Malta sought to make use of statistical transfers since the projected RES share by the end of 2020 was that of 9.3 per cent. Such gap was mainly attributable to a higher-than-envisaged increase in electricity and energy demand in a very short term, reflecting the overall increase in population, tourist activity as well as economic growth over the last decade.

In effect, Malta entered into a statistical transfers agreement with Estonia covering the periods 2020 and 2021. From a purely financial perspective, hence ignoring intangible benefits such as security of supply, this agreement proved to be advantageous when compared to supporting local renewable energy installations.

### ***Administrative efforts concerning the implementation of indigenous solar farms are to be expedited***

*Administrative efforts concerning the implementation of indigenous solar farms are to be expedited. The contribution of these initiatives is crucial to Malta's progress to attaining its obligatory renewable energy share in the gross final energy consumption by 2020. A concerted effort is required to ensure that contracting and planning issues are settled at the earliest.*

### **Developments: Fully Implemented**

Since the publication of the NAO Report in March 2018, the number of PV solar farm installations that were connected to the electricity grid continued to increase steadily, with a similar trend noted also for the total installed capacity. However, in 2021, a sharp drop was recorded in both the number of PV solar farm installations and the total installed capacity. Such situation could be attributable, in part, to the COVID-19 pandemic that resulted in a shortage of the equipment in the supply market. In addition, those applicants that had been allocated a feed-in tariff under Subsidiary Legislation 545.27 as from 1 March 2019, were given the possibility to request

an extension of 24 months instead of 12 months through Legal Notice 234 of 2020. This resulted in a maximum allowable period of three years for the commissioning and submittal of the application for connection to the distribution system, as noted by REWS.<sup>2</sup>

Moreover, it is also worth mentioning that Malta's Solar Farm Policy was updated following the publication of an Appropriate Assessment (AA) and a Strategic Environmental Assessment (SEA) in January 2021. These assessments focused on quarries that fulfil the Solar Farm Policy criteria and are located within, partly within or adjacent to Special Areas of Conservation (SACs) and Special Protection Areas (SPAs). The updated Solar Farms Policy (June 2021) notes that any proposals for the development of solar farm installations in quarries related to SACs and SPAs will be assessed in greater detail and in accordance with the findings and recommendations of the AA and SEA.

Notwithstanding the developments and limitations associated with the implementation of PV solar farms, the larger PV installations remain critical to addressing security of supply and environmental issues. To this end, EWA noted that they are still awaiting clearance from the European Commission regarding schemes for PV installations with a capacity greater than 1MWp due to state aid related matters.

Another stumbling block to the commissioning of the larger PV systems is that landowners tend to assume a speculative position in the hope that they will reap a greater return on investment than is currently available through PV installations with an expected lifetime of around 25 years. To a great extent, these limitations tend to be beyond the remit or control of the Competent Authorities.

While acknowledging these circumstances, this follow-up audit augers that, through further cooperation between stakeholders, these issues are discussed with an aim of finding mechanisms which ensure the optimal utilisation of available space to exploit further the potential of solar energy. This will contribute towards attaining environmental protection goals and, equally as important, addressing security of supply issues.

***REWS should not have a dual role of regulator and implementer of FiT schemes for PVs to avoid a potential conflict of interest***

*Consideration is to be given to minimize the potential conflict of interest faced through REWS's dual role, namely that of regulator and implementer of FiT Schemes. The separation of roles will be in line with best practices and emphasize the principle of good governance.*

**Developments: Not Accepted**

MEEE contends that the internal structures and separation of powers being implemented within REWS provide adequate safeguards from any potential conflict of interest. Moreover, the Ministry noted that REWS has been successfully running support schemes for renewable energy for over ten years. Furthermore, MEEE deems it as counterproductive to transfer this function from the Regulator onto some other entity in view of the required capacity building, developing the necessary software to accept and process applications, as well as the need to handle complaints that could also be referred to court. Moreover, the Ministry stressed that REWS only administers the support schemes for renewable energy and does not design or determine the level of support. However, the NAO feels that the issue of a potential conflict of interest still exists since, in principle, the Regulator should not be involved in the implementation of measures related to its' regulatory function. Moreover, MEEE

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<sup>2</sup> As at the time of drafting this Report, the NAO could not conclusively determine the root cause to the delay in construction and/or grid connection of the 'outstanding' PV solar farms. These amounted to a total of 77 installations that are pending construction and/or grid connection, with a capacity of around 28MW<sub>p</sub> as noted by REWS on 20 September 2022.

should also consider the possibility of transferring such function to EWA, which is the Agency responsible for formulating and coordinating the implementation of energy and water policies in Malta since 2014.

## Conclusion

This follow-up performance audit has shown that MEEE has registered substantial progress in implementing the 2018 NAO recommendations. To this effect, half of the recommendations were fully implemented, one recommendation was deemed to be no longer applicable and, another recommendation was partly implemented.

On the other hand, MEEE is not accepting two of the eight recommendations put forward by the NAO. These recommendations relate to the setting up of an information-sharing platform for National Competent Authorities that is supported by a comprehensive database management system, and REWS's dual role of regulator and implementer of FiT Schemes. Consequently, MEEE does not intend to address such recommendations in the near future.

Nevertheless, the Ministry's commitment to reap the benefits emanating from RES, particularly indigenous ones, is evident through various indicators. These include the attainment of the 10 per cent RES target by 2020, the ongoing efforts from a policy perspective such as through the development of the NECP and the LCDS, as well as the number of PV projects that have been implemented in recent years despite the limited availability of space and the voluntary nature associated with the decision regarding land use.

# Ministry for Finance and Employment



# An Evaluation of the Community Work Scheme

## Background

This follow-up audit aims to report on the progress registered since the publication of the performance audit report: An Evaluation of the Community Work Scheme, which was published in June 2019. The main objective of this Scheme was to provide job experience and training to inactive and long-term unemployed to enable these persons to position themselves better when looking for a job.

The NAO's 2019 report raised the following points:

- The provisions within the Concession Agreement did not provide the appropriate level of detail to serve as the definitive point of reference should disagreements arise
- The Concession Agreement omitted references to conflicts of interests, penalties and incentives
- Organised training to participants by the Community Work Scheme Enterprise Foundation (CWSEF) was minimal
- Jobsplus did not have the adequate structures in place to perform more in-depth reviews of the Scheme

The 2019 Report concluded that the above issues needed to be addressed so that the Scheme would not merely serve to strike off inactive and long-term unemployed persons from the unemployment register. Such circumstances would render such an initiative as an end in itself rather than embracing its intended objectives of serving as a tool to develop and improve the participants' opportunities of employment.

Table 1 presents general statistics with regards to the Community Work Scheme (CWS).

**Table 1 – CWS statistics (2016 – end July 2022)**

Year	New CWS participants registered in the scheme during the year	CWS participants who were de-registered from the scheme due to finding work elsewhere during the year	CWS participants who were de-registered from the scheme due to other reasons other than finding work elsewhere during the year	CWS participants registered in the scheme as at end of year
2016	620	11	23	586
2017	122	22	15	671
2018	190	3	11	847
2019	109	21	16	919
2020	176	16	49	1,030
2021	31	27	53	981
2022 (end July)	228	21	19	1,169



Issues and conclusions presented in this follow-up audit reflect the information made available to the National Audit Office (NAO) as at end September 2022.

## Audit Scope and Methodology

In view of the findings and conclusions emanating from the 2019 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 2019 Report. This sought to determine the degree to which the CWS, as regulated by the 2016 Concession Agreement between Jobsplus and the CWSE Foundation attained its pre-determined objectives, as outlined in the Request for Proposal (RfP) document and delivered value for money. The ensuing text also classifies implementation progress. In view of the Contract Agreement the 'Administration of the Community Work Scheme Including Training Services' signed between Jobsplus and the CWS Consort made up of 'The Community Work Scheme Enterprise Foundation' and 'District Operations Ltd', with the effective date of the contract set at 1 September 2021 for a period of seven years. Implementation progress was categorised according to one of the following seven self-explanatory categories, namely: fully implemented, partly implemented, significant progress, insignificant progress, not implemented, not accepted and no longer applicable,

## Contractual Issues Recommendations

### ***Subsequent agreements are to define deliverables comprehensively and have clearer overall definitions***

*Subsequent agreements in relation to such schemes are to define deliverables comprehensively. Clearer definitions will not only establish operational parameters but will also ascertain that the Contract is the primary source of reference in cases of disagreements between the parties.*

### **Developments: Fully Implemented**

The Contract Agreement 'Administration of the Community Work Scheme Including Training Services' specifies that the Contractor shall take full responsibility for the workers made available for employment by the Contracting Authority. Part of the Contractor's deliverables requires the registration and employment of workers on a full-time, indefinite basis. The Contractor shall also be bound to pay the workers the yearly gross salary apart from all government statutory bonuses.

Training of the workers is also an important aspect of the Contractor's deliverables in developing and enhancing an individual's abilities. The contract specifies that for each year that a participant is employed within the Scheme, a minimum of 25 hours of learning is mandatory for each participant each year, covering modules from either the (a) general or (b) specific subject areas, or a combination of both types of subject areas.

The Contract Agreement further specifies a list of reports the Contractor is required to submit to the Contracting Authority on a monthly basis, amongst which are workers timesheets, disciplinary reports, sick leave reports, vacation leave reports, reports relating to training plans and training carried out by workers, and incidents / accidents reports. Furthermore, on a quarterly basis, the Contractor also is obliged to submit to the Contracting Authority, a performance appraisal report and a service level satisfaction report which includes any complaints received.

Overall, the 2021 contract provides a detailed explanation of the obligations of all the stakeholders involved as well as clearer definitions of deliverables and operational parameters.

***Future contractual agreements are to clearly stipulate the type, level and frequency of training to CWS participants and that this training programme is regularly discussed with and approved by the Contracting Authority***

*Future contractual agreements are to clearly stipulate the type, level, and frequency of training to be provided by the Concessionaire to CWS participants. This training programme, which is to be regularly discussed with and approved by the Contracting Authority, should consider the skills, abilities, and competencies as well as the specific needs of individuals within the Scheme.*

**Developments: Fully Implemented**

The Contract Agreement 'Administration of the Community Work Scheme Including Training Services' specifies that the training of the workers is important in developing and enhancing an individual's abilities. As already highlighted, the contract specifies that for each year that a participant is employed within the Scheme, a minimum of 25 hours of learning is mandatory for each participant each year, covering modules from either the (a) General or (b) Specific Subject Areas, or a combination of both types of subject areas.

This contract specifies that the primary scope of the Community Work Scheme is to improve the employability opportunities of inactive or long-term unemployed individuals, and any training given is to be targeted in this direction. This Office believes that an evaluation is to be made as to whether the minimum number of hours provided through training is actually conducive towards concrete job opportunities resulting in gainful and long-term employment. Towards this aim, this Office advises regular, periodic consultation with the training providers and employers within the industry that training is provided.

The modules covering the general subjects relates to Curriculum Vitae (CV) writing and interview preparation, team building skills, communication skills, social anxiety, anger management and work ethics. On the other hand, modules covering the Specific Subject Areas may include Information Technology (IT) literacy and skills, occupational health and safety, administration and clerical skills, customer care, budgeting skills and hospitality skills. This Office also recommends reviewing whether these modules are resulting in individuals in the CWS being better prepared for interviews and actual work duties.

***Omitted best practice contractual clauses, are to be included in future Agreements to safeguard the interests of signatories to the Agreement***

*Omitted best practice contractual clauses, particularly those relating to 'conflict of interest' and 'penalties and incentives' are to be included in future Agreements relating to such schemes. These clauses, apart from ensuring that the Contract is effectively managed and monitored, are important to safeguard the interests of signatories to the Agreement.*

**Developments: Fully Implemented**

The Contract Agreement 'Administration of the Community Work Scheme Including Training Services' have fully included clauses relating to 'conflict of interest', as featured in Article 9 within the 'General Conditions for Service Contracts'. Furthermore, clauses relating to 'penalties and incentives' is also included in the contract as featured in Article 10 concerning 'Administrative and Financial Penalties', besides a further clause in Article 19.4 concerning 'Delays in Execution' stating that the Contractor shall also become liable to a penalty if the rate of progress of the work throughout the contract period is not satisfactory.

***Jobsplus is to develop KPIs to enable the objective assessment of the Scheme's output, outcomes and impacts***

*Whilst appreciating its heavy workload, in due course Jobsplus is to develop KPIs to enable the objective*

*assessment of the Scheme's output, outcomes and impacts. KPIs will contribute towards strengthening the Scheme's management, operations and monitoring.*

### **Developments: *Partly Implemented***

The contract documentation specifies that 'The contractor will enter into specific agreements with Social Purpose Entities to share with them the role and duty to monitor the performance of the Community Worker in line with the set Key Performance Indicators (KPIs). Key Performance Indicators are necessary to compare changes in performance on a monthly, quarterly or annual scale. The successful monitoring of employee performance start with meetings and reporting. The Social Purpose Entities shall regularly evaluate the following aspects:

- Employee's job performance
- Employee's behaviour
- Employee's development

While the new contract has established the mechanisms to collate performance indicators, these are not linked to any target or benchmark against which the outcome of the Scheme can be evaluated. The NAO is not informed as to the depth of analysis undertaken by Jobsplus in relation to these operational indicators. Such assessments could potentially provide pointers as to why few participants are partaking in gainful employment beyond the Scheme.

### ***The payment of performance bonuses to CWS participants is to be duly regulated, while efforts are to be made by stakeholders to standardise performance appraisal scoring***

*The payment of performance bonuses to CWS participants is to be duly regulated, possibly by a side letter to the main Concession Agreement. Moreover, efforts are to be made by stakeholders to standardise performance appraisal scoring, which ultimately results in the performance bonus payable.*

### **Developments: *Not Implemented***

Jobsplus maintained that the Community Work Scheme does not have a performance bonus structure and that all CWS participants are paid equal salaries. Yet, the Foundation acknowledged that payment of performance bonuses are made by Social Purpose Entities (SPEs) employing CWS participants. Jobsplus specified that any participants receiving a performance bonus were not being remunerated through Community Work Scheme funds but completely through the SPE's own funds.

This Office did not receive information as to which criteria were used by the SPEs to provide a performance bonus to their CWS participants. Furthermore, the NAO was not informed whether the same criteria were resorted to by these SPEs.

## **Implementation Recommendations**

### ***SPEs are to maintain work-logs of individual CWS participants to encourage transparency, efficiency and the strengthening of its monitoring function***

*SPEs are to maintain work-logs of individual CWS participants. This will improve the governance of the Scheme by encouraging transparency, efficiency and the strengthening of its monitoring function.*

### **Developments: Partly Implemented**

A sample of 20 work-logs of individual Community Work Scheme (CWS) participants were provided to NAO as evidence by JobPlus that these work-logs were being maintained by the Social Purpose Entities (SPEs). Ten of these 20 work-logs pertained to participants in Malta, while the other 10 pertained to participants in Gozo. Each of these 20 work-logs covered a period of one month, between September 2021 to January 2022.

In the Terms of Reference (Section 3 – D [2]) of the Contract, there is specified that *'Timesheets should include, inter alia, the name and surname of the person deployed, the date, time in and time out, the place of deployment and the number of working hours. The worklogs are to be certified by the person supervising the deployed participant to the social purpose entity.'* It turned out that the 10 sample work-logs pertaining to participants in Gozo included the required information in a standardised and confirmative form as per the Terms of Reference. However, four of the 10 sample work-logs pertaining to participants in Malta did not provide the full information as required. The omitted information related to the number of hours at work, public holiday hours, vacation leave hours, sick leave hours and break hours.

### ***The Foundation is to encourage SPEs to establish CWS participants' productivity levels objectively***

*The Foundation is to encourage SPEs to establish productivity levels of CWS participants objectively. Such productivity levels are to be linked to individual work-logs referred to in the preceding recommendation. In turn, this would contribute to higher productivity levels, which are critical to the Scheme's sustainability.*

### **Developments: Partly Implemented**

To date, CWS and SPEs have not developed formal productivity levels which consider objective criteria. Nonetheless, SPEs are required to submit to Jobsplus a quarterly performance appraisal, from which the same SPEs derive the score on which the bonus is computed. The submission of the quarterly performance appraisal is required in terms of the Special Conditions of the Contract to be submitted to the Contracting Authority.

Furthermore, the Labour Supply Agreement forming part to this Contract specifies, in paragraph 10.1, that *'An appraisal on all Resources will be held on a quarterly basis by the Foundation together with the Entity. The Entity shall cooperate with the Foundation on the drawing up of quarterly reports on performance appraisals and shall adhere to all timeframes and provide all information required for the purpose of drawing of such reports and their timely submission to Jobsplus.'*

While the benefits of the foregoing is acknowledged, the NAO re-emphasises the importance of establishing formal productivity levels against objective criteria.

### ***The CWSE Foundation is to increase and sustain the level of training provided to CWS participants, with the final aim for workers to become eligible and better equipped in seeking gainful employment***

*The CWSE Foundation is encouraged to increase and sustain the level of training provided to CWS participants. This shall subsequently increase the employability of such individuals with the final aim, where possible, for workers to become eligible and better equipped in seeking gainful employment.*

### **Developments: Partly Implemented**

In the Terms of Reference (Section 3 – C [ii]) of the Contract, *'Training is an essential part of developing and enhancing an individual's abilities. For each year that a participant is employed within the Scheme, throughout*

*the duration of this contract, a minimum of 25 hours of learning is mandatory for each participant per year. Based on their profiling needs, participants would need to be offered a minimum of 25 hours of learning on a mandatory basis per year covering modules from either the (a) General or (b) Specific subject areas, or a combination of both subject areas (General and Specific).'*

Since the signing of the new Contract, between September and October 2021, training courses were not held since the Contractor started working on profiling of the CWS participants and identifying the training needs analysis prior to training. However, training started being provided in November 2021. Between November 2021 and April 2022, the total number of CWS participants attending courses provided through the different modules amounted to 430. Table 2 refers.

**Table 2 – Number of CWS participants attending training courses (November 2021 – April 2022)**

Month	Number of CWS participants
November 2021	98
December 2021	56
January 2022	58
February 2022	102
March 2022	81
April 2022	35
<b>Total</b>	<b>430</b>

Table 2 indicates that over six months the Contractor provided training to 430 CWS participants with a minimum of 25 hours each. Assuming the Contractor manages to increase the number of participants attending such courses, over the following months the Contractor should be within reach of providing at least 25 hours of training course to all workers by year-end 2022.

However, the final aim is for workers to obtain such training and become better equipped to seek gainful employment. At 25 hours of training a year, such an aim might be difficult to achieve. Table 1 supports such a theory since, between 2019 and end-July 2022, the Community Work Scheme has led to only 85 CWS participants finding alternative work; with the CWS becoming the main source of employment for its participants.

## Monitoring Recommendations

***Jobsplus is expected to review all financial and operational information submitted by the Concessionaire in a timely manner, whilst the Agency is to establish internal mechanisms***

Jobsplus is expected to review all financial and operational information submitted by the Concessionaire in a timely manner. To this end, the Agency is to establish internal mechanisms to ascertain that these reviews contribute towards ensuring that the Scheme is on track in attaining its pre-determined goals.

### **Developments: *Partly Implemented***

Jobsplus contends that every month all financials are reviewed and operational information is also continually monitored through the reporting system stipulated in the Contract. From an administrative point of view, Jobsplus has two employees who monitor and check the monthly reports, and from a financial point of view, Jobsplus contends that checks are undertaken on the number of participants and amounts due.

This Office believes that evidence showing whether and how internal mechanisms strengthened the efficacy of these reviews towards ensuring that the Scheme is on track in attaining its pre-determined goals is still lacking and should be given its due priority. A case in point relates to the attainment of the Scheme's overall objective of convincing participants to seek employment outside the Scheme.

***The CWSE Foundation is encouraged to ascertain an adequate level of monitoring in SPEs within Malta and Gozo***

*The CWSE Foundation is encouraged to sustain its efforts to ascertain an adequate level of monitoring in SPEs within Malta and Gozo. This would demand that operational risks are determined objectively and ensuing site-inspections are targeted accordingly. The main aim of these inspections is to ensure that CWS participants are abiding by the terms and conditions of their deployment and report any irregularities, where necessary.*

**Developments: Fully Implemented**

Jobsplus contend that during the implementation period of the 2016-2021 concession, inspections were carried out at a rate of one inspection per SPE per month. The Foundation does not retain aggregate data relating to these inspections, in terms of the prevailing contractual obligations. Irregularities found (e.g., absences) were reflected in the payroll.

1,016 inspections were carried out covering all SPEs between October 2021 and end December 2021. Monthly disciplinary reports, including number of actions taken, were submitted to Jobsplus.

**Value For Money Considerations Recommendations**

***The CWSE Foundation is encouraged to maintain satisfactory output levels and to maximise the level of productivity by CWS participants***

*The CWSE Foundation is encouraged to maintain satisfactory output levels and, wherever possible, to maximise the level of productivity by CWS participants. This review noted that the optimal economic potential is largely dependent on output levels. To this end, the effectiveness of the Scheme is highly reliant on satisfactory productivity levels.*

**Developments: Not Implemented**

Jobsplus contends that CWSEF and the SPEs have discussed this issue. However, since CWS participants work with different SPEs in different capacities, it is difficult to come up with a standard output level.

This issue remains outstanding despite the introduction of new clauses within the latest Agreement governing the CWS.

**Conclusion**

This follow-up performance audit has shown that Ministry for Finance and Employment has registered substantial progress in implementing the 2019 NAO recommendations. To this effect, four of the 11 recommendations were fully implemented, another five recommendations were partly implemented, while two were still not implemented.

This situation, in part, is a result of the new agreement regulating the CWS. The new agreement, signed in the third quarter of 2021 strengthened the legal and operational frame with clearer definitions as well as respective stakeholders' roles and obligations. Nonetheless, several issues mainly related to definition and measurement of productivity and output together with the attainment of the Scheme's objective persist.

This follow-up report highlighted that, despite the improvements in the control mechanisms related to output levels, the CWS has not yet established targets against which to benchmark productivity in terms of objective criteria and pre-determined goals. Given that the cost-effectiveness of the Scheme is greatly dependent on productivity levels, then ensuring optimal outputs from the Scheme's participants at their respective placement becomes imperative.

The main objective of the CWS was to facilitate the inactive/unemployed for the previous 12 months who have not benefitted from traineeship by Jobsplus to re/integrate themselves in the market. Between January 2016 and July 2022, 1,476 persons joined the Scheme while only just over eight percent of these persons left the Scheme for alternative employment. This statistic shows that the Scheme has not yet attained its aim of preparing and encouraging the vast majority of the Scheme's participants to seek employment in higher value-added economic sectors. Within this context, the Scheme is being rendered as an end in itself rather than a stepping stone towards gainful and sustainable employment. Thus, every effort needs to be undertaken to ensure that this Scheme produces the desired outcomes, namely that improvements are made in the applicants employability skills, rather than it ending up simply as a numbers exercise whereby persons are just struck off from the unemployment list and shifted on to this Scheme.

This Office intends to revisit this subject matter in due course with a thorough evaluation through a new performance audit.

Ministry for Education, Sport,  
Youth, Research and Innovation





# The Effective Use of Tablets in State, Church and Independent Primary Schools

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## Background

In 2019, the National Audit Office (NAO) published an Information Technology (IT) audit report on the effective use of tablets in State, Church, and Independent primary schools across the Maltese islands. The audit report sought to determine how the One Tablet Per Child (OTPC) project was implemented in these schools, between the scholastic years 2016/2017 and 2018/2019, the use of tablets by the students in class and at home, the digital content available for the tablets, the level of training offered to educators, and the level of support provided by the Directorate for Digital Literacy and Transversal skills (DDLTS) within the then Ministry for Education and Employment (MEDE) and the contractor. The audit report also looked into any issues that the educators and students may have encountered since the launch of the project.

The NAO's 2019 IT audit report had concluded that the overall view of the scheme was a positive one, given that the tablets provided educators with more engaging and innovative ways for delivering lesson content, and helped the students in their learning journey.

## Audit Scope and Methodology

In view of the findings and conclusions emanating from the 2019 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.

An online introductory meeting was held with senior officials within the Ministry for Education, Sport, Youth, Research and Innovation (MEYR), 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 MEYR 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 MEYR were analysed and the developments pertaining to every issue 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 2019 report are reproduced in grey text below.

## Recommendations

### Key Issues

#### ***Inconsistencies with the tablet inventory***

*The NAO observed some inconsistencies in tablet inventories which were provided by MEDE for the purpose of this IT Audit ... Whilst the NAO understands that an inventory of tablets is not static, it is recommended that an effort is to be made to keep the inventory updated continuously to reflect any changes in terms of new tablets, change of location, and replacements amongst others.*

### **Developments: Fully Implemented**

To ensure that the tablet inventories are kept up-to-date, the NAO was informed that a monthly inventory and end-of-year (EOY) report is exported from the ClassConnect<sup>3</sup> application. As part of the monthly master inventory checks, MEYR and the third-party supplier carry out a reconciliation and a data cleaning exercise to ensure that the system is as accurate as possible.

In the meantime, the NAO noted that a Standard Operating Procedure (SOP) on the use of tablets in Primary State and non-State schools is in place, which include details of how the schools' online inventory should be maintained. Any movements of tablets must be registered immediately online by filling out the Tablet Return Form (Form A)<sup>4</sup> and the Tablet Request Form (Form C)<sup>5</sup>.

### **Technical support calls pending resolution**

*MEDE provided the NAO with a breakdown of support call statistics for the period November 2017 and April 2019 and noted that 6,222 support calls were logged in the system, of which 5,238 support calls were resolved whilst 984 calls were still pending resolution ... The NAO acknowledges the fact that a substantial number of calls were resolved, however, this Office suggest that MEDE verifies which of these 984 calls are still pending and the reason/s why these calls have not been resolved yet.*

### **Developments: Fully Implemented**

MEYR continuously liaised with MITA and the third-party supplier to ensure resolution of support calls. In this context, MEYR provided this Office with a statistical report of all the support calls that were logged in the system between May 2019 and June 2022. The NAO noted that in total, 13,052 support calls were recorded of which, 13,046 were resolved, and only 6 support calls are still pending resolution.

### **Raising awareness on the use of online resources**

In terms of online support, a dedicated website, the Malta Digital Education portal, was created, which included a number of educational resources, such as videos and instruction manuals, to cater for teachers, parents, and students ... Whilst on one hand the NAO acknowledges the wide and varied online support resources available for parents, educators and students, the NAO recommends that MEDE should monitor the usage of these tools and continue to raise awareness of such resources.

### **Developments: Fully Implemented**

Since the inception of the Malta Digital Education portal ([www.digital.edu.mt](http://www.digital.edu.mt)) in 2016, to date it has received 149,327 visits and 285,792 page views. 74.8 per cent of traffic is direct, with more than 95 per cent of the traffic coming from Maltese registered IP addresses. The remaining 25.2 per cent of traffic were made up of organic searches from social media (namely direct referral from Facebook), and referral from ([primarydigital.skola.edu.mt](http://primarydigital.skola.edu.mt)) portal.

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<sup>3</sup> ClassConnect is a live automated system which records the tablet's asset inventory number and the school/entity which the tablet has been assigned to. ClassConnect limits possible human errors in terms of recording tablet movements and does not require individual school reconciliation.

<sup>4</sup> Form A is applicable to all educators who are returning their laptop, tablet, or SEN (Special Educational Needs) device upon retirement, resignation, alternative employment leave, or leave to settle abroad. This Form must be filled in and a scanned copy is sent by email to [ict.support@ilearn.edu.mt](mailto:ict.support@ilearn.edu.mt).

<sup>5</sup> Form C is applicable to all educators who wish to apply for a laptop, tablet or SEN device. Once filled by the applicant, the form must be signed and stamped by the Head/Assistant Head of the respective school, and then scanned and sent by email to [ict.support@ilearn.edu.mt](mailto:ict.support@ilearn.edu.mt).

### **Utilisation of tablets**

The initial results of the survey analysis revealed that the tablets are under-utilised by a proportion of users ... The NAO recommends that MEDE should look into the outcomes of the survey conducted by this Office and widen the scope of its internal Quality Assurance Digital Technology reviews currently being undertaken, to investigate and monitor the utilisation of the tablets (and the related apps), identify possible causes for under-utilisation and implement corrective action to address any issues identified.

#### **Developments: Fully Implemented**

MEYR offered Continuous Professional Development (CPD) training courses to educators and the promotion and support for educators and students on the usage of tablets. In this context, the NAO noted that MEYR recorded a tablet usage growth from circa 10,000 hours in 2017 to over 8,000,000 hours in 2021.

### **Monitoring the usage of digital content installed on tablets**

In terms of digital content, the results of the survey showed that the Maths and English apps were rated highly by both teachers and parents, whilst the apps for the remaining subjects, namely Maltese, Science, Social Studies and Religion, obtained lower ratings ... the NAO opines that the reasons for the lower ratings given to the above-mentioned subjects are unclear and require further detailed investigation. However, the NAO recommends that MEDE should review the usage of the available apps with a view to:

- establish whether there are enough apps to cover all sub-topics of the subjects;
- identify any apps which require enhancements, revamp or replacements; and
- establish any other possible reasons for underutilisation, assuming there are sufficient and suitable apps available.

#### **Developments: Fully Implemented**

The majority of the applications available are not subject based but can be used across all subjects. To date, there are over 20,000 resources which are available within the content library that is mapped across the Maltese curriculum areas. In this context, MEYR continued to invest in new digital resources as needed. Open-ended cross curricular tools are being used alongside collections of resources, which are compiled into lessons mapped against the Learning Outcomes Framework (LOF). These resources are provided across a variety of subject areas to support the consolidation of learning activities.

### **Issues related with the use of tablets**

*The results of the survey highlighted some of the issues which the participating educators have encountered when using the tablets, such as students not bringing their tablet to school, students not charging the tablets at home, and hardware issues related to Wi-Fi connectivity, battery not charging and slow performance ... Whilst some of the issues highlighted above indicates the need for greater collaboration from students and their parents/guardians to ensure that tablets are always available and charged to make best use of such devices, the hardware issues mentioned above seem to indicate that a portion of devices are problematic ... the NAO recommends that MEDE should seek to establish how widespread and frequent these problems are. The objectives of such a study should determine possible causes for the faults, and any trends which may indicate particular groups of*

tablets (example by age of device). When analysing the issue related to Wi-Fi connectivity, MEDE should look into it from both the device and the school infrastructure aspect.

### **Developments: Fully Implemented**

Following the results of the survey, MEYR had analysed the reports that were provided by MITA to determine how widespread and frequent these problems were so that remedial action could be taken. In terms of hardware issues, the NAO observed that the hardware maintenance contract stipulates that whenever a tablet has a hardware issue, a replacement tablet is given to the user until the original tablet is fixed and returned to the user.

With regards to issues on Wi-Fi connectivity in schools, the NAO was informed that in 2020, since most of the State schools had a limited Internet bandwidth of 10 Mbps, the Ministry had invested €5.2 million to improve the Internet connectivity in State schools. As a result, a substantial upgrade to the Internet bandwidth connectivity was implemented across all State schools, with the average Internet bandwidth nowadays reaching 450 Mbps.

### **Digital literacy support teachers**

*The NAO observed that a substantial portion of teachers who had requested the services of the DDLTS, claimed that support was available only when requested, once a month or once every fortnight. This may indicate that there are insufficient human resources to ensure the availability of a more frequent service ... the NAO suggests that MEDE should identify the schools where support from DDLTS is not frequently available and consider allocating additional resources as required.*

### **Developments: Significant Progress**

Digital literacy support teachers and Heads of Department, who form part of the DDLTS, visit State schools once a week to support all educators from Kinder 1 to Year 6 in all aspects of digital literacy even beyond the OTPC project. They also support non-State schools for professional development on request.

In the meantime, due to the high demand for support, the recruitment process within MEYR is ongoing to fill any vacant positions, to ensure that the DDLTS continue increasing support in schools.

### **Conclusion**

The NAO commends the full implementation of the majority of recommendations that were put forward in the 2019 IT audit report. In fact, sufficient evidence and feedback was provided by MEYR, that showed that action was taken on all recommendations and that structures and processes were established to prevent a repetition of shortcomings.

## 2021-2022 (to date) Reports issued by NAO

### NAO Annual Report and Financial Statements

July 2022 National Audit Office Annual Report and Financial Statements 2021

### NAO Audit Reports

October 2021 Information Technology Audit: Department of Examinations

October 2021 Follow-up Audits Report by the National Audit Office 2021 Volume II

November 2021 Performance Audit: Smart and RF meters' contribution to more accurate and timely utilities billings

November 2021 Information Technology Audit: IT Asset Management across Government Ministries and Departments

December 2021 Performance Audit: A Strategic Overview on the Correctional Services Agency's Operations at the Corradino Correctional Facility

December 2021 Report by the Auditor General on the Public Accounts 2020

December 2021 Report by the Auditor General on the workings of Local Government for the year 2020

December 2021 An audit of matters relating to the concession awarded to Vitals Global Healthcare by Government Part 2 | A review of the contractual framework

May 2022 Performance Audit: Assisting Individuals with Dementia and their Caregivers within the Community

May 2022 Joint Report on Management of Plastic Waste in Europe

May 2022 Ministry for Finance and Employment: An Analysis on Revenue Collection Financial Year 2020

June 2022 An evaluation of performance audits in the public sector: Common audit findings (2017 – 2020)

June 2022 Follow-up Audits Report by the National Audit Office 2022 Volume I

July 2022 Performance Audit: Procuring the Public Transportation Service

October 2022 The COVID-19 pandemic - Business continuity within the public administration

October 2022 Performance Audit: A Follow-Up on the 2018 Strategic Overview of Mount Carmel Hospital