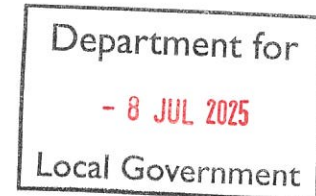


The Mayor  
Attard Local Council  
6, Main Street  
Attard, Malta



Our ref MB/mf/135825

25 June 2025

Dear Sir,



### **Financial statements for the year ended 31 December 2024**

During the course of our audit for the year ended 31 December 2024 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.

#### **Previous management letter**

##### **1.1 Income**

The council once again failed to obtain audited financial statements of the Joint Committee (refer to note 2.1).

##### **1.2 Trade receivables**

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

#### **2 Income**

##### **Joint Committee**

2.1 We also noted that Attard Local Council formed part of the Birkirkara Joint Committee up to 31 August 2011.

2.2 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.

- 2.3 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	1,398
George Farrugia & Sons	420
Santa Lucia Confectionery	140
Jean Pierre Cassar	120
Others	842
<b>Receivables without provision</b>	<b><u>2,920</u></b>
Era Monitoring Unit	700
Regjun Xlokk	5
Regjun Nofsinhar	5
<b>Receivables with provision</b>	<b><u>710</u></b>
<b>Total long overdue receivables</b>	<b><u>3,630</u></b>

- 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.

#### 4 Trade payables

##### Overdue trade payables

4.1 The books of account includes the following overdue payables:

Creditors	€
Tabone Joseph	296,122
Kunsill Regjonali Tramuntana	71,179
Michael Attard Ltd	26,779
ESS - Electrical Supplies Limited	991
Jean Pierre Portanier Mifsud	826
Others	44
<b>Total overdue balances</b>	<b><u>395,941</u></b>

4.2 We recommend that the council reviews these amounts and either settle them if still due, or else, reverse them after having obtained approval from the council members. Furthermore, decisions and discussion regarding these balances should be minuted during council meetings.

##### Regjun Tramuntana

4.3 The council has overdue balances due to Regjun Tramuntana related to waste collection services as there are ongoing disputes regarding the invoices billed to the local council.

4.4 As per discussions with the executive secretary, there are ongoing discussions during the meetings of the Regjun Tramuntana regarding the settlement of these balances. Further, current cash balances are not enough to cover the amounts due to the region. As per the Executive Secretary, they will be setting up a settlement plan once the issues are resolved.

#### 5 Expenses

##### Refunds from the government

5.1 We noted that there were refunds received from the Electoral Commission relating to employee overtime related to the local council elections held in June 2024, amounting to €4,598.82. This was originally netted off to the salaries and wages account. We have proposed an entry to gross up the salaries expense and reclass the amount as 'funds received from Central Government'. This is to ensure that funds from the government and the related salaries expense are not understated.

## 6 Prepayments

### Rent Prepayments

- 6.2 Payments for the new lease began during the year ended 31 December 2024 this amounted to €5,000 and were recognised initially as Right-of-use asset without a related lease liability. We have proposed an adjustment to reclassify it as Prepayment until such time the Local Council is able to operate in the new lease premises. The new premises is expected to be operational from the end of July 2025 in which the related right-of-use asset and lease liability will initially be recognised.

### 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 Mintoff and her staff for their cooperation and assistance during the course of the audit.

Yours faithfully,

