



23rd August 2022

National Audit Office
Notre Dame Ravelin
Floriana FRN 1601

Dear Sir/Madam,

REPLY TO MANAGEMENT LETTER YEAR ENDING 31 DECEMBER 2021

1 Previous management letter

1.1 Reconciliation of books of accounts to financial statements

Issue has been resolved.

1.2 Income

Issue has been resolved.

1.3 Expenditure

Issue has been resolved.

1.4 Payroll

Wages' reconciliation

Issue has been resolved.

1.5 Receivables

Issue has been resolved.

1.6 Trade and other payables

Trade payables

Despite efforts by the Council to obtain statements from suppliers, not all suppliers provide them.

PPP creditor

A statement of accounts has been requested by the Council. However, the PPP contractor failed to provide the requested documentation. The proposed reclassification has been approved by the Council.

Accruals

Issue has been resolved.

2 Fixed assets

2.1 Reconciliation of financial statements with accounting records

In response to the management's letter observation, the Local Council has noted the matter and will take the recommendations into account.

2.2 Details of fixed asset register

In spite of the fact that the current accounting software has a limitation as to how much data can be inputted into it, the Local Council strives to record as many critical pieces of information as possible, such as:

- Description of asset
- Date of purchase
- Supplier details
- Invoice number
- Asset tag code (where applicable)
- Cost
- Depreciation rate
- Location of the asset
- Grants received

2.3 Reconciliation of financial statements to fixed asset register

In order to ensure accuracy, the Local Council will be revising the data in the fixed asset register so that it aligns with the nominal ledger. All precautions will be taken so as to ensure that there are no differences and that the fixed asset register is complete, and that classifications are correct.

3 Other Matters

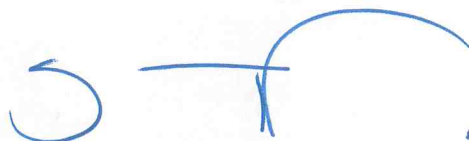
3.1 Preparation of financial statements

This recommendation has been noted and will be implemented by the Council.

Thank you and best regards,



Jorge Grech
Mayor



Stephanie Testaferrata de Noto
Executive Secretary

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