

IT Audit:  
A Follow-Up on the 2020 IT Audit  
ICT Across Local Councils

December 2023





Information Technology Audit  
A Follow-Up on the 2020 IT Audit -  
ICT Across Local Councils

Report by the Auditor General  
December 2023

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## List of Abbreviations

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The following is a list of abbreviations used throughout this report:

ANSEK	The National Association for Local Council and Regional Executive Secretaries
CoBit	Control Objectives for Information and related Technology
DG	Director General
EPOS	Electronic Point-of-Sale
ICT	Information and Communications Technology
IFRS	International Financial Reporting Standards
IPS	Institute for Public Services
IT	Information Technology
LAN	Local Area Network
LCA	Local Councils Association
LGD	Local Government Division
MAGNET	Malta Government Network
MITA	Malta Information Technology Agency
NAO	National Audit Office
PC	Personal Computer
PQ	Parliamentary Question
WAN	Wide Area Network

# Executive Summary

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The scope of this follow-up Information Technology (IT) audit was to establish any IT related improvements in the local councils since the publication of the NAO IT audit report covering ICT across Local Councils in 2020.

## Key Findings and Recommendations

Chapter Two highlights the progress registered by the Local Councils and the Local Government Division (LGD), in implementing the recommendations made by the NAO related to IT management, in its 2020 IT audit report. The following are the key findings and recommendations put forward by the National Audit Office (NAO) in the Chapter:

- a. **IT Management** – The NAO commended the extensive work carried by the LGD and the Ministry Information Management Unit (IMU) since the 2020 audit. The NAO recommended that all six regional councils should have an ICT officer to support the region’s local councils not just the current two. Furthermore, the NAO also recommended that all local councils should have at least one IT knowledgeable person as part of their staff compliment.
- b. **IT Strategy and Budgeting** – As recommended in the 2020 audit, the NAO again mentioned the need for all local councils to draft an ICT strategy which may be compiled by the Executive Secretaries with the help and guidance of the related Regional Committee and the LGD. Furthermore, an IT annual budget should be drawn up by every local council in line with the above mentioned strategy.
- c. **IT Procurement and hardware disposal** – The NAO was pleased to note that the LGD has now implemented a system where laptops required by local councils are procured centrally and supported through MITA. The NAO commended the efforts of the LGD in implementing a single system for issuing of permits amongst all local councils. The NAO also commended the efforts being made by LGD towards procuring and implementing software that could be considered as a common requirement (such as an accounting system or a payroll software application). The NAO suggested that the local councils have one single online portal through which they can access all software applications. The NAO also recommended that the local councils should discuss with LGD, possible options to carry out secure IT hardware disposal and data sanitising.
- d. **IT Training** – The NAO recommended that all local council employees should have access to regular ICT training.

Chapter Three of the report reviewed the software applications used by the Local Councils. The following are the key findings and recommendations included in the Chapter:

- a. **Intranet** – The NAO suggested the implementation of an intranet with a dashboard displaying daily-use applications for local council employees based on their user rights, allowing single sign-on functionality, and recommended that the LGD ensures universal access and active usage through up-to-date and relevant content.
- b. **Accounting Software** – The NAO recommended that the LGD quickly adopt a centralized accounting software package for all local councils. The Office also emphasized the importance of timely and compliant financial statement submissions in line with IFRSs.
- c. **Payroll** – The NAO suggested that the LGD quickly procure a unified payroll software for local councils, covering payslips, time and attendance, vacation/sick leave, and secure online salary payments via IBAN.
- d. **ORNIT** – The NAO praised LGD for enabling online permit requests and related payments but suggested additional support for councils facing usability challenges and advocated discussions with stakeholders to streamline permit costs, eliminating the use of cents.
- e. **Tracking of customer complaints and incoming mail** – The NAO praised LGD for the complaints workflow form and pushed for its immediate implementation, highlighting its crucial role in tracking customer complaints for local councils.
- f. **Local Councils Website** – The NAO applauded LGD for the uniform website template for local councils but suggested appointing designated individuals at each council with the official responsibility in maintaining and uploading content on these websites.
- g. **Local Government Division Website** – The LGD was advised to collaborate with the Ministry IMU in conducting a study to enhance its website, ensuring user-friendliness, up-to-date content, and eliminating broken links or links to outdated websites.
- h. **Social Media** – Similarly, the NAO recommended that the LGD audit local council social media pages for compliance, excluding non-compliant ones, and appoint a person at both Division and Regional council levels to ensure regular updating of web content for effective citizen communication.
- i. **Live Streaming** – The NAO suggested that regional councils, in collaboration with LGD, regularly ensure the quality of live streams and provide citizens with sufficient notice regarding the live streaming of council meetings.
- j. **On-Demand** – The NAO recommended that regional councils, in conjunction with LGD, regularly verify the quality of on-demand recordings, and suggested that local councils should ensure high-quality live streams by ascertaining that all attendees are audible and avoiding simultaneous discussions among councillors during meetings.



- k. **On-line Payments** – The NAO applauded the increased use of online payments and suggested that this practice is strengthened further to improve accountability and traceability.

Chapter Four of the report reviewed the operations and security used by the local councils. The following are the key findings and recommendations included in this Chapter:

- a. **Anti-Virus Software** – The NAO commended LGD/IMU for the installation of updated antivirus on all local council computers. However, the Office suggested that the local councils not using MITA services, should ensure that they have adequate antivirus protection with regular updates. Furthermore, all local council employees should be provided with ICT courses covering crucial aspects of antivirus software.
- b. **Backups and Off-site Storage** – The NAO commended LGD/IMU for providing local councils with the option to save data on SharePoint. The Office also suggested that local councils that do not use MITA services should periodically restore and test data from backups, and further recommended ICT training for all local council employees covering the importance of backups, collaborative tools, cloud services, and discouraging the use of external drives for data backup.
- c. **Recovery of Data** – The NAO recommended that LGD/IMU ensure that all local councils perform regular backup restores with subsequent testing and suggested that non-MITA domain local councils should similarly test their backups through documented and signed-off procedures.
- d. **Use of Portable Smart Media and Storage Devices** – The NAO recommended that LGD takes the following measures:
  - Inform all local council employees and officials about the risks associated with portable electronic devices and establish security policies for their use.
  - Encourage precautions to prevent theft, such as avoiding leaving devices unattended in vehicles or during travel.
  - Prompt local councils to report missing devices immediately, whether council-owned or personal, containing council data.
  - Discourage the connection of personal devices to the council's network.
  - Assist in implementing secure VPN connections as needed.
  - Promote regular data backups for all employees, mayors, and councillors.
  - Advocate the use of strong, periodically changed passwords or PINs for device protection.
  - Educate against sharing devices with family members or others.
  - Encourage the installation of anti-malware software and regular scans.
  - Highlight the benefits of local firewalls for filtering traffic and blocking malicious code.
  - Promote the use of remote-wiping features to erase data if a device is lost or misplaced.

- e. **Electronic Mail** – The NAO recommended that all local council employees are provided with online ICT courses, explaining the distinction between online and offline mailboxes and stressing the importance of backing up the offline mailbox. Additionally, LGD should re-circulate the Electronic Mail and Internet Services Directive, reminding all local council employees and officials that using non-Government email for council purposes is strictly prohibited.
- f. **Internet Services** – The NAO commended IMU for clearing redundant equipment from council network cabinets and recommended that this beneficial exercise is continued. It suggested that LGD/IMU investigate the reasons behind local councils having multiple internet connections over and above the Government network (MAGNET) link and advised that these councils are assisted in reassessing and streamlining their internet connections to reduce annual expenses. Additionally, the NAO suggested the implementation of a policy, to be circulated among all local councils, to regulate internet service use and hold officials accountable for their internet activity.
- g. **Multi-Function Printers** – The NAO commended the IMU for establishing LANs and connecting printers and recommended that local councils reassess the need for standalone printers to reduce printing costs and minimize service-related expenses. Additionally, the Office suggested that printers are not accessible to the general public and such printers are relocated to safer areas in consultation with the IMU.
- h. **Network Infrastructure** – The NAO suggested that the LGD organizes online ICT courses to educate users on centralizing all local council data on SharePoint and discouraging the practice of saving data on individual desktops.

# Chapter 1 | Overview

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This chapter provides background information about the follow-up audit. It also includes the audit scope, objectives and methodology adopted.

## 1.1 Background

1.1.1 In February 2020 the NAO reviewed the IT setup of 15 local councils, which represented 22% of the total number of local councils. The audited sites selected were representative of five regions throughout Malta and Gozo at the time of the audit (As from 1st January 2022, the regions have increased to six by virtue of Article 37A of the Local Government Act (CAP 363)). The audit findings were considered indicative of the general IT situation in all local councils in 2020. It also included recommendations for possible implementation. Given that three years have elapsed from the publication of the report related to the above audit, the NAO embarked on a follow-up to the above mentioned audit.

## 1.2 Audit Scope and Objectives

1.2.1 The scope of the follow-up audit was to establish any improvements made in the IT setup of the local councils since the 2020 audit, specifically focussing on the actions taken on the recommendations made in the original audit.

## 1.3 Audit Methodology

1.3.1 The methodology adopted by the NAO for this audit was multipronged. With respect to the centralised management by the Local Government Division (LGD), the NAO drew up a questionnaire covering the IT recommendations which required action by the LGD. Apart from the questionnaire, interviews were conducted with the LGD senior management.

1.3.2 With respect to the local councils a different approach was adopted. A detailed online questionnaire was drawn up and made available to all the executive secretaries of each local council. Furthermore meetings were held with five local councils from different regions in order to correlate the feedback from the online questionnaire with the information gathered during the audit visits.

## 1.4 Structure of the Report

1.4.1 This report includes the following chapters, which cover the topics listed below:

- Chapter 2 – IT management
- Chapter 3 – IT software applications
- Chapter 4 – IT operations and Security
- Chapter 5 – Concluding Remarks
- Chapter 6 – Management Comments

## 1.5 Acknowledgements

1.5.1 The NAO would like to express its appreciation to all the key stakeholders who were involved in this audit, including the Director General, the Director Monitoring and Support and the Head of IT within the LGD and the Local Council Executive Secretaries, for their time and assistance.

## Chapter 2 | IT Management

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This chapter highlights the progress registered by the Local Councils and the LGD, in implementing the recommendations made by the NAO related to IT management, in its 2020 IT audit report.

### 2.1 IT Management

*“The LGD has an IT unit, which provides ICT support to the division, and co-ordinates selected IT projects within the local councils. This IT unit is composed of the IT Head and two IT facilitators.”*

*“The NAO observed that there are no duly qualified IT persons within the local councils, although some local councils may have IT knowledgeable staff”*

*“the NAO suggests that each regional committee has an ICT officer that would serve all the local councils within that region”*

*Extract/s from 2020 Audit report*

#### **Developments - Partially Implemented**

**2.1.1 Centralised IT resources** – In 2020 the IT unit was made up of a team of three officials. Since then, the unit was incorporated within the Ministry’s IMU as part of an initiative to centralise IT resources within the Ministry. The Ministry IMU has an ICT and Business Analyst who is assisted by two student employees to manage ICT issues related to Local Government.

**2.1.2** The NAO noted that since its 2020 report the IMU worked on a number of Local Government ICT related projects which included the following:

**2.1.2.1 Revamped Local Councils Intranet** – The local councils intranet was revamped making use of updated technologies.

**2.1.2.2 New Local Permits System** – This online service is required since the local councils are legally responsible to issue permits to residents and business communities as per Subsidiary Legislation 441.04 (Activities Requiring Permit by Local Councils Regulations). This system is accessible by all local councils and replaced the different ad-hoc systems which were being used by local councils on an individual basis. The new system was implemented in May 2022, allowing citizens and contractors to request and pay for permits over the internet.

**2.1.2.3 Malta Government Network (MAGNET) connectivity and LAN improvements** – The MAGNET connection and enhanced LANs of the local councils improved connectivity to all their employees. This project included also the re-imaging of operating systems of the workstations and joining them to the MITA domain in line with the provisions of the new MITA contract. Two local councils

opted not to join the MITA domain or make use of workstation operating system images and workstations approved by MITA. They enjoy all other services included in the MITA contract. The services provided by this contract include the provision of:

- Operating Systems, Microsoft 365 Licences and OneDrive for each Gov user (users connected to the Government)
- Workstation, LAN and WAN related support services
- Email Services for each Gov User and Generic emails
- File Sharing Services
- Hosting WordPress Services for Local Councils' Websites

**2.1.2.4 New centralised workstation procurement process** – A new centralised process was implemented for the procurement of laptops required by local councils. During visits to selected local councils, the NAO was informed that the above process was a major step forward as local councils enjoyed the benefits of using one central system whilst ensuring adherence to centrally approved technical specifications.

**2.1.2.5 WiFi4EU wifi connectivity** – The implementation of the WiFi4EU initiative provided free access to Wi-Fi connectivity for citizens in public spaces including parks, squares, public buildings, libraries, health centres and museums in municipalities throughout Europe. In Malta, 54 localities have participated in this initiative. The list of locations where WiFi4EU internet access is provided can be downloaded from <https://localgovernmentdivision.gov.mt/en/DLG/Pages/WIFI4EU-Localities.aspx>.

**2.1.3** The NAO was informed that the Ministry IMU is working on the following initiatives:

- **Two new online forms** – One form for submitting complaints whereas the other for booking of bulky refuse collection. These forms are in the final phases of development by the Ministry IMU and MITA using Workflow Automation Solution (WAS) forms. Once tested by some Local Councils, the new online forms shall be accessible to all Local Councils and citizens.
- **New Website for Local Councils** – Since the start of 2023, the Ministry IMU launched a new website for all local councils. Web content is being updated by authorised local council staff who are receiving related training on content management.
- **New live streaming solution** – A proposed solution for live streaming of local council meetings using MS Teams and MITA online storage to host “On Demand” videos is currently being tested.
- **Geographic Information System (GIS) software licences** – The Local Government Division was assigned nine GIS user licences which will be used by the regional councils and the Ministry IMU when developing GIS based solutions.
- **Wider use of Electronic Point-of-Sale (EPOS) machines** – An initiative to promote wider use of EPOS machines in local councils is currently underway.

2.1.4 The NAO noted 30.9% of replies from the local councils to the NAO survey stated that data backups are the responsibility of the Executive Secretary, whereas 60% stated that the Executive Secretary is the official responsible for disposal of IT Equipment.

## Conclusions and Recommendations

2.1.5 The NAO commends the extensive work carried by the LGD and the Ministry IMU since the 2020 audit.

2.1.6 The NAO is concerned that two local councils opted not to join the MITA infrastructure/domain. Since the NAO was unable to conduct an onsite audit at the Gzira Local Council due to ongoing civil works, this Office was not in a position to physically verify the alternative ICT setup that the Gzira Local Council opted for.

2.1.7 An extract of the 2020 NAO audit states that “The NAO observed that there are no duly qualified IT persons within the local councils, although some local councils may have IT knowledgeable staff”. On the other hand in 2023, the NAO survey responses showed that from the 54 participating local councils, 11 had an IT knowledgeable person employed by the local council and seven had a qualified IT person.

2.1.8 In 2020 the NAO recommended that each regional committee should have an ICT officer who would serve all the local councils within that region. In 2023 the NAO was informed that only two out of the six regional councils have an ICT officer. During its onsite visits at local councils the NAO noted that such ICT officers at regional council level were providing an excellent service to the local councils. One particular council verbally claimed that the services of the related ICT officer had reduced considerably the need for engaging a third-party ICT contractor.

2.1.9 NAO recommends that all Local councils have at least one IT knowledgeable person as part of their staff compliment.

2.1.10 The NAO strongly recommends that all regional councils should have an ICT support officer providing first line of ICT support to the local council and act as the liaison with IMU for the implementation of ICT projects in local councils.

## 2.2 ICT Strategy

*“None of the local councils visited had a formal documented ICT strategy, however two local councils had a detailed plan of their future ICT projects.”*

*“The NAO suggests that the local councils formulate a strategy that:*

- *Makes reference to the planned IT and Information Systems projects and outline how these initiatives link to the council’s business strategy.*

- *Prioritises future ICT investments.*
- *Covers the ICT development being planned in the next three to five years.*
- *Refers to the logical and physical architecture of the local council's IT systems and infrastructure.*

*The ICT strategy, which need not be a highly technical and elaborate document, may be compiled by the Executive Secretaries with the help and guidance of the proposed ICT officers in the Regional Committees and the Head of IT at the LGD.*

*This ICT strategy document, however, must be duly updated from time to time and changed in response to new organisational circumstances/priorities, budgetary constraints, available skill sets, new technologies and business objectives."*

*Extract/s from 2020 Audit report*

**Developments: *Not Implemented***

2.2.1 The NAO noted that the LGD contracted KPMG to draft a roadmap and a strategic plan in line with the National Strategy for Local Government.

2.2.2 From the 54 local councils which participated in the NAO survey: none had an ICT strategy; 46 had no ICT plans detailing the proposed IT projects in their council and eight said that ICT strategy/plans are discussed but not formally documented.

**Conclusions and Recommendations**

2.2.3 As already stated in the 2020 NAO audit, the NAO again recommends that the local councils formulate a strategy that:

- Makes reference to the planned IT and Information Systems projects and outline how these initiatives link to the council's business strategy.
- Prioritises future ICT investments.
- Covers the ICT development being planned in the next three to five years.
- Refers to the logical and physical architecture of the local council's IT systems and infrastructure.



2.2.4 The ICT strategy does need not be a highly technical and elaborate document. It may be compiled by the Executive Secretaries with the help and guidance of the proposed ICT officers in the Regional Committees and the Head of IT at the LGD.

2.2.5 This ICT strategy document, however, must be duly updated from time to time and changed in response to new organisational circumstances/priorities, budgetary constraints, available skill sets, new technologies and business objectives.

## 2.3 ICT Budget

*“From the 15 local councils reviewed only three stated that they provided for an ICT budget.”*

*“The NAO recommends that every local council has an ICT budget that is based on priorities that are established through the councils’ ICT strategy in line with the guidelines issued by the LGD.”*

*“The ICT budget should incorporate:*

- Running costs of IT systems, IT infrastructure and communication, such as the cost of software licences, internet connectivity, hardware maintenance and ICT training.
- Capital expenditure related to new ICT projects such as the laying of LANs, where necessary, and the procurement of software applications or ICT hardware.”

*Extract/s from 2020 Audit report*

### **Developments: Not Implemented**

2.3.1 The NAO noted that the LGD did not issue any ICT budgeting guidelines to local and regional councils in line with strategy.

2.3.2 The NAO noted that out of the 54 local councils that sent replies to the NAO survey:

- 12 councils allocated a yearly budget for their ICT needs and the rest treated ICT needs as a one-off unplanned expense.
- 12 councils included recurrent expenditure items such as software licences, internet connectivity and IT maintenance fees in their annual budget.
- Six councils included capital expenditure items such as the procurement of new hardware, software applications and the laying of LANs in their annual budget.

## Conclusions and Recommendations

2.3.3 The NAO recommends that every local council draws up an annual ICT budget in line with its with its ICT strategy. The budget should cover all ICT related recurrent and capital expenditure.

## 2.4 IT Support in Local Councils

*“The NAO observed that:*

- *Two local councils had a service level agreement with a third-party supplier...*
- *Three local councils have established an informal arrangement with a third-party supplier...*
- *wo local councils have an IT knowledgeable employee...*
- *One local council had utilised a community worker, to provide the IT support...*
- *Seven local councils engaged ad-hoc suppliers as per the council IT needs.”*

*“The NAO believes that whilst local councils may still opt to outsource the provision of certain IT services, they need to have access to a professional IT officer ... , who would help the local council understand its IT business requirements and be able to independently coordinate and evaluate the third-party services required. The NAO recommends that the above would be closely monitored by the LGD.”*

*Extract/s from 2020 Audit report*

### Developments: **Partially Implemented**

2.4.1 The NAO noted that the Ministry IMU has an ICT and Business Analyst responsible for the ICT services of the Local Government Division. The analyst is assisted by two students.

2.4.2 The NAO was concerned that only two out of six regional councils employed an ICT officer. These two officers liased with the Ministry IMU and helped the local councils with all their ICT needs.

2.4.3 IT support in local councils has improved considerably since the 2020 NAO audit, given that:

- LGD/IMU are now responsible for the provision of ICT hardware to local councils.
- Most local councils are connected to MAGNET and receive MITA support services.

2.4.4 The NAO noted that the absolute majority (43 out of 54) of the local councils that participated in the NAO survey, have benefited from the provision of ICT support services from the Ministry’s IMU. Such local councils have rated the support received with a 4 out of 5. 11 out of these 43 local councils stated the IMU ICT services can however be more timely.

## Conclusions and Recommendations

2.4.5 Whilst the Ministry IMU ICT support services should be commended, the local councils still require the support services of an IT knowledgeable person preferably in the local council or alternatively at the regional level.

## 2.5 Procurement of Hardware

*“Most of the local councils visited stated that they had difficulties in verifying and assessing ICT hardware needs, due to lack of available IT expertise within the local council.”*

*“During the walkabouts conducted, the NAO observed that the majority of the local councils lacked basic ICT investment in sharp contrast with a few others that had a higher level of ICT investment.”*

*“... the NAO observed that in general, local councils obtain the specifications of the hardware to be procured from a supplier”*

*“The NAO recommends that ... procurement is centralised in order to benefit from economies of scale and ensure that local councils procure the right product for their needs. “*

*Extract/s from 2020 Audit report*

### Developments: **Partially Implemented**

2.5.1 The NAO positively noted that LGD/IMU were providing local councils with laptops which are already set up to connect with the local council network.

2.5.2 However, the NAO was concerned that 41 local councils (from the 54 that participated in the NAO survey) stated that they obtained the specifications for ICT hardware to be procured (excluding laptops as these are provided by the LGD/IMU) from the supplier.

2.5.3 Out of the 54 local councils that participated in the NAO survey: 46 councils felt that their council is sufficiently equipped in terms of IT equipment; five councils stated that they are lacking laptops and four councils stated that they are lacking network infrastructure.

## Conclusions and Recommendations

2.5.4 The NAO was pleased to note that the LGD has now implemented a system where laptops required by local councils are procured centrally and supported by MITA. Furthermore, it was also noted that local councils are now connected to MAGNET and there was a major improvement in network connectivity since its 2020 audit.

2.5.5 The NAO recommends that local councils have access to IT expertise at least at regional council level.

## 2.6 Procurement of Software

*“... the NAO observed that most councils procured mainly accounting software applications”*

*“... were not aware that the pre-installed software on their PC’s was licensed for home use (as opposed to business use) and should not be used by a public entity ...”*

*“The NAO observed that some local councils were still using manual registers to keep track of permits issued, requests for collection of bulky refuse etc. On the other hand, the NAO noted that three of the councils visited had procured tailor-made software to automate the issuance of permits; ... The NAO was also informed that another local council will be investing in a similar system that was being built from scratch by another supplier. ... such stand-alone systems does not encourage the sharing of data related to permits affecting neighbouring localities.”*

*The NAO observed that some small local councils ... find it very hard to invest in software that can be used to automate their processes, as the funds available ... are limited. In these cases, councils were ... constrained to use manual, time-consuming methods such as physically marking printouts of village maps to co-ordinate road closures on a daily basis.”*

*“... the NAO noted that local councils made use of several software applications that were owned by third-parties such as Wasteserv, LESA, the Lands Department, the Transport Malta etc. The NAO noted that each one of these systems was accessed separately ...”*

*“The NAO suggests that the LGD in consultation with LCA and ANSEK considers the possibility of adopting centralised procurement of software licences to be distributed to local councils ... “*

*“The NAO also suggests that the LGD looks into ways of helping councils with limited funds to benefit from the use of adequate tailor-made software to manage mail, issue permits, track blocked roads, manage payroll or track the stage of customer complaints.”*

*“Regarding, the present situation whereby local councils make use of a number of software applications that are owned by other entities, the NAO suggests that the LGD looks into the possibility of integrating access to all these systems through one single portal.”*

*Extract/s from 2020 Audit report*

### **Developments: Partially Implemented**

**2.6.1** The NAO noted that the LGD had commissioned and successfully implemented a software application that managed the issuing of permits. The LGD was also looking into procuring and implementing another software application which could be considered a common requirement across local councils such as accounting and payroll systems.

2.6.2 The results of the NAO survey which had 54 participating Local Councils showed that: three local councils stated that they are lacking software and six stated that they still make use of manual registers or lists that can be digitised; 26 stated that they find it hard to invest in new software; and 16 are keeping an inventory of software licences. Furthermore, the majority of the local councils are now using the Microsoft licences provided by MITA.

2.6.3 Similar to the 2020 NAO audit findings, the local councils still did not have a single portal through which they could access the several software applications being used such as the software owned by WasteServ, Local Enforcement System (LESA), the Lands Department and Transport Malta.

## Conclusions and Recommendations

2.6.4 The NAO commends the efforts of the LGD in implementing a single system for the issuing of permits amongst all local councils. The NAO also commends the efforts being made by LGD towards procuring and implementing other software that could be considered as a common requirement such as accounting and payroll systems.

2.6.5 The NAO however suggests that the local councils have one single online portal through which they can access all software applications.

## 2.7 Hardware Disposal

*“... the NAO enquired about the disposal procedures adopted by the local councils ... The NAO was informed that there was no formal documented procedure in any of the local councils visited. The NAO observed that most local councils either kept such obsolete hardware on site or disposed of it through third-party suppliers. ”*

*The NAO recommended that “In order to protect the local council’s data, all storage devices must be properly erased before being disposed of... deleting or even formatting data is not considered sufficient. ... all data ... must be removed from such equipment using a data-wiping tool prior to its disposal. Furthermore, hard-drives are to be removed and rendered unreadable (by magnetising, drilling, crushing or using other effective demolition methods) prior to their disposal. ...”*

*“Although the NAO appreciates that the local councils may not have the technical knowledge or resources to deal with hardware disposal and perform data sanitising (as per procedure detailed above), discussions should be held with the LGD, so as to find a solution whereby this could be done at a Division or regional level. ”*

*Extract/s from 2020 Audit report*

### Developments: **Not Implemented**

2.7.1 The NAO was informed that the LGD and the Ministry IMU were discussing the formulation of a new procedure regarding the disposal of IT hardware.

2.7.2 LGD/IMU did not assist local councils with hardware disposal. The NAO recommended that prior to the disposal of MITA workstations, ICT Regional Coordinators should inform the ICT Unit to record the asset accordingly so they can proceed with data wiping and write them off.

2.7.3 The NAO noted that only nine out of 54 councils participating in the NAO survey, stated that they have an IT hardware disposal procedure however none of these nine councils gave NAO a copy of such procedure.

2.7.4 The NAO survey showed that out of 54 participating local councils, 12 stated that they physically destroy hard disks prior to disposing of them and 23 stated that they carry out data wiping prior to disposing of the hard disk.

## Conclusions and Recommendations

2.6.8 The NAO reiterates its recommendation that *“Although the NAO appreciates that the local councils may not have the technical knowledge or resources to deal with hardware disposal and perform data sanitising (as per procedure detailed above), discussions should be held with the LGD, so as to find a solution whereby this could be done at a Division or regional level. “*

## 2.8 IT Training

*“The NAO noted that the only training that was given to local council staff covered:*

- *SAGE accounting software (organised by ANSEK).*
- *The E-Procurement system (organised by the Contracts Department).*
- *The Intranet (organised by the LGD, which developed the system).*

*“The NAO observed that most local councils were unaware of the relevant IT training courses being offered by the IPS free of charge... “*

*“The NAO recommends that all local council employees are trained about the basics of IT...”*

*“...the NAO is of the opinion that all local councils would benefit from training in office automation software...”*

*Extract/s from 2020 Audit report*

### Developments: **Not Implemented**

2.8.1 The NAO was informed that no ICT training was organised by the LGD since its 2020 audit. However, the LGD has recently set up a new Training Unit which is currently considering the delivery of training to local councils’ employees.

- 2.8.2 The NAO however noted that the LGD has compiled and circulated a comprehensive user manual that includes screenshots upon the implementation of the new local permits system. The LGD also issued a set of guidelines as to how the local councils should reply to a set of possible questions by the citizens using the newly implemented Local Permits system. This guide includes screenshots and detailed step- by-step instructions to help the general public in creating an account, applying and paying for a permit, editing or deleting a permit etc.
- 2.8.3 The NAO also noted that the Contract Agreement with the provider/developer of the Local Permits System stipulated that the provider had to deliver training within seven months of contract signing. Though the system was implemented in May 2022, the NAO found no evidence of this training being held.
- 2.8.4 The NAO noted that 38 out of 54 participating local councils stated that none of their staff attended any IT training since 2020. Staff from five local councils attended IT training delivered by the Institute for the Public Service and staff from two local councils attended IT training delivered by a private entity. 14 out of 54 local councils were not aware of the IT training courses offered by the IPS free of charge.
- 2.8.5 The NAO noted that out of the 54 participating local councils, the following training topics were identified:
- Cyber security – 26
  - File sharing methods – 35
  - The benefits of saving data in one central repository – 30
  - The importance of document version control –20
  - The importance of having regular backups which are restored from time to time – 31
  - The functions of servers and modems – 25
  - Basics of a network and its related benefits – 24

Six stated that their council needs no IT training.

## Conclusions and Recommendations

- 2.8.6 The NAO strongly recommends that all local council employees should have access to regular ICT training.

## 2.9 Use of EPOS machines

*“the NAO noted that none of the local councils visited, accepted card payments. All payments made by citizens were in cash or cheques.”*

*Extract/s from 2020 Audit report*

**Developments: *Partially Implemented***

- 2.9.1 LGD stated that 29 out of 69 local councils were now using an EPOS machine ie 40 local councils cannot process credit card payments through an EPOS machine.
- 2.9.2 LGD has sent an email to all regional councils on the 24 May 2023 encouraging the implementation of EPOS machines.
- 2.9.3 The NAO noted that a few local councils found difficulty in installing EPOS machines due to connection issues.
- 2.9.4 The NAO noted that seven local councils have stated that they will not be installing EPOS machines given that most of the payments they collect are on behalf of third parties which may involve related bank charges.
- 2.9.5 3 local councils stated that the reconciliation of EPOS machine transactions will be an added burden on their administration and thus they have decided not to implement such machines.
- 2.9.6 7 local councils stated that they will not be implementing EPOS machines as people in their locality prefer paying by cash/cheque and payment by card is rarely requested.

**Conclusions and Recommendations**

- 2.9.7 NAO recommends that the IMU reaches out to local councils who would like to install EPOS machines but did not manage due to additional connectivity requirements.



## Chapter 3 | IT Software Applications

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This chapter highlights the progress registered by the Local Councils and the LGD, in implementing the recommendations made by the NAO related to IT Software Applications, in its 2020 IT audit report.

### 3.1 Intranet

*“The NAO believes that this Intranet is a very valuable tool. However, it should be better promoted so as to encourage and increase its use.”*

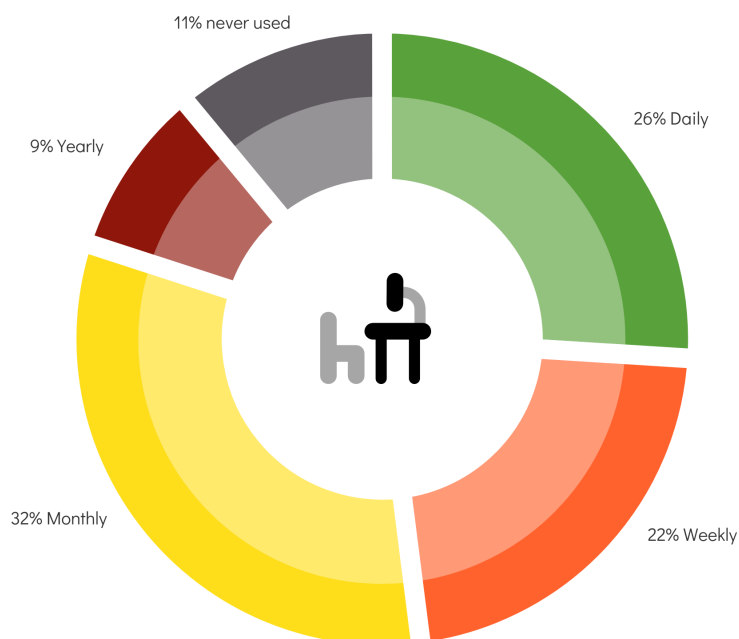
*“The NAO suggests that the LGD explores the possibility of giving Intranet access to all local council employees and use it to provide them with a dashboard of all the applications they need to access according to their user rights. The possibility of using the Intranet login credentials as a single sign-on for all the other applications should also be investigated.”*

*Extract/s from 2020 Audit report*

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

- 3.1.1 The NAO noted that the LGD has re-developed the Intranet. The NAO survey showed that 44 out of 54 participating local councils stated that this new Intranet met their expectations whilst 10 local councils stated that it doesn't. However, during the audit visits, the NAO observed that this Intranet was still underutilised by local council employees.
- 3.1.2 The NAO survey results showed that 42 out of 54 local councils stated that all their employees have access to the intranet whilst 12 local councils stated that this was not the case. Furthermore, the survey results also showed that 14 local councils use the intranet daily, 12 use it weekly, 17 use it monthly, five use it yearly and six local councils stated that they had never used the intranet. LGD informed NAO that they were still working on giving access to all employees and that they were reviewing all intranet content to increase usage by users from the local councils.
- 3.1.3 In the 2020 NAO IT audit, the NAO had recommended that the Intranet should provide access to all the applications that local council employees use according to their user rights. However, this was not implemented. Out of the 54 local councils that replied to the NAO survey, 49 local councils stated that implementing the above would be beneficial to local council employees.

## Usage of Intranet by employees of participating Local Councils



### Conclusions and Recommendations

3.1.4 The NAO recommends (similar to the recommendation made in the 2020 NAO IT audit) that the above mentioned intranet should provide a dashboard of all the applications that the local council employees use on a daily basis according to their user rights. The intranet functionality should include the option of using its login credentials as a single sign-on for all the other applications.

3.1.5 The LGD should also ensure that all local council employees have access to the intranet and promote a higher level of usage by populating it with relevant content that is kept up to date.

### 3.2 Accounting Software

*“The NAO observed that currently the 68 local councils and five regional councils are keeping their own accounting system separately from each other and are not connected in any way with the LGD.”*

*The NAO is informed that local councils send periodic financial updates to the LGD. The LGD consolidates the accounting information sent by each local council manually as necessary. The NAO Financial and Compliance Section has occasionally reported that the financial statements presented by local councils were not fully compliant with the requirements of the International Financial Reporting Standards (IFRSs) and did not present an accurate picture of the financial position as at year end due to a number of errors. The NAO noted that the LGD was considering these issues and was working on a project...”*

*The NAO was informed that funding for this project was allocated and that the LGD had contacted the then Acting Accountant General in August 2016, regarding the possibility of widening the implementation of Governments' new accrual accounting system and utilising this system for the local councils. The NAO understands that including the local councils in the accrual accounting project may not be a priority in the short-term, however, the NAO recommends that the LGD re-engages in discussions with the Treasury Department to re-assess this in a few years. Should this not be a possibility, the NAO recommends that the Division follows a software project life cycle and conducts a holistic cost benefit analysis before implementing such a project. The Division should also follow the relevant procurement regulations. Furthermore, the NAO recommends that the Division organises a hands-on training course for all officials with reference to this new software."*

*Extract/s from 2020 Audit report*

### **Developments: Not Implemented**

- 3.2.1 The NAO noted that the local councils were still using different versions of a particular accounting package.
- 3.2.2 The LGD stated they they were planning to procure a centralised accounting system.
- 3.2.3 The NAO noted that although the LGD had a list of requirements pertaining to a new accounting software for local councils, this list of requirements was not exhaustive and still needed to be finalised.
- 3.2.4 Although local councils are obliged to publish quarterly financial reports in their website, the NAO noted that this was not always done by every local council.
- 3.2.5 The NAO observed that 20 out of the 54 local councils that participated in the NAO survey stated that they made use of subcontracted accounting services whilst the other 34 stated that they use SAGE for their inhouse accounting function.
- 3.2.6 The NAO attempted to establish how many different versions of the same accounting package were being used by the local councils. However the replies received were unreliable, implying that local councils were not aware of the version currently being used by their council.

### **Conclusions and Recommendations**

- 3.2.7 The NAO recommends that LGD procures and implements a centralised accounting package that would be used by all local councils as soon as possible.
- 3.2.8 The NAO also recommends that the LGD reinforces further the importance that local councils submit their financial statements in time and in full compliance with the IFRSs.

### 3.3 Payroll

*“The NAO noted that five local councils out of the 15 reviewed, procured a payroll system...”*

*“The NAO recommends that the LGD, in consultation with LCA and ANSEK, considers the possibility of investing in one payroll system which is standard for all local councils. In this way, the cost of ownership would be cheaper.”*

*Extract/s from 2020 Audit report*

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

3.3.1 The LGD stated they were planning to procure a centralised payroll software. The NAO however noted that LGD had a preliminary list of requirements (that included only three items) requiring further analysis and documentation.

3.3.2 The NAO survey showed that that 21 from the 54 participating local councils made use of subcontracted payroll services from a third party, 15 used a spreadsheet to compute their payroll, two local councils compute their payroll manually and 16 local councils used a payroll IT system.

#### **Conclusions and Recommendations**

3.3.3 The NAO recommends that LGD speeds up the procurement of a payroll package that would be used by all local councils. The software package should not only issue payslips but also cater for time and attendance, vacation and sick leave, as well as secure online payment of salaries using IBAN.

### 3.4 ORNIT

*“During the course of this audit, the NAO noted that three of the local councils reviewed have procured a tailor-made system to issue permits, called ORNIT. The NAO also noted that another council was about to procure a similar system, which was being built from scratch by another supplier. Another three of the councils visited referred to this system and showed interest in accessing it, however, the costs were considered prohibitive by these councils.”*

*“The NAO understands that such a system is indispensable for local councils that issue a large number of permits and thus cannot do so using a manual system. The NAO however recommends that local councils invest in one integrated system, and that the related local councils should approach the current supplier to fix all pending issues and provide timely support.”*

*Extract/s from 2020 Audit report*

### **Developments: Fully Implemented**

- 3.4.1 The NAO noted that the LGD has commissioned and fully implemented an online Permit System across all local councils.
- 3.4.2 The local council system users were provided with an 18 page user manual which was easy to follow, included screenshots and a section dedicated to Frequently Asked Questions (FAQs).
- 3.4.3 The NAO noted that LGD also issued a 15 page guide, providing local council employees with FAQs and related replies.
- 3.4.4 The NAO survey showed that 52 out of 54 participating local councils stated that the localpermits.gov.mt met their expectations whilst 2 local councils stated that it does not quoting a lack of user friendliness.
- 3.4.5 During audit site inspections, the NAO was informed about the need to round up the cost of permits and eliminate the use of cents for payments.

### **Conclusions and Recommendations**

- 3.4.6 The NAO commends the actions taken by LGD to implement a system with which all citizens and contractors can request and pay for permits from the comfort of their home or office.
- 3.4.7 However, the NAO recommends that further support is offered to the few local councils that did not find the system so user friendly.
- 3.4.8 Furthermore, NAO also recommends that LGD engages in discussions with all relevant stakeholders to round off the cost of permits to eliminate the use of cents.

### **3.5 Tracking of Customer Complaints and Incoming Mail**

*“During on-site visits, the NAO noted that four local councils had procured different systems to keep track of customer complaints, mail, etc. The NAO noted that other local councils use their employees’ email inboxes as filing systems and thus do not have a proper indexing facility that would help them in finding records when these are needed and have no tracking of customer complaints.”...*

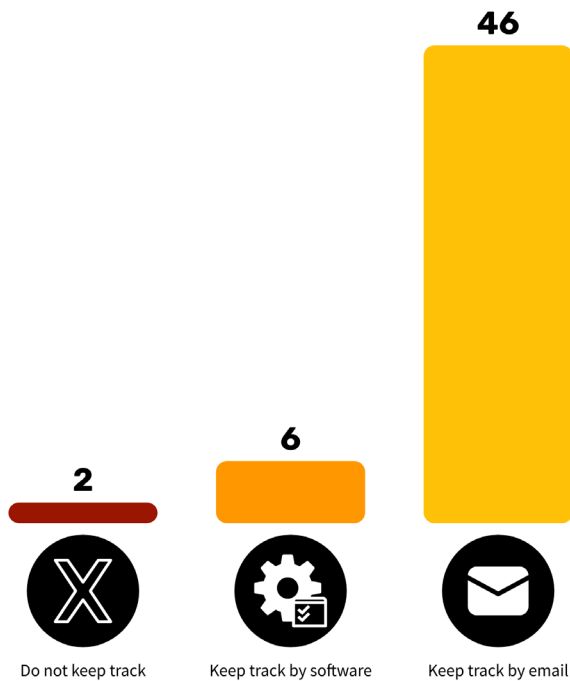
*“The NAO recommends that the LGD, in consultation with LCA and ANSEK, discusses the possibility of joining up resources and investing in a system for all local councils. In this way, the local councils would benefit from standardisation and economies of scale. Should this be done, a structured software life cycle should follow, to ensure that the software procured meets current and future business requirements.”*

*Extract/s from 2020 Audit report*

**Developments: Partially Implemented**

- 3.5.1 The NAO was informed that the LGD have developed a complaints form by means of Workflow Automation Solution (WAS) that could be used by all local councils to keep track of customer complaints. The NAO noted that LGD was about to start testing this form with some local councils with the intention of implementing in all local councils as soon as the testing phase was over.
- 3.5.2 The NAO survey showed that out of the 54 participating local councils, two local councils stated that they do not keep track of customer complaints, 46 local councils stated that their council keeps track of customer complaints through emails, six local councils stated that their councils have a software application to keep track of customer complaints.

Number of participating Local Councils that keep track of customers complaints



**Conclusions and Recommendations**

- 3.5.3 The NAO commends the LGD for developing a complaints workflow form and recommends that it is implemented as soon as possible. Keeping track of customer complaints is key to the local councils functions.

### 3.6 Local Councils Websites

*“The NAO recommends that the LGD invites all local councils to standardise their website addresses. Furthermore, the division should oblige local councils to comply with the Government’s ‘Website Content and Presentation Standard’. Moreover, the NAO suggests that the LGD commissions an audit of the current local council websites and those which are not compliant with the above standard should no longer be listed in the ‘MyLocality’ page on the Division’s website.”*

*Extract/s from 2020 Audit report*

#### **Developments: Partially Implemented**

3.6.1 The NAO noted that since the beginning of 2023 the LGD with the help of IMU embarked on a project to create a brand new website for all local councils using WordPress technology. Since then web content was created with the respective local councils and training given to their staff on content management. The LGD informed the NAO that 13 local councils have launched and are currently using their new website.

### Conclusions and Recommendations

3.6.2 The NAO commends the action taken by LGD by providing all local councils with a new website which follows a standard design template and a uniform format for the related URL.

3.6.3 The NAO recommends that all local councils should nominate a person who will be officially responsible for maintaining these websites and uploading content.

### 3.7 Local Government Division Website

*“The NAO recommends that the LGD rectifies the ...-mentioned shortcomings and engages in a study to evaluate the user friendliness of its website amongst its target audience. The NAO suggests that the Division entrusts an official to update the web content.”*

*Extract/s from 2020 Audit report*

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

3.7.1 The NAO noted that although the URL of the LGD website changed, the website content is still the same.

3.7.2 The NAO noted that the LGD rectified some (not all) of the issues pointed out in the 2020 NAO IT audit (such as blank pages) but it still has other issues such as:

- The website still contains broken links albeit not the ones identified in our 2020 report. (eg the link to the “Heads of Department” in the Organisation structure page is broken).

- Website homepage contains a link to an ANSEK website which was last updated in 2017.
- The “Useful links” page under the “Services” tab still lists the KNPD website which ceased to exist in 2016 and changed to CRPD.
- The latest annual report uploaded on the website is dated 2014.
- The link to the local council financial reports does not function.

3.7.3 The LGD did not embark on a study with the aim of making this website more user friendly and did not appoint an official to focus on the upkeep of this website.

3.7.4 The NAO noted that talks about a new website had begun but could not ascertain at what stage this had arrived and how soon it would be launched. The NAO could not verify whether studies were conducted so as to determine the best design for the new website, the required functionality and the content it ought to contain.

## Conclusions and Recommendations

3.7.5 The LGD needs to embark on a study, with the help of IMU, to upgrade its website, make it more user friendly, populate it with relevant updated content and ensure there are no broken links or links to websites that have not been updated for years.

## 3.8 Social Media

*“The NAO recommends that the LGD conducts an audit to verify that social media pages of local councils follow the ... rules as per its Directive. Furthermore, the NAO suggests that the Division appoints a person in charge of monitoring local council social media pages. Pages that do not comply by the Directive issued by the LGD should not be listed in the ‘MyLocality’ section of the Division website.”*

*Extract/s from 2020 Audit report*

### Developments: **Not Implemented**

3.8.1 The NAO noted the LGD did not follow up on its 2020 recommendations and did not conduct an audit to verify that the social media pages created by the local councils follow its related directive issued by the LGD regarding social media pages of the local councils.

3.8.2 The NAO noted that some local council social media pages are named in Maltese, some in English, some are updated frequently whereas some are not.



## Conclusions and Recommendations

3.8.3 As stated in the 2020 NAO IT audit, the NAO recommends that the LGD should “conduct an audit to verify that social media pages of local councils follow the its Directive and should not list uncompliant social media pages in the ‘MyLocality’ section of the Division’s website.”

3.8.4 The NAO also recommends that the LGD should appoint a person in charge of social media both at the Division and Regional councils level to ensure that the web content is updated regularly to provide an effective tool with which local councils can communicate better with citizens.

### 3.9 Live Streaming

*“The NAO suggests that the LGD appoints a person to audit this live streaming facility to ensure that the:*

- *Local councils are publishing the date of their next council meeting.*
- *Live streaming cameras are not left on when there are no council meetings.*
- *Quality of these live streams is adequate.”*

*Extract/s from 2020 Audit report*

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

3.9.1 The NAO noted that the IMU is working on a solution to ensure that local councils' live streaming facilities are of adequate quality. The live streaming solution is still being tested by IMU and will be implemented in the coming months.

3.9.2 The NAO noted that some local councils are still not publishing the date of their next council meeting on their website and their social media pages.

## Conclusions and Recommendations

3.9.3 The NAO recommends that the regional councils together with LGD periodically check that all live streams are of adequate quality and that citizens are informed about the live streaming of all council meetings with sufficient notice.

### 3.10 On-Demand

*“The NAO suggests that the LGD entrusts a technical person to audit the quality of these recordings, from time to time, so as to make sure that such recordings are of good quality.*

*The NAO recommends that the LGD briefs the councillors about the importance of audible recordings and*

thus encourages them to be cautious of the fact, that for these recordings to be useful, all participants need to be heard and there cannot be simultaneous discussions between councillors as these would make the recordings undecipherable.

Furthermore, the NAO suggests that the most recent recording should be shown first on the list.”

Extract/s from 2020 Audit report

### Developments: **Not Implemented**

3.10.1 The NAO noted that the IMU is working on a solution to ensure that local councils' on-demand facilities are of sufficient quality. The on-demand solution is still being tested by IMU and will be implemented in the coming months.

## Conclusions and Recommendations

3.10.2 The NAO recommends that the regional councils together with LGD periodically ensure that all on demand recordings are of adequate quality.

3.10.3 Regional councils and LGD should remind local councils in order to ensure a good quality live stream of meetings, all attendees need to be heard well and simultaneous discussions between councillors is to be avoided.

### 3.11 On-Line Payments

“The NAO noted that two of the local councils visited, procured a system for online payments. The NAO observed that the other local councils were still issuing cheques manually.

The NAO suggests that the LGD, in consultation with LCA and ANSEK, reviews this system and consider introducing online payments in all local councils.”

Extract/s from 2020 Audit report

### Developments: **Partially implemented**

3.11.1 The NAO survey showed that 11 out of 54 participating local councils pay their suppliers using online payments only, whilst three stated that they only pay by cheque. The rest of the local councils stated that they pay using cheques, online payments and cash.

## Conclusions and Recommendations

3.11.2 The NAO commends the increased adoption of online payments and recommends that this practice is strengthened further to enhance accountability and traceability.

## Chapter 4 | IT Operations and Security

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This chapter highlights the progress registered by the Local Councils and the LGD, in implementing the recommendations made by the NAO related to IT operations and security, in its 2020 IT audit report.

### 4.1 Anti-Virus Software

*“The NAO recommends that the LGD helps the local councils ensure that an adequate anti-virus protection is installed on all the computers ...”*

*“The NAO further suggests that the LGD, in consultation with the LCA and ANSEK, assess whether choosing a single adequate anti-virus and purchasing licences in bulk for all local councils would be more cost-effective than having each council procuring its own anti-virus software.”*

*Extract/s from 2020 Audit report*

#### **Developments: Partially Implemented**

- 4.1.1 The IMU informed NAO that all Local Councils, with the exception of two, now have their network managed by MITA and anti-virus has been installed on all computers as part of this setup.
- 4.1.2 The NAO however noted that the IMU/LGD is not updated on the status of the anti-virus software installed on all the workstations at the two local councils that opted not to use MITA to manage their network.
- 4.1.3 The NAO survey showed that 8 out of the 54 participating local councils stated that they do not have an anti-virus software. The NAO is however aware that the local council officials completing its questionnaire may not have been aware of the anti-virus software and may have thus answered in this way.

#### **Conclusions and Recommendations**

- 4.1.4 The NAO commends the actions taken by LGD/IMU to have adequate and updated anti-virus installed on all local council computers.
- 4.1.5 The NAO recommends that LGD ensures that the local councils who opted not to make use of MITA services are equipped with adequate anti-virus protection on all their machines and are updating their anti-virus software with the latest definitions.
- 4.1.6 The NAO also recommends that all local council employees are given an ICT course which should include an overview of the important aspects of anti-virus software.

## 4.2 Backups and Off-Site Storage

*“The NAO recommends that the LGD organises appropriate training to inform all Executive Secretaries about the importance of having a sound backup plan. Furthermore, the NAO recommends that this Division helps the local councils ensure that adequate, automated daily backups of all data on the councils’ PCs are taken. Such backups should be hosted as per the Data Protection Act, and periodic restores of such data should be performed. Moreover, the NAO opines that a sound off-site storage facility of backups should be set up for all local councils.”*

*Extract/s from 2020 Audit report*

### Developments: *Partially Implemented*

- 4.2.1 The NAO noted that LGD/IMU have provided all local councils who joined the MITA domain with two back up options. Local council users could back-up their data through OneDrive which is linked to their account. In addition, local councils were also provided with a SharePoint site to back up their local council related data.
- 4.2.2 The NAO however noted that the LGD/IMU are not updated on the status of the backup process adopted by the two local councils that opted to be excluded from joining the MITA domain.
- 4.2.3 The NAO survey showed that 13 out of the 54 participating local councils stated that the local council data is not being backed up. The NAO however visited two of these councils and noted that they have their documents saved on MS SharePoint which is being backed up. Therefore the above mentioned replies may indicate that the local council employees were not aware that backups were being done from the SharePoint system.
- 4.2.4 Furthermore the NAO survey also showed that 27 out of 54 councils stated that they are using external hard drives for backups whilst one local council is still using pendrives as one of its backup mediums.

### Conclusions and Recommendations

- 4.2.5 The NAO commends the actions taken by LGD/IMU to ensure that all local councils now have an option to have their data backed up on MS SharePoint.
- 4.2.6 The NAO recommends that LGD ensures that the local councils which opted not to join the MITA domain periodically restore data from backups. Such restores should be tested and signed off.
- 4.2.7 The NAO also recommends that all local council employees are given an ICT course which gives an outline on the importance of backups, use of collaborative tools, cloud services and the risks associated with storing data on the hard disks of their workstations. This course should also discourage the use of external hard drives and pendrives to backup local council related data.

### 4.3 Recovery of Data

*“The NAO noted that three out of the 15 local councils visited, had tested their backups on ad-hoc basis. The NAO, however, was not provided with any evidence documenting such testing and thus could not ascertain whether such tests were actually carried out...”*

*“The NAO recommends that all backups are to be fully restored at least once a year and such testing is documented with a screenshot showing that the data was successfully restored from backups. The NAO suggest that the LGD monitors the local councils from time-to-time to ensure that this was being done.”*

*Extract/s from 2020 Audit report*

### Developments: Partially Implemented

4.3.1 The NAO noted that all data being backed up on MITA infrastructure can be restored as needed.

4.3.2 The NAO survey showed that 25 out of the 54 participating local councils stated that they had carried out data backup restore and 7 stated that they carry out backup restores periodically.

### Conclusions and Recommendations

4.3.3 The NAO recommends that the LGD/IMU should ensure that all local councils carry out regular backup restores which are then tested.

### 4.4 Use of Portable Smart Media and Storage Devices

*“The NAO noted that personal (i.e. employee or councillor-owned) portable devices can be used in all the local councils visited, to access Internet and e-mail through segregated Wi-Fi connections. The NAO observed that such devices were not allowed to access the internal networks. ... Given the lack of suitable network infrastructure in most local councils, data is shared through e-mail and thus the ... risks are quite high when considering that e-mail boxes are likely to be accessed through one’s mobile phone, especially by local councillors...”*

*“The NAO recommends that the LGD:*

- Informs all local council employees, mayors and councillors about the risks associated with using such devices and develops security and acceptable-use policies for all portable devices.*
- Encourages local councils to take all the necessary precautions to protect themselves against the theft of portable devices, particularly by pointing out typical scenarios where devices are left unattended in a vehicle or put in checked luggage when travelling abroad.*
- Encourages local councils to report any missing devices immediately, both those owned by the council as well as personal devices which may contain the council’s data.*

- Discourages the connection of any devices to the local council's network (where the latter is available).
- Helps the local councils implement a secure VPN connection as and when needed.
- Encourages all local council employees, mayors and councillors to take regular backups of the data stored on such devices.
- Encourages all local council employees, mayors and councillors to protect their devices using a strong password or PIN which is changed periodically.
- Educates all local council employees, mayors and councillors so as not to allow their devices to be used by other people, including members of their immediate family.
- Encourages all local council employees, mayors and councillors to install anti-malware software on such devices and carry out regular scans.
- Mentions the possibility of installing a local firewall on such devices, to filter inbound and outbound traffic, and block malicious code.
- Encourages the possibility of enabling a remote-wiping feature, to erase all data on the device if it is lost or misplaced."

*Extract/s from 2020 Audit report*

**Developments: Not Implemented**

- 4.4.1 The NAO survey showed that 16 out of the 54 participating local councils stated that the local council employees or officials use personal portable devices (eg mobile phones/tablets) to connect to the internal network of the local council.

**Conclusions and Recommendations**

The NAO recommends that LGD:

- Informs all local council employees and officials about the risks associated with using portable devices and develops related security policies covering the use of such devices.
- Encourages local councils to take all the necessary precautions to avoid possible theft of portable devices by pointing out typical scenarios where devices maybe left unattended in a vehicle or when travelling abroad.
- Encourages local councils to report any missing devices immediately, both those owned by the council as well as personal devices which may contain the data belonging to the local council.

- Discourages the connection of any personal portable devices to the local council's network.
- Helps the local councils implement a secure VPN connection as and when needed.
- Encourages all local council employees, mayors and councillors to take regular backups of the data stored on such devices.
- Encourages all local council employees, mayors and councillors to protect their devices using a strong password or PIN which is changed periodically.
- Educates all local council employees, mayors and councillors not to let their devices be used by other people, including members of their immediate family.
- Encourages all local council employees, mayors and councillors to install anti-malware software on such devices and carry out regular scans.
- Highlights the benefits of installing a local firewall on such devices, to filter inbound and outbound traffic, and block malicious code.
- Encourages the possibility of enabling a remote-wiping feature, to erase all data on the device if it is lost or misplaced.

## 4.5 Electronic Mail

*“The NAO noted that in the case of local councils, e-mail is being relied upon to a much higher extent than normal, due to the lack of computer networks...”*

*“The local councils e-mail services are provided by the Malta Information Technology Agency (MITA). All local councils have access to both MITA personal e-mail accounts and MITA generic e-mail accounts, which are generally related to customer care. The NAO, however, does not exclude instances where the Government e-mail is not being used and other private e-mail accounts are used instead. The NAO noted that some local councils had an issue with their mailbox size or issues of being unable to connect to the Government e-mail.”*

*“During the audit visits carried out, the NAO became increasingly worried about the e-mail security and suspected that some e-mail passwords were being disclosed to other officials within the local council. Furthermore, the NAO observed that offline mailboxes of personal or generic e-mail accounts were stored locally on the end users' PC or laptop hard-disk.”*

*“The NAO recommends that:*

- *E-mail should not be used as a substitution of an adequate setup of networked computers ...*
- *The LGD periodically reminds all e-mail users about the salient points highlighted in the ‘Electronic Mail and Internet Services Directive’ ...*

- *The local councils take all the necessary measures to ensure that Government e-mail passwords are not shared.*
- *The use of non-Government e-mail for local council purposes is prohibited...*
- *Mailboxes are maintained, and should a mailbox size be an issue, the local council should discuss this with the LGD and MITA so that this matter is solved.*
- *The LGD should provide guidelines to all end users on how to backup and securely store offline mailboxes.”*

*Extract/s from 2020 Audit report*

### **Developments: Partially Implemented**

4.5.1 The NAO was pleased to note that email was no longer being used as a substitute of an adequate setup of networked computers.

4.5.2 The NAO also noted that mailbox size was increased.

4.5.3 The NAO observed that a number of local council officials are not aware of the Offline mailbox feature and that it needs to be backed up.

4.5.4 The NAO survey showed that 12 out of the 54 participating local councils stated that employees/officials use non-Government email for local council purposes.

### **Conclusions and Recommendations**

4.5.5 The NAO recommends that all local council employees are given ICT courses which would explain the difference between online and offline mailboxes and the importance of offline mailbox backup.

4.5.6 The LGD should re-circulate the related Electronic Mail and Internet Services Directive amongst all local council employees and officials and remind all that using non-Government email for local council purposes is strictly prohibited.

### **4.6 Internet Services**

*“The NAO noted that all local councils had multiple Internet connections... The reason behind these different Internet connections was unclear...”*

*“The NAO noted that local councils ended up with redundant Internet equipment as the suppliers did not tend to take such equipment back when it was no longer in use... adding up the clutter in the often very unmanaged network cabinets...”*



*“The NAO recommends that:*

- The LGD monitors the number of Internet connections in all local councils and helps local councils determine whether such connections are still necessary and adequate to their needs.*
- The LGD, in consultation with LCA and ANSEK, considers whether it would be more feasible to procure such Internet services from one supplier and maybe discuss the possibility of using the Government network for Internet services in local councils.*
- Local councils ensure that redundant equipment (such as modems) is removed by authorised IT staff, to clear network cabinets from unnecessary clutter.*
- A policy is drawn up and circulated amongst all local councils regulating the use of Internet services and holding the officials accountable for their Internet activity.”*

*Extract/s from 2020 Audit report*

### **Developments: Partially Implemented**

- 4.6.1 The NAO was pleased to note that the IMU was conducting an exercise in local councils to remove all redundant equipment such as modems and reorganise their network cabinets.
- 4.6.2 The NAO noted all local councils now have a MAGNET connection through which they can access the Internet.
- 4.6.3 The NAO observed that four local councils stated that they are paying for six or more different Internet connections. The NAO noted that some local councils tend to procure a new Internet connection as told by suppliers when implementing a new system such as CCTV.

### **Conclusions and Recommendations**

- 4.6.4 The NAO commends the work being done by the IMU to clear the councils’ network cabinets from redundant equipment. The NAO suggests that this exercise continues as it has proved to be of great help to many local councils.
- 4.6.5 The NAO suggests that the LGD/IMU look into the reason/s as to why some local councils felt the need to have multiple internet connections apart from the MAGNET link. The NAO suggests that the IMU helps such local councils to reassess their needs with the aim of streamlining the number of internet connections and reducing the yearly expenses for such councils.
- 4.6.6 The NAO suggests that a policy is drawn up and circulated amongst all local councils regulating the use of Internet services and holding the officials accountable for their Internet activity.

## 4.7 Multi-Function Printers

*“The NAO recommends that:*

- *Local councils network all their ICT equipment and ensure that printing is available from any PC.*
- *Local councils re-examine their printing needs, with the aim of reducing the number of printers procured/used, and minimising the cost of printer consumables, servicing, etc.*
- *The LGD, in consultation with LCA and ANSEK, considers the feasibility of leased multifunction printers from one supplier, in order to gain economies of scale and be able to ensure that the type of printers being leased are adequate for the use of local councils.*
- *All multi-function printers be configured, so as to enable features such as scan to e-mail and secure printing.*
- *Printers are removed from corridors and placed in areas that are not accessible by the general public, keeping in mind the restrictions of some local council offices.”*

*Extract/s from 2020 Audit report*

### **Developments: Partially Implemented**

- 4.7.1 The NAO notes that all 54 local councils participating in the NAO survey stated that they had a LAN connection and networked printer/s. On the otherhand 19 councils stated that they still had standalone printers. The NAO understood that the use of standalone printers may have been intentional.

### **Conclusions and Recommendations**

- 4.7.2 The NAO commends the work done by IMU to setup LAN’s and connect printers to such LANs.
- 4.7.3 The NAO suggests that local councils reassess their need for standalone printers with the aim of minimising printer related costs.
- 4.7.4 The NAO suggests that all local councils ensure that printers are not placed in areas that are accessible by the general public and should consult IMU to relocate printers to safer areas wherever possible.

## 4.8 Network Infrastructure

*“It was disappointing that only four of the 15 local councils visited had a functioning network of PCs...”*

*“The NAO believes that the setting up of adequate network infrastructure in all local council offices is imperative and is to be carried out with immediate effect.”*

*“The NAO recommends that the LGD helps all local councils in this regard, by either setting up appropriate LANs in all offices or oversee and manage the setting up of such LANs by third-parties.”*

*“Furthermore, the LGD should ensure that:*

- All PCs, printers, scanners, etc are networked.*
- All user PCs are set up with a login and a password.*
- Local council data is stored centrally in the LAN and discourage users from saving data on their desktops by educating them as to why this should not be done.*
- An appropriate backup structure is set up.*
- Network cabinets are decluttered from unnecessary redundant wiring.*
- Servers (where available) are installed in an adequate secure place.*

*The NAO noted that a connection to the Government network (MAGNET) is available in all local councils and thus the NAO recommends that the LGD, the LCA, ANSEK and MITA discuss the possibility of having all local councils on a domain-based structure and connected to MAGNET”*

*Extract/s from 2020 Audit report*

### **Developments: Fully Implemented**

4.8.1 The NAO noted that the IMU/LGD embarked on a laborious exercise which included the installation of a LAN joined to the GOV domain in all local councils (with the exception of two local councils). The exercise also included a review of their network cabinets as needed.

## Conclusions and Recommendations

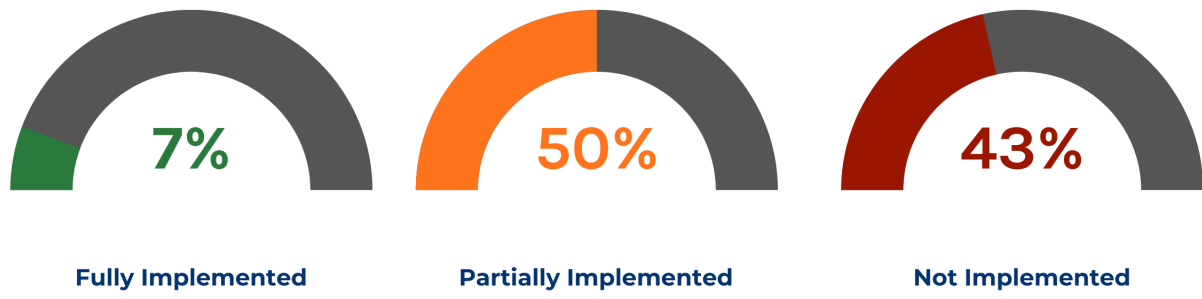
- 4.8.2 The NAO suggests that LGD organises ICT courses which would help the local council employees to understand that all local council data should be stored centrally on SharePoint and discourage users from saving data on their workstations.

## Chapter 5 | Concluding Remarks

As can be seen from the table below, out of 28 recommendations extracted from the 2020 NAO audit, this follow up audit found that 7% of the recommendations were fully implemented, 50% were partially implemented and 43% were not implemented. Whilst appreciating the efforts undertaken to address some of the issues identified in our report, clearly more work needs to be done to implement our recommendations made in the 2020 audit assignment. The NAO is fully aware of the complexities involved in this particular sector; at the same time these improvements are required in view of the direct impact which local councils have on the lives of our citizens.

	fully implemented	partially implemented	not implemented
<b>Chapter Two</b>			
1 IT Management		X	
2 ICT Strategy			X
3 ICT Budget			X
4 IT Support in Local Councils		X	
5 Procurement of Hardware		X	
6 Procurement of Software		X	
7 Hardware Disposal			X
8 IT Training			X
9 Use of EPOS machines		X	
<b>Chapter Three</b>			
10 Intranet			X
11 Accounts (Sage)			X
12 Payroll			X
13 ORNIT	X		
14 Tracking of Customer Complaints and Incoming Mail		X	
15 Local Councils Websites		X	
16 Local Government Division Website			X
17 Social Media			X
18 Live Streaming			X
19 On-Demand			X
20 On-Line Payments			X
<b>Chapter Four</b>			
21 Anti-Virus Software		X	
22 Backups and Off-Site Storage		X	
23 Recovery of Data		X	
24 Use of Portable Smart Media and Storage Devices			X
25 Electronic Mail		X	
26 Internet Services		X	
27 Multi-Function Printers		X	
28 Network Infrastructure	X		
	<b>2</b>	<b>14</b>	<b>12</b>
	<b>7%</b>	<b>50%</b>	<b>43%</b>

% of NAO recommendations implemented



# Chapter 6 | Management Comments

## Local Government Division's Management Comments on A Follow-Up Report on the 2020 Information Technology Audit ICT Across Local Councils

Reference	Subject Area	Implemented / Partially Implemented / Not Implemented	Conclusions and Recommendations
<b>2</b>	<b>IT Management</b>		
2.1	IT Management	Partially Implemented	<p>2.1.5 The NAO commends the extensive work carried out by the LGD and the Ministry IMU since 2020 audit.</p> <p>2.1.6 The NAO is concerned that the Fgura and Gzira Local Councils opted not to join the MITA infrastructure/domain. Since the NAO was unable to conduct an onsite audit at the Gzira Local Council due to ongoing civil works, this Office was not in a position to physically verify the alternative ICT setup that the Gzira Local Council opted for.</p> <p>2.1.7 An extract of the 2020 NAO audit states that “The NAO observed that there are no duly qualified IT persons within the local councils, although some local councils may have IT knowledgeable staff”. On the other hand in 2023, the NAO survey responses showed that 11 from the 54 participating local councils had an IT knowledgeable person employed by the local council and 7 had a qualified IT person.</p> <p>2.1.8 In 2020 the NAO recommended that each regional committee has an ICT officer that would serve all the local councils within that region. In 2023 the NAO was informed that only 2 out of the 6 regional councils had an ICT officer. During its onsite visits at local councils the NAO noted that such ICT officers at regional council level were providing an excellent service to the local councils. One particular council verbally claimed that the services of the related ICT officer had reduced considerably the need for engaging a third-party ICT contractor</p> <p>2.1.9 NAO recommends that all Local councils have at least one IT-knowledgeable person as part of their staff compliment.</p> <p>2.1.10 The NAO strongly recommends that all regional councils should have an ICT support officer providing first line of ICT support to the Local Council and act as the liaison with IMU for the implementation of ICT projects in local councils.</p>
2.2	ICT Strategy	Not Implemented	<p>2.2.3 As already stated in the 2020 NAO audit, the NAO again recommends that the local councils formulate a strategy that:</p> <ul style="list-style-type: none"> <li>• Makes reference to the planned IT and Information Systems projects and outline how these initiatives link to the council’s business strategy.</li> <li>• Prioritises future ICT investments.</li> <li>• Covers the ICT development being planned in the next three to five years.</li> <li>• Refers to the logical and physical architecture of the local council’s IT systems and infrastructure.</li> </ul> <p>2.2.4 The ICT strategy does need not be a highly technical and elaborate document. It may be compiled by the Executive Secretaries with the help and guidance of the proposed ICT officers in the Regional Committees and the Head of IT at the LGD.</p> <p>2.2.5 This ICT strategy document, however, must be duly updated from time to time and changed in response to new organisational circumstances/priorities, budgetary constraints, available skill sets, new technologies and business objectives.</p>

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Management Feedback	Action agreed by management	Timeframe of each recommendation's implementation
<p>The Regional Councils' role is to assist Local Councils and engaging the ICT Managers within the Regional Councils will maximise resources. Therefore, there is no need to engage an ICT officer within each Local councils.</p> <p>The Local Government Division is continually following up with the Regional Councils to ensure that they are in process of recruiting ICT managers.</p>	<p>No action needed regarding ICT knowledgeable person as part of the local council staff compliment.</p> <p>On going monitoring to ensure that process is followed so that all Regional Councils engage an ICT Officer.</p> <p>The Local Government Division is also discussing internally to enhance the LGDs ICT setup within the Division to assist the Regional ICT managers from a central point.</p>	<p>31/12/2024</p>
<p>The digital strategy is one of the pillars incorporated in the Strategic vision 2023-2031 for Local Government which was launched this year by the Parliamentary Secretary for Local Government.</p>	<p>LGD are preparing a implementation strategy of this strategic vision.</p>	<p>31/06/2024</p>



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2.3	ICT Budget	Not Implemented	2.3.3 The NAO recommends that every local council draws up an annual ICT budget in line with its with its ICT strategy. The budget should cover all ICT related recurrent and the capital expenditure.
2.4	IT Support in Local Councils	Partially Implemented	2.4.5 Whilst the Ministry IMU ICT support services should be commended, the local councils still require the support services of an IT knowledgeable person preferably in the Local Council or alternatively at the regional level.
2.5	Procurement of Hardware	Partially Implemented	2.5.4 The NAO was pleased to note that the LGD has now implemented a system where laptops required by local councils are procured centrally and supported through MITA. Furthermore it was also noted that local councils are now connected to MAGNET and there was a major improvement in network connectivity since its 2020 audit.  2.5.5 The NAO recommends that local councils have access to IT expertise at least at regional council level.
2.6	Procurement of Software	Partially Implemented	2.6.4 The NAO commends the efforts of the LGD in implementing a single system for the issuing of permits amongst all local councils. The NAO also commends the efforts being made by LGD towards procuring and implementing other software that could be considered as a common requirement such as an accounting and payroll systems.  2.6.5 The NAO however suggests that the local councils have one single online portal through which they can access all software applications.
2.7	Hardware Disposal	Not Implemented	2.7.5 The NAO reiterates its recommendation that ““Although the NAO appreciates that the local councils may not have the technical knowledge or resources to deal with hardware disposal and perform data sanitising (as per procedure detailed above), discussions should be held with the LGD, so as to find a solution whereby this could be done at a Division or regional level. “
2.8	IT Training	Not Implemented	2.8.6 The NAO strongly recommends that all local council employees should have access to regular ICT training
2.9	Use of EPOS machines	Partially Implemented	2.9.7 NAO recommends that the IMU reaches out to local councils who would like to install EPOS machines but did not manage due to additional connectivity requirements.

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<p>The LGD has appointed a working group to discuss a new method of allocating funds to Local Councils.</p>	<p>Once the report is concluded and new method of funds allocated has been adopted, Local Councils will be guided on how to implement an ICT budget.</p>	<p>31/12/2024</p>
<p>The Regional Councils' role is to assist Local Councils and engaging the ICT Managers within the Regional Councils will maximise resources. Therefore, there is no need to engage an ICT officer within each Local councils.</p> <p>The Local Government Division is continually following up with the Regional Councils to ensure that they are in process of recruiting ICT managers.</p>	<p>No action needed regarding ICT knowledgeable person as part of the local council staff compliment.</p> <p>On going monitoring to ensure that process is followed so that all Regional Councils engage an ICT Officer.</p> <p>The Local Government Division is also discussing internally to enhance the LGDs ICT setup within the Division to assist the Regional ICT managers from a central point.</p>	<p>31/12/2024</p>
<p>The LGD appreciates the NAO comments on LGDs efforts to implement such recommendations.</p> <p>The Local Government Division is continually following up with the Regional Councils to ensure that they are in process of recruiting ICT managers.</p>	<p>On going monitoring to ensure that process is followed so that all Regional Councils engage an ICT Officer.</p> <p>The Local Government Division is also discussing internally to enhance the LGDs ICT setup within the Division to assist the Regional ICT managers from a central point.</p>	<p>31/12/2024</p>
<p>The suggestion of a single online portal is not possible to achieve since each department caters for different software systems, protocols and personal data which cannot be integrated in a single system.</p>	<p>Not achievable. However, LGD, as part of the strategic vision, is formulating a PoC which will facilitate reconciliations amongst all systems.</p>	<p>31/12/2024</p>
<p>LGD takes note of the recommendation and will implement accordingly.</p>	<p>LGD will discuss a uniform procedure for Local Councils with the support of the Regional Councils.</p>	<p>31/12/2124</p>
<p>LGD takes note of the recommendation and will implement accordingly.</p>	<p>Training shall be included in the LGD's training strategy being devised for Local and Regional Councils.</p>	<p>30/06/2024</p>
<p>LGD takes note of the recommendation and will implement accordingly.</p>	<p>LGD will reach out to those local councils who would like to implement such machines but did not manage due to issues with their lines/network.</p>	<p>30/06/2024</p>

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3	IT Software Applications		
3.1	Intranet	Not Implemented	<p>3.1.4 The NAO recommends (similar to the recommendation made in the 2020 NAO IT audit) that the above-mentioned intranet should provide a dashboard of all the applications that the local council employees use on a daily basis according to their user rights. The intranet functionality should include the option of using the intranet login credentials as a single sign-on for all the other applications.</p> <p>3.1.5 The LGD should also ensure that all local council employees have access to the intranet and promote a higher level of usage by populating it with relevant content that is kept up to date.</p>
3.2	Accounting Software	Not Implemented	<p>3.2.7 The NAO recommends that LGD procures and implements a centralised accounting package that would be used by all local councils as soon as possible.</p> <p>3.2.8 The NAO also recommends that the LGD reinforces further the importance that local councils 's submit their financial statements in time and in full compliance with the IFRSs.</p>
3.3	Payroll	Not Implemented	<p>3.3.3 The NAO recommends that LGD speeds up the procurement of a payroll package that would be used by all local councils. The software package should not only issue payslips but also cater for time and attendance, vacation and sick leave, as well as secure online payment of salaries using IBAN.</p>
3.4	Ornit	Fully implemented	<p>3.4.6 The NAO commends the actions taken by LGD to implement a system with which all citizens and contractors can request and pay for permits from the comfort of their home or office.</p> <p>3.4.7 However, the NAO recommends that further support is offered to the few local councils that did not find the system so user friendly.</p> <p>3.4.8 Furthermore, NAO also recommends that LGD engages is discussions with all relevant stakeholders to round off the cost of permits to eliminate the use of cents.</p>
3.5	Tracking of Customers Complaints and Incoming Mail	Partially Implemented	<p>3.5.3 The NAO commends the LGD for developing a complaints workflow form and recommends that it is implemented as soon as possible. Keeping track of customer complaints is key to the local councils functions.</p>
3.6	Local Councils Website	Partially Implemented	<p>3.6.2 The NAO commends the action taken by LGD which provides all local councils with a new website which follows a standard template and a uniform format for the related URL.</p> <p>3.6.3 The NAO recommends that all local councils should nominate a person who will be officially responsible for maintaining these websites and uploading content.</p>
3.7	Local Government Division Website	Not Implemented	<p>3.7.5 The LGD needs to embark on a study, with the help of IMU, to upgrade its website, make it more user friendly, populate it with relevant updated content and ensure there are no broken links or links to websites that have not been updated for years.</p>

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<p>The suggestion of a single online portal is not possible to achieve since each department caters for different software systems, protocols and personal data which cannot be integrated in a single system.</p> <p>Regarding the intranet access, LGD will review the entire system and implement such recommendations.</p>	<p>LGD will review the entire system for any enhancement and give access to all Local Councils' employees. Moreover, LGD will engage an officer in charge to ensure that such system is kept up to date.</p>	31/12/2024
<p>LGD agrees with the recommendations and will be consulting with the relevant stake holders to establish a way forward and in line with the Strategic vision 2023-2031 for Local Government which was launched this year by the Parliamentary Secretary for Local Government.</p> <p>Regarding the significance of adhering to submission deadlines and complying with the IFRS, the FCP directorate is actively overseeing full compliance in this regard.</p>	<p>LGD will implement a centralised accounting package in accordance with the Strategic Vision.</p>	31/12/2025
<p>The digital strategy is one of the pillars incorporated in the Strategic vision 2023-2031 for Local Government which was launched this year by the Parliamentary Secretary for Local Government.</p>	<p>LGD are preparing a implementation strategy of this strategic vision which includes the implementation of a centralised payroll package.</p>	31/12/2026
<p>LGD takes note of the recommendation and will implement accordingly.</p>	<p>LGD will reach out to the these Local Councils and support accordingly. Regarding the round off of the permitting fees, a working group shall be appointed to discuss the relative legislations which regulate the entire permitting system and shall amend these regulations to be aligned with modern practices and ease of use.</p>	31/12/2025
<p>LGD takes note of the recommendation and will implement accordingly.</p>	<p>LGD shall review the systems processes and implement such complaints system</p>	31/12/2024
<p>LGD takes note of the recommendation and will implement accordingly.</p> <p>Every Local Council's Executive Secretary was given access to the website and was given the responsibility to nominate a person to maintain the website. If no one is nominated, the Executive Secretary is responsible to maintain and upload contents.</p>	<p>LGD is in process of finalising the new websites. With regards to a person nominated by the Local Council to maintain the website and upload content, LGD shall take stock of the situation and issue guidelines.</p>	30/06/2024
<p>LGD takes note of the recommendation and will implement accordingly.</p>	<p>LGD is in discussions with relevant stakeholders to upgrade the website to WordPress and according to the Public Service standards.</p>	30/06/2024

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3.8	Social Media	Not Implemented	<p>3.8.3 As stated in the 2020 NAO IT audit, the NAO recommends that the LGD should “conduct an audit to verify that social media pages of local councils follow the its Directive and should not list uncompliant social media pages in the ‘MyLocality’ section of the Division’s website.”</p> <p>3.8.4 The NAO also recommends that the LGD should appoint a person in charge of social media both at the Division and Regional councils level to ensure that the web content is updated regularly to provide an effective tool with which local councils can communicate better with citizens.</p>
3.9	Live Streaming	Not Implemented	<p>3.9.3 The NAO recommends that the regional councils together with LGD periodically check that all live streams are of adequate quality and that citizens are informed about the live streaming of all council meetings with sufficient notice.</p>
3.10	On Demand	Not Implemented	<p>3.10.2 The NAO recommends that the regional councils together with LGD periodically ensure that all on demand recordings are of adequate quality.</p> <p>3.10.3 Regional councils and LGD should remind local councils in order to ensure a good quality live stream of a meeting, all attendees need to be heard well and simultaneous discussions between councillors is to be avoided.</p>
3.11	On-Line Payments	Partially Implemented	<p>3.11.2 The NAO commends the increased adoption of online payments and recommends that this practice is strengthened further to enhance accountability and traceability.</p>
<b>4</b>	<b>IT Operations and Security</b>		
4.1	Anti-Virus Software	Partially Implemented	<p>4.1.4 The NAO commends the actions taken by LGD/IMU to have adequate and updated anti virus installed on all local council computers.</p> <p>4.1.5 The NAO recommends that LGD ensures that the local councils who opted not to make use of MITA services are equipped with adequate anti-virus protection on all their machines and are updating their anti-virus software with the latest definitions.</p> <p>4.1.6 The NAO also recommends that all local council employees are given an ICT course (in person or online) which would include an overview of the important aspects of anti-virus software.</p>

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LGD takes note of the recommendation and will implement accordingly.	The LGD shall engage an officer in charge of social media to liaise also with Regional Councils to ensure that the web content is updated regularly to provide an effective communication tool with citizens.	30/06/2024
LGD takes note of the recommendation and will implement accordingly.	LGD together with IMU are working on a solution to ensure that local councils' on-demand facilities are of sufficient quality including the on-demand solution. Together with the solution, guidelines shall be issued to ensure good quality, ethical behaviour during meetings and that citizens are informed about the live streaming of all council meetings with sufficient notice.	30/06/2024
LGD takes note of the recommendation and will implement accordingly.	LGD together with IMU are working on a solution to ensure that local councils' on-demand facilities are of sufficient quality including the on-demand solution. Together with the solution, guidelines shall be issued to ensure good quality, ethical behaviour during meetings and that citizens are informed about the live streaming of all council meetings with sufficient notice.	30/06/2024
LGD takes note of the recommendation and will implement accordingly.	LGD shall discuss with the relevant stakeholders to adopt an online payments practices.	31/12/2024
LGD takes note of the recommendation and will implement accordingly.	LGD shall action on those 2 Local Councils who did not joined on MITA networks and ensure that data is secured.  Training shall be included in the LGDs training strategy being devised for Local and Regional Councils.	31/12/2024

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4.2	Backups and Off-Site Storage	Partially Implemented	<p>4.2.5 The NAO commends the actions taken by LGD/IMU to ensure that all local councils now have an option to have their data backed up on MS SharePoint.</p> <p>4.2.6 The NAO recommends that LGD ensures that the local councils which opted not to join the MITA domain periodically restore data from backups . Such restores should be tested and signed off.</p> <p>4.2.7 The NAO also recommends that all local council employees are given an ICT course which gives an outline on the importance of backups, use of collaborative tools, cloud services and the risks associated with storing data on the hard-disks of their workstations. This course should also discourage the use of external hard drives and pendrives to backup local council related data.</p>
4.3	Recovery of Data	Partially Implemented	<p>4.3.3 The NAO recommends that the LGD/IMU ensure that all local councils carry out regular backup restores which are then tested.</p>
4.4	Use of Portable Smart Media and Storage Devices	Not Implemented	<p>4.4.2 The NAO recommends that LGD:</p> <ul style="list-style-type: none"> <li>• Informs all local council employees and officials about the risks associated with using such devices and develops related security policies covering the use of such devices</li> <li>• Encourages local councils to take all the necessary precautions to avoid possible theft of portable devices by pointing out typical scenarios where devices may be left unattended in a vehicle or when traveling abroad.</li> <li>• Encourages local councils to report any missing devices immediately, both those owned by the council as well as personal devices that may contain the data belonging to the local council.</li> <li>• Discourages the connection of any personal portable devices to the local council's network.</li> <li>• Helps the local councils implement a secure VPN connection as and when needed.</li> <li>• Encourages all local council employees, mayors and councillors to take regular backups of the data stored on such devices.</li> <li>• Encourages all local council employees, mayors and councillors to protect their devices using a strong password or PIN which is changed periodically.</li> <li>• Educates all local council employees, mayors and councillors not to let their devices be used by other people, including members of their immediate family.</li> <li>• Encourages all local council employees, mayors and councillors to install anti-malware software on such devices and carry out regular scans.</li> <li>• Highlights the benefits of installing a local firewall on such devices, to filter inbound and outbound traffic, and block malicious code.</li> <li>• Encourages the possibility of enabling a remote-wiping feature, to erase all data on the device if it is lost or misplaced.</li> </ul>
4.5	Electronic Mail	Partially Implemented	<p>4.5.5 The NAO recommends that all local council employees are given an ICT course which would explain the difference between online and offline mailboxes and the importance of offline mailbox backup.</p> <p>4.5.6 The LGD should re-circulate the Electronic Mail and Internet Services Directive amongst all local council employees and officials and remind all that using non-Government email for local council purposes is strictly prohibited.</p>

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LGD takes note of the recommendation and will implement accordingly.	<p>LGD shall issue guidelines on how to secure their data through backups.</p> <p>Training shall be included in the LGDs training strategy being devised for Local and Regional Councils.</p> <p>LGD shall issue guideline to ensure that the local councils that opted not to join the MITA domain periodically restore data from backups.</p>	31/12/2024
LGD takes note of the recommendation and will implement accordingly.	<p>LGD shall action on those 2 Local Councils who did not joined on MITA networks and ensure that data is backed up.</p> <p>LGD shall issue guidelines on how to secure their data through backups.</p>	31/12/2024
LGD takes note of the recommendation and will implement accordingly.	NAOs recommendations will be communicated to all Local Councils	31/12/2024
LGD takes note of the recommendation and will implement accordingly.	<p>NAOs recommendations will be communicated to all Local Councils.</p> <p>Training shall be included in the LGDs training strategy being devised for Local and Regional Councils.</p>	31/12/2024

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4.6	Internet Services	Partially Implemented	<p>4.6.4 The NAO commends the work being done by IMU to clear the councils network cabinets from redundant equipment. The NAO suggests that this exercise continues as it has proved to be of great help to many local councils.</p> <p>4.6.5 The NAO suggests that the LGD/IMU look into the reason/s as to why some local councils felt the need to have multiple internet connections apart from the MAGNET link. The NAO suggests that the IMU helps such local councils to reassess their needs with the aim of streamlining the number of internet connections and reducing the yearly expenses for such councils</p> <p>4.6.6 The NAO suggests that a policy is drawn up and circulated amongst all local councils regulating the use of Internet services and holding the officials accountable for their Internet activity.</p>
4.7	Multi-Function Printers	Partially Implemented	<p>4.7.2 The NAO commends the work done by IMU to setup LAN's and connect printers to such LANs.</p> <p>4.7.3 The NAO suggests that local councils reassess their need/s for standalone printers with the aim of minimising printer related costs.</p> <p>4.7.4 The NAO suggests that all local councils ensure that printers are not placed in areas that are accessible by the general public and should consult IMU to relocate printers to safer areas wherever possible.</p>
4.8	Network Infrastructure	Fully Implemented	<p>4.8.2 The NAO suggests that LGD organises ICT courses which would help the local council employees to understand that all local council data should be stored centrally on SharePoint and discourages users from saving data on their workstations.</p>

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LGD takes note of the recommendation and will implement accordingly.	LGD shall look into the reason why some Local Councils have multiple connections and issue a policy on the responsible use of the internet.	31/12/2024
LGD takes note of the recommendation and will implement accordingly.	The LGD shall explore a possible regional procurement process with the help and support of the regional councils while ensuring the incorporation of the NAO recommendation.	31/12/2024
LGD takes note of the recommendation and will implement accordingly.	Training shall be included in the LGDs training strategy being devised for Local and Regional Councils.	31/12/2024

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## 2022-2023 (to date) Reports issued by NAO

### NAO Annual Report and Financial Statements

July 2023 National Audit Office Annual Report and Financial Statements 2022

### NAO Audit Reports

December 2022 IT Audit: Online Malta Census of Population and Housing 2021

December 2022 Report by the Auditor General on the Public Accounts 2021

February 2023 IT Audit: Active Ageing and Community Care – Ministry for Active Ageing

April 2023 Performance Audit: An assessment of capital projects at the University of Malta

April 2023 Performance Audit: Ensuring fair Non-Contributory Social Benefits and safeguarding against related fraud

May 2023 An audit of matters relating to the concession awarded to Vitals Global Healthcare by Government Part 3 | Steward Health Care assumes control of the concession

May 2023 An audit of matters relating to the concession awarded to Vitals Global Healthcare by Government Part 3 | Steward Health Care assumes control of the concession [Abridged]

June 2023 Follow-up Audits Report by the National Audit Office Volume I 2023

June 2023 IT Audit: Malta Food Agency

July 2023 A review of the implementation of Sustainable Development Goal 2: Addressing pre-obesity and obesity

October 2023 Review by the Auditor General on Fixed Assets and Stocks

November 2023 Follow-up Audits Report by the National Audit Office Volume II 2023

November 2023 Report by the Auditor General on the Workings of Local Government for the year 2022

November 2023 A review of the employment agreement of the Consultant to the Chief Executive Officer, Institute of Tourism Studies