



Non Segnis Quies Ruris

Kunsill Lokali Had-Dingli

Rapport Annwali Amministrattiv

2015

Il-Werrej

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1.0 Introduzzjoni tas-Sindku**Introduzzjoni**

Is-Sena 2015 kienet maqsuma fi tnejn. Minn Jannar sa April 2015 kellna il-perjodu tas-seba' legislatura u minn Mejju sa Diċembru kienu l-ewwel xhur tat-Tmin Legislatura. Fis-seba' legislatura jien kelli l-kariga ta' Kunsillier filwaqt li minn Mejju l-quddiem kont is-Sindku tal-lokal. Meta dhalt bħala Sindku il-problemi li sibt ma kinux zgħar.

Il-Kunsill kien ilu madwar sentejn jopera b'Agent Segretarju. Malli dħalt Sindku, is-Segretarju li giet nominate fi Frar 2016, Ms Mangion qatt ma kienet fuq bażi ta' full time. Barraminhekk attendiet għall-ewwel zewg laqgħat biss ta' Tmin Legislatura. Dan sarraf f'diżorganizzazzjoni, b'Kunsill ġdid li ma jafx x'finanzi għandu, u t-triq li jrid jieħu. Ma kien hemm ebda handover kemm minghand Ms. Mangion u anke minghand is-Sindku precedenti. Sistema ta' filing kienet disorganizzata u matul din l-ewwel sena meta gejna biex insibu xi informazzjoni jew ma kienitx teżisti jew lanqas biss inzammet. Kien hemm kontijiet li kienu għadhom jehtiegu il-firma ta' l-Onor lan Borg li spicca min Sindku f'Marzu 2013. Fil-kantina fejn suppost kienu jinzammu r-records kienet tal-biza b'taqlib ta karti ma kullimkien. Fil-fatt fis-Sajf 2015 kellna xi student fuq WES li sa fejn setghu taht is-supervizzjoni bdew ipoggu fl-ordni il-karti li kien hemm.

Il-Finanzi huma il-qofol tal-ħidma tal-Kunsill. Dawn huma importanti daqs l-Amministrazzjoni tal-Kunsill. Mal-ħatra tal-Agent Segretarju Eżekuttiv s-Sur Kevin Borg, xtaqt li mill-esperjenza li għandu fil-Kunsilli Lokali jiddireġina sabiex ikollna dixxiplina finanzjarja u direzzjoni tajba.

Inħoloq il-Kumitat tal-Finanzi li jiltaqa' kull xahar u li kien ilu jiġi mitlub mid-Dipariment li jsir minn Jannar 2015. Dan għall-fatt li ma għandniex sitwazzjoni finanzjarja tajba. Rajt li ma nħalli l-ebda kont mhux imdaħħal jew maħsub għalih u kull attività tkun ppjanata b'budget li jinzamm. Filfatt aktar minn €60,000 f'kontijiet li ma kinux imdaħħla f'amministrazzjoni precedenti. Kien hemm problemi kbar fl-amministrazzjoni ta' fondi Ewropej, fejn in-nuqqas t'attenzjoni tal-Amministrazzjoni precedenti rriżulta f'diversi multi li l-Kunsill żgur ma kienx jiflaħ għalihom. Din il-problema baqgħat tirrikori meta l-Kunsill beda jirċievi multi fuq żballiji li kienu saru f'dawn il-proġetti u ohrajn kurrenti li kienu għaddejnin.

Minn Mejju 2015, ħdimna biex il-kontijiet pendenti li nirċievu jithallsu fl-anqas żmien possibbli; u fassalna pjan u direzzjoni ta' kif ser inħallsu li fadlilna f'dawn is-snin li gejjin. Il-Kunsill ressaqna l-estimi finanzjarji għas-sena 2016 u pjan ta' ħidma għas-snin 2016 sa 2018. Dan kollu jwassal li l-Kunsill jehtieg li jibda jonfoq bil-għaqal u jsir pjanar sew minn qabel.

F'Kunsill Lokali b'saħħtu huwa important li l-finanzi u l-Amministrazzjoni jikkumplimentaw lil xulxin. Meta jkun hemm nuqqas f'xi wieħed minnhom, il-kunsill kollu jbat. Hekk kien qed jiġrilu fl-aħħar sentejn il-Kunsill Lokali ta' Ħad-Dingli. Fil-preżent l-amministrazzjoni tal-Kunsill hija ffurmata minn Agent Segretarju Eżekuttiv is-Sur Kevin Borg, Clerk is-Sur Joseph Mangion, Assitant clerk is-Sur Anthony Cachia.

L-ewwel problema li l-Kunsill Lokali Tat-Tmin Legislatura ffaċċja kienet li kien qed jaħdem b'Agent Segretarju li l-attendenza fl-uffiċċju tal-Kunsill kienet għall-ewwel żewġ laqgħat biss. Wieħed jista' jimmagina l-ostaklu li kellna fejn il-kunsilliera u jiena ridna naħdmu u ma stajniex minħabba n-nuqqas tas-Segretarju Eżekuttiv sakemm id-Dipariment assenjalna lis-Sur Borg f'nofs Lulju. Għalkemm huwa Agent Segretarju, irrid inroddlu ħajr tal-għajjnuna li nsib minghandu. F'ħames xhur iddirigiena sabiex il-Kunsill jiġi konformi f'bosta affarijiet.

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Il-problema ta' staff kienet prezenti ukoll matul is-sena fejn il-clerk Katia Fenech irriżenjat f'Gunju u l-Kunsill Spicca jahdem bl-assistant clerk Twanny Cachia li kien ingaggat mil-Kunsill Lokali fuq bazi ta' full time f'Marzu wara li fil-erjodu ta' qabel kien fuq l-iskema ta' LEAP. Il-haddiema kienu ikkumpliementati b'kandidati prospettivi li l-Kunsill ingagga fuq skemi ta' Traineeship u Work exposure.

Fil-bidu tal-ħidma ta' l-Agent Segretarju Kevin Borg, bdejna billi tlabna quotes għal Road Marking Paint, Cold Asphalt għal patching, Trasport għall-anzjani tad-Day Centre u provvista u manutenzjoni tat-tabelli tat-traffiku. Tajna bidu wkoll għall-proċess tal-Bye laws fuq organizzazzjoni ta' korsijiet, attivitajiet u ħruġ, kif ukoll bejgħ ta' souvenirs u pubblikazzjonijiet marbutin mar-raħal. Dan wassal sabiex ċertu xogħlijiet fuq manutenzjoni bħal tabelli u sinjali għad iridu isiru.

Ibbenifikajna minn skemi sabiex ikollna aktar riżorsi umani li jikkumpliementaw lill-Handyman Domenic Camenzuli u lill-ħaddiem tal-IPSL Joseph Zahra fil-ħidma bla waqfien tagħhom fuq barra. Filfatt sal-aħħar ta' Novembru għal sitt xhur Joseph Mangion kien qed iservi fl-uffiċċju bħala clerk u minn nofs Ottubru sal-bidu ta' Dicembru kellna lil Stephen Sciberras iservi fl-uffiċċju, filwaqt li Alfred Galea (Gunju sa Novembru) flimkien ma' Jermy Galea (April sa Settembru), kienu jassistu lill-handyman fuq barra taħt l-iskema ta' 'Traineeship'. Matul is-sajf il-Kunsill kellu erba' ħaddiema oħra taħt l-iskema ta' 'work exposure' lil Leonie Attard u Amy Azzopardi bħala clerks, lil Vanessa Muscat bħala cleaner u lil Kurt Azzopardi bħala handyman. Dawn hadmu 3 xhur kull wieħed.

Issaħħet is-sistema tal-Customer Care fejn tnedew kontrolli fejn kien hemm bżonn u sistema ta' kuntatt magħkom sabiex l-ilmenti jiġu indirizzati fl-anqas ħin possibbli safejn ikun possibbli. Giet ikkrejat il-pagna ta' Facebook fejn huwa l-eħfef sit informattiv u effiċjenti tal-midja soċjali. B'sodisfazzjon ngħid l-udjenza li għandha din l-pagna qegħdha kulma tmur tiżdied. B'hekk daħħalna lill-Kunsill fl-era teknoloġika b'xejra moderna, trasparenti u innovattiva. Ir-relazzjonijiet pubbliċi nagħtaw spinta. Din il-pubblikazzjoni hija prova ta' kemm dan il-Kunsill jemmen fil-kuntatt mar-residenti. Giet mnediha l-kampanja "Ħad-Dingli x'joffri?" video qasir, li jagħti idea ta' dak li kapaċi joffri r-raħal tagħna u n-negozji f'Ħad-Dingli f'dak li għandu x'jaqsam ma' kultura, ambjent u storja. Għal min ma għandux aċċess, żammejna kuntatt magħkom bi tqassim ta' karti u leaflets fid-djar u anke permezz taż-Żagħfran, liema pubblikazzjoni tqassmet fi djarkom fil-jiem li għaddew.

Kull korrispondenza li nircievu b'email tintbgħat lil kull kunsillier fi ftit siegħat; filwaqt li l-aċċess tal-bini tal-Kunsill Lokali baqa' miftuħ għall-kunsilliera kollha sabiex ikunu jistgħu jiġu jaħdmu, jiltaqqgħu man-nies u / jew jaraw il-korrispondenza li tiġi bil-posta f'ħinijiet komdi għalihom. Barra minn hekk kull attività jew laqgħa li jkun hemm ikunu mgħarrfa, u dan sabiex min irid jattendi jista' jagħmel dan liberament.

Iffukajna l-ħidma fuq il-proġetti taċ-Ċentru tar-Raħal u l-aħħar fażijiet tal-Miżura 125 jiġifieri t-toroq tal-Qasam, Ħal Tartarni u l-Irdum, filwaqt li ngħalqu l-proġetti li tħallew pendent minn amministrazzjoni preċedenti. Il-proġett taċ-Ċentru tar-Raħal kien l-aktar wieħed iebes għax apparti li kellna nagħmlu diversi emendi li nqalgħu mal-ħin, diskussjonijiet twal mal-kuntrattur u entitajiet oħra fuq servizzi, kien f'riskju li nitilfu l-fondi minhabba nuqqasijiet li kien fih. Kellna biċċa xogħol iebso niddiskutu mal-awtoritajiet sabiex ikollna kollox skont il-liġi wara nuqqasijiet li kien hemm f'amministrazzjoni preċedenti. Giet kkreat mobile app li hija ffinanzjata minn Fondi Ewropej li tinkludi fiha videos, ritratti, informazzjoni u materjal ieħor tal-postijiet ta' interess f'Ħad-Dingli, u se tkun aċċessibbli għas-sistema Android kif ukoll iOS. Dawn il-proġetti jammontaw għal madwar Eur 370K f'fondi Ewropej. Dan kollu huwa xogħol li ma tantx ikun jidher fil-għajn però li mingħajru ma nkunux nistgħu nassiguraw li l-prodott finali li taraw intom, ikun

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wieħed sodisfaċenti, magħmul bi professjonalità u għalhekk jagħmel gieh lir-raħal tagħna.

Il-Kunsill embarka fuq żewġ proġetti b'fondi tal-UIF (Urban Improvement Fund) tal-MEPA. Gie mibni salib ġdid li jista' jitgawda fil-pjazza biswit il-knisja, kif ukoll qed isir refurbishment tal-Gnien li hemm fejn il-premises godda tal-Għaqda Talent Dingli. Dan il-proġett se jara din l-area pjuttost mitluqa tinbidel f'waħda iktar aċċessibbli għal kulhadd. Dawn iż-żewġ proġetti jammontaw għal madwar Eur 25K.

L-inizjattivi favur l-identita' tal-lokalita' komplew. Dan il-Kunsill ħa ħsieb ukoll jorganizza diversi attivitajiet sportivi, filantropiċi u oħrajn soċjali. Fi Frar gie organizzat il-Karnival gewwa l-iskola Primarja minhabba li kienet ix-xita u bejn Mejju u Settembru l-Kunsill organizza 'l fuq minn 35 attivita' li jinkludu fihom:

1. Wirja Agrarja,
2. l-Istand tal-Kunsill fl-Imnarja
3. Jum Ħad-Dingli,
4. 6 sessjonijiet edukattivi relatati mas-saħħa
5. Sessjoni dwar il-prevenzjoni tal-kriminalità,
6. Cooking Sessions - Eat Fresh Fish Initiative
7. Hargha għall-Sant Iermu
8. Hargha għall-Parlament
9. Blood Donation
10. Tree Planting Initiative
11. Ħad-Dingli Cycling Events bil-kollaborazzjoni tal-Għaqda Mużikali Santa Marija,
12. Night Hike bil-kollaborazzjoni tal-Iscoots,
13. Water Games bil-kollaborazzjoni tal-Għaqda Talent Dingli,
14. il-BBQ b'risq l-MCCF,
15. Silent Auction b'risq l-MCCF,
16. Zumba for Charity,
17. 5-Aside b'risq il-MCCF bil-kollaborazzjoni tad-Dingli Swallows FC u Nursery
18. Inizjattivi fil-European Week of Waste Reduction
19. Wirja tal-Krafts mtella' bil-kollaborazzjoni tan-19th Dingli Girl Guides
20. Hargha għal Għawdex
21. Parteċipazzjoni fuq il-Programm Hadd Għalik
22. Hargha għat-tfal saċ-Cinema

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23. Ħarġa għal Wirjiet tal-Preseppi
24. Ħarġa għall-Pantomina
25. Trasport offrut b'xejn għall-mixja tal-President
26. Ħarġa għall-Art in Public Spaces Exhibition
27. Ħarġa għal Mediterranean Food Festival
28. Seminar fuq kif wieħed jikteb CV.

Fi Tmin Legislatura hassejna l-bżonn li l-għaqdiet ikunu kkonsultati sa mill-ewwel pjanijiet tal-attivitajiet. Dan ma setgħax ikun possibbli jekk mhux grazzi għall-għaqdiet tal-lokal, l-entitajiet kummerċjali u d-diversi voluntiera li bi nġarhom tawna l-għajjnuna kollha li kellna bżonn. L-għajjnuna ta' dawn in-nies ssarrfet fl-iffrankar ta' diversi spejjeż lill-Kunsill, liema flus setgħu jiġu wżati għall-affarijiet oħra. Ta' min jinnota però li t-tnaqqis fl-ispejjeż ma fissirx tnaqqis fil-kwalità tal-attivitajiet organizzati kif stajtu tinnutaw tajjeb intom ukoll.

L-Edukazzjoni kienet prijorità għal dan il-Kunsill. Ta' spiss kien ikollna laqgħat mas-Surmast, s-Sur Paul Galea rigward l-andament tal-iskola. Rajna li l-Kunsill joffri edukazzjoni formali kif ukoll informali permezz tad-diversi inizjattivi, attivitajiet u korsijiet li huwa joffri. Il-Kunsill irid imexxi bl-eżempju. Huwa għalhekk li nkoragġejna u pparteċipajna f'diversi kampanji edukattivi, bl-aħħar waħda tkun dik immexxija mid-Dingli Girl Guides, sabiex jieqfu il-vjolenza u l-abbużi fuq in-nisa. Ma naqsux ukoll l-korsijiet edukattivi u sportivi bħall-korsijiet tat-TCTC, IKIDS, Bizzilla, Zumba, Aerobics, Pilates etc. Dan il-Kunsill jemmen li bil-limitazzjonijiet tiegħu, l-uffiċini għandhom iservu wkoll skop edukattiv. Dawn il-korsijiet se jkomplu jiżdiedu, u anke jiġu ntrodotti korsijiet godda. Din is-sena l-Kunsill ħa ħsieb li joffri l-opportunità sabiex grupp ta' żgħażaġh jieħdu sehem f'żewġ skambji wieħed l-Ungerija u l-ieħor r-Rumanija.

Il-Kunsill Lokali tagħna ntgħazel mill-10 finalist, sabiex jibbenifika mill-"Art in Public Spaces Programme" liema proġett bl-isem "Games from my Childhood" il-Kunsill ser ikun qed jagħmel bl-għajjnuna tal-artist s-Sur Charles Sammut. Ta' min isemmi li ġejna Runner up fil-konkurs 'Eden' (European Destinations of Excellence) li sar b'kollaborazzjoni mal-entitajiet privati 'The Cliffs' u 'Diar il-Bniet'.

Fil-Qasam Soċjali u saħħa komplejna naħdmu u nżidu fuq dak li kien isir f'Kunsilli preċedenti. Apparti t-tilqima kontra l-influenza, offrejna sensiela ta' taħdidiet. Ta' kull xahar żammejna laqgħat mal-puluzija fejn konna niddiskutu problemi li naraw u tgħidulna bihom intom kif ukoll ikkordinajna aħjar l-attivitajiet għall-Festa tar-Raħal.

Fil-bidu tal-ħidma ta Tmin Legislatura f'Mejju, filwaqt li ffaċċajna sensiela ta' Proġetti Kapitali li riedu jitlestew fil-ħin, ir-raħal kellu bosta nuqqasijiet żgħar li flimkien kienu jagħtu dehra kerha u telqa ingenerali. Ma' sħabi ħdimt sabiex l-ewwel nindirizza lilhom u wara nkunu nistgħu nippjanaw aħjar il-futur. Għal dan il-għan fl-ewwel ħmistax-il ġurnata ltqajna ma' kull kuntrattur, fejn fost oħrajn enfasizzajna ż-żamma tal-ħin fil-ġbir tal-iskart, tisqija u l-knis fil-lokal, estendejna l-ammont ta' oġġetti fis-servizz tal-Bulky Refuse u fassalna kampanja edukattiva għall-futur.

Ukoll fl-ewwel xhur ta' ħidma bdejna bil-qtugħ tal-ħaxix anke minħabba l-fatt li Ħad-Dingli huwa villaġġ turistiku u jeħtieġ li jinżamm nadif. Naddafna ħafna skart li ntefa' illegalment

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fuq l-Irdum, u sar refreshing tas-Sinjali tat-Traffiku minħabba s-saħħa u s-sigurtà tar-residenti tal-Lokal. Aktar tard sar il-patching fejn kien hemm bżonn, sewwejna xi ħsarat li jinqalgħu maż-żmien u rrangajna partijiet minn bankini li kienu ta' periklu għall-pubbliku. Dorna t-tappieri fil-lokal li kien jeħtiġilhom manutenzjoni fejn dawn qed jitrangaw bħalissa mill-WSC.

Il-Kunsill matul dawn ix-xhur dejjem saħaq fuq l-indafa, partikolarment minħabba l-artijiet pubbliċi kollha li għandna x-xorti ngawdu madwarna. Fl-ambjent u infrastruttura bbenefikajna minn skemi ta' 34U għaž-żona taż-Żagħfran kif ukoll kien hemm it-tħawwil ta' sigar minn diversi entitajiet li għamlu dan bħala parti mill-community scheme tagħhom. Ibbenefikajna ukoll minn sponsorship mill-Kumpanija Britsih American Tobacco għall-materjal ta' refurbishment għal Ġnien il-Familja kif ukoll sigar taż-żebbuġ għal Ġnien il-Ħaddiem. Permezz ta' inizjattivi bħal dik tad-Dingli Scouts Group tnadfet iż-żona tal-Għajn tal-Ħasselin.

Il-ħidma mal-Gvern Ċentrali setgħet tiġi osservata permezz tal-kisi bit-tarmac jew konkors f'numru ta' toroq rurali. Dan kien grazzi għal fondi mill-Unjoni Ewropeja fejn fihom f'Ħad-Dingli bbenefikaw Sqaq il-Marġ (l/o Buskett), Trejqa f'Misraħ Suffara u l-area kollha ta' Triq il-Maddalena li testendi biswit miż-żewġ naħat u wara ta' Ġnien il-Ħaddiem li jwassluk sal-kappella tal-Maddalena sa quddiem ir-Radar u sal-Interpretative Centre.

Żgur li kull min huwa midħla tal-Kunsill Lokali jista' japrezza x-xogħol voluminuż li jsir ta' kuljum. Minn hawn niringrazzja lill-Kunsilliera shabi, il-Vici Sindku Raymond Schembri, lill-Kunsilliera Rachel Powell, Paul Mamo u David Vassallo, u lill-istaff amministrattiv, lill-haddiema tal-Kunsill, lill-istudenti u haddiema li kellna fuq skemi immexxi mil-Agent Sgeretaru Ezekuttiv is-Sur Kevin Borg.

Sar ħafna xogħol iżda għad fadal ħafna x'isir. Kunsill żgħir bħal tagħna għamel l-almu tiegħu kollu, u bil-limitazzjonijiet tagħna ħdimna mal-entitajiet kollha tal-lokal b'risq il-komunita' li ġejna nkarigati nrrapreżentaw. Għas-sena li ġejja qed nippjana li nkomplu nibnu fuq l-ewwel xhur fejn b'għaqal finanzjarju nippjanaw il-ħidma tal-Kunsill Lokali. Żbalji jsiru, iżda l-importanti li nitgħallmu minnhom sabiex safejn huwa possibbli ma jerġgħux jiġu ripetuti fil-futur. Ċertament li kieku l-Kunsilli Lokali kellhom jingħataw fondi bla limitu konna nsibu fejn ninvestuhom. Madanakollu jeħtieġ naħdmu fil-limitazzjonijiet li għandna u nittamaw li l-operat tagħna, b'għaqal, iħalli l-frott mixtieq, u b'sens ta' kuraġġ bħala Kunsill, inħarsu b'ottimizmu lejn is-sena l-ġdida u l-isfidi li ser iġġib.

Sandro Azzopardi
Sindku

2.0 Il-Kunsill**2.1 Il-Kunsill**

L-Elezzjoni għat-Tminn Legislatura tal-Kunsill saret f'April ta' l-2015 u l-Ħatra tal-Ġurament saret fl-aħħar jiem ta' April stess ta' l-2015. Iż-żmien tat-tmexxija tat-Tminn Legislatura tal-Kunsill huwa mill-1 ta' Mejju 2015 sal-31 ta' Marzu 2019. Il-Kunsill huwa kostitwit minn :-

Kariga	Isem u Kunjom	Rappreżentant
Sindku	Is-Sur Sandro Azzopardi	Partit Laburista
Viċi Sindku	Is-Sur Raymond Schembri	Partit Laburista
Kunsillier	Il-Perit David Vassallo	Partit Nazzjonalista
Kunsillier	Ms. Rachel Powell	Partit Laburista
Kunsillier	Is-Sur Paul Mamo	Partit Laburista

B'effett minn Novembru 2013, fil-Kunsilli Lokali ġew introdotta l-Ambaxxaturi taż-Żgħażaġġ Lokali fejn il-Kunsill Lokali Ħad-Dingli kien nnomina lil Ms. Rachel Powel li temmet il-kariga tagħha appena giet eletta fil-Kunsill anke ukoll għax kienet diġa laħqet l-eta ta' 18-il sena.

Sotto Kumitati

Chairman	Sotto Kumitat
Sindku Sandro Azzopardi	Kumitat - Direzzjoni generali u ko-ordinament tal-ħidma kollha tal-Kunsill Lokali; Pjan ta' żvilupp u ħidma mal-Gvern Ċentrali (LES u customer care); Finanzi; Amministrazzjoni u ħaddiema tal-Kunsill.
Viċi Sindku Raymond Schembri	Kumitat - Implimentazzjoni ta' infrastruttura u proġetti kapitali; Investiment mill-Gvern Ċentrali; Il-qasam soċjali (żvilupp u assistenza soċjali, avvanz tal-mara, tfal, persuni bi bżonijiet specjali); Is-saħħa (inkluż il-berġa); Turizmu (inkluż Heritage Trail); Agrikoltura u biedja (inkluż toroq rurali, rdum, giren u ħitan tas-sejjiġieġ) u Relazzjoni m'entitajiet pubbliċi (WSC, Arms, Go plc, Melita cable, Vodafone - servizzi u street lighting).
Kunsillier David Vassallo	Kumitat - Konsulenza fuq infrastruttura u proġetti kapitali; Konsulenza fuq l-immaniġjar tat-traffiku; Ordni Pubblika (Puluzija, l-Għassa, Gwardjani Lokali, ko-ordinatur fuq attivitajiet fil-lokal); Sigurta fil-kommunita (infurzar tal-liġi, miżuri ta' sigurta); Komunita kummerċjali u self employed; Drittijiet tal-konsumatur u taċ-ċittadini u l-Anzjani (inkluż centru ta' matul il-jum).
Kunsillier Rachel Powell	Kumitat - L-Edukazzjoni (programmi edukattivi, skola, librerija pubblika); Gemellaggi; Programmi u fondi tal-Unjoni Ewropeja; Żgħażaġġ u skambji; Teknoloġija tal-

2.0 Il-Kunsill**Kunsillier Paul Mamo**

Kumitat -

Informatika; Relazzjonijiet Pubbliċi; Media; V-18 u koordinament ta' attivitajiet kulturali u affarijiet Legali.

Il-Kultura - attivitajiet u għaqdiet fil-lokalita'; Trasport Pubbliku (inkluż bus stops u bus shelters); Ambjent u Ndaġa Pubblika (skart domestiku, skart goff, latrini pubbliċi, kampanja ta' tindif, tisbieh ta' turgien, żoni ta' rikreazzjoni); Immanigjar tat-Traffiku (sinjali u tabelli, crash barriers, parkeġġi, reklamar fuq għamara tat-toroq) u Sport (inkluż playgrounds u faċilitajiet sportivi).

Staff

Impjegat	Grad	Bidu t'impjieg	Tmiem t'impjieg
Mark Mallia	Agent Segretarju Eżekuttiv		16/02/2015
Joan Mangion	Segretarju Eżekuttiv	24/02/2015	14/07/2015
Kevin Borg	Agent Segretarju Eżekuttiv	15/07/2015	
Katia Fenech	Skrivana	14/08/2013	20/06/2015
Anthony Cachia	Assistent Skrivan	30/03/2015	

Ma' dawn il-persuni kien hemm numru ta' persuni oħra li kienu assenjata mal-Kunsill matul is-sena, u dan fuq diversi skemi ta' I-ETC, LEAP, I-IPSL u skemi oħra li japplika għalihom il-Kunsill minn żmien għal-żmien.

Il-Kunsill jagħmel użu wkoll mis-servizzi ta' :-

Servizz	Isem / Kumpanija	Rimarki
Accountant	Daniel Galea	Konsulenza Finanzjarja

2.0 Il-Kunsill

2.2 Attenzenza għal-laqqgħat tal-Kunsill.

Is-Seba' Leġislatura ntemmet bis-segwentli membri:

Kariga	Isem u Kunjom	Rappreżentant
Sindku	Is-Sinjura Venera Micallef	Partit Laburista
Viċi Sindku	Is-Sur Mark Abdilla	Partit Laburista
Kunsillier	Il-Perit David Vassallo	Partit Nazzjonalista
Kunsillier	Is-Sur Sandro Azzopardi	Partit Laburista
Kunsillier	Is-Sur John Camilleri	Partit Laburista

Attenzenza għall-Laqqgħat tal-Kunsill Lokali Ħad-Dingli								
P = Preżenti A = Assenti S = Skużat								
Sena :- L-1 ta' Jannar sat-30 ta' April 2015								
Data	Is-Sindku Venera Micallef	Il-Viċi Sindku Mark Abdilla	Il-Kunsillier David Vassallo	Il-Kunsillier Sandro Azzopardi	Il-Kunsillier John Camilleri	Aġent Seg. Eżekuttiv Mark Mallia	Segretarju Eżekuttiv Joan Mangion	Numru tal-Laqqgħa
12/01/2015	P	P	P	P	P	P		54 /K7/ 2015
19/01/2015	P	P	P	P	P	P		55 /K7/ 2015
27/01/2015	P	P	P	P	P	P		56 /K7/ 2015
05/02/2015	P	P	P	P	P	P		57 /K7/ 2015
16/02/2015	P	P	P	P	P	P		58 /K7/ 2015
24/02/2015	P	P	P	P	P		P	59 /K7/ 2015
27/02/2015	P	S	P	P	P		P	60 /K7/ 2015
10/03/2015	P	P	P	P	P		P	61 /K7/ 2015
27/03/2015	P	S	P	S	P		P	62 /K7/ 2015
24/04/2015	P	P	P	P	P		P	63 K7 2015
Totali	100%	80%	100%	90%	100%			

2.0 Il-Kunsill

It-Tminn Leġislatura

Kariga	Isem u Kunjom	Rappreżentant
Sindku	Is-Sur Sandro Azzopardi	Partit Laburista
Viċi Sindku	Is-Sur Raymond Schembri	Partit Laburista
Kunsillier	Il-Perit David Vassallo	Partit Nazzjonalista
Kunsillier	Ms. Rachel Powell	Partit Laburista
Kunsillier	Is-Sur Paul Mamo	Partit Laburista

Attendenza għall-Laqqgħat tal-Kunsill Lokali Ħad-Dingli P = Preżenti A = Assenti S = Skużat Sena :- L-1 ta' Mejju sal-31 ta' Diċembru 2015								
Data	Is-Sindku Venera Micallef	Il-Viċi Sindku Mark Abdilla	Il-Kunsillier David Vassallo	Il-Kunsillier Sandro Azzopardi	Il-Kunsillier John Camilleri	Segretarju Eżekuttiv Joan Mangion	Aġent Seg. Eżekuttiv Kevin Borg	Numru tal-Laqqgħa
04/05/2015	P	P	P	P	P	P		01 /K8/ 2015
12/05/2015	P	P	P	P	P	P		02 /K8/ 2015
28/07/2015	P	P	P	P	P		P	03 /K8/ 2015
27/08/2015	P	P	P	P	P		P	04 /K8/ 2015
16/09/2015	P	P	P	P	P		P	05 /K8/ 2015
21/10/2015	P	P	P	P	P		P	06 /K8/ 2015
25/11/2015	P	P	P	P	P		P	07 /K8/ 2015
15/12/2015	P	P	P	P	P		P	08 /K8/ 2015
15/12/2015	P	P	P	P	P		P	09 /K8/ 2015
Totali	100.00%	100.00%	100.00%	100.00%	100.00%			

2.0 Il-Kunsill**L-Uffuċċju Amministrattiv**

Matul is-sena 2015 dan l-uffuċċju ra diversi tibdiliet fit-tmexxija nkluz ukoll fil-kompożizzjoni tiegħu. Biss biss, fl-ewwel nofs tas-sena kien hemm l-ewwel l-Aġent Segretarju Eżekuttiv Mark Mallia u fi Frar giet nominata Ms. Joan Mangion bħala Segretarju Eżekuttiv, kariga li din ta' l-aħħar jidher li qatt ma giet eżegwita kif suppost minħabba li skond ir-records tal-Kunsill, Ms. Mangion qatt ma' ħadmet fuq bażi ta' Full Time kif kien jitlob l-impjeg tagħha.

Tant li transizzjoni bejn Legislatura u oħra ffit li xejn kienet felici, tant ukoll li jingħad li m'ingħatat ebda hand over, lanqas mill-lat amministrattiv peress li kien hemm xhur fejn il-pagi ta' l-impjegati saħansitra kellhom jinħargu mid-Dipartiment għall-Gvern Lokali peress li s-Segretarju Eżekuttiv ma resqitx lejn il-Kunsill u għalhekk la setgħu isiru laqgħat u anqas pagamenti. Fl-istess perjodu kien hemm diversi kuntratturi li qatt ma tħalsu għax-xogħol li kienu għamlu.

Dan kollu ħalla vojt kbir fejn għal ġimgħat sħaħ, fil-Kunsill ma kien hemm ebda Segretarju Eżekuttiv biex imexxi l-operat amministrattiv. Apparti minn dan, l-iskrivana Katia Fenech irreżenjat mix-xogħol u għalhekk il-Kunsill spiċċa mingħajr ebda staff ta' esperjenza. Hawn ukoll inqalgħet problema dwar vacation leave li Ms. Fenech akkumulat mas-snin u l'issa qed titlob li titħallas tiegħu, l'izda l-Kunsill qed jikkontesta t-talba peress li d-deċiżjoni li kien ħa l-Kunsill fi żmien il-legislatura preċedenti, fejn vacation leave inqaleb għal-time off in-liue, qed titqies illegali peress li tali proposta kellha ssir fis-sena 2014 u mhux 2015.

Jirriżulta li ċertu xogħol amministrattiv qatt ma' kien isir, fosthom Binding tal-Minuti Uffiċjali tal-Kunsill, registrat u filing ta' korrispondenza li tasal għand il-Kunsill, rikonċiljazzjoni tal-finanzi tal-Kunsill – tant li fl-ewwel nofs tas-sena d-dejn kiber b'madwar €60,000.00.

F'Lulju 2015 inħtart bħala Aġent Segretarju Eżekuttiv ġdid, u onestament ma kontx naf għal dak li dħalt.

Fl-amministrazzjoni tal-Kunsill ma kienet teżisti ebda sistema li taħdem, CCTV li ma jaħdmux, minuti tal-Kunsill mhux iffirmata jew saħansitra nieqsa, FAR li qatt ma sar, software ta' l-accounts tal-Kunsill ineżistenti, online streaming li qatt m'intuża, networks ta' kompjuters ma jaħdmux, internet mhux fuq il-linja sigura tal-MITA, sistema tat-telephone antikwata b'kontijiet eseġarata u diversi linji bla bżonn, alarm u fire alarm li ma jaħdmux u ma jintużawx, panelli fotovoltajiċi mitfilja, lift mingħajr manutenzjoni u mhux assikurat, kuntratti skaduta, proġetti ta' l-EU li tħallew mhux konkluzi, u mitt elf ħaġa oħra.

Ma' kienx faċli izda fejn ikun hemm ir-rieda nemmen li tista' tasal. Grazzi kbira tmur għall-impjegati tal-Kunsill kif ukoll għall-membri eletti tal-Kunsill, fosthom u mhux l-anqas lis-Sindku Sandro Azzopardi u lill-Kunsillier Rachel Powell, li kienu ta' spalla kontinwament biex nibnu fuq dak li sibna. Wasalna, żgur li le, izda l-pedamenti saru u hemm istanzi fejn il-proċess jista' jinżamm. Hemm affarijiet li għad iridu jinbnew mix-xejn. Mhux ser ikun faċli izda nemmen li jekk ikun hemm Segretarju Eżekuttiv fuq bażi permanenti, dan ikollu biżżejjed żmien u riżorsi biex ikompli fuq dak l'inbeda.

L-uffiċċju tal-Kunsill Amministrattiv preżentament huwa mmexxi minn Kevin Borg (Aġent Seg. Eżekuttiv) u huwa megħjun mill-iskrivana Anthony Cachia u Joseph Mangion.

2.0 Il-Kunsill

Il-ħinijiet tal-ftuħ tal-Kunsill matul il-ġimgħa huma:

Fix-xitwa bejn it-08:00 u 12: 00 u bejn is-13:00 u l-17:00

Fis-sajf huma bejn it-8:00 u s-:1400

Nhar ta' Sibt tul is-sena kollha l-Kunsill ikun miftuħ bejn it-08:00 u l-11:30.

Numru ta' ċirkularijiet nħarġu lir-residenti fejn inżammu nfurmata dwar l-attivitajiet u korsijiet varji li saru matul is-sena.

Xogħlijiet u proġetti

Beda u intemm il-proġett ta' tisbiħ ta' Misrah Ġuże Abela taħt Miżura 313/314. Xogħol li sar ħafna aktar minn dak li kien ipplanat.

Saru diversi xogħlijiet konnessa mat-toroq rurali fejn apparti xogħol li sar mill-Kunsill b'finanzjament mill-Miżuri, sar xogħol ukoll mill-Gvern Ċentrali.

Saru ukoll żewġ proġetti ffinanzjata mill-UIF. Dawn kienu l-upgrading tas-sit li hemm madwar iċ-ċentru ta' l-Għaqda Talent Dingli kif ukoll il-bini mill-ġdid tas-salib fil-pjazza. Beda ukoll il-proċess biex jiġi restawrat il-bust tan-Nutar Abela fejn ser issir bażi ġdida maħduma mill-ġebbla taż-żonqor.

Attivitajiet soċjali u kulturali

Matul is-sena ittellgħu numru kbir t'attivitajiet fosthom l-attivitajiet tal-karnival, ħarġiet fi żmien il-Milied u żmien l-Għid, Jum Ħad-Dingli, il-Wirja Agrarja li din is-sena kibret ħafna aktar mis-sena li għaddiet, diversi korsijiet tal-kompjuter, diversi korsijiet ta' snajja u ħiliet oħra u sensieła t'inizjattivi oħra, fejn il-konkorrenza tad-Dinglin kienet ferm inkoraggjanti.

Saru wkoll diversi attivitajiet fejn il-qliġ kollu kien b'risq il-CCF. Tajjeb li ngħidu li din is-sena ingabret somma record bl-għajnuna tal-voluntiera kollha.

Konklużjoni

Ma kienetx sena faċli għall-Kunsill fejn apparti li kien hemm bdil fis-Sindakat, kien hemm ukoll taqlib fl-amministrazzjoni. Mhux faċli li tibda mix-xejn iżda jekk ma tibdiex ma tasal qatt.

Għalhekk konvint li jekk il-membri tal-Kunsill eletta mid-Dinglin, ikomplu fit-triq li qabdu u jkomplu jiġbdu ħabel wieħed, konvint li sa tmiem is-sena li ġejja jkunu viċin li jħalsu d-dejn li wirtu kif ukoll ikunu bdew iqumu fuq saqajhom.

2.0 Il-Kunsill

Sar ħafna xogħol fit-tieni nofs tas-sena 2015 iżda fadal ukoll x'isir.

Nixtieq nirringrazzja lill-għaqdiet kollha tal-lokal ta' l-għajnuna tagħhom kif ukoll talli fehmu l-pożizzjoni tal-Kunsill. Grazzi ukoll lill-kuntratturi kollha u lill-ħaddiema kollha kemm dawk tal-Kunsill kif ukoll dawk li ġew assenjata mal-Kunsill. Grazzi ukoll lill-membri kollha eletti tal-Kunsill li laqawni u tawni l-appoġġ kollu għal dak kollu li għamilna għall-ġid tar-raġal, raġal pittoresk li aktar ma tifrekwentah aktar jiġbdek lejha.

 24/06/2016**Kevin Borg**

Agent Segretarju Eżekuttiv

3.0 Il-Finanzi u l-Ħidma tal-Kunsill**3.0. Il-Finanzi u l-Ħidma tal-Kunsill**

Matul is-sena li għaddiet, fejn rat il-bidu wkoll ta' Legislatura għida, il-Kunsill Lokali Ħad-Dingli għamel minn kollox biex iwettaq id-doveri tiegħu skond kif jistipula l-Att dwar il-Kunsilli Lokali. Ma kienx faċli peress li s-sena 2014 kienet intemmet b'defiċit ta' **€222,812.00**, liema dejn baqa' tiela' tul l-ewwel nofs tas-sena 2015 biex sal-aħħar ta' Ġunju 2015 kien laħaq il-**€280,000.00**. Saru sforzi kbar biex titwaqqaf din l-emorogija finanzjarja tant li sal-aħħar ta' Diċembru 2015 id-dejn tnizzel għall-figura ta' **€135,400.00**. Dan l-ammont kien maqsum kif ġej:-

400 1033 8845	BOV Savings Account	€9.12
400 1033 8861	BOV Current Account	€10,703.79
400 2229 5963	BOV Savings Account Miżura 313/14	€165,946.14
400 1932 0346	BOV Savings Account Miżura 313/323	€29,354.87
200 012 089 32	APS Current Account	€49,925.66
	Ċekkijiet mhux imsarfa mill-kont APS	(€23,016.00)
	Flus li kienu għad irid jiġu depositata	€577.00
	Petty Cash	€100.00
Total		€233,600.58

Minn dan il-bilanċ ta' **€233,600.58** għandhom isiru l-aġġustamenti li ġejja :

Tnaqqas l-Accruals (Xogħol li sar l-iżda għad qed nistennew il-kont)	(€48,373.16)
Żid il-pre payments	€1,725.26
Żid l-Accrued Income – Green MT	€4,950.00
Żid l-Accrued Income – WasteServ	€2,050.43
Żid l-Accrued Income – LES	€406.18
Żid l-Accrued Income – Memo 27/2014 – Attivitajiet Kulturali	€3,000.00
Żid l-Accrued Income – DLG LCS27 14/15 - Sports	€2,250.00
Żid l-Accrued Income – Fund raising Dingli Swallows MCCF	€375.00
Żid l-Accrued Income – Grant Live Streaming	€849.25
Żid l-Accrued Income – Capital Projects	€55,266.25
Żid id-debituri	€2,810.39
Naqqas il-kredituri	(€326,606.80)
Naqqas il-kredituri oħra	(€300.00)
Naqqas il-future commitment	(€67,404.07)
Rounding off	€0.69
Total	(€369,000.58)
Bilanċ finali	(€135,400.00)

4.0 L-Iskeda tal-Varjazzjonijiet fid-Dhul u fl-Infiq**4.1. L-Iskeda tal-Varjazzjonijiet fid-Dhul u fl-Infiq**

Nru. tal-Kont	DESKRIZZJONI	c	b	c	a-b/b-a	a-c/c-a
		2015	2015	2014	VARJANZA	VARJANZA
		ATTWALI	ESTMI	ATTWALI	ATTWALI/ESTM	ATTWALI
		€	€	€	€	€
2	Id-Dhul					
0000	Mill-Gvern	346,985.00	322,638.00	340,897.00	24,347.00	6,088.00
0020	Il-'Bye-laws'	24,725.00	13,500.00	17,140.00	11,225.00	7,585.00
0090	L-Investment	255.79	200.00	249.00	55.79	6.79
0100	Generali	3,615.70	2,000.00	2,087.00	1,615.70	1,548.70
	TOTAL	375,581.49	338,338.00	360,353.00	37,243.49	15,228.49
1	L-Infiq					
1000	Is-Salarji	52,564.17	71,198.00	50,207.00	18,633.83	-18,633.83
2000	Manutenzjoni u Xoghlijiet ohra	212,981.00	250,700.00	243,657.00	37,719.00	30,876.00
7000	L-Infiq Kapitali	88,670.14	37,500.00	124,902.00	-36,231.86	36,231.86
	TOTAL	354,215.31	359,398.00	418,766.00	5,182.69	64,550.69
	Bilanc	21,366.18	-21,060.00	-58,413.00	32,060.80	-40,322.20

Balances as at 31.12.2015

Receivables
Cash and Cash Equivalents
(less) Funds intended only for specific EU projects use
Current Liabilities other than deferred income

73,683.00
233,601.00
-140,694.00

Available Funds

-135,410.00

Noti:

L-Iskeda tal-Varjazzjonijiet fid-Dhul u fl-Infliq (cont.)**4.2. L-Iskeda tal-Varjazzjonijiet fid-Dhul u fl-Infliq**

Nru. tal-Kont	DESKRIZZJONI	a	b	c	a-b	a-c
		2015	2015	2014	VARJANZA	VARJANZA
		ATTWALI	ESTMI	ATTWALI	ATTWALI - ESTMI	ATTWALI
		€	€	€	€	€
2	Id-Dhul					
0000	Mill-Gvern (Brought Forward)					
0001	Annwali	309,838.00	309,838.00	299,308.00		10,330.00
0002	Supplimentari	8,094.00	5,000.00	20,966.00	3,094.00	-12,872.00
0003	Bżonnijiet Speċjali					
0004	Delegazzjonijiet Pubbliċi/Governattivi	5,974.00	5,000.00	5,021.00	974.00	953.00
0015	Hwejjeg Ohra	23,279.00	3,000.00	15,602.00	20,279.00	7,677.00
		346,985.00	322,638.00	340,897.00	24,347.00	6,088.00
0020	Il-'Bye-Laws'					
0021	Servizzi Komunitarji	15,297.00	7,000.00	8,849.00	8,297.00	6,448.00
0036	Ksur tal-'bye-law s'	2,895.00	2,000.00	169.00	895.00	1276.00
0056	Għotjiet Sponsorjali		500.00	500.00	-500.00	-500.00
0066	Generali	6,533.00	4,000.00	6,172.00	2,533.00	361.00
		24,725.00	13,500.00	17,140.00	11,225.00	7,585.00
0090	Investiment					
0091	Imghax tal-Bank	255.79	200.00	249.00	55.79	6.79
0096	Sigurtajiet tal-Gvern					
		255.79	200.00	249.00	55.79	6.79
0100	Generali					
0110	Donazzjonijiet	1664.70			1664.70	1664.70
0120	Kontribuzzjonijiet	1951.00	2,000.00	2,067.00	-40.00	-116.00
		3,615.70	2,000.00	2,067.00	1,615.70	1,548.70
	TOTAL	375,581.49	338,338.00	360,353.00	37,243.49	15,228.49

Noti:

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L-Iskeda tal-Varjazzjonijiet fid-Dhul u fl-Infiq (cont.)**4.3. L-Iskeda tal-Varjazzjonijiet fid-Dhul u fl-Infiq**

Nru. tal-Kont	DESKRIZZJONI	c	b	a	b-a	c-a
		2015	2015	2014	VARJANZA	VARJANZA
		ATTWALI	ESTMI	ATTWALI	ATTWALI/ESTMI	ATTWALI
		€	€	€	€	€
1	L-Infiq					
1000	Is-Salarji					
1100	L-Onorarju tas-Sindku	7,048.33	7,048.00	6,868.00	-0.33	-180.33
1200	Pagi ta' l-impjegati	31,595.49	50,473.00	30,345.00	18,877.51	-1,000.49
1300	Bonus	145.77	1400.00	172.00	-15.77	296.23
1400	Dhul Supplimentari	363.36	727.00	242.00	363.64	-101.64
1500	Kontribuzzjonijiet tas-Sigurtà Soċjali	1719.56	3,650.00	1424.00	1,930.44	-205.44
1600	Koncessjonijiet ('Allowances')	6,400.00	6,400.00	6,400.00		
1700	Sahra	4,021.66	1500.00	3,210.00	-2,521.66	-305.66
		52,564.17	71,198.00	50,207.00	18,633.83	-1,357.17
2000	Manutenzjoni u Xogholijiet ohra					
2100	Konsum tal-bżonn (daw ilma/tel. etc.)	8,579.00	13,500.00	13,966.00	4,921.00	5,387.00
2200	Xiri ta' Materjal u Fornimenti	5,892.00	5,000.00	4,745.00	-392.00	-147.00
2300	Tiswijiet u Manutenzjoni	16,949.00	20,000.00	14,717.00	3,051.00	-2,022.00
2400	Kera	1426.00	1400.00	1321.00	-26.00	-105.00
2500	Shubija f'Għaqdiet Nazzjonali/Internazzjonali	252.00	600.00	527.00	348.00	275.00
2600	Spejjez ta' l-Ufficcju	2,737.00	6,000.00	5,838.00	3,263.00	3,101.00
2700	Trasport	7,189.00	9,000.00	8,520.00	1,811.00	1,331.00
2800	Safar u vvjaggar		1,000.00	1,351.00	1,000.00	1,351.00
2900	Tagħrif lil-Publiku	122.00	3,000.00	2,845.00	2,878.00	2,723.00
3000	Spejjez ta' Kuntratti	19,058.00	145,000.00	141,583.00	25,942.00	22,525.00
3100	Servizzi Professionali	11,217.00	11,000.00	10,372.00	-217.00	-845.00
3200	Tahrig	887.00	4,000.00	4,407.00	3,113.00	3,520.00
3300	Ospitalità u Servizzi lil-Komunità	19,730.00	30,000.00	32,131.00	10,270.00	12,401.00
3400	Spejjez ohra li jingalghu	19,143.00	1,000.00	1,334.00	-18,143.00	-17,809.00
3600	Local Enforcement System		200.00		200.00	
		212,981.00	250,700.00	243,657.00	37,719.00	30,676.00
7000	L-Infiq Kapitali					
7001	Xiri ta' propjeta					
7100	Bini	18,365.60	5,000.00		-13,365.60	-13,365.60
7200	Titijb	347.00			-347.00	-347.00
7300	Makkinarju u Apparat	1500.00	2,500.00	2,983.00	1,000.00	1,483.00
7500	Progetti Speċjali	68,457.54	30,000.00	12,199.00	-26,457.54	53,461.46
		88,670.14	37,500.00	124,902.00	-51,170.14	36,231.86
TOTAL		354,215.31	359,398.00	418,766.00	5,182.69	64,550.69

Noti:

5.0 Id-Dikjarazzjoni ta' Rikonciljazzjoni mal-Bank

5.1 Kont ta' tiftil

	€
Bilanc tal-Bank Statement BOV Savings 40010338845	9.12
Depoziti li saru sal-31/12/2015 u li ma dehrux fil-Bank Statement Tnaqqis ta' 'withdrawals' li saru u li ma deherux fil-Bank statement	
Bilanc fil-kont tal-Bank	9.12

5.2 Kont kurrenti

	€
Bilanc tal-Bank Statement BOV Current account 40010338861	10,703.79
Depoziti li saru sal-31/12/2015 u li ma dehrux fil-Bank Statement Cekkijiet maħruġa l'izda għadhom ma ġewx imsarrfa	0.00
Bilanc fil-kont tal-Bank	10,703.79

5.3 Kont kurrenti - Mizura 313/314

	€
Bilanc tal-Bank Statement BOV Current account 400 2229 5963	165,946.14
Depoziti li saru sal-31/12/2015 u li ma dehrux fil-Bank Statement Cekkijiet maħruġa l'izda għadhom ma ġewx imsarrfa	0.00
Bilanc fil-kont tal-Bank	165,946.14

5.4 Kont kurrenti - Mizura 313/323

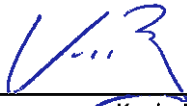
	€
Bilanc tal-Bank Statement BOV Current account 400 1932 0346	29,354.87
Depoziti li saru sal-31/12/2015 u li ma dehrux fil-Bank Statement Cekkijiet maħruġa l'izda għadhom ma ġewx imsarrfa	0.00
Bilanc fil-kont tal-Bank	29,354.87

5.5 Kont kurrenti

	€
Bilanc tal-Bank Statement APS Bank Current A/c 20001208932	49,925.66
Depoziti li saru sal-31/12/2015 u li ma dehrux fil-Bank Statement	577.00
Audit adjustments	0.00
Cekkijiet maħruġa l'izda għadhom ma ġewx imsarrfa	-23,016.00
Bilanc fil-kont tal-Bank	27,486.66

5.6 Petty Cash

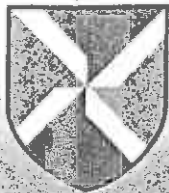
	€
Flus fl-idejn	100.00
Depoziti li saru sal-31/12/2015 Tnaqqis ta' 'withdrawals' li saru	
Bilanc fil-kont fl-idejn	100.00

 24/06/2016
Kevin Borg
Agent Segretarju Eżekuttiv

6.0 Ir-Rapport ta' l-Uditur u l-'Financial Statements'

6.0. Ir-Rapport ta' l-Uditur u l-'Financial Statements'

Rapport anness



Our Ref. : 16/4505/16/O
Your Ref. :
Internal Ref. : 16/4209/16/I

21st May 2016

Ministry for Justice, Culture & Local Government
Local Government Department
26
Archbishop Street
Valletta.

Att : Is-Sur Adrian Mifsud (Email: adrian.mifsud@gov.mt)

Management Letter 2015

Reference is made to the above-mentioned letter dated 22nd April 2016, concerning the systems and controls used by the Council to safeguard the Council's assets in line with prevailing legislation dealing with local councils.

The contents of the Draft Management Letter were read and discussed, where it was deemed appropriate to forward the following comments:

1. FOLLOW-UP: MANAGEMENT REPORT – YEAR ENDED 31 DECEMBER 2014

The Council has addressed to the best of its capabilities all matters which were mentioned in last year's management report, other than those, which are outside the control of the Council. The Council will strive to continue to improve its operations during the coming year. It is imperative to note that during 2015 the Council had the services of an Acting Executive Secretary who can only allocate limited time to the Dingli Local Council. Furthermore, during 2015, a total of three Executive Secretaries served at the Dingli Local Council due to resignations with the appointment of the current Acting Executive Secretary in July 2015.

2. INCOME

2.1 - Local Enforcement System

The Birkirkara Joint Committee is in the process of being wound up. Process has begun in 2011 and was expected to be finished in 2014. From enquiries carried out

with the Executive Secretary of the Regional Committee, which succeeded the Joint Committee, it transpired that the audited annual report of the Joint Committee for the year ending 31st December 2015 was still not available.

The Council has made persistent representations calling for the production of such a report within the respective time frame. Notwithstanding that the Council is not happy with the qualification in its audit report, there are no further actions to be taken other than those already taken. In view of this, while the Council will continue to exert pressure on the Regional Committee, one should point out that such an issue calls for Department for Local Government intervention, rather than being mentioned in the management letters of affiliated Local Councils, year after year.

2.2 - Local Enforcement System Post-Regional

Our procedure is to issue invoices from the LES system at the end of the month. It is imperative to note that this is obligatory since the LES system requires that invoices are issued from this system. The invoices issued from LES IT system are then posted into Sage Line 50 by crediting the income account and debiting the respective Region's debtor account. Upon receipt of funds, a receipt is issued and funds deposited in the Council's bank account. Payment is posted in Sage Pastel and a bank reconciliation is performed at the end of the month and as far as we know, no inconsistencies were noted in the bank reconciliation. This Local Enforcement System is a system run by Datatrak and the council does not have any control on the running of this system. The Council is not allowed to modify such invoice template and thus we kindly ask the auditors to direct this comment to LESA. Immaterial variance noted.

2.3 – System of Council Income Receipting and Invoicing

This system, although as rightly pointed out by the auditor would provide more checks and balances is costly to install and maintain. Comment about issuance of invoices noted and the Council strives to issue invoices when the amounts fall due. It is to be noted that to the best of our knowledge, invoices were issued although these occasions were very limited in quantity. The Council believes that the present system has proven to be a good balance between practicality and traceability. Invoices for the administration fees on LES contraventions to the Regions will be processed through the debtors' ledger.

2.4 – Supplementary Government Income

Whilst acknowledging the accruals concept, it is to be noted that such payment was received by the Local Council after the Financial Statements were approved by the Local Council, since the financial statements were approved on the 19th January 2016 and thus the Council could not accurately calculate the amount of this accrued income. It is also important to note that the Council is not aware of any concrete commitment in writing that such payment will be effected by DLG to Wasteserv. As correctly noted by the auditors, the Council accounted

correctly for the income which was received in 2015 and processed the audit adjustment as recommended by the auditors.

2.5 – Other Income short-comings

Noted. Separate nominal codes have been created as from 2016. It was deemed more appropriate to create the new separate nominal codes as from start of 2016 to avoid causing inconsistencies with comparatives. Any recommended audit adjustments and reclassifications were included in the updated financial statements.

3. PAYROLL

3.1 – FSS statutory documentation

Noted. It is to be noted that no discrepancy was noted between the FS7 and the total individual FS3s. Furthermore, no discrepancy was noted in the payroll reconciliation between the FS7 and the accounting system. Mentioned discrepancy were related to the first 6 months of the year and the present administration of the Council did not have any control on how the previous two Executive Secretaries declared the emoluments of the first set of FS5s.

3.2 – Final Settlement System (FSS) payments

Noted. Mentioned FSs related to the period January to June were not submitted in time because the Council did not have an appointed Executive Secretary and thus it was not possible to issue any payments. As from July onwards, FS5s were submitted on time with the relevant due payment.

3.3 – Councillors' Allowance

Present Mayor states that he had sent a written declaration to the Council but unfortunately, no records were found for the period covering January to June 2016.

3.4 – Unutilised vacation leave

The Council does not agree to the Auditors' comment about this matter and this shows lack of knowledge about this topic. This due to the fact that the Local Councils' Human Resources Regulation stipulates that any unutilised vacation leave can only be carried forward from one year to another up to two consecutive years after Council approval. In this case, no approval was sought for unutilised vacation leave for 2013 and 2014. An illegal resolution was passed during a Council Meeting to convert unutilised vacation leave 2013, 2014 and 2015 into time off.

Mayor : Sandro Azzopardi

Deputy Mayor : Raymond Schembri

Councillors : David Vassallo, Rachel Powell & Paul Mamo

Acting Executive Secretary : Kevin Borg

It was due to this resolution that the Council asked for guidance from DLG since we are of the opinion that said resolution was in breach of the Local Councils' Regulations and therefore there are no pending dues to the said employees.

3.5 – Personal Tax Deductions

During an internal verification exercise, the present Acting Executive Secretary noted in 2016 that such forms were not submitted to Inland Revenue Department and forms were prepared, signed and submitted in 2016.

4. EXPENDITURE

Item 4.1 – Purchase request and order forms

Open skips transaction is covered by a tender for monthly service. In the case of the street lighting comment, it is impossible to determine cost before the repairs are carried out.

Item 4.2 – Inappropriate Expenditure Documentation

Fiscal invoices were available at the Council premises for the mentioned transactions even though such transactions related to services or supplies of the previous administration. The Council still holds the payment of Dingli Swallows Football Club at the Council's safe awaiting the receipt of the fiscal receipt for such cost and the Council will only release payment upon receipt of the fiscal receipt. Since July 2015, no payments were issued without relevant fiscal invoices and payment vouchers were always signed by the Mayor and the Acting Executive Secretary.

Item 4.3 – Payment Vouchers and Schedule of Payments

Noted and in fact such procedure was adhered as from July 2015 onwards.

Item 4.4 – Approval of Cheque Payments

The Council does not agree to this comment since the guidelines as issued from the Monitoring Unit from DLG requests that any payments issued prior to the approval of the Council Meeting are included in the next Schedule of Payments and the respective cheque number be written down indicating that the payment has already been done.

Item 4.5 – Tendering Procedures

Noted and action will be taken for future calls.

Item 4.6 – Donation and organisation of charitable events

The Council does not agree to this comment from the auditor because in the opinion of the Council, the Council did not effect any donations, both in kind or in cash. The Council only organised events and it was stated up front that any proceeds from these events will be donated to the Malta Community Chest Fund.

Item 4.7 – Expired contracts

A recent memo states that the responsibility of the street lighting falls under the respective Regional Committees. In our case, we have delegated this responsibility to the Regional Committee. However, the Region have not yet issued the Regional tender and thus the Council have no under option to continue serving the locality by using the services of the current contractor.

Item 4.8 – Quotations

Noted and in fact, during 2015 a number of quotations were issued to rectify the Council's position.

5. PROPERTY, PLANT AND EQUIPMENT

5.1 – The Upkeep of the Fixed Asset Register

The Council acknowledges that at the moment the Fixed Asset Register is not existent. As already discussed in previous years' Management Letters, the Council had experienced a computer failure in previous years and the respective data was lost because no backup was kept. Attempts have been made in the past to compile a new Fixed Asset Register but data (both hardcopy and softcopy) was not available and thus these attempts were unsuccessful. Once the Fixed Asset Register will be created, the auditor's recommendations will be implemented.

5.2 – Depreciation

Since the FAR is inexistent, depreciation is being calculated in Excel and posted in Sage Pastel through a journal entry. It is to be noted that depreciation is calculated monthly on the Net Book Value and depreciation starts to be calculated in the month of purchase where there are additions to the Fixed Asset.

Mayor : Sandro Azzopardi

Deputy Mayor : Raymond Schembri

Councillors : David Vassallo, Rachel Powell & Paul Mamo

Acting Executive Secretary : Kevin Borg

5.3 – Assets not yet capitalised

A list of Assets not yet capitalised was provided during the audit and works were not fully completed by 2015. This was further confirmed by the architect's certificate which was dated 10th March 2016. Since assets were not yet capitalised, no depreciation was provided on these fixed assets. This is in line with IAS – Property, Plant and Equipment. It is also to be noted that mentioned discrepancy between the amount of the Assets Not Yet Capitalised and the actual invoice is due to the fact that as at year end, only an Accrual could be made and the invoice was received in 2016 after the financial statements were prepared.

5.4 – Insurance Coverage

The costs with respect to insured fixed assets will be updated according to those disclosed in the financial statements at the expiry of the next insurance period. However, the Council is of the opinion to not insure the assets which do not have any insurable risk.

5.5 – Tagging of Fixed Assets

Noted. As already stated before, since FAR is inexistent, it is practically impossible to tag the Fixed Assets.

5.6 – Assets no longer used by the Council

Noted. Matter will be discussed in line with the updating of the FAR.

5.7 – Penalties incurred on EU Funding 313 & 323

Comment noted but the Council believed that since this expenditure was a penalty and not a claim back of part of the allocated grant, the disclosure of such payment would be more appropriate if shown as an expense under the Administration expenditure rather than as an adjustment against the deferred income in the Statement of Financial Position.

6. INVENTORIES

6.1 – Stock of books

Stock was written off in previous years because the books were deemed unsaleable. In fact, during 2015 only €12 were generated from the sale of these books.

7. RECEIVABLES

7.1 – Debtors' balances reconciliations

Noted. The Council does its utmost to keep correct debtors records and statements are sent from time to time to the Regions. Feedback, if any, is noted and reconciled. Balance with MICAMED is receivable for a sponsorship awarded in previous years but never paid.

7.2 – Doubtful receivables

Noted. Immaterial amount adjusted through an audit adjustment in the updated financial statements.

7.3 – Accrued income and prepaid expenditure

Noted. The Council does its utmost to calculate the accrued income and prepayments correctly. Mentioned immaterial prepayment on motor vehicle licence adjusted through an audit adjustment. Mentioned previous years' accrued income were included in these financial statements since funds were not received in 2014 and 2015 and were included in the audited financial statements of 2013. It is imperative to note that the previous accountant did not forward the working papers for her workings of accrued income for the 2013 financial statements. Proposed audit adjustments were processed in the audited financial statements.

8. CASH AND CASH EQUIVALENTS

8.1 – Cash Deposits

This situation has improved substantially as from August 2015 when the present Active Executive Secretary took over the situation and the Clerk started to deposit the funds regularly. As from 2016, the Executive Secretary is doing its utmost that the Clerk deposits the funds twice a week. It is to be noted that the funds are kept in the safe at the Council premises until the funds are deposited.

9. PAYABLES

9.1 – Supplier Statements

Noted. The Council regularly requests statements to the suppliers and reconciles received statements to the Council's accounting system.

9.2 – Cut-off errors

Noted. Indicated transactions were not included in the accruals of 2015 because the Council became aware of these transactions after the financial statements of 2015 were prepared and approved. Rent of garage in Triq il-Buskett was accrued for in the financial statements of 2014 and accrual for the bulky refuse collection invoices of 2012 and 2013 were not accrued for in the 2014 financial statements since these invoices were not included in the list of accruals of the previous accountant covering January to December 2013. The list of accruals was provided to the auditors upon request and was tested in detail and no issues were commented on.

9.3 – Accrued Expenses

At the time of preparation of the financial statements, invoice from Asfaltar Construction Limited has not yet been received by the Council and thus an accrual was included in the financial statements as explained during the audit.

9.4 – Long term payable to supplier of road resurfacing works

It is to be noted that to the best of our knowledge that amounts due to the supplier of road resurfacing works were short term since the legal public private agreement was not abided to and the contractor was claiming payment of all amount and were thus included with the short term payables. An informal agreement with the contractor was reached to pay in annual instalments.

9.5 – Deferred Income

Mentioned variance was the amounts of grants as at 31st December 2014 which were received on assets not yet capitalised and thus in accordance with IAS 20, Accounting for Government Grants and Disclosure of Government Assistance were not released to the income statement. Available information was forwarded to the Auditors. As explained during the audit, the Council had already received substantial funds on the mentioned Measure 313s projects which payments passed through the specifically opened bank account measured by the Paying Agency. Thus, although these projects started to be released to income statement in 2015 (as they were finished in 2015), the grants released during 2015 was less. (Please also refer to previous explanation in same sentence.

Mayor : Sandro Azzopardi

Deputy Mayor : Raymond Schembri

Councillors : David Vassallo, Rachel Powell & Paul Mamo

Acting Executive Secretary : Kevin Borg

10. OTHER DISCLOSURES IN THE FINANCIAL STATEMENTS

10.1 – Disclosures required in respect of Financial Procedures

The Council has no control over this matter, on grounds that the budgets and financial statements are not comparable, in view of their different basis of accounting preparation. The Annual Budget has been prepared on a cash basis as indicated in the Local Council Procedures.

10.2 – Disclosures required in respect of IFRS

The disclosures which were mentioned in the comments to the financial statements were updated in the revised financial statements.

10.3 – Financial Statements presentation

The disclosures which were mentioned in the comments to the financial statement were updated in the revised financial statements.

10.4 – Prior-year adjustment

No such comment was mentioned in the comments to the financial statement and thus no change was applied in the revised financial statements.

11. GENERAL

11.1 – Approval of Council Minutes

Noted

11.2 – Records of Minutes and Schedules of Payments

As from July 2015 all Minutes and Schedules of Payments were approved and uploaded on DLG website.

11.3 – Council Meetings

No Council meetings were held between the indicated period because no Executive Secretary was appointed and from July 2015 the Council Meetings were held regularly.

11.4 – Quarterly Reports

Quarterly reports were all approved in the Council Meetings as can be confirmed with the relevant Council Minutes and thus all reports were approved.

11.5 – Comparison with the Annual Budget

As per our records, the budget for 2015 amounted to Eur250,700 and not Eur212,980 as stated in the management letter. The majority of the increase in expenditure over budget was as a result of a provision for doubtful debts, bad debts, accounting for a one off penalty payment on EU Funding Measure 313 & 323 and the accounting for previously unaccounted balances relating to 2012 and 2013 with the bulky refuse collection contractor and the refuse collection contractor.

11.6 – Council's Accounting Data

Data is regularly backed up and stored in a safe environment. The fact that the accountant is from Gozo does not impinge in any way on his availability to present any data to the Council in a timely manner. Furthermore, the Council has awarded a quotation during the last quarter of 2015 for the purchase of a Sage Line 50 accounting software and the data has now been restored on the Council's computer which is at the Council premises.

11.7 – Accountancy work and ancillary contractual obligations

The Council is not aware that such tender was not provided to the Auditor and does not have any problem to reforward such document again to the auditors upon request. The Accountant was appointed after a public call for tenders. The previous accountant did not forward the accounting data and thus any accounting data before 2014 is not available. Unfortunately, this has left the Council with some unexplained opening balances. The present accountant is doing its utmost to reconcile these balances and unexplained balances have been gradually written off. No other unexplained comments noted on reconciliations performed by the accountant.

11.8 – Mid-term audit

The Council does not believe that a mid-term audit is obligatory when an Acting Executive Secretary is appointed. Furthermore, it is important to note that the previous Executive Secretary did not report to work upon the appointment of the new Mayor and the new Councillors after the last election and thus it was practically impossible to hold any interim mid-term audit.

12. FINANCIAL POSITION

12.1 – Liquidity of the Council

The Council recognized an audited profit for the year during 2015 of Eur41,109 which compare to a profit of Eur772 for 2014. This shows that the Council is doing its utmost to improve the situation of the Council.

The Council is focusing its energy to control expenditure, both by compiling the annual budget and also by preparing quarterly reports with the necessary comparison between the budgets and the quarterly report.

The Council believes that the financial situation indicator will improve in 2016 if the positive trend which has been established in the third quarter of 2015 continues during the coming yea



Sandro Azzopardi
Mayor



Kevin Borg
Acting Executive Secretary

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 Udituri Lokali – 3a

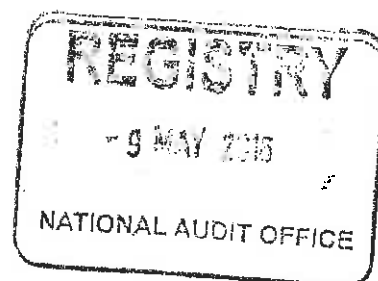


Li Gvern Repubbliċi ta' Malta

HAD-DINGLI LOCAL COUNCIL

Annual Report and Financial Statements

for the year ended 31 December 2015



Prepared by

Daniel Galea B. Accty. (Hons.) CPA

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2015

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HAD-DINGLI LOCAL COUNCIL

Statement of Local Council Members' and Executive Secretary's Responsibilities

for the year ended 31 December 2015

The Local Councils (Financial) Regulations require the Executive Secretary to prepare a detailed annual administrative report which includes the Local Council's statement of comprehensive income for the year and of the Council's retained funds at the end of year. By virtue of the same regulations it is the duty of the Local Council and the Executive Secretary to ensure that the financial statements forming part of the report present fairly, in accordance with the accounting policies applicable to Local Councils, the income and expenditure of the Local Council for the year and its retained funds as at the year end, and that they comply with the Act, the Local Councils (Financial) Regulations, and the Local Councils (Financial) Procedures issued in terms of the said Act.

The Executive Secretary is responsible to maintain a continuous internal control to ascertain that the accounting, recording and other financial operations are properly conducted in accordance with the Local Councils Act, Local Councils (Financial) Regulations, and the Local Councils (Financial) Procedures. The Executive Secretary is also responsible for safeguarding the assets of the Local Council and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This statement was approved by the Local Council on the 22nd April 2016 and signed on its behalf by



Sandro Azzopardi
Mayor



Kevin Borg
Acting Executive Secretary

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2015

		2015 €	2014 €
	<i>Notes</i>		
INCOME			
Funds received from Central Government	4	346,985	340,897
Income raised under Local Enforcement System	5	2,895	1,619
General Income	6	25,435	17,588
		<u>375,315</u>	<u>360,104</u>
EXPENDITURE			
Personal emoluments	8	(52,564)	(50,207)
Operations and maintenance expenses	9	(133,676)	(153,593)
Administration and other expenditure	10	(148,222)	(155,781)
		<u>(334,462)</u>	<u>(359,581)</u>
Operating profit for the year		40,853	523
Finance income	11	256	249
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>41,109</u>	<u>772</u>

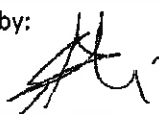
The notes on pages 8 to 24 form an integral part of these financial statements

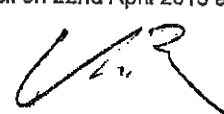
STATEMENT OF FINANCIAL POSITION

As at 31 December 2015

	Notes	2015 €	2014 €
ASSETS			
Non-Current Assets			
Property, plant and equipment	13	1,540,925	1,257,994
Intangible Fixed Assets	12	294	375
		<u>1,541,219</u>	<u>1,258,369</u>
Current Assets			
Receivables	14	73,683	155,156
Cash and Cash Equivalents	15	233,601	127,846
		<u>307,284</u>	<u>283,002</u>
Total Assets		<u>1,848,503</u>	<u>1,541,371</u>
RESERVES AND LIABILITIES			
Reserves			
Retained Earnings		461,533	441,712
		<u>461,533</u>	<u>441,712</u>
Non-Current Liabilities			
Payables	16	7,096	
Deferred income	17	846,949	839,399
		<u>854,045</u>	<u>839,399</u>
Current Liabilities			
Payables	16	442,684	245,986
Deferred income	17	90,241	14,274
		<u>532,925</u>	<u>260,260</u>
Total Reserves and Liabilities		<u>1,848,503</u>	<u>1,541,371</u>

These financial statements were approved by the Local Council on 22nd April 2016 and signed on its behalf by:


Sandro Azzopardi
Mayor


Kevin Borg
Acting Executive Secretary

The notes on pages 8 to 24 form an integral part of these financial statements

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2015

	Retained Funds €
At 1 January 2014	440,940
Profit for the year	772
At 31 December 2014	441,712
At 1 January 2015	441,712
Prior-year adjustment	(21,288)
Re-stated balance as at 1 January 2015	420,424
Profit for the year	41,109
At 31 December 2015	461,533

The notes on pages 8 to 24 form an integral part of these financial statements

STATEMENT OF CASH FLOWS

For the year ended 31 December 2015

	2015 €	2014 €
Note		
Cash flows from Operating Activities		
Total comprehensive profit for the year	41,109	772
Reconciliation to cash generated from operations:		
Depreciation	88,918	65,717
Grant released	(23,279)	(15,602)
Interest receivable	(256)	(249)
Operating Profit before Working Capital Changes	86,492	50,638
Decrease in inventories	-	654
Decrease/(increase) in Trade and Other Receivables	81,473	(128,906)
Increase in Trade Payables	214,918	50,770
(Decrease) in Other Payables	(11,124)	(30,110)
Cash generated from/(used in) operating activities	371,759	(56,954)
Cash flows from Investing Activities		
Interest received	256	249
Purchase of property, plant & equipment	(351,769)	(124,902)
Receipt of grant	85,509	240,675
Cash generated from/(used in) investing activities	(266,004)	116,022
 Net Increase in Cash and Cash Equivalents	 105,755	 59,068
 Cash and Cash Equivalents at the Beginning of the year	 127,846	 68,778
Cash and Cash Equivalents at the End of the year	233,601	127,846
15		

The notes on pages 8 to 24 form an integral part of these financial statements

HAD-DINGLI LOCAL COUNCIL

Notes to the Financial Statements for the year ended 31 December 2015

1. General Information

The Had-Dingli Local Council is the local Authority of Malta set up in accordance with the Local Councils Act, 1993. The office of the Local Council is situated at Centre of the Community, Daħla tas-Sienja, Had-Dingli. These financial statements were approved for issue by the Council Members on 22nd April 2016. The Local Council's presentation as well as functional currency is denominated in €.

2. Accounting Policies and Reporting Procedures

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Accounting convention

These financial statements are prepared under the historical cost convention, as modified to include fair values where it is stated in the accounting policies below. These financial statements are prepared in accordance with the provisions of the Local Councils Act Cap. 363, the Financial Regulations issued in terms of this Act and the Local Councils (Financial) Procedures 1996 enacted in Malta and with the requirements of the International Financial Reporting Standards as adopted by the EU.

These financial statements have been drawn up in accordance with the accounting policies and reporting procedures prescribed for Local Councils in the Financial Regulations issued by the Minister of Finance in conjunction with the Minister responsible for Local Government in terms of section 67 of the Local Councils Act (Cap. 363).

New and amended standards adopted by the Local Council

During the year under review, the Local Council has adopted the following International Financial Reporting Standards as adopted by the EU:

On 21 November 2013 the IASB published narrow scope amendments to IAS 19 Employee Benefits entitled Defined Benefit Plans: Employee Contributions (Amendments to IAS 19). These amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. The amendments are effective from 1 July 2014 with earlier application permitted.

In December 2013, the IASB issued Annual Improvements to IFRSs 2010-2012 Cycle, a collection of amendments to IFRSs, in response to eight issues addressed during the 2010-2012 cycle. The amendments reflects issues discussed by the IASB during the project cycle that began in 2010, and that were subsequently included in the exposure draft of proposed amendments to IFRSs Annual Improvements to IFRSs 2010-2012 Cycle (published in May 2012). The issues included in this cycle are: Definition of 'vesting condition' (IFRS 2); Accounting for contingent consideration in a business combination (IFRS 3); Aggregation of operating segments (IFRS 8); Reconciliation of the total of the reportable segments' assets to the entity's assets (IFRS 8); Short term receivables and payables (IFRS 13); Interest paid that is capitalised (IAS 7); Revaluation method – proportionate restatement of accumulated depreciation (IAS 16 and IAS 38); a Key management personnel services (IAS 24). The amendments are effective for annual periods beginning on or after 1 July 2014.

Notes to the Financial Statements for the year ended 31 December 2015 (cont.)

Accounting Policies and Reporting Procedures (cont.)

In December 2013, the IASB issued Annual Improvements to IFRSs 2011-2013 Cycle, a collection of amendments to IFRSs, in response to four issues addressed during the 2011-2013 cycle. The amendments reflect issues discussed by the IASB during the project cycle that began in 2011, and that were subsequently included in the exposure draft of proposed amendments to IFRSs Annual Improvements to IFRSs 2011-2013 Cycle (published in November 2012). The issues include in this cycle are Meaning of effective IFRSs (IFRS 1); Scope exceptions for joint ventures (IFRS 3); Scope of paragraph 52 (portfolio exception) (IFRS 13); and Clarifying the Interrelationship of IFRS 3 Business Combinations and IAS 40 Investment Property when classifying property as investment property or owner-occupied property (IAS 40). The amendments are effective for annual periods beginning on or after 1 July 2014.

New standards and amendments not yet effective and not yet adopted by the Local Council

The following standards and amendments to existing standards have been published and are mandatory (as applicable) for the Council accounting periods beginning on or after 1 January 2016 or later periods, but the Council has not early adopted them:

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The Council is yet to address the full impact of IFRS 9 and intends to adopt IFRS 9 subject to endorsement by the EU, no later than the accounting period beginning on or after 1 January 2018.

IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and established principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue: and IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2017 and earlier application is permitted, subject to endorsement by the EU. The Council is assessing the impact of IFRS 15.

On 12 May 2011, the International Accounting Standards Board (IASB) issued IFRS 11 Joint Arrangements. IFRS 11 Joint Arrangements classifies joint arrangements on the basis of their substance by focusing on the rights and obligations of the arrangement, rather than its legal form (as is currently the case of IAS 31 Interests in Joint Ventures). Under IFRS 11, joint arrangements are classified as joint ventures or as joint operations. Joint ventures are accounted for using the equity method of consolidation since the use of proportionate consolidation for such arrangements has been eliminated. Joint operations are accounted for in a manner that is similar to the current accounting treatment applicable for jointly controlled assets and jointly controlled operations. IFRS 11 supersedes IAS 31 Interests in Joint Ventures and SIC-13 Jointly Controlled Entities-Non-monetary Contributions by Ventures. At the same time, the IASB issued a revised version of IAS 28 Investments in Associates and Joint Ventures. The new and revised Standards are applicable for annual periods beginning on or after 1 January 2014, with earlier application being permitted. However when endorsing these Standards the European Union has allowed that these become applicable for annual periods beginning on and after 1 January 2014, with earlier application being permitted.

HAD-DINGLI LOCAL COUNCIL

Notes to the Financial Statements for the period ended 31 December 2015 (cont.)

Accounting Policies and Reporting Procedures (cont.).

The Councillors and Executive Secretary are assessing the impact that the adoption of these International Financial Reporting Standards will have on the financial statements in the period of initial application. The Council anticipates that the adoption of other International Financial Reporting Standards that were in issue at the date of authorisation of these financial statements, but not yet effective will have no material impact on the financial statements in the period of initial application.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses to date. Depreciation is calculated on a monthly basis using the reducing balance method at rates calculated to write off the cost less residual value of each asset over its expected useful life as follows:

	%
Land	0
Trees	0
Buildings	1
Office Furniture and Fittings	7.5
Construction Works	10
Urban Improvements (Street Furniture)	10
Special Projects	10
Office Equipment	20
Motor Vehicles	20
Plant and Machinery	20
Computer Equipment	25
Plants	100
Litter Bins	Replacement basis
Playground Furniture	100
Traffic Signs	Replacement basis
Road Signs	Replacement basis
Street Mirrors	Replacement basis
Street Lights	100

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit. The residual values and useful lives of the assets are reviewed and adjusted as appropriate, at each statement of financial position date. The carrying amount of an asset is written down immediately to its recoverable amount if the carrying amount of the asset is greater than its estimated recoverable amount.

Subsequent costs are included in the carrying amount of the asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the council and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Comprehensive Income during the financial period in which they are incurred.

Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

Impairment of Assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of the fair value of the asset less costs to sell and the value in use. Impairment losses are immediately recognised as an expense in the Statement of Comprehensive Income.

Notes to the Financial Statements for the period ended 31 December 2015 (cont.)

Accounting Policies and Reporting Procedures (cont.)

Inventories

Inventories are valued at the lower of cost and net realisable value. Cost includes freight, handling and other direct costs. Costs of inventories include the transfer from retained funds of any gains/losses on qualifying cash flow hedges relating to purchases of stock items. However, borrowing costs and foreign exchange differences are excluded. Net realisable value is the price at which stocks can be sold in the course of Council activities less anticipated costs of selling.

Amounts receivable

Amounts receivable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for impairment of amounts receivable is established when there is objective evidence that the Council will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the carrying amount of the asset and the present value of the estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the Statement of Comprehensive Income.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost, any difference between the proceeds and the redemption value is recognised in the income and expenditure account over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Local Council has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

Other payables

Other payables are classified with current liabilities and are stated at their nominal value unless the effect of discounting is material in which case other payables are measured at amortised cost using the effective interest method.

Financial instruments

Financial assets and financial liabilities are recognised when the Council becomes a party to the contractual provisions of a financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial assets and financial liabilities are measured initially at fair value plus transactions costs. They are measured subsequently as described below.

Financial assets

For the purpose of subsequent measurement, financial assets of the Council are classified into loans and receivables upon initial recognition.

Receivables are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

Notes to the Financial Statements for the period ended 31 December 2015 (cont.)

Accounting Policies and Reporting Procedures (cont.)

All income and expenses relating to loans and receivables are presented within 'finance income' or 'finance costs', except for impairment of receivables which is presented within 'administration and other expenditure'.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Council's other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other available features of shared credit risk characteristics. The percentage of the write down is then based on recent historical counterparty default rates for each identified group.

Financial liabilities

The Council's financial liabilities include other payables. These are stated at their nominal amount which is a reasonable approximation of fair value.

All interest-related charges are included within 'finance costs'.

Related parties

Related parties are those persons or bodies of persons having relationships with the Council as defined in International Accounting Standard No. 24.

Revenue

Revenue is recognised when there are no significant uncertainties concerning the derivation of consideration or associated costs and it can be measured reliably. Interest income is recognised in the statement of comprehensive income as it accrues.

Income from central government is not recognised until there is reasonable assurance that the Council will comply with any conditions attached to it, and that the income will be received. The received income is to be recorded gross and any deductions made for non-compliance are to be disclosed separately with expenses.

Local Enforcement System

The Had-Dingli Local Council formed part of the North Joint Committee until August 2012. As from September 2012, the income recognised in the Income Statement was derived from the five Regional Committees and Local Enforcement System Agency.

Government grants

Government grants relating to costs are deferred and recognised in the statement of comprehensive income over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the income statement over the expected lives of the related assets.

Notes to the Financial Statements for the period ended 31 December 2015 (cont.)

Accounting Policies and Reporting Procedures (cont.)

Foreign currencies

Items included in the financial statements are measured using the currency of the primary economic environment in which the Local Council operates. These financial statements are presented in €, which is the Council's functional and presentation currency.

Transactions denominated in foreign currencies are translated into € at the rates of exchange in operation on the dates of the transactions. Monetary assets and liabilities expressed in foreign currencies are translated into € at the rates of exchange prevailing at the date of the Statement of Financial Position.

Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

Profits and losses

Only surpluses that were realised at the date of the Statement of Financial Position are recognised in these financial statements. All foreseeable liabilities and potential losses arising up to the said date are accounted for even if they become apparent between the said date and the date on which the financial statements are approved.

Cash and cash equivalents

Cash and Cash Equivalents are carried in the Statement of Financial Position at face value. For the purposes of the Cash Flow Statement, cash and cash equivalents comprise cash in hand and balances held with banks.

Capital Management

The Council's capital consists of its net assets, including working capital, represented by its retained funds. The Council's management objectives are to ensure:

- that the Council's ability to continue as a going concern is still valid and
- that the Council maintains a positive working capital ratio.

To achieve the above, the Council carries out a quarterly review of the working capital ratio ("Financial Situation Indicator"). This ratio was positive at the reporting date and has not changed significantly from the previous year. The Council also uses budgets and business plans to set its strategy to optimise its use of available funds and implement its commitments to the locality.

3. Judgments in applying accounting policies and key sources of estimation

Estimates and judgements are continually evaluated and based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

In the opinion of the Council, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1.

Notes to the Financial Statements for the year ended 31 December 2015 (cont.)

4. Funds received from central government

	2015	2014
	€	€
In terms of section 55 of the Local Councils Act	309,638	299,308
Supplementary Government Income	8,094	20,966
Other Government Income	5,974	15,021
Grants Released	23,279	15,602
	<u>346,985</u>	<u>340,897</u>

5. Local Enforcement system

	2015	2014
	€	€
Administrative charges to Regional Committees/LESA	2,895	1,619
	<u>2,895</u>	<u>1,619</u>

6. General Income

	2015	2014
	€	€
Cultural Events	1,223	1,393
Community services	10,212	7,456
Sponsorships and donations	1,665	500
Tender Documents/Info Charges	1,940	1,755
Temporary permits	3,862	2,067
Sale of books and maps	12	52
Other Income	6,521	4,365
	<u>25,435</u>	<u>17,588</u>

7. Profit for the year

	2015	2014
	€	€
Profit for the year is stated after charging		
Staff salaries	52,564	50,207
Depreciation of non-current assets	68,918	65,717

HAD-DINGLI LOCAL COUNCIL

Notes to the Financial Statements for the year ended 31 December 2015 (cont.)

8. Personal Emoluments

	2015	2014
	€	€
Mayor's Remuneration and allowances	7,048	6,868
Councillors' Allowances	6,400	6,400
Executive Secretary Salary and Allowances	13,256	11,043
Employees' Salaries	24,140	24,472
Social Security Contributions	1,720	1,424
	<u>52,564</u>	<u>50,207</u>

9. Operations and Maintenance

	2015	2014
	€	€
<i>Repairs and Upkeep:</i>		
Road/Street Pavements	6,788	-
Signs	2,154	5,028
Road Markings	910	873
Office furniture and equipment	199	332
Plant & equipment	25	108
Motor vehicle repairs	489	1,582
Patching works	4,596	2,338
Other repairs and upkeep	1,788	4,456
	<u>16,949</u>	<u>14,717</u>

Contractual Services:

Waste Disposal	16,840	21,095
Refuse Collection	27,759	38,239
Bulky Refuse Collection	14,421	7,005
Hiring of skips - bins on wheels	1,620	1,730
Cleaning services	126	319
Cleaning - Public Conveniences	1,922	1,869
Road & Street Cleaning	30,463	36,005
Other contractual services	12,752	11,686
Cleaning & Maintaining Parks & Gardens	1,722	8,647
Street Lighting	9,102	11,587
Local enforcement expenses	-	694
	<u>116,727</u>	<u>138,876</u>

Total Operations and Maintenance Costs

133,676	153,593
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HAD-DINGLI LOCAL COUNCIL

Notes to the Financial Statements for the year ended 31 December 2015 (cont.)

10. Administration and other expenditure

	2015	2014
	€	€
Utilities	8,578	13,966
Materials and supplies	5,692	4,745
Rent	1,426	1,321
National and International Memberships	252	527
Postage and couriers	162	338
Office Services	2,575	5,500
Transport	7,189	8,520
Travel		1,351
Information Services	122	2,845
Insurance Coverage	2,261	2,601
Bank charges	70	106
Professional Services	11,217	10,372
Training	887	4,407
Other Hospitality Costs	349	3,655
Social and cultural events	12,600	25,711
Community Services	6,781	2,765
Penalties	11,738	
EU expenses		1,334
Bad debts	1,075	
Provision for bad debts	6,330	
Depreciation and amortisation	88,918	65,717
	<u>148,222</u>	<u>155,781</u>

11. Finance Income

	2015	2014
	€	€
Bank Interest Receivable	256	249
	<u>256</u>	<u>249</u>

Notes to the Financial Statements for the year ended 31 December 2015 (cont.)**12. Intangible Fixed Assets**

	Computer software €	Total €
Cost		
At 1 January 2014	495	495
Additions	-	-
At 31 December 2014	495	495
Depreciation		
At 1 January 2014	17	17
Charge for the year	103	103
At 31 December 2014	120	120
Net Book values		
At 31 December 2014	375	375

	Computer software €	Total €
Cost		
At 1 January 2015	495	495
Additions	-	-
At 31 December 2015	495	495
Depreciation		
At 1 January 2015	120	120
Charge for the year	81	81
At 31 December 2015	201	201
Net Book values		
At 31 December 2015	294	294

HAD-DINGLI LOCAL COUNCIL

Notes to the Financial Statements for the year ended 31 December 2015 (cont.)

13. Property, plant and equipment

Cost	Council Premises €	Construction & Special Programmes €	Assets under Construction €	Street Signs €	Urban Improvements €	Plant & Machinery €	Office Furniture Fixt. & fittings €	Computer Equipment €	Motor Vehicles €	Trees €	Total €
At 1 January 2014	161,169	1,492,203	477,192	36,230	132,539	9,423	67,209	49,225	12,113	2,997	2,440,300
Additions		36,328	85,591								
Assets Capitalised		77,244	(77,244)			800		2,183			124,902
At 31 December 2014	161,169	1,605,775	485,539	36,230	132,539	10,223	67,209	51,408	12,113	2,997	2,565,202
Depreciation											
At 1 January 2014	13,379	270,770		36,230	90,822	3,333	36,346	39,027	7,543		497,450
Charge for the year	1,471	53,534			3,986	1,139	2,237	2,410	834		65,611
At 31 December 2014	14,850	324,304		36,230	94,808	4,472	38,583	41,437	8,377		563,061
Grants											
At 1 January 2014		744,147									744,147
At 31 December 2014		744,147									744,147
Net Book values											
At 31 December 2014	146,319	537,324	485,539		37,731	5,751	28,626	9,971	3,736	2,997	1,257,994

HAD-DINGLI LOCAL COUNCIL

Notes to the Financial Statements for the year ended 31 December 2015 (cont.)

13. Property, plant and equipment (cont.)

	Council Premises	Construction & Special Programmes	Assets under Construction	Street Signs	Urban Improvements	Plant & Machinery	Office Furniture & fittings	Computer Equipment	Motor Vehicles	Trees	Total
	€	€	€	€	€	€	€	€	€	€	€
Cost											
At 1 January 2015	161,169	1,605,775	485,539	36,230	132,539	10,223	67,209	51,408	12,113	2,997	2,565,202
Additions	-	321,922	28,000	-	347	-	-	1,500	-	-	351,769
Assets Capitalised	-	485,539	(485,539)	-	-	-	-	-	-	-	-
At 31 December 2015	161,169	2,413,236	28,000	36,230	132,886	10,223	67,209	52,908	12,113	2,997	2,916,971
Depreciation											
At 1 January 2015	14,850	324,304	-	36,230	94,808	4,472	38,583	41,437	8,377	-	563,061
Charge for the year	1,456	57,703	-	-	3,613	1,050	2,075	2,258	683	-	68,838
On disposal	-	-	-	-	-	-	-	-	-	-	-
At 31 December 2015	16,306	382,007	-	36,230	98,421	5,522	40,658	43,695	9,060	-	631,899
Grants											
At 1 January 2015	-	744,147	-	-	-	-	-	-	-	-	744,147
At 31 December 2015	-	744,147	-	-	-	-	-	-	-	-	744,147
Net Book values											
At 31 December 2015	144,863	1,287,082	28,000	34,465	4,701	26,551	9,213	3,053	2,997	-	1,540,925

Notes to the Financial Statements for the year ended 31 December 2015 (cont.)**14. Receivables**

	2015	2014
	€	€
Accounts receivables	2,811	1,794
Prepayments and accrued income	70,872	153,362
	<u>73,683</u>	<u>155,156</u>

Receivables

General receivables are analysed as follows:

	2015	2014
	€	€
Within credit period	2,811	1,794
Exceeded credit period but not impaired	-	-
Impaired and provided for	15,402	15,222
Provision for doubtful debts	<u>(15,402)</u>	<u>(15,222)</u>
	<u>2,811</u>	<u>1,794</u>

Included in the accounts receivable are amounts due from related parties amounting to €2,541 (2014 : €1,344). These amounts are unsecured, interest free and repayable on demand.

Local Enforcement System (LES) Debtors

LES Debtors are stated after a specific provision for doubtful debts amounting to €15,222 (2014 - €15,222).

15. Cash & cash equivalents

Cash and cash equivalents included in the statement of cash flows comprise the following statement of financial position amounts.

	2015	2014
	€	€
Cash at Bank	232,924	125,406
Cash in Hand	677	2,440
	<u>233,601</u>	<u>127,846</u>

HAD-DINGLI LOCAL COUNCIL

Notes to the Financial Statements for the year ended 31 December 2015 (cont.)

16. Payables

	2015	2014
	€	€
Payables	334,003	119,085
Accruals and deferred income	115,777	126,901
	<u>449,780</u>	<u>245,986</u>
Current Payables	<u>442,684</u>	<u>245,986</u>
Non-Current Payables	<u>7,096</u>	
Non-Current Payables		
Payable between one and two years	7,096	-
Payable between two and five years		-
Payable in five years or more		-
	<u>7,096</u>	<u>-</u>

Included in the accounts payable are amounts due to related parties amounting to €36,919 (2014 : €20,840). These amounts are unsecured, interest free and repayable on demand.

17. Deferred Income

	2015	2014
	€	€
Government grants		
At 1 January	853,673	621,494
Increase in year	106,796	247,781
	<u>960,469</u>	<u>869,275</u>
Released in year	(23,279)	(15,602)
At 31 December	<u>937,190</u>	<u>853,673</u>
Current Deferred Income	<u>90,241</u>	<u>14,274</u>
Non-Current Deferred Income	<u>846,949</u>	<u>839,399</u>
Deferred Government Grants		
Deferred between one and two years	88,297	7,100
Deferred between two and five years	217,158	17,034
Deferred in five years or more	541,494	815,265
	<u>846,949</u>	<u>839,399</u>
Deferred after five years or more:		
Government Grants	<u>541,494</u>	<u>815,265</u>

Notes to the Financial Statements for the year ended 31 December 2015 (cont.)**18. Capital Commitments**

	2015	2014
	€	€
Details of capital commitments at the accounting date are as follows:		
- Approved but not yet contracted for		32,000
- Contracted for but not provided in the financial statements	-	-
(i) Approved but not yet contracted for:		
Construction		10,000
Improvements		12,000
Special Programmes		10,000
	-	32,000
(i) Contracted for but not provided in the Financial Statements:		
Road resurfacing		-

19. Ultimate controlling party

The ultimate controlling party of the local council is Central Government since the Council's main revenue is from the Government allocation received every quarter. Apart from the normal funds received from Government, Councils also receive funds relating to specific projects as well as other funds for the improvement and betterment of the locality.

20. Financial Risk Management

The Council's activities expose it to a variety of financial risks such as market risk, credit risk, liquidity risk and interest rate risk. The Council's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Council's financial performance.

Credit risk

Financial assets which potentially subject the Council to concentrations of credit risk consist principally of cash at bank debtors. The Council's cash is placed with quality financial institutions as well as it limits the amount of credit exposure with any one financial institution. The Council has appropriate policies to ensure that income is received from sources with appropriate credit history. In this respect, credit risk with respect to debtors is monitored continuously and the Council places a provision on any debt on which there is doubt of recoverability. Bad debts are therefore negligible and in this respect the Council has no significant concentration of credit risk.

Liquidity Risk

Liquidity risk is defined as financial distress, an extraordinary measure which needs to be taken to manage the council's present commitments arising due to shortage of funds. The objective of liquidity risk management is to maintain sufficient liquidity, and to ensure that it is available within the necessary time frame in order not to create financial distress and curtail current obligations as well as future short term commitments. The Council monitors and manages its risk to a shortage of funds by maintaining sufficient cash and by monitoring the availability of raising funds to meet commitments due. In fact at year end, the Council has as cash and cash equivalents the amount of Euro 233,601. This should ensure an ongoing working capital of the Council for the next 12 months.

Notes to the Financial Statements for the year ended 31 December 2015 (cont.)**20. Financial Risk Management (cont.)***Going Concern Risk*

The Council made a net profit of €41,109 (2014: €772) during the year ended 31 December 2015, and as at that date, the Council had a negative current net asset position of €135,400 (2014: €88,036). These financial statements have been prepared on a going concern basis in view of the fact that it is understood that the ultimate controlling party will provide adequate funds for the Council to cover present liabilities as well as short term obligations and commitments arising.

	2015	2014
	€	€
Current Assets		
Loans and receivables:		
Accounts and other receivables	2,811	1,794
Cash and Cash Equivalents	233,601	127,846
	<u>236,412</u>	<u>129,640</u>
Current Liabilities		
Financial liabilities measured at amortised costs:		
Payables	<u>326,907</u>	<u>119,085</u>

Foreign Currency Risk

Foreign currency transactions arise when the Council buys or sells goods whose price is denominated in a foreign currency, or incurs or settles liabilities, denominated in a foreign currency. The Council does not trade in any foreign currency transactions.

Interest Rate Risk

The Council operates bank accounts without any financing facilities. As a result, the Council is not exposed to cash flow interest rate risk on bank balances.

Market risks

Market risk is the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk reflects interest rate risk, currency risk and other price risks.

Other risks

The Council's interest rate risk arises from long term borrowings. Borrowings issued at variable rates expose the Council to cash flow interest rate risk. In general, the Council's exposure to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financing position and cash flows are not deemed to be substantial by the Councillors and Executive Secretary in view of the nature of the assets and liabilities.

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, the availability of funding through an adequate amount of credit facilities and the ability to close out market positions.

Notes to the Financial Statements for the year ended 31 December 2015 (cont.)**21. Related party transactions**

During the year under review, the Council carried out transactions with the following related parties:

<i>Name of Entity</i>	<i>Nature of relationship</i>
Department of Local Government	Significant control
North Joint Committee (Local Enforcement)	Joint Control
North Regional Committee	Joint Control
Central Regional Committee	No control
Gozo Regional Committee	No control
South Eastern Regional Committee	No control
South Regional Committee	No control
Local Enforcement System Agency	No control
Malta Environment and Planning Authority	No control
Malta Information Technology Agency	No control
Water Services Corporation	No control
Enemalta Corporation	No control
ARMS Limited	No control
Director General - Works Division	No control
Wasteserv Malta Limited	No control
Police General Headquarters	No control
Department of Lands	No control
Airmalta plc	No control
Bank of Valletta plc	No control
Malta Tourism Authority	No control
Office of the Prime Minister	No control
Office of the Commissioner for Data Protection	No control

The amounts due from / to related parties at year-end are disclosed in notes 14 and 16. The terms and conditions do not specify the nature of the consideration to be provided in settlement. These amounts are unsecured, interest free and repayable on demand.

The following were the significant transactions carried out by the Council with related parties having significant control:

	Related party activity	2015 Total activity	%	Related party activity	2014 Total activity	%
	€	€		€	€	
Income						
Transactions with central government	323,706			325,295		
Transactions with regions	2,895			1,619		
	<u>326,601</u>	<u>375,315</u>	<u>87</u>	<u>326,914</u>	<u>360,104</u>	<u>91</u>
Expenditure						
Transactions with government entities	19,258			21,892		
Key personnel remuneration	52,564			50,207		
	<u>71,822</u>	<u>334,462</u>	<u>21</u>	<u>72,099</u>	<u>359,581</u>	<u>20</u>

22. Fair values estimation

The nominal values less estimated credit adjustments of receivables and payables are assumed to approximate their fair values; otherwise, these have been adjusted to approximate their fair values.

LOCAL COUNCIL DINGLI

Report of the Local Government Auditors to the Auditor General

We have audited the accompanying financial statements of LOCAL COUNCIL DINGLI, which comprise the statement of financial position on page 5 as of 31st December 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Council's Responsibility for the Financial Statements

The Council Members and the Executive Secretary are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council Members and the Executive Secretary, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

In accordance with the Local Enforcement System (LES) issued by the Ministry by virtue of article 72 of the Local Councils Act (Cap. 363), the income relating to contraventions was delegated to the local councils through Legal Notice 32 of 2000. The Council entered into a pooling agreement with a number of local councils within the Local Enforcement System and formed a Joint Committee to manage and administer this function up to September 2011, when this was delegated to Regional Committees. Due to the fact that no proper audited financial statements have been prepared by the Joint Committee, we could not obtain reasonable assurance on the completeness of the share of income or expenditure that could have been recorded in the financial statements as well as on any accrued income or liabilities present as at end of the current financial year.

The Council does not maintain an appropriate fixed asset register to record its acquisitions of property, plant and equipment. We could not perform practical, satisfactory audit procedures to obtain reasonable assurance on the existence and completeness of the opening balances of property, plant and equipment as recorded in the financial statements and having a net book value of €1,541,219 as well as on the completeness of the depreciation charged thereupon.

Additions made by the Council during 2014 and 2015 amounting to €807,461 for tangible assets special programmes, could not be properly supported by adequate documentation, thus limiting us from obtaining reasonable assurance on the amount being recognised in the financial statements.

The Council recognised Government Grants as deferred income (net of releases) in the financial statements and amounting to €937,190 and a further amount of €23,279 released from deferred income to the Statement of Comprehensive Income. We were not provided with adequate and

supporting information to provide reasonableness and accuracy to the amounts being recorded, recognised and disclosed.

The financial statements include an accrual of €67,404 with respect to road works undertaken through the Public Private Partnership Scheme. This amount payable should have been classified partly as long-term and partly as short-term payables in line with the provisions of IAS 1 – Presentation of Financial Statements and generally accepted accounting principles. Moreover, the Council failed to apply and include disclosure with respect to IAS39 - Financial Instruments: Recognition & Measurement which requires that such long-term obligations are accounted for at amortised cost. This entails that after initial recognition this liability is measured at amortised cost using the effective interest method, less provision for any impairment. In this regard, the Council should have accounted for this liability accordingly using a proper discount rate which equates to the Council's cost of capital. No such adjustments were forthcoming in the Council's records and financial statements.

IFRS require that all applicable standards and their disclosure requirements are adhered to. These financial statements lack appropriate disclosure in respect to new and revised standards as per the requirements of IAS 1- Presentation of Financial Statements and certain disclosure requirements arising from IAS 2 – Inventories, IAS 24- Related Party Disclosures, IAS 38 – Intangible assets, IFRS 7- Financial Instruments: Disclosures as well as appropriate recognition and measurement in relation to correction of errors in line with IAS 8- Accounting policies, Changes in Accounting Estimates and Correction of Errors, IAS 20 - Accounting for Government grants and disclosures, and accounting for effective interest in relation to the amounts due under the PPP scheme in line with the requirements of IAS 39 - Financial Instruments: Recognition & Measurement.

The Statement of Financial Position on page 5 and the notes thereto, with special reference to note 20, suggest that the going concern assumption used in the preparation of these financial statements is dependent on further sources of funds other than the annual financial allocation by Central Government, on the collection of debts due to the Council and on the continued support of the Council's creditors. Any adverse change in either of these assumptions above, would not let the Council able to meet its financial obligations as they fall due without curtailing its future commitments.

Qualified Opinion

In our opinion, except for the effect on the financial statements of the matters referred to in the Basis for Qualified Opinion paragraphs, the financial statements give a true and fair view of the financial position of Local Council Dingli as at 31st December, 2015, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Opinion on Other Legal and Regulatory Requirements

These financial statements do not comply fully with the Local Council (Financial) Procedures, 1996. According to the Financial Procedures supplementing the Financial Regulations issued in terms with the Local Councils Act 1993, the financial statements should include the budget for the year. In line with Local Councils' generally accepted reporting procedures, the budget has been excluded from these financial statements.



This copy of the report has been signed by
Christian Vella (Partner) on its behalf

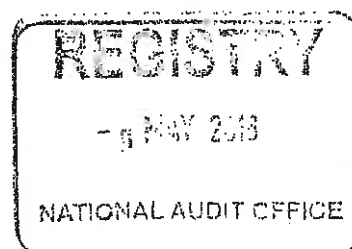
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Certified Public Accountants
Level 2, Palazzo Ca' Brugnara
Valley Road
Birkirkara BKR9024
Malta

Date: 22 April 2016

LOCAL COUNCIL DINGLI

Report to Management
for the financial year ended 31 December 2015





22nd April 2016

The Mayor
LOCAL COUNCIL DINGLI
Centre of the Community
Dahia tas-Slenja
DINGLI

Dear Sir,

REPORT TO MANAGEMENT

As you are well aware, our firm has been appointed by the National Audit Office to carry out the annual audit of the financial statements of your Council. Our engagement includes the obligation on our part to prepare a report addressed to the Council, explaining weaknesses and recommendations that emanate from the review of your systems as part of our audit. You will understand that our examination cannot be expected to disclose every weakness and therefore the matters dealt with in this report are not necessarily the only shortcomings, which exist. This report is intended as a source of guidance for the Council to refine its systems for better compliance, internal controls and governance. This report will also be used by the National Audit Office to compile its own report on Local Councils.

For clarity purposes, this report is distributed to your council, the National Audit Office and the Department of Local councils. The contents of this report shall not be quoted in part or in full or used in any way other than for the above-mentioned scope, without our prior written consent.

During the course of our audit for the year ended 31 December 2015, we have examined the principal accounting records, systems and controls in use by the Council to enable it to ensure as far as possible, the accuracy and reliability of its records and to safeguard its assets. Additionally, we also examined the level of your Council's compliance with the Local Councils Act (1993), the Financial Procedures (1996), the various Legal Notices and Local Councils Department Memos globally issued to Local Councils in the Maltese Islands.

3a Certified Public Accountants

Level 2, Palazzo Ca' Brugnera
Valley Road, B'Kara BKR 9024
Malta, EU

Telephones: +356 2757 2757
Facsimile: +356 2757 2755
Email: info@3amalta.com

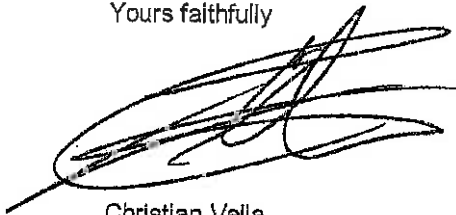
Partners: Neville Cutajar, Christian Vella, Clive Farrugia
3A is a civil partnership duly registered as an audit firm under
the Accountancy Profession Act with warrant number: AB/26/84/67

3amalta.com

We remain at the Council's disposal for any clarification required regarding the above. We shall be happy to render assistance should you decide to implement any of the recommendations.

Finally, we take this opportunity to thank the Acting Executive Secretary, Mr. Kevin Borg and his Council's administrative team for their valuable assistance and co-operation rendered to us at all times during the course of our audit.

Yours faithfully

A handwritten signature in black ink, consisting of several overlapping loops and strokes, positioned above the printed name.

Christian Vella
Partner

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1. FOLLOW-UP MANAGEMENT REPORT – YEAR ENDED 31 DECEMBER 2014.

1.1. Local Enforcement System

The Council has not addressed the matter during the year and we therefore draw your attention to paragraphs 2.1 and 2.2 of our management report.

1.2. System of Council Income Receipting

The Council has not addressed the matter during the year and we therefore draw your attention to paragraph 2.3 of our management report.

1.3. LES Post Regional 10% Commission

The Council has not addressed the matter during the year and we therefore draw your attention to paragraphs 2.1 and 2.2 of our management report.

1.4. Income Recognition

The Council has not addressed the matter during the year and we therefore draw your attention to paragraph 2.5 of our management report.

1.5. Income from bye-laws

The Council has not addressed the matter during the year and we therefore draw your attention to paragraph 2.5 of our management report.

1.6. FSS statutory documentation

The Council has not addressed the matter during the year and we therefore draw your attention to paragraph 3.1 of our management report.

1.7. Final Settlement System (FSS) payments

The Council has not addressed the matter during the year and we therefore draw your attention to paragraph 3.2 of our management report.

1.8. Other Payroll Shortcomings

The Council has not addressed the matter during the year and we therefore draw your attention to paragraph 3 of our management report.

1.9. Personal Tax Deductions

The Council has not addressed the matter during the year and we therefore draw your attention to paragraph 3.5 of our management report.

1.10. Councillors' Allowance

The Council has not addressed the matter during the year and we therefore draw your attention to paragraph 3.3 of our management report.

1.11. Purchase request and order forms

The Council has not addressed the matter during the year and we therefore draw your attention to paragraph 4.1 of our management report.

1.12. Inappropriate Expenditure Documentation

The Council has not addressed the matter during the year and we therefore draw your attention to paragraph 4.2 of our management report.

1.13. Payment Vouchers

The Council has not addressed the matter during the year and we therefore draw your attention to paragraph 4.3 of our management report.

1.14. Tendering procedures

The Council has not addressed the matter during the year and we therefore draw your attention to paragraph 4.5 of our management report.

1.15. Renewal of contracts and expired contracts

The Council has not addressed the matter during the year and we therefore draw your attention to paragraph 4.7 of our management report.

1.16. Quotation procedures

The Council has not addressed the matter during the year and we therefore draw your attention to paragraph 4.8 of our management report.

1.17. Expenditure for Jum Had-Dingli

The Council has addressed the matter during the year under review.

1.18. The upkeep of the Fixed Asset Register (FAR)

The Council has not addressed the matter during the year and we therefore draw your attention to paragraph 5.1 of our management report.

1.19. Depreciation

The Council has not addressed the matter during the year and we therefore draw your attention to paragraph 5.2 of our management report.

1.20. Assets not yet capitalised

The Council has not addressed the matter during the year and we therefore draw your attention to paragraph 5.3 of our management report.

1.21. Insurance policy

The Council has not addressed the matter during the year and we therefore draw your attention to paragraph 5.4 of our management report.

1.22. Capital Commitments

The Council has addressed the matter during the year under review.

1.23. Physical tagging of Fixed Assets

The Council has not addressed the matter during the year and we therefore draw your attention to paragraph 5.5 of our management report.

1.24. Assets no longer used by the Council

The Council has not addressed the matter during the year and we therefore draw your attention to paragraph 5.6 of our management report.

1.25. Collection of Local Enforcement fines outstanding

The Council has addressed the matter during the year under review.

1.26. Accrued income

The Council has not addressed the matter during the year and we therefore draw your attention to paragraph 7.3 of our management report.

1.27. Cash deposits

The Council has not addressed the matter during the year and we therefore draw your attention to paragraph 8.1 of our management report.

1.28. Bank reconciliation

The Council has addressed the matter during the year under review.

1.29. Details of bank statements

The Council has addressed the matter during the year under review.

1.30. Supplier Statements

The Council has not addressed the matter during the year and we therefore draw your attention to paragraph 9.1 of our management report.

1.31. Creditors' Balances and Cut-offs

The Council has not addressed the matter during the year and we therefore draw your attention to paragraph 9.2 of our management report.

1.32. Accrued expenses

The Council has not addressed the matter during the year and we therefore draw your attention to paragraph 9.3 of our management report.

1.33. Long term payables to supplier of road resurfacing works

The Council has not addressed the matter during the year and we therefore draw your attention to paragraph 9.4 of our management report.

1.34. Deferred Income

The Council has not addressed the matter during the year and we therefore draw your attention to paragraph 9.5 of our management report.

1.35. Disclosures required in respect of Financial Procedures

The Council has not addressed the matter during the year and we therefore draw your attention to paragraph 10.1 of our management report.

1.36. Disclosures required in respect of certain IFRSs

The Council has not addressed the matter during the year and we therefore draw your attention to paragraph 10.2 of our management report.

1.37. Financial Statements Presentation

The Council has not addressed the matter during the year and we therefore draw your attention to paragraph 10.3 of our management report.

1.38. Council Meetings and Minutes

The Council has not addressed the matter during the year and we therefore draw your attention to paragraph 11.1 of our management report.

1.39. Council Minutes and Schedule of Payments

The Council has not addressed the matter during the year and we therefore draw your attention to paragraphs 11.1 to 11.3 of our management report.

1.40. Quarterly Reports

The Council has not addressed the matter during the year and we therefore draw your attention to paragraph 11.4 of our management report.

1.41. Council's Accounting data

The Council has not addressed the matter during the year under review and we therefore draw your attention to paragraph 11.6 of our management report.

1.42. Twinning Project

The Council does not have any twinning projects in the pipeline.

1.43. Feedback from the Council's lawyer

The Council informed us that it does not have a particular lawyer, but lawyers are engaged on an ad hoc basis.

1.44. Liquidity of the Council

The Council has not addressed the matter during the year and we therefore draw your attention to paragraph 12.6 of our management report.

2. INCOME

2.1. Local Enforcement System Pre-Regional

Observations

By the date of conclusion of our audit work, the Council had still not received the audited annual report of the Birkirkara Joint Committee for the year ended 31st December 2015.

In Note 5 to the Financial Statements, the Council is recording income of €2,895 received under the Local Enforcement System. From deeper analysis into the numbers, income of €64 received as the share of surplus from the Joint Committee, is being recorded in the financial statements as 'General Income'.

Issues Arising

In the absence of an audited annual report for the Birkirkara Joint Committee as at 31st December 2015, we could not rely on third party financial information as provided by the Joint Committee to reasonably determine whether the income of €64 recorded as share of surplus received. We have qualified our audit report in this respect.

As from 1st September 2011, the Joint Committee was no longer responsible with the delegation function of the Local Enforcement System (LES). Nevertheless, the Council could not confirm whether the Joint Committee was put into dissolution or not.

The amount of €64 representing the share of surplus recorded by the Joint Committee is not appropriately presented in the financial statements. Rather than under the heading "General Income", this should have been classified with 'Income Raised Under the Local Enforcement income' – Note 5 to the Financial Statements. A reclassification adjustment has been proposed. Although the Council has accepted our reclassification adjustment with respect to inappropriate classification of LES income, unfortunately the Accountant has not identified this source of income as a separate line item in Note 5. This is not in accordance with the official layout prescribed in the Local Councils Financial Procedures (2006) amendments. Therefore the Council is still not in line with a proper presentation thereof.

Recommendations

We recommend the Council to pressure the Joint Committee to provide audited financial statements for every financial period in order to have a basis on which to draw its amounts in respect to LES income due to the Council. It should also keep in constant contact with the Department for Local Government to determine the legal situation with the Joint Committee to ensure that the Council is relieved from any potential claims or liabilities arising from the former operations of the Joint Committee.

2.2. Local Enforcement System Post-Regional

Observations

The Council recognised €2,831 generated from 10% commission income for LES post-Regional and LESA contraventions. Simultaneously, during 2015 the Council issued €2,839 worth of invoices to the LES Regional Committees and LESA for this commission on post regional LES fines paid at Dingli Local Council. At this point, we already identify an immaterial variance of €8, implying that the invoices are being input in an incorrect manner in the Council's accounting system.

Furthermore, Report 483 issued from the LOQUS system [both for the LES Regional Committees and LESA] is showing that the Council's share of commission for 2015 should amount to €2,588.

During our audit testing we also noted that the Council did not issue any invoices during the months of February and March 2015 to any of the LES Regional Committees.

Issues Arising

The total value arising from the aggregate of the invoices issued, the amount recognised in the financial statements and the values showing in Report 483 do not reconcile with each other.

Although the variances identified may not be significant, it shows that the Council is not adopting appropriate procedures to reconcile the LES income.

Recommendations

We recommend that the Council's Accountant prepares a proper reconciliation of the LES 10% commission. The amount recognised in the financial statements should agree with the total of the invoices as well as with the appropriate reports issued from the LES system, report 483.

2.3. System of Council Income Receipting

Observations

The Council maintains proper official manual receipts in numerical order and issued for every income item received. Any invoices issued by the Council are generated through a word processor, without an automatic sequential numbering system.

Issues Arising

The Council experiences a number of daily cash transactions. Although the current model adopted by the Council should work well, it involves a high degree of manual intervention. Manual systems may lead to human errors and time consumption especially in the light of the limited human resources available to the Council.

Recommendations

In view of this, even in the spirit of tighter controls we strongly recommend that the Council reconsiders the implementation of a centralised electronic receipting system. Such system would facilitate cash reconciliations, filtering of data and recording of income in the general ledger with much reduced human intervention.

As for the invoicing system, the Council can adopt the one which already exists in Sage Line 50 software. A unique number invoicing system would safeguard the Council from any duplication or tampering of invoices. Furthermore, it ensures a continuous audit trail in the invoicing system. The software enables automatic posting and recording in the individual customer accounts in the same software.

2.4. Supplementary Government Income

Observations

In 2015, the Department of Local Councils (DLG) has once again committed itself to make up for the difference between the annual allocation for tipping fees and the actual fees charged by Wasteserv Malta Ltd. Logistically, DLG is making the payments directly to Wasteserv Malta Limited on behalf of the Council. Recurrent vote 40 in the budget 2016 of the Ministry for Justice, Culture and Local Government confirms the commitment by DLG to effect other payments in 2016.

The Council has accounted for such income on a cash basis and thus the income is only recognised in the accounting period when DLG issues the payments.

Issues Arising

During our audit testing we noted that the DLG made a payment of €2,050 to Wasteserv Malta Limited for shortages covering the period 2014 – 2015. This amount was not accounted for as income in the financial statements.

All such income should be accounted for appropriately in its financial statements, based on the requirements of the "accruals concept" of accounting in line with generally accepted accounting principles and International Financial Reporting Standards.

Recommendations

The "accruals basis" of accounting should always be applied by the Council and ensure that all accrued income is appropriately recognised in the financial statements. In this respect, we have proposed an audit adjustment which the Council has taken up accordingly.

2.5. Other income short-comings

Observations

The following shortcomings were noticed when carrying out audit tests on other income received:

- Income received from permits is not being recorded separately in the nominal ledger and properly classified according to the nature of the expense. For instance, income received from permits issued for cranes, skip and kiosks are all recorded under one nominal account 0127 - 'Permits – Cranes, Skips & Kiosks'. Furthermore, the descriptions included in this nominal account are very generic, such as 'Deposit' and 'Temporary permits'.
- Nominal account 0025, consists of a mixture of income pertaining to cultural events, community activities and organisation of courses.
- Nominal account 0066, consists of a refund of expenditure for water and electricity bills by the lessee of the mobile phone antenna, the actual lease income received from the rental of the mobile phone antenna as well as reimbursements for ETC employment schemes.
- No supporting documentation was provided by the Council for income recorded in the financial statements relating to ETC Traineeship Scheme of €2,471.
- Income of €465 received on 30th December 2015 for crane permit for the month of January 2016 was recorded as income in the financial year 2015.
- Income of €60 received in December 2015 relating to courses held in 2016 was recognised as income in the financial year 2015.

Issues Arising

The short-comings listed above distort the value of income earned by the Council and the correct classification of such income. Once again, it clearly shows that the Council is neither adhering to the concept of accrual accounting nor properly preparing its accounting estimates. The Council is therefore jeopardizing the fundamental concepts of the generally accepted accounting principles. The Council's accountant is not maintaining proper cut-off accounting for income received in a period but attributable to a different accounting period.

Incorrectly classified income, is resulting in inconsistent and inappropriate income disclosure in the financial statements. Specifically, Note 6 to the financial statements does not fairly show the proper income elements actually earned by the Council.

Recommendations

The Council should make sure that all the income accruing in its favour should be properly recognised in its preparation of financial reports. We recommend that the Council always accounts on the "accruals basis" of accounting and ensures that all deferred income is appropriately recognised in the financial statements. The Council should pay more attention to cut-off errors and record income in the appropriate accounting period.

It is important that the Council maintains appropriate records of all the income received or receivable by the Council. The Council should note that fair reporting of the Council's income activities guarantee proper guide to users and decision-makers.

Further to our recommendations, the necessary adjustments were included and the financial statements were rectified accordingly. However rather than recognising the income relating to the year 2016 as short-term deferred income in line with our proposed audit adjustment, the company recognised this income receivable as an accrual. As stated in paragraph 11.7 to this management report, this shows the real need that the Council acquires proper professional support to its accounting function.

3. PAYROLL

3.1. FSS (Final Settlement System) statutory documentation

Observations

In the process of verification of statutory requirements by virtue of Legal Notice 88 of 1998, which provide for the Final Settlement System (FSS) Regulations, it transpires that there were differences between the FS7 Form (Payer's Annual Reconciliation Statement) and the FS3 Forms (Payee Statement of Earnings) in relation to the gross emoluments declared as earned by the Councils' payees (Councillors and Employees). The table below identifies the variances in question:

	Gross Emoluments - FSS Main	Gross Emoluments - FSS Part-time
	€	€
As per FS7	42,277	8,722
As per FS3s	37,530	14,469
Variance	4,747	(4,747)

Issues Arising

In terms of the FSS Rules (1998), the total gross of the FS7 should tally exactly with the appropriate categories of those of the FS3s. Gross earning amounts should be reported under the correct class of income (Main emoluments or part-time emoluments) in order to avoid discrepancies in the categories within the FS7 and the FS3 forms.

Recommendations

The Council should review the annual FSS documentation thoroughly before submitting it to the Inland Revenue Department. To mitigate these errors, the Council may make use of one of the wide array of electronic payroll tools available in the market to reduce its administrative burden and human errors.

3.2. Payment of FSS and NI Due

Observations

Linked to paragraph 3.1 above, the required payments of FSS and SSC (social security contributions) deductions are not being remitted to the Inland Revenue Department by due date. Such shortcomings were identified for the months of January and February 2015.

Furthermore, no FS5 forms (Payer's Monthly Payment Advice) were submitted for the months of May and June. However an exercise was undertaken by the Council at the end of the year to include the FS5 forms which were not submitted in the FS5 forms submitted for the month of December 2015.

Issues Arising

Deductions made out of the Council's payees, fall due by the end of the month following the month being remitted. Therefore, the remittances for January 2015 were due by 28th February 2015. It should be highlighted that by virtue of Legal Notice 88 of 1998, the Inland Revenue Department

may from time to time enforce penalties for late filing and levy interest per month on FSS amounts due.

Recommendation

It is therefore important that all amounts due in relation to FSS/SSC are paid in accordance with the time frames stipulated by the law. There should be no reason for the Council to withhold payments made out of employees' and Councillors' gross emoluments as these are considered to be privileged debts in terms of the law.

3.3. Councillors' Allowances

Observations

Councillor Mark Abdila was marked as excused from the Council meetings held on the 27th February 2015 and 27th March 2015 whereas Councillor (now Mayor) Sandro Azzopardi was marked as excused for the Council meeting held on the 27th March 2015.

No written correspondence was provided to us by the Council, showing requests sent by these two Councillors to be excused from the respective Council meetings. In all cases, these Councillors were still paid their allowance in full.

Issues Arising

Memo 89/2009 states clearly that the allowance will be deducted on a pro-rata basis if the Councillor does not provide a valid reason for his/her absence. The reason needs to be given in writing by the same Councillor to the Executive Secretary.

Recommendations

The Council's administration should abide by all relevant regulations at all times without any favouritism towards any of the Councillors missing Council meetings without a written justification.

3.4. Unutilised vacation leave

Observations

During the year under review, an employee of the Council has terminated her employment. Upon termination, it still had a balance of unutilised leave as accumulated in terms of the law. Up to the date of our report, the Council has still not compensated the employee for this unutilised leave balance.

The Council is blaming the Department for Local Government for delays on guidance as to whether this balance of unutilised leave should be compensated for or not. The Council has provided for the amount in dispute in its financial statements.

Issues Arising

In our opinion, this case is very clear and the Council should not have sought guidance from the Department on this simple matter. Our employment laws allow that upon termination from employment, an employee has the right to claim financial compensation for any balance of outstanding leave that is due.

Recommendation

The Council should immediately pay what is due to the outgoing employee without further delay, unless there are reasons to believe that the employee has carried out any act of negligence in the

utilisation of her leave balance. Nevertheless, from the review of the minutes, we were not given to understand that this was the case.

3.5. Personal Tax Deductions and the FS4 Form

Observations

We requested a copy of the FS4 forms (Payee Status Declaration) for some of the employees which commenced or terminated their employment with the Council, as well as Councillors who were appointed in office during 2015.

The Acting Executive Secretary confirmed that FS4 forms were only being compiled when he was appointed in office at the Council and any movements prior to his appointment were not properly recorded. Therefore we could not determine whether the rate at which the final settlement tax being withheld for certain payees was indeed correct or not.

Then we identified other payroll shortcomings during our audit testing as follows:

- We were provided by the ETC termination form of an employee terminating her employment with the Council. This form was signed by the Council's mayor, but not signed by the respective outgoing employee.
- 1st April 2015 was the commencement date declared on the FS3 form of the newly elected Councillors. This is not correct because the newly elected Councillors started serving in the Council from 1st May 2015.

Issues Arising

The findings above show that the Council is not being careful with the compliance of the Final Settlement System (FSS) documentation and the calculation of the FSS deductions. It is also not properly abiding by the administrative procedures of the Employment and Training Corporation.

The FSS regulations state that where an employee does not fill in the FS4 form, any emoluments due to him shall be subject to a tax deduction at a rate equal to the maximum rate of tax, which currently stands at 35%.

Having the tax incorrectly calculated for the taxpayer, may result in unwanted balances payable which would have to be settled personally by the taxpayer himself. The scope of the FSS system is that income tax is deducted correctly in order to avoid time consuming adjustments.

Recommendation

The Council should comply with the requirements of the FSS regulations and other employment laws in all material respects.

4. EXPENDITURE

4.1. Purchase request and order forms

Observations

Instances were noted whereby purchase request and purchase order forms were not prepared:

Details	Date	€	Nominal a/c	Supplier	Cheque number
Legal services	14/07/2015	413.00	3140	Fillett & Fillett Advocates	1268
Dingli newsletter	14/04/2015	1129.80	3380	Union Print Ltd	1156
Coordination – Wlrja Agraria	07/05/2015	800.00	3360	Leisure Animation Enterprises	1218
Open skips	28/12/2015	90.00	3043	Skipline Services Limited	1572

In the following samples selected, although a purchase order form was issued, it did not include a value:

Details	Date	€	Nominal a/c	Supplier	Cheque number
Plastering works	01/11/2014	950.00	2210	David Spiteri	1049
FC Calendar 2015 Sponsorship advert	19/10/2014	50.00	2930	Dingli Swallows Football Club	1045
Engineering Services	01/02/2015	1,003.00	3130	ECL Consulting Engineers	1048
Street Lighting	05/10/2015	1,160.80	3065	MicaMed Ltd	1382

Issues Arising

With reference to the Financial Procedures (1996 – Finance), KLP1/96, P1.09b we bring to the attention of the Council that it is expected that purchase request and order forms are duly prepared throughout the purchasing process when it is so required.

Recommendations

An appropriate system of purchase request forms and purchase order forms should be implemented and forming an integral part of the procurements system of the Council. Proper purchase request forms and purchase order forms should contain the Local Council letter head including the logo of the Council. The Council may commission pre-printed stationery bearing the official purchase order form and make use thereof accordingly.

4.2. Inappropriate expenditure documentation

Observations

The Council did not provide us with any supporting documentation for the expenditure commissioned below. Essentially, the supporting documentation pertaining to the following items of expenditure, could not be found at the Council's premises and no official of the Council could know their whereabouts:

Details	Date	€	Nominal account
Waste Disposal - Wasteserv	02.02.15	1,780.86	3040
Refuse Collection - Euroclean	05.02.15	3,300.00	3041
Bulky Refuse Collection - Aug 12 - 28.11.12	01.10.15	596.60	3042
Cleaning - Public Convenience	01.01.15	1,921.78	3053
Cleaning & Maintenance - Parks & Gardens	30.04.15	235.00	3061
Street Lighting - JF Mallia Ltd	02.01.15	1,579.52	3065
Other Hospitality costs - MSD	17.02.15	12.25	3340
Hire of Transport - Executive Transport Cooperative	30.12.15	303.14	2720
Stationery - Office Point	23.03.15	1,409.62	2620

For other expenditure undertaken by the Council, we have identified instances whereby the expenditure was not supported by a proper invoice and fiscal receipts in terms of the VAT Act 1998. The following expenses were not supported by a VAT fiscal receipt:

Details	Date	€	Nominal a/c	Supplier	Cheque number
DSFC - Skema Attivitajiet Sportivi - 2014/2015	20/09/2015	4,500.00	3380	Dingli Swallows Football Club	1495
Course Fees - Local Training	05/03/2015	118.50	3340	Rita Giordmaina	1081
Engineering - Professional services	01/02/2015	1,003.00	3130	ECL Consulting Engineers	1048
Tender Technical Evaluation	09/03/2015	100.00	3190	Marion Chiroop	1120
DSFC - Dingli Swallows FC Calendar 2015 Sponsorship Advert	01/02/2015	122.08	2930	Dingli Swallows Football Club	1045

The following expenditure was not supported by an appropriate invoice:

Details	Date	Eur	Nominal a/c	Supplier	Cheque number
Course fees - Local Training	05/03/2015	118.50	3250	Rita Giordmaina	1081

The Council is also paying €100 as "rent" at id-'Dahla tas-Sienja'. However, we were not provided with any details as for what this rental payment is being made. We were neither provided by a proper rent agreement pertaining to this expense.

Issues Arising

Please note that expenditure unsupported by appropriate documentation goes against the Local Councils Procedures (1996 - Finance) K.L.P. 1/96, P1.11b. The Council should maintain a proper record of all the contractual agreements entered into.

Missing documentation from the Council's premises is totally unacceptable. The effect of this negligent approach by the Council comes out very clearly in the penalties of €11,738 (refer note 10 to the financial statements), it incurred with respect to EU Funding Measures 313 & 323 regarding the Heritage Trail Project. In this case, the paying agency identified serious shortcomings in the documentation supporting procurement either because it was missing or because it was not in line with EU laws. Further details on this matter are expressed in paragraph 5.7 of this management report.

Recommendations

The Council should ensure that an appropriate tax fiscal invoice or receipt, as required by the respective laws and procedures, is obtained for all the expenditure incurred. Payments unsupported by an appropriate invoice or receipt, should not be made. It should be pointed further that all authorised payments are signed by both the Mayor and the Executive Secretary.

While we acknowledge that the Council's administration may be putting its best effort to chase fiscal documentation, we understand that this is not its primary role within the Local Council's operational framework. Nevertheless, it is highly recommended that suppliers failing to comply with and to produce the necessary fiscal documentation as required by the Value Added Tax Act and the Income Tax Act, should be blacklisted accordingly and not recommended for further procurement.

4.3. Payment Vouchers and Schedule of Payments

Observations

During our audit testing we noted that some of the payment vouchers issued during the periods February to April 2015 did not include any numerical sequence. The Council has also not provided us with a Schedule of Payments for the period January to June 2015.

Issues arising

Payment vouchers should be prepared with every purchase payment, indicating the invoice date, the supplier, the amount paid and the cheque number. They also need to be signed by both the Mayor and the Executive Secretary, and should include a numerical sequence.

Recommendation

It is recommended that payment vouchers are always appropriately prepared in accordance with the Local Council Procedures (1996 – Finance) K.L.P. 1/96, P1.11, c and d. We also recommend that the Council keeps and maintains an appropriate record of its Schedule of Payments with the minutes.

4.4. Approval of cheque payments

Observations

An invoice received by the Council, from a certain Domenic Camenzuli and dated 31st December 2015 for services rendered during the month of December 2015, was approved during the Council meeting no. 1, held on 19th January 2016. Nevertheless, the cheque payment was dated 21st December 2015.

In a similar incident, payment made to Filletti & Filletti Advocates of €413 was approved in the Council's meeting no. 5 held on 16th September 2015 but the payment by cheque 1268 was made on 29th August 2015.

Issues Arising

The council should not distribute any cheques before these payments are approved by the council members. In case of statutory deadlines, the Council should make sure that payments related thereto are presented for approval well before the due date.

Recommendations

We recommend that all payments by the Council should be approved at council meeting before being issued, as stipulated in the Local Council Procedures (1996 – Finance).

4.5. Tendering Procedures

Observations

With respect to procurement procedures by tender, we identified the following shortcomings:

- No signed non-collusion certificate was provided by the awarded bidders, Joseph Tabone for Tender DLC 09/14, and by Road Maintenance Services Limited for the Tender DLC 07/2014.
- No bid bond was provided by the awarded bidder Joseph Tabone for the Tender DLC 09/14.
- No contractor's third party liability insurance was provided by the awarded bidders Joseph Tabone for tender DLC 09/14, Road Maintenance Services Limited for tender 07/2014 and W M Environmental Limited for tender DLC 08/2014.
- The contract agreement for the Tender DLC 09/14 was signed by Ms Venera Micallef [outgoing Mayor], Joan Mangion [outgoing executive secretary] and Mr Joseph Tabone [contractor] to perform the service for the period 9th March 2015 – 8th March 2016. We were not provided with the date of when the contract agreement was signed. The performance guarantee provided by the awarded bidder Mr Joseph Tabone is dated 10th March 2015. Therefore as per agreement, services had to start on the 9th March 2015, but the performance guarantee is dated the following day.
- The tender forms and declarations for the tender DLC 09/14 awarded to Mr Joseph Tabone and for the tender DLC 07/2014 awarded to Road Maintenance Services Limited were not properly filled in.
- The Council engaged the architects XYZ Architecture & Design to compile an evaluation report on the tender DLC 07/2014. The architects concluded that although Road Maintenance Services Limited is the cheapest bidder, the technical criteria provided was not fully satisfactory. Yet, the Council forged ahead and awarded the tender.
- Furthermore, as per architects' report from Environmental Management Design Planning in respect of tender DLC 09/14 awarded to Mr Joseph Tabone, it was stated that they are still awaiting CV from Joseph Tabone for the Project Manager. No copy of this was provided by the Council. So we are unable to determine whether, the Council forged ahead and awarded the tender without the document or not. The minutes are silent about the matter.

Issues Arising

All tender procedures need to be followed, both in relation to submission of a tender document and also when a tender offer has been awarded. Please note that it is imperative that for all tenders, the performance guarantee should be provided prior to the effective date of signing of the contract. Furthermore, the Council should ensure that all forms submitted by the bidders are complete in all material respects. Those bidders who provide incomplete tender documents should be disqualified rather than awarded with the tender.

Clearly, from our findings listed above, Tenders DLC 07/2014 and DLC 09/2014 were awarded in an appropriate manner, given that the bidders being awarded by the tender, failed to provide the necessary documentation in line with the list of tender documents. The Council failed also to

follow professional advice in the Adjudication Report presented by its own Architects. This approach is a serious infringement of the procurement procedures and therefore both tenders should have been disqualified and re-issued accordingly.

Recommendations

We recommend that the Council complies with the tendering procedures in all instances and ensures that all procedures are in compliance with the Local Councils Procedures (1996 – Tenders). Any bids not exactly in line with the requirements of the tender documentation, should be disqualified from the tendering selection process.

4.6. Donations and organisation of charitable events

Observations

During the year under review the Council organised an activity in aid of the Community Chest Fund. According to the report provided by the Council's administration, income received from the activity amounted to €1,525 and the expenses tallied to €416, leaving a surplus of €1,109. The Council also organised a Zumba event for the same purpose. According to another report provided by the Council's administration, the net surplus from this event amounted to €120.

Issues Arising

We sympathise with the fact that a Local Council has to fulfil its social and cultural obligations. However, as the laws and regulations stand today, with special reference to article 63A of the Local Councils Act and Memo 08/2005, the Council should be more considerate in the manner of how it distributes its resources within the locality. It is not within the Council's list of functions and objectives to organise charity events in favour of non-profit making and other voluntary organisations.

Recommendations

We recommend the Council to ensure that it abides by Local Councils regulations which prohibit the Council from making any donations, both in kind and in cash.

4.7. Expired contracts

Observations

We noted that the expenditure for maintenance of Street Lighting incurred by the Council during the year under review, amounts to €9,102. The provision of this service is currently neither covered by a valid signed contract, nor by a letter of extended/renewed contractual agreement.

Issues Arising

Memo 106/2011 issued in October 2011 requires Councils to undertake a formal year by year renewal of the old contract for Maintenance of Street Lighting formerly commissioned by the Street Lighting Joint Committee.

Recommendations

The Council should formalise proceedings to establish an understanding of renewal of the existing old contract for the Maintenance of Street Lighting, to ensure that prices are fixed and avoid fluctuations in the cost of providing this service. It is also advisable that from time to time, the Council should confirm the position of Memo 106/2011, with the Department for Local Government.

4.8. Quotations

Observations

During our audit testing we encountered an instance where the Council has paid for expenditure amounting to more than €1,165 within four consecutive months and no request for quotations has been issued. This relates to payments made to Executive Transport Cooperative amounting to €2,143 during the period January to April 2015.

Issues Arising

The Council is in breach of the Financial Regulations Part VIII – Expenditure, which require that orders, contracts, agreements or items not exceeding €1,165 shall be authorised by the Council according to order 32(1) of the Standing Orders contained in the Sixth Schedule to the Act, provided that items of the same nature are not purchased within a consecutive four-month period. Anything beyond that threshold has to be covered by a public call for quotations or a call for tenders according to the amount of the expenditure being undertaken.

Recommendations

The Council is recommended to issue calls for quotations or a tender offer for the provision of any service of supply exceeding €1,165 or places its orders with different suppliers and therefore abides with the requirements of the procurement and tendering procedures in terms of the Local Councils Procedures (1996 – Tendering) KLP 3/1996.

5. PROPERTY, PLANT & EQUIPMENT

5.1. The upkeep of the Fixed Asset Register (FAR)

Observations

The Council has not provided us with a Fixed Asset Register to substantiate the amounts of fixed assets as recognised in the financial statements.

Issues Arising

Besides breaching the Local Council Procedures (1996 – Finance) KLP 1/96, P1.16b, the upkeep of a proper Fixed Asset Register is of utmost importance to the Council. A Fixed Asset Register is deemed as one of the main accounting ledgers of a Council, which enables it to maintain its control of capital expenditure by recording the value, depreciation as well as the location of the particular asset being recorded.

Asset recording as well as its specified location is of particular importance to tighten controls on physical existence and eventual asset disposals. There may be cases where the assets, especially those located in the outer environment, may be exposed to theft, vandalism, arson or extreme nature elements.

The incorporation of a proper fixed asset register within the Council's books is conducive to better safeguarding of the assets and makes it easier to regularly reconcile the physical existence of the asset with its record keeping in the ledgers.

In view of this, we have qualified our audit report on the basis that there were no practical ways of obtaining reasonable assurance on the completeness of the fixed assets recorded in the financial statements.

Recommendations

In the construction of the FAR, the Council may make use of the integrated module within Sage Line 50 software. Additionally, the following matters need to be taken into consideration:

- The description of the asset in the FAR card should contain the highest degree of detail possible. The detail should not be of a generic nature such as "office equipment", "construction", "trees" or "road resurfacing".
- There should be a common reference in the description of the asset in the FAR and the related transaction in the nominal ledger. This makes reconciliations between the two ledgers easier in case of variances and discrepancies.
- The FAR card should contain the exact location of the asset so that in case when the asset is subject to theft, vandalism, fire or any other damage, these could be identified without any problems. This would be useful for insurance claims and asset disposal adjustments.

The Council should construct the FAR without any further delays.

5.2. Depreciation

Observations

The depreciation charge for the period as per Financial Statements amounts to €68,918. This is not being calculated and posted through the FAR in Sage Line 50 as required by the Financial Procedures (1996 – Finance). On the contrary, depreciation is being accounted for through a journal entry on an annual/periodic basis.

We also noted that the depreciation charge for 'Construction & Special Programmes' according to the financial statements amounts to €57,703. This is not in agreement with the depreciation charge as per workings provided.

Issues arising

The Council is not maintaining depreciation calculations and posting requirements as mentioned in the Financial Procedures (1996 – Finance) KLP 1/96 P1.01, h.07 (as amended by Legal Notice 323 of 2002). In view of this, we have qualified our audit report.

Recommendations

The Council should rectify its position with respect to the recognition of depreciation by accounting for depreciation through the FAR incorporated within Sage Line 50 accounting software on a monthly basis after setting up a Fixed Asset Register as recommended in point 5.1 above

5.3. Assets not yet capitalised

Observations

Assets not yet capitalised as per financial statements amount to €28,000. The Council stated that these assets were actually finalised by 31st December 2015. However as at year end the Council was still waiting for the relative certifications.

In fact, we were provided with the architect's certificate for Upgrading around "Ghaqda Talent Dingli" and to this effect, the Council recognised an amount of €20,000 in the financial statements. The architect's certificate is dated 10th March 2016 and is certifying works for the value of €20,607. Therefore we could not determine whether these assets were actually finalised as at year end or not.

Additionally, during the year under review, the Council capitalised an amount of €485,539 as "Construction Works and special programmes". Nevertheless, the Council experienced difficulties in explaining the elements of the projects making up this amount.

Issues Arising

Our observations above suggest that the Councils is not engaging into proper management of the cost of its capital projects. Additionally, the accounting is also not in line with the provisions of IAS 16 – Property, Plant and Equipment.

This matter is very worrying considering the fact that between 2014 and 2015, the Council expended a total amount of €807,461 in embellishment projects of a capital nature but could not provide a proper detailed analysis of these costs. What is even more of concern is the fact that the Council had EU grants withdrawn by the paying agency for lack of appropriate documentation and details in line with the relevant regulations for grants received under Measures 313 and 323 (refer to paragraph 5.7 of this management report).

In view of the seriousness of the matter explained above, we have qualified our audit report.

Recommendations

The Council should follow the provisions of IAS 16 – Property, Plant and Equipment, and only capitalises projects when they are completed and at the point when its economic useful life begins. Details of expenditure relating to large projects, should be accounted for in the account "Assets not yet capitalised". A detailed breakdown could be kept in a spreadsheet, which would include items such as the actual construction works, studies and consultation fees, certification fees and other similar associated expenses. As soon as the project is finalised and ready for use, the total cumulative amount in the account and the spreadsheet is capitalised and included in one FAR card with the name of the project. The purchase date would merely be the date when the project was first capitalised and put in use.

If a project is not finalised by a particular financial year-end, its cost will be retained in the particular nominal account bearing the name of "Assets not yet capitalised". This account would merely contain a total of the projects undertaken by the Council but not yet completed as at year end. An analysis of this account would be represented in the spreadsheets created for each particular project.

When the project is completed, the same cumulative amount used to create the FAR card is transferred from the 'Assets not yet capitalised' account to the identifiable cost account such as 'Constructions Works', 'Road resurfacing', 'Special Programmes' and others as required. Lack of information of the amount in the assets not yet capitalised list will not allow the Council to capitalise the assets once the project is complete.

5.4. Insurance Policy

Observations

During our audit fieldwork, we noticed discrepancies between the actual insurance coverage of different categories of property, plant and equipment. We were provided with a copy of the insurance policy for the period 1st April 2014 – 30th March 2015. During the year, the Council tried to issue a new insurance tender, however since no fixed asset register is being maintained, it did not succeed. The Council informed us that the insurance policy currently in place has been renewed. However, no copy of the renewed insurance policy was provided to us by the Council.

The insurance policy provided covers the following:

Description of the Insured property	Sums insured
	€
Buildings, including fixtures & fittings	70,000
Computer and office equipment, office furniture, fixtures and fittings, air conditioning equipment	143,052
Stationery	1,000
Urban Improvements	118,468
Total sum insured	€330,520

The Council's cost of fixed assets as per financial statements, excluding amounts not yet capitalised is as per below:

Cost of assets as per financial statements	€
Council premises	161,189
Construction & Special Programmes	2,413,236
Street Signs	36,230
Urban Improvements & trees	135,883
Plant & Machinery	10,223
Office Furniture, Fixtures & Fittings	67,209
Computer Equipment	52,908
Motor Vehicles	12,113
Computer Software	495
Total cost of assets	€2,889,466

Issues Arising

The Council is exposed to a risk of theft and fire for assets held at the Council. This is mainly evident in respect to office furniture and fittings, plant and machinery and computer equipment, and urban improvements.

Recommendations

We recommend that the actual value of all insurable and material non-current assets held and maintained by the Council are provided to the insurance company for an adequate cover. Needless to say, this has to be supported by the adequate construction of a Fixed Asset Register as already highlighted in paragraph 5.1 above.

5.5. Tagging of Fixed Assets

Observations

From samples reviewed throughout our audit testing, it was noticed that fixed assets are not being permanently marked or labelled.

Issues arising

The marking and labelling of Fixed Assets is stipulated by the Local Council Procedures (1996 – Finance) KLP 1/96, P1.16b.

Recommendations

We recommend that as much as possible, the Council carries out an exercise of tagging of the majority of fixed assets shown in the Fixed Asset Register (FAR) wherever practicable, so that apart from being in compliance with the financial procedures whenever an asset is disposed, it would be easier to trace to its FAR card.

5.6. Assets no longer used by the Council

Observations

Since the Council does not keep and maintain a FAR, we could not identify whether there are any assets recorded as property, plant and equipment in the financial statements, which have actually been disposed or scrapped by the Council. Furthermore, in the post year end Council's minutes dated 19th January 2016, it was noted that the PABX, Fire alarm system and the intruder alarm were not working.

Issues arising

IAS 16 'Property, Plant and Equipment' requires impairment testing as an item of property, plant and equipment shall not be carried at more than its recoverable amount. Furthermore, according to the requirements of IAS 36 'Impairment of Assets', impairment tests should be conducted when there is an indication of impairment of an asset.

Recommendations

Parallel with recommendations of paragraph 5.1, we recommend that a FAR is constructed so that it will be easier for the Council to better safeguard its assets and to regularly reconcile the physical existence of the asset with its record keeping in the ledgers.

5.7. Penalties Incurred on EU Funding Measure 313 & 323

Observations

In note 10 to the financial statements, the Council disclosed the amount of €11,738 identified as "Penalties". From further findings it transpires that this amount represents grants withdrawn on account of EU Funding Measure 313 and 323 due to the presentation of inappropriate or incomplete documentation not in line with the relevant EU regulations.

Issues arising

This amount should not have been written off to the Statement of Comprehensive Income, but adjusted against deferred income in the Statement of Financial Position.

We were not provided with sufficient information to propose the necessary audit adjustments to the Council and rectify the financial statements accordingly.

Recommendations

The Council should adjust this matter accordingly in line with the recommendations highlighted in paragraph 9.5 below.

6. INVENTORIES

6.1. Stock of books

Observations

The Council recorded income of €12 generated from the sale of books cited as "Had-Dingli Book Vol. 1 & 2". However no inventory is being recorded in the Council's financial statements. The Council did not provide us with a stock list including the cost and selling prices for items held in stock and available for resale.

Issues Arising

The Council seems not to be maintaining a proper inventory system in terms of the Local Councils Procedures (1996). IAS 2 – Inventories, states that inventory items should be recognised in the financial statements at the lower of cost or net realisable value.

Recommendations

The Council should start valuing its stock in line with IAS 2 – Inventories. It is also advised that the Council introduces a perpetual inventory control system to record the amount of books being sold or given on a complimentary basis from time to time, to reflect such movement in its accounting records. A list of any complimentary books should be tabled during a Council meeting for approval.

Furthermore, at the end of every financial period end, a stock count is to be carried out, a cost value is assigned to each stock item, and the balancing stock figure is recorded in the financial statements in line with the accounting policies on "Inventories" set out in the Appendix to the Local Councils Procedures (2006 Audit) and the provisions of IAS 2 – Inventories.

7. RECEIVABLES

7.1. Debtors' balances reconciliations

Observations

Balances recognised as receivables are not being reconciled with the respective debtors on a regular basis. Reconciliation of balance due from 'Central Regional Committee' was only prepared after we brought attention to the Council that the balance in the ledgers does not agree with the respective debtor statement. Moreover no reconciliation was provided by the Council for the reported amount receivable of €450 from MicaMed. According to a statement received by MicaMed no amounts are payable to the Council.

Issues Arising

The lack of proper reconciliation and the follow up of any variances could result in difficulties when trying to recover the debts due. The Council could end up in a situation where it has to provide for such balances as doubtful debts or eventually never recovered.

Recommendations

The Council should ensure that a proper control system is applied for its receivables and that it keeps updated balances in its books. This includes periodic reconciliations, investigating any arising discrepancies and any required adjustments should be reflected in its books. Such procedures will help to recover the dues and will be able to provide proof of outstanding debt in case of litigation.

7.2. Doubtful receivables

Observations

The Council has not recognised a provision for doubtful debts for unconfirmed receivables balances from the Central Regional Committee of €180. The amounts relate to income receivable for the period July – November 2014 recognised in the Council's books, but not showing in the debtor's records. An audit adjustment has been proposed.

Issues Arising

The Council should be prudent when recognising receivables and should provide for such long outstanding balances, in line with the requirements of IAS 36-Impairment of Assets.

Recommendations

We therefore suggest that the Council makes an effort to recover all debtor balances which have been due for some time and in the meantime recognises a suitable provision against such balances. Further to our proposed audit adjustment, the financial statements were rectified accordingly.

7.3. Accrued income and prepaid expenditure

Observations

Various cut-off errors were identified during our testing as listed below:

- During our audit testing we noted that prepayment of €198 for motor vehicle licence pertaining to the period 1st January 2016 – 31st August 2016 was omitted by the Council.
- The Council accrued for the amount of €6,150 as receivable from the Water Services Corporation on account of reinstatement fees covering the years 2010 to 2013. The Council has not provided us with any supporting documentation in this respect, and stated that it is doubtful whether these amounts will actually be received by the Council.
- The Council has accrued further for amounts receivable from Green MT tallying to €6,025. No supporting documentation was provided in this respect. However the Council reached an agreement with Green MT and determined that the amount of €4,950 is actually payable to the Council. Since the Council did not provide us with any information as to where the amounts receivable of €6,025 was initially recognised as income, we suggested that the difference of €1,075 would be fully written off.

Issues Arising

Although the amounts in question are not material, this raises doubts that no proper controls are in place to distinguish the income and expenditure items and amounts referring to the current period.

Furthermore, in order for the Council to comply with the requirements of International Financial Reporting Standards it needs to account correctly and completely for prepayments and accrued income. To this effect, audit adjustments were proposed.

Recommendations

The financial statements should comply with the requirements of International Financial Reporting Standards and thus proper accounting for the prepayments and accrued income should be done accordingly. It is therefore recommended that a proper assessment is done at the end of every

financial report in order to identify all the items of prepaid expenses. These need to be reflected accordingly in the financial statements. Further to our recommendations, the necessary adjustments were included and the financial statements were thus rectified accordingly.

8. CASH AND CASH EQUIVALENTS

8.1. Cash Deposits

Observations

During the course of our audit, it was observed that the Council is taking a long time in making cash deposits of its receipts. The following are some of our identified observations:

Receipt No	Receipt Date	Details	Amount	Deposit date in bank
			€	
4914	08.04.15	Pilates April 2015	20.00	30.05.15
4937	13.04.15	Marika Debono April 2015	20.00	30.05.15
5069	17.06.15	Alfred - Permit for High up	2.33	03.07.15
6145	13.07.15	John Galea - Permit for Cherry Picker	10.00	27.07.15
5207	04.08.15	Robert Caruana - Permess Festa	123.29	22.08.15
5230	12.08.15	Crane Permit - Panelli	15.00	19.08.15
6430	02.10.15	Attard Katrin - Zumba Oct 15	20.00	17.10.15

Issues Arising

Although we noted that the Council has never kept physical large amounts in cash or cheques at the Council, the Council is still in breach of the Local Council Procedures which require deposits to be undertaken twice a week when it has cash/cheques in hand.

Recommendations

It is therefore recommended that the Council affects such deposits at least twice a week, as stipulated in Local Council Procedures (1996) – Finance KLP1/96 P1.14 (C.09).

9. PAYABLES

9.1. Supplier Statements

Observations

The Council is still not obtaining monthly statements from its suppliers, and regular reconciliations are not being carried out. These lack of internal controls give rise to situations as described in paragraph 9.2 below.

Issues Arising

Monthly statements from suppliers should be requested and obtained, as is required by Memo 08/2002.

Recommendations

We recommend that the Council obtains such statements so as to reconcile the amount due to its suppliers regularly, and should there be any variances, these will be identified immediately and appropriate action taken.

9.2. Cut-off errors

Observations

From an analysis of the payment vouchers issued during January / February 2016, we noted some invoices dated 2016 but which relate to the financial year 2015, but were not accounted for in the current financial year.

The following should have been provided for as accruals at year end:

Supplier	Details	€	Date of invoice
Parrocchia Santa Marija	Christmas Decorative Lighting	700	31.01.16
Coleiro General Supplies Ltd	2015 Lift Maintenance	472	19.01.16
Nexos Lighting	2014 Christmas Light temp box	207	11.02.16

Additionally, the following items were also identified:

- An Invoice dated 17th December 2015 relating to 'Recovering Simblija Sign' amounting to €522 was not included as a supplier balance in the list of creditors.
- Rent of garage in Trfq Il-Buskett of €466 relating to the period 24th December 2013 – 23rd December 2014 was recorded in the current year Financial Statements.
- In nominal account 3042 'Bulky Refuse Collection' we noted that a total amount of €6,076 related to bulky refuse invoices for the periods January 2012 – April 2013.

Issues arising

In line with the concept of accrual accounting, accruals should be estimated and accounted for correctly and completely but clearly the Council's accountant is not following this approach. Audit adjustments have been proposed in this respect.

Recommendations

Accruals have to be accounted for all amounts which will be invoiced in the subsequent financial period but for which products/services have been expended in the current financial period. We also recommend that the Council keeps records of all adjustments and accruals recognised in the financial statements so that one would have a detailed record of these accruals.

9.3. Accrued expenditure

Observations

From our review of the accruals accounted for by the Council as at year end, we noticed that the accounting of these accruals has not been complete and we found instances where the accrual should have been accounted for as a creditor.

The Council received an invoice from Asfaltar Construction Limited dated 31st December 2015 amounting to €8,567. An amount of €8,000 was recorded as an accrual in this respect.

Furthermore the Council has an amount due to Xuereb Brothers Limited of €21,287. However, as per agreement between the parties, an amount of €14,192 is payable within 1 year, and the amount of €7,096 is payable within 2 years. The council has classified this amount payable as an accrual in the form of a prior year adjustment. An audit adjustment has been proposed so that the creditor is properly classified between short-term and long-term.

Issues Arising

In line with the concept of accrual accounting, accruals should be estimated and accounted for correctly and completely. Furthermore, invoices received dated by end of year should be included as creditors, rather than as accruals.

Recommendations

We recommend the Council to prepare accounts in compliance with the "accruals concept" of accounting in line with the generally accepted accounting principles and International Financial Reporting Standards. Furthermore, payables should be classified and disclosed in the financial statements depending on whether they are short-term or long-term. Further to our recommendations, the necessary adjustment was included and the financial statements were rectified accordingly.

9.4. Long term payables to supplier of road resurfacing works

Observations

As already noted in previous years' management reports, the Council has availed itself of the Public Private Partnership scheme launched through Memo 45/2010. By virtue of this scheme, the Council has entered into a contract whereby the contractor has undertaken road resurfacing works.

In previous years, it was noted that the Council had to request the services of another supplier, because the original supplier was defaulting. However the Council is now informing us that the PPP scheme was only dealt with one supplier and not two. Unfortunately this shows an element of inconsistency and lack of continuation from one Council to another.

The financial commitment in connection with the PPP scheme is being recognised as accruals. However, in the financial statements, this commitment should have been classified partly as long-term (under non-current liabilities) and partly as short-term payables. We were not provided with the appropriate workings pertaining to the projections of the PPP scheme in line with the terms and conditions approved by the Department for Local Government.

Issues Arising

Even though this PPP agreement was approved by the Ministry of Finance and the Department for Local Councils, the Council is obliged to present fairly in its financial reports the commitments payable within one year and the commitments payable for longer periods.

There is also the issue of IAS 39 - Financial Instruments: Recognition & Measurement which requires that such long-term obligations are accounted for at amortised cost. This entails that after initial recognition this liability is measured at amortised cost using the effective interest method, less provision for any impairment. In this regard, the Council should have accounted for this liability accordingly using a proper discount rate which equates to the Council's cost of capital. No such adjustments were forthcoming in the Council's records and financial statements. We have qualified our audit report in this regard.

Recommendations

The Council should apply correctly the distinction between short-term and long-term obligations. The Council should also apply IAS 39 since its application thrusts further the faithfulness towards International Financial Reporting Standards with which the financial statements should be compliant in terms of the Local Councils Procedures (Audit).

9.5. Deferred Income Calculations and Disclosure

Observations

According to note 4 to the Financial Statements, the Council has released €23,279 from the deferred income account to the Statement of Comprehensive Income representing grants provided to finance capital expenditure undertaken by the Council.

The workings provided by the Council's accountant were not sufficient and appropriate to conclude that the amount released is correct and complete. The following are the weaknesses identified in the relevant workings:

- A variance was noted between the opening balances in the workings provided by the Council supporting the recognised amounts for the year ended 31st December 2015 and the closing balances as reported in the audited financial statements for the year ended 31st December 2014. The table below details the variances:

	€
Opening balances as per Council's workings	330,352
As per FS [comparatives]	
Current deferred income	14,274
Non-current deferred income	839,399
Variance	(523,321)

- According to the workings provided, the Council received grants of €320,936 with respect to Measure 313/2014 Pjazza – Village Centre, and €474,357 with respect to Measure 313/Old. No supporting documentation was provided by the Council in this respect.
- The increase in grants received during the year according to the financial statements, amounts to €106,796, however according to the workings of the Council's accountant, two new grants were received during the year, being of €320,936 with respect to Measure 313/2014 Pjazza – Village Centre and €474,357 with respect to Measure 313/Old. The two sets of data do not agree.
- Moreover we are not in agreement with the amounts disclosed in note 15 in relation to deferred government grants split between one and two years, two and five years and in five years or more.

Issues Arising

Given the limitations as listed above as well as the lack of information on the source workings and the basis and judgments undertaken by the Council in arriving to these amounts recognised in the financial statements, we could not confirm with reasonable assurance that the grants released to Income were not materially misstated. Thus our audit report was qualified on this matter.

Recommendations

The requirements of IAS 20, Accounting for Government Grants and Disclosure of Government Assistance, should be followed in order to apply the correct treatment with respect to recognition and measurement of grants received either for revenue expenditure or capital expenditure.

Furthermore Council should maintain adequate workings and supporting documentation of all grants obtained for capital expenditure items. Such workings should base the release of income on an annual basis to the depreciation of the asset covered by each respective grant. This will also have an effect on the deferred income liability of grants.

10. OTHER DISCLOSURES IN THE FINANCIAL STATEMENTS

10.1. Disclosures required in respect of Financial Procedures

Observations

The financial statements prepared and approved by the Council do not contain the corresponding budget figures for the year under review.

Issues Arising

According to the Financial Procedures supplementing the Financial Regulations issued in terms with the Local Councils Act 1993, the financial statements should include the budget for the period. However, in line with Local Councils' generally accepted reporting procedures, the budget has been excluded from these financial statements. In this respect, we have included an emphasis of matter in our audit report.

Recommendations

The Council should seek clarifications from the Department of Local Government to determine whether this obligation is still mandatory or otherwise.

10.2. Disclosures required in respect of certain IFRS

Observations

The financial statements prepared and approved by the Council are not compliant in all respects with the requirements of the International Financial Reporting Standards. Disclosures emanating from certain accounting standards appear to be missing.

Issues Arising

The Council's financial statements lack certain disclosure requirements arising from the following accounting standards:

- ✓ IAS 1 – Presentation of Financial Statements
- ✓ IAS 2 – Inventories
- ✓ IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors
- ✓ IAS 24 – Related Party Disclosures
- ✓ IAS 20 – Accounting for Government grants and disclosures.
- ✓ IAS 38 – Intangible Assets
- ✓ IAS 39 – Financial Instruments: Recognition and Measurement
- ✓ IFRS 7 – Financial Instruments: Disclosures

In view of the lack of appropriate disclosures, we have qualified our audit report accordingly.

Recommendations

We recommend that financial statements are prepared in accordance with International Financial Reporting Standards in all respects including all necessary disclosures.

10.3. Financial Statement Presentation

In addition to item 10.1 and 10.2 above, we have also identified further mistakes in the financial statements presented and approved by the Council. These include the following:

- Statement of Changes in Equity – 'Retained Funds' should be changed to 'Retained Earnings'.
- Debt balances in the list of supplier balances due, were not reclassified with "receivables" in the financial statements.
- Note 2 of the Financial statements 'Accounting Policies and Reporting Procedures' is not in line with the 2015 IFRS updates.
- Note 4 of the Financial statements in the comparatives figure Supplementary Government Income reads €20,966 whereas in the prior year financial statements this reads €20,906
- Note 4 of the Financial statements in the comparatives figure Grants released reads €15,602 whereas in the prior year financial statements this reads €15,692
- Note 5 – Local Enforcement System should have read 'Income raised under Local Enforcement System'.
- Note 8 – Personal Emoluments – The average number of persons employed with the Council is not disclosed.
- Note 9 – Operations and Maintenance should have read 'Operations and Maintenance Expenses'.
- Note 13 – Property Plant & Equipment; in the comparatives figure for Construction & Special Programmes additions read €36,328 whereas according to the prior year financial statements these amount to €32,345. This had an effect on the final total cost amount and net book value.
- Note 13 – Property, Plant & Equipment in the comparative figure for Assets Under Construction this reads €485,539 whereas according to the prior year financial statements this amounts to €489,522.
- Note 18 – Capital Commitments – The line 'Contracted for but not provided in the Financial Statements' should be removed since there are no balances, neither for the current year nor for the comparative figures.
- Note 21 – The Council failed to disclose Heritage Malta as a related party with whom it undertook transactions during 2015. Additionally, the disclosure requirements to this note are not complete.

4. Prior year adjustment

Observations

During the year under review a prior year adjustment amounting to €21,288 was recognised in the unaudited financial statements. This adjustment was done in connection with an amount payable not recognised in previous years' financial statements.

Issues Arising

This prior year adjustment was not appropriately recognized and disclosed in the Financial statements in line with the requirements of IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors. Besides the erratic presentation, no proper note to the financial statements has been disclosed, and the Statement of Financial Position has not been restated to reflect the impact by the said adjustment on prior year results.

Recommendations

We recommend the Council to follow the requirements of IAS 8 - Accounting Policies, Changes in Accounting Estimates and Correction of Errors, in order to apply the correct treatment with respect to recognition and measurement and disclosure in respect of any prior year adjustments it undertakes.

1. GENERAL

11.1. Approval of Council Minutes

Observations

Minutes of Council meetings 62 held on 27th March 2015 [7th Legislature] and Council's meetings no 1 [8th Legislature] were not approved during Council meetings.

Issues Arising

Please note that the Council's minutes should always be approved in the following Council meeting in terms of the Local Councils' Act. Any decisions taken during a Council meeting for which its minutes are not approved, may be considered to be null and void.

Recommendation

The Council should ensure that all minutes are approved, in particular, the unapproved minutes indicated above should be approved immediately without any further delay.

11.2. Records of Minutes and Schedule of Payments

Observations

The Schedule of Payments for the Council meetings held during the period January – June were not uploaded on the website www.lc.gov.mt. The said Schedule of Payments were not even provided to us during our audit testing.

Furthermore, the Council's minutes uploaded on the website for the Council's meeting held on 12th January 2015 are not signed. In addition to this, the Council's minutes for the Council's meeting held on 16th February 2015 uploaded on the website www.lc.gov.mt were only signed by Mayor Venera Micallef.

Council meeting 60 held on 27th February 2015 and Council meeting 62 held on 27th March 2015 were held before 5.30pm. There was no record of a unanimous approval in the minutes to these Council meetings.

Issues Arising

Memo 89/2010 and 102/2010 require the Executive Secretary to publish the minutes and the schedule of payments within 2 days from approval.

The Sixth Schedule of the Local Councils Act requires in paragraphs 14(A)(6) and 14(A)(7) that the minutes become public once they have been approved and signed by the Mayor and the Executive Secretary and that these should be Initialled by the Mayor. Paragraph 14(A)(8) of the same schedule also obliges the Executive Secretary to ensure the proper and safe custody of these Council's records.

The Local Councils Act (Cap. 363) requires that unless otherwise determined by the unanimous decision of the Councillors, meetings of the Local Councils shall not start before 5.30pm and later than 7.30pm and shall not last more than 3 hours.

Recommendations

We therefore recommend the Council to adhere to the requirements of these memos and Local Councils Act accordingly.

11.3. Council meetings

Observations

No Council meetings were held between the period 13th May 2015 and 27th July 2015. More than five weeks have elapsed from meeting 02/K8/2015 held on 12th May 2015 to the next meeting 03/K8/2015 held on 28th July 2015.

Issues Arising

Chapter 363 Local Councils Act Article 43 (2) specifies that "Council meetings shall be held at least once a month as long as this period does not exceed five consecutive weeks or at any other shorter intervals as the Council may decide."

Recommendations

It is recommended that the Council follows the relevant provisions of the law concerning the procedures to be followed for Council meetings.

11.4. Quarterly Reports

Observations

The Quarterly Reports provided by the Council for the period January – March 2015 and for the period July – September 2015 were not signed. However the quarterly report for the period July – September 2015 was approved in the Council's minutes. Furthermore, the quarterly report for the period January – March 2015 was not uploaded on the Council's website as per memo 36/11.

Issues Arising

Attention should be brought to the Local Councils Procedures (1996 – Finance) KLP 1/96, P1.05 (d.06), that such reports should be finalised and approved within a month following each quarter period end. Approval of these reports needs to be included within the Council minutes. In

addition, memo 36/11 states that Quarterly Financial Reports should be uploaded on the Local Councils website.

Recommendations

We therefore recommend that the minutes of the Council reflect the approval of the quarterly reports and that these are all prepared and submitted to the Department of Local Councils within a month from period end.

11.5. Comparison with the Annual Budget

Observations

During our review of the annual budget 2015, it was noted that some expenditure incurred in 2015 exceeded the budgeted amount.

In particular, the budgeted expenditure for operations & maintenance and administration expenditure for the year 2015, excluding depreciation is €212,980. However the actual expenditure incurred in this respect, including the proposed audit adjustments amounted to €281,898.

Issues Arising

We bring to the attention of the Council the fact that the Council is regulated by paragraph P1.07 (b.05) of the Local Councils Procedures (1996-Finance) KLP 1/96, which states that it should not spend more than its budgeted expenditure (usually based on the liquidity position and funds available). Furthermore, it is envisaged that if any expenditure category requires materially more funds than budgeted, an adjustment is undertaken to the said budget and is duly approved by the Council.

The council should compile the annual budget with due care and diligence to use it as a guideline to control its expenditure during the year. Any projected variances should be adjusted at least on a quarterly basis to ensure that the Council would either have sufficient funds available to justify the increase in expenditure, or else reallocate excess funds where there are decreases in expenditure or increase in income received.

Recommendations

In compiling a budget, each item of income or expenditure should be scrutinised to determine whether there is some form of agreement which gives certainty of the projection being presented. In the absence of a contract or an agreement, the item should be extrapolated over historic data to approximate the desired projections for the entire consolidation of the official final draft of the budget.

11.6. Council's Accounting Data

Observations

During our audit visit we noted a copy of the Council's accounting software is only kept by the accountant, and is not held in the Council's premises. When we enquired on the matter, it seems that the Council's Accountant has logistical problems since he lives in Gozo and therefore he could not travel frequently to Dingli in Malta to execute his duties.

Issues Arising

This is in breach of the Local Councils' Act and the Local Councils Procedures (Finance). It is essential that a copy of the accounting dataset is held in the Council's premises with no exceptions.

Recommendations

A backup of the accounts from the accounting software should be obtained from the accountant at once and kept in a safe place. Furthermore, a backup of the accounting software should be taken regularly and stored on more than one backup storage media to mitigate risks.

11.7. Accountancy work and ancillary contractual obligations

Observations

All Local Councils' Financial Statements have to be prepared in line with the International Financial Reporting Standards (IFRS). However, various deficiencies were noticed in the Financial Statements as approved by Council. Deficiencies were also found in the processing of raw accounting data and during the accounts finalisation process, whereby fundamental reconciliations were not properly undertaken and unidentified balances were not appropriately addressed.

We were not provided with a copy of the contract signed with the Council's Accountant, despite various reminders. In view of this, we could neither determine the duties listed in the specific conditions and undertaken by the accountant in question nor determine whether a contractual obligation exists after all.

Issues Arising

Regular reconciliations need to be done when preparing the accounts finalization process. Furthermore, the Council's accounting reports should be prepared in line with the International Financial Reporting Standards as stipulated by the Local Councils Procedures (Audit 2006). As a result of all the deficiencies, the audit report was heavily qualified.

Recommendations

The Council should ensure that the accounts issued are in line with the International Financial Reporting Standards and that the accounting function is at the desired quality levels. From our findings listed in this report, this appears not to be the case.

In the light that there seems to be no contractual agreement between the Council and its current accountant in office, we recommend that the Council issues a fresh call for tenders. In its evaluation, the Council should not be dictated only by the price, but more importantly, the quality standards which the prospective bidder is performing at other local councils.

11.8. Mid-term audit

Observations

During the year under review there was a change in the Council's Executive Secretary two times. However, the Council did not commission a mid-term audit at each change of Executive Secretary.

Issues Arising

Whenever there is a change in the seat of the Executive Secretary of a local council, a mid-term audit is required under Subsidiary Legislation 363.02 – Local Councils (Audit) Procedures through Legal Notice 135 of 2007.

This kind of audit provides assurances both to the outgoing and the new incumbent Executive Secretary that the respective end and start of the office is free of any material misstatements or irregularities.

As a matter of fact, the Council indeed suffered from this lack of appropriate hand over, as there were instances during the year, where the Department for Local Government had to pay directly for the monthly salaries and then get them deducted directly from the annual financial allocation. Additionally, the fact that in various instances, the Council could not produce the required documentation, protracts a strong sign of lack of continuation and complete mismanagement.

Recommendations

We recommend the Council to adhere to such regulations if similar situations occur in the future.

12. FINANCIAL POSITION

12.6. Liquidity of the Council

Observations

As of 31 December 2015, the Council's minimum net current asset value should have amounted to at least €30,964 being 10% of the annual allocation. Nonetheless, the actual financial indicator (the ratio of the adjusted net current asset value to the annual allocation) at 31st December 2015 stood at -30.71%.

Issues arising

According to memo 37/2002, Legal Notices 323 and 324 of 2002, the Council should have a net current asset value (as adjusted in line with the guidelines) of not less than 10% of the annual financial allocation. The consequences of not abiding by these regulations are various. With an indicator of less than 10% as in this case, the Council is already obliged to:

- Present a financial report to the Department of Local Councils on how it will cut down on expenditure to strengthen the indicator.
- Convene its finance committee to seek guidance on whether the Council could commit for certain expenditure before sanctioning.
- If the targets to increase the indicator back to 10% fail, the Minister may withhold an equivalent sum topping up to 10% from the annual allocation and paid back only when the Council has recovered.

If the financial indicator is negative up to -5%, the measures indicated above will be much stricter and will include:

- The Director of Local Councils should convene a meeting with the Mayor and Executive Secretary within 15 days of such observation.
- Proposals are set to ensure that the Council reaches the required threshold of 10% within 12 months.

The Council is also regulated by paragraph P1.07 (b.05) of the Local Councils Procedures (1996 – Finance) KLP 1/96, which states that it should not spend more than its budgeted expenditure (which is usually based on the liquidity position and funds available). Due to the inherent risk to the Council's going concern assumption, we have qualified our audit report.

Recommendations

The Council should convene with urgency its finance committee and draw up a cash flow management plan to address the adverse liquidity situation. Until then, the Council should postpone any projected capital expenditure and recurrent expenditure which is not entirely financed by additional funding schemes. Projects or programmes which are not funded by special schemes should not even be considered by the Council.

That said, considering the difficulty in, and to a certain extent, limited control over the collection process of its receivables, the Council should take these factors into consideration when preparing its annual budget and financial control procedures and should propose a plan to improve its finances by curtailing its expenditure and ensure that it does not incur a deficit as well as make plans to ensure a positive working capital balance.

