



28<sup>th</sup> September 2022,

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 24th August 2022, received at our offices on 7<sup>th</sup> September 2022.

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.
- Trade payables:  
Deferred income will be posted as per Directive 1/2017.  
Creditor's list has been noted and most of the amounts have already been deducted.

**2. Income**

**LES Administration Fees**

- The Council will be reconciling report 483 every quarter.

**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. 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. Such issue has now been resolved and an application for each street furniture is to be submitted for each directional sign or totem sign required. Thus, these amounts will be adjusted reflecting the new TM requirements and each customer informed whether they wish to pursue with the advertisements.

### **Accrued Income**

- The Council accepted the reclassification adjustment and will be making sure that these are appropriately allocated.

## **4. Trade Payables**

### **Trade Creditors**

- Payments and invoices have been checked with Sage and three invoices were traced as inputted after the FS were drawn up, dated 2021 and inputted with their actual invoice date. The Council will make sure that all invoices are inputted by the final date of preparation of the FS.

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

- These amounts have been seen to. Most of the balances have been deducted from upcoming supplier payments with the exception of ARMS, as these were due to wrong allocation of payments with the right bill by ARMS and are now being slowly deducted, Strand Electronics as there are no pending payments and CVA as this was made as a payment on account for future bills to avoid interests on unpaid bills.

### **Deferred Income**

- The Council accepted the adjustment and recorded it accordingly.

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,

  
Stefan Cordina  
Mayor