



---

# Press Release

---

PR192654

16.12.2019

## **PRESS RELEASE BY THE OFFICE OF THE SPEAKER**

Speaker of the House of Representatives Anġlu Farrugia is publishing this press release by way of clarification with regard to a number of points raised by an article published today, 16<sup>th</sup> of December 2019, by the *Times of Malta*.

Speaker Farrugia, as head of the Parliamentary Service, fully understands the importance of following the best accounting practices in order to provide an accurate picture of financial matters, and in this regard appreciates the observations and the recommendations made by the National Audit Office (NAO) in its first audit since the coming into force of the Parliamentary Service Act in January 2017.

In this respect, a number of attempts were made to improve the level of financial accounting and reporting of the Service, namely through the sponsoring of training of its staff, and through the subsequent issue of two calls for applications. Whilst the successful candidates of the first two attempts found alternative, better remunerated employment elsewhere, the latter call did not yield any results.

With regard to the presentation of accounts, Speaker Farrugia wishes to point out that a financial report containing a set of accounts drawn up from the Department Accounting System (DAS) was presented and all the financial data therein was made available to the NAO. The remarks of the NAO emphasised the non-presentation of formal financial statements, of which shortcoming is being addressed with urgency by the Parliamentary Service as per NAO's recommendation. The same report referred to by the *Times of Malta* also includes the following management comments:

‘As pointed out by the NAO, for the service to be fully autonomous and truly independent of Government and its accounting systems, the Service agrees that it needs to restructure its internal accounting organisations. To this end, the Service is committed to establish a more professional accounting service within the HOR, by engaging the services of a reputable accounting firm to assist in the proper maintenance of accounting records and in the preparation of the proper financial statements in line with its legal obligations.

In addition, it intends to also acquire and make use of an accounting software package which is truly independent from that of central government, similar to the other parliamentary officials.

The Service is committed to engage such services as soon as possible in order to bring its financial statements in line with international accounting and reporting standards.’

With regard to the remark concerning agreements signed retrospectively, namely that relating to cleaning services ‘costing the tax payer more than €43,000 a year’, and the one relating to audio-

**Attachments: none**

**Page: 1 of 2**

visual services ‘amounting to more than €77,000 a year’, Speaker Farrugia wishes to point out that the delay resulted from the Service’s wishes to abide by proper financial regulations and, due to prolonged discussions in arriving at more favourable conditions, thus resulting in savings in public funds. Quoting again from the NAO’s report:

‘Whilst every effort was made to conclude the said agreements in time, negotiations to secure favourable conditions in respect of certain contracts, at times with foreign contractors, have prolonged said talks leading to the conclusion of agreements well beyond the appropriate time frames.’

Speaker Farrugia also refers to the issue raised in the NAO report, regarding insufficient documentation supporting payments to political groupings in Parliament amounting to €200,000 split equally between the two main political parties. In this respect, he fully concurs with the comments made by NAO, so much so that this matter has been brought up in all the financial plans of the Parliamentary Service submitted to date to the House Business Committee.

The Speaker finally notes that the above clarifications were already available in the report which the *Times of Malta* is referring to, which report was published by the NAO and presented to the House by the Speaker on the 2<sup>nd</sup> of December 2019. In this regard, Speaker Farrugia adds that his Office would have gladly provided any clarifications should they have been sought, prior to publication of the article in question in today’s print and online versions.