

Brincat Anna at Parlament-MT

From: Peplow William at NAO
Sent: Tuesday, 11 February 2025 11:12
To: Brincat Anna at Parlament-MT
Cc: Deguara Charles at NAO; Camilleri Noel at NAO; Azzopardi Maria at NAO; Galea Maria-Esmeralda at NAO; Calleja Gera George at NAO; Bugeja Sarah at NAO
Subject: Documentation requested from the NAO (PAC session 66)
Attachments: PAC Request re Financial Data.docx; PAC Request re Documents not Submitted by MFC.docx

Dear Ms Brincat

Attached please find information requested during last week's PAC Session. The first file relates to financial information concerning the deferred income from capital line item 7017 while the second presents lists of outstanding documents and information requested by this Office from MFC.

Best regards

William

William Peplow

Assistant Auditor General
Performance Audit Section

National Audit Office

Notre Dame Ravelin, Floriana FRN 1601, Malta



Email: william.peplow@gov.mt

Office: +356 22055000

Direct: +356 22055047



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Request for documentation that was not submitted to the NAO by the MFC

During the course of the audit, the NAO requested various documentation to the MFC. The main limitations encountered were listed on p.13 of the Report entitled, “*Evaluating the role of the Malta Film Commission in promoting the Maltese film industry*”.

It is to be noted that during the course of the audit, MFC has submitted a considerable amount of documents. Nevertheless, some of the requested documentation was either partially provided or not made available to the NAO. Such circumstances may have materialised as the MFC contended that it does not have or own such documentation. Tables 1, 2 and 3 provide this information.

Table 1: Information requests that were partially addressed

List of Requests	Date requested by email	NAO other notes
Total Generated Value in the Maltese economy for the years 2019, 2020 and 2021 (If possible also provide the breakdown of these totals for each indicated year as per the below table).	01-Jul-22	Reports received address the 40 per cent cash rebate scheme and effect on the economy of installing a Soundstage.
The total participants who attended each of the Film Week events, together with the place of venue.	03-May-23	Information received was incomplete as MFC did not maintain number of attendees for every event. This particularly relates to the Malta Film Awards.
A copy of all sponsorship agreements relating to the Malta Film Week.	03-May-23	The NAO is only in receipt of two agreements.
Full list of all the actual Capital Upgrading of Malta Film Facilities (7017) for 2020 – 2022.	03-May-23	This office received information relating to Direct Orders on works relating to the sound-stage and water tanks. However, this Office was not provided with documentation directly describing the intended use of the Capital Expenditure Vote.
Copies of any documentation, emails, contracts, etc, concerning the Malta Film Commission taking over the management of the Malta Film Studios, that occurred during 2016.	09-Jan-24	The financial statements denote take over of control in 2016. However, the actual agreement was not made available.
Approvals, applications, tender and documentation regarding the process to build Sound Stage.	22-Feb-24	Tenders were not available as project is still in design phase. PA permit available.
All the documentation with regards to ‘Project Icon’.	22-Feb-24	Only the Audit Report of Project Icon was received.

Breakdown of balance composition on MFC Payables – Inter department balances.	02-Oct-24	Matter was discussed during Exit Meeting. Film Commissioner is not fully conversant with nature of balance, however suggested it may represent a repayment of a loan provided by the MFS to the MFC.
FDRS quarterly report on HR'Q4 of 2022.	02-Oct-24	This information was requested to support other documentation relating to work-force. The office is in receipt of report as at Q1, received from MFIN.

Table 2: Information requests that could not be entertained as MFC contends that documentation is not available

List of Requests	Date requested by email	NAO other notes
Copy of the document "Vision 2022-2030" (to include timeline, budgets, results to be achieved).	01-Jul-22	MFC presented draft copy of the strategy.
Copy of latest policies, plans and Standard Operating Procedures (SOPs).	01-Jul-22	
A copy of all the barter agreements relating to the Malta Film Week; If contracts / agreements are not all available, can you please list?	03-May-23	
Gaps in terms of invoices eg: moderators, guests, speakers, hairdressers, makeup artists, accommodation, food, transport – to this end we have forwarded an excel sheet where we requested MFC to complete.	03-May-23	
<i>A list of all the local events (such as festivals / conferences/ any type of substantial stakeholder /networking fora) which the Malta Film Commission participated in during 2020, 2021 and 2022.</i>	03-May-23	
The Annual Report for 2022 (report on MFC activities).	03-May-23	
Documentation (including plans, costs, and outcomes, approvals by the Malta Film Commission Board) concerning the marketing undertaken regarding the film industry for the period 2018 to 2023.	09-Jan-24	

Table 3: Documents that were requested by the NAO and not submitted by MFC

List of Requests	Date requested by email	NAO comments
Copy of the documentation submitted to the State Aid Board regarding the 2024 allocation of funds recently awarded by the EU Commission.	22-Aug-24	
List of MoU's signed by the present film commissioner and a copy of the same documents.	22-Aug-24	Discussed the MoUs signed by the present Film Commissioner during the Exit Meeting.
Agreement with Lands Department re. Ricasoli.	22-Feb-24	The NAO did request this documentation, however, this document was not made available.
Opening balance on bank accounts as at 01.01.2020.	12-Sep-24	Following this request, the MFC submitted the Audited Financial Statements for 2020, 2021 and 2020.
Closing balance on bank accounts as at 31.12 for the years 2020, 2021, 2022 and 2023.	12-Sep-24	
Bank statement extract supporting receipt of sponsorships in relation to the financing of the Malta Film Week 2022.	12-Sep-24	

Documents Requested during Public Accounts Committee (PAC)

Sitting 66

During PAC Sitting on 4 February 2025, the Committee requested the following information:

- A) Cash and cash equivalents at the MFC / MFS as at 31 December 2018 and as at year end 2022
- B) Breakdown of current assets for MFC / MFS as at 31 December 2022
- C) Nature of Receivables other than cash and cash equivalents for year ending 2022

Context: MFC Capital Expenditure Vote 7017 (2018 – 2022)

Based on the Budget Financial Estimates for the years 2020 to 2024, outlining actual expenditure for the years 2018 to 2022, Capital Expenditure disbursed by Central Government through Line 7017 amounted to €7.2 million. Table 1 below provides an outline of the yearly disbursement as per Government Financial Estimates.

Table 1: MFC Capital Expenditure Line Item 7017 (2018 – 2022)

Year (as at 31.12)	Capital Expenditure Line 7017 (€)
2018	Not Applicable
2019	1,499,998
2020	1,499,986
2021	3,000,000
2022	1,237,383
Total	7,237,367

A) Cash and cash equivalents at the MFC / MFS as at 31 December 2018 and as at year end 2022

Table 2: MFC's cash and cash equivalents (2018 and 2022)

Year	Cash and cash equivalents (€)
2018	223,357
2022	758,676

Source: Audited Financial Statements

B) Breakdown of current assets for MFC /MFS as at 31 December 2022

The audited financial statements for 2022 show that the consolidated balance for total current assets held by the MFC / MFS totalled €1,151,180. This balance comprised of:

- Cash and cash equivalents: €758,676; and,
- Trade and trade receivables: €392,504.

C) Nature of Receivables other than cash and cash equivalents for year ending 2022

The *Trade and Other Receivables* for the year 2022, were composed of:

- €104,724 in trade and other receivables, and
- €287,780 disclosed as a Statutory Receivable.