



# MARSAXLOKK LOCAL COUNCIL

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20<sup>th</sup> July 2020

National Audit Office  
Notre Dame Ravelin  
Floriana

Dear Sir,

Reference is made to the Auditor's letter dated 13 April 2020. In terms of section P2.06B(c.02) of the Local Councils' (Audit) procedures 2006, on behalf of the Marsaxlokk Local Council we are presenting herewith the following comments.

## 1 Previous Management Letter

The points that Auditors reported under this heading will be replied to in each of the respective sections below.

## 2 Income

2.1 – The administration deposits regularly as per rules and regulations. The items indicated were a few instances of which we had no control.

2.2 – We acknowledge that cash/cheques were left on the premises and this was brought to the attention of all staff so as not to repeat itself.

## 3 Payroll

3.1 / 3.2 - The council took the auditors' recommendation and passed the necessary adjustment. It will also make it's utmost to make sure that this will not happen.

### Payment of Overtime

3.3 / 3.4 – The Auditors recommendations have been noted and the situation has been rectified.

3.5 / 3.6 – FSS tax and NI payments are normally done on time, this was a one time occurrence and will make it a point not to repeat itself.

## 4 Expenditure

4.1 / 4.2 – We were not aware that nominal accounts had to be included, and will rectify this issue. Petty Cash is used for minor and daily expenses.

Mayor: **Steven Grech**

Deputy Mayor: **Elenia Desira**

Councillors: **Dr. Janice Chetcuti | Daniel Zerafa | Stephen Caruana**

Deputy Executive Secretary: **Carmel Attard**

## **Reimbursement**

4.3 / 4.4 – We have taken note of this matter and brought it to the attention to all concerned.

## **Insurance Policy Document**

4.5 / 4.7 – The discrepancy is noted and will take action to rectify the amount insured which will be in line with Net Book Value.

## **Personal Accident Insurance**

4.8 / 4.9 – Update of insured personnel is done regularly, as for AKL insurance it was presumed that it was compulsory. Thus this will be rectified next year.

## **Procurement Procedures**

4.10 / 4.12 – It is the council's procedure to acquire quotations as per regulations, as for the expenses related to the public consultation, only one supplier was available. It was not the council procedure that the mayors signs the Payment Vouchers, but if this is the appropriate procedure we will rectify it.

## **Expired Contract**

4.13 / 4.14 – As for the expired contract re Nexos Street Lighting, a new tender is being issued by Regjun Xlokk.

## **5 Fixed Assests**

### **Upkeep of fixed asses register**

5.1 / 5.3 - In the last couple of years, the council has made it's utmost to include in the fixed asset register as much information as possible for the assets being bought the respective year. Whilst the council understands the auditors' recommendation, sometimes it is difficult to obtain backdated invoices relating to 20 years ago. Thus the council is limited in updating previous years fixed asset register cards.

5.4 / 5.5 – We have taken note of the matter and will rectify the situation.

5.6 / 5.8 - The council will take the auditors' recommendation and will classify the PABX accordingly in the FAR.

### **Addition to Fixed Assests**

5.9 / 5.10 – Quotations were not obtained for the PABX as it was bought from the supplier with whom the council has a service level agreement.

## **6 Receivables**

### **Overdue receivables**

6.1 / 6.2 – The Council will be sending reminder letters to those concerned so the overdue amount is settled.

### **Trade receivable**

6.3 / 6.4 - The council will make its utmost to investigate the variance and pass the necessary adjustment if required.

### **Garnishee Order**

6.5 / 6.6 – The council will be following up the Garnishee order dated 2008, as to confirm whether it has been released, following the book of accounts will be adjusted accordingly.

### **Pre-regional LES debtors**

6.7 / 6.8 – Adjustment will be carried out to match with the respective LES reports.

## **7 Trade and other payables**

### **Suppliers' statements**

7.1 / 7.2 - The council always does its utmost to obtain the suppliers' statements, however some suppliers do not have the facility to issue statements. The council on the other hand, checks for missing invoices by referring to its purchase orders system and by checking that it received all the monthly contractors' invoices.

### **Accrued Legal Expenses**

7.3 / 7.4 - In 2018 the council was prudent and provided for the legal case expense and will definitely update its records accordingly once the case has been decided.

## **8 Electronic website**

8.1 / 8.2 - We acknowledge that some reports were uploaded late, and we have drawn the attention to those concerned so this will not repeat itself.

As for council minutes these have always been uploaded in time, it was noted that during website transition, some data had been moved to the archive section.

## **Uploading of management letter and other documents**

8.3 / 8.5 – The council accepts your recommendations and will adhere to instructions for the Department.

### **9 Meetings**

#### **Meeting Regualtions**

9.1 / 9.2 – The Auditors' recommendation has been noted and the Council will comply accordingly

### **10 Schedule of payments**

10.1 / 10.2 - The Auditor's recommendation has been noted, in fact cheque range was being inserted, the staff has been duly informed to rectify this issue.

### **11 Capital commitments**

11.1 / 11.2 - The cashflow in budget 2020 includes the amount of Eur 225,000 for fixed assets because it included projected capital creditors whose projects were to be completed in 2019 and which were going to be paid in 2020. This includes the refurbishment of the playground.



Charles Attard  
Deputy Executive Secretary