

Lands Authority

Annual Report and Financial Statements

31 DECEMBER 2023



LANDS
Authority



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“To efficiently administer public land and property as entrusted and directed by the Government of Malta.”



“Sabiex tamministra b’mod effiċjenti art u proprjetà pubblika kif mitluba u fdata mill-Gvern ta’ Malta.”



Chairman's Foreword

DR JOHN VASSALLO
CHAIRMAN

The Lands Authority has entered its seventh year since it was set up in 2017.

One wrongful perception which one comes across from time to time is that relating to the actual status and functions of the Lands Authority. In fact, the Authority is not itself the owner of Government property, but it administers Government owned property on behalf of the Government. Whatever the legislation currently in place, and any future legislation, this remains a basic underlying concept.

In carrying out its role during the year 2023, the Authority has continued working in order to address what one may refer to as the culture of management in the context of the transition from the previous Government Property Section to today's Authority. An important aspect of improved management has remained as in previous years the meaningful interaction between the Authority's Board of Governors and the Administration, within the parameters of checks and balances inherent in the setting up of the Authority.

A significant target has been the removal of bottlenecks in areas such as the redemption of emphyteusis and the renewal of expired

emphyteusis at reasonable rates as regulated by specific legislation introduced last year. The relative numbers in these areas ran into thousands.

The use of technology by way of allowing for online applications to the Authority in the context of a paperless project has indeed moved on significantly. This project is meant to be sustained in the current year through the strengthening of human resources as a consequence of planned recruitment programmes. Tied up with this has been the file scanning project, intended not solely for the sake of preserving case records, but ultimately in order to expedite the finalisation of applications received by the Authority.

As to our Legal section, since a sizeable proportion of the Authority's activity is related to legal issues the Administration has seen to it that this section is suitably recruited.

I thank my colleagues in the Board of Governors, the Chief Executive Officer and all the Personnel at the Lands Authority who strive continuously to promote the Authority's work.

CEO's Foreword

MR ROBERT VELLA
CHIEF EXECUTIVE OFFICER

The third year of my tenure as CEO of the Lands Authority has been by far the most eventful yet.

The year 2023 has seen the Lands Authority staff striving once more to achieve a target which we had all been planning and working for in the past years: that of launching the paperless office project in the first quarter of 2024.

I am pleased to report that this has now been fully achieved, and this thanks to the efforts and commitment of all. I fully acknowledge the fact that this milestone could not have been reached if not for the perseverance and hard work of all those directly involved in the project. I must also declare my appreciation for the way in which all the staff at the Authority took on this challenge against what seemed to be impossible odds.

During the same year we also continued to work on all the measures enshrined in the Electoral Manifest which demanded the Lands Authority's direct involvement, to the extent that we are now in a position to reach all targets within the current year. This is a clear demonstration that the Authority fully deserves a rightful place amongst the best performing Government entities.

The schemes that were launched in the past years were further complimented by a new scheme that provides solutions for cases where emphyteutical concessions had expired or were about to expire. This has guaranteed tenure for hundreds of

farmers, residents, and also commercial entities. This scheme will be further complimented by a follow-up scheme to provide stronger titles to tenants of Government-owned commercial properties.

New schemes, new processes. All of these demand a strong, highly trained, and highly motivated workforce, and the Administration is leaving no stone unturned in becoming an employer capable of boasting all of the above. Three years ago we embarked on a project that would provide ad hoc training programmes for the very specific needs of the Authority. I am pleased to announce that a total of 11 employees have successfully managed to complete and graduate in the Award in Sustainable Land Management, a tailor-made course of studies developed in collaboration with the Institute for Climate Change and Sustainable Development at the University of Malta. The next intake of students will be open to the general public, including public entities with similar remits. Our hope is that this shall provide a platform for the introduction of an apprenticeship scheme that will sustain future recruitment efforts.

I have to note that the Authority's workload has increased in volume, but also that the processing timeframes have been reduced significantly. This is mainly due to the digitalisation of most processes,



but also to the recruitment of internal and external help. Also, the Administration has been constantly supported in its initiatives by the Chairman and the Members of the Board of Governors. I have to acknowledge the fact that the Board's encouragement and support, aided by the efforts of the Chief Audit Officer in ensuring proper vigilance and governance of all our processes, are a constant reminder that we must strive to maintain the fine balances created over the past seven years, and that harmony in these essential relationships is a key aspect of the success of the entire organisation.

Finally, in leaving 2023 behind us, we look forward to a year where one of our main focuses shall be a substantial internal and external recruitment

programme. The Administration shall also be working on closing negotiations on a new Collective Agreement for all staff. It is our hope that this shall provide a strong platform to ensure adequate salaries and conditions for the existing staff, but shall also allow us to compete with other entities in recruiting the best public officers.

As I start my second three-year term, I must express my deepest gratitude for the support I have received from all my colleagues, the Chairman and the Board of Governors, the Chief Audit Officer, and all the Ministry officials, over the course of this challenging, but thoroughly satisfying, first term. I hope that I shall have time and opportunity to repay your efforts in the coming years.

Board of Governors

The following have served as board of governors of the Authority during the year under review:

- Dr John Vassallo - Chairperson
- Dr Ernest Azzopardi - Deputy Chairperson
- Dr Maria Cardona
- Dr Odette Lewis
- Mr Paul Mifsud
- Mr Joseph Scalpello
- Dr Lauren Ellul (resigned on 21 February 2024)
- Mr Cleaven Tabone
- Hon Rebecca Borg (resigned on 13 January 2024)
- Hon Alex Muscat
- Hon Stanley Zammit (appointed on 13 January 2024)
- Dr Paula Axiaq (appointed on 21 February 2024)
- Mr Paul Bugeja (appointed on 21 February 2024)

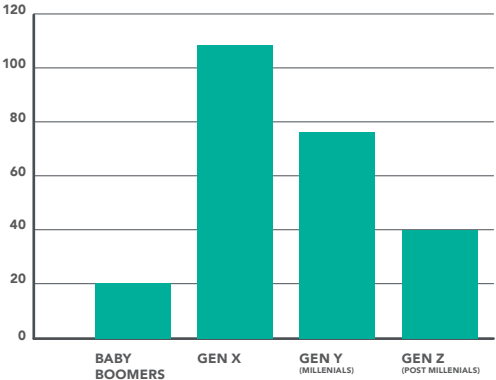




Lands Authority: Our People

At the Lands Authority, success is driven by the dedication and expertise of team members. In 2023, the Authority maintained its commitment to efficiently manage Government-owned land, guided by core principles and a collaborative ethos.

Generations



It is essential to recognize the diverse generational composition of the Lands Authority’s workforce. The team comprises individuals from various age groups, each bringing unique perspectives and experiences to the Authority. Among the employees, there are representatives from Generation Z (Post-Millennials), Generation Y (Millennials), Generation X, and Baby Boomers. This multigenerational workforce enhances the collaborative environment, fostering innovation, mentorship, and knowledge exchange across different age cohorts. The contributions of each generation are valued, and efforts are made to foster an inclusive workplace where all employees can thrive and contribute to the collective success of the Authority.

Gender



Within the workforce, a balanced representation across genders is maintained, with 115 female employees and 117 male employees. This gender diversity plays a vital role in cultivating an inclusive and equitable workplace environment, where individuals of all genders are valued, respected, and empowered to contribute their unique perspectives and talents. The significance of promoting gender diversity and equality within the Authority is acknowledged, as it not only enhances team dynamics but also reinforces the commitment to creating a workplace that is inclusive and supportive for all employees, irrespective of gender identity.

Estate Management & Business Development

The Estate Management Directorate emerges as the central operational core of the Lands Authority, tasked with the management of public properties.

This includes, among other things, maintaining accurate property records, facilitating the transfer of vacant properties through public tenders, and allocating properties to Government Entities, Local Councils, and businesses for specific purposes such as placing tables and chairs and installing billboards. The Directorate also plays a pivotal role as a primary source of reference for all internal sections within the Authority.

The year 2023 was marked by addressing gaps within each Section, particularly the Rural Section, developing strategic plans to reduce backlogs, establishing sub-committees, and enhancing cooperation with various Government entities to improve the Authority's overall efficiency.

Moving forward, 2024 is expected to be a crucial year in the development of the Estate Management Directorate, aligning with the Authority's objectives. The team has developed a two-year plan to remove



all physical records stored on the first floor of the Authority and continue with the GIS (Geographical Information System) training program started in late 2023. The team plans to create additional sub-committees, increase the standardisation of processes and other measures to foster a more proactive mindset across the Directorate.

Rural Section

In 2023, the Rural Section kept the momentum in the processing of Agricultural Land Scheme Applications (ALPS). Later during the year a thorough internal assessment was conducted to determine the precise number of pending applications, aiming to establish a way forward.

Notwithstanding the challenges faced over the past year, the team has consistently maintained a positive approach and ensured that it is aligned with the Authority's objectives. The section introduced the Affixation process along with the obligation agreements concerning transfers of agricultural leases with structures covering an area exceeding 44 metres squared. The past year was also characterized by the launching of the GLA29 online application aimed at addressing agricultural properties with expired and/or about to expire emphyteutical concessions. In addition, the section has successfully implemented the AGR12 application allowing existing quarries to be granted a title of temporary emphyteusis.

In 2024 it is projected that the presentation format of cases to the Agricultural Advisory Committee is enhanced. The Authority intends to proceed with ongoing work on the ALPS applications and continue addressing AGR11 applications backlog. Additionally, the Rural Section will continue with its efforts to address new applications entrusted, that are, the GLA29 and AGR12 applications.

Applications Section

The main method of communication with the Authority by tenants is through online applications which can be accessed through the Authority's portal. The applications section processes hundreds of applications on a monthly basis. The amount of applications received has been increasing steadily year after year but the team is focused on managing the applications expediently. This section processes 9 different online applications that are: GLA1, GLA7, GLA9, GLA11, GLA22, GLA28, PLA1, GOV1 Type C and LC1 Type C. In 2023 the global amount of applications managed and processed by this section exceeded **800**.

Encroachments Section

In 2023, the Encroachments Section received around **300** requests related to encroachments. Requests include applications for consent to submit a Development Planning Application, as well as for an encroachment concession after the Planning Authority process is complete. Requests for an encroachment concession include outdoor catering areas (OCAs), billboards, cesspits, tower cranes, placing LPG tanks and beach concessions.

During 2023, the Section has continued to refine its standard operating procedures to improve its functions, as well as facilitate processes for clients submitting an application or requiring the Authority's assistance on a particular matter. Meetings with other stakeholders, including other Government entities and Authorities were held to enable a better and shared understanding of day-to-day operations and complex issues, facilitating collaboration thereby enhancing the quality of service provided to citizens.

In recent years, the requests for OCAs in large open spaces, squares and streets have increased as commercial and even residential property owners are changing the use to Class 4C or Class 4D catering establishments. Following the completion of a master plan for Misraħ ir-Repubblika in Valletta, the Encroachments Section is coordinating the application process for other master plans in other strategic locations around Malta.

The Encroachments Section was also a stakeholder in proposals led by the Malta Tourism Authority and Infrastructure Malta, including the Mellieħa Parish Square regeneration project and the Vittoriosa Square project.

Government Applications Section

In 2023, the Government Applications section continued to build its momentum of previous years, with a primary focus on refining the vetting and processing procedures for GOV1 applications submitted by Government entities. At the outset of the year, exclusive attention was given to GOV1 Type B1 applications, specifically those related to property allocation/lease, and B2 applications, pertaining to the transfer of rights and obligations for Government property.

As the year unfolded, the Section undertook a progressive expansion of its responsibilities. In the latter half of the year, there was a strategic shift towards vetting all GOV1 applications from Governmental entities, including Type A applications (requests for information on Government property) and a dual role in both

processing and vetting GOV1 Type C applications (seeking approval to submit Planning Authority applications).

While shouldering increased responsibilities, the section demonstrated proactivity by launching various initiatives aimed at aiding Government entities in the regularization and formalization of diverse allocations. By the close of the year, the section successfully cultivated a comprehensive approach to scrutinizing applications submitted to the Lands Authority by Governmental entities. The increased duties and proactive initiatives facilitated the development of a robust analytical capability within the section.

Notwithstanding the notable achievements of 2023, the Government Entities section remains resolute in its commitment to ongoing improvement initiatives within the team.

Property Records Section

The key functions of the Property Records Section include maintaining and updating Government property records, providing information on online applications, updating the GIS, processing the transfers to the Housing Authority and participating in the Paperless Project.

In October, a new GIS system was introduced to host the latest Ortho imagery and basemaps provided by the Planning Authority to facilitate the production of Property Drawings and records management.



Registration and Expropriations Section

The aim of the section within the Lands Authority is to register Government land and prepare all the documentation and plans needed for the expropriation of land for public purpose. In terms of information provided, plans, and other services, the section operates effectively and maintains positive relationships with other organizations, authorities, and sections such as Infrastructure Malta, Land Registration Agency, and Housing Authority.

Several objectives were reached in 2023. These include: an agreement between the Authority and the Land Registration Agency regarding applications and registration issues and the establishment of a process for Notaries to submit land registry plans in such applications.

For 2024, one of the primary tasks is to launch an online application for the Expropriations. This application is being created with the intention of requiring third

parties to provide accurate plans and comprehensive information on expropriation requests. Another issue to be tackled in 2024 is the Notaries' request for information regarding overlaps.

Research & Policy Section

Data is collected from each section every month and is then analysed and presented as a quarterly data report to the Administration. These reports are particularly important to ensure a continuous grasp on the efficiency and deliverance of the Lands Authority's output.

During the last quarter of this year another challenging task was entrusted to the Section, that is the gathering of KPIs amongst all the Sections that fall under the Estate Management Directorate. Testing of the system was underway during the last months of the year and should be going live starting 2024.

As the Section in charge of liaising with Local



Councils, the main tasks involve daily contact with the local councils particularly meeting with several Mayors and Executive Secretaries and also keep a close and frequent contact with the Section of Local Government and the Parliamentary Secretariat of the Local Councils.

Devolution lease agreements duration were increased from 3 years to 5 years to reflect the change made in the local council legislature duration. One notable change that the Authority has done this year was the capping on devolution lease annual fees. Annual rents of properties devoluted to Local Councils, if their valuation exceeds €500, the rent would be capped at this amount. This is of great aid to the local councils in their financial expenditures. Renewals are ongoing and require a process of new valuations, PD drawings and drafting of new lease agreements. The section is also in charge of LC1 online applications.

Sports & Commercialisation of Vacant Properties Section

This Section is in charge of managing and processing GOV1 Type B online applications concerning Sports. It is this Section's function to act as a focal point between the Lands Authority, Sports Malta and the Sports Clubs/NGOs. Several meetings are attended on a regular basis with Sports entities to discuss and eventually facilitate their requests. These requests are then submitted through Sports Malta in order to be processed by this Section.

As from end of this year, the Section was assigned additional responsibilities consisting of the commercialisation of vacant properties.

A project which will see a big percentage of the Authority's vacant properties being offered to the public with a Tender process.

Technical Services Section

This Section assists various other sections within the Authority mainly in the preparation of property drawings for disposal, rental valuations of Government properties, Garage Scheme valuations, apportionments of various properties burdened by emphyteusis and the creation of property numbers. This Section works on plans to obtain Planning Authority permits for various urgent works to be carried out on Government properties which are in immediate need of maintenance.

In 2024 this Section aims to provide assistance to the Rural Section in property drawings. This Section will continue to be involved in drawings related to major Government capital projects while providing technical assistance to the Directorate and to the Authority.

Valuations Section

During the year 2023 the Valuations Section issued 241 requests for Valuation Reports.

As at the end of 2023, the vast majority of the cases were processed by the Valuations Section with only cases initiated at the end of the year still in progress. In addition, the Section concluded a number of cases initiated in 2022.

Contracts Directorate

The **Contracts Directorate** is responsible for most of the contracts entered into by the Lands Authority, which mainly includes contracts of sale and lease agreements following a call for public tender and the contracts following a Parliamentary Resolution. There are also other types of contracts which are published in accordance with the dispositions of disposal as stipulated in Part III of the Government Lands Act.

The Contracts Directorate finalises lease agreements following the tender procedure and also the allocation agreements in connection with properties allocated to Ministries and Government Sections and Leases to Government entities. In all, **12** leases following a public tender, **10** allocations to Government Sections and **23** lease agreements to Government Entities were signed. Apart from that, **3** leases to NGOs and **3** transfer of leases by goodwill procedure were also signed.

With the introduction of online applications in 2020, Contracts Directorate is in charge of GLA25, application for the purchase of *garages owned by Government in a Govt. Housing Estate granted under a title of temporary emphyteusis or lease*. In total, during 2023, **43** applications were received out of which **13** contracts were finalised.

In 2022, a new legal notice number 232 of 2022 was promulgated for the Direct Disposal of Residual Sites of Government Property forming part of a larger Development. Applications under this legal notice are submitted through the online application GLA28. The Contracts Directorate published **11** contracts.

In 2023, **61** tenders were also published.

Acquisitions for public purpose (Expropriations)

One of the main functions of the Lands Authority is to take over private property, or terminate existing commitments on Government land for public purpose.

This process is also conducted by the Contracts Directorate and which process is defined in Part IV of the Government Lands Act. By virtue of the expropriation process, the Government is enabled to carry out major infrastructure works and other projects of benefit to the Maltese society.

In 2023, **141** new Declarations for the acquisition of property and **2** new Declarations for possession and use were issued. These were mainly in connection with the major road projects and some of them also for the finalisation of past outstanding acquisitions to compensate the owners whose land was expropriated prior to 2003.

During 2023, **7** terminations of agricultural leases of Government property required for public purposes were concluded.

No declarations for subsoil rights were published.

Finally, in 2023, **18** releases and **9** revocations were published, this resulting in land being released or transferred back to the original owners. This involved land in various localities around Malta which were formerly expropriated for public purposes and was no longer required by Government.

Past Acquisitions

The Lands Authority is responsible to carry out the acquisition proceedings according to law. The current procedure dictates that any Government entity requesting an acquisition for a public purpose is to provide the full funds that are required to formalize an expropriation. This procedure was introduced in 1994 and ensures that the Authority has the necessary funds prior to proceeding further.

The Government every year provides a budget allocation out of the consolidated fund in order to try and extinguish the accumulation of the acquisition debts for expropriated property prior to 1994. The budget allocation for the year 2023 was of **€8,500,000**. However, due to a number of court decisions which exceeded the budgetary allocation for that year, a further **€4,960,667** were allocated by the Ministry of Finance in order to be able to adhere to these court decisions. There was also an allocation of **€200,000** for expropriations in connection with property used for social purposes.

Land Arbitration Board

In virtue of the dispositions of CAP 573, whenever a land owner institutes proceedings before the Land Arbitration Board (LAB), the procedure is that there must be proof of ownership of the land prior to proceeding forward with the case. The Notaries vet the root of title and makes all the necessary verifications to ascertain that there is ownership to the land. Total number of cases pending at the LAB by end of 2023 amounts to around 750 cases.



Legal section

Recognitions

Recognitions are a substantial portion of the work conducted in the Legal section. It is carried out by vetting the property file and determining whether the proper emphyteuta/tenant is recognised on the proper tenement. A letter is sent to the new emphyteuta/tenant upon the finalisation of this process.

As from the 1st November 2023, the recognition process was simplified by means of an online form REC1 which applies to any person who acquired a property burdened with a ground-rent or subject to a lease imposed by the Government, the Authority or an Ecclesiastical entity and has to be recognised by the Authority.

Following the vetting process, the emphyteuta/tenant receives the recognition letter together with the relative invoice to settle the arrears in ground-rent as well as to pay the laudemium when it comes to the emphyteutical requests.

During the year, **892** Recognitions were finalised.

Redemptions and Ċedoli

Redemption is the process whereby the emphyteutae purchases the directum dominium to stop paying the ground rent (canone). It mainly consists of vetting of the root of title and establishing whether there are any breaches in the original concession.

After this stage a case officer report is drafted, and the redemption price is calculated. The finalising of the redemption process is the appearing on the deed of redemption. In cases of schedules of redemption, the Legal section takes care of vetting and gives the go ahead for withdrawing the amount of redemption deposited in court.

A total of **282** Redemptions and Ċedoli were concluded during 2023.

Diritto di Seguito and Cancellation of Hypothecs

These are post redemption processes and the Legal section appears on contracts in cases of transfers after redemption or else when there is a request to cancel the hypothec for development to take place.

The Legal section finalised **34** processes in this regard.

Conversions

Conversions are also the remit of the Legal section. This is the process of converting a temporary ground-rent into a perpetual one. The Authority has instances where the conversion is a contract condition and instances where the applicants apply in virtue of the 'Housing (Decontrol) Ordinance' (Chapter 158 of the laws of Malta).

During 2023, the section concluded **39** conversions.

In the legal section, regarding court matters, lawyers are responsible for providing legal advice, sending legal letters and judicial letters, and even representing the Authority before the Maltese Courts. These cases are varied, and currently, the Authority's appointed lawyers are representing the Authority in cases before the Land Arbitration Board, the Administrative Review Tribunal, the First Hall Civil Court, and the First Hall Civil Court (Constitutional). There are also some cases before the Arbitration Centre.

Before the Land Arbitration Board, there are around 740 pending cases. Before the Administrative Review Tribunal, there are around 10 pending cases. Before the First Hall Civil Court, including the Constitutional section, there are around 140 pending cases.



Compliance Directorate

The Enforcement and Compliance function within the Lands Authority is responsible for ensuring adherence to applicable laws and regulations. It involves inspecting and investigating reported alleged abuses of Government land.

Works related to Enforcement Officers

- Inspections
- Drawing up of status reports supported with photos
- Deliveries of Official letters, when letters are being returned
- Deliveries of Eviction Orders (Assisting Court Marshalls)
- Executing of Eviction Orders
- Handing of warning letters to all tenants i/c/w keeping of animals within Government residential property
- Handing of letters to all tenants' i/c/w illegal construction at roof level
- Attending Court Summons
- Retrieving of keys on termination of leases
- Inspection relating to reading W/E meters and assisting Water Service Corporation during the removal of W/E meters
- Assisting client during the viewing of LA property during tenders procedure
- Assisting transport contractor during carting away of goods found within LA property during direct action
- Assisting contractor during works related to Health Hazard. i.e. blocked drains, rat infestation, clearing of material left within LA property
- Handing of letters related to activities/celebrations
- Joint inspections with MTA officials for work related to Beach Concessions and Tables and Chairs Eviction Orders
- Clearance of tables and chairs due public activities
- Police assistance request
- MSD works request. (Manufacture Services Section)

2023	AFFIXED LETTERS TO CALL	HEALTH HAZARD	GENERAL INSPECT	TERMINATION OF LEASES	EXEC. OF EVICTION	COURT SUMMONS	VIEWING I/C/W TENDERS	MSD WORKS	KEYS	TOTAL
TOTAL	2623	1	3501	25	2	13	28	45	8	6246

Corporate Services Directorate

The Corporate Services Directorate serves as the backbone of the Authority, providing essential support functions to ensure operational efficiency and effectiveness. It provides support services to all Directorates across the Authority in areas of business strategy, general corporate affairs, training and development, human resources management, ICT, customer care, finance, registry management, marketing and public relations.

Finance section

Throughout the year, the Corporate Services Directorate maintained diligent financial oversight, ensuring transparency and accountability in all financial transactions. The team is focused on ensuring that all invoices are issued correctly and in a timely manner, while chasing amounts that fall due. The Authority collected over €40 million in revenue during 2023. Meanwhile, the team ascertained that all payments to suppliers are issued when they fall due.

Human Resources

In 2023, the Lands Authority filled 29 vacancies from within its ranks and welcomed 6 new technical experts to the team. Looking ahead to 2024, the Authority's focus is on further expansion through the recruitment of experienced and skilled professionals. Strategic recruitment initiatives are aimed at fortifying the workforce and enhancing capabilities to fulfil its mission.

In 2023, the HR section collaborated with the University of Malta to provide employees with the chance to enrol in a bespoke Award in Sustainable Land Management. This program, designed to cover all aspects of the Authority's work, saw 11 employees successfully completing and receiving the award. Expanding on this achievement, the Authority is in the process of developing a subsequent program: an Undergraduate Certificate in Sustainable Land Management and Estate Management. This endeavour seeks to offer employees additional career advancement prospects within the Authority.

The commitment to employee development at the Lands Authority is clearly demonstrated through its comprehensive training initiatives. In 2023, a thorough analysis was conducted to identify areas

for further training and development within the teams. Subsequently, a customized training plan for 2024 was formulated, with a primary emphasis on addressing skills gaps. Throughout 2024, a wide array of training courses will be implemented, covering topics such as management, first aid, fire warden training, finance overview, business English, report writing, customer care skills, GDPR compliance, mental health awareness, and conflict management.

ICT

In 2023, the Lands Authority embarked on a comprehensive series of Information and Communication Technology (ICT) initiatives to enhance its operational efficiency and modernize its processes. These initiatives encompassed a range of measures aimed at leveraging technology to streamline various aspects of the Authority's functions.

One of the key initiatives undertaken was the implementation of new WiFi connectivity throughout the Lands Authority premises and the replacement of outdated network switches. These upgrades provide reliable and high-speed internet access to staff and a more reliable internal network, facilitating seamless communication and ensuring smooth data transmission and connectivity for all users.

One notable achievement of the ICT initiatives was the implementation of a new geographical information portal. Built on the latest ESRI technology, this portal served as a centralized platform for accessing and analyzing geographic data related to land management. The portal hosted a variety of spatial data layers, including ortho imagery, base maps, and historical raster images dating back to 1900, provided by the Planning Authority.

Specifically designed to meet the needs of the Estate Management Directorate within the Lands Authority, the geographical information portal enabled staff to upload, georeference, and overlay detailed ACAD drawings onto existing geographic data. This functionality facilitated the generation of property plans and supported various land management activities.

Overall, the ICT initiatives undertaken by the Lands Authority in 2023 represented a significant step forward in its efforts to embrace technology and innovation in land management. By leveraging modern tools and techniques, the Authority aimed to enhance its operational efficiency, improve service delivery, and ensure sustainable land use for the benefit of all stakeholders.

Customer Care

The customer care section is responsible for ensuring that customers receive exceptional service and support when lodging queries with the Authority. The customer care team focuses on responding to customer inquiries in a timely and professional manner, assisting customers in resolving concerns, providing helpful and accurate information and managing customer complaints effectively and empathetically. During 2023 the Authority received over 36,000 enquiries both at the Malta office and Gozo office. Interactions are mainly in the form of emails and phone calls.

	2023
Emails	16,338
Walk-In	5,997
Telephones	14,282
TOTAL	36,617

Operations

The role of the Registry Section in the Lands Authority has changed to adapt to the new work environment of a paperless office. This strategy is aimed at digitizing all physical files to its database. It is estimated that the Authority has over 150,000 files in its archives, of which, over 34,000 have been scanned, uploaded on the Authority's database and sealed. Lands Authority successfully eliminated all physical files in circulation by March 2024. This initiative will result in an Authority that operates with greater efficiency and effectiveness, facilitated by improved access to information. It also reduces cost and minimizes environmental impact. Moreover, the Authority can optimise its use of human resources by retraining and reallocating staff whose roles were previously tied to physical files to more pertinent tasks.

Additionally, the Authority continued developing online forms, offering a channel for submitting requests via the Authority's portal. During the year, six new online forms were developed covering areas such as Agricultural Leases, Recognitions, Expropriations and Sports. This initiative serves to enhance overall operational efficiency within the Authority.

Efforts have been made to develop and improve on the existing online workflows to enhance the Authority's processes through automation and better collaboration within different Directorates.

The Corporate Services Directorate continued to play a vital role in supporting the overall mission and objectives of the Lands Authority. The team is proud of the accomplishments over the past year and remains committed to excellence in providing essential services and support functions to facilitate the success of the Authority.



Internal Audit and Investigations Directorate

The Lands Authority Act Chapter 563 of the Laws of Malta, establishes the Internal Audit and Investigations Directorate (IAID) as well as the role of the Chief Audit Officer (CAO) in Article 19.

Moreover, Article 24(1) requires the Chief Audit Officer (CAO) to prepare a separate annual report for the Internal Audit and Investigations Directorate (IAID) and present this to the Board of Governors, the Chief Executive Officer (CEO) of the Lands Authority, the Prime Minister, the Minister responsible for the authority and the Speaker of the House of Representatives within the first quarter of the year. This report provides a walk-through on the work carried out by IAID and provides a summary of the cases investigated in the preceding year.

During the year 2023, the IAID proposed a number of audits projected over the next four years. An audit was launched on the Information Technology component of the Authority, to examine whether the present infrastructure, LEMIS, is adequate in supporting the needs of the Authority in terms of capacity, efficiency and professionalism. The preliminary results emanating from this audit were compiled into a report which was discussed with the top management. Furthermore, a plan is being devised for the implementation of the recommendations originating from the report.

Adding another tier for additional checks on the decisions taken by the CEO, the IAID by way of random sampling, has also scrutinised 226 (two hundred and twenty-six) files to ensure overall transparency in the decisions taken. Notwithstanding this process lays further responsibility on the IAID's role, it provides reassurance that the processes and procedures adopted by the Authority in its operations reflect a high level of efficiency and transparency.

Article 19(10)(c) of the Lands Authority Act Chapter 563, requires the IAID to investigate

transactions of which the value exceeds €100,000 (one hundred thousand). This Directorate also ensures that the valuation process undertaken follows the procedure established in the Standard Operating Procedures compiled by the directorate responsible.

By virtue of Article 19(7), the IAID is bound to address complaints received for investigation. These complaints may be lodged by the general public or organisations who suspect any irregularity taking place within the Authority or has reason to suspect that a criminal offence is about to be or is committed on public funds or property. The IAID thus also serves as a focal point whereby the citizens in general may lodge any concerns relating to the administration of public property.

Mediation has been introduced as a proactive approach in the investigation of the cases presented. This method is key in certain cases between the Authority and third parties so that these cases are resolved in a timely manner. Cases which are not resolved end up at the Administrative Tribunal and Courts resulting in prolonging of the cases to the detriment both of the authority in terms of resources and also to the alleged aggrieved party because there is a longer process and waiting time for the case to be concluded.

Alternatively, complaints may also be lodged directly to the Ombudsman who in turn must liaise with the IAID. During the year 2023, the IAID has investigated a caseload of 24 cases. 7 (seven) of these cases were pending from the precedent year, 17 (seventeen) cases were received in 2023. 11 (eleven) of these cases were received from the Office of the Ombudsman, 5 (five) cases were received from the Commissioner for the

Environment and Planning, and another case was received from the Commissioner for Health. The Commissioner for the Environment and Planning and the Commissioner for Health also form part of the Office of the Ombudsman. The IAID acts as a point of reference between the Office of the Ombudsman and the Lands Authority.

During 2023, this directorate convened regular meetings with the Chief Finance Officer within the Lands Authority with the aim to review some of the processes to ensure that the funds of the authority are being administered in the best manner possible.

In the forthcoming year, the IAID, aims to pursue the audit plan. This directorate will also continue to ensure a timely response to all the cases lodged so that any alleged aggrieved parties receive feedback without undue delays. Building on the two pillars of efficiency and transparency will allow this directorate to keep the reputation built, and keep being trusted both by the authority's officials and the citizens in general. Similarly, the IAID will pave the way for better cooperation with the stakeholders whilst promoting good governance.





The accomplishments detailed in this Annual Report underscore the Authority's commitment to excellence and progress. As the Lands Authority reflects on its achievements in 2023, the management also recognises the challenges that lie ahead.

Moving forward, the management remains dedicated to improving on the Authority's strengths while addressing areas of improvement. With unwavering determination, the management is focused on continuing to advance and deliver value to all of the Authority's stakeholders.

Lands Authority Report & Financial Statements

31 December 2023

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Report of the board of governors

The Board of the Lands Authority (the "Authority") presents its report and the audited financial statements for the year ended 31 December 2023.

Board of governors

The following have served as board of governors of the Authority during the year under review:

Dr John Vassallo – Chairperson
Dr Ernest Azzopardi – Deputy Chairperson
Dr Maria Cardona
Dr Odette Lewis
Mr Paul Mifsud
Mr Joseph Scalpello
Dr Lauren Ellul (resigned on 21 February 2024)
Mr Cleaven Tabone
Hon Rebecca Borg (resigned on 13 January 2024)
Hon Alex Muscat
Hon Stanley Zammit (appointed on 13 January 2024)
Dr Paula Axiaq (appointed on 21 February 2024)
Mr Paul Bugeja (appointed on 21 February 2024)

Principal activities

The principal activities of the Authority are to administer and make best use of all the land of the Government of Malta and all land that forms part of the public domain.

Results

During the year, the Authority registered a surplus of € 3,597,674 (2022: € 591,379).

The result for the year is arrived after taking into consideration Government subvention received amounting to € 9,220,000 (2022: € 7,914,999), recurrent expenditure amounting to € 8,094,970 (2022: € 9,768,972) and other income amounting to € 2,472,644 (2022: € 2,445,352).

Approved by the board of governors on 2 April 2024 and signed on its behalf by:


Dr John Vassallo
Chairperson


Dr Ernest Azzopardi
Deputy Chairperson

Registered address
Auberge de Baviere
St Sebastian Street
Valletta VLT 2000
Malta

2 April 2024

Board of governors' responsibilities for the financial statements

The Lands Authority Act, 2017 (the "Act") requires the Authority to keep proper books of accounts and other records in respect of its operations and to prepare financial statements in respect of each financial year.

In preparing such financial statements, the following procedures have been adopted:

- selects suitable accounting policies and applies them consistently;
- makes judgements and estimates that are reasonable and prudent;
- accounts for income and charges relating to the accounting period on the accruals basis;
- values separately the components of asset and liability items on a prudent basis; and
- report comparative figures corresponding to those of the preceding accounting period.

The board of governors is responsible for keeping proper accounting records which disclose with reasonable accuracy, the financial position of the Authority and to enable it to ensure that the financial statements have been prepared in accordance with the requirements of International Financial Reporting Standards (IFRSs). It is also responsible for safeguarding the assets of the Authority and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The board of governors is responsible to ensure that the Authority establishes and maintains internal control to provide reasonable assurance with regard to reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations.

After reviewing the Authority's results and plans for the coming financial year, the board of governors is satisfied that at the time of approving these financial statements, the information provided in this report is a true reflection of the position of the Lands Authority.

Signed on behalf of the board of governors of the Lands Authority by:


Dr John Vassallo
Chairperson


Dr Ernest Azzopardi
Deputy Chairperson

2 April 2024

Statement of income and expenditure

	Notes	2023 €	2022 €
Income	5		
Government funding		9,220,000	7,914,999
Other income		2,472,644	2,445,352
		11,692,644	10,360,351
Expenditure			
Staff costs	6	(8,697,753)	(6,360,810)
Legal and professional fees		(963,570)	(1,062,679)
General repairs and utility (income) expenses		828,654	(970,689)
Administrative and other expenses		(1,262,301)	(1,374,794)
		(8,094,970)	(9,768,972)
Net excess of income over expenditure		3,597,674	591,379

Balance sheet

	Notes	2023 €	2022 €
Assets			
Non-current			
Intangible assets	7	33,356	40,454
Fixed assets	8	36,964	59,207
		70,320	99,661
Current			
Receivables	9	365,193	1,122,068
Cash and cash equivalents	10	8,185,987	5,121,940
		8,551,180	6,244,008
Total assets		8,621,500	6,343,669
Reserves			
Reserves		6,549,978	2,952,304
		6,549,978	2,952,304
Liabilities			
Current			
Trade and other payables	11	2,071,522	3,391,365
		2,071,522	3,391,365
Reserves and liabilities		8,621,500	6,343,669

The financial statements on pages 4 to 19 were approved and authorised for issue by the board of governors on 2 April 2024 and signed on its behalf by:


Dr John Vassallo
Chairperson


Dr Ernest Azzopardi
Deputy Chairperson

Statement of changes in equity

	Reserves
	€
At 1 January 2022	2,360,925
Excess of income over expenditure for the year	591,379
At 31 December 2022	2,952,304
At 1 January 2023	2,952,304
Excess of income over expenditure for the year	3,597,674
At 31 December 2023	6,549,978



Statement of cash flow

	Notes	2023 €	2022 €
Operating activities			
Excess of income over expenditure		3,597,674	591,379
Adjustments	12	29,341	67,138
Net changes in working capital	12	(562,968)	329,345
Net cash generated from operating activities		3,064,047	987,862
Investing activities			
Payments to acquire fixed assets		(121,615)	(108,729)
Funds from capital votes		121,615	108,729
Net cash used in financing activities		-	-
Net changes in cash and cash equivalents		3,064,047	987,862
Cash and cash equivalents, beginning of year		5,121,940	4,134,078
Cash and cash equivalents, end of year	10	8,185,987	5,121,940

Notes to the financial statements

1 Nature of operations

The Lands Authority (the “Authority”) is a public corporate body with regulatory responsibilities relating to administering all the land of the Government of Malta. The Authority has wide ranging responsibilities essentially involving the administration in the most ample of manners and making best use of all the land belonging to the Government of Malta, and all land forming part of the public domain.

2 General information and statement of compliance with International Financial Reporting Standards (IFRSs)

The Lands Authority was established by law on 3 February 2017 and is an autonomous body constituted by the Lands Authority Act, Chapter 563, and reports annually to Parliament. The Authority is the single regulator for the administration of the land of the Government of Malta and is comprised of the board of governors appointed by the Prime Minister. Up to March 2022, the Authority fell under the Ministry of Economy and Industry. After the election of March 2022, the Authority fell directly under the Ministry for the Economy, EU Funds and Lands. As from 6 January 2024, the Authority falls directly under the Ministry for Lands and the Implementation of the Electoral Programme.

The financial statements of the Authority have been prepared in accordance with IFRSs as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union, and in accordance with the Lands Authority Act, Chapter 563.

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

3 New or revised standards or interpretations

3.1 New standards adopted as at 1 January 2023

Some accounting pronouncements which have become effective from 1 January 2023 and have therefore been adopted do not have a significant impact on the Authority’s financial results or position.

Standards and amendments that are effective for the first time in 2023 and could be applicable to the Authority are:

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Definition of Accounting Estimates (Amendments to IAS 8)
- International Tax Reform—Pillar Two Model Rules (Amendments to IAS 12)

These amendments do not have a significant impact on these financial statements and therefore no disclosures have been made.

3.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Authority

At the date of authorisation of these financial statements, several new, but not yet effective, standards and amendments to existing standards, and interpretations have been published by the IASB. None of these standards or amendments to existing standards have been adopted early by the Authority and no interpretations have been issued that are applicable and need to be taken into consideration by the Authority.

Standards and amendments that are not yet effective and have not been adopted early by the Authority include:

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
- Non-current Liabilities with Covenants (Amendments to IAS 1)
- Lack of Exchangeability (Amendments to IAS 21)

These amendments are not expected to have a significant impact on the financial statements in the period of initial application and therefore no disclosures have been made.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New standards, amendments and interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Authority's financial statements.

4 Material accounting policies

An entity should disclose its material accounting policies. Accounting policies are material and must be disclosed if they can be reasonably expected to influence the decisions of users of the financial statements.

Management has concluded that the disclosure of the entity's material accounting policies below and in the succeeding pages are appropriate.

4.1 Overall considerations

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Authority's accounting policies.

The financial statements have been prepared using the material accounting policies and measurement bases summarised below and in the succeeding pages.

The material accounting policies have been consistently applied by the Authority and are consistent with those used in previous years.

4.2 Income and expense recognition

Government subvention

Income from subvention voted to the Authority from the consolidated fund is accrued for in accordance with the Authority's approved budget for the year.

Expenses

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

4.3 Intangible assets

Intangible assets are initially recorded at cost. They are subsequently stated at cost less accumulated amortisation and impairment losses.

Amortisation is provided at rates intended to write down the cost of the assets over their expected useful lives. The annual rate used is as follows:

	%	Method
Computer software	10	Straight line

4.4 Fixed assets

Items of fixed assets are initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by management.

Fixed assets are derecognised on disposal or when no future economic benefits are expected from their use. Gains or losses arising from derecognition represent the difference between the net disposal proceeds, if any, and the carrying amount, and are included in the statement of income and expenditure account in the period of derecognition.

Depreciation is charged on a straight-line basis so as to write off the cost of the assets over their estimated useful lives using the rates below.

	%	Method
Improvements to premises	20	Straight line
Furniture and fixtures	10	Straight line
Computer and electronic equipment	20	Straight line
AC and other equipment	20	Straight line

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

4.5 Impairment testing of intangible assets and fixed 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, which is the higher of its fair value less costs of disposal 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 current market assessment of the time value of money and asset-specific risk factors.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

4.6 Government funds from capital votes

Government funds from capital votes relating to the purchase of fixed assets are accounted for using the capital approach and are thus deducted from the carrying amount of the relative fixed assets.

4.7 Financial instruments

Recognition and derecognition

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

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost;
- fair value through profit or loss (FVTPL); or
- fair value through other comprehensive income (FVOCI).

In the years presented, the Authority does not have any financial assets categorised as FVPTL and FVOCI.

The classification is determined by both:

- the Authority's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

Subsequent measurement of financial assets

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Authority's cash and cash equivalents and receivables fall into this category of financial instruments.

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses - the 'expected credit loss (ECL) model'. This replaces IAS 39's 'incurred loss model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured FVTPL.

Recognition of credit losses is no longer dependent on the Authority's first identifying a credit loss event. Instead the Authority considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1'); and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Classification and measurement of financial liabilities

As the accounting for financial liabilities remains largely the same under IFRS 9 compared to IAS 39, the Authority's financial liabilities were not impacted by the adoption of IFRS 9. However, for completeness, the accounting policy is disclosed below.

The Authority's financial liabilities include trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Authority designated a financial liability at FVTPL.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in statement of income and expenditure are included within finance costs or finance income.

4.8 Income taxes

The Authority is exempt from any liability for the payment of any tax on income or duty on documents.

4.9 Cash and cash equivalents

For the purpose of the balance sheet and cash flow statement, cash and cash equivalents comprise cash in hand and cash at bank.

4.10 Provisions, contingent assets and contingent liabilities

Provisions for legal disputes, onerous contracts or other claims are recognised when the Authority has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Authority and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Provisions are measured at the estimated expenditure required to settle the present obligation based on the most reliable evidence available at the reporting date, including risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Authority can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

4.11 Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of these financial statements requires management to make judgements, estimates and assumptions. Use of available information and application of judgement are inherent in making estimates. Actual results in future could differ from such estimates and the differences may be material to the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized on the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Except as disclosed below, in the opinion of the board of governors, 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 (Revised).

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment of non-financial assets

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate (see note 4.5).

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

5 Income

The Authority is entitled to a yearly subvention from the Government of Malta. The subvention from consolidated fund was allocated as follows:

	2023 €	2022 €
Subvention received	9,220,000	7,914,999
Total subvention received	9,220,000	7,914,999

In addition to the above, during the year under review the Authority received an amount of € 2,288,288 (2022: € 2,183,680) being 7% of total rents collected on behalf of and remitted to the Government of Malta. The Authority also retained an amount of € 184,356 (2022: € 261,672) being administrative fees on expropriations charged.

6 Staff costs

	2023 €	2022 €
Wages and salaries	6,273,424	5,938,055
Social security	424,329	422,755
	6,697,753	6,360,810

The average number of persons employed by the Authority during the year was:

	2023 No.	2022 No.
Operations (full-time)	232	243
Operations (part-time)	1	1
	233	244

7 Intangible asset

The carrying amounts of the Authority's computer software are as follows:

	Computer software
	€
Cost	
At 1 January 2022	346,164
Additions	<u>180,628</u>
At 31 December 2022	<u>526,792</u>
Funds from capital votes	
At 1 January 2022	275,185
Additions	<u>180,628</u>
At 31 December 2022	<u>455,813</u>
Amortisation	
At 1 January 2022	23,427
Charge for the year	<u>7,098</u>
At 31 December 2022	<u>30,525</u>
Carrying amount	
At 31 December 2022	<u>40,454</u>
Cost	
At 1 January 2023	526,792
Additions	<u>130,899</u>
At 31 December 2023	<u>657,691</u>
Funds from capital votes	
At 1 January 2023	455,813
Additions	<u>130,899</u>
At 31 December 2023	<u>586,712</u>
Amortisation	
At 1 January 2023	30,525
Charge for the year	<u>7,098</u>
At 31 December 2023	<u>37,623</u>
Carrying amount	
At 31 December 2023	<u>33,356</u>

8 Fixed assets

Fixed assets comprise improvements to premises, furniture and fixtures, computer and electronic equipment and AC and other equipment. The carrying amounts can be analysed as follows:

	Improvements to premises €	Furniture and fixtures €	Computer and electronic equipment €	AC and other equipment €	Total €
Cost					
At 1 January 2022	22,610	173,254	308,860	119,867	624,591
Additions	525	26,384	60,465	21,355	108,729
At 31 December 2022	23,135	199,638	369,325	141,222	733,320
Funds from capital vote					
At 1 January 2022	-	81,859	78,474	89,876	250,209
Additions	525	26,384	60,465	21,355	108,729
At 31 December 2022	525	108,243	138,939	111,231	358,938
Depreciation					
At 1 January 2022	21,429	36,861	175,818	21,027	255,135
Charge for the year	770	9,148	44,914	5,208	60,040
At 31 December 2022	22,199	46,009	220,732	26,235	315,175
Carrying amounts					
At 31 December 2022	411	45,386	9,654	3,756	59,207
Cost					
As at 1 January 2023	23,135	199,638	369,325	141,222	733,320
Additions	3,278	36,434	76,414	5,489	121,615
At 31 December 2023	26,413	236,072	445,739	146,711	854,935
Funds from capital vote					
At 1 January 2023	525	108,243	138,939	111,231	358,938
Additions	3,278	36,434	76,414	5,489	121,615
At 31 December 2023	3,803	144,677	215,353	116,720	480,553
Depreciation					
As at 1 January 2023	22,199	46,009	220,732	26,235	315,175
Charge for the year	411	9,148	8,928	3,756	22,243
At 31 December 2023	22,610	55,157	229,660	29,991	337,418
Carrying amounts					
At 31 December 2023	-	36,238	726	-	36,964

On incorporation, the Authority took over certain fixed assets which were previously shown on the books of the Lands Department. The value of these assets is not included in these financial statements.

9 Receivables

	2023 €	2022 €
Accrued income	349,586	1,108,510
Other receivables	15,607	13,558
Financial assets	365,193	1,122,068

The carrying value of financial assets is considered a reasonable approximation of fair value.

10 Cash and cash equivalents

Cash and cash equivalents in the balance sheet and cash flow statement include the following components:

	2023 €	2022 €
Cash at bank	8,184,387	5,120,540
Cash in hand	1,600	1,400
Cash and cash equivalents	8,185,987	5,121,940

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

11 Trade and other payables

	2023 €	2022 €
Trade payable	109,169	149,704
Accruals	1,375,006	404,577
Other payables	587,347	2,837,084
Financial liabilities	2,071,522	3,391,365

The carrying value of financial liabilities is considered a reasonable approximation of fair value.

12 Adjustments and net changes in working capital

The following non-cash flow adjustments and net changes in working capital have been made to the excess of income over expenditure for the period to arrive at operating cash flow:

	2023 €	2022 €
Adjustments:		
Depreciation charge of fixed assets	22,243	60,040
Amortisation of intangible assets	7,098	7,098
Total adjustments	29,341	67,138
Net changes in working capital:		
Change in receivables	756,875	(455,798)
Change in trade and other payables	(1,319,843)	785,143
Total net changes in working capital	(562,968)	329,345

13 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 of governors and focuses on actively securing the Authority's short to medium term cash flows by minimising the exposure to financial risks.

The most significant financial risks to which the Authority is exposed to are described below. See also note 13.5 for a summary of the Authority's financial assets and liabilities by category.

13.1 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 periods, as summarised below:

	Notes	2023 €	2022 €
Classes of financial assets - carrying amounts			
Receivables	9	365,193	1,122,068
Cash and cash equivalents	10	8,185,987	5,121,940
		<u>8,551,180</u>	<u>6,244,008</u>

The Authority's management considers that the above financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

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

The credit risk for liquid funds is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

13.2 Liquidity risk

The Authority's exposure to liquidity risk arises from its obligations to meet its financial liabilities, which comprise trade and other payables (see note 11). 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 manages its liquidity needs through cash flow forecasts by carefully monitoring expected cash inflows and outflows on a daily basis. The Authority's liquidity risk is not deemed to be significant in view of the matching of cash inflows and outflows arising from expected maturities of financial instruments, as well as the Authority's reliance on funding available from the Government of Malta.

The Authority's financial liabilities at the reporting dates under review are all short term and their contractual maturities fall within one year (see note 11).

13.3 Foreign currency risk

The Authority transacts in euro and therefore the Authority has no exposure to foreign currency risk.

13.4 Interest rate risk

The Authority is exposed to interest rate risk on its bank balances at variable rates.

The Authority does not expect significant shifts in the interest rates in the next 12 months. Based on current market conditions a change of +/- 25 basis points in the market interest rates is considered possible. Consequently, the effect on the results of the Authority resulting from a change in the cash returns derived from variable short term assets would be considered negligible.

13.5 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 categorized as follows. See note 4.7 for explanations about how the category of financial instruments affects their subsequent measurement.

	Notes	2023 €	2022 €
Current assets			
Financial assets measured at amortised cost:			
- Receivables	9	365,193	1,122,068
- Cash and cash equivalents	10	8,185,987	5,121,940
		<u>8,551,180</u>	<u>6,244,008</u>
Current liabilities			
Financial liabilities measured at amortised cost:			
- Trade and other payables	11	2,071,522	3,391,365
		<u>2,071,522</u>	<u>3,391,365</u>

14 Post-reporting date events

There were no adjusting or significant non-adjusting events which occurred between the end of the reporting period and the date of authorisation by the board.

Independent auditor's report

To the board of governors of Lands Authority

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Lands Authority set out on pages 4 to 19 which comprise the balance sheet as at 31 December 2023, and the statement of income and expenditure, statement of changes in equity and statement of cash flow for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Authority as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU), and have been properly prepared in accordance with the Lands Authority Act, 2017.

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 of the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act, Cap. 281 that are relevant to our audit of the financial statements in Malta. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The board of governors are responsible for the other information. The other information comprises the report of the board of governors and the board of governors' responsibilities for the financial statements shown on pages 2 to 3 which we obtained prior to the date of this auditor's report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information.



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.

Based on the work we have performed, in our opinion the information given in the report of the board of governors for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 report of the board of governors and other information that we obtained prior to the date of this auditor's report. We have nothing to report in this regard.

Board of governors' responsibilities for the financial statements

The board of governors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs as adopted by the EU, and for such internal control as board of governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In addition, the Lands Authority Act, 2017 states that the Authority shall cause to be kept proper books of account and other records in respect of its operations and shall cause to be prepared a statement of accounts in respect of each financial year.

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

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

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 the ISAs, we exercise professional judgement 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 board of governors.



- Conclude on the appropriateness of board of governors' 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 those charged with governance 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.

The engagement partner on the audit resulting in this independent auditor's report is Mark Bugeja.



Mark Bugeja (Partner) for and on behalf of

GRANT THORNTON
Certified Public Accountants

Fort Business Centre
Triq L-Intornjatur, Zone 1
Central Business District
Birkirkara CBD 1050
Malta

2 April 2024



Income statement schedules

	2023	2022
	€	€
Income		
Government funding	9,220,000	7,914,999
Other income	2,472,644	2,445,352
	11,692,644	10,360,351
Administrative expenditure		
Staff costs	6,697,753	6,360,810
Legal and professional fees	947,094	1,035,827
Audit fee	16,475	26,852
Staff training	19,791	45,304
Depreciation and amortization	29,341	67,138
Electricity expenses	373,094	268,044
Telecommunication expenses	27,642	41,231
Other operating expenses	5,856	3,894
Insurance	40,817	41,899
Medical expenses	7,515	11,065
Bank charges	22,968	12,300
ICT expenses	184,578	185,719
Hospitality	34,470	104,453
Bad debts	18,054	5,737
Cleaning expenses	87,163	94,331
Sundry expenses	38,214	37,566
General repairs and upkeep	145,602	127,062
Office expenses	4,754	17,249
IT equipment	4,448	3,441
Rent	40,787	39,533
Office rent	21,184	21,450
Printing and stationery	78,561	100,206
Subscriptions	14,620	2,145
Documentation	222,983	230,978
IT consumables	1,468	4,377
Advertising	85,289	89,789
Motor vehicle maintenance	8,176	5,779
Hire of transport	58,672	59,041
Fuel expenses	23,057	26,544
Licenses	1,691	225
Fines	129	159
Evictions	(1,222,662)	671,043
Burthens and Emphyteusis	4,981	4,595
Donations	16,855	15,699
Corporate social responsibility	33,550	7,487
	8,094,970	9,768,972
Net excess of income over expenditure	3,597,674	591,379

Cash collected and remitted to Government

	2023 €	2022 €
Rent of rural tenements	247,936	239,512
Perpetual leases	738,644	412,146
Rent for residential tenements	941,074	1,056,840
Rent for non-residential tenements	294,566	1,133,045
Rent for commercial tenements	10,306,407	11,129,238
Rent of property occupied by Government department	5,281,517	5,110,005
Payment of encroachment Government property	1,606,470	1,523,738
Temporary ground rent	9,271,637	6,860,741
Rents from ex-church property	3,627,294	3,239,667
Total rents	32,315,545	30,704,932
Sale of Government lands etc.	7,452,301	10,092,567
Miscellaneous receipt	374,288	490,507
Total miscellaneous receipts	7,826,589	10,583,074
Total	40,142,134	41,288,006

Cash collected and remitted to government for the year under review totaled € 40,142,134 (2022: € 41,288,006). In 2024, the estimated cash collection amounts to € 40,300,000 (2023: € 40,100,000).

2 April 2024

Grant Thornton
Fort Business Centre
Triq L-Intornjatur, Zone 1
Central Business District
Birkirkara CBD 1050
Malta

Dear Sirs,

This representation letter is provided in connection with your audit of the financial statements of Lands Authority (the "Authority") for the year ended 31 December 2023 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the financial position of the Authority as of 31 December 2023 and of the results of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the Lands Authority Act, 2017.

We confirm that we have fulfilled our responsibilities, on behalf of the board of governors, for the fair presentation of the financial statements in accordance with IFRSs as adopted by the EU.

Certain representations in this letter are described as being limited to matters that are material. Items are considered to be material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of the surrounding circumstances, makes it probable that the judgement of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, the following representations:

1. The financial statements referred to above are fairly presented in accordance with IFRSs as adopted by the EU.
2. We have provided you with:
 - i. access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation, and other matters;
 - ii. additional information that you have requested from us for the purpose of your audit; and
 - iii. unrestricted access to persons within the Authority from whom you determine it necessary to obtain audit evidence.
3. There were no minutes relevant to this audit, of meetings of board of governors.
4. There have been no communications from regulatory authorities concerning non-compliance with, or deficiencies in, financial reporting practices.

Address:
Auberge de Baviere,
St. Sebastian Street,
Valletta VLT 2000

Telephone:
+356 2122 4015/7

E-mail:
info.la@landsauthority.org.mt

www.landsauthority.org.mt



5. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements. The attached summary of adjusting journal entries for the year ended 31 December 2023, which have been proposed by us, are approved by you and will be recorded on the books of the Authority.

6. FSS and NI have, where applicable, been correctly deducted and accounted for on all relevant payments made by the Authority to its employees.

7. All receivables are collectible.

8. The bases and assumptions we have used in measuring fair values, taken individually and as a whole, provide a reasonable basis for the fair value measurements and disclosures in the Authority's financial statements, and that these appropriately reflect Authority's intent and ability to carry out specific courses of action on behalf of the company where relevant to the fair value measurements and disclosures.

9. We acknowledge our responsibilities for making the accounting estimates included in the financial statements. Where it was necessary to choose between estimation techniques that comply with IFRSs, we selected the estimation technique considered to be the most appropriate to the Authority's particular circumstances for the purpose of giving a true and fair view. Those estimates reflect our judgement based on our knowledge and experience about past and current events and are also based on our assumptions about conditions we expect to exist and courses of action we expect to take. In that regards, adequate provisions have been made for any impairment losses identified in relation to fixed assets and intangible assets.

10. We understand that the term "fraud" includes misstatements resulting from fraudulent financial reporting and misstatements resulting from misappropriation of assets. Misstatements resulting from fraudulent financial reporting involve intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users. Misstatements resulting from misappropriation of assets involve the theft of an Authority's assets, often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorisation.

We acknowledge our responsibility for the implementation and operations of accounting and internal control systems that are designed to prevent and detect fraud and error.

There have been no instances of fraud or suspected fraud affecting the Authority involving:

- i. management;
- ii. employees who have significant roles in internal control; or
- iii. others where the fraud could have a material effect on the financial statements.

There have been no allegations of fraud, or suspected fraud, affecting the Authority's financial statements communicated by employees, former employees, analysts, regulators or others.

11. We confirm that we have reviewed all financial assets and liabilities outstanding as of balance sheet date and have correctly classified them as either:

- financial assets and financial liabilities at fair value through profit or loss;
- financial assets and financial liabilities at amortised cost; or
- financial assets and financial liabilities through other comprehensive income

in accordance with the requirements of IFRS 9 - *Financial Instruments*, and that they are appropriately recorded at their fair value, amortised cost or cost based on their classification.



We have reviewed the risk disclosures included in the financial statements as required under IFRS 7 - Financial Instruments: Disclosures. We confirm that we have satisfied ourselves that the qualitative information included represents adequately the risk management processes and procedures operated during the year. We are satisfied that the disclosed quantitative information disclosed is reasonable. We are satisfied that the quantitative information disclosed relating to the sensitivity analysis has been based on the knowledge and experience of the board of governors.

12. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
13. We have no plans to abandon lines of product or other plans or intentions that will result in any excess or obsolete stock, and no stock is stated at an amount in excess of net realisable value.
14. We have disclosed to you all the information of which we are aware regarding the identification of related parties and all the related party relationships and transactions. Related party transactions and related amounts receivable or payable, including sales, purchases, loans, transfers, leasing arrangements, and guarantees have been properly recorded or disclosed in the financial statements.

For the purpose of this letter, we understand the following to be the definition of the term “related party”:

Affiliates of the Authority; entities for which investments are accounted for by the equity method by the Authority; trusts for the benefit of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of management; principal owners of the Authority; its management; of governors of the immediate families of principal owners of the Authority and its management; and other parties with which the Authority may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests. Another party also is a related party if it can significantly influence the management or operating policies of the transacting parties or if it has an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.

15. There are no guarantees, whether written or oral, under which the Authority is contingently liable.
16. There are no:
 - i. Unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with IAS 37 - *Provisions, Contingent Liabilities and Contingent Assets*.
 - ii. Other material liabilities or gain or loss contingencies that are required to be accrued or disclosed by IAS 37.
17. The Authority has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
18. The Authority has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of non-compliance.
19. To the best of our knowledge and belief no other events have occurred subsequent to the reporting date and to the date of this letter that would require adjustment to, or disclosure in, the aforementioned financial statements.





20. In our opinion, it is appropriate for the going concern basis to be adopted in preparing the financial statements. In making this judgement, we have paid particular attention to:
- i. circumstances which we consider may occur in the period up to 1 April 2025;
 - ii. any planned or expected changes in operations in that period;
 - iii. the need to disclose in the financial statements information regarding any significant uncertainty regarding going concern in the financial statements.


After making these enquiries, we have a reasonable expectation that the Authority has adequate resources to continue operations for the foreseeable future.

21. We confirm that the above representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, of inspection of supporting documentation) sufficient to satisfy ourselves that we can properly make each of the above representations to you.

The approval of this letter of representation was minuted by the board of governors at its meeting on 2 April 2024.


Signed on behalf of the board of governor.

Yours faithfully,



Dr John Vassallo
Chairperson

2 April 2024



Dr Ernest Azzopardi
Deputy Chairperson

2 April 2024

The Governors
Lands Authority
Auberge de Baviere
St Sebastian Street
Valletta VLT 2000
Malta

Grant Thornton
Fort Business Centre,
Mriehel Bypass
Birkirkara BKR 3000
Malta

T +356 20931000
F +356 21331161
www.granthornton.com.mt

Our ref: MB/bb/84624

2 April 2024

Dear Sirs,

Financial statements for the year ended 31 December 2023

During our audit for the year ended 31 December 2023, we have reviewed the accounting system and procedures operated by Lands Authority (the "Authority"). We set out, in this report, the more important points that arose as a result of our review.

1 Maintaining separate accounts for accrued income and expenses

During our review of accruals, we noted that the accrued income and accrued expenses are both recorded in one account (30401102-Other Accruals). Consequently, at the end of each financial period we are passing a reclassification adjustment to separate the accrued income from accrued expenses.

We recommend that the Authority should maintain separate accounts for accrued income and accrued expenses as in our view this will facilitate review and monitoring of balances. This will also ensure that whenever the Authority prepares management accounts the balances of accrued income and accrued expenses are properly reported and disclosed.

Management responses:

A separate account will be opened.

2 Post-closing entries

It was noted that year-end adjustments totalling € 549,673 relating to the year ended 31 December 2023 were passed on to us by the Authority after the trial balance was submitted to us to commence the audit.

Whilst we appreciated that at the time of closing not all information may be available, we believe that such adjustments can be accounted for before the trial balance is finalised or at the time of preparation of financial reports during the year.

We suggest that the Authority prepares monthly schedules and analyses of major balance sheet and income statement accounts. These schedules and analyses should be carefully reviewed for completeness and accuracy and if necessary, any unusual items should immediately be investigated and adjusted immediately.

Management responses:

Year-end adjustment was mainly made of the Planning Authority fines. During the end of year review an accrual was posted but an adjustment to it was posted when the actual statement from Planning Authority was received.

Going forward, the Planning Authority balance will be reviewed at least every Quarter.

3 Statement of fines from Planning Authority

During our audit work on the area of creditors, we noted that the Authority was not able to obtain the statement of fines from the Planning Authority at or near year-end before the start of the audit fieldwork to confirm the year-end balances and to ensure the completeness of the books of account.

In view of this, at the time of preparation of its final accounts, the Authority had to book an estimated amount of accrued fines.

The statement of fines from the Planning Authority was received in February 2024 at which point an adjustment had to be passed to reverse the amount estimated and recognise the correct amount of fines. This adjustment amounted to €376,946 and represented an over estimation of the fines payable.

We recommend the Authority keeps its efforts to obtain statements from all its creditors, including the Planning Authority, on a regular basis. This will ensure that the Authority's creditors are properly recorded in the accounts and that any differences or disputes are identified and resolved promptly.

Management responses:

As stated in point 2 above, the Authority will review balance with Planning Authority on a Quarterly basis to establish a regular communication with our creditor.

4 Long outstanding payables

As at 31 December 2023, we noted that some creditor balances had been outstanding for more than 60 days:

Creditors	€
M SHOP	2,950
Q.P. Management	1,888
CONVERSA	931
GANZA	339
60 days and over	6,108
Professional Survey Services	649
90 days and over	649
BIG MAT	4,414
Professional Survey Services	413
120 days and over	4,827
Total long-outstanding creditors	11,584

We recommend that the Authority reviews these amounts and, either settles them if still due, or else reverses them if it transpires that they are not due.

Management responses:

As stated in all of the Purchase Orders, the Authority may take up to 90 days to pay its payables. Invoices may take longer to be paid due to pending internal verifications. However, the majority of the Authority's payables are paid within 30 days.

All above suppliers were paid in January 2024.

5 Fixed asset register

When reviewing the fixed asset register, we noted that the serial numbers for each asset are not attached to the respective assets. Although the Authority maintains a separate listing of its assets acquired every year, it is important that the serial numbers in the fixed asset register are added and updated.

This will enable the Authority to enhance control over its fixed assets. It provides a suitable inventor checklist which may be used to determine whether assets previously purchased are still in existence or in use. We, therefore, recommend that the Authority's fixed asset register is complete and accurate.

Management responses:

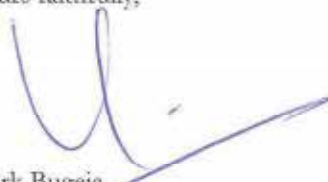
Serial numbers in the Fixed asset register will be updated.

Conclusion

We would like to point out that the matters dealt with in this report came to our notice during the conduct of our normal audit procedures which are primarily designed for the purpose of expressing an opinion on the financial statements of the Authority. In consequence our work did not encompass a detailed review of all aspects of the system and cannot be relied upon necessarily to disclose defalcation or other irregularities or to include all possible improvements in internal control that a more extensive special examination might develop.

We would like to take this opportunity to thank Ms. Jessica Cefai and her staff for their co-operation and assistance during the course of the audit.

Yours faithfully,



Mark Bugeja
Partner



LANDS
Authority

MALTA HEAD OFFICE

Auberge de Baviere
St. Sebastian Street,
Valletta, Malta VLT 2000

Telephone: +356 2122 4016
+356 2295 3000

Freephone: 1577

Website: landsauthority.org.mt

Email: customercare.la@landsauthority.org.mt

GOZO OFFICE

Ministry for Gozo
St. Francis Square,
Victoria Gozo – Malta, VCT 1335

Telephone: +356 2215 6815