



# ATTARD

## LOCAL COUNCIL

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15<sup>th</sup> September 2021,

Grant Thornton,

Fort Business Centre,

Triq l-Intornjatur, Zone 1,

Central Business District

Birkirkara CBD 1050

**Attn: Mr. Grant Thornton**

Dear Sir,

Reference is made to your Management Letter dated 26th July 2021, received at our offices on 13<sup>th</sup> August 2021.

The Council noted all points and will be addressing each point separately.

Below are our comments:

**1. Follow up on prior year issues**

**Income**

- Joint Committee: these Financial Statements as per previous Management Letter could not be obtained.
- Business Plan: The Council is still working on the three-year Business Plan 2022-2025 which will be uploaded by end this year.

**Expenditure**

- Procurement: In certain instances, it is not always possible to obtain three quotes, like cases where emergency works are required or regular instances but not quoted for in any tender document thus 1 quote is obtained.
- Insurance Policy: A review of the assets has just been carried out. As regards the insurance of property that is in the open the Council is still of the opinion that these should be insured especially when it comes to continuous vandalism in certain areas.
- Inventory: The Council is considering that these books are also written off as the sale has been slow moving for the past years.

- Trade Payables: The Council acknowledges that these funds were posted in the wrong accounts thus the adjustment was accepted.
- Liquidity position: The Council is pleased to note its financial situation indicator is more than the minimum 10% requirement.
- Financial Statements: We are pleased to note that our documents are in line with the Financial Procedures.
- Electronic Site: We are doing our utmost to upload material within the required timeframe although we opine that the timeframe should be of 7 days not just 3 days.

## **2. Income**

### **Annual Government Income**

- The Council accepted the adjustment and recorded it accordingly

### **Other Government Income**

- The Council accepted the adjustment and recorded it accordingly

### **LES Administration Fees**

- The Council will be informing the system about these minimal discrepancies generated by their accounts.

### **LES Invoices**

- The Council will try to send invoices within the first week of the following month.

### **Weekly Deposits**

- The Council has always made it a point to deposit such on Tuesdays and Fridays. With the recent Bank changes in opening hours sometimes it made it difficult for us to meet the Bank timeframes until reconciliation is finished from our part. Thus, they were at times being deposited the day after and processed by the Branch itself. This situation was foreseen to be changing once the Council opted for an express deposit box with no timeframes imposed on us. But, this remedial action seems far from reaching the three day goal as we noted that now deposits are being processed at the Central Head office and the bank is taking from one day to two to process such. We are of the opinion that the timeframe should be extended to five days hoping the above is rectified.

### **Joint Committee**

- As per previous Management Letter the Council is aware that no Financial Statements by the Birkirkara Joint Committee were presented to the Council since 2015.

### **3. Expenses**

#### **Expired Contract**

- The Council recognised the fact that it continued to use an expired contract for three months until the Sweeping Contract was awarded and this due to the fact that an appeal was launched and this put the Council back from awarding the contract from June to November.

### **4. Fixed Assets**

#### **Details of Fixed Asset Register**

- The Executive Secretary will see that when Assets are inputted by the Council's appointed Accountants this is adhered to.

### **5. Trade Receivables**

#### **Overdue Trade Receivables**

- These invoices were issued to debtors for advertising on street furniture. However, around February 2020 Transport Malta enforced the removal of such until an agreement with Planning Authority is reached for the installation and use of such U Bends. Unfortunately to date this issue has not been resolved and thus the Council will be considering the reversal of such sales invoices.

#### **Confirmation of Debtor**

- The Council contacted [redacted] way back in Dec 2019 informing them that their contract was overstated as it included the reimbursement of an additional 5% fee which was already deemed to be included in the whole daily lump sum. As to date the contract has not been altered and we were informed that as long our reimbursement was less than that stated in the contract there was no need for further action.

#### **Accrued Income**

- The Council accepted the adjustment and recorded it accordingly

### **6. Inventory**

#### **Net Realisable value of inventory**

The Council will be discussing this issue further for the writing off of this inventory.

### **7. Cash at Bank**

#### **LC Other Entities Account**

- The Council acknowledges that this has long been delayed due to paperwork required by the bank and other trivial matters. However, this will be remedied at the earliest possible convenience.

## **8. Trade Payables**

### **Trade Creditors**

- The Council issues payment vouchers when processing payments each month. These have clearly stated on them that a monthly statement should be remitted to the Council. The Council will carry out an exercise whereby each supplier will be further informed separately.

### **Unreconciled Liabilities**

- The Council accepted the adjustment and recorded it accordingly

### **Debit Balances in creditors'**

- The Council accepted this recommendation and has already investigated balances in the creditors' list as and taken accordingly.

### **Deferred Income**

- The Council accepted the adjustment and recorded it accordingly

## **9. Electronic Site**

- The Council accepted this recommendation and will try to upload documentation within the required timeframe.

### **Uploading of Management letter and other documents**

- The Council has long acknowledged that the uploading of certain documentation and disclosure of personal data goes against the GDPR Regulations. Thus, we will be informing the Director General, Local Councils Division that from now on all documentation uploaded will have names and surnames and other personal data blurred or removed.

I would like on behalf of all the Local Council and staff to thank our Auditors for their collaboration and serious amplitude during the course of the Audit.

Regards

Signed

Stefan Cordina  
Mayor