



Kunsill Lokali Marsaskala

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**The Auditor General
National Audit Office
Notre Dame Ravelin Street
Floriana**

Dear Auditor General

Reply to Management Letter for the Financial Year ending 31st December 2016

2.1-2.2 The agreement for the rental of an extra room to be utilized as a leap centre was signed by the council before the audit but the council was still waiting to receive the signed documents from the responsible person within LEAP. The council has rectified this problem and is now in possession of a signed agreement by both parties.

2.3-2.4 Kindly note that deposit slips are no longer being issued by the bank. The council deposits money at BOV using the night safe deposit and deposit slips are no longer being sent to the council. Nevertheless we check the amount deposited with the bank statements to ensure that all deposits in the local council accounts are recorded.

3.1-3.2 Primarily the council would like to remark that the petty cash expenditure has reduced drastically over the past 4 years. As already mentioned in the previous years the majority of establishments do not use itemised invoices but just a cash register. As from next year the council will try to obtain tax invoices addressed to the council whenever possible. On the other hand please note that the Executive Secretary will sign all petty cash receipts to verify that it was a necessary expenditure.

3.3-3.4 In the case of TCTC the Learn It agreement was discussed and approved during a council meeting and therefore a quotation was obtained in this particular instance. The was approved during a council meeting held on Council meeting 39 of 16th November 2015 and the amount was specified therefore there was a quotation in this particular instance. (copy attached).

As regards to Correct Termination Ltd the council had obtained a quotation approximately four years ago. Marsaskala local council was the first council to introduce live streaming before the DLG issued the necessary directive. The streaming expense has remained the same and is based on an annual fee thus eliminating the need for the council to request a quotation.

3.5-3.6 In the case of Bonnici brothers and CEB metals the Marsaskala local council uses road repair compound regularly and therefore does not need to obtain a quotation every time road repair compound is ordered. The council in most instances does get a quotation but was not attaching it with the purchase orders. The council will seek to attach the written quotation with the purchase order.

Mayor
Mario Calleja

Deputy Mayor
Desiree Attard

Councillors
John B. Camilleri
Elisabeth Cassar
Lawrence Ciantar
Charlot Mifsud
Sandro Gatt
Charlot Cassar
Daniel Spiteri

Executive Secretary
Josef Grech

- 3.7 - Please note that tender KLM 2016/01 was issued with electronic Public Procurement and in line with all the relative public procurement policies which state that the performance bond should be furnished to the council within 15 days of the signing of the contract. The contract was signed on 16/8/16 and performance bond signed on 17/8/16. This stipulated clearly within the contract (copy attached). Please note that the council cannot continue to abide by the outdated 1996 procedures as they have become redundant.
- 3.8
- 3.9 - Please note that this was approved during a council meeting and the Marsaskala Local Council has a contract with the Lessor and another contract with LEAP. These were given to you during the course of audit (copy attached).
- 3.10
- 3.11 - So far no claims have occurred and therefore the insurance premium has remained the same throughout the years. If overseas coverage is taken as per your recommendation, this would result that the council would have to pay approx. 120euro per annum for 4 persons.
- 3.12
- 4.1 - As stated the Council approved the proposed adjustment and the books of accounts are now correct
- 4.5
- 4.6 - The Council will make its utmost to include the necessary details.
- 4.7
- 4.9 - The rex rotary fax machine as correctly stated was scrapped but is still being listed in the fixed assets register.
- 2 The council has already performed various exercises to write off obsolete items in accordance with the local council financial procedures.

With regards to the asus laptop please note that this laptop is included within the council's inventory of fixed assets. It is common practise that the Mayor takes the laptop with him during council related meetings. The laptop is returned back to his office after such meetings. I as Executive Secretary have duly authorised the Mayor to take the laptop whenever the need arises for council purposes.

- 5.1- The council has requested the financial statement of Gal Xlokk foundation for the financial year 2016. Once the financial statements are obtained they will be sent immediately to the auditors.
- 5.2
- 5.3- This occurred only in 2014 due to dispute between the council and Green Mt. The council will seek to issue invoice as already occurred for the financial year 2015.
- 5.5
- 5.6 As already mentioned the dispute between Marsaskala local council and Green Mt over the amount owed 2014 was settled at a very late stage and therefore this amount was shown in the 2016 income. There was a dispute over the amount owed and € 742.36 was one of the issues.
- 5.7 Noted
- 5.8 - As mentioned during the audit visit the council had sent to Green MT and Greenpak to submit their offers to the council. Only Green MT applied. The council did not fully agree with the proposal submitted by Green MT and requested more benefits. This was settled at a later stage and the council is still waiting for the signatures of the responsible Green MT officials.
- 5.9
- 6.1- The council did send and has a copy of all the correspondence sent to all of its suppliers to provide a statement to confirm the year end balances. The reply from certain suppliers is lacking.
- 6.2
- 6.3 - This matter was settled after the audit visit. The council was very precise in its estimates. There were two separate issues. There was the issue at Zonqor garden which was handled by the council's lawyer and approved by the council. This matter is now settled. The other issue concerning Pjazza Mifsud Bonnici garden was also settled.
- 6.8

- 7.1 - In these three instances we have exceeded the hours stipulated in the local councils act by just a few minutes
7.2 but in each mentioned meeting we were nearly finished and therefore we proceeded to finalise the agenda.
- 7.3 These are urgent payments and they were cancelled for different reasons such as mistakes when writing the cheque or we had to re issue the cheque. We took it into account that we list even the cancelled cheques in the list of payments.
- 7.4- We had issued payment to Island Insurance by cheque no 11796 but we cancelled the cheque, then we have re
7.5 issued the cheque to Island Insurance by cheque no 11800. By mistake in the payment schedule we listed the cancelled cheque number. The schedule of payments is reviewed by all council members during the council meeting and not only signed by the Executive Secretary and Mayor but signed also by two other councillors.
- 8.1 We have addressed this issue and all documents are uploaded and signed
- 8.2 We abide by the directive as we upload the council minutes and payment just the day after these are approved. There was only one case which was rectified immediately.



Josef Green
Executive Secretary



Mario Calleja
Mayor

Cc: Grant Thornton Triq it-Torri, Tower Business Centre Suite 3, Swatar BKR 4013