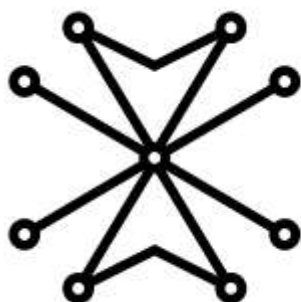


Malta Statistics Authority

**ANNUAL REPORT AND FINANCIAL
STATEMENTS**

For the year ended 31st December 2016



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MALTA STATISTICS AUTHORITY

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Malta Statistics Authority Board

Professor Albert Leone Ganado
Chairman

Dr Aaron G. Grech
Deputy Chairman

MSA Board Members

Mr Robert Borg
Dr Mario Brincat
Mr Gianluca Cutajar
Mr Emanuel P. Delia
Mr Godwin Mifsud
Professor Edward Zammit

Mr Reuben Fenech – *Director General (Ex –Ufficio)*

Board Secretary:

Dr Jacqueline Tanti Dougall (January – November, 2016)
Mr Joseph Bonello (Ad-interim - November – December, 2016)

Malta Statistics Authority Sub-Committees

Risk and Assurance

Mr Robert Borg
(Chairman)

Members:

Prof Albert Leone Ganado

Dr Aaron G. Grech

Governance

Prof Albert Leone Ganado
(Chairman)

Members:

Dr Aaron G. Grech

Mr Emanuel P. Delia

Prof Edward Zammit

Monitoring and Assessment

Mr Godwin Mifsud
(Chairman)

Members:

Dr Mario Brincat

Dr Aaron G. Grech

Malta Statistics Authority Board Members



(left to right)

Mr Joseph Bonello (Board Secretary – ad interim), Mr Robert Borg (Member), Mr Emanuel P. Delia (Member), Mr Godwin Mifsud (Member), Prof Albert Leone Ganado (Chairman), Mr Reuben Fenech (Director General NSO), Dr Mario Brincat (Member), Prof Edward Zammit (Member), Dr Aaron G. Grech (Deputy Chairman), Mr Gianluca Cutajar (Member).

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

Introduction

I am pleased to note that the statistical indicators disseminated by the National Statistics Office continued to be closely followed by government, as well as by key business and community leaders. In this context, the National Statistics Office continued to fulfil its role by providing high-quality, timely and relevant statistics and by making the information available in ways that maximise its usefulness, while effectively protecting the privacy and confidentiality of individuals, households and businesses.

On its part, the Malta Statistics Authority is satisfied with the outputs produced by the National Statistics Office. As a regulator, the Authority is satisfied that the official statistics compiled and published by the National Statistics Office are compiled according to established international methodologies and comply with the principles established by the latest European Statistics Code of Practice as adopted by the European Statistical System Commission in 2011.

During 2016 the Board continued to strengthen the corporate structure of the National Statistics Office and now we can confirm that all the directorship posts have been filled. Two of the directorship positions cover the statistical process; the first is dedicated to economic and business statistics while the second leads the production of regional and social statistics. The directorate in charge of data capability is responsible for methodology, the overall information technology infrastructure as well as for data management. The most recent directorship position to be filled within the National Statistics Office was that of Corporate Services. The vacant positions were filled in after an exhaustive selection process. The top management posts will now be in a position to offer the maximum assistance to the Director General to ensure that the National Statistics Office continues to compile and disseminate official statistics of the highest quality.

Over the course of 2016 the Malta Statistics Authority continued with its high-level supervision of the statistical processes being applied and noted positively that the Household Budgetary exercise was executed ahead of schedule and the cost of the exercise was contained when compared to previous editions. During 2016 the results of the Household Budgetary Survey were analysed such that a new weighting structure for consumer goods and services was compiled. This price weighting structure was subsequently adopted for the compilation of the Price Indices (Retail Price Index and the Harmonised Index of Consumer Prices) as from the beginning of this year.

The work of the Board was supported by its three sub-committees which regularly provide recommendations and advice for the Malta Statistics Authority Board to act upon. These sub-committees are chaired by different board members and provide valued opinions to the Malta Statistics Authority on matters related to finance, governance and analysis of statistics in their monthly meetings.

Furthermore, the Malta Statistics Authority continued to support the National Statistics Office in collaborating with other public entities for the smooth transition of administrative data by either renewing or entering into new co-operation agreements or memoranda of understanding in accordance with the Malta Statistics Authority Act.

Board Confirmation and Extension

As Chairman I would like to thank the Minister for Finance, the Hon Edward Scicluna, for extending the Malta Statistics Authority's Board mandate for another year up to June 2017. All Board members were confirmed while a new member, Mr Gianluca Cutajar was also appointed.

The Board would also like to thank Dr Jacqueline Tanti Dougall for her services as Board Secretary and Legal Counsel to the Malta Statistics Authority. Her contract expired in November 2016.

As from December 2016, Mr Joseph Bonello, who in the recent past occupied the posts of Director of Economic and Business Statistics and subsequently Acting Director General of the National Statistics Office was appointed ad-interim Board Secretary.

Furthermore, a decision was taken by the Board that during 2017 a tender for legal services shall be issued.

Gender Equality

In terms of gender balance, the Office is experiencing a natural evolution. To date the Statistics Office employs slightly more female workers than men and this ratio is in line with the latest graduate demographics.

At the time of writing this report, the National Statistics Office middle management gender structure is evenly balanced, with eleven female managers compared to twelve males. This balance was the result of a natural selection process over the years and was not influenced by any system of quotas for female workers.

Out of the four Directors of the National Statistics Office, three of them are males.

Finances

On behalf of the Board members I would like to extend my gratitude to the Minister for Finance and to the Permanent Secretary for the cordial discussions leading to the allocation of adequate finances to cover the annual subvention as well as specific statistical programmes and initiatives. Reflecting the increasing relevance of statistics, the subvention voted for the Malta Statistics Authority improved gradually from €4 million in 2015, to €4.35 million in 2016 and subsequently to €4.6 million 2017.

Capital Investment

Discussions with the Ministry for Finance for the allocation of funds to cover the purchase and commissioning of a data warehouse are underway. The expected strategic improvement will also feature an Integrated Business Platform which will be fenced with the appropriate security measures. This investment is considered to be a necessary step to modernise the National Statistics Office and improve efficiency in the compilation of statistical reporting.

Furthermore, in line with the process of delineation between the Malta Statistics Authority as regulator and the National Statistics Office as compiler of statistics, I will be actively looking for alternative suitable premises, ideally within the vicinity of the NSO Office.

Statutory Requirements

During 2016, the Malta Statistics Authority Board convened nine times. This exceeds the legal provision as established in the Malta Statistics Authority Act.

I have already acknowledged the support provided by the sub-committees of the Malta Statistics Authority. Their advice has greatly facilitated the work of the Board.

The salient matters reviewed by Malta Statistics Authority Board in supervisory and regulatory roles were:

- Review of proposed changes to the Malta Statistics Authority Act;
- Corporate Review Report;
- Supporting the Gradual Modernisation and Implementation of the Statistical System ;
- Advising on Statistical and Methodological matters:
 - (i) Household Budgetary Survey;
 - (ii) Price Indices;
 - (iii) Supply, Use and Input Output Tables;
 - (iv) Regional Statistics;
 - (v) Balance of Payments;
 - (vi) National Accounts; and
 - (vii) Statistical Revisions Policy.

Malta Statistics Authority Act

The Malta Statistics Authority during its Board meetings noted that the existing legislation has not been updated since its introduction in the year 2000. The Board notes that going forward, the separation between the functions of the regulator and the operator needs to be clarified and defined further.

In addition, the Board notes that while the staff compliment of the National Statistics Office accounts on average for 160 employees, the Malta Statistics Authority is limited to a small Secretariat and a Financial Controller. The Malta Statistics Authority plans to have its own permanent set-up to be better equipped to carry out the functions as outlined in the Laws of Malta, Chapter 422 under Section II, Article

7 (functions of the Authority). The Authority, as a professional body, should have an organisational structure that is similar to other foreign authorities.

To date, with a non-executive Board and limited resources at hand, the Board and its Secretariat are supported by the engagement of professional consultants to carry out ad-hoc statistical reviews.

Corporate Review

During 2016 the Malta Statistics Authority approved an external comprehensive report to examine its internal corporate structures: its human resources and its legal and finance structures. Several recommendations were put forward, indicating how the National Statistics Office as the statistical operator and the Malta Statistics Authority as the regulator need to gradually continue to distinguish themselves from one another by clarifying their duties and obligations within the statistical system.

It also indicated that the Authority requires both a financial and a more comprehensive organisational set-up to perform all its obligations as outlined in the Malta Statistics Authority Act.

The report also indicated that the National Statistics Office structure should gradually change from a hierarchical management structure to a flatter organisation with a stronger focus on a holistic management team rather than having all the executive authority vested in the body of the Director General, as is the case today.

The study also recognised the wealth of data in the hands of the NSO, and recommendations were put forward towards changes to the current legislative framework, such that the NSO can setup a business structure capable of generating its own revenue streams that can complement the annual subvention from the national budget without impinging on the section of the business community which conducts surveys and market research. On the contrary, such an initiative would serve as a catalyst to generate further economic expansion in areas of statistical research and development.

Other salient points of interest that were cited in the report was the need to setup an internal audit structure to mitigate risks, which might have a negative bearing on the good standing that the Office enjoys both locally and internationally. The external report commissioned during 2016 put forward several recommendations to mitigate financial, statistical and business continuity risks.

The Malta Statistics Authority recognises the importance of this exercise and hopes to see several of these measures gradually being implemented.

Gradual Modernisation of the Statistical System

The Malta Statistics Authority is responsible to negotiate with Central Government for the provision of adequate funds to finance recurrent and capital investment.

During 2016, the gradual modernisation of the national statistical system continued to be pursued, but the process was not without difficulty. Investment in human

resources remains the most critical asset of the organisation. New statistical obligations which cover every aspect of life necessitate the creation of different skills to support all processes of statistics being collection, compilation and dissemination.

(i) Technical Staff Shortages

While the highest intake of new employees is of graduate economists and statisticians, the Office also requires specialists in information computer technology, geo-spatial systems, data analysis, applied mathematics as well as communication studies. Due to a highly competitive labour market our recruitment drives have not always been successful. While employment turnover remains within acceptable levels (approximately 6 per cent in 2016), the various calls for employment covering multiple vacancy positions, are only partially fulfilled. In many cases the number of applicants has been less than the number of vacant positions advertised by the Malta Statistics Authority.

To mitigate this problem, the Authority approved a system of recruiting interns. The take-up of interns chosen from University under-graduates has been encouraging and hopefully, the investment made today will render itself fruitful in the coming years. Furthermore, the intake of other EU nationals working within the NSO increased over the recent past.

A new development which was suggested by the Director General and which found the support of the Malta Statistics Authority Board is to seek co-operation agreements with other NSIs from other EU Member States by offering short-term assignments to experts in specific statistical domains as part of an exchange of knowledge programme.

(ii) Training Programme

For the first time, the Authority applied for European Structural Funds to meet staff training needs. While the outcome of the Office's application is yet to be adjudicated, the principle behind our application is that of facilitating a holistic training programme over the course of the operational programme running up to 2020.

To date the Office has been very dependent on the training provided through the European Statistical Training Programme (ESTP) which the Authority will continue to support. However, having an in-house training programme would have many additional benefits such as reaching out to a larger audience, while also targeting training to address specific local national requirements.

(iii) ICT Investment

Since 2013, the statistical audits commissioned by the Authority indicated that the underinvestment in ICT is a major weakness that can even trigger statistical error.

To date the Office makes use of different independent bespoke systems rather than an integrated business platform. Moreover, the investment in statistical data warehouse is nowadays considered as a necessary tool to support statisticians in

the compilation process. Hence, by today's ICT standards, the current computing system is considered to be obsolete.

During last year's budget, the Ministry for Finance acknowledged this need and provided for the first time funds to study its financial implication.

With these funds a professional study was commissioned and the project's estimated cost is expected to amount in the region of one million euro. While the estimated sum is considerable yet it is in line with projects of a similar nature. Subject to adequate financial support from the central government the project could be implemented in phases over a projected three-year period.

Salient Statistical Outputs

(i) Supply, Use and Input-Output tables

The Supply, Use and Input-Output Tables for 2011 provide a detailed picture of the transactions of goods and services by industries and consumers in the Maltese economy in a single year. Therefore, by their very nature these tables project a statistical picture of the inter-industry flows that underlie the National Accounts main aggregates including gross output, operating surplus and external trade movements. The tables compiled by the National Accounts Unit were reviewed by an external consultant, Dr Ian Cassar, who is a senior lecturer at the University of Malta and who specialises in this field. Supply, Use and Input-Output tables also serve as an integrated framework for all production statistics and are used as a statistical tool to compile and reconcile independent estimates of National Accounts aggregates. The Supply and Use framework shows the components of gross value added (GVA) by industry as well as imports, exports, taxes and subsidies on products. The GVA in the 'Use' table measures the contribution to GDP made by each particular industry.

During 2016 the Director General kept the Malta Statistics Authority as well as the Retail Price Index Advisory Board updated on the progress being made on the Household Budgetary Survey, especially on the eventual impacts on the basket of goods and services reflecting changes in the patterns of consumer spending.

The Retail Price Index has been published since 1946, making it one of the oldest data sets compiled and produced by the Statistical Office as it spans seventy-one years. Its continuation has a legal background as amongst other things, it is used in the Cost of Living Adjustment mechanism (often referred to as COLA) and in the escalation clauses of commercial contracts.

Eventually a meeting was scheduled with the MCESD in early January 2017 to inform the social partners of this positive development. It is to be noted that members of the MCESD responded positively to the work carried out by the NSO.

(ii) Household Budgetary Survey (HBS)

In 2016, the data collection relating to the HBS was completed and the final report is expected to be published during the course of 2017. The result of the Household

Budgetary Survey is expected by the government, social partners, social scientists, universities and various non-governmental organisations for social planning and purposes. The previous Household Budgetary Survey dates back to 2008 and therefore more recent household expenditure patterns and quantitative economic variables, such as imputed rent are now overdue.

It is also to be noted that the HBS exercise, which is the most costly exercise conducted by the Office, (since the census exercise falls outside the remit of the Authority), was conducted with a heavy reduction in budget when compared to previous HBS runs.

The fact that the knowledge to carry out and deliver the project now exists within the NSO is a positive factor that resulted in cost reductions. The use of experts in the field was limited to independently certify that the analysis related to the calculation of weights for the Consumer Price Indices were conducted appropriately. The Malta Statistics Authority considers the use of external consultants for independent statistical verification to be necessary as an official certification that the statistical work was executed to the highest methodological standards.

Regional Office

During 2016, the Gozo Regional Office put forward recommendations to improve the quality of its major news release on the estimation of Regional Gross Domestic Product. The recommendations involved a two-stage approach, which first records the employment activity which actually occurs in Gozo and subsequently the estimation of the Gross Domestic Product for Gozo. As stated in the methodological notes of the NSO news release dated 22 December 2016, *“the Regional GDP is not a measure of income but strictly relates to the economic activity prevailing in a particular region.”*

Both the Monitoring and Assessment Sub-Committee and the Malta Statistics Authority Board were satisfied that the changes that were implemented met the established criteria in accordance with statistical methodology for computing regional statistics. The Sub-Committee as well as the MSA Board congratulated the Regional Office for its proactive approach towards quality improvements.

Going forward the Authority has approved the recommendation made by the Director General that the Gozo Regional Office becomes a hub for all Geo-Spatial outputs produced by the NSO. This is the process of merging the geographical imaging with statistical data inputs to deliver new methods of disseminating official statistics. The Regional Office already has expert staff. This expertise is expected to be strengthened both in terms of human resources and through further specialised training.

The Authority also noted the visual improvements in the publication Gozo in Figures for 2016. In the Board's opinion, the publication should be steadily transformed into a Dashboard of Regional Indicators - a set of shared metrics that track the region's change on critical economic, environmental and social variables. Measuring change in the areas that matter most for continued long-term success will help monitor regional economic competitiveness.

Balance of Payments

It is also to be noted that during 2016 a breach report was raised by the Malta Statistics Authority following an error in the international economic and financial transactions release of 18th March 2016 (NR 047/2016).

Collective Agreement

The Collective Agreement between the Malta Statistics Authority and the Union Haddiema Magħqudin expired at the end of 2016. It is my sincere hope that goodwill by all parties involved will drive the respective negotiating teams towards the ratification of a new employer-employee agreement in the shortest time possible.

Memoranda of Understanding or Co-operation Agreements for the transfer of data for statistical purposes

The Authority notes that the success of the NSO is directly related with the availability of accurate data in a timely fashion and in a format that requires minimum transformation. Throughout the past year the Authority and the Director General worked together to endorse co-operation agreements with various institutions to facilitate the transfer of data for the use of official statistics. To this end we extend our gratitude to the National Audit Office, the National Commission for Higher Education, the Ministry for Finance and to the Central Bank of Malta.

In the meantime, I also note that discussion on the transfer of information between the Tax Authorities and the Malta Statistics Authority on the principle of need-to-know basis and for statistical purposes only are ongoing. The matter was discussed in 2016 and it is hoped that an agreement will be reached in due course.

Malta Statistics Authority Secretariat

The Malta Statistics Authority Act places the onus of financial governance totally on the Board and therefore throughout 2016, further measures were made to strengthen financial controls. One of the steps was to engage through an open call a Financial Controller who was to join the MSA Secretariat.

The strategy behind this appointment was mainly to separate the role of actual procurement from the role of verification of financial outlay. The NSO being the major source of purchases of goods and services, will raise the order for purchases after all financial approvals are officially endorsed following verification and recommendation by the financial controller.

As an end result the risk of possible unauthorised, unnecessary, or fraudulent payments or purchases is reduced significantly. The Authority continuously strives to improve its practices to ensure that its good standing and its reputation as an exemplary public sector employer remains intact.

With new procurement regulations being legislated in 2016, further policy changes are expected to take place in 2017 to meet these new requirements and to ensure a smooth transition to the new system of procurement.

Conclusion

In this year's assessment of the Maltese statistical system, the Board noted that the NSO observed all statistical obligations. It noted positively the new strategy of statistical dissemination whereby the news releases are becoming more concise with further information and improved infographics uploaded on the web. The Malta Statistics Authority also observed that the NSO is engaging much more with the media and noted positively the conference on Supply, Use and Input-Output tables held in May which had this aim in mind.

The Board also notes with satisfaction that no confidentiality breaches were reported during 2016. This is an issue of utmost importance to continue to project trust and independence in the official statistics of Malta.

I also wish to extend, on behalf of my fellow members of the Board, my support to the Director General for his efforts in managing the National Statistics Office and to develop a good working relationship with the Malta Statistics Authority. The same applies to all employees who through their hard and diligent work, provided transformed raw data into valuable information sets for the public to consume.

Finally, I would like to thank all my fellow Board members for their sterling support and for offering wise advice in the fields of corporate governance, statistical assessment and financial direction. During the past four years, the Board has built upon the role of its predecessors towards fulfilling the Malta Statistics Authority's objective of promoting and safeguarding the production and publication of official statistics as a service to the public good.



Prof. Albert Leone Ganado
Chairman MSA

The Members of the Authority Board present their report and the Authority's audited financial statements for the year ended 31st December 2016.

Principal Activity

The Malta Statistics Authority (MSA) is a public corporate body with regulatory responsibility relating to the production of official statistics in accordance with internationally harmonised methodologies, for the benefit of the Government of Malta, the European Union, international organisations and the general public. The Authority was set up by the Maltese Parliament through the Malta Statistics Authority Act Chapter 422 and reports to Parliament on an annual basis.

Review of Business

The Board hereby reports a surplus of €392,007 for the financial year 2016 (2015: €172,466). The result for the year shows an increase of €219,541 compared to the previous year. Direct government subventions amounted to €4,413,377 (2015: €4,131,787). Income raised from various programmes and initiatives amounted to €593,487 (2015: €325,000). The Authority is also responsible for the household budgetary survey entailing a total income from Government of €206,384 (2015: €400,915) and a corresponding expenditure of the same amount (2015: €400,915). EU Grants amounted to €293,023 (2015: €354,820). Other income including the sales of publications and surveys amounted to €239,276 (2015: €282,008). Total expenditure other than household budgetary survey amounted to €5,147,258 (2015: €4,921,457).

Results and Surplus Funds

The statement of comprehensive income is set out on page 17. The surplus for the year amounted to €392,007 (2015: €172,466).

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.

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.

Statement of Responsibilities of the Authority

The Authority is governed by a Board consisting of Chairperson, the Director General *ex officio* and seven 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:

- Proper accounting records are kept of all transactions entered into by the Authority, and of its assets and liabilities;
- 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

Approved by the board of directors and signed on its behalf on 21st March 2017 by:



Prof. Albert Leone Ganado
Chairperson



Mr. Robert Borg
Director

Opinion

We have audited the financial statements of Malta Statistics Authority (the “Authority”), set out on pages 17 to 35, which comprise the statement of financial position as at 31 December 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Authority as at 31st December 2016, and its financial performance and its cash flows for the year ended in accordance with International Financial Reporting Standards as adopted by the EU and have been prepared in accordance with the requirements of the Malta Statistics Act (Cap. 422).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Authority in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in accordance with the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) in Malta, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the board of directors’ report. Our opinion on the financial statements does not cover this information, including the directors’ report. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

In addition, in light of the knowledge and understanding of the Authority and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the directors’ report. We have nothing to report in this regard.

Responsibilities of the Directors

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards, and for such internal control as the directors determine is necessary to enable the

preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in grey ink, appearing to read 'D.B.U.', is positioned above a horizontal line.

This copy of the audit report has been signed by
Ms. Donna Greaves Bonello (Partner) for and on behalf of
PKF (Malta)
Certified Public Accountants
35, Mannarino Road, Birkirkara BKR 9080, Malta

21st March 2017

Income and Expenditure Account

	Notes	2016	2015
		€	€
Income	3	5,539,163	5,093,615
Administrative & Other Expenditure		(5,147,258)	(4,921,457)
		<u>391,905</u>	<u>172,158</u>
Finance income	4	102	308
Surplus for the year - total comprehensive income	5	<u>392,007</u>	<u>172,466</u>

The notes on pages 21 to 35 are an integral part of these financial statements.

Statement of Financial Position

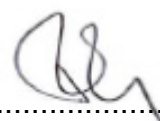
	Notes	2016 €	2015 €
ASSETS			
Non - Current Assets			
Property, plant and equipment	7	<u>238,341</u>	<u>211,928</u>
Current Assets			
Inventories	8	59,414	57,969
Trade and other receivables	9	948,972	929,013
Cash and cash equivalents	10	<u>979,226</u>	<u>582,474</u>
		<u>1,987,612</u>	<u>1,569,456</u>
Total Assets		<u>2,225,953</u>	<u>1,781,384</u>
EQUITY AND LIABILITIES			
Capital and Reserves			
Retained funds		888,304	496,297
Non - Current Liabilities			
Deferred income	11	<u>129,078</u>	<u>108,659</u>
Current Liabilities			
Trade and other payables	12	<u>1,208,571</u>	<u>1,176,428</u>
Total Liabilities		<u>1,337,649</u>	<u>1,285,087</u>
Total Equity and Liabilities		<u>2,225,953</u>	<u>1,781,384</u>

The notes on pages 21 to 35 are an integral part of these financial statements.

The financial statements on pages 17 to 35 were approved by the Authority Board, authorised for issue on 21st March 2017 and signed on its behalf by:



.....
Prof. Albert Leone Ganado
Chairman



.....
Mr. Robert Borg
Director

Statement of Changes in Equity

	Retained Funds
	€
Balance as at 31st December 2014	323,831
Surplus for the year	172,466
Balance as at 31st December 2015	496,297
Surplus for the year	392,007
Balance as at 31st December 2016	888,304

The notes on pages 21 to 35 are an integral part of these financial statements.

Statement of Cash Flows

	Notes	2016	2015
		€	€
Cash Flow from Operating Activities			
Surplus for the year		392,007	172,466
Depreciation		53,442	43,256
Interest Income		(102)	(308)
Government Grant transferred to Income and Expenditure Account		(34,568)	(16,017)
		<u>410,779</u>	<u>199,397</u>
Movement in Inventory		(1,445)	(269)
Movement in Receivables		(19,960)	11,770
Movement in Payables		10,071	95,689
<i>Net Cash Flow from Operating Activities</i>		<u>399,445</u>	<u>306,587</u>
Cash Flow from Investing Activities			
Payments to acquire Property, Plant and Equipment		(79,855)	(17,469)
Interest received		102	308
<i>Net Cash Flow used in Investing Activities</i>		<u>(79,753)</u>	<u>(17,161)</u>
Cash Flow from Financing Activities			
Receipt of Government Grants related to assets		77,060	17,401
<i>Net Cash Flow from Financing Activities</i>		<u>77,060</u>	<u>17,401</u>
Net increase in cash and cash equivalents		<u>396,752</u>	<u>306,827</u>
Cash and cash equivalents at start of the year		<u>582,474</u>	<u>275,647</u>
Cash and cash equivalents at the end of the year	10	<u>979,226</u>	<u>582,474</u>

The notes on pages 21 to 35 are an integral part of these financial statements.

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 International Financial Reporting Standards (IFRSs) as adopted by the EU and the requirements of the Malta Statistics Act (Chapter 422).

b. Basis of preparation

The financial statements are presented on the historical cost basis.

c. New and revised standards

During the year under review, the Authority have adopted a number of Standards and Interpretations issued by the International Accounting Standards Board and International Financial Reporting Interpretations Committee, and endorsed by the European Union. The Board is of the opinion that the adoption of these standards and interpretations did not have a material impact on the financial statements.

There have been no instances of early adoption of Standards and Interpretations ahead of their effective date. At the date of the statement of financial position, certain new Standards and Interpretations were in issue and endorsed by the European Union, but not yet effective for the current financial year. The Governors anticipate that the initial application of the new standards and interpretations will not have a material impact on the financial statements.

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.

In the opinion of the board members, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1.

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.

2. Summary of 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 not recognised until there is reasonable assurance that the entity will comply with the conditions attaching to them and that the grants will be received.

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.

Government grants and EU grants that are receivable as compensation for expenses or losses already incurred or for the purposes of giving immediate financial support to the entity with no future related costs are recognised in profit or loss in the period in which they become receivable.

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

Items of property, plant and equipment comprise improvement to premises, computer equipment, computer software, furniture fixture and fittings, office equipment and motor vehicles are carried at acquisition cost less subsequent accumulated depreciation and subsequent accumulated 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.

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, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gains or losses arising on the disposal or retirement 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.

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 represents the estimated selling price in the ordinary course of business less all estimated costs of completion and costs necessary to make the sale.

g. Cash and cash equivalents

Cash and cash equivalents comprise demand deposits.

h. Reserves

The retained fund includes all current and prior period retained surpluses and deficits.

i. 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.

3. Income

	2016	2015
	€	€
Government subvention		
- direct: paid to Malta Statistics Authority	4,349,997	4,029,999
- indirect: expenses paid by the Ministry for Finance	55,473	101,255
- programmes and initiatives	593,487	325,000
- Household Budgetary Survey	206,384	400,915
- Household Budgetary Survey expenditure	(206,384)	(400,915)
- refurbishment of premises paid by the Ministry for Finance	7,907	533
Government grant – Capital Nature	11 34,568	16,017
EU grant agreements	293,023	354,820
Sale of publications and surveys	140,996	202,197
Other income	63,712	63,794
	<u>5,539,163</u>	<u>5,093,615</u>

4. Finance income

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

	2016	2015
	€	€
Bank Interest received	<u>102</u>	<u>308</u>

5. Surplus for the year

Surplus for the year is stated after charging:

	2016	2015
	€	€
Board members' remuneration	50,603	46,800
RPI Advisory Committee members' remuneration	9,328	8,665
Staff costs	4,227,493	4,066,011
Auditor's remuneration	2,859	808
Depreciation of property, plant and equipment	53,442	43,256
	<u>4,343,725</u>	<u>4,165,540</u>
Average number of MSA employees	169	166
Average number of casual survey interviewers	37	37

6. Tax expense

	2016	2015
	€	€
Malta income tax:		
Final withholding tax at 15%	<u>-</u>	<u>-</u>

The Board as per previous practice, considers the Authority is tax exempt and did not provide for tax at 35% in the Authority's financial statements. A request in terms of Article 12(2) of the Income Tax Act to obtain a tax exemption on its surplus will be made with the Ministry of Finance. To date, no such exemption has been received.

7. Property, plant and equipment

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

2016

	Improvements to premises	Computer equipment	Furniture and fittings	Office equipment	Motor vehicles	Total
	€	€	€	€	€	€
Cost						
At 1 January 2016	225,908	693,229	289,369	214,119	40,384	1,463,009
Additions	-	72,623	4,930	2,302	-	79,855
Disposals	-	-	-	-	-	-
At 31 December 2016	225,908	765,852	294,299	216,421	40,384	1,542,864
Depreciation						
At 1 January 2016	69,658	678,081	267,142	195,816	40,384	1,251,081
Charge for the year	4,518	34,999	7,598	6,327	-	53,442
Disposals	-	-	-	-	-	-
At 31 December 2016	74,176	713,080	274,740	202,143	40,384	1,304,523
Net Book Amount						
At 31 December 2015	156,250	15,148	22,227	18,303	-	211,928
At 31 December 2016	151,732	52,772	19,559	14,278	-	238,341

Property, Plant and Equipment schedule includes an amount of €389,169 representing assets fully depreciated but are still in use.

2015

	Improvements to premises	Computer equipment	Furniture and fittings	Office equipment	Motor vehicles	Total
	€	€	€	€	€	€
Cost						
At 1 January 2015	225,908	683,620	285,583	210,045	40,384	1,445,540
Additions	-	9,609	3,786	4,074	-	17,469
Disposals	-	-	-	-	-	-
At 31 December 2015	225,908	693,229	289,369	214,119	40,384	1,463,009
Depreciation						
At 1 January 2015	65,140	657,885	256,602	187,814	40,384	1,207,825
Charge for the year	4,518	20,196	10,540	8,002	-	43,256
Disposals	-	-	-	-	-	-
At 31 December 2015	69,658	678,081	267,142	195,816	40,384	1,251,081
Net Book Amount						
At 31 December 2014	160,768	25,735	28,981	22,231	-	237,715
At 31 December 2015	156,250	15,148	22,227	18,303	-	211,928

Property, Plant and Equipment schedule includes an amount of €347,822 representing assets fully depreciated but are still in use.

8. Inventories

	2016 €	2015 €
Books and publications	43,426	43,835
Stationery	15,988	14,134
	59,414	57,969

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

9. Trade and other receivables

		2016 €	2015 €
Trade receivables	i	89,264	113,189
Accrued income	ii	<u>843,205</u>	<u>781,228</u>
Financial assets		932,469	894,417
Prepayments		<u>16,503</u>	<u>34,596</u>
Trade and other receivables		<u>948,972</u>	<u>929,013</u>

The carrying value receivables is considered a reasonable approximation of fair value.

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

	2016 €	2015 €
Not more than 1 month	65,081	81,138
More than 1 month but not more than 3 months	6,844	14,855
More than 3 months but not more than 6 months	<u>17,339</u>	<u>17,196</u>
	<u>89,264</u>	<u>113,189</u>

ii. Accrued income includes €838,921 as of 31st December 2016 (2015: €775,540) representing a sum payable by the National Statistics Office to ex-public officers in respect to retiring service pension which sum shall be compensated in full by the Government of Malta in the event that the National Statistics Office is unable to meet this expenditure out of its annual budgetary allocation. The members of the Authority Board are of the opinion that it shall not be possible for the National Statistics Office to meet this expenditure out of its annual budgetary allocation. A corresponding amount is recognised as accrued expenses (Note 12).

10. Cash and cash equivalents

Cash and cash equivalents include the following components:

	2016 €	2015 €
Cash at bank	<u>979,226</u>	<u>582,474</u>
	<u>979,226</u>	<u>582,474</u>

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

11. Deferred income

	2016 €	2015 €
Government grants:		
At 1 January	119,488	118,104
Additions	77,060	17,401
Disposals	-	-
Amount transferred to income and expenditure account	<u>(34,568)</u>	<u>(16,017)</u>
At 31 December	<u>161,980</u>	<u>119,488</u>
Comprising:		
Current deferred income	<u>32,902</u>	<u>10,830</u>
Non-current deferred income		
Between two and five years	49,823	26,352
After more than five years	<u>79,255</u>	<u>82,307</u>
	<u>129,078</u>	<u>108,659</u>

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

2016	Government Grant €
Cost	
At 1 January 2016	793,265
Amounts transferred to income and expenditure	<u>77,060</u>
At 31 December 2016	<u>870,325</u>
Amortisation	
At 1 January 2016	673,777
Amounts transferred to income and expenditure	<u>34,568</u>
At 31 December 2016	<u>708,345</u>
Balance	
At 31 December 2015	119,488
At 31 December 2016	<u>161,980</u>

2015	Government Grant €
Cost	
At 1 January 2015	775,864
Additions	17,401
Disposals	-
At 31 December 2015	<u>793,265</u>
Amortisation	
At 1 January 2015	657,760
Amounts transferred to income and expenditure	16,017
At 31 December 2015	<u>673,777</u>
Balance	
At 31 December 2014	118,104
At 31 December 2015	<u>119,488</u>

12. Trade and other payables

	Note	2016 €	2015 €
Trade payables		97,312	121,000
Accrued expenses	9	<u>881,339</u>	<u>898,266</u>
Financial liabilities		978,651	1,019,266
Deferred income from Government grants	11	32,902	10,830
Other deferred income		-	9,750
Other payables		<u>197,018</u>	<u>136,582</u>
Trade and other payables - current		<u>1,208,571</u>	<u>1,176,428</u>

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. As at 31st December 2016, the Authority had an outstanding receivable balance owned by other governmental entities

amounting to €73,836 (2015: €112,712), and an outstanding payable balance owed to other governmental entities amounting to €63,499 (2015: €112,101).

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.

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 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

	Note	2016 €	2015 €
Classes of financial assets - carrying amounts			
Trade and other receivables	9	948,972	929,013
Cash and cash equivalents	10	979,226	582,474
		<u>1,928,198</u>	<u>1,511,487</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.

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:

	Note	2016 €	2015 €
Current assets			
Financial Assets:			
- Trade and other receivables	9	948,972	929,013
- Cash and cash equivalents	10	979,226	582,474
		<u>1,928,198</u>	<u>1,511,487</u>
Current liabilities			
Financial liabilities measured at amortised cost:			
-Trade and other payables	12	<u>1,208,566</u>	<u>1,176,428</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 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. Statutory information

The Malta Statistics Authority (MSA) ("the Authority") is the Authority which ensures that official statistics produced independently by its executive arm, the National Statistics Office, are reliable, robust, timely and impartial. The Authority is enacted by the virtue of the Malta Statistics Authority Act XXIV, and reports to Maltese Parliament.

Expenditure Schedule I

Administrative and Other Expenditure

	2016	2015
	€	€
Air Conditioning Running Costs	1,129	1,267
Allowances	127,961	140,722
Auditors' remuneration	2,859	808
Bank interest and charges	743	644
Board members' remuneration	50,603	46,800
Cleaning expenses	38,834	35,431
Conference expenditure	614	1,384
Donations and miscellaneous expenses	35	620
Depreciation	53,442	43,256
General expenses	2,581	2,995
Hire of equipment	10,095	9,529
Hospitality and entertainment	8,314	6,459
Insurance fees	4,223	4,126
IT Support – paid by Ministry	125,432	189,152
Consultancy and professional fees	76,805	10,607
Licences, memberships and subscriptions	44,803	38,015
Medical services	50	346
Motor vehicle running expenses	12,793	10,987
Postage and couriers	27,115	24,813
Printing and stationery fees	21,470	24,587
Publicity fees	2,058	7,667
Rental fees	19,242	19,148
Repairs and maintenance	22,943	19,374
RPI Advisory Committee members' remuneration	9,328	8,665
Salaries	4,115,744	3,963,459
Surveys and interviews	138,343	137,007
Training costs	42,845	18,142
Telecommunication costs	21,338	21,399
Travelling expenses	131,578	98,366
Uniforms expenses	4,138	6,707
Water and electricity fees	24,309	24,834
Premises Maintenance	5,491	4,141
	5,147,258	4,921,457

Household Budgetary Survey Expenditure

	2016	2015
	€	€
Surveys and interviews	113,732	279,274
Salaries and overtime	84,518	102,552
Consultancy fees	7,246	-
Printing and stationery fees	161	15,721
Postage and couriers	508	2,043
Telecommunication costs	30	364
Publicity fees	-	194
Travelling expenses	189	767
IT Support	-	-
	<u>206,384</u>	<u>400,915</u>

HBS Expenditure are netted with income in note 3.

Schedule I does not form part of the audited financial statements.



14 February 2017

Director General
National Statistics Office

Service Pension Payable to Public Officers retiring from the National Statistics Office

Reference is made to the amount of € 838,921 due by the National Statistics Office representing the sum accruing as at 31st December 2016, 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 blue ink, appearing to be 'Alfred Camilleri'.

Alfred Camilleri
Permanent Secretary