



## Kunsill Lokali L-Imsida

Pjazza Menqa, L-Imsida  
www.msidalocalcouncil.com

30th September 2016

The Director  
Department for Local Government  
27, Triq l-Arcisqof  
Belt Valletta

Dear Sir,

### **Reply to the Management Letter**

The L-Imsida Local Council has reviewed the comments and recommendations put forward by the Local Government Auditors Mazars regarding the accounting system and procedures operated by the Council for the period year ended 31st December 2015.

The Following are the Council's Comments as regards queries mentioned in same Management Letter.

#### **1. Previous Management Letter**

##### **1.1 Fixed Assets**

The Council has noted this recommendation and the register is being kept accordingly.

##### **1.2 Creditors**

The Council accepts Auditors recommendations.

##### **1.4 Receivables**

The Council accepted Auditors recommendations.

##### **1.5 Expenditure**

Please refer to Note 6.1

## **1.6 Bank and Cash**

The Council accepts Auditors recommendations. Expenses exceeding the amount of € 23.29 are being paid by cheque.

## **1.7 Tendering Procedure**

As from 2016, all tenders will be issued by EPPS system.

## **1.8 Minutes of Meetings**

The Council has done necessary uploads as recommended by Auditors.

The Acting Executive Secretary in office, will ensure that Minutes are uploaded within two working days from date of approval.

## **1.9 Insurance**

The Council has notified Insurance Company with Auditors comments & amendments to Policy have been done accordingly.

## **2. Property, plant & Equipment**

2.1 The Council has noted Auditors recommendations and assets have been tagged accordingly.

### **Depreciation**

2.6 The Council is in contact with Sage to identify difficulty.

2.7 The Council is requesting approval from DLG to apply a depreciation on a period of 30 years

## **Existence of Assets**

2.8 Since the Regional Office still needs the furniture in question and since the Council does not need this furniture, it was agreed that the Regional Committee pays the Msida Local Council for the furniture in question.

2.9 The Council has updated Fixed Assets Register accordingly.

## **3 Creditors**

### **3.1 Suppliers' Statements**

The Council is doing its utmost to collect statement from Suppliers on a monthly basis.

## **4 Income**

### **Central Regional Committee surplus**

The Council notifies that the amount of € 23,141 was used to finance Lighting Projects of Misraħ 5 t'Ottubru, which amount will be refunded by UIF Funds.

The Amount of € 7,340 were used for various projects within the locality after obtaining approval from Central Region Committee.

### **Tipping Fees**

The Council is allocated a specific amount of money to pay tipping fees. The Council is responsible only for annual payment amounting as allocated by the DLG.

## **5. Receivables**

The Council has contacted debtors and collected most of the money due to the Local Council.

### **Provision for Bad Debts**

5.4 The Council took Auditors recommendations.

## **6 Expenditure**

6.1 The Council notifies that contract for 'Maintanance & Installaion of Street Lighting' has been awarded. Contract for the Collection of Bulky Refuse has been awarded but the Council received an Objection from one of the Bidders. Furthermore, the Contract for the Maintanance & Upkeep of the Public Convenience



was renewed for the period of one year as instructed by the DLG. As per Contract for Contract Manager, the Council acquitted this services as on 1st November 2016.

### **Petty Cash**

The Council took Auditors recommendations.

### **Bank Reconciliations**

The Council notifies that Bank reconciliation is done on a monthly basis. The Council shall intensify internal controls.

7.6 The Council notifies that the stale cheques were in fact unpresented cheques.

Accounts representative

7.8 The Council has instructed the Bank to update the signatories as instructed by Auditors.

### **9 Minutes of Meetings**

The Council took Auditors recommendations. All Minutes were updated accordingly and Official File is kept updated.

### **10 Insurance**

The Council has notified Insurance Company with Auditors comments & amendments to Policy have been done accordingly.

### **13 Liquidity position**

The Council is doing its utmost to reduce expenditure.

### **Financial Situation Indicator**

The Council is doing its utmost to settle all pending payments incurred by the Council. Moreover the Council is facing extravagant payments on the Service 'Collection of Mixed Household Waste'. The Council is hoping that expense is reduced once a new tender is awarded.

### **14 Appointment of new Executive Secretary**

The Council has notified DLG with Auditors recommendations. Mid Term Audit shall be done as a new Executive Secretary is appointed at Msida Local Council as instructed by the DLG.

## 15     **Reply to the Management Letter**

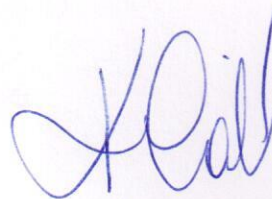
The present Acting Executive Secretary has been appointed as from 27th May 2016. Unfortunately no records regarding replies of previous Management Letter for the year 2014, were found. During the period April 2015 – May 2016 the Msida Local Council has been operating with 3 different an Acting Executive Secretaries and maybe that was the main reason that the Management Letter for the year 2014 was not replied for.

The Acting Executive Secretary has replied at her best knowledge and after consulting with Council members and Council's Accountant on the real financial situation of the Council.

Yours faithfully



Margaret Baldacchino Cefai  
Mayor



Karen Camilleri  
Acting Executive Secretary

c.c.

Mazars  
32, Sovereign Building  
Zaghfran Road  
Attard ATD 9012  
Malta

Auditor General  
National Audit Office  
Notre Dame Ravelin  
Floriana