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Our ref MB/bb/96824

24 April 2024

Dear Sir,



Financial statements for the year ended 31 December 2023

During the course of our audit for the year ended 31 December 2023 we have reviewed the accounting system and procedures operated by your council. We set out in this report the more important points that arose as a result of our review.

1 Previous management letter

1.1 Income

The council once again failed to obtain audited financial statements of the Joint Committee (refer to note 2.4).

1.2 Trade receivables

We still identified long overdue trade receivables (refer to note 3.1).

2 Income

2.1 We noted commission income from LESA administration for the third quarter that was recorded twice amounting to €935.51.

Further, we noted an award related to Wasteserve EWWR (European Week of Waste Reduction) amounting to €1,000 that was already recognised in 2022 but recorded again as income in the current year.

Audit adjustments to reverse these income was approved by the council.

2.2 We recommend that the council performs monthly reconciliation of postings and collections of regular income (0037, 0040 and 0113 nominal codes) to avoid and detect any transaction posted/ recorded twice.

2.3 We also noted receipts from sale through a local bazaar from donated items amounting to €2,000. As per discussion with the executive secretary, this amount is to be donated to charity. The council have no specific plans related to this as of report date. Related expenses are expected to be recognised in 2024.

Joint Committee

- 2.4 We also noted that Attard Local Council formed part of the Birkirkara Joint Committee up to 31 August 2011.
- 2.5 We have obtained the last audited financial statements of the Birkirkara Joint Committee and noted that reserves of the committee only amount to €5,229. To this end our audit report was not qualified as the amount to be divided between all committee members would not be material.
- 2.6 Nevertheless, we recommend that the council raises this issue with the Department for Local Government and ensures that the joint committee is liquidated, and that the council receives any further income that may be due to it.

3 Trade receivables

Overdue trade receivables

- 3.1 The books of account includes the following overdue receivables for which no provision was made in the books of account:

Debtor	€
LESA	1,045
George Farrugia & Sons	420
Santa Lucia Confectionery	140
Higher Grades	47
Regjun Xlokk	20
FPSM Ltd	10
Receivables without provision	<u>1,682</u>
Era Monitoring Unit	700
Regjun Xlokk	5
Regjun Nofsinhar	5
Receivables with provision	<u>710</u>
Total long overdue receivables	<u>2,392</u>

- 3.2 Based on the council's representation, the receivables without provision can still be recovered since they have already chased these debtors and have committed to pay for the balances.

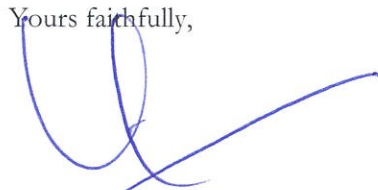
The council should regularly review overdue receivables for recoverability and if so, chase these debtors by sending reminders for the long overdue amounts. If recoverability of these debtors remains doubtful, the council should also consider making a provision for doubtful debts in the books of account after obtaining council approval in a meeting.

Conclusion

We would like to point out that the matters dealt with in this report came to our notice during the conduct of our normal audit procedures which are primarily designed for the purpose of expressing an opinion on the financial statements of the council. In consequence our work did not encompass a detailed review of all aspects of the system and cannot be relied upon necessarily to disclose defalcation or other irregularities or to include all possible improvements in internal control that a more extensive special examination might develop.

We would like to take this opportunity to thank Ms Marica Mifsud and her staff for their cooperation and assistance during the course of the audit.

Yours faithfully,



Mark Bugeja
Partner