

2021
**annual
report**



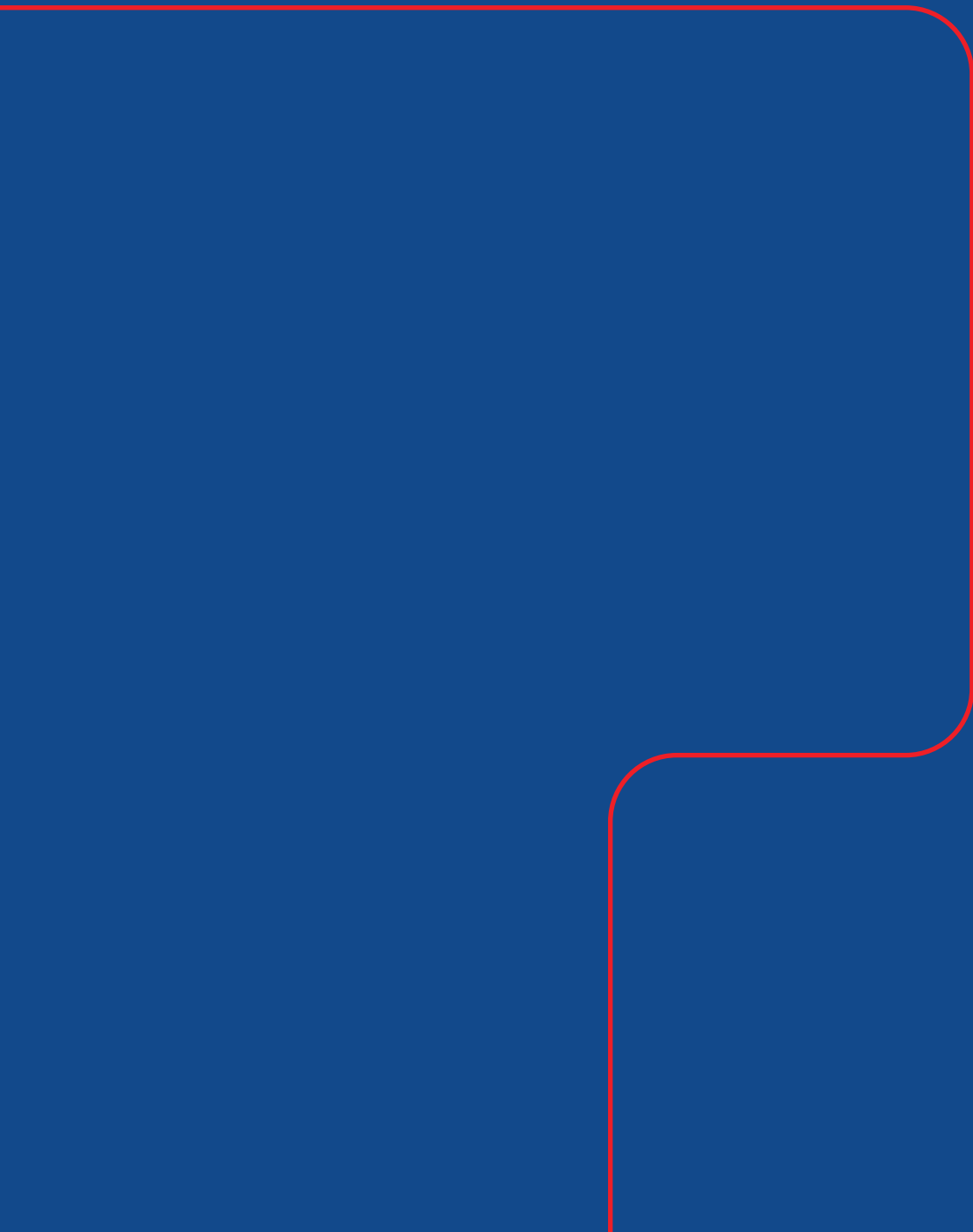


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foreword





Welcome to this annual report. This is my first full year in my 5-year mandate in the position of Commissioner. I have been appointed by the Prime Minister, after having consulted with the Leader of the Opposition, in December of last year. Before my appointment, I have spent a long career working in the field of the protection of personal data, an area which has become my passion and in which I have wholeheartedly invested my energies to ensure that the fundamental rights and freedoms of natural persons are indeed upheld.

I have always been motivated by the work and opportunities created by my predecessors in order to continue building successes for the ultimate benefit of data subjects. Although our role in the ecosystem is not to get praised for the work which we are legally bound to do, I have received messages of clear support and encouragement for the degree of attention, rigour and professionalism that we dedicate in the handling of complaints. I am committed to provide assurances that our work will continue relentlessly and without there being the need to blow trumpets!

Complaints and the notification of personal data breaches have increased over the past periods and that demonstrates that data protection rules are indeed being taken more seriously. The majority of incidents happen mainly in the gaming and financial services sectors and due to human errors, where personal data unintentionally or negligently are be disclosed to third parties notwithstanding the safeguards that the controller or processor would have in place in terms of technical security measures and training to employees, particularly those who handle personal data.

At an EU level, a number of data regulation regimes forming part of the Union's digital strategy are still being discussed, among which the Digital Markets Act, the Digital Services Act, the Data Governance Act and the Artificial Intelligence Act, which effectively show that data protection law, although a technology-neutral and a principle-based legislation, was never going to address all the data issues in one instrument. It is important to continue following developments on this front.

I'd like to say a few final words on our role as a regulator of the Freedom of Information Act. Open government laws are certainly a necessary instrument in every democratic society to keep public authorities fully in check through the effective oversight of the law. Our job is to ensure that public authorities are transparency and accountability in the manner how they make use of public resources. During the year under review, we have experienced a spike in the volume of FOI complaints - whether this will remain the trend for the coming years still needs to be seen. My commitment is to invariably investigate these cases in a fair and equitable manner and in accordance with established facts and the provisions of the Act.

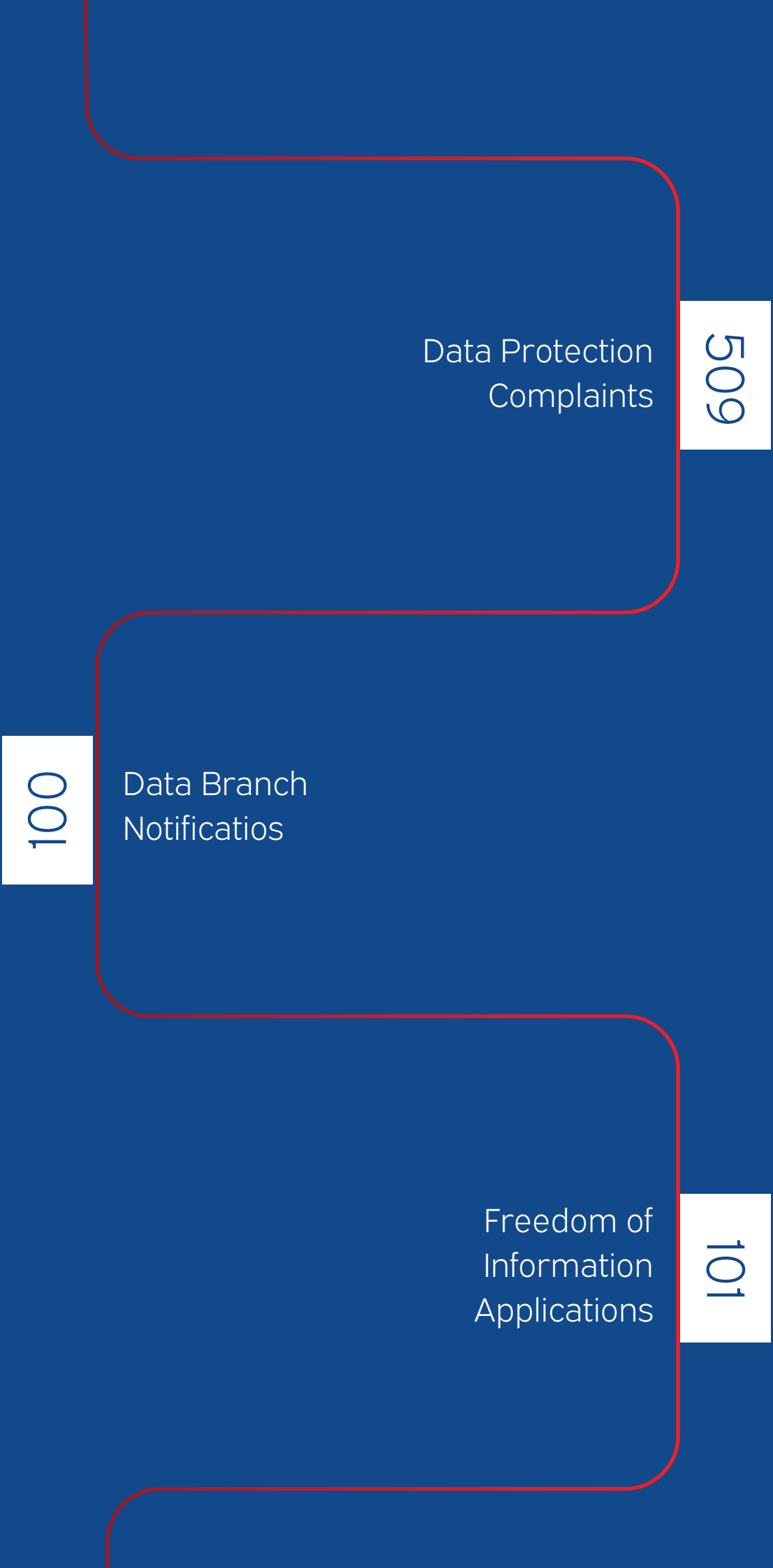
I hope that this report provides you with the information which we have conducted during 2021 in a clear manner. There is more to be done and my team and I are committed to continue our journey by making the necessary improvements to the make our work more visible and effective.

Ian Deguara

Information and Data Protection Commissioner

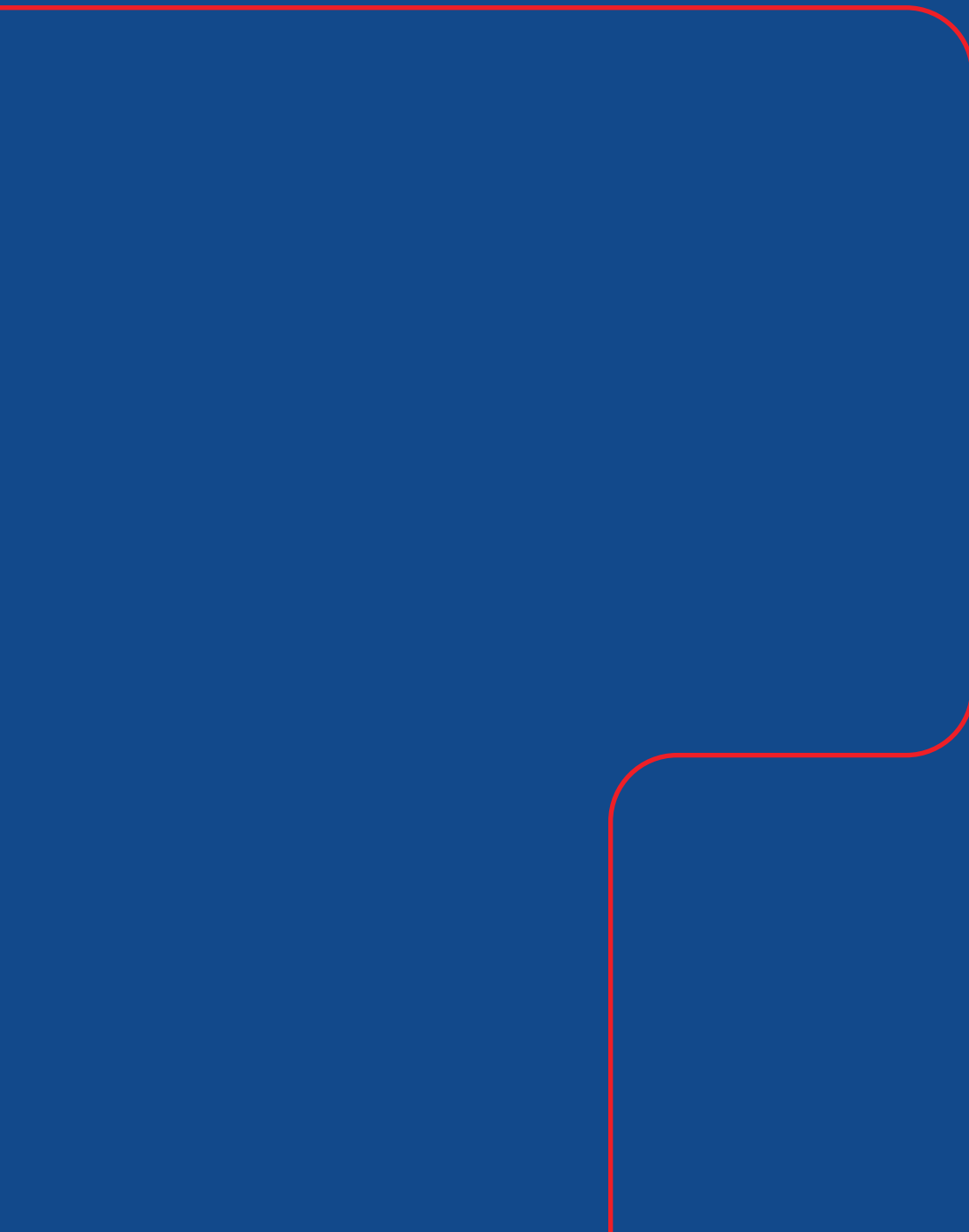
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year 2021 at a glance



02

our office



2.1 Our Mission and Vision

The Office of the Information and Data Protection Commissioner (IDPC) is the independent supervisory authority responsible for monitoring and enforcing the General Data Protection Regulation and the Data Protection Act (Cap. 586 of the Laws of Malta), including the regulations made thereunder. The IDPC is also responsible for promoting the observance by the relevant public authorities of the requirements of the Freedom of Information Act (Cap. 496 of the Laws of Malta).

The mission of the IDPC is to ensure a high level of protection to the rights and freedoms of natural persons.

2.2 Our strategic objectives

By performing its tasks and duties, the IDPC aims at:

- introducing a culture where safeguarding data protection rights is perceived as a natural process that forms an integral part of organisations' operations, rather than a legal burden;
- increasing the level of trust by the general public that their personal data is used in accordance with the requirements of data protection legislation;
- enforcing data protection legislation by taking appropriate corrective action against controllers and processors which are found infringing the law;
- assisting SMEs in complying with the data protection legislation;
- taking initiatives to raise data protection awareness, also making use of dedicated EU funds to achieve this objective;
- communicating extensively with stakeholders;
- contributing to the consistent application of the General Data Protection Regulation by cooperating with its European counterparts through the consistency mechanism and participating as active member to European Data Protection Board fora; and
- ensuring transparency and good governance by public authorities.

2.3 Laws the IDPC regulates



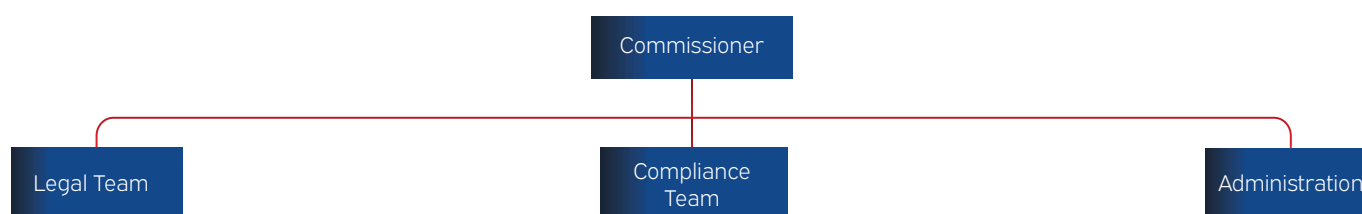
2.4 Staff complement and Budget

During 2021, the staff complement at IDPC consisted of fifteen (15) full-time employees who are mainly lawyers and technical officers. Members of staff are competent to deal with both data protection and freedom of information cases. This is indeed important when one takes into account the small size of the office where being a generalist, albeit with an area of specialisation, proves to be extremely beneficial to the overall functioning of the authority.

Continuous professional development is a must. Members of staff are provided with the necessary training and given opportunities to attend workshops and conferences, both on a national and a European Level, to ensure that they remain au courant with latest developments on general matters which occur in the respective fields of data protection and access to documents.

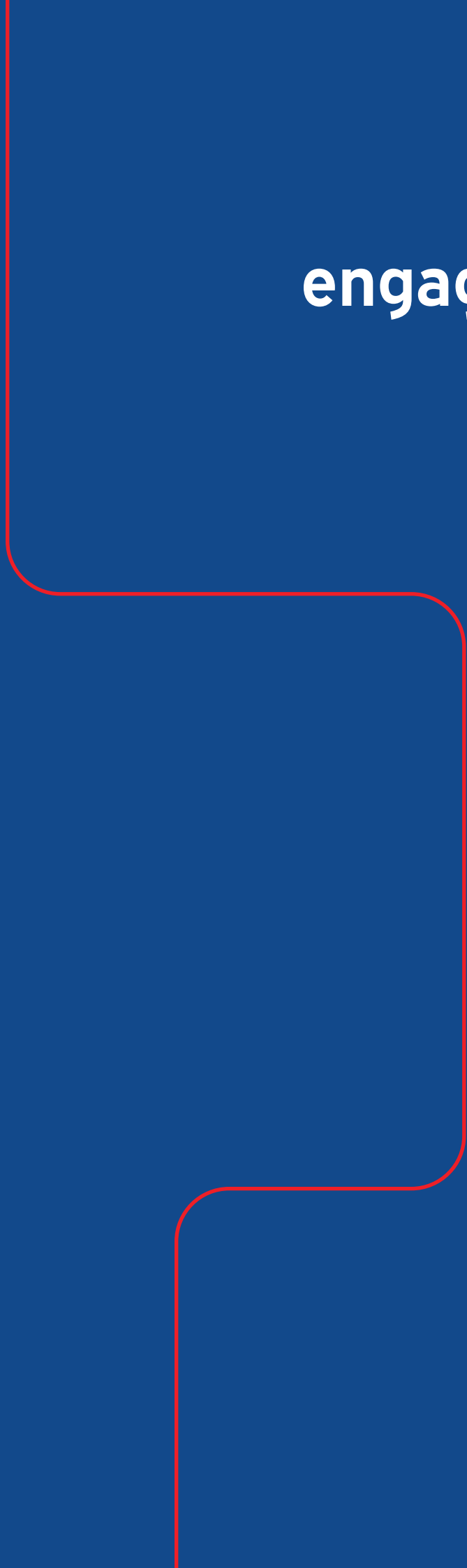
The total budget allocated for the IDPC for the year under review was €620,000. Although spending restrictions were generally imposed by the Government due to targeted expenditure which had to be invested in relation to the COVID pandemic, the IDPC still managed to obtain a €70,000 increase over the budget which was allocated in 2020.

IDPC organisational chart: Year 2021



03

engagements



3.1 Local Engagements

3.1.1 Data Protection Day

Data Protection Day is an international event that occurs every year on the 28th January. The idea behind this international event is to raise awareness on and promote data protection and privacy best practices. It is the idea of the Council of Europe which started way back in 2007 as the European Data Protection Day and it marks the anniversary of the Council of Europe's 'Convention 108 for the Protection of Individuals, with regard to Automatic Processing of Personal Data', the first legally binding instrument in the field of data protection, to which Malta is a signatory.

During the 2021 events organised to mark Data Protection Day, the IDPC attended a virtual session organised by the Data Protection Unit, within the Ministry for Justice, Equality and Governance, where he addressed all Data Protection Officers within the public sector. Focus was particularly made on the independence of data protection officers in the performance of their duties and tasks.

3.1.2 EU-funded GDPR awareness campaign

One of the statutory duties of the IDPC is to promote public awareness and understanding of the risks, rules, safeguards and rights in relation to data protection. Apart from this, the IDPC receives regular requests for advice by controllers, which portray the national need for increased awareness and assistance in complying with data protection law. For these reasons, the IDPC decided to develop an awareness project called "GDPR awareness campaign and support to business organisations, in particular, SMEs – GDPRights" after having obtained EU funds in 2019 under the Rights, Equality and Citizenship Programme 2014-2020.

As part of this initiative, during year 2021, the IDPC issued a public tender for the design and, development of an Online Self- Assessment Compliance Tool designed specifically for the use by Small to Medium Enterprises (SMEs) in their bid to increase businesses' compliance with the General Data Protection Regulation (GDPR).

The Online Self-Assessment Compliance Tool is available to be freely used through the IDPC official webpage. The tool has been developed following a risk-based approach whereas a result it produced the controller with a report on compliance based on the information provided. Within it the tool offers samples, guidelines and policies that may be

utilised by the SME in his/her faculty as a data controller. The online tool has been specifically designed not to capture any personal data about the user.

It is worth noting that for the project the IDPC involved directly the Malta Chamber of SMEs, the Malta Employers Association, the Gozo Business Chamber, the Foundation for Information Technology Accessibility and a sample of SMEs for the design and development of the tool. It is expected that the Online Self-Assessment Tool be launched during the first quarter of Year 2022.

3.2 International Engagements

3.2.1 International cooperation with data protection authorities in third countries

The Commissioner firmly believes in engaging in cooperation activities with data protection counterparts established in third countries. This mechanism is indeed important to strengthen the bilateral relationship between the two authorities and foster international dialogue with third country authorities, which although are not subject to the European data protection legal framework, have common objectives which primarily aim to safeguard the data protection rights of individuals.

By virtue of these agreements, both authorities bind themselves to promote a number of activities, namely to exchange information on the application of data protection laws and regulations, cooperate in the field of professional data protection training and jointly organise conferences or seminars, exchange short-terms experts who will assist the other authority in the particular field of expertise, cooperate on projects of common interests and exchange best practices in particular concerning specific projects of interest including but not limited to children's privacy, regulatory sandboxes and new technologies.

During the year under review, the Commissioner signed a cooperation agreement with the National Centre of Personal Data Protection of the Republic of Moldova (NCPDP). The signing of the agreement has further cemented the long-standing working cooperation which exists between the two authorities given that members of this Office has on a number of occasions served as short-terms experts during EU-funded projects where the NCPDP was the beneficiary. The agreement was signed between the Commissioner and the Director of NCPDP, Mr Eduard Raducan, in the margins of the EDPB November plenary meeting held in Brussels.



3.2.2 British, Irish and Islands Data Protection Authorities (BIIDPA) Meeting

On the 24th and 25th June 2021, the IDPC actively participated in the annual meeting of the network of British, Irish, and Islands Data Protection Authorities (BIIDPA), which was conducted virtually and hosted by the Office of the Privacy Commissioner for Bermuda (PrivCom). Throughout the event, supervisory authorities from various jurisdictions collectively pinpointed prevalent trends and priorities, including the oversight of financial services entities, safeguarding children's personal data, addressing complaints related to closed-circuit television and facial recognition technologies, and emphasising the necessity of international collaboration. Within this dynamic forum, the IDPC had the opportunity to share national updates, presenting key statistics from the past year and outlining strategic measures undertaken, notably in response to the challenges posed by the COVID-19 pandemic. Additionally, insights were shared on ongoing initiatives, including on our comprehensive GDPR awareness campaign.

3.2.3 Global Privacy Assembly

The 43rd edition of the Global Privacy Assembly (GPA) took place remotely from the 18th to 21st October 2021, bringing together data protection and privacy commissioners from across the globe. Under the theme 'Privacy and Data Protection: A Human Centric Approach', delegates emphasised the paramount importance of safeguarding individual rights in the digital age. With over one hundred and thirty participating authorities, the GPA serves as a pivotal platform for global dialogue on privacy issues. Emphasising the shift towards safeguarding individuals as a fundamental right, Blanca Lilia Ibarra Cadena, President Commissioner of Mexico's National Institute for Transparency, Access to Information and Personal Data Protection, underscored the GPA's mission, "With this conference, we aim to shift the thinking from the protection of personal data to the protection of all individuals as a fundamental right". This resonates with the recent declaration made by G7 Digital and Technology Ministers on the post-pandemic recovery, urging the Covid-19 recovery to be "rooted in a desire to build back a better, more productive and resilient global economy, with digital technology at its heart". It called for a "sustainable, inclusive and human-centric" approach to prosperity "guided by our shared democratic values of open and competitive markets, strong safeguards including for human rights and fundamental freedoms, and international cooperation...".

4.1 Consultation

Numerous regulated areas have direct or indirect effect on data protection and the rights and freedom of data subjects. With this in mind, the European legislator included amongst the tasks of supervisory authorities that of advising, in accordance with Member State law, the national parliament, the government, and other institutions and bodies on legislative and administrative measures relating to the protection of natural persons' rights and freedoms with regard to processing.

Seeking advice from the IDPC on data protection matters throughout the legislative process is considered a best practice to uphold the principles of data protection as set forth in article 5 of the GDPR and ensure that the rights and freedoms of data subjects are safeguarded at all times.

The year 2021 has been particularly productive for the IDPC in terms of advice given on proposed legislative measures, which covered several areas such as public health, processing of personal data concerning health, surveillance of fishing activities, social accommodation matters, Schengen information system, electronic monitoring legislation and prevention of domestic violence.

4.2 Advice on Queries

Ensuring compliance with data protection laws poses a significant challenge for controllers and processors. It is imperative to begin this process with a thorough understanding of the relevant legal provisions. Simultaneously, data subjects must be informed about their rights, understand what to expect when entrusting their data to controllers or processors, and make informed decisions accordingly. Additionally, the IDPC advocates for the transparency, openness, and inclusivity of the work carried out by data protection supervisory authorities.

To facilitate engagement and support, the IDPC offers various channels for assistance, including an open telephone line operational during business hours and a generic mailbox to address queries related to data protection and freedom of information. These services cater to individuals, professionals, organizations, and public entities. In 2021, the IDPC received the highest number of consultations on topics such as video surveillance devices (CCTV cameras), data protection rights (particularly the right of access), the legality of processing, and unauthorized disclosure of personal data.

The IDPC strongly encourages the public to utilize these services and welcomes suggestions for improvement.

schengen acquis

The evaluation and monitoring mechanism for verifying the application of the Schengen acquis as established by Council Regulation (EU) No 1053/2013 of 7 October 2013, provides for a multi-annual and a more detailed annual evaluation programme. In accordance with these programmes, a Schengen evaluation of Malta on the application of the Schengen acquis in the field of Data Protection was carried out by Commission and Member State experts, with a participation of an observer from the European Data Protection Supervisor between the 15th and 19th November 2021.

As part of the evaluation, the on-site team held sessions with local Maltese authorities implementing this decision including the Malta Police, Ministry for Foreign Affairs and the Central Visa Unit, including the Information and Data Protection Commissioner's Office. Operational structures and procedures, information security and related legislations were part of the audit pertinent to the field of Data Protection were carried out.

The audit shall lead to a report by the EU Council which highlight the compliancy of Malta in this regard. The EU Council shall also produce points for recommendations on areas on points that require improvement or non-compliancy. It is expected that the report shall be produced during the first quarter of 2022.

supervisory and enforcement activities

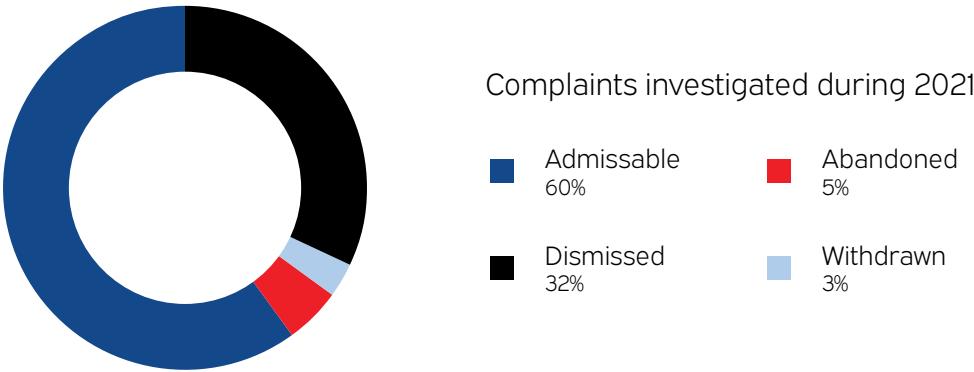
6.1 Local Data Protection Complaints

The IDPC plays a crucial role in upholding data protection rights within Malta, ensuring strict adherence to the regulations set forth in the GDPR. As the designated supervisory authority, the IDPC diligently monitors and enforces GDPR provisions across the Maltese landscape. Under the GDPR, data subjects have the right to lodge a complaint with a supervisory authority, particularly in the Member State of his or her habitual residence, place of work or place of the alleged infringement if the data subject considers that the processing of personal data relating to him or her infringes the GDPR.

On an annual basis, the IDPC manages numerous complaints, which originate either directly from data subjects or through representatives like non-profit

organisations or legal professionals. To enhance efficiency, the IDPC classifies complaints into two distinct categories for its annual report: the local cases and the cross-border cases.

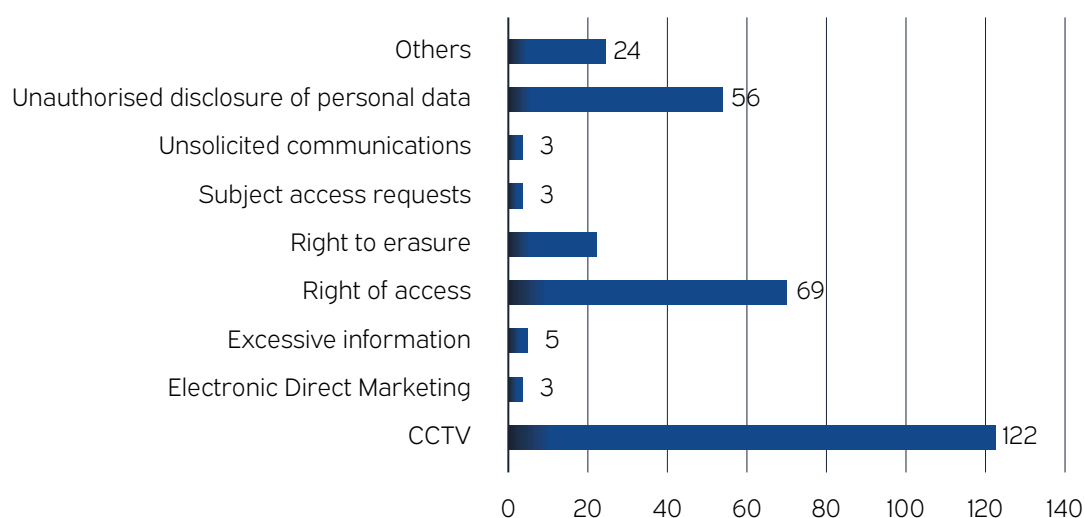
Within the realm of local cases, which exclusively pertain to matters not involving cross-border processing, the IDPC was vigilant in its efforts to address and resolve complaints in 2021. Throughout the year, a notable influx of five hundred and nine (509) local cases were received. Among these cases, three hundred and seven (307) were deemed admissible and one hundred and sixty-four (164) cases were dismissed following thorough investigation, while sixteen (16) were voluntarily withdrawn by the complainants, and twenty-two (22) were abandoned.



The complaints received by the IDPC in 2021 spanned various aspects of data processing. Notably, issues related to the utilisation of video-surveillance devices (CCTV) topped the list, indicating the growing importance of

privacy concerns in public and private spaces. Additionally, complaints pertaining to the right of access and unauthorised disclosure of personal data were prevalent.

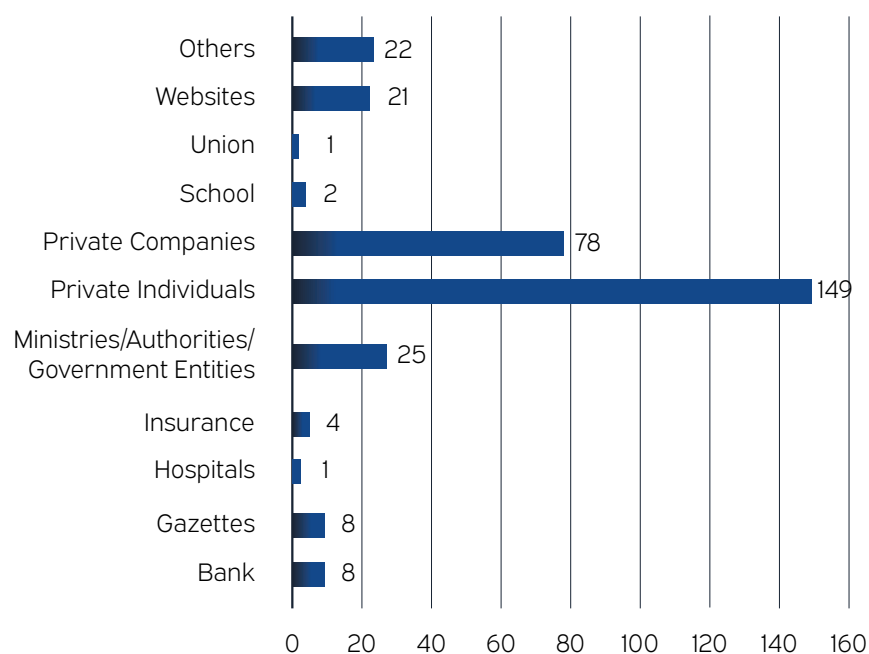
Subject for admissible cases



A sectoral breakdown of complaints shed light on the industries where data protection concerns were most pronounced. Private individuals and companies emerged as the primary controllers in the majority of cases. It is

pertinent to note that the total number of controllers may exceed the total number of admissible cases, owing to instances where multiple sectors are implicated within a single complaint.

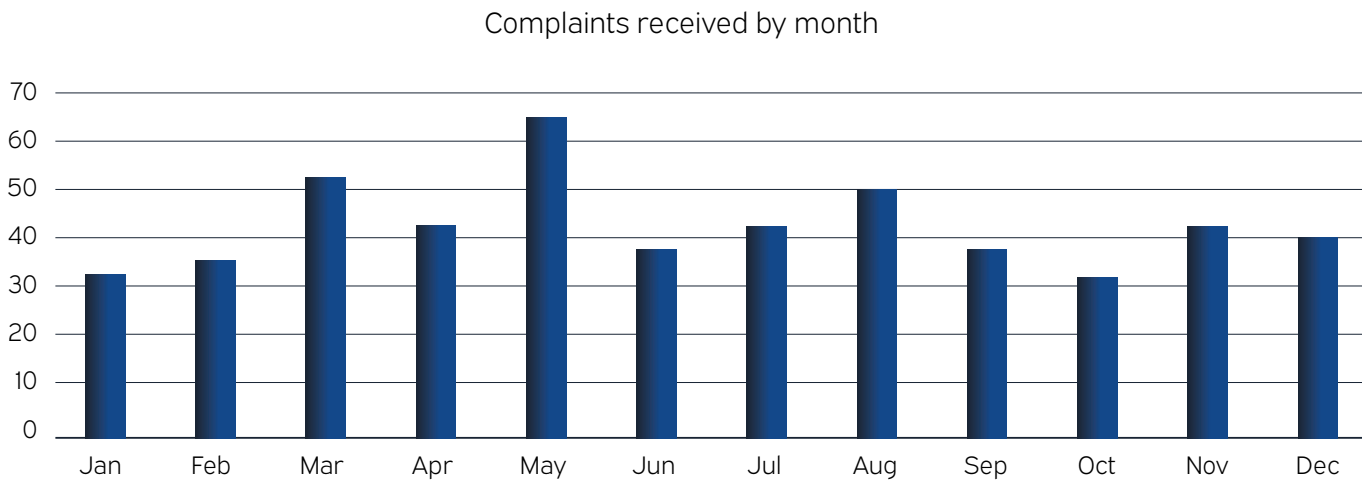
By sector for admissible cases



In 2021, the IDPC issued a total of two hundred and eighty-one (281) legally binding decisions, with one hundred and thirty-five (135) decisions identifying infringements, and one hundred and forty-six (146) cases had no infringement. The Commissioner imposed a total of twenty-seven

thousand euros (€27,000) in administrative fines as corrective action.

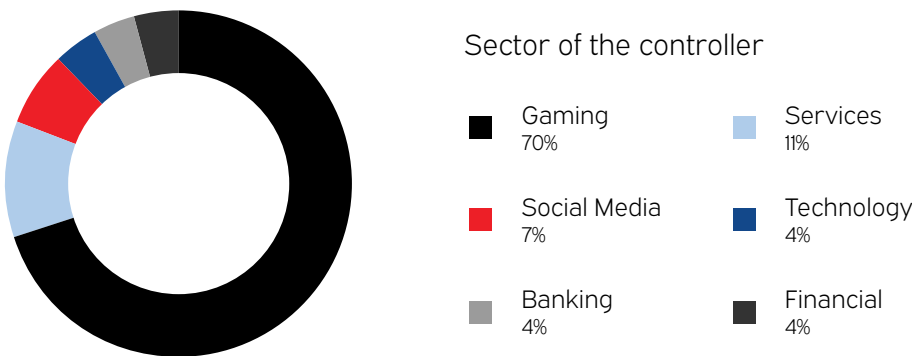
The chart below represents the number of complaints received by month during the year of 2021.



6.2 Cross-border Cases

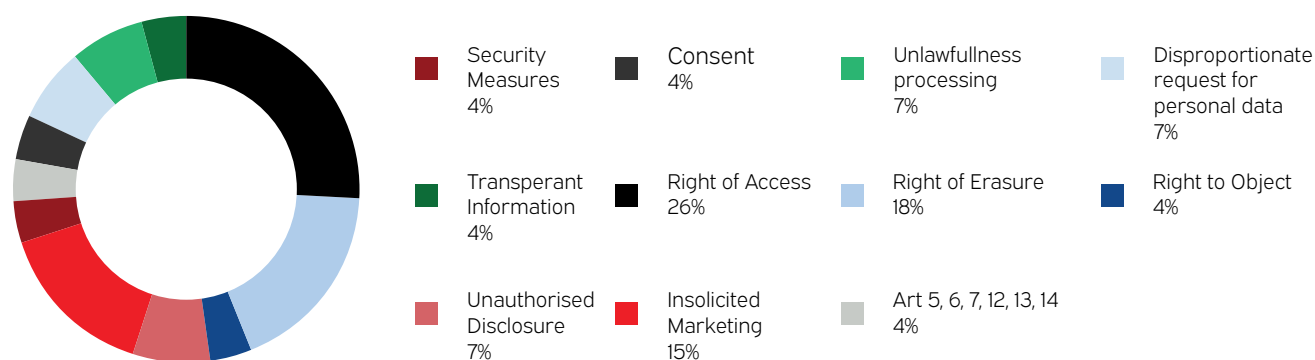
In 2021, the IDPC was engaged in addressing twenty-seven (27) cross-border cases, marking a slight increase from twenty-two (22) cases in 2020. The IDPC served as the Lead Supervisory Authority in twenty-one (21) instances, indicating a rise from the sixteen (16) cases in 2020.

Additionally, the IDPC acted as a Concerned Supervisory Authority in six (6) cross-border cases. Outstandingly, the majority of these cases were affiliated with organisations operating in the online gaming industry, primarily registered in Malta.



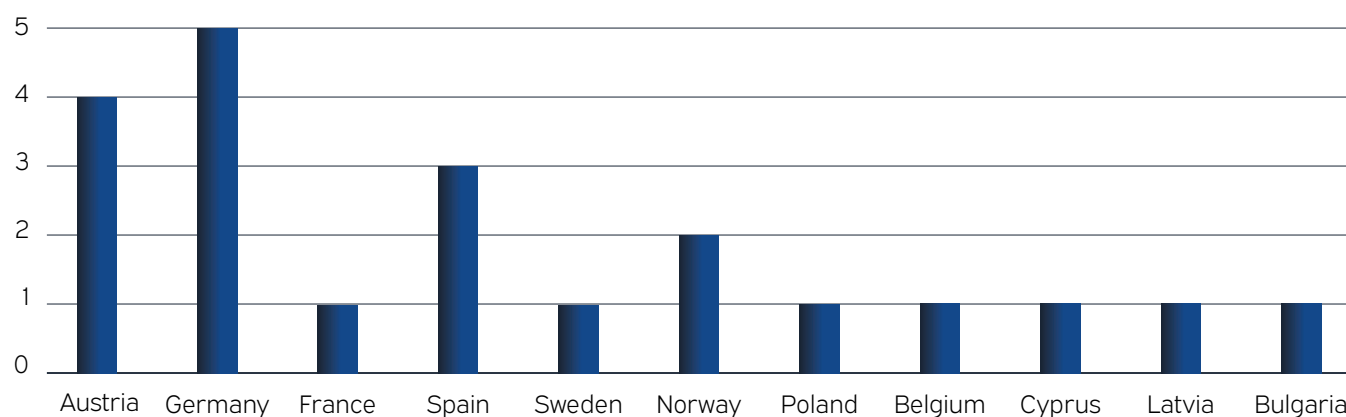
It is also interesting to observe, as illustrated in the graphic below, that these cases encompassed a range of issues, with a predominant focus on the exercise of Data Protection Rights, alongside other concerns such as unsolicited marketing.

By nature

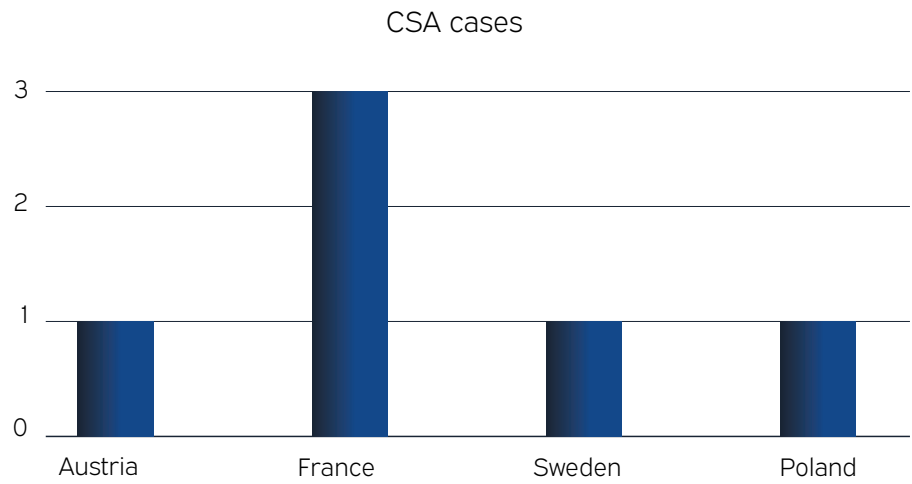


The below chart illustrates the number of countries from which IDPC has received complaints, thereby acting as the Lead Supervisory Authority. The analysis indicates that Germany accounted for the highest number of complaints received by the IDPC, followed by Austria and Spain.

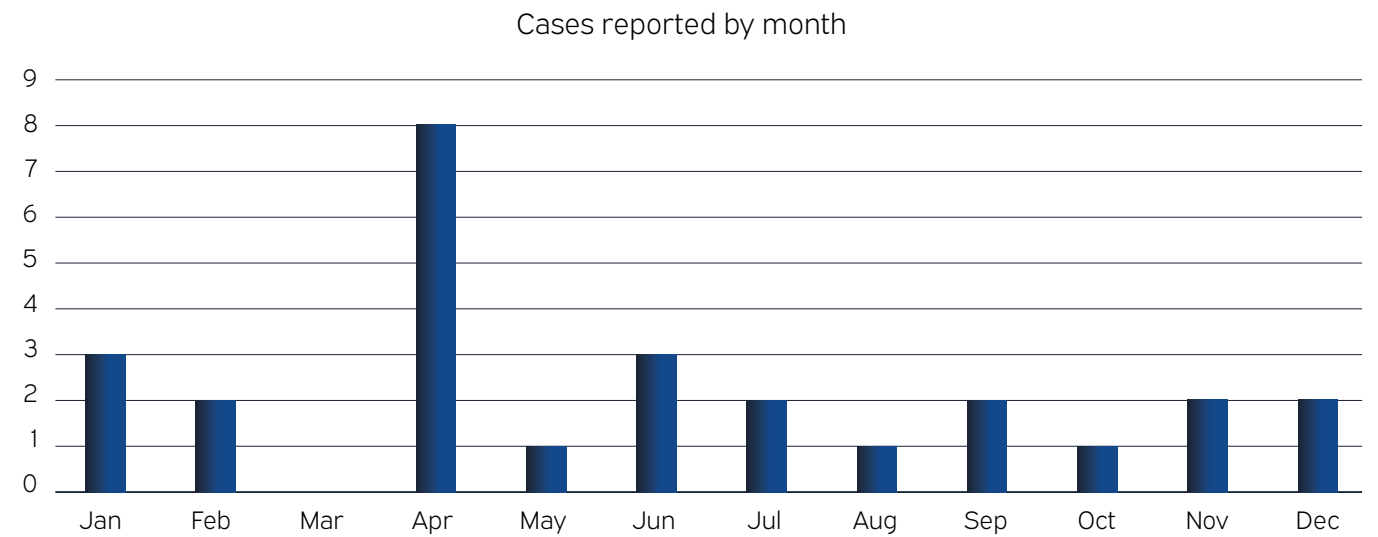
LSA cases



Conversely, the IDPC also took on the role of a Concerned Supervisory Authority in complaints directed towards various other countries, as depicted in the accompanying graph.



A closer examination of the temporal distribution of cross-border complaints reveals that April witnessed the highest influx of cases in 2021, contrasting with March, where no cases were recorded.



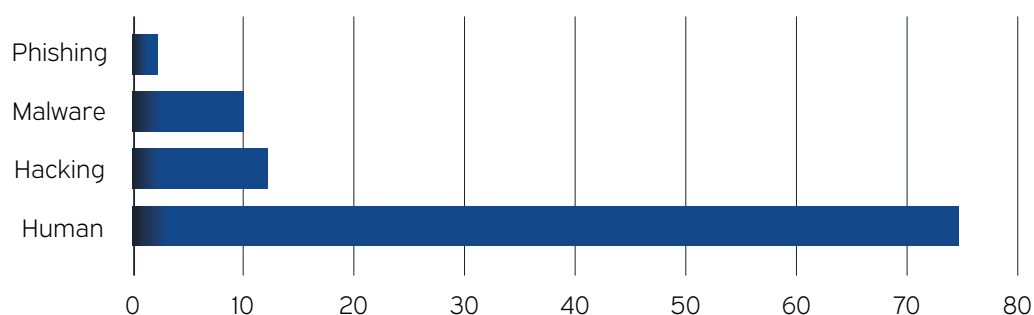
6.3 Personal data breaches

In terms of the GDPR a personal data breach means a breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to, personal data transmitted, stored or otherwise processed. Once a controller becomes aware of such a breach he is to notify the supervisory authority, within 72 hours. This notification is not required in those specific cases where the controller determines that the breach is unlikely to result in a risk to the rights and freedoms of data subjects. In order to determine whether the breach poses any risks to the data subject and as a consequence, whether the breach is to be notified to the supervisory authority, controllers must carry out a risk assessment.

During the year 2021, the IDPC received a total of hundred (100) personal data breach notifications out of which ninety-six (96) were investigated and concluded. Upon the termination of these respective ninety-six (96) investigations, seventy eight (78) resulted in a breach, and eighteen (18) in a no breach case. None of these ninety-six (96) decisions were appealed. The remaining four (4) cases are still being investigated.

The figure below is an overview of the data breach notifications received, classified according to the nature or cause of the breach. The most frequent cause of breaches reported to the IDPC was as a result of human error.

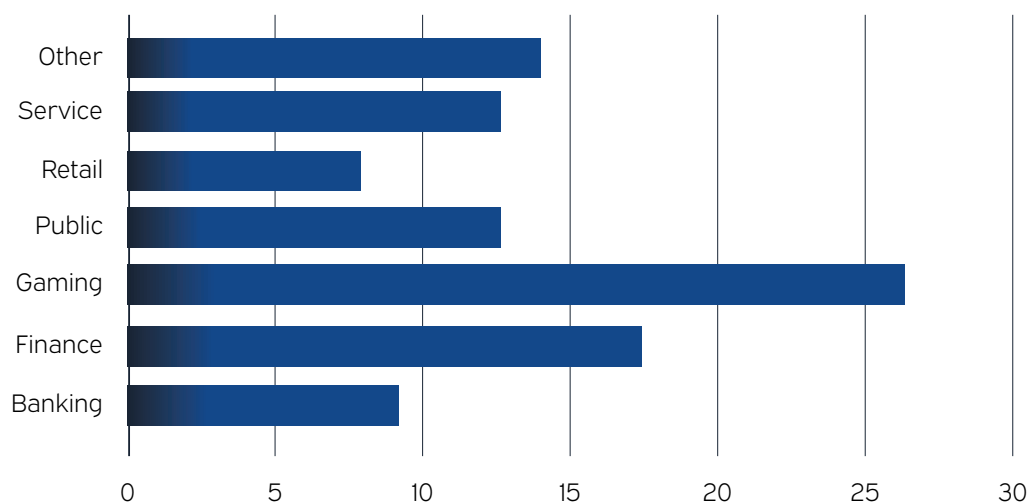
Data breaches by nature



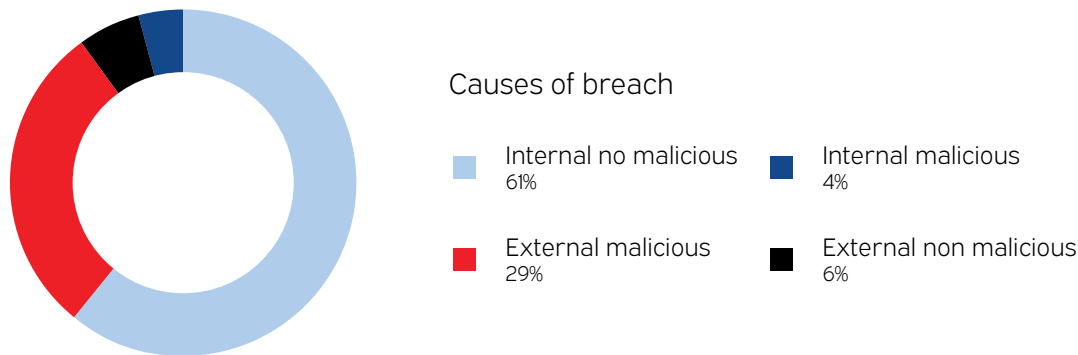
The sector most affected by data breaches for the year under review is that of online gaming, followed by the financial sector. In both sectors there was a slight increase

in number of breaches reported to the IDPC from the previous year.

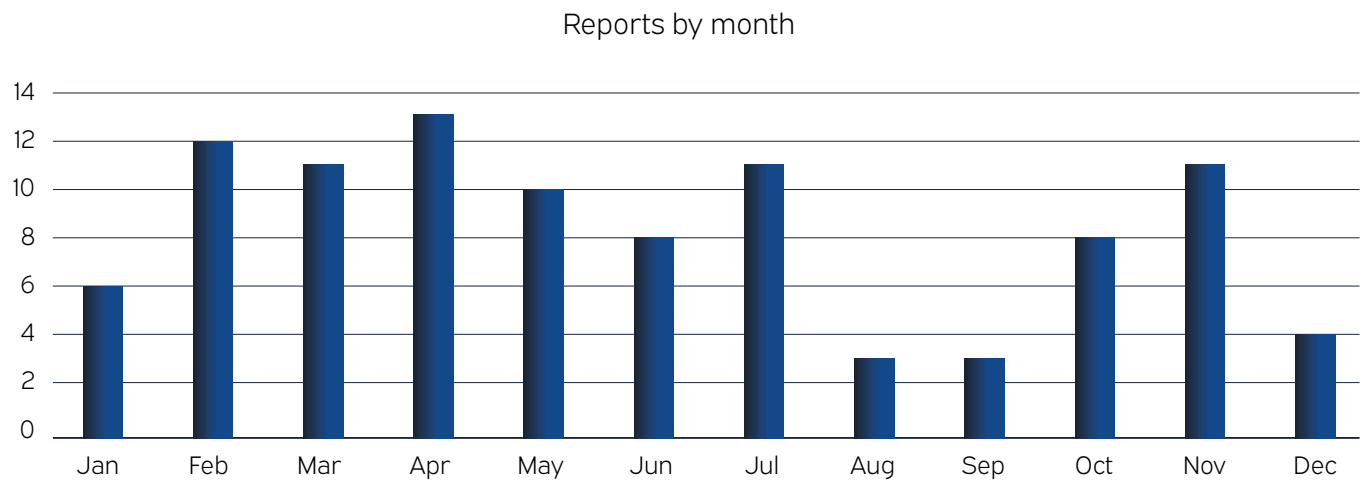
Data breaches by nature



From the below graph, it is interesting to note that the highest percentile of breaches was caused by Internal non-Malicious factors, followed by External Malicious phenomenon.



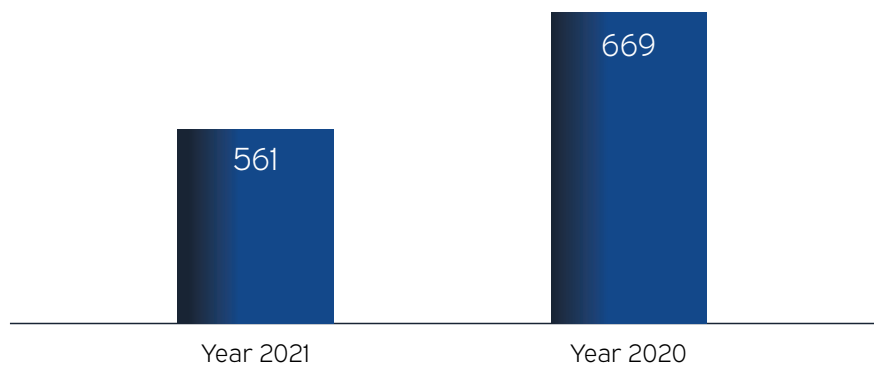
Additionally, the below graph represents the number of Breaches reported by month during 2021.



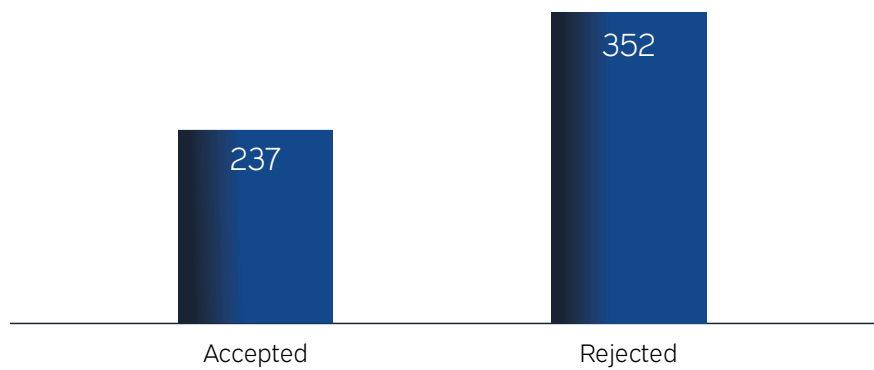
07

freedom of information

In 2021, there was a slight decrease in the total number of requests received by public authorities from applicants exercising their right to access information under the Freedom of Information Act compared to the previous year. Specifically, in 2021, a total of five hundred and sixty-one (561) freedom of information requests were submitted, whereas in 2020, there were six hundred and sixty-nine (669) freedom of information requests. Despite this decrease, the average processing time for requests remained consistent at twenty-two (22) days throughout the year.



In 2021, the total number of accepted freedom of information requests amounted to two hundred thirty-seven (237), while three hundred and fifty-two (352) requests were rejected, including cases carried over from 2020.



Below are the main reasons cited by public authorities for rejecting requests, along with their corresponding numbers.

Document requested is excluded from the scope of the Freedom of Information Act by virtue of Article 5	66
Document is withheld in terms of Part V or Part VI of the Act	44
The document requested is publicly available or will be published within three months.	28
The document requested cannot be found.	0
Resources required to identify, locate, or collate the document or documents would substantially and unreasonably divert the resources of the authority for its operations.	2
Resources required to examine the document or consult any person or body in relation to its possible disclosure would substantially and unreasonably divert the resources of the authority from its operations.	0
Resources required to make a copy, or an edited copy, of a document would substantially and unreasonably divert the resources of the Public Authority from its operations.	0
The document requested is not held by the Public Authority, or connected more closely with the functions of, another public authority.	56
The request is considered frivolous, trivial, or vexatious.	0
The information relating to a decision or recommendation, requested pursuant to article 20 of the Act is being withheld in terms of Part V or VI of the said Act.	0
Other reasons	156
Total rejected	352

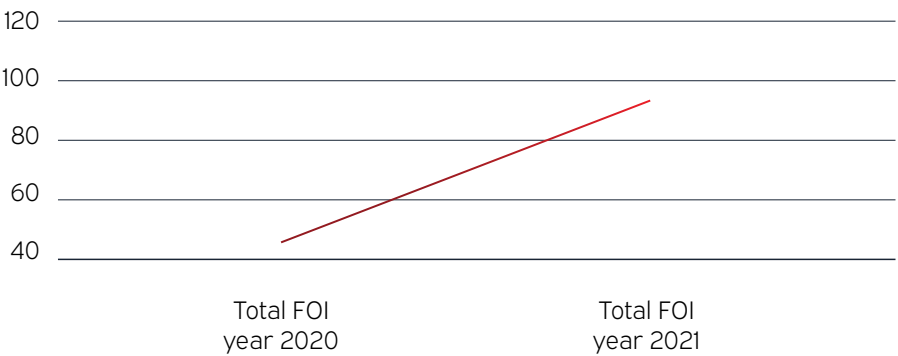
In 2021, the IDPC received a total of one hundred and one (101) applications under the Freedom of Information Act, marking a significant increase from the previous year's total of 58 applications. Of these, sixty-five (65) applications were filed by a journalist against public authorities in Malta.

In these applications, the applicant sought a list of all contracts and payments made between each respective public authority and a third party. The public authorities contended that a 'list' does not qualify as a document, and therefore, they were not obligated to compile the information. In response, the Commissioner requested the public authorities to provide clear arguments supporting their legal interpretation regarding the definition of 'document', as well as to confirm the existence or absence

of contracts and/or payment invoices. The public authority submitted samples of documentation related to payments and confirmed their engagement with the third party. They argued that the term 'document' pertains to an existing document stored in a physical or online filing system, implying that the law intends to fulfil requests for documents that are readily available.

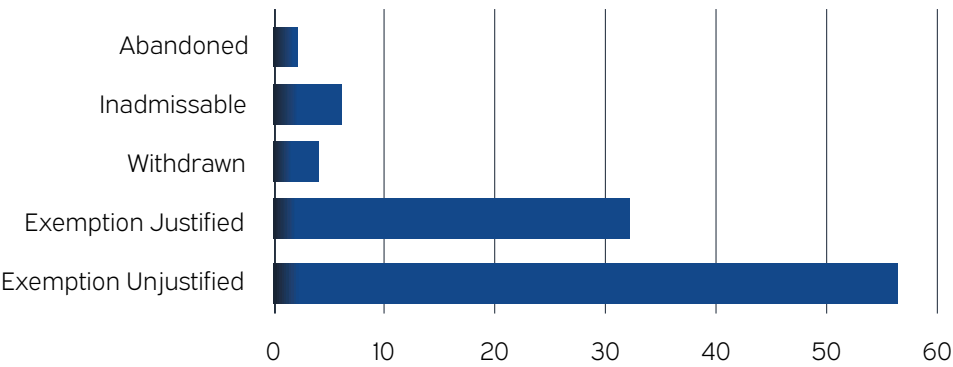
Upon examining the documentation provided by the public authority, the Commissioner determined that the authority possesses records that align with the specifications outlined in the applicant's request. Consequently, it was concluded that there exists no legal barrier to providing the applicant with copies of available invoices, booking forms, and receipts.

Comparison



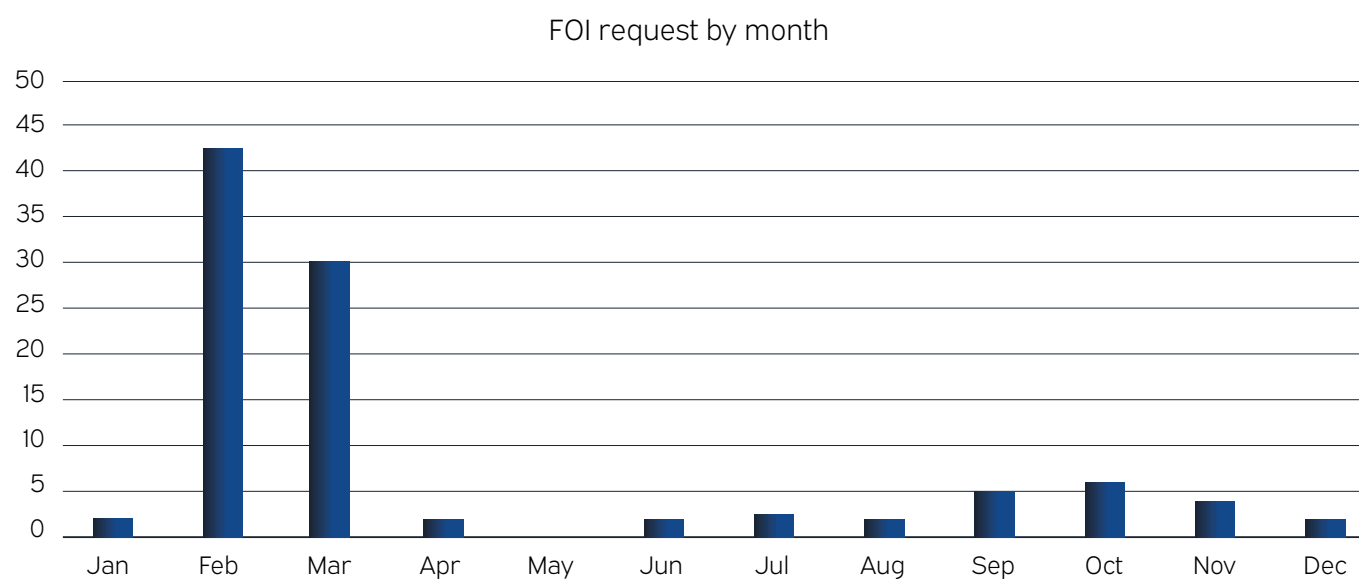
Regarding such applications, in 2021, the Commissioner identified fifty-seven (57) cases where the exemption was deemed unjustified, while thirty-three (33) cases were deemed justified, with the remaining eleven (11) either withdrawn, deemed inadmissible or abandoned.

Type of application outcomes



Among the unjustified and justified cases, there were a total of thirty-eight (38) appeals. All appeals before the Tribunal stemmed from cases where the exemption was deemed unjustified by the IDPC.

The graph below illustrates the freedom of information requests by month, with February having the highest number of freedom of information requests, followed by March.

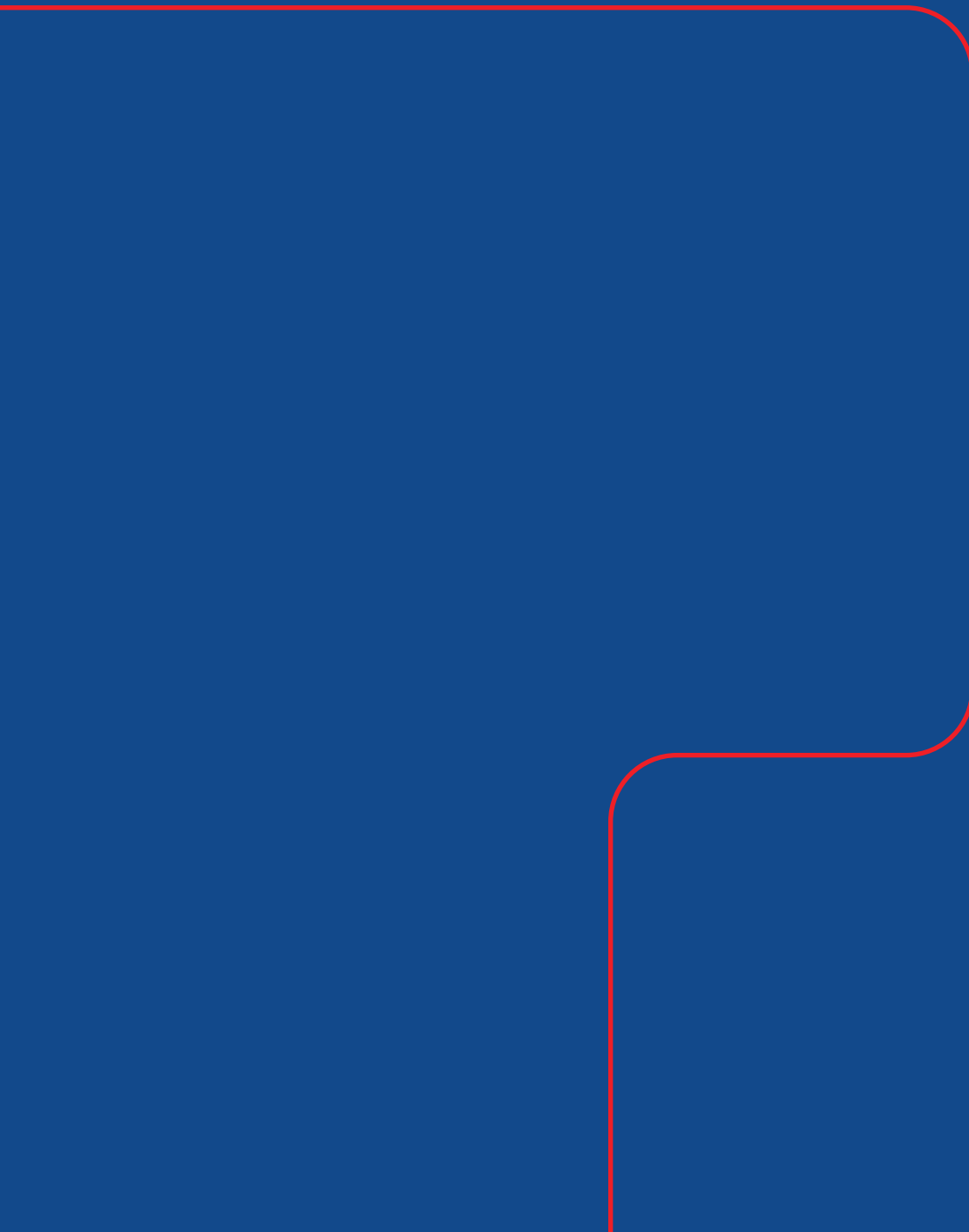


Statistical comparison between 2020 and 2021

Year	Total	Concluded	Inadmissible	Withdrawn	Solved through amicable settlement	Unjustified	Justified	Appeals before Tribunal	Appeals before Court of Appeal
2020	56	32	0	0	4	12	16	2	2
2021	101	90	6	4	0	57	33	38	18

appendix 1

financial statements



Office of the Information and Data Protection Commissioner

Annual Report and Financial Statements

For the Year Ended 31 December 2021

Office of the Information and Data Protection Commissioner
For the Year Ended 31 December 2021

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Office of the Information and Data Protection Commissioner

Commissioner's Report

For the Year Ended 31 December 2021

The Commissioner presents this report and the audited financial statements of the Office of the Information and Data Protection Commissioner (hereunder referred to as "the Office") for the year ended 31 December 2021.

General Information

The Office of the Information and Data Protection Commissioner was set up by the Data Protection Act, Cap. 440 which came into force on 22 March 2002. As of 28 May 2018, this Act was replaced by Chapter 586.

Principal Activities

The principal activity of the Office of the Information and Data Protection Commissioner is to ensure respect for the individual's right to privacy with regard to personal information, which constitutes the fundamental pursuits for every democratic society and also to administer the provisions of the Freedom of Information Act.

Results

During the year, the Office registered a surplus of €28,769 (2020: a surplus of €53,326) before taking into account the result from the collection of notification fees. The Office received Government subvention amounting to €620,000 in 2021, representing an increase of 13% when compared to 2020. Total administrative expenditure amounted to €614,302, resulting in an increase of 19% when compared to 2020. As from 1 January 2016, the Government and the Office have agreed that notification fees received by the Office, and any administrative fines shall be reimbursed back to the Government. This agreement remains in force as at today. As from 25 May 2018, operators no longer have the obligation to pay notification fees to the Office. In 2021, the Office did not collect any notification fees (2020: Nil).

The results for the year are set out on in the Statement of Comprehensive Income on page 5.

Going Concern

The Office has considered the potential impact of the recent COVID-19 outbreak on the Office's business. Taking into consideration that the Office's main revenue stream is the government subvention, it was concluded that there will not be a significant impact on its operational performance. Therefore, the financial statements have been prepared on the going concern basis which assumes that the Office will continue in operational existence for the foreseeable future and that adequate support will continue to be made available by the Government of Malta through the subventions to enable the Office to meet its commitments as and when they fall due.

Events after the balance sheet date and future developments

Following the escalation of geopolitical tensions in Russia and Ukraine from February 2022, the Office has gone through a process of assessing any political exposures, with no material exposure identified. Whilst, the Office has no direct exposure to these jurisdictions, management will continue to monitor the situation, particularly in terms of the wider macroeconomic implications.

There were no other material events affecting the Office which occurred after the reporting date.

Office of the Information and Data Protection Commissioner

Commissioner's Report (continued)

For the Year Ended 31 December 2021

Commissioner

The present Commissioner who held office during the year was:

Mr. Ian Deguara

The present Commissioner shall continue in office.

Statement of the Commissioner's responsibilities for the financial statements

The Commissioner is required to prepare financial statements that give a true and fair view of the financial position of the Office as at the end of each reporting period and of the surplus or deficit for that year.

In preparing the financial statements, the Commissioner is responsible for:

- ensuring that the financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the European Union;
- selecting and applying appropriate accounting policies;
- making accounting estimates that are reasonable in the circumstances; and
- ensuring that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Office will continue in business as a going concern.

The Commissioner is also responsible for designing, implementing and maintaining internal control as the Commissioner determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Commissioner is also responsible for safeguarding the assets of the Office and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

PKF Malta Limited, Registered Auditors, have expressed their willingness to continue in office and a resolution for their reappointment will be proposed at the Annual General Meeting.

Approved by the Commissioner on 04 October 2022 and signed by:

Mr. Ian Deguara
Commissioner

Registered Address:

2, Airways House
High Street
Sliema SLM 1549
Malta

Independent Auditor's Report

To the Commissioner of the Office of the Information and Data Protection Commissioner

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Office of the Information and Data Protection Commissioner set out on pages 5 to 20 which comprise the statement of financial position as at 31 December 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Office as at 31 December 2021, and of its financial performance for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and have been properly prepared in accordance with the requirements of the Companies Act (Cap. 386).

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

Other Information

The Commissioner is responsible for the other information. The other information comprises the Commissioner's report and schedule. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

In addition, in light of the knowledge and understanding of the Office and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Commissioner's report and other information. We have nothing to report in this regard.

Responsibilities of the Commissioner

The Commissioner is responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as the Commissioner determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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.

Independent Auditor's Report (continued)

To the members of Office of the Information and Data Protection Commissioner

Report on the Financial Statements

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Office's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Commissioner.
- Conclude on the appropriateness of the Commissioner's 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 Office's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 Office to cease to continue as a going concern. In particular, it is difficult to evaluate all of the potential implications that COVID-19 will have on the Office's operations and the overall economy.
- 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 also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We communicate with the Commissioner 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 principal in charge of the audit resulting in this independent auditor's report is Mr. George Mangion for and on behalf of:

PKF Malta Limited
Registered Auditors
15, Level 3, Mannarino Road
Birkirkara BKR 9080
Malta

04 October 2022

Office of the Information and Data Protection Commissioner

Statement of Comprehensive Income

For the Year Ended 31 December 2021

		2021	2020
	Note	€	€
Government subvention		620,000	550,000
Administrative expenses		(614,302)	(515,281)
Finance costs		(5,229)	(728)
Other income		28,300	19,335
Surplus for the year	3.	28,769	53,326
Result from collection of notification fees		-	-
Total result transferred to retained funds		28,769	53,326

The notes on pages 9 to 20 form an integral part of these financial statements.

Office of the Information and Data Protection Commissioner

Statement of Financial Position

As at 31 December 2021

		2021	2020
	Note	€	€
ASSETS			
Non-current assets			
Property, plant and equipment	6.	369,139	408,789
Total non-current assets		369,139	408,789
Current assets			
Trade and other receivables	7.	10,672	3,909
Cash and cash equivalents	8.	147,073	139,558
Total current assets		157,745	143,467
TOTAL ASSETS		526,884	552,256
EQUITY AND LIABILITIES			
Equity			
Retained Funds		122,331	93,562
Total equity		122,331	93,562
Liabilities			
Non-current liabilities			
Lease liabilities	10.	312,702	335,348
Total non-current liabilities		312,702	335,348
Current liabilities			
Lease liabilities	10.	22,646	27,371
Trade and other payables	9.	69,205	95,975
Total current liabilities		91,851	123,346
TOTAL EQUITY AND LIABILITIES		526,884	552,256

The notes on pages 9 to 20 form an integral part of these financial statements.

These financial statements on pages 5 to 20 were approved by the Office of the Information and Data Protection Commissioner on 04 October 2022 and were signed on its behalf by:

Mr. Ian Deguara
Commissioner

Office of the Information and Data Protection Commissioner

Statement of Changes in Equity

For the Year Ended 31 December 2021

	Retained Funds	Total Equity
	€	€
Balance as at 01 January 2021	93,562	93,562
Surplus for the year - total comprehensive income	28,769	28,769
Balance as at 31 December 2021	122,331	122,331

	Retained Funds	Total Equity
	€	€
Balance as at 01 January 2020	40,236	40,236
Surplus for the year - total comprehensive income	53,326	53,326
Balance as at 31 December 2020	93,562	93,562

The notes on pages 9 to 20 form an integral part of these financial statements.

Office of the Information and Data Protection Commissioner

Statement of Cash Flows

For the Year Ended 31 December 2021

		2021	2020
	Note	€	€
Cash from operating activities:			
Surplus from operations		28,769	53,326
Interest expense		5,229	728
Depreciation		42,848	31,867
Profit from operations		76,846	85,921
Movement in trade and other receivables		(6,763)	(3,909)
Movement in trade and other payables		(26,770)	(140,430)
Net cash flows from/(used in) operating activities		43,313	(58,418)
Cash flows from investing activities:			
Payments for property, plant and equipment		(3,198)	(35,437)
Net cash flows used in investing activities		(3,198)	(35,437)
Cash flows from financing activities:			
Repayment of finance lease liabilities		(32,600)	-
Payments of interest classified as financing		-	(728)
Net cash from/(used in) cash and cash equivalents		7,515	(94,583)
Cash and cash equivalents at beginning of year		139,558	234,141
Cash and cash equivalents at end of year	8.	147,073	139,558

The notes on pages 9 to 20 form an integral part of these financial statements.

Office of the Information and Data Protection Commissioner

Notes to the Financial Statements

For the Year Ended 31 December 2021

1. Basis of Preparation

a. Statement of compliance

The financial statements have been prepared and presented in accordance with the requirements of the International Financial Reporting Standards as adopted by the European Union.

b. Basis of measurement

The financial statements have been prepared on the historical cost basis.

c. Functional and presentation currency

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

d. Use of estimates and assumptions

The preparation of financial statements in conformity with International Financial Reporting Standards as adopted by the European Union requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

e. Changes in accounting policies and disclosures

Standards, interpretations and amendments to published standards as endorsed by the EU effective in the current year

In the current year, the Office has applied new and amended IFRS Standards issued by the International Accounting Standards Board (IASB) and adopted by the EU that are mandatorily effective in the EU for an accounting period that begins on or after 1 January 2021. The adoption of new and amended standards did not have a material impact on the Council's financial statements.

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform - Phase 2 (effective for annual reporting periods beginning on or after 1 January 2021);
- Amendment to IFRS 16 Leases: Covid-19 - Related Rent Concessions (effective for annual reporting periods beginning on or after 1 April 2021)

The Office has assessed the effects of these standards and interpretations and is of the opinion that these did not have a material impact on these financial statements.

Standards, interpretations and amendments to published standards as endorsed by the EU that are not yet effective

Up to date of approval of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but which are not yet effective for the current reporting year and which the Office has not early adopted, but plans to adopt upon their effective date. The Office is still assessing the effect of these changes on the financial statements. The new and amended standards are as follows:

- Amendments to IFRS 3: Reference to the Conceptual Framework (effective for annual reporting periods beginning on or after 1 January 2022)

Office of the Information and Data Protection Commissioner

Notes to the Financial Statements (Continued)

For the Year Ended 31 December 2021

1. Basis of Preparation (Continued)

e. Changes in accounting policies and disclosures (Continued)

- Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use (effective for annual reporting periods beginning on or after 1 January 2022)
- Amendments to IAS 37 Onerous Contracts: Cost of Fulfilling a Contract (effective for annual reporting periods beginning on or after 1 January 2022)
- Annual Improvements to IFRS Standards 2018-2020 (effective for annual reporting periods beginning on or after 1 January 2022)

Standards, interpretations and amendments to published standards that are not yet endorsed by the EU

- IFRS 17 - Insurance Contracts (effective for annual reporting periods beginning on or after 1 January 2023)
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current (effective for annual reporting periods beginning on or after 1 January 2023)
- Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2 (effective for annual reporting periods beginning on or after 1 January 2023)
- Amendments to IAS 8: Definition of Accounting Estimates (effective for annual reporting periods beginning on or after 1 January 2023)
- Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective for annual reporting periods beginning on or after 1 January 2023)

The Office is still assessing the effect of these changes on the financial statements.

f. Going concern

The Office has considered the potential impact of the recent COVID-19 outbreak on the Office's business. Taking into consideration that the Office's main revenue stream is the government subvention, it was concluded that there will not be a significant impact on the Office's business. Therefore, the financial statements have been prepared on the going concern basis which assumes that the Office will continue in operational existence for the foreseeable future and that adequate support will continue to be made available by the Government of Malta through the subventions to enable the Office to meet its commitments as and when they fall due..

Office of the Information and Data Protection Commissioner

Notes to the Financial Statements (Continued)

For the Year Ended 31 December 2021

2. Significant Accounting Policies

a. Right of use asset

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Office expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

b. Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Office's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

c. Property, plant and equipment

i. Value method

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

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

Office of the Information and Data Protection Commissioner

Notes to the Financial Statements (Continued)

For the Year Ended 31 December 2021

2. Significant Accounting Policies (Continued)

c. Property, plant and equipment (Continued)

ii. Depreciation

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

Furniture and fixtures	10%
Motor vehicles	20%
Office equipment	15%
Computer software	25%
Air conditioners	25%

Gains and losses on the disposal or retirement of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount at the date of disposal. The gains or losses are recognised in the statement of comprehensive income as other operating income or other operating costs, respectively.

d. Impairment of non-financial assets

The carrying amount of the office's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in profit or loss.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2. Significant Accounting Policies (Continued)

e. Financial instruments

i. Recognition and derecognition

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

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

ii. 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 period presented, the Office does not have any financial assets categorised as FVPTL and FVOCI.

The classification is determined by both:

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

iii. 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 Office's cash and cash equivalents and receivables fall into this category of financial instruments.

iv. 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

Office of the Information and Data Protection Commissioner

Notes to the Financial Statements (Continued)

For the Year Ended 31 December 2021

2. Significant Accounting Policies (Continued)
at fair value through profit or loss.

2. Significant Accounting Policies (Continued)

e. Financial instruments (Continued)

iv. Impairment of financial assets (Continued)

Recognition of credit losses is no longer dependent on the Office's first identifying a credit loss event. Instead the Office 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.

v. Classification and measurement of financial liabilities

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

The Office'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 Office 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).

Interest-related charges and changes in an instrument's fair value (if applicable) are recognised as finance costs in the statement of income and expenditure.

f. Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Office will not be able to collect all amounts due to the original terms of the receivables.

g. Cash and cash equivalents

Cash and cash equivalents comprises of cash in hand and bank balances. Bank overdrafts are presented as current liabilities in the statement of financial position.

Office of the Information and Data Protection Commissioner

Notes to the Financial Statements (Continued)

For the Year Ended 31 December 2021

2. Significant Accounting Policies (Continued)

h. Provisions and contingent liabilities

A provision is recognised when, as a result of a past event, the Office has a present obligation that can be estimated reliably and it is probable that the Office will be required to transfer economic benefits in settlement. Provisions are recognised as a liability in the balance sheet and as an expense in profit or loss or, when the provision relates to an item of property, plant and equipment, it is included as part of the cost of the underlying assets.

A contingent liability is disclosed where the existence of the obligation will only be confirmed by future events or where the amount of the obligation cannot be measured with sufficient reliability.

i. Trade and other payables

Trade and other payables are stated at cost, which approximates fair value due to the short term nature of these liabilities.

j. Revenue recognition

i. Government grants

The Office of the Information and Data Protection Commissioner is funded by Government grants which are voted separately for recurrent expenditure. Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and that the Office will comply with all attached conditions. Government grants relating to costs are deferred and recognised in the Statement of Comprehensive Income over the period necessary to match them with the costs that they are intended to compensate.

ii. Notification fees

Notification fees relating to the current financial year are recognised as revenue on accruals basis. Fees received in advance are accounted for as deferred income.

iii. Interest income

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

k. Foreign currency translation

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

l. Employee benefits

The Entity contributes towards the state pension in accordance with local legislation. The only obligation of the Entity is to make the required contributions. Costs are expensed in the period in which they are incurred.

Office of the Information and Data Protection Commissioner

Notes to the Financial Statements (Continued)

For the Year Ended 31 December 2021

2. Significant Accounting Policies (Continued)

m. Financial risk management

The exposures to risk and the way risks arise, together with the Office's objectives, policies and processes for managing and measuring these risks are disclosed in more detail below. The objectives, policies and processes for managing financial risks and the methods used to measure such risks are subject to continual improvement and development.

i. Liquidity risk

The Office monitors and manages its risk to a shortage of funds by maintaining sufficient cash and by monitoring the availability of raising funds to meet commitments associated with financial instruments and by maintaining adequate banking facilities.

ii. Fair values

The fair values of financial assets and liabilities were not materially different from their carrying amounts as at year end.

iii. Capital risk management

The Office's objectives when managing capital are to safeguard its ability to continue as a going concern. The capital structure of the Office consists of cash and cash equivalents as disclosed in note 8. and items presented within the retained funds in the statement of financial position.

3. Surplus for the year

Surplus for the year is charged after charging the following:

	2021	2020
	€	€
Auditors remuneration	2,065	2,065
Depreciation expense	42,848	31,867
Total	44,913	33,932

4. Taxation

The Commissioner as per previous practice, considers the Office as tax exempt and did not provide for tax at 35% in the financial statements. A tax exemption on the surplus, in terms of Article 12(2) of the Income Tax Act has been awarded by the Ministry of Finance.

Office of the Information and Data Protection Commissioner

Notes to the Financial Statements (Continued)

For the Year Ended 31 December 2021

5. Wages and Salaries

a. Wages and salaries

Payroll costs for the year comprise of the following:

	2021	2020
	€	€
Salaries and wages	443,651	381,676
Social security contributions	30,683	25,959
Total	474,334	407,635

b. Average number of employees

The average number of persons employed by the Office during the year was as follows:

	2021	2020
	No.	No.
Commissioner	1	1
Directly employed by the Office	6	11
Total	7	12

Office of the Information and Data Protection Commissioner

Notes to the Financial Statements (Continued)

For the Year Ended 31 December 2021

6. Property, plant and equipment

	Right of use assets	Furniture and fixtures	Motor vehicles	Office equipment	Computer software	Air conditioners	Total
	€	€	€	€	€	€	€
Cost							
Opening balance	532,636	67,570	17,400	67,486	24,943	2,520	712,555
Additions	-	-	-	1,445	95	1,658	3,198
Disposals	(169,917)	-	-	-	-	-	(169,917)
Balance at 31 December 2021	362,719	67,570	17,400	68,931	25,038	4,178	545,836
Depreciation							
Opening balance	(169,917)	(44,291)	(17,400)	(53,886)	(16,074)	(2,198)	(303,766)
Depreciation	(32,974)	(2,860)	-	(3,458)	(2,981)	(575)	(42,848)
Disposals	169,917	-	-	-	-	-	169,917
Balance at 31 December 2021	(32,974)	(47,151)	(17,400)	(57,344)	(19,055)	(2,773)	(176,697)
Net Book Value							
At 31 December 2020	362,719	23,279	-	13,600	8,869	322	408,789
At 31 December 2021	329,745	20,419	-	11,587	5,983	1,405	369,139

a. Right-of-use assets

Right-of-use assets represents the leased building which is currently being used as the registered office of the Office of the Information and Data Protection Commissioner. The first lease term of the respective lease agreement was set to expire on 31 December 2020 and was extended by means of a new agreement signed on 10 December 2020. Accordingly, on 01 January 2021, the Office de-recognised the former right-of-use asset amounting to €169,917.

7. Trade and other receivables

	2021	2020
	€	€
Notification fee receivables	222,374	222,374
Provision for doubtful debts for notification fees	(222,374)	(222,374)
Accrued Income	-	2,249
Prepayments	1,668	1,660
Other receivable	9,004	-
Total	10,672	3,909

Office of the Information and Data Protection Commissioner

Notes to the Financial Statements (Continued)

For the Year Ended 31 December 2021

8. Cash and cash equivalents

Cash and cash equivalents for the purpose of the cash flow statement are as follows:

	2021	2020
	€	€
Cash on hand	511	214
Bank balances	146,562	139,344
Total cash and cash equivalents in the statement of cash flows	147,073	139,558

9. Trade and other payables

	2021	2020
	€	€
Amount payable to related parties (Note 11.)	31,047	65,047
Accruals	38,158	30,928
Total	69,205	95,975

The amount payable to related parties is unsecured, interest free and repayable on demand.

10. Lease liabilities

a. Amounts recognised in the statement of financial position

The statement of financial position shows the following amounts relating to leases:

	2021	2020
	€	€
Right-of-use assets		
Buildings	329,745	362,719
Total	329,745	362,719
Lease liabilities		
Current	22,646	27,371
Non-current	312,702	335,348
Total	335,348	362,719

The maturity of lease commitments is analysed as follows:

	2021	2020
	€	€
Less than one year	22,646	27,371
Between one and five years	136,035	126,251
More than five years	176,667	209,097
	335,348	362,719

Office of the Information and Data Protection Commissioner

Notes to the Financial Statements (Continued)

For the Year Ended 31 December 2021

10. Lease liabilities (Continued)

b. Amounts recognised in the statement of comprehensive income

The statement of comprehensive income shows the following amounts relating to leases:

	2021	2020
	€	€
Amortisation of right-of-use assets	32,974	21,239
Interest expense	5,229	728

The total cash outflow of the Office for leases during the year ended 31 December 2021 is €32,600.

11. Related Party Transactions

The Office of the Information and Data Protection Commissioner is an independent Office and reports to Parliament on an annual basis. The Commissioner is appointed by the Government of Malta. In terms of the Freedom of Information Act, the Commissioner will not seek or receive instructions from public authorities or from any other institution or authority.

Year end balances payable to related parties are disclosed in note 9.

Office of the Information and Data Protection Commissioner

For the Year Ended 31 December 2021

Schedules

Schedule of Administrative Expenses

	2021	2020
	€	€
Wages and Salaries	474,334	407,635
Accountancy Fees	13,631	13,821
Auditors remuneration	2,065	2,065
Advertising Fees	3,361	2,481
Cleaning of premises	3,149	2,395
Consumables	6,124	3,839
Water and Electricity Fees	2,313	2,386
Car Hire Expenses	13,258	7,161
Insurance	26	49
IT expenses	153	2,044
Fuel Expenses	3,351	3,775
Legal Fees	-	438
Printing, Postage and Stationery Fees	3,621	4,289
Repairs and Maintenance Fees	18,670	8,821
Internet Subscription Fees	162	721
Telephone Fees	3,703	6,159
Travelling Fees	7,124	6,224
Parking Fees	4,503	2,962
Registration Fees	4,416	1,051
Hospitality Costs	1,928	162
General and Incidental Expenses	4,895	4,393
Bank charges	667	543
Depreciation and Amortisation	42,848	31,867
Total	614,302	515,281

Schedules do not form part of the audited financial statements.

