

30th June 2021

Director (Monitoring & Support),
Department for Local Government
26, Archbishop Street,
Valletta

Dear Sir,

Management Letter – Financial Year – 2020

Reference is made to the above-mentioned letter dated 31st May 2021, received at this office on the 5th June 2021, concerning the systems and controls used by the Council to safeguard the Council's assets in line with prevailing legislation dealing with local councils.

The contents of the Management Letter were read and discussed by the Council, where it was deemed appropriate to forward the following comments:

1. FOLLOW-UP: MANAGEMENT REPORT – YEAR ENDED 31 DECEMBER 2020

The Council has addressed to the best of its abilities all matters which were mentioned in last year's management report, other than those, which were outside the control of the Council. The Council will continue to strive to improve its internal control procedures during 2021.

2. PROPERTY, PLANT AND EQUIPMENT

It is to be noted that depreciation is calculated through the Fixed Asset Register and posted directly from the FAR to nominal ledger through Sage Line 50. The Council will be looking into this comment about the Fixed Assets to be written off and update the FAR accordingly. Matter regarding the quotations has been noted.

3. INVENTORY

It is to be noted that the Local Council has agreed to give this book as a matter of appreciation to ex-councillors who served in the Local Council in the previous legislations and to persons in special occasions. All proposals were approved during Local Council Meetings.

4. RECEIVABLES

Comment noted. Since amount is a balance with Government Departments, funds will be remitted. Regarding the variances noted, balances have been reconciled and it was found that mistakes were from the debtors and not in the local council's book as in the case of WasteServ.

5. PAYABLES

Comment about the old payables balance had been noted during the year and a number of such balances were written off during 2020.

6. EXPENDITURE AND TENDERS

Whilst noting the Financial Procedures (1996 – Finance), KLP1/96, P1.09b, it is important to note that the Council issued purchase requests for all purchases other than those which are covered by a contract. The Council does its utmost to follow the public procurement regulations carefully. Mentioned immaterial overspending when compared with budgets in utilities, and rent expenditure is noted.

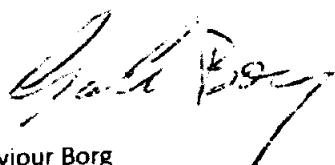
The auditor stated that there was an overspending in Community and Hospitality when compared to the Budget. It is to be noted that Community and Hospitality is to be seen in combination with social events which in total decreased by more than €4,000 since no social events were organised. This cost increase was due to Christmas Decorations invoices that got processed through the Community and Hospitality category rather than the Street Lighting. I and the Local Council members got to know about this reclassification through the Management Letter because were never informed.

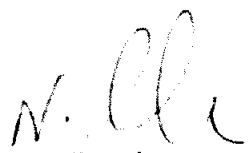
Matter regarding the quotations has been noted.

7. MID-TERM AUDIT

Remarks regarding the Mid-Term Audit have been noted.

Yours faithfully,


Saviour Borg
Mayor


Neville Galea
Executive Secretary

Cc: Ms Tanya Mercieca – Asst. Audit General – National Audit Office
Mr. Conrad Borg – RSM Malta