

# **MALTA STATISTICS AUTHORITY**

**REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

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## **MALTA STATISTICS AUTHORITY BOARD**

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Registered Office: Lascaris, Valletta VLT 2000



*The Hon. Prof. Edward Scicluna B.A. (Hons) Econ., D.S.S (Oxon.), M.A Econ. (Toronto), Ph.D Econ (Toronto), M.P.*

Minister for Finance

Honourable Minister,

This is the thirteenth annual report to be submitted to the Minister for Finance since the Malta Statistics Authority was established on 1 March 2001.

The annual report, in accordance with the law regulating the Malta Statistics Authority, comprises the audited financial statements for the year ending 2014 together with information pertaining to statistical governance and policy making matters.

All matters relevant to this report were discussed and approved by the Malta Statistics Authority Board.

## **Introduction**

As Chairman, this is the second report that I am writing. Over the past year, I strengthened my resolve that the main responsibility of the Malta Statistics Authority Board (MSA Board), is to ensure that the array of statistics compiled and disseminated by the National Statistics Office, is of high quality and to ensure that the data produced meets the requirements of national, European and international policy makers. The Board also proceeded with developing a strategic vision for MSA, defining its functions better and maintaining a co-operative but distinct identity from the NSO.

The year 2014 was a successful one in many ways. The National Accounts was the driver for the compilation of statements based on the new European System of Accounts (ESA 2010). The transition to the ESA 2010 framework came after the ESA 1995 methodological requirements has been in place for many years. Beyond doubt this was a challenging task for the Office. The compilation of the gross domestic product indicator remains the hallmark of any national institute and therefore the Authority, in its supervisory role, would like to congratulate the National Accounts unit on a job well done.

Another landmark development was the transition in the methodological framework from Balance of Payments Manual 5 (BPM5) to Balance of Payments Manual 6 (BPM6). This methodology is used in the compilation of the Balance of Payments (BoP) and the International Investment Position (IIP). This was a second challenging task and although it took slightly longer to implement the project is now complete.

## **Principal Activities 2014 MSA/NSO**

### **Important achievements of the MSA and the NSO in 2014 included:**

- During the first quarter the Malta Statistics Authority established its own Secretariat to support the work of the main Board and its sub-committees;
- The MSA Board addressed the issue of the expired contracts of senior positions within the NSO structure. The process for an open call for the post of Director General was initiated in November 2014;
- The Board noted with satisfaction the timely compilation of the new European System of Accounts 2010 by the National Accounts unit of the NSO;
- A regional statistical office of the NSO was set up in Gozo with the aid of the Ministry for Finance and the Ministry for Gozo on 1 July;
- In the area of statistics MSA/NSO conducted a very successful basic course in statistics with the aid of the Methodology and Research unit of the NSO for the benefit of its junior staff. It also sponsored staff to obtain relevant Masters degrees. Furthermore, MSA/NSO obtained a generous grant from the Central Bank of Malta for staff to attend specialised courses (ESTP) organised by Eurostat;
- The MSA Board recommended improvements in the process of standardising news releases, taking on board recommendations made by an external expert;
- The MSA Secretariat conducted research, studies and compiled reports on a range of subjects in the economic, business and social statistics areas;
- The MSA Board continued with its policy of engaging external consultants to support the work of the MSA/NSO;
- The MSA Board adopted a policy of asking for a legal opinion in all its agreements, contracts and relations with stakeholders;
- The MSA is responsible for liaising with other key stakeholders. In this regard, Memoranda of Understanding (MoU) were signed with a number of public entities and ministries;



- The MSA Audit and Risk Sub-Committee monitored the financial expenses on a quarterly basis. The MSA is pleased to note that the financial year ending 2014 concluded with a healthy surplus.
- The MSA Board continued with its policy of commissioning consultants to give advice and to conduct statistical audits on critical releases. In 2014, the Board invited Mr John Kidgell, former head of the economies directorate at ONS and Professor Liberato Camilleri.

#### **MSA Board 2014**

During the year under review, the Minister for Finance approved one change in the Board's membership. Dr Mario Brincat replaced Dr Ian Cassar as board member. Also, after the termination of the contract of Mr Michael Pace Ross (in his capacity as NSO Director General, *ex-officio*) as board member, he was replaced on 4 November 2014 by Mr Joseph Bonello (in his capacity as Acting Director General).

#### **MSA Board Meetings**

In terms of Section 6(2) of the Malta Statistics Authority Act, the Authority is bound to meet at least twice every calendar quarter. During the period covered by the report, the MSA Board met every month except during August. Therefore the number of Board meetings in 2014 were eleven (11).

The statistical activities were duly discussed and monitored as required by the legal provisions of Section 7 of the Act. The Board also regularly discussed existing methodologies, training of staff, and the recruitment of new staff. A lot of time was devoted to technical and quality issues. A number of legal issues were discussed during the Board meetings and the legal opinion of Dr Tanti Dougall (Board Secretary) was regularly sought.

#### **Information on the Work of the MSA Sub-committees**

For an effective monitoring of statistical outputs, the Board regulates and supervises the production of news releases in accordance with national standards and requirements. The MSA Board decided on the setting up of three sub-committee, together with a small Secretariat, in order to be in a better position to fulfil its functions.

#### **Governance Sub-committee**

*Functions pertaining to Governance:*

- I. Monitor the operations of NSO, particularly cross-directorate cooperation;

- II. Monitor the deployment and training of NSO staff;
- III. Approve the business plan submitted by the DG and directors;
- IV. Assess relationships with data providers and other stakeholders;
- V. Monitor the stakeholder's perception of the NSO's image and seek to enhance it; and
- VI. Encourage the creation of project management teams for specific tasks.

#### *Actions and Activities 2014*

- The Governance Sub-committee met at least twice every quarter and discussed and decided on a number of NSO organisational issues, including resources needed and a performance bonus policy for senior management;
- The Sub-committee agreed the Pre-release Agreement format that was formulated by the MSA Secretariat and by the legal counsel. The pre-release agreement follows the EU frameworks and other legislative material, primarily the UK pre-release legislation;
- The Sub-committee decided on the procedure and policy to be adopted for the NSO senior staff recruitment policy and the process for the appointment of the next Director General;
- The Sub-committee agreed the format of the MoU signed with the Tourism authorities and with the Malta Enterprise as formulated by the legal advisor;
- The Governance sub-committee agreed on a number of training courses to be offered to staff. These included a basic course in statistics and sponsoring of post- graduate scholarships. Staff were also sent on ESTP courses following a generous grant from the Central Bank of Malta;
- The Sub-committee also acted as the Flexible Working Arrangements Appeals Board throughout the year – a board set up so that NSO employees can benefit from family friendly measures;
- The Sub-committee also requested NSO to document all statistical operational processes and procedures and to define the related metadata.

#### **Audit and Risk Assurance Sub-committee**

##### *Functions pertaining to Audit and Risk Assurance:*

- I. Supervise and assess performance plans submitted by the Director General and directors;
- II. Review and assess the financial aspects of the business plan submitted by the Director General and directors;
- III. Manage the budget allocation process with the Ministry for Finance;

- IV. Review and assess the NSO's business continuity provisions, particularly the effectiveness of its IT and data management resources; and
- V. Assess the NSO's risk profile, compliance with agreed policies and procedures, and internal control mechanisms.

#### *Actions and Activities 2014*

- The Sub-committee met at least once every quarter to examine the management accounts and to ensure they were within the forecasted budget;
- The Sub-committee reviewed and assessed the business plan submitted by the Director General and directors;
- The Sub-committee prepared a budget proposal for the NSO/MSA for the year 2015 to be presented to the Ministry of Finance. Amongst other items, it asked for a subvention to cover salaries, new statistical initiatives, the first phase of the IT upgrade plan, and the HBS survey;
- The Sub-committee closely monitored the utilisation of the Government subvention to ensure that all funds were used diligently and that the return on investment was maximised. The objective is to maintain a balanced budget on an annual basis, avoiding as much as possible a deficit at the end of the year;
- The financial statements for 2014 indicate that a surplus €204,165 was recorded;
- The Sub-committee approved the engagement of an IT business continuity expert.

#### **Monitoring and Assessment Sub-committee**

##### *Functions pertaining to Monitoring and Assessment:*

- I. Assess official statistics published by the NSO with a view to coherence, clarity, consistency and quality, and propose improvements;
- II. Monitor and assess methodologies used in national statistics compilation;
- III. Prepare reports on breaches of best practice and errors in national statistics;
- IV. Help review the financial and non-financial aspects of NSO in order to minimise risk and ensure business continuity.

#### *Actions and Activities 2014*

- The Sub-committee met at least on a quarterly basis to discuss the statistical reports post-release. The Sub-committee regularly discussed the statistical outputs and the way they were being presented to users.

- The Sub-committee gave advice and ideas on a number of standardisation issues to ensure best practice and consistency;
- The Sub-committee recommended user-friendly time series charts to be incorporated in most releases. The Sub-committee also suggested a standard policy and guidelines for the front page commentary on each release;
  - On a continuous basis members of this Sub-committee reviewed key statistical releases and indicators and provided feedback and recommendations to the units concerned. The Sub-committee also ensured that the NSO is as transparent as possible in explaining its estimation methods through methodological notes and metadata posted on its new website.
  - The Sub-committee also supported, through the MSA Secretariat, the work of the Economic Statistics Development Programme. A technical user group was established between the NSO, CBM, EPD and MSA intended to help align better the output of NSO to the needs of economic statistic users.

### **MSA Secretariat**

The Malta Statistics Authority Act in Article 7 sets out the rigorous regulatory and supervisory role of the Authority. Thus, to complement the effective regulatory and supervisory function, the Malta Statistics Authority Secretariat was formed with the main objective of supporting the Board and its three sub-committees, carrying out the diverse day-to-day tasks as required, and helping to observe a separation of powers, roles and duties between the Authority and the NSO. It is to be noted that the members of the MSA, with the exception of the Director General, are non-executive appointed members. Therefore the services provided by the Secretariat are of the utmost importance to maintain a functioning presence. Amongst other things, the Secretariat makes preparations to ensure that the main Board and its sub-committees, Governance, Monitoring and Assessment, and Finance and Assurance meet on a regular basis, proper minutes are kept, filed, and action points are executed. Furthermore, with the support of the MSA Board, the Secretariat either carries out statistical studies itself or supports consultants engaged by the Board.

The concept of an MSA Secretariat is novel to NSO functions and it is still in the process of building the necessary bridges so that NSO can carry out its functions more effectively in accordance with the Malta Statistics Authority Act. Throughout 2015, both the MSA Board and the Secretariat will continue to develop their collaboration with NSO. At the same time, care will be taken to clearly separate the regulatory and supervisory functions as per Article 7 of the MSA Act, and the operational and statistical data responsibilities of NSO as per Article 9 of the same Act.

## **Main activities NSO 2014**

### **Gozo Regional Office**

The Regional Office in the island of Gozo was inaugurated on 1 July by the Honourable Minister for Gozo and the Honourable Prof. Edward Scicluna, Minister for Finance. The Office has a complement of six employees, which include a manager, four statisticians and a statistics executive to aid in corporate and administrative issues. The plan is to continue to expand this office in the coming years.

This office provides policy makers and stakeholders, such as business organisations, with the data they need to formulate policies and strategies, strengthen existing regional information, providing a better understanding of the prevailing specificities in Gozo. It caters for a range of salient indicators including Education and Labour Market Statistics, Population, Culture and Environment Statistics, Business Demography Statistics and also Tourism and Transport Statistics. The regional office of Gozo was also entrusted with updating the Gozo in Figures publication, the Urban Audit report, the compilation of Regional GDP and Inter-island Sea Transport statistics. The Unit is also working on a system of regional data registers, mainly based on administrative records, aimed at supporting the compilation of key statistics and indicators relevant at NUTS 3 (regional), LAU 1 (district) and LAU 2 (locality) levels.

### **Household Budgetary Survey preparation**

During 2014 the Social Statistics Directorate of the NSO carried out the necessary groundwork to be able to launch the Household Budgetary Survey (HBS) during the first quarter of 2015. The last time NSO carried out this project was in 2008. Given the importance and present financial constraints since the HBS is the second most costly operation following the Census of Population, proper planning, including financial planning, is key to the success of the project. During 2014, the main questionnaire together with expenditure diaries were drafted after a period of consultation, the necessary IT infrastructure was put in place by a team of in-house developers and the engagement of the necessary human resources commenced.

### **Statistical Dissemination Activities**

In line with the function provided with the MSA Act 7(1g) and 7(2g), the Authority is responsible for the dissemination through NSO of knowledge of official statistics and establishing forms of collaboration and understanding with external stakeholders.

During 2014, the NSO's dissemination activities may be summarised as follows:

- Some 245 news releases were compiled and disseminated. The External Cooperation and Communication Unit processed over 2,800 requests, many of them customised responses;
- Created a new NSO website with a vastly improved database access functions;
- Updated the existing MSA website;
- Contributed articles to the press and featured in various media programmes;
- Published the Gozo in Figures 2014 booklet.

### **Documentation of Work Processes**

One of the first steps taken by the MSA Board in its supervisory role was to request comprehensive documentation of the work processes of each unit within NSO. The outcome of this task is to provide both the NSO and MSA with a complete overview of both methodological and operational processes used to compile all statistical outputs. This process is seen as an essential step to better organised work flows across directorates and facilitates decisions relating to prioritisation and improvement of present methodologies.

Furthermore, the exercise is an essential step to prepare for long-term improvements in work practices and also improved data reliability. Each unit documented its work processes and metadata procedures and once the analysis to identify the linkages and relationships between the various releases will be completed it will be possible to develop contingency models and develop future business process models.

### **Pre-Release Cross-Verification**

Following recommendations by the Monitoring and Assessment Sub-committee, the NSO accepted the principle to set-up a pre-release auditing function. This new structure was introduced in June 2014 and in the course of the year, a total of 97 news releases were vetted. The process is being currently reviewed to integrate it better with the dissemination of releases.

### **ESA 2010**

In September 2014, the National Statistics Office implemented the new framework for national accounts statistics, the European System of Accounts (ESA) 2010. This new system updated the standards and methods included in ESA 1995 in various important aspects in order to reflect the changing dynamics of economic activity.

While there were no radical departures from ESA 1995, ESA 2010 introduces new concepts such as the recording of outlay on R&D as investment instead of

current expenditure, and the provision of specific principles for the classification of units within or outside the General Government sector.

In line with other Member States, the implementation of ESA 2010 in Malta coincided with other routine and benchmark revisions. Such revisions reflected updates to national methodologies and an in-depth review of data sources, as well as the inclusion of certain illegal activities, notably prostitution and drug-trafficking.

As part of the benchmark revisions, the National Statistics Office included Special Purpose Entities (SPEs). This exercise impacted on the main variables shown in the Production Approach and Expenditure Approach.

Concurrently with the adoption of ESA 2010, The Balance of Payments Unit needed to undertake updates on the basis of the Balance of Payments Manual Version 6 (BPM6).

### **Mr John Kidgell's Recommendations**

The incumbent Board continued to make use of the services of Mr John Kidgell, a former head of the ONS Economic Directorate of the UK. In his reports, which focus on the operations of the Statistics Office, he noted amongst other matters the following:

- The successful migration of the National Accounts from ESA 95 to ESA 2010;
- The migration of the Balance of Payments from the methodological framework BPM5 to BPM6;
- The timeliness of Structural Business Statistics Survey compilation continued to improve due to process changes;
- The National Accounts are making better use of Short-term Statistics in estimating quarterly GDP;
- The standardisation in key News Releases and better commentaries. He, however, noted that more progress is needed in estimation of inventories in the GDP production method;
- The need to develop further deflators especially those of a service nature;
- The need to stagger the termination of contracts of top management to avoid a management vacuum.

### **Professor Liberato Camilleri's Recommendations**

Professor Liberato Camilleri was commissioned to draw a report on the Industrial Production Index (IPI) as estimated by the Short-term Statistics Unit following a request for a statistical audit and study by the Ministry for Finance.

In his report Professor Camilleri studied the optimal sample size, the correlation between production output and employment figures, data collection methods, bias in IPI resources and the frequency of updating of “group weights”. He made recommendations on how some relevant minor changes can be made to improve the measurement of the audit.

### **The Legal Unit**

The Legal Unit supports the MSA/NSO in order to ensure that the Malta Statistics Authority Act (Chapter 422 of the Laws of Malta) is abided by. Indeed, several legal letters have been sent to various respondents who would have failed to answer the questionnaires sent by the NSO. The Legal Unit has also opted to hold meetings with certain defaulters in order to delineate the importance of providing data to the NSO.

In January 2014, the Subsidiary Legislation in relation to **Fees Payable to the National Statistics Office for the Processing of Data Requests Regulations (Chapter 422.01)** was enacted.

Furthermore, the Immovable Property Price Index is updated annually through Subsidiary Legislation 246.08 entitled **Immovable Property Price Index Notice**.

The Legal Unit has been instrumental for the drafting of various Memoranda of Understanding between the MSA and other entities, to ensure that the provision of data by such entities would be provided to the NSO. This cooperation between various entities ensures that the NSO would be able to fulfil its national and international obligations, such as for example, providing Eurostat and other agencies with the data requested in line with the relative EU Regulations.

The Legal Unit has also supported the drafting of the Pre-Release Agreements so that this would ensure that Ministries concerned would abide by the Pre-Release Policy.

### **Visits by Chairman**

In 2014, the Chairman attended the Royal Statistics Society Conference in Sheffield. In September and in October the Chairman attended the ECB Statistical Conferences. Useful contacts were established during both conferences.

### **Future Initiatives 2015**

#### **Appointment of Director General**

The contract of the Director General of Mr Michael Pace Ross expired in November and therefore the MSA Board decided to issue an open call for the post of Director General. The Chairman would like to thank Mr Pace Ross for his dedicated work as NSO Director General for the past six years. This process will



be finalised in early 2015. An independent selection board will be in charge of the whole process.

### **Appointment of Other Top Management Posts**

The NSO has been operating without a Director for Corporate service for the past six years and the MSA together with the Director General will start the process to fill in the vacant post. This Director will free the Director General to concentrate on strategic management, operational planning and policy. Also during the year the contracts of the current three Directors will all expire.

### **Household Budgetary Survey**

During 2015 the National Statistics Office will be focusing its energies on the compilation of the Household Budgetary Survey. This exercise, besides its importance in the social statistics sphere, is also crucial for other statistical fields, such as the calculation of the expenditure weights used in the compilation of the Retail Price Index. Its success will depend on the hard work and dedication of NSO staff, together with the cooperation of thousands of Maltese households. I trust that like in previous large-scale household surveys, the NSO will once again produce a data source with a wealth of information.

### **Peer Review by Eurostat**

During the early part of 2015, Eurostat will be carrying out their periodic peer review of the statistical system in Malta. The MSA Board will be providing its contribution to this review.

### **Strengthening the ICT Infrastructure**

Increasing demands for information accessible from the current different statistical datasets necessitates making the proper investments in ICT equipment, software applications and staff. A modern integrated ICT system based on a shared corporate data model together with the appropriate statistical business process. The MSA Board has therefore recognised the need to allocate more resources to the ICT Unit. The long term objective is to have an integrated data warehouse fulfilling all the ICT requirements of the organisation.

A joint ICT Committee chaired by the MSA Chairman will be established to improve the IT infrastructure, address IT security issues, strengthen business continuity and develop of a corporate wide datawarehouse. A specialist consultant will be appointed to support the IT unit to develop such a long-term project and funding will be sought for its realisation.

## **Five-year Plan**

The Governance Sub-committee will also formulate the five-year plan that is user-driven, that recognises resource constraints, and prioritises projects for a five-year period. In these activities, the Sub-committee will set clear and measurable targets

## **Setting up an Internal Audit function Unit**

An area that the MSA Board, feels needs to be developed further is the establishment of a strong internal audit unit. While the Board's role is to carry out supervision through its Audit Sub-committee and to commission external audits, the Board feels that the NSO will benefit greatly from such an internal audit function unit especially as concerns statistical audits and compliance with the Code of Practice.

## **Service Price Deflators**

After the ESA 2010 changeover, the next big challenge in the national accounting framework will be the compilation of service price deflators. Services are the fastest growing sectors of the Maltese economy. The absence of price deflators for these sectors hampers economic analysis, in particular the assessment of sectoral competitiveness. In 2015, the Board will be supporting the NSO in starting to remedy this, particularly by arranging for external consultancies and finding adequate finances to support this area.

## **Input-Output Analysis**

Another area which the Board will be focusing attention on is input-output analysis. Following the completion of supply and use tables in 2010, the NSO can now consider delving in this important field of analysis. External consultancies will be sought to aid NSO staff in this very technical work. The completion of an input-output table, after many years of absence from Maltese official statistics, would be a key achievement.

## **Audits on Short-Term Statistics**

During 2015, the MSA will continue to audit specific statistical indicators. After the termination of the audit of the industrial production index, focus will now shift to another short-term statistics indicator, namely the Retail Trade Volume Index.

## **External Funding**

Areas that need to be tapped better are those of EU funding through grant agreement and securing more contracts from public and private entities.

After having improved the MSA's financial situation, the Board intends to continue improving the NSO's financial resilience especially in view of the need to carry out substantial investments in IT. The senior management of the NSO will be directed to seek more actively external funds and reduce reliance on the government subvention.

### **Memoranda of Understanding**

The MSA, with the support of the Legal Advisor, will continue to negotiate Memoranda of Understanding with external institutions, in order to clarify better rights and obligations of data providers and data users. One such agreement which needs updating is that with the Central Bank of Malta, which already covers a significant number of statistical fields. It is hoped that this memorandum of understanding will be extended to include wider co-operation between the two institutions.

### **Preparing for EU presidency**

Finally, one of the biggest challenges which will be faced by our institution, similar to other public sector entities, will be the preparation for Malta's EU Council Presidency 2017. In 2015, we will seek to strengthen our institution to be prepared for this important event. In particular, we plan to strengthen contacts with other government bodies to start allocating resources, conducting specialised training and engaging external consultancy so that we are in a position to fulfil all the statistical challenges that will be set for us.

### **Staff**

The staff complement of the NSO/MSA is 166 persons of which 67 are males and 99 females. Out of these employees 59 are graduates and 36 hold post graduate qualifications. A key element of the MSA's vision is the implementation of a more knowledge oriented statistics culture across the whole NSO/MSA organisation. Staff training and a process of a continuous professional development is being given more importance at all levels of the organisation. Basic internal statistical courses are being organised for non-graduate staff to improve their statistical knowledge. Scholarships are being offered for staff to pursue post-graduate degrees. The Board has entered into an understanding with the Central Bank of Malta to sponsor training for statisticians both for local training programmes and for ESTP courses. The Authority is also cooperating with the statistics department of the University of Malta and has made contact with other academic institutions abroad to develop applied statistics diplomas and degrees.

## **Acknowledgments**

The MSA Board would like to thank the Honourable Prof. Edward Scicluna, Minister for Finance, for his continuous support of the Malta Statistics Authority and the NSO. The Board would like to thank him for the fruitful discussions together with him and his chief of staff. Thanks are additionally due to the Permanent Secretary within the Ministry for Finance and the ministry staff for their co-operation and support.

A special mention should be made with regards to the technical and financial assistance received from Eurostat.

Furthermore, the work and output of the Office during the year under review was made possible by the contribution of all ministries and the government departments, entities, business enterprises, households and individuals that were forthcoming with their information. The Board is grateful to all the stakeholders for their co-operation and support.

The Board would also like to thank the Director General, directors and staff of the NSO, who, throughout the year, worked hard to produce and disseminate statistical information in a timely and efficient manner. The MSA Board, in collaboration with the Office, is committed to strive towards higher quality measures as prescribed in the European Statistics Code of Practice.

Finally, I have valued enormously the advice, wide-ranging experience and work of my fellow Board members and the hard work of the Secretariat. I look forward to working with them in the year ahead.



---

Prof. Albert Leone Ganado  
Chairman  
Malta Statistics Authority

The board of directors present their report and the Authority's audited financial statements for the year ended 31<sup>st</sup> December 2014.

### **Principal Activity**

The Authority is responsible for the production of official statistics.

### **Review of Business**

The Authority registered a surplus before tax of €200,034 for the year ended 31 December 2014 (2013: a surplus before tax of €46,081).

### **Future Developments**

The Authority is not envisaging any changes in the operating activities for the forthcoming year.

### **Results and Dividends**

The results for the year ended 31 December 2014 are shown on page 19.

### **Related Party Transactions**

Details of transactions with related parties undertaken by the Authority during the year are disclosed in the notes to the financial statements.

### **Events after the balance sheet date**

No significant events occurred after the balance sheet date which requires mention in this report.

### **Disclosure of Information to the Auditors**

So far as each member of the board is aware, there is no relevant audit information of which the Authority's auditors are unaware. Each of the members has taken all the steps that he/she ought to have taken as a member in order to establish that the Authority's auditors are aware of any relevant information.

### **Directors**

The present board members are to continue in office.

Approved by the board of directors and signed on its behalf on 6 March 2015 by:



Prof. Albert Leone Ganado  
Chairman



Mr. Robert Borg  
Director

## Statement of Responsibilities of the Authority

The Authority is governed by a Board consisting of eight members. Among other responsibilities, the Authority is responsible for the production of official statistics in accordance with international requirements and standards.

The Authority is responsible for ensuring that:

- a. Proper accounting records are kept of all transactions entered into by the Authority, and of its assets and liabilities;
- b. Adequate controls and procedures are in place for safeguarding the assets of the Authority, and the prevention and detection of fraud and other irregularities.

In preparing the financial statements, which give a true and fair view of the state of affairs as at the end of each financial period and of its surplus or deficit for that period, the Authority:

- selects suitable accounting policies and then applies them consistently;
- makes judgements and estimates that are reasonable and prudent;
- follows International Financial Reporting Standards as adopted by the European Union; and
- prepares the financial statements on the going concern basis unless this is considered inappropriate.

## **Independent Auditor's Report**

We have audited the accompanying financial statements of Malta Statistics Authority, which comprises the statement of financial position as of 31st December 2014, and the income and expenditure account, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### **Authority Board's Responsibility for the Financial Statements**

The Authority Board is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion in the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Board, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Opinion**

In our opinion, the financial statements give a true and fair view of the financial position of the Authority for the year ended 31 December 2014, and of its financial performance and its cash flows for the year then ended. The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and have been properly prepared in accordance with the requirements of the Malta Statistics Authority Act, 2000.

## **Emphasis of Matter**

Without qualifying our opinion, we draw attention to note 2 (i) on page 27 to the financial statements, although the Authority has internal controls in place, such controls are not being closely supervised and monitored by an internal auditor.

A handwritten signature in blue ink, appearing to read 'A. J. ...', is written over a horizontal line.

**PKF (Malta)**

**Certified Public Accountants and Registered Auditors**

35, Mannarino Road, Birkirkara BKR 9080, Malta

6 March 2015



## Income and Expenditure Account

	Notes	2014 €	2013 €
Income	3	5,095,560	4,464,846
Expenditure		(4,896,090)	(4,419,282)
		<u>199,470</u>	<u>45,564</u>
Finance income	4	564	517
<b>Surplus/(Deficit) before tax</b>	5	<u><b>200,034</b></u>	<u><b>46,081</b></u>
Tax expense	6	-	-
<b>Surplus/(Deficit) for the year</b>		<u><u><b>200,034</b></u></u>	<u><u><b>46,081</b></u></u>

# Statement of Financial Position

	Notes	2014 €	Restated 2013 €
<b>ASSETS</b>			
<b>Non - Current Assets</b>			
Property, plant and equipment	7	<u>237,715</u>	<u>306,117</u>
<b>Current Assets</b>			
Inventories	8	57,700	48,422
Trade and other receivables	9	940,783	756,041
Cash and cash equivalents	10	<u>275,647</u>	<u>272,175</u>
		<u>1,274,130</u>	<u>1,076,638</u>
<b>Total Assets</b>		<b><u>1,511,845</u></b>	<b><u>1,382,755</u></b>
<b>EQUITY AND LIABILITIES</b>			
Retained funds		<u>338,948</u>	<u>138,914</u>
<b>Non - Current Liabilities</b>			
Deferred income	11	<u>95,088</u>	<u>102,989</u>
<b>Current Liabilities</b>			
Trade and other payables	12	<u>1,077,809</u>	<u>1,140,852</u>
<b>Total Liabilities</b>		<b><u>1,172,897</u></b>	<b><u>1,243,841</u></b>
<b>Total Equity and Liabilities</b>		<b><u>1,511,845</u></b>	<b><u>1,382,755</u></b>

The financial statements on pages 19 to 33 were approved by the Authority Board, authorised for issue on 6 March 2015 and signed on its behalf by:



Prof. Albert Leone Ganado  
Chairman



Mr. Robert Borg  
Director

## Statement of Changes in Equity

	<b>Retained funds €</b>
<b>Balance as at 31<sup>st</sup> December 2012</b>	114,255
Surplus for the year	46,081
Prior year adjustment	(21,422)
<b>Balance as at 31<sup>st</sup> December 2013</b>	<hr/> <b>138,914</b>
Surplus for the year	200,034
<b>Balance as at 31<sup>st</sup> December 2014</b>	<hr/> <b>338,948</b> <hr/>

## Statement of Cash Flows

	Notes	2014	Restated 2013
		€	€
<b>Cash Flow from Operating Activities</b>			
Surplus/(Deficit) before tax		200,034	46,081
Adjustments:			
Prior Year Adjustment		-	(21,422)
Depreciation		109,361	103,096
Interest Income		(564)	(517)
Government Grant transferred to Income and Expenditure Account		(74,985)	(74,985)
		<hr/> 233,846	<hr/> 52,253
Movements in Inventory		(9,278)	6,414
Movement in Receivables		(184,742)	(71,103)
Movement in Payables		(63,043)	44,654
		<hr/>	<hr/>
<i>Net Cash Flow generated from Operating Activities</i>		(23,217)	32,218
		<hr/>	<hr/>
<b>Cash Flow from Investing Activities</b>			
Payments to acquire Property, Plant and Equipment		(40,959)	(10,416)
Interest received		564	517
		<hr/>	<hr/>
<i>Net Cash Flow used in Investing Activities</i>		(40,395)	(9,899)
		<hr/>	<hr/>
<b>Cash Flow from Financing Activities</b>			
Movement in Non-Current Liabilities		67,084	-
		<hr/>	<hr/>
Net Cash Flow from Financing Activities		67,084	-
		<hr/>	<hr/>
Net increase in cash and cash equivalents		3,472	22,319
<b>Cash and cash equivalents at start of the year</b>		272,175	249,856
		<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the year</b>	10	<b>275,647</b>	<b>272,175</b>
		<hr/>	<hr/>

# Notes to the Financial Statements

## 1. Basis of preparation

The principal accounting policies adopted in the preparation of these financial statements are set out below:

### a. Statement of compliance

The financial statements have been prepared and presented in accordance with the provisions of the Companies Act, 1995 enacted in Malta, which requires adherence to International Financial Reporting Standards (IFRSs).

The Act specifies that if one of its provisions is in conflict or not compatible with IFRSs or its application is incompatible with the obligation for the financial statements to give a true and fair view, that provision shall be departed from in order to give a true and fair view.

### b. Basis of preparation

The financial statements are presented on the historical cost basis.

### c. Standards and Interpretations effective in the current year

The board has assessed the impact of the mandatory amendments and interpretations to standards for the Authority's accounting periods beginning on or after 1 January 2014 and concluded that there is no material impact to the Authority's Financial Statement.

### d. Use of estimates and assumptions

The preparation of financial statements in conformity with International Financial Reporting Standards as adopted by the EU requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimate and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected.

### e. Functional and presentation currency

The financial statements are presented in euro (€), which is the Authority's functional currency.

Transactions in foreign currencies are translated to the functional currency of the Authority at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Foreign currency differences arising on retranslation are recognised in profit or loss.

# Notes to the Financial Statements

## 2. Significant Accounting Policies

### a. Income and expense recognition

Revenue is measured by reference to the fair value of consideration received or receivable by the Authority for services provided, excluding trade discounts.

Revenue from the sale of services provided is recognised when all the following conditions have been satisfied:

- The Authority has transferred to the buyer the significant risks and rewards of ownership of the services provided. This is generally when the customer has approved the services that have been provided;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Authority; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Income from government subvention is recognised on an accrual basis.

Government grants and EU grants are recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

Government grants and EU grants related to assets are presented in the statement of financial position by setting up the grant as deferred income and is recognised in profit or loss on a systematic basis over the useful life of the asset.

Interest income is accrued on a time basis, by reference to the principal outstanding and the interest rate applicable.

Operating expenses are recognised in the income and expenditure account upon utilisation of the service or at the date of their origin.

### b. Employee benefits

Contributions towards the state pension in accordance with local legislation are recognised in the profit or loss when they are due.

### c. Property, plant and equipment

#### Value Method

Items of property, plant and equipment are carried at acquisition cost less subsequent depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the assets to a working condition for their intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

# Notes to the Financial Statements

## Depreciation

Depreciation is charged to the income and expenditure account on a straight line method over the estimated useful lives of items of property, plant and equipment, and major components are accounted for separately. The estimated useful lives are as follows:

	%
- Improvements to premises	2
- Computer equipment	20 - 33.33
- Furniture, fixtures and fittings	15
- Office equipment	15
- Motor vehicles	20

### c. Property, plant and equipment

#### Depreciation

No depreciation is provided on assets that are not yet brought into use.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or administrative and other expenses.

#### d. Impairment testing of tangible assets

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

All individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the greater of its fair value less costs to sell and its value in use. To determine the value in use, the Authority's management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. Discount factors are determined individually for each cash-generating unit and reflect their respective risk profiles as assessed by the Authority's members.

Impairment losses are recognised immediately in profit or loss. Impairment losses for cash-generating units are charged pro rata to the assets in the cash-generating unit. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment charge that has been recognised is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

## Notes to the Financial Statements

### e. Financial instruments

Financial assets and financial liabilities are recognised when the Authority becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial assets and financial liabilities are measured initially at fair value plus transactions costs. They are measured subsequently as described below.

#### i. Financial assets

For the purpose of subsequent measurement, financial assets of the Authority are classified into loans and receivables upon initial recognition.

All income and expenses relating to loans and receivables are presented within 'finance costs', 'finance income', or 'other financial items', except for impairment of trade receivables which is presented within 'other expenses'.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Authority's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other available features of shared credit risk characteristics. The percentage of the write down is then based on recent historical counterparty default rates for each identified group.

#### ii. Financial liabilities

The Authority's financial liabilities include trade and other payables. These are stated at their nominal amount which is a reasonable approximation of fair value.

All interest-related charges are included within 'finance costs' or 'finance income'.

### f. Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes all expenses directly attributable to acquiring the inventories and to bringing them to their existing location and condition. Financing costs are not taken into consideration. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

### g. Cash and cash equivalents

Cash and cash equivalents comprise demand deposits.



## Notes to the Financial Statements

### h. Going Concern

The financial statements have been prepared on the going concern basis, which assumes that the Authority will continue in operational existence for the foreseeable future. With reference to the Malta Statistics Authority Act, 2000 Part 4 article 19 sub-article 3, the Government shall pay the Authority to meet any of its expenditure that cannot be met out of its revenue and the costs of specified works to be continued or otherwise carried out by the Authority, being works of infrastructure or of a similar capital nature.

### i. Prior Year Adjustment

During the years from 2003 up to 2013, the Authority did not recognise increases within the salary scale of certain employees, resulting in a prior period error. The financial statements of 2013 have been restated to correct this error. The effect of the restatement on those financial statements has been summarised below.

	<b>Effect on 2013</b>
Decrease in Retained Funds	€ 21,422
Increase in Trade and Other Payables	€ 21,422

## Notes to the Accounts

### 3. Income

	2014	2013
	€	€
Government subvention		
- direct: paid to Malta Statistics Authority	3,950,000	3,495,000
indirect: expenses paid by the Ministry of Finance, the	72,075	22,615
- Economy and Investment		
- programmes and initiatives	278,520	260,000
refurbishment of premises paid by the Ministry of		
- Finance, the Economy and Investment	19,760	30,006
Government grant	74,985	74,985
EU grant agreements	409,142	343,060
Sale of publications and surveys	216,983	167,698
Other income	74,095	71,482
	<u>5,095,560</u>	<u>4,464,846</u>

### 4. Finance income

The following amounts have been included in the income and expenditure account line for the reporting periods presented:

	2014	2013
	€	€
Bank interest received	<u>564</u>	<u>517</u>

### 5. Surplus before tax

Surplus before tax is stated after charging:

	2014	2013
	€	€
Board members' remuneration	46,800	41,475
RPI Advisory Committee members' remuneration	8,665	9,290
Staff costs	4,053,181	3,725,718
Auditor's remuneration	808	833
Depreciation of property, plant and equipment	109,361	103,096
	<u>4,218,815</u>	<u>3,880,412</u>
Average number of MSA employees	163	153
Average number of casual survey interviewers	35	51

### 6. Tax expense

	2014	2013
	€	€
Malta income tax:		
Final withholding tax at 15%	<u>-</u>	<u>-</u>

# Notes to the Accounts

## 7. Property, plant and equipment

The Authority's property, plant and equipment and their carrying amounts can be analysed as follows:

	Improvements to premises	Computer equipment	Furniture and fittings	Office equipment	Motor vehicles	Total
	€	€	€	€	€	€
<b>Cost</b>						
At 1 January 2014	225,908	657,449	273,480	207,360	40,384	1,404,581
Additions	-	26,171	12,103	2,685	-	40,959
Disposals	-	-	-	-	-	-
At 31 December 2014	<u>225,908</u>	<u>683,620</u>	<u>285,583</u>	<u>210,045</u>	<u>40,384</u>	<u>1,445,540</u>

### Depreciation

At 1 January 2014	60,622	573,806	244,699	178,953	40,384	1,098,464
Charge for the year	4,518	84,079	11,903	8,861	-	109,361
Disposals	-	-	-	-	-	-
At 31 December 2014	<u>65,140</u>	<u>657,885</u>	<u>256,602</u>	<u>187,814</u>	<u>40,384</u>	<u>1,207,825</u>
At 31 December 2013	<u>165,286</u>	<u>83,643</u>	<u>28,781</u>	<u>28,407</u>	<u>-</u>	<u>306,117</u>
At 31 December 2014	<u>160,768</u>	<u>25,735</u>	<u>28,981</u>	<u>22,231</u>	<u>-</u>	<u>237,715</u>

## 8. Inventories

	2014 €	2013 €
Books and publications	42,266	32,191
Stationery	<u>15,434</u>	<u>16,231</u>
	<b><u>57,700</u></b>	<b><u>48,422</u></b>

Publications which are given free of charge are valued at their original cost.

## 9. Trade and other receivables

	2014 €	2013 €
Trade receivables	198,750	67,537
Accrued income	<u>718,966</u>	<u>665,766</u>
<b>Financial assets</b>	<b><u>917,716</u></b>	<b><u>733,303</u></b>
Prepayments	<u>23,067</u>	<u>22,738</u>
<b>Trade and other receivables</b>	<b><u>940,783</u></b>	<b><u>756,041</u></b>

The carrying value of short-term loans and receivables is considered a reasonable approximation of fair value.

## Notes to the Accounts

### 9. Trade and other receivables (cont'd)

The Authority does not have any credit terms with its trade debtors. The age of trade debtors is as follows:

	2014	2013
	€	€
Not more than 1 month	110,698	53,033
More than 1 month but not more than 3 months	52,504	10,012
More than 3 months but not more than 6 months	35,548	4,492
	<b>198,750</b>	<b>67,537</b>

### 10. Cash and cash equivalents

Cash and cash equivalents include the following components:

	2014	2013
	€	€
Cash at bank	275,647	272,175
<b>Cash and cash equivalents in the statement of financial position and statement of cash flows</b>	<b>275,647</b>	<b>272,175</b>

The Authority did not have any restrictions on its cash at bank at year end.

### 11. Deferred income

	2014	2013
	€	€
Government grants		
At 1 January	177,972	252,957
Amount transferred to income and expenditure account	(74,985)	(74,985)
Additions	-	-
Disposals	-	-
At 31 December	<b>102,987</b>	<b>177,972</b>
<b>Comprising:</b>		
<b>Current deferred income</b>	<b>7,900</b>	<b>74,985</b>
<b>Non-current deferred income</b>		
Between two and five years	10,848	88,308
After more than five years	84,240	14,681
	<b>95,088</b>	<b>102,989</b>

This refers to government grants with respect to computer equipment and improvements to premises which are deferred over the assets' useful lives.

## Notes to the Accounts

Note -

	Government grant €	European Union grant €	Total €
<b>Cost</b>			
At 1 January 2014	757,001	77,943	834,944
Additions	-	-	-
Disposals	-	-	-
At 31 December 2014	<u>757,001</u>	<u>77,943</u>	<u>834,944</u>
<b>Amortisation</b>			
At 1 January 2014	579,029	77,943	656,972
Amounts transferred to income and expenditure	74,985	-	74,985
At 31 December 2014	<u>654,014</u>	<u>77,943</u>	<u>73,957</u>
<b>Balance</b>			
At 31 December 2013	<u>177,972</u>	-	<u>177,972</u>
At 31 December 2014	<u>102,987</u>	-	<u>102,987</u>

### 12. Trade and other payables

	2014 €	Restated 2013 €
Trade payables	140,059	175,482
Accrued expenses	769,547	707,857
<b>Financial liabilities</b>	<b>909,606</b>	<b>883,339</b>
Deferred income from Government grants	7,900	74,985
Other deferred income	63,819	170,822
Other payables	96,484	11,706
<b>Trade and other payables - current</b>	<b>1,077,809</b>	<b>1,140,852</b>

Short-term financial liabilities are carried at their nominal value which is considered a reasonable approximation of fair value.

### 13. Related party transactions

The Malta Statistics Authority is an autonomous public institution and reports to Parliament on an annual basis. The Board members of the Authority are appointed by the Government of Malta.

During the period under review, the Authority entered into transactions with a number of Government-related entities.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantee was given or received. Transactions with related parties are unsecured and interest free. Outstanding balances are usually settled in cash.

Income recognised for the year under review relating to subventions received from the Government of Malta are disclosed in note 3.

## Notes to the Accounts

### 14. Risk management objectives and policies

The Authority is exposed to credit risk, liquidity risk and market risk through its use of financial instruments which result from both its operating and investing activities. The Authority's risk management is coordinated by the Board members and focuses on actively securing the Authority's short to medium term cash flows by minimising the exposure to financial risks.

The financial risks to which the Authority is exposed are described below in notes 14.1 to 14.5.

#### 14.1 Foreign currency risk

The Authority is not significantly exposed to foreign currency risk since most of its transactions are carried out in euro.

#### 14.2 Interest rate risk

The Authority is not exposed to interest rate risk on its payables since all these are interest free.

#### 14.3 Credit risk

The Authority's exposure to credit risk is limited to the carrying amount of financial assets recognised at the end of the reporting period, as summarised below:

	Notes	2014	2013
		€	€
Classes of financial assets – carrying amounts			
Trade and other receivables	9	940,783	756,041
Cash and cash equivalents	10	<u>275,647</u>	<u>272,175</u>
		<u>1,216,430</u>	<u>1,028,216</u>

The Authority's Board members consider that all the above financial assets for each of the reporting dates under review are of good credit quality.

None of the Authority's financial assets is secured by collateral or other credit enhancements.

In respect of trade and other receivables, the Authority is not exposed to any significant credit risk exposure to any single counterparty. The credit risk for liquid funds is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

#### 14.4 Liquidity risk

The Authority's exposure to liquidity risk arises from its obligations to meet its financial liabilities, which comprise trade and other payables. Prudent liquidity risk management includes maintaining sufficient cash and committed credit facilities to ensure the availability of an adequate amount of funding to meet the Authority's obligations when they become due.

The Authority ensures a steady and healthy cash flow through persistent chasing up debtors on a weekly basis to ensure that target inflows are received monthly. Targets are set by the managing director, who monitors cash flow regularly together with the accountant.

The Authority's financial liabilities at the reporting date under review are all short term and their contractual maturities fall within one year.

## Notes to the Accounts

### 14.5 Summary of financial assets and liabilities by category

The carrying amounts of the Authority's financial assets and liabilities as recognised at the end of the reporting periods under review may also be categorised as follows:

	2014	Restated 2013
	€	€
<b>Current assets</b>		
Loans and receivables:		
- Trade and other receivables	940,783	756,041
- Cash and cash equivalents	275,647	272,175
	<u>1,216,430</u>	<u>1,028,216</u>
<b>Current liabilities</b>		
Financial liabilities measured at amortised cost:		
- Trade and other payables		<u>1,077,809</u>
		<u>1,140,852</u>

### 15. Capital management policies and procedures

The Authority's capital management objectives are:

- To ensure the Authority's ability to continue as a going concern, and
- To provide official statistics from the capital investment made in the Authority.

The capital structure of the Authority consists of cash and cash equivalents and reserves.

The Board's policy is to maintain a strong capital base to maintain Government, public and creditor confidence and to sustain future development of the Authority's ever-growing role and activities.

### 16. Post-reporting date events

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

### 17. Comparative Information

Certain comparative information has been reclassified to conform to the current's year disclosure for the purpose of fairer presentation.

## Expenditure Schedule

	2014	2013
	€	€
<b>Expenditure</b>		
Air Conditioning Running Costs	325	440
Allowances	42,402	36,757
Auditors' remuneration	808	833
Bad debts	130	-
Bank interest and charges	465	443
Board members' remuneration	46,800	41,475
Cleaning expenses	30,310	29,510
Conference expenditure	1,098	588
Depreciation	109,361	103,096
General expenses	1,094	1,630
Hire of equipment	8,242	5,884
Hospitality and entertainment	2,953	2,232
Insurance fees	3,978	4,193
IT Support – paid by Ministry	87,088	1,834
Consultancy and professional fees	46,084	3,727
Licences, memberships and subscriptions	12,698	33,339
Medical services	1,337	1,399
Motor vehicle running expenses	9,948	7,055
Postage and couriers	28,428	21,010
Printing and stationery fees	24,410	35,841
Publicity fees	1,266	3,207
Rental fees	5,627	18,968
Repairs and maintenance	22,129	34,431
RPI Advisory Committee members' remuneration	8,665	9,290
Salaries	4,053,181	3,725,718
Surveys and interviews	151,953	121,137
Training costs	5,085	3,088
Telecommunication costs	22,124	19,307
Travelling expenses	133,517	114,132
Uniforms expenses	2,122	5,014
Water and electricity fees	32,462	33,704
	<b>4,896,090</b>	<b>4,419,282</b>





19 January 2015

Director General

National Statistics Office

**SERVICE PENSION PAYABLE TO PUBLIC OFFICERS RETIRING FROM THE  
NATIONAL STATISTICS OFFICE**

Reference is made to the amount of € 712,332 due by the National Statistics Office representing the sum accruing as at 31<sup>st</sup> December 2014, in respect of service pension payable to ex-public officers retiring from the National Statistics Office who are eligible to receive this pension.

It is confirmed that the Government of Malta will compensate the National Statistics Office for the outlay that it will make in settling the amount due, up to the amount indicated and up to the extent that it shall not be possible for the National Statistics Office to meet this expenditure out of its annual budgetary allocation.

A handwritten signature in black ink, appearing to read 'Alfred Camilleri'.

**Alfred Camilleri**

Permanent Secretary