



KUNSILL LOKALI HAL GHAXAQ

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Grant Thornton

Fort Business Centre.

Mrieħel Bypass

Birkirkara

BKR 3000

1st September 2022

Dear Sir/Madam,

Reference is being made to the Management Letter dated 9th August 2022. Kindly note the below replies:

1. PREVIOUS MANAGEMENT LETTER

The matters in respect of previous year management letter will be tackled in detailed under their respective sections.

2. FIXED ASSETS

2.1 The local Council is currently drafting the fixed asset registry in order to update its financial statements as per Directive 01/2017. Once this is done the accounts will be adjusted as explained in the directive and any difference will be transferred to the income statement.

2.2 The difference in categories of PPE between the financial statements and the nominal ledger will be adjusted when the FAR is concluded.

3. RECEIVABLES

The Local Council will chase Transport Malta on the amount due on Triq San Gorg to obtain confirmation of the balance due. Furthermore, the Local Council will prepare a file with all correspondence with Transport Malta.

4. PAYABLES

4.1 The Local Council will chase its suppliers to provide regular statements in order for the Council to be able to do reconciliations as recommend by the auditors.

4.2 The Local Council agreed on the Urban Play Solutions creditor adjustment, and this was reflected in the financial statements. This relates to a previous adjustment passed by the auditors on an proforma invoice.

4.3 The local Council will reconcile the long outstanding creditors of € 5,070.93 and adjust accordingly.

5. INCOME

5.1 The Local Council will ensure that other government income is included in correct nominal ledger account. The reclassifications were all adjusted in the audited financial statements.

5.2 The Local Council will raise the issue with the Department of Local Government as recommended by the auditors in respect of the Zejtun Joint Committee.

6. EXPENDITURE

The Local Council did not accounted for Leases since the rent being paid of € 530 per year to the Lands Authority for the Local Council offices is not on a commercial basis. Both the Ghaxaq Local Council and the Lands Authority are effectively managed by the Government on Malta through its various departments, authorities and divisions.

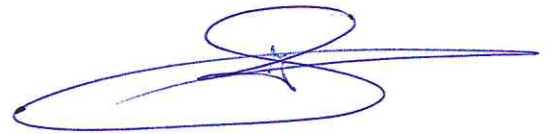
Thank you for your attention,

Regards,



Darren Abela

Mayor



Fiona Cutajar

Executive Secretary