



6th May 2019

The Director
Department for Local Government 26,
Archbishop Street
Valletta

Dear Sir,

Re: Management Letter

The Hamrun Local Council has reviewed the comments and recommendations brought forward by the Local Government Auditors Nexia BT regarding the accounting system and procedures operated by our Council for the year ended 31 December 2018.

The following are Council's comments as regards queries mentioned in same Management Letter.

Replies for the Notes in the Management Letter

1.1 Salaries Reconciliation

The Council has adopted a new computerised payroll system, discarding handmade payroll which will enable more accurate workings.

A wages reconciliation was performed at the end of the year and the total of FS7/FS5s agreed to the account. The €21 identified in the management is a minimal difference that does not defer the financial position of the Council.

The Council accepts Auditors recommendations and a contract of employment for employees on indefinite period shall be updated.

1.2 Bank Reconciliations

Bank Reconciliations are performed every month. However, when there is no transactions in a bank account such as the HSBC bank accounts.

1.4 Procurement of Expenses

Due to the fact that the Council was in discussions with Parl. Secretary regarding the possibility of a pilot project in street sweeping for the locality of Hamrun, the Council was still providing the Street Sweeping Services under the previous contract.

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Due to the fact that the Southern Region was discussing to issue a Regional Street Lighting Tender, the Hamrun Local Council did not issue a call for tenders.

The Council will be issuing tenders for both services in the coming weeks.

1.7 **Amount receivable from Water Services Corporation (WSC)**

The Council has approved that the amount is written off from its accounts.

1.9 **Accrued Income**

The Council accepts Auditors' recommendation.

1.11 **Long Outstanding trade payables**

The Council has investigated the amounts noted by the auditors and confirmed that these amounts were no longer due to suppliers.

These amounts will be written off accordingly.

2.10 **Accruals**

The Council accepts Auditors' recommendation.

2.14 **Budgeted Figures**

Depreciation amount differentiated due to the change in Accounting system, as requested by the DLG.

Expenses related to Street Lighting decreased, therefore this is the reason why there is a difference in figures.

Expenses related to street cleaning decreased due to the fact that the extra service provided during Sundays, by sweepers was stopped as Cleansing Department was providing this service free of charge.

Social and Cultural Events' expenses. Due to the fact that the Council is organising more events in the locality, the expenses have increased.

Conclusion

Finally, the Council would like to emphasize that it will continue to do its utmost to adhere to

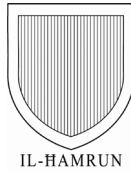
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financial procedures as regulated in the Local Councils Act, the Financial Procedures and other relative Legal Notices.

Mr. Christian Sammut
Mayor

Karen M. Camilleri
Deputy Executive
Secretary



cc

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