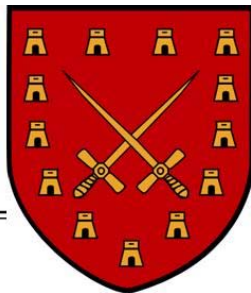


Kunsill Lokali Pembroke

Triq Alamein
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MINUTI**Laqgħa tal-Kunsill Lokali Pembroke****SEBA' LEGISLATURA****Laqgħa Numru 08/2018**

It-Tlieta 29 ta' Mejju, 2018

Il-Kunsill Lokali Pembroke Itaq' fl-Uffiċċju Amministrattiv tiegħu li jinsab fl-indirizz Triq Alamein, Pembroke, fil-5:30 ta' filgħaxija.

PREŻENTI:

Dean Hili – Sindku
Raymond Lanzon – Viċi Sindku
Mark Causon – Kunsillier

ASSENTI b'APOLOGIJI (Skont Ordni Permanenti 14A (3):

Charles Cesare – Kunsillier (**Dok. 1**)

ASSENTI

Evelyn Vella Brincat – Kunsillier

UFFIĊJAL PREŻENTI:

Kevin Borg – Segretarju Eżekuttiv
Romina Perici Ferrante – Accountant tal-Kunsill

Minuti

Is-Sindku Dean Hili ppresjeda l-laqqgħa.

08.1 Qari tal-ittri ta' apologiji.

08.1.1 Is-Sindku Dean Hili nforma lill-Kunsill li l-Kunsillier Charles Cesare talab li jiġi skużat minħabba li jinsab imsiefer fuq xogħol. Il-kelliem ippropona li l-Kunsill jilqa' din l-apologija. Il-kelliem irrimarka wkoll li l-Kunsillier Evelyn Vella Brincat m'għamlet ebda komunikat mal-Kunsill u għalhekk qed titqies bħala assenti.

08.1.2 Il-Viċi Sindku Raymond Lanzon issekonda.

08.1.3 Il-Kunsill qabel unanimament.

08.2 Kunsiderazzjoni u Approvazzjoni tal-Minuti 05/2018.

08.2.1 Is-Sindku Dean Hili ppropona l-approvazzjoni tal-Minuti referenza 05/K7/2018 kif ippreżentati.

08.2.2 Il-Viċi Sindku Raymond Lanzon issekonda.

08.2.3 Il-Kunsill qabel unanimament.

08.3 Kunsiderazzjoni u Approvazzjoni tal-Minuti 06/2018.

08.3.1 Is-Sindku Dean Hili ppropona l-approvazzjoni tal-Minuti referenza 06/K7/2018 kif ippreżentati.

08.3.2 Il-Kunsillier Mark Causon issekonda.

08.3.3 Il-Kunsill qabel unanimament.

08.4 Kunsiderazzjoni u Approvazzjoni tal-Minuti 07/2018.

08.4.1 Is-Sindku Dean Hili ppropona l-approvazzjoni tal-Minuti referenza 07/K7/2018 kif ippreżentati.

08.4.2 Il-Viċi Sindku Raymond Lanzon issekonda.

08.4.3 Il-Kunsill qabel unanimament.

08.4.4 Is-Sindku Dean Hili ippropona sospenzjoni tal-aġenda biex items 08.8, 08.9 u 08.10 għandhom jiġu diskussa qabel item 08.5.

08.4.5 Il-Viċi Sindku Raymond Lanzon issekonda.

08.4.6 Il-Kunsill qabel unanimament.

08.8 Rapport Finanzjarju – Kwart 1 Jan sa Mar 2018.

08.8.1 Is-Sindku Dean Hili ppreżenta r-rapport finanzjarju għall-perjodu Kwart 1 Jannar sa Marzu 2018 (**Dok. 7**) fejn talab lill-Accountant Romina Perici Ferrante biex tagħti l-ispjega tagħha.

- 08.8.2 Wara l-ispjega tal-Accountant, is-Sindku Dean Hili ppropona l-approvazzjoni tar-rapport kif ipprezentat.
- 08.8.3 Il-Viċi Sindku Raymond Lanzon issekonda.
- 08.8.4 Il-Kunsill qabel unanimament.

08.9 Risposta għall-Management Letter tal-Awdituri.

- 08.9.1 Is-Sindku Dean Hili ppreżenta r-risposta għall-Management Letter tal-Awdituri għas-sena finanzjarja 2017 (**Dok. 8**) fejn talab lill-Accountant Romina Perici Ferrante biex tagħti l-ispjega tagħha.
- 08.9.2 Wara l-ispjega tal-Accountant u fid-dawl li ma kienx hemm mistoqsijiet, is-Sindku Dean Hili ppropona l-approvazzjoni tar-risposta kif ipprezentata.
- 08.9.3 Il-Kunsillier Mark Causon issekonda.
- 08.9.4 Il-Kunsill qabel unanimament.

08.10 Rapport Annwali Amministrattiv għas-sena 2017.

- 08.10.1 Is-Sindku Dean Hili ppreżenta Rapport Annwali Amministrattiv għas-sena 2017 (**Dok. 9**) fejn talab lill-Accountant Romina Perici Ferrante biex tagħti l-ispjega tagħha.
- 08.10.2 Wara l-ispjega tal-Accountant u fid-dawl li ma kienx hemm mistoqsijiet, is-Sindku Dean Hili ppropona l-approvazzjoni tar-risposta kif ipprezentata.
- 08.10.3 Il-Kunsillier Mark Causon issekonda.
- 08.10.4 Il-Kunsill qabel unanimament.

08.5 Komunikazzjoni mis-Sindku.

46/1237/18/I Ittra mingħand il-PA dwar skema Sebbañ il-Lokal fejn Pembroke jista' jibbenefika minn fond sa massimu ta' €50,000.00

- 08.5.1 Is-Sindku Dean Hili għamel referenza għall-korrispondenza **46/1237/18/I** fejn informa lill-Kunsill li l-Kunsill għandu jara li japplika għal dan il-fond vis-a-vis ix-xogħol t'upgrading propost fuq ir-roundabout ta' quddiem il-Kunsill.
- 08.5.2 Il-Kunsillier Mark Causon issekonda.
- 08.5.3 Il-Kunsill qabel unanimament.
- 08.5.4 Is-Sindku Dean Hili ppropona li l-Kunsill jinstalla dawl ġdid fil-passaġġ li minn Triq Tunis jagħti għal Triq Mandalay inkluż l'issir it-trinka neċessarja.
- 08.5.5 Il-Kunsillier Mark Causon issekonda.
- 08.5.6 Il-Kunsill qabel unanimament.

46/1370/18/I Email mingħand il-PAAT jinfurmaw lill-Kunsill li l-ispiza biex jiġu organizzata l-ġirjiet konnessa ma' Jum Pembroke hija ta' €300.00.

- 08.5.7 Is-Sindku Dean Hili għamel referenza għall-korrispondenza **46/1370/18/I** fejn ippropona li l-Kunsill japprova din l-attività'.
- 08.5.8 Il-Viċi Sindku Raymond Lanzon issekonda.
- 08.5.9 Il-Kunsill qabel unanimament.
- 08.5.10 Is-Segretarju Eżekuttiv Kevin Borg informa lill-Kunsill li ż-żewġ blokki li kienu aċċettaw li jipparteċipaw fl-iskema tal-Awtorita' tad-Djar (Blokk 10 Triq il-Battalja ta' Malta u Blokk 6 Triq Pietru D'Armenia), issa ddeċidew li jirtiraw (**46/1357/18/I**).
- 08.5.11 Is-Sindku Dean Hili ippropona li l-Kunsill jinforma lill-Awtorita' tad-Djar b'dan. Il-kelliem irrimarka li kienet ħasra li ebda blokk li ġie avviċinat m'aċċetta l-proposta tal-Awtorita'.
- 08.5.12 Il-Viċi Sindku Raymond Lanzon issekonda.
- 08.5.13 Il-Kunsill qabel unanimament.
- 08.5.14 Is-Sindku Dean Hili ippropona li l-Kunsill japplika ma' TM biex isiru double yellow lines u jitwaħħal dog bin fi Triq Patri Serafin Zarb, fuq wara ta' Blokk 7.
- 08.5.15 Il-Viċi Sindku Raymond Lanzon issekonda.
- 08.5.16 Il-Kunsill qabel unanimament.
- 08.5.17 Is-Sindku Dean Hili nforma lill-Kunsill li wasal iż-żmien li:
- (1) jinbidlu c-cctv li hemm madwar il-Kunsill,
 - (2) li jinxtara shredder minħabba li kellu l-Kunsill kien inħaraq, u
 - (3) li jiġi ordnat isem u stemma tal-ħadid biex jitwaħħlu mal-bini tal-Kunsill minflok it-tabella l-antika. Għalhekk il-kelliem ippropona li fejn hemm bżonn għandhom jingabru l-kwotazzjonijiet neċessarja u tintgħażel l-aħjar offerta.
- 08.5.18 Il-Viċi Sindku Raymond Lanzon issekonda.
- 08.5.19 Il-Kunsill qabel unanimament.
- 08.5.20 Is-Sindku Dean Hili nforma lill-Kunsill li għal Jum Pembroke il-Kunsill kien avviċina lil Hooligan u lil Christabelle Borg. Il-kelliem ippropona li l-Kunsill japprova li dawn il-kantanti jagħtu s-servizz tagħhom waqt is-serata kommemorattiva. Il-kelliem ippropona wkoll li jiġi avviċinat il-kantant Chris Grech u l-grupp Avenue Sky, għall-compere jiġu avviċinata membri minn VibeFM, li l-Kunsill jitlob lill-Kappillan biex il-quddiesa ta' Jum Pembroke issir fis-7:00pm, u li jsir komunikat mas-sur Simon Buhagiar biex isir BBQ.
- 08.5.21 Il-Viċi Sindku Raymond Lanzon issekonda.
- 08.5.22 Il-Kunsill qabel unanimament.

08.6 Tweġibiet għall-Mistoqsijiet tal-Kunsillieri.

08.5.1 Peress li ma kienx hemm mistoqsijiet, is-Sindku Dean Hili għadda għall-item li kien imiss.

08.7 Rapporti, ilmenti u ordnijiet ta' xogħlijiet.

08.7.1 Is-Segretarju Eżekuttiv Kevin Borg ippreżenta lill-Kunsill:

- **Internal Memo 19/2018** - Laqgħa pubblika dwar il-proġett propost minn db Grupp (**Dok. 2**)
- **Internal Memo 20/2018** - Laqgħa dwar Halloween u Christmas 2018 (**Dok. 3**)
- **Internal Memo 21/2018** - Lista ta' laqgħat li saru bejn laqgħa referenza 05/K7/18 u 08/K7/18 (**Dok. 4**)
- **Internal Memo 22/2018** - Lista ta' works orders maħruġa bejn laqgħa referenza 05/K7/18 u 08/K7/18 (**Dok. 5**)
- **Internal Memo 23/2018** - Lista t'ilmenti li għadhom pendenti bejn laqgħa referenza 05/K7/18 u 08/K7/18 (**Dok. 6**)

08.7.2 Is-Sindku Dean Hili għamel referenza għall-**Internal Memo 22/2018** dwar works orders maħruġa bejn laqgħa u oħra, fejn ippropona r-ratifikazzjoni tagħhom, liema works orders inħarġu skond l-esiġenzi li kellu l-Kunsill.

08.7.3 Il-Kunsillier Mark Causon issekonda.

08.7.4 Il-Kunsill qabel unanimament.

08.7.5 Is-Sindku Dean Hili ppropona li l-Kunsill jilqa' t-talba tal-iskrivana biex jinxtraw uniformijiet godda għas-Sajf.

08.7.6 Il-Kunsillier Mark Causon issekonda.

08.7.7 Il-Kunsill qabel unanimament.

08.11 Kunsiderazzjoni u Approvazzjoni tal-iskeda ta' pagamenti.

08.11.1 Is-Sindku Dean Hili ppreżenta l-iskeda tad-dħul u ħruġ. (**Dok. 10, 11 u 12**)

08.11.2 Wara li l-Kunsilliera raw u skrutinaw il-kontijiet ippreżentati, is-Sindku Dean Hili ippropona l-approvazzjoni tal-kontijiet kollha kif ippreżentata nkluż l-aġġustamenti proposta.

08.11.3 Il-Viċi Sindku Raymond Lanzon issekonda.

08.11.4 Il-Kunsill qabel unanimament.

08.12 Mozzjonijiet.

08.12.1 Is-Sindku Dean Hili nforma li ma kienu daħlu ebda mozzjonijiet u għalhekk għadda għall-item li kien imiss.

08.13 Tmiem tal-Laqgħa u data tas-seduta li jmiss.

- 08.13.1 Is-Sindku Dean Hili ippropona li fix-xhur tas-Sajf, b'effett mill-laqgħa li jmiss, il-laqgħat jibdwu isir fuq fis-1:30pm.
- 08.13.2 Il-Kunsillier Mark Causon issekonda.
- 08.13.3 Il-Kunsill qabel unanimament.
- 08.13.4 Il-laqgħa ntemmet fuq fis-7.30pm u għet aġġornata għas-26 ta' Ġunju 2018 fuq fis-1:30pm.

Konfermat, illum 26 ta' Ġunju, 2018

IFFIRMATA

Avv. Dean Hili
Sindku

IFFIRMATA

Kevin Borg
Segretarju Eżekuttiv

Sot 1

Pembroke Local Council at Local Councils

From: Cesare Charles at Cleansing and Maintenance
Sent: 25 May 2018 11:44
To: Borg Kevin at Local Councils
Subject: laqgha tal kunsil

Bongu Kevin

Nitlob li Sindtku u lil shabi membri tal kunsill biex tiskuzawni ghal laqgha tal 29 ta Mejju 2018, fejn jien ma nistax nattendi imhabba li ser inkun imsiefer fuq xoghol f'dik il gurnata.

Grazzi bil quddiem

Charles Cesare
Officer in Scale 10
Cleansing and Maintenance Division

t +356 22921307 e charles.cesare@gov.mt | www.mjcl.gov.mt
Kindly consider your environmental responsibility before printing this e-mail



MINISTRY FOR JUSTICE, CULTURE AND LOCAL
GOVERNMENT
CLEANSING AND MAINTENANCE DIVISION, QASAM
INDUSTRIJALI TA' KORDIN,
PAOLA, MALTA



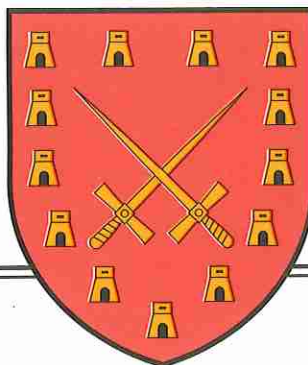
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Internal Memo Referenza 19/2018

24 ta' Mejju 2018

Laqgħa pubblika dwar il-proġett propost minn db Grupp

Il-laqgħa saret nhar l-14 ta' Mejju 2018 fis-7:30pm fis-sala tal-Iskola Primarja.

Il-laqgħa saret fuq talba tal-istess żviluppaturi kif ukoll fid-dawl tad-diversi oġġezzjonijiet li qed iqajmu r-residenti.

L-għan tal-Kunsill kien li jkun l-iżviluppaturi stess li jipprezentaw il-proposta tagħhom lill-pubbliku u fl-istess ħin ikunu huma stess li jirrispondu għall-mistoqsijiet li seta' jkun hemm.

Għall-Grupp db kienu preżenti c-CEO Arthur Gauci u Periti u inginiera li qed jaħdmu fuq il-proposta tagħhom.

Għall-Kunsill, kienu preżenti s-Sindku Dean Hili, il-Viċi Sindku Raymond Lanzon, il-Kunsillier Mark Causon, Kunsillier Charles Cesare u s-Segretarju Eżekuttiv Kevin Borg.

Kien hemm pubbliku numeruż fejn kien hemm preżenti wkoll l-Onor. MP Carol Aquilina u diversi NGO's.

Saru diversi kummenti u mistoqsijiet minn dawk preżenti, apparti l-fatt ukoll li parti mill-media li kienet preżenti bdiet ixandar ukoll il-laqgħa b'mod live fuq il-mezzi soċjali.

Il-laqgħa ntemmet fil-11:00pm.

Kevin Borg
Segretarju Eżekuttiv

Awtorizzazzjoni tas-Sindku Dean Hili sabiex tiġi ċċirkolata lill-Kunsilliera

Sindku : Dean Hili LL. D. Viċi Sindku : Raymond Lanzon
Kunsilliera : Evelyn Vella Brincat, Mark Causon u Charles Cesare
Segretarju Eżekuttiv : Kevin Borg

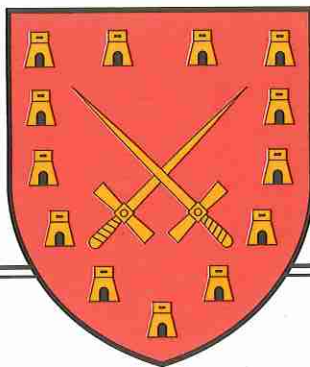
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Internal Memo Referenza 20/2018

24 ta' Mejju 2018

Lagħha dwar Halloween u Christmas 2018

Il-lagħha saret nhar is-17 ta' Mejju 2018 fis-2:00pm fl-uffiċċju amministrattiv tal-Kunsill.

Il-lagħha saret fuq talba ta' residenti ta' Triq San Ġorġ Preca bħala preparazzjoni għall-attività tal-Halloween 2018.

Għan-nom tar-residenti attenda s-sur Mario Pickard fejn ressaq diversi talbiet.

Għal-Kunsill kienu preżenti s-Sindku Dean Hili u s-Segretarju Eżekuttiv Kevin Borg.

Saret diskussjoni fit-tul fejn il-problema prinċipali hija dwar dak li ser joħroġ mill-Health & Safety Report kif ukoll dwar min ser jerfa r-responsabbilità tal-attività.

Saret diskussjoni ukoll dwar proposta li għandhom biex izejnu Triq San Ġorġ Preca fi żmien il-Milied.

Hawn ukoll giet diskussa l-problema ta' safety u ġie maqbul li għandhom jitkomplew id-diskussjonijiet.

Il-lagħha ntemmet fit-3:00pm.

Kevin Borg
Segretarju Eżekuttiv

Awtorizzazzjoni tas-Sindku Dean Hili sabiex tiġi ċċirkolata lill-Kunsilliera

Sindku : Dean Hili LL. D. Viċi Sindku : Raymond Lanzon
Kunsilliera : Evelyn Vella Brincat, Mark Causon u Charles Cesare
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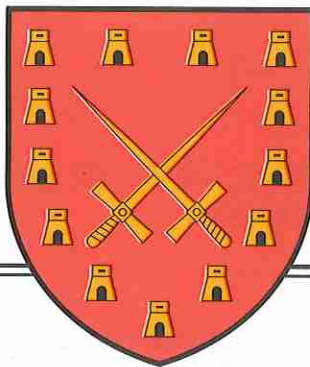
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Internal Memo Referenza 21/2018

28 ta' Mejju 2018

Laqgħat li saru bejn il-Laqgħa 05/K7/18 u 08/K7/18

Data	Suggett	Post	Min attenda
24/04/2018	Laqgħa tal-Kunsill numru 05/K7/2018	Kunsill Lokali Pembroke	Dean Hili Ray Lanzon Charles Cesare Kevin Borg
24/04/2018	Laqgħa tal-Kunsill numru 06/K7/2018	Kunsill Lokali Pembroke	Dean Hili Ray Lanzon Charles Cesare Kevin Borg
24/04/2018	Laqgħa ma' AC Mamo u mar-residenti ta' Pembroke	Kunsill Lokali Pembroke	Dean Hili Ray Lanzon Evelyn Vella Brincat Charles Cesare Kevin Borg
25/04/2018	Kaz ta' Elmo Insurance vs Kunsill lokali Pembroke	Qorti (Small Calims)	Kevin Borg
26/04/2018	Appell - PAB/00372/17 - 30, Valentine's, Triq Mikiel Angelo Grima	Planning Authority	Dean Hili Kevin Borg

Sindku : Dean Hili LL. D. **Viċi Sindku :** Raymond Lanzon
Kunsilliera : Evelyn Vella Brincat, Mark Causon u Charles Cesare
Segretarju Eżekuttiv : Kevin Borg

03/05/2018	Appell ta' PAB/00080/18 - 48, 50, 52, 54, Triq Dun Amabile Sisner	Planning Authority	Dean Hili Kevin Borg
04/05/2018	Kors ghas-Segretarji organizzat mid-DLB bl-isem 'Local Councils Financial Cycle and Reporting'.	Paola Local Council	Kevin Borg
07/05/2018	Laqgħa ma' DB Group rigward l-izvilupp tal-Progett ta' I-ITS	Kunsill Lokali Pembroke	Dean Hili Ray Lanzon Mark Causon Kevin Borg
08/05/2018	Appell PAB/035/18 32, Sweethaven, Triq Il-Professor Joseph E Debono	Planning Authority	Dean Hili Kevin Borg
08/05/2018	Appell PAB/00012/18 - Avalon, 48, Triq Il-Fortizza	Planning Authority	Dean Hili Kevin Borg
10/05/2018	PAB/00445/17 - (PA 2923/17) Cadeau, Triq Dun Amabile Sisner	Planning Authority	Dean Hili Kevin Borg
14/05/2018	Laqgħa pubblika dwar il-progett tad-DB Group	Sala ta' l-Iskola	Dean Hili Ray Lanzon Mark Causon Kevin Borg
17/05/2018	Laqgħa ma' OK Medical dwar National Hearing Screening Initiative	Kunsill Lokali Pembroke	Dean Hili Kevin Borg
17/05/2018	Laqgħa ma' Mr. Mario Pickard dwar l-attività tal-Halloween 2018	Kunsill Lokali Pembroke	Dean Hili Kevin Borg
17/05/2018	Laqgħa bejn Fino u St. Michaels School dwar il-kistjoni pendenti fuq art fi Triq ANZAC	Kunsill Lokali Pembroke	Dean Hili

Sindku : Avv. Dean Hili, **Viċi Sindku** : Raymond Lanzon
Kunsilliera : Evelyn Vella Brincat, Mark Causon u Charles Cesare
Segretarju Eżekuttiv : Kevin Borg

21/05/2018	Laqgħa ma l-FTS rigward il-bini ta' l-iskola tagħhom	FTS	Kevin Borg
21/05/2018	Laqgħa ma' Transport Malta dwar il-proġett tad-db f'Pembroke/San Ġiljan	Malta Transport Centre	Dean Hili Kevin Borg
22/05/2018	Laqgħa tal-Kunsill - 07/K7/2018 (Laqgħa b'urgenza)	Kunsill Lokali Pembroke	Dean Hili Ray Lanzon Mark Causon Charles Cesare Kevin Borg
23/05/2018	Seminar għas-Segretarji Eżekuttivi dwar PA Policies	Kunsill Lokali Marsa	Kevin Borg
25/05/2018	Laqgħa mas-Sur Frederick Azzopardi dwar il-problema tat-traffiki f'Pembroke inkluz il-proġett tad-DB	RIU, Luqa	Dean Hili Kevin Borg
28/05/2018	Laqgħa ma' Inline Management dwar il-Health and Safety ta' l-attività tal-Halloween	Kunsill Lokali Pembroke	Dean Hili Kevin Borg

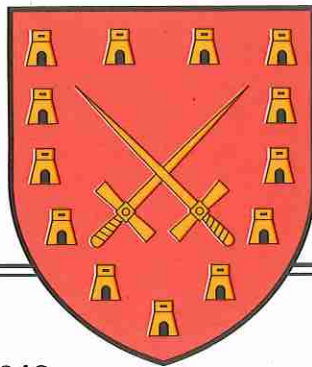


Kevin Borg
Segretarju Eżekuttiv



Awtorizzazzjoni tas-Sindku Dean Hili sabiex tiġi ċċirkolata lill-Kunsilliera

Sindku : Avv. Dean Hili, **Viċi Sindku** : Raymond Lanzon
Kunsilliera : Evelyn Vella Brincat, Mark Causon u Charles Cesare
Segretarju Eżekuttiv : Kevin Borg



Internal Memo Referenza 22/2018

29 ta' Mejju 2018

Lista ta' works orders li jinhtieg li jigu ratifikata bejn il-Laqqha 05/K7/18 u 08/K7/18

Referenza	Kuntrattur	Xoghol ordnat
64 2018	J&K Contractors	Jigu rrangata l-knaten ta' struttura fi Triq Tunis.
65 2018	B. Grima and Sons	Jinbidlu 2 tabelli fi Triq il-President Anton Buttigieg u issir tabella fi Triq Antonio Mallia.
66 2018	Mica Med	Jigu irrangata bozoz itteptu bin-numru W148 u W147 fi Triq Fra FrancESCO Wizzino
67 2018	Mica Med	Tigi irrangata bozza itteptep bin-numru W073 fi Triq Napuljun Tagliaferro.
68 2018	B. Grima and Sons	Biex issir mera ta' 90cm fi Triq Camillo Sciberras, terga titwahhal tabella blu ta' maz-zebra crossing fi Triq Camillo Sceberras, tinbidel tabella ta' direzzjoni – Juno Flats u St. Andrew's House u jsiru 3 tabelli ta' direzzjoni (Pembroke Church)
69 2018	Mica Med	Tigi irrangata bozza maqtugha fi Triq il-Mediterran quddiem il-Bring in Sites.
70 2018	General Ecological Services	Tlabna sabiex jinfetah id-dranagg tal-Kunsill.
71 2018	B. Grima and Sons	Biex issir relocation ta' tabella ta' one way fi Trejket il-Beata Adeodata Pisani u issir no right turn fi Trejket il-Beata Adeodata Pisani
72 2018	Mica Med	Tigi irrangata bozza maqtugha fi Triq il-Mediterran quddiem il-Bring in Sites (li qeghda vicin ir-roundabout)
73 2018	J&K Contractors	Tlabna sabiex jaqla' u jirrangata l-pompa li tinsab fil-giebja ta' quddiem Juno Flats.
74 2018	Corner Stone	Tlabna sabiex jipprepara oggezzjoni dwar l-applikazzjoni ta' DB Group PA 3807/17.
75 2018	Next	Ordni ghal 4 qliezet ta' l-uniformi tal-iskrivana.
76 2018	ID Malta	Ordni ghal 2 ilbiesi Marino Mid Blue Size 8 u 10 ghal-uniformi tal-iskrivana.
77 2018	Infinite Fusion Technologies	Jlgi irrangat s-sound ta' live streaming u affarijiet relatata.
78 2018	J&K Contractors	Jlgi irrangat hajt li twaqq'a fi Triq Tobruk.


Kevin Borg
Segretarju Eżekuttiv

Awtorizzazzjoni tas-Sindku Dean Hili sabiex tigi cċirkolata lill-Kunsilliera

Sindku : Dean Hili LL. D. Viċi Sindku : Raymond Lanzon
Kunsilliera : Evelyn Vella Brincat, Mark Causon u Charles Cesare
Segretarju Eżekuttiv : Kevin Borg

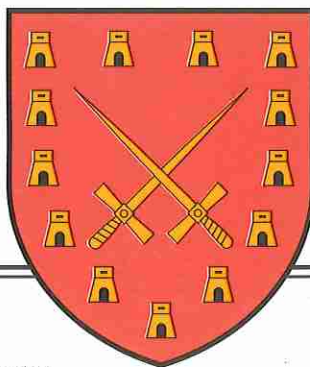
Kunsill Lokali Pembroke

Triq Alamein
Pembroke, PBK 1776,
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Internal Memo Referenza 23/2018

28 ta' Mejju 2018

Lista ta' ilmenti li għadhom pendent i bejn il- Laqgħa 05/K7/18 u 08/K7/18

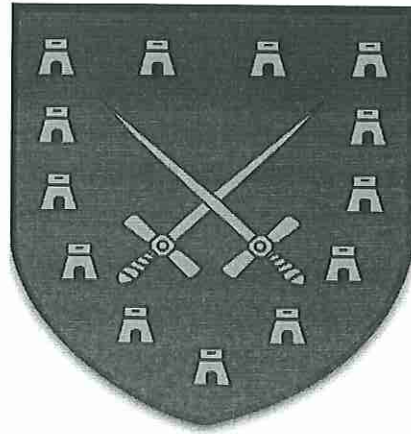
Referenza		Ilment
5	2018	Informa lill-Kunsill li kelle m lis-Sindku dwar qtates li qed iduru fil-parapetti tan-nies u li jidher li gejjin min dar numru 56 Triq Patri Indri Vella
6	2018	Talbet sabiex il-kaxxa li hemm mizbugħa safra quddiem il-parapett tagħha terga tinzebagħ bajda sabiex in-nies ikunu jistghu jipparkjaw il-karozzi hemm
7	2018	Talab sabiex isir bin tal-klieb wara Blokk 7 u double yellow line tul il-bankina l-gdida
8	2018	Talbet sabiex isir railing tul ir-rampa li hemm fir-rock garden fi Triq Patri Indri Vella u talbet sabiex issir pjanta tal-lokal għat-turisti li jkunu għaddejjin idealment hdejn il-Kunsill


Kevin Borg
Segretarju Eżekuttiv

Awtorizzazzjoni tas-Sindku Dean Hili sabiex tiġi ċċirkolata lill-Kunsilliera

Sindku : Dean Hili LL. D. Viċi Sindku : Raymond Lanzon
Kunsilliera : Evelyn Vella Brincat, Mark Causon u Charles Cesare
Segretarju Eżekuttiv : Kevin Borg

Dok 7



Pembroke Local Council

Quarterly Financial Report

for the Period

1st January till End of March 2018 (Quarter 1)

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Overview and Summary

The normal recurrent expenditure related to the services the Council is obliged to render in line with Section 33 of the Local Councils Act, on a number of initiatives were carried out.

All expenditure is within the Budget Estimates for said period.



Dr. Dean Hili
Mayor



Kevin Borg
Executive Secretary

Statement of Income and Expenditure

1st January till End of March 2018 (Quarter 1)

DESCRIPTION	Actual for the Period	Annual Budget 2018	Virements for the Period	Revised Annual Budget 2018
	€	€	€	€
Income				
Funds received from Central Government (1)	109,970	434,463	-	434,463
Income raised from Bye-Laws (2)	667	3,060	-	3,060
Income raised from LES (3)	1,203	4,233	-	4,233
Investment Income (4)	37	144	-	144
Other Income (5)	467	100	-	100
TOTAL	112,344	442,000	-	442,000
Expenditure				
Personal Emoluments (6)	23,098	95,346	-	95,346
Operations and Maintenance (7)	45,847	284,098	-	284,098
Administration (8)	7,784	28,825	-	28,825
Finance Cost (9)	-	-	-	-
Other Expenditure (10)	29,349	8,433	-	8,433
TOTAL	106,078	416,702	-	416,702
Surplus / Deficit	6,266	25,298	-	25,298

Statement of Financial Position as at end of March 2018 (Quarter 1)

DESCRIPTION	Actual for the Period	Annual Budget 2018	Virements for the Period	Revised Annual Budget 2018
	€	€	€	€
Non-current Assets				
Property, Plant and Equipment (17)	305,103	343,939		343,939
Current Assets				
Inventories (11)	1,650	1,700	-	1,700
Receivables (12)	2,986	5,000	-	5,000
Cash and Cash Equivalents (13)	450,869	433,731	-	433,731
Total Current Assets	455,505	440,431	-	440,431
Current Liabilities				
Payables (14)	43,178	72,876	-	72,876
Total Current Liabilities	43,178	72,876	-	72,876
Net Current Assets	412,327	367,555	-	367,555
Non-current liabilities (15)	-	-	-	-
Net Assets	717,430	711,494	-	711,494
Reserves				
Retained Funds	717,430	711,494	-	711,494

Financial Situation Indicator

DESCRIPTION				
Current Assets	455,505	440,431	-	440,431
Current Liabilities	43,178	72,876	-	72,876
Working Capital	412,327	367,555	-	367,555
Government Allocation	433,663	433,663	-	433,663
FSI	95 %	85 %		85 %

Cash flow Statement

DESCRIPTION

	Actual for the Period	Annual Budget 2018	Virements for the Period	Revised Annual Budget 2018
	€	€	€	€
Cash flow from operating activities				
Surplus for the year	6,266	25,298	-	25,298
Adjustments for:				
Depreciation	29,349	8,433	-	8,433
Increase / (Decrease) in Allowance for Bad Debts				-
Interest receivable	(37)			-
Interest payable				-
(Profit) / Loss on disposal of asset				-
Transfer of Grants to Profit & Loss				-
Increase / (Decrease) in payables	(5,579)			-
Increase / (Decrease) in accruals				-
Decrease / (Increase) in receivables	19,305			-
Decrease / (Increase) in inventories				-
Decrease / (Increase) in inventories				-
Cash generated from operations	49,304	33,731	-	33,731
Interest paid				-
Net cash from operating activities	49,304	33,731	-	33,731
Cash flows from investing activities				
Purchase of property, plant & equipment	(17,850)			-
Proceeds from sale of property, plant & equipment				-
Grants received				-
Interest received	37			-
Net cash used in investing activities	(17,813)	-	-	-
Cash flows from financing activities				
Proceeds from long-term borrowings				-
Interest Paid				-
Bank Loan Repayments				-
Net cash from financing activities	-	-	-	-
Net increase/(decrease) in cash & cash equivalents	31,491	33,731	-	33,731
Cash & cash equivalents at beginning of year	419,378	419,378		419,378
Cash & cash equivalents at end of Quarter	450,869	453,109	-	453,109

Detailed Income

DESCRIPTION		Actual for the Period	Annual Budget 2018	Virements for the Period	Revised Annual Budget 2018
		€	€	€	€
Income					
1	Funds received from Central Government:				
	0001 In terms of section 55 CAP 363	108,416	433,663		433,663
	0002-0004 In terms of section 58 CAP 363	1,554	-		-
	0005-0019 Other income		800		800
		109,970	434,463	-	434,463
2	Income raised from Bye-Laws				
	0021-0025 Community Services		-		-
	0026-0035 Income from Permits	667	3,060		3,060
		667	3,060	-	3,060
3	Local Enforcement Income				
	0037 Commission from Regional Committees	1,156	4,233		4,233
	0038-0055 Contraventions	47	-		-
		1,203	4,233	-	4,233
4	Investment Income				
	0091-0095 Bank interest	37	144		144
	0096-0099 Income received from Government Securities		-		-
		37	144	-	144
5	Sponsorships				
	0056-0065 Documents & Information		-		-
	0070-0075 EU funds		-		-
	0076-0080 Twinning		-		-
	0081-0089 Insurance Claims		-		-
	0100-0109 Donations	100	100		100
	0110-0119 Contributions	40	-		-
	0120-0129 General Income	327	-		-
		467	100	-	100
Total		112,344	442,000	-	442,000

Detailed Expenditure

DESCRIPTION		Actual for the Period	Annual Budget 2018	Virements for the Period	Revised Annual Budget 2018
		€	€	€	€
6 i)	Personal Emoluments				
1100	Mayor's Allowance	1,868	7,464		7,464
1200	Employees' Salaries & Wages	15,918	65,480		65,480
1300	Bonuses	1,604	6,531		6,531
1400	Income Supplements	95	380		380
1500	Social Security Contributions	1,559	6,176		6,176
1600	Allowances	1,600	6,400		6,400
1700	Overtime	454	2,915		2,915
		23,098	95,346	-	95,346
DESCRIPTION		€	€	€	€
7	Operations and Maintenance				
2100-2149	Public Utilities	1,309	6,450		6,450
2200-2259	Public Materials & Supplies	80	400		400
2300-2399	Repairs & upkeep	1,956	86,219		86,219
2400-2449	Rent	595	1,456		1,456
3010	Street Lightning	2,205	8,000		8,000
3020	Lease of Equipment		-		-
3030	Insurance	549	2,046		2,046
3035	Bank Charges	81	250		250
3038	Penalties		-		-
3041	Refuse Collection	8,362	36,362		36,362
3042	Bulky Refuse Collection	2,714	13,200		13,200
3043	Bins on wheels		-		-
3045	Bring in sites		200		200
3051	Road & Street Cleaning	4,845	19,429		19,429
3052	Cleaning & Maintenance of Non-Urban Areas	4,344	18,262		18,262
3053	Cleaning of Public Conveniences	1,423	6,285		6,285
3055	Cleaning of Council Premises	416	2,400		2,400
3040	Waste Disposal	6,995	26,400		26,400
3060	Cleaning & Maintenance of Parks & Gardens	4,264	17,055		17,055
3061	Cleaning & Maintenance of Soft Areas	4,554	18,262		18,262
3062	Cleaning & Maintenance of Beaches & CA		-		-
3063	Cleaning & Maintenance of Country Non-Urban		-		-
6064	Other Contractual Services	344	8,978		8,978
3070-3090	Consultation Fees		2,000		2,000
3100-3139	Contract & Project Management		-		-
3300-3379	Hospitality	761	10,345		10,345
3380-3389	Community	50	100		100
3390-3394	Donations		-		-
3600-3694	Local Enforcement Expenses		-		-
3700-3799	EU Projects		-		-
3800-3899	Twinning		-		-
		45,847	284,098	-	284,098
8	Administration				
2150-2199	Office Utilities				-
2260-2299	Office Materials & Supplies				-
2450-2499	Office Rent				-
2500-2599	National & International Memberships	150	1,400		1,400
2600-2699	Office Services	679	3,295		3,295
2700-2799	Transport	132	1,000		1,000
2800-2899	Travel		-		-
2900-2999	Information Services	648	3,590		3,590
3050	Office Cleaning		-		-
3410-3199	Professional Services	6,175	17,816		17,816
3200-3299	Training		500		500
3345	Office Hospitality		1,000		1,000
3400-3499	Incidental Expenses		224		224
		7,784	28,825	-	28,825
9	Finance Costs				
3036	Interest on Bank Loan				-
		-	-	-	-

Detailed Statment of Financial Position

DESCRIPTION

	Actual for the Period	Annual Budget 2018	Virements for the Period	Revised Annual Budget 2018
	€	€	€	€
10 Other Expenditure				
3500-3599 Loss / (Profit) on Disposal of asset				-
3695 Increase/(Decrease) in allowance for bad debts				-
8000-8099 Depreciation As at end of March 2018	29,349	8,433		8,433
				-
	29,349	8,433	-	8,433
Total	106,078	416,702	-	416,702
11 Inventories				
5201-5249 Stationery				-
5250-5299 Consumables	1,650	1,700		1,700
				-
	1,650	1,700	-	1,700
12 Receivables				
0201-0209 Receivables	1,417	4,000		4,000
0210-0219 LES Receivables		-		-
0220-0229 Receivables from EU		-		-
0250 Prepayments & Accrued income	1,569	1,000		1,000
		-		-
	2,986	5,000	-	5,000
13 Cash & Equivalents				
5001-5099 Bank & Cash Balances	450,869	433,731		433,731
	450,869	433,731	-	433,731
14 Payables				
4000 Payables	20,338	8,500		8,500
4100 Accruals	22,840	59,876		59,876
4150 Deferred Income	-	4,500		4,500
Current portion of long term borrowings				-
				-
	43,178	72,876	-	72,876
15 Non Current Liabilities				
4200 Long Term Borrowing				-
				-
	-	-	-	-

16 Total Commitments (Recurrent and Capital)

DESCRIPTION

€	€	€
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Recurrent and Capital

-	-	-

Long Term Loans

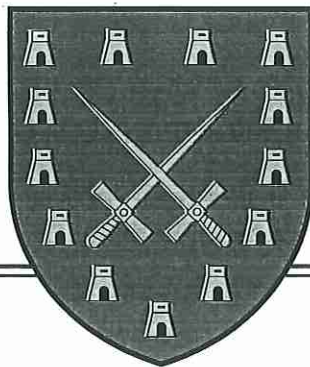
-	-	-

Others

-	-	-

17 Depreciation of Property, Plant and Equipment

Asset	Furn & Fittings	Office	Urban	Construction	Trees	Plant & Machinery	0%	0%	0%	Total
% of depreciation	8%	20%	10%	10%	0%	20%	€	€	€	€
Cost										
As at 1st January 2018	24,583	47,469	530,561	612,447	17,307	6,300				1,238,667
Additions			7,848	10,002						17,850
Disposals										-
As at end of March 2018	24,583	47,469	538,409	622,449	17,307	6,300	-	-	-	1,256,517
Grants/ other reimbursements										
As at 1st January 2018		3,494	60,436							63,930
Additions		2,038	4,490	36,020						42,548
As at end of March 2018	-	5,532	64,926	36,020	-	-	-	-	-	106,478
Accumulated Depreciation										
As at 1st January 2018	14,693	39,258	319,409	436,220		6,007				815,587
Charge for the period	461	2,097	11,837	14,661		293				29,349
Released on disposal										-
As at end of March 2018	15,154	41,355	331,246	450,881	-	6,300	-	-	-	844,936
NBV	As at end of March 2018	582	142,237	135,548	17,307	-	-	-	-	305,103



80k8

Ref. Tagħna : 46/1369/18/O/94/370/205/333/264/366
Ref. Tiegħek :
Ref. Interna : 46/1196/18/I

28 ta' Mejju 2018

Dipartiment għall-Gvern Lokali
26,
Triq l-Arcisqof,
Valletta, VLT 1443.

Att: Id-Direttur Adrian Mifsud

Management Letter 2017

B'referenza għall-Management Letter għas-sena finanzjarja li għalqet fil-31 ta' Diċembru 2017 (**Kopja annessa**), f'isem il-Kunsill Lokali Pembroke nixx ninfurmak li:

2.1. Income arising from the Local Enforcement System

Fil-passat, il-Kunsill dejjem ipprova jagħmel dak kollu possibbli biex il-Kumitat Kongunt jipprovdi Accounts Awditjati. Issa li tali Kumitat Kongunt ilu li gie xolt snin u dak dovut waqa' kollu fuq il-LESA, il-Kunsill ma jistax jinfurmazzjoni għall-għadu qed jigi mitlub tali rapporti.

2.2. System of Council Income Receipting and Invoicing

Bħas-snin li għaddew il-Kunsill ha nota tal-proposta, iżda fid-dawl li s-sistema manwali qatt ma kien hemm problemi biha, u dan anke skond il-kummenti tal-istess Awdituri, il-Kunsill ma jarax il-bżonn li jimplimenta sistema elettronika, li wara kollox xorta waħda l-informazzjoni trid tiddaħhal manwalment.

Dan apparti l-fatt li l-proċeduri finanzjarja jesigu li għal kull irċevuta li tinħareġ, din trid tkun fil-format tripliku fejn l-originali tingħata lill-klijent, kopja tinzamm fil-file tad-dhul u oħra tinzamm fil-ktieb ta' l-irċevuti, sistema li l-Kunsill għadu jadotta sallum il-ġurnata.

2.3. Income not recorded in the appropriate accounting period

Il-Kunsill ħa nota tal-kumment u fil-fatt kif indikat fir-rapport, il-Financial Statements diġa ġew emendata waqt il-proċess tal-verifika.

2.4. Income recognized as an increase in government grants

Il-Kunsill ħa nota tal-kumment u fil-fatt kif indikat fir-rapport, il-Financial Statements diġa ġew emendata waqt il-proċess tal-verifika.

3.1. Clasification of expenses

Il-Kunsill ħa nota tal-kumment u fil-fatt kif indikat fir-rapport, il-Financial Statements diġa ġew emendata waqt il-proċess tal-verifika.

3.2. Personal vehicle allowance

Il-Kunsill ħa nota tal-kumment u fil-fatt il-formola speċifika giet ratifikata u ffirmata. Ta' min isemmi li l-ispiża li qed issir referenza għaliha kienet dik ta' €20.34, liema spiża kienet tagħmel parti mir-rendikont tal-petty cash. Ta' min isemmi li l-payment voucher li japprova l-ħlas kien iffirmit kemm mis-Sindku kif ukoll mis-Segretarju Ezekuttiv, kif ukoll għe approvat waqt il-laqgħa tal-Kunsill.

4.1. Categorization of assets and depreciation thereof

Il-kategorija tal-assi li għandha x'taqsam mal-bini għanda rata ta' deprezzament ta' 1% fis-sena fuq bażi ta' 'reducing balance'. La l-pannelli fotovoltajċi, u lanqas il-blinds m'huma mistennija li jdumu għal 100 sena, għaldaqstant dawn qed ikunu deprezzati matul il-ħajja produttiva tagħhom.

Rigward il-blinds ukoll, dawn kienu saru tal-qies għat-twieqi speċifiċi li hemm u għalhekk m'humiex ser jiċċaqilqu. Kien għal dan il-għan li dawn ġew inkluża mal-kostruzzjoni bħala diprezzament.

Ta' min jinnota wkoll li l-kummenti li saru dwar dawn l-assi, jirrigwardjaw assi l'ilhom fil-Kunsill għal aktar minn 8 snin u mhux li saru tul is-sena finanzjarja kurrenti.

L-unika kumment li kien hemm kien dwar crash barrier fejn il-Kunsill klassifika mas-sezzjoni tat-tabelli u għalhekk 100% diprezzament filwaqt li l-Awdituri huma tal-fehma li din għandha tkun bħala Urban Improvements u għalhekk bir-rata ta' 10%.

4.2. Insurance Policy

Il-Kunsill ser jara li fejn ikun possibbli, iċ-ċifri jkunu aktar viċin il-valur attwali, għalkemm dan qatt ma jista' jkun eżatt peress li l-assigurazzjoni ma tgħalaqx mas-sena finanzjarja u għalhekk, bid-deprezzament dejjem ser ikun hemm avarija bejn l-ammont assigurat u l-ammont ta' l-assi fuq il-kotba tal-Kunsill.

Id-differenza prinċipali hija attribwita għall-proġetti ta' manutenzjoni li saret matul is-snin fejn id-DGL stess qed jirrakkomanda li dawn m'hemmx il-bżonn li jkunu assigurata bħala assi fosthom toroq, bankini, retaining wall, embellishments, eċċ.

4.3. The Upkeep of the Fixed Asset Register (FAR)

Huwa minnu li assi antiki għandhom referenzi xi ftit ġeneriċi, iżda l-assi kollha li żdiedu f'dawn l-añhar snin huma kollha mnizla l-FAR bil-massimu ta' l-informazzjoni nkluża. Apparti minn dan jinżamm file separat fejn fih jinżammu l-fatturi kollha ta' l-Assi tal-Kunsill u għalhekk faċilment jistgħu jiġu identifikata. L-Awdituri iridu jkunu konxji wkoll li ladarba kienu ddañflu assi kif irrimarka, it-titlu qatt ma jista' jiġi emendat u huwa nutli li sena wara sena tibqa' ssir referenza għall-assi l'ilhom fil-kotba tal-Kunsill għal numru konsiderevoli ta' snin.

Ta' min jinnota li dan il-kumment huwa kopja ta' dak li ntqal fil-passat, iżda sfortunatament hija ħasra li ma saret ebda referenza li l-assi li ddañflu godda saru kif mitlub.

4.4. Reconciliation of the Fixed Asset Register (FAR) to the Financial Statements

Matul is-sena 2018 ser isir eżerċizzju biex naraw li l-valuri bejn l-FAR u n-Nominal Ledger ikunu l-istess. L-awdituri setgħu faċilment irrikonċiljaw li d-deprezzament qed isir komputerrizzat mis-sistema tas-Sage. Il-proċess il-ġdid ser ikun bis-sistema Straight line basis minflok Reducing balance, u dan skond direttiva tad-DLG 01/2017.

4.5. Assets no longer used by the Council

Il-Kunsill jinnota li għalkemm hemm assi li mhux qed jintużaw dan ma jfissirx li għandhom jintremew. Issa li l-Awdituri għadhom qed jinsistu li dan għandu jsir, allura ser isir eżerċizzju biex dawn l-assi jintremew, xi ħaġa li l-Kunsill għandu riserva dwarhom.

4.6. Computer Software

Il-Kunsill ħa nota tal-kumment. L-ispiża li qed jagħmel referenza għaliha l-Awditur, għalkemm ħarġet fis-sena 2017, immaterjalizzat fis-sena 2018 u għalhekk qatt ma

setgħet tkun parti mill-assi tas-sena 2017. Tant li kien fis-sena 2018 li s-Sage Evolution gie nstallat. Il-ħlas kellu jsir qabel biex tkun tista' tinxtara l-liċenzja.

4.7. Fixed Assets Labelling

Il-Kunsill ħa nota tal-kumment u fil-fatt ser jittiehdu l-passi biex jiġu rrangata. Ta' min jinnota li l-iżball kien li 3 kompjuters kienu ntxraw f'daqqa u ngħataw referenza waħda. Sussegwentament l-Awdituri kienu talbu li kull kompjuter kellu jingħata referenza separata. Kien hawn li fis-software sar l-aġġustament meħtieġ iżda l-isticker fuq kull kompjuter bi żvista ma ġewx mibdula.

4.8. Capital Commitments

Il-Kunsill ħa nota tal-kumment li sar.

4.9. Capital Expenditure accounted for as Revenue Expenditure

Il-Kunsill ħa nota tal-kumment u fil-fatt kif indikat fir-rapport, il-Financial Statements diġa ġew emendata waqt il-proċess tal-verifika.

5.1. Collection of Local Enforcement fines outstanding

Il-Kunsill ħa nota tal-kumment.

5.2. Accounting for Prepayment and Accrued Income

Il-Kunsill ħa nota tal-kumment u fil-fatt kif indikat fir-rapport, il-Financial Statements diġa ġew emendata waqt il-proċess tal-verifika.

6.1. Accounting for Accruals

Il-Kunsill ħa nota tal-kumment u fil-fatt kif indikat fir-rapport, il-Financial Statements diġa ġew emendata waqt il-proċess tal-verifika.

6.2 Supplier Balances reconciliation

Il-Kunsill ħa nota tal-kumment.

7.1. Disclosures required in respect of certain IFRS

Il-Kunsill ħa nota tal-kumment u fil-fatt kif indikat fir-rapport, il-Financial Statements diġa ġew emendata waqt il-proċess tal-verifika.

7.2. Financial Statements presentation

Il-Kunsill ħa nota tal-kumment u fil-fatt kif indikat fir-rapport, il-Financial Statements diġa ġew emendata waqt il-proċess tal-verifika.

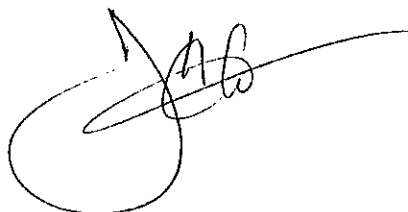
8.1. Comparison of Actuals with the Annual Budget Observations

Il-Kunsill ħa nota tal-kumment.

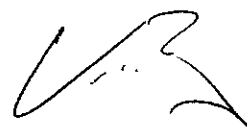
8.2. Council Minutes

Il-Kunsill ħa nota tal-kumment u issa ġew ratifikata.

Tislijiet,



Avv. Dean Hili
Sindku



Kevin Borg
Segretarju Ezekuttiv

Kopja : *Awditur Ġenerali, NAO*
Udituri Lokali – 3a
Ministru għall-Finanzi (Onor. Prof. Edward Scicluna)
Ministru għall-Ġustizzja, Kultura u Gvern Lokali (Onor. Dott. Owen Bonnici)
Segretarju Parlamentarli għall-Gvern Lokali u Komunitajiet (Onor. Silvio Parnis)

National Audit Office
Notre Dame Ravelin
Floriana FRN 1600
Malta

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E-mail: nao.malta@gov.mt
Website: www.nao.gov.mt
www.facebook.com/NAOMalta

Our Ref: NAO 107/2015/46
Your Ref:

8 May 2018

The Mayor and Executive Secretary
Pembroke Local Council
Pembroke

Dear Sir/Madam,

**AUDIT REPORT and FINANCIAL STATEMENTS
YEAR ENDING 31 DECEMBER 2017**

In terms of Section P2.06 (c.02) of the Local Councils (Audit) Procedures 2006, I am forwarding a copy of the Audit Report and Financial Statements, together with the Management Letter for the financial year ending 31 December 2017.

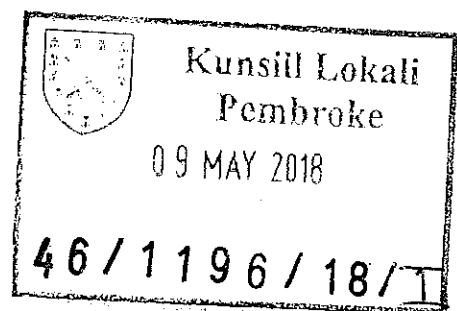
After seeking the Council's approval, you are kindly requested to submit your response to the Director (Local Government), the Local Government Auditor, and to this Office as stipulated in Section P2.06 (d) of the same Procedures, by not later than six weeks following receipt of this letter.

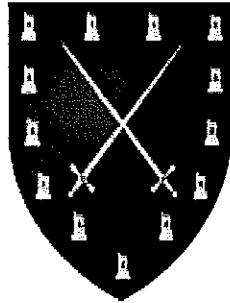
Yours faithfully,



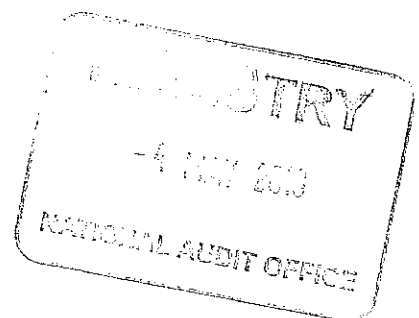
Tanya Mercieca
Asst. Auditor General

Encls.





LOCAL COUNCIL PEMBROKE
Report and Financial Statements
for the year ended 31 December 2017





24th April 2018

The Mayor
LOCAL COUNCIL PEMBROKE
Triq Alamein
PEMBROKE PBK 1776

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. The controls will also be used by the National Audit Office to compile its own report on Local Councils.

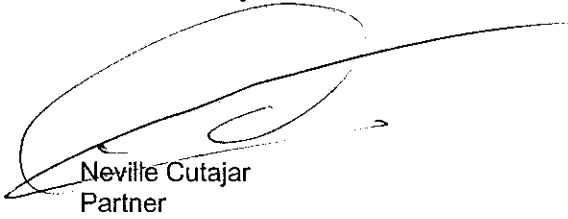
For clarity purposes, this report is distributed to your Council, the National Audit Office and the Department of Local Councils. The contents of this report shall not be quoted in part or in full or used in any way other than for the above-mentioned scope, without our prior written consent.

During the course of our audit for the period ended 31 December 2017, 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 and Circulars globally issued to Local Councils in the Maltese Islands.

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

Finally, we take this opportunity to thank the 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 large, stylized handwritten signature in black ink, consisting of a large loop and a long horizontal stroke.

Neville Cutajar
Partner

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1. FOLLOW-UP: MANAGEMENT REPORT - YEAR ENDED 31 DECEMBER 2016

1.1. Income arising from the Local Enforcement System

The Council does not have direct control on this matter as it is dependent on third party reports and therefore it could not address this issue. In this respect, we draw your attention to paragraph 2.1 of our management report.

1.2. Income from Bye Laws

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

1.3. LES Post Regional 10% Commission

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

1.4. System of Council Income Receipting and Invoicing

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

1.5. Income not recorded in the appropriate accounting period

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

1.6. Income recognized on a cash basis rather than on an accrual basis

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

1.7. Classification of income

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

1.8. Procurement procedures

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

1.9. Categorization of assets and depreciation thereof

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

1.10. Insurance policy

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

1.11. The Upkeep of the Fixed Asset Register (FAR)

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

1.12. Reconciliation of the Fixed Asset Register (FAR) to the Financial Statements

The Council has not addressed the matter during the year under review and we therefore draw your attention to paragraph 4.4 of our management report.

1.13. Assets no longer used by the Council

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

1.14. Computer Software

The Council has not addressed the matter during the year under review and we therefore draw your attention to paragraph **Error! Reference source not found.** of our management report.

1.15. Assets donated in kind

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

1.16. Fixed Assets Labelling

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

1.17. Capital Commitments

The Council has not addressed the matter during the year under review and we therefore draw your attention to paragraph 4.8.7 of our management report.

1.18. Capital Expenditure vs Revenue Expenditure

The Council has not addressed the matter during the year under review and we therefore draw your attention to paragraph 4.9.7 of our management report.

1.19. Accruals

The Council has not addressed the matter during the year under review and we therefore draw your attention to paragraph 6.1 of our management report.

1.20. Supplier balances

The Council has not addressed the matter during the year under review and we therefore draw your attention to paragraph 6.2 of our management report.

1.21. Disclosures required in respect of certain IFRSs

The Council has not addressed the matter during the year under review and we therefore draw your attention to paragraph 7.1 of our management report.

1.22. Financial statements presentation

The Council has not addressed the matter during the year under review and we therefore draw your attention to paragraph 7.2 of our management report.

1.23. Comparison of Actuals with the Annual Budget

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

2. INCOME

2.1. Income arising from the Local Enforcement System

Observations

By the date of conclusion of our audit work, the Council had still not received the audited annual report of the Joint Committee for the period ended 31st December 2017. During the year under review, the Council has been correctly recording any cash receipts received by the Joint Committee, as well as making the distinction between LES pooling and pre-pooling receipts. Income received in relation to the former amounted to €80.38.

One also has to note that the Joint Committee function ended in August 2011 in view that from September 2011 the Local Enforcement System was delegated to Regional Committees, which delegation has now been passed to LESA as from October 2015.

Issues Arising

In view of the absence of an audited annual report for the Joint Committee as at 31st December 2017, we could not rely on third party financial information as provided by the Joint Committee to provide reasonable assurance on the amounts being recorded in the financial statements as income from the Local Enforcement System. We have qualified our audit report in this respect.

Recommendations

The Council should pressure the Joint Committee to provide audited financial statements for every financial year in order to have a basis on which to recognise all LES income due to the Council.

2.2. System of Council Income Receipting and Invoicing

Observations

We noted that the Council issues proper official receipts for the income received. However, the system used by the Council is manual based, and therefore the system does not provide a proper electronic audit trail.

Issues Arising

The current system used by the Council is working well because no major issues were identified. However, it should be noted that this system could lead to errors in view of human intervention and requires more physical space to keep track and storage of the paper documents. Furthermore, more effort is needed to find information when required.

Recommendations

The Council may consider adopting an electronic based receipting system. Such system will help the Council to be more efficient in keeping its financial records and requires less storage space. Furthermore, this will prevent loss of data if backups of the system are done regularly.

2.3. Income not recorded in the appropriate accounting period

Observations

Following tests on the income of the Council, it transpired that income of €952.50 relating to online streaming maintenance for the period October 2016 to October 2017 was fully recognised in 2017 when a portion of this income amounting to €158.75 should have been accrued for in 2016. In

addition, income of €952.50 relating to online streaming maintenance for the period October 2017 to October 2018 was deferred to 2018, when a portion of this income amounting to €158.25 relates to 2017.

Issues Arising

The Council is obliged to ensure that all revenue is properly accounted for and recognised in line with the requirements of IAS 18-Revenue Recognition. Income relating to a particular year, even though it is not yet received at year end, should be estimated and accounted for as accrued income. All such income should be accounted for appropriately in its financial statements, based on the requirements of the "accruals concept" of accounting and revenue recognition requirements arising from IAS 18-Revenue Recognition.

Recommendations

The Council should follow the provisions of IAS 18-Revenue Recognition and ensure that all income is properly recorded in the year in which it is generated as well as that all income is properly accounted for and properly categorised in the nominal ledger. Further to our recommendations, the necessary adjustments in relation to the online streaming maintenance income for the period October to December 2017 were included and the financial statements were rectified by the Council accordingly.

2.4. Income recognised as an increase in government grants

Observations

During our testing, we noted that income received by the Council from LESA amounting to €7,485.77 was recognised in the financial statements as an increase in grants for the period and recorded as a non-current grant. The Executive Secretary advised that these funds were not provided to the Council in connection with a particular project.

Issues Arising

The income received by the Council does not meet the recognition criteria of government grants as per IAS 20-Accounting for Government Grants and Disclosure of Government Assistance. Such income should therefore be recognised in the Statement of Comprehensive Income.

Recommendations

Income should be correctly recorded in the year to which it relates, and proper classification should be made in accordance with the requirements of IAS 1-Presentation of Financial Statements. Further to our recommendations, the necessary adjustments have been undertaken, and the financial statements were rectified by the Council accordingly.

3. EXPENDITURE

3.1. Classification of expenses

Observations

We noted an instance where inappropriate classification of expenses was presented in the financial statements.

Issues Arising

Expenses in relation to tipping fees for the month of May 2017 amounting to €2,470.92 were included in a separate expense account.

Recommendations

Expenses should be correctly recorded in the year to which they relate, and proper classification should be made in accordance with the requirements of IAS 1-Presentation of Financial Statements. Further to our recommendations, the necessary adjustments were included, and the financial statements were rectified by the Council accordingly.

3.2. Personal vehicle allowance

Observations

We noticed expenditure relating to reimbursement of fuel expenses made to the Executive Secretary. We noted an instance whereby the claim form that was submitted by the Executive Secretary was not signed by the Mayor.

Issues Arising

We understand that at present proper claim forms are being filled out with the necessary details of the mileage undertaken in respect to reimbursement for personal vehicle use. Such claim forms need to be approved and signed by the Mayor.

Recommendations

With reference to the Memo 109/2010, we bring to the attention of the Council the fact that the Council should not be paying such expenses without a duly approved and signed claim form. We therefore recommend that the Council ensures that reimbursements for personal vehicle use are made only if these are supported by proper claim forms which are approved by the Mayor.

4. PROPERTY, PLANT AND EQUIPMENT

4.1. Categorization of assets and depreciation thereof

Observations

The Council has categorised some assets in different incorrect asset categories, with the consequence that these are being depreciated with an incorrect depreciation rate.

For example, photovoltaic panels installed on the Council's roof in 2011 amounting to €10,141.71 and various vertical and micro blinds purchased in 2007 for the Council's administrative offices amounting to €1,232.24 have been recognised under the 'Construction' asset category when these should have been allocated under 'Buildings' asset category and 'Office Furniture & Fittings' asset category respectively.

During the year under review, a railing installed in Triq Burma amounting to €19,912.94 has been recognised under the 'New Street Signs' asset category when this should have been allocated under the 'Urban Improvements' asset category. Accordingly, the asset was fully depreciated rather than having been depreciated by the rate of 10% applicable to such assets.

Issues Arising

The calculation and posting of depreciation is regulated by the Financial Procedures (1996 – Finance) KLP 1/96 P1.01, h.07 (as amended by Legal Notice 323 of 2002). The measurement of depreciation undertaken by the Council is in conflict with the depreciation accounting policy of local councils as in fact stipulated in note 2 of the financial statements. We have qualified our audit report in this respect. With respect to the railing installed in Triq Burma, the necessary adjustments have been proposed which were duly rectified by the Council accordingly.

Recommendations

The Council should reclassify accordingly, in both the FAR and the financial statements, any assets wrongly categorised as well as undertake the necessary adjustments to the depreciation provision charged on such assets.

4.2. Insurance Policy

Observations

The Council is not properly insured in certain categories of property, plant and equipment held by the Council. In fact, the Council has an insurance policy covering the Council's furniture and fittings for the amount of €74,610, "property in the open" for the amount of €182,172, plant and machinery for €6,300 and Council's buildings for the amount of € 74,100.

The Council's total cost of fixed assets, excluding special programmes, as disclosed in its financial statements, amount to €1,250,454 of which €24,583 relate to furniture and fittings, €47,469 relate to office and computer equipment, €6,300 relate to plant and machinery, €11,787 relate to street signs, €17,307 relate to trees, and €530,651 and €612,447 relate to urban improvements and construction works respectively.

Issues Arising

The Council is exposed to a risk of theft and fire or damage for assets held by the Council. This is mainly evident with respect to office and computer equipment and plant and machinery, and to a certain extent urban improvements.

The Council's insurance policy in respect of assets insured needs to be reviewed on an annual basis to avoid having over and under insurance in different categories of property, plant and equipment.

Recommendations

The Council should ensure 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.

The Council should review the insurance policy on an ongoing basis to avoid unnecessary over and under insurance cover for each respective applicable asset categories and to ensure that the Council is properly insured.

It would be appropriate that the insurance policy details better those assets to be covered under each asset category. In this manner, it will be easier to carry out a claim in case of damage to any particular asset.

4.3. The Upkeep of the Fixed Asset Register (FAR)

Observations

The Fixed Asset Register (FAR) is not being entirely maintained in the appropriate manner as stipulated by the Local Council Procedures (1996 – Finance) KLP 1/96, P1.16b.

Some descriptions lack fundamental details about the asset being capitalised. In some cases, the description of the FAR card only includes a very generic description thus not providing relevant information about the asset and its location, example 'URBAN054 – Wrought iron hand railing', 'URBAN003 – General works' and 'SPFUN031 – Road Resurfacing'.

Issues Arising

Proper asset description 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 and one would need to identify them to be able to correctly dispose of them.

Recommendations

The Council should undertake an exercise so that 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 'road resurfacing' and 'general works'. Furthermore, 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 can be identified easily. This would be useful for insurance claims and asset disposal adjustments.

4.4. Reconciliation of the Fixed Asset Register (FAR) to the Financial Statements

Observations

We noted that the accumulated depreciation as per FAR for certain fixed asset categories is not in agreement to the accumulated depreciation in the financial statements. The below variances were identified:

Category of assets	Depreciation as per FAR	Depreciation as per FS	Variance
	€	€	€
Construction	430,842.68	436,220.00	(5,377.32)
Office equipment	42,170.50	42,752.00	(581.50)
Furniture and fittings	14,529.30	14,693.00	(163.70)
Plant and Machinery	5,972.21	6,007.00	(34.79)
Urban improvements	378,326.28	378,798.00	(471.72)

The Council explained that these variances are arising due to a different software programme being used for depreciation. The monthly depreciation charges are being passed automatically on Sage Evolution, and when these are being integrated with Sage Pastel Partner, the above variances are arising.

Issues Arising

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 principal accounting ledgers of a Council, which enables the Council to maintain its control of its capital expenditure by recording the value, depreciation as well as the location of the particular asset being recorded.

Recommendations

The Council should ensure that any such variances in the depreciation provision of these asset categories within the FAR is duly reconciled and adjusted so that they agree with the amounts as per nominal ledger.

4.5. Assets no longer used by the Council

Observations

We noted that certain fixed assets such as 'COMP012 -Scanner and Zip Drive' purchased in 1998 at a cost price of €743.07 and 'COMP023 – New Computer/Tel /Fax Network' purchased in 2000 at a cost price of €391.33 are included in the Fixed Asset Register and in the financial statements. The Executive Secretary stated that these assets were discarded when replaced some years ago.

Issues Arising

IAS 16-Property, Plant and Equipment and IAS 36-Impairment of Assets require that assets are assessed for impairment on an annual basis and any asset which is no longer in use should be duly disposed of accordingly in the accounts of the Council and such disposal duly reflected in its FAR.

Recommendations

The Council should undertake an exercise whereby all Council's assets are reviewed to confirm whether any impairment provision should be undertaken and to dispose of assets which are no longer in use in line with the requirements of IAS 16 and IAS 36.

4.6. Accounting for Intangible Assets

Observations

The Council does not have any computer software recognised in its financial statements even though during the year under review the Council incurred an expense of €796.50 with respect to Sage Evolution Pro, an accounting software. The Council also owns and uses other computer software.

Issues Arising

Computer software falls under the definition of "Intangible assets" and has to be accounted for in line with the requirements of IAS 38-Intangible Assets. This class of assets needs to be disclosed separately in the financial statements.

Recommendation

The Council should ensure that the requirements of IAS 38 are properly applied with respect to any computer software purchased by the Council.

4.7. Fixed Assets Labelling

Observations

The markings and labels of certain fixed assets included in the FAR such as 'COMP080 – HP Computer – Executive', 'COMP081 – HP Computer – Clerk', and 'COMP082 – HP Computer – Clerk' were not updated on the physical assets.

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 the Council to carry out an exercise of updating the labelling all the 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.

4.8. Capital Commitments

Observations

The financial statements disclose capital expenditure that has been approved but not provided for amounting to €7,920 was disclosed. However, this capital expenditure was not reflected in the Annual Budget for 2018 that the Council approved.

Issues Arising

Capital commitments need to be disclosed in their entirety in line with the requirements of IAS 16- Property, Plant and Equipment. Furthermore, it is important that a proper reconciliation is provided, which should tally with both the capital commitments as per financial statements and those as per the forthcoming Annual Budget. In this way financial reports issued by the Council would be comparable and consistent.

Recommendations

The Council should ensure that capital commitments are properly assessed and disclosed, and a proper reconciliation provided to ensure that capital commitments as disclosed in the Council's budget are in line with those being disclosed in the financial statements.

4.9. Capital Expenditure accounted for as Revenue Expenditure

Observations

We identified an instance where expenditure of a capital nature was recorded as expenditure of a revenue nature. This relates to a crash barrier in Triq Tunis amounting to €1,272.52 which was recognised under the nominal code "road markings".

Issues Arising

This item should have been capitalised rather than expensed directly to the Statement of Comprehensive Income in line with the requirements of IAS 16 - Property, Plant and Equipment.

Recommendations

Appropriate distinction should be made between items of revenue and capital expenditure throughout the bookkeeping process. Further to our recommendations, the necessary adjustments were included and the financial statements were rectified by the Council accordingly.

5. RECEIVABLES

5.1. Collection of Local Enforcement fines outstanding

Observations

The Local Council's unaudited financial statements show that as at year-end the Council had LES Debtors amounting to €8,582.62 against which it has provided a full provision for bad debts.

However, when we extracted LES report 622 titled "Tribunal Pending Payments" with a date range for fines issued from 1st January 2000 till 31st August 2011 and tribunal period 1st January 2000 till 31st December 2017, the amount of LES contraventions payable to the Council amounted to €7,965.15.

Issues Arising

Although the net effect is nil, since a full provision for doubtful debts is still required to be provided for, it is important that an amount is recognised and provided for in agreement to the actual LES contraventions payable to the Council, which are based on reports emanating from the LES system.

Recommendations

The Council should take note to ensure the amount recognised and fully provided for should be equal to the tribunal pending payments amount as per LES report 622. Further to our recommendations, the necessary adjustments were included and the financial statements were rectified by the Council accordingly.

5.2. Accounting for Prepayments and Accrued Income

Observations

We noted that a prepayment with respect to rental fees for the period January to June 2018 was understated by €461.85.

Furthermore, we noted that no accrued income was accounted for in relation to the 2017 tipping fees amounting to €16,188.61.

Issues Arising

In order for the Council to comply with the requirements of International Financial Reporting Standards, it needs to account for prepayments and accrued income correctly and completely.

Recommendations

It is important that the Council makes a proper assessment of its prepaid expenses and accrued income at the end of every financial reporting period. Further to our recommendations, the necessary adjustments were included and the financial statements were rectified by the Council accordingly.

6. PAYABLES

6.1. Accounting for Accruals

Observations

Following cut-off tests on creditors and accruals recognised in the financial statements, it transpired that invoices amounting to €1,033.21 were incorrectly accounted for as accruals when in actual fact these should have been recognized as creditors.

Furthermore, we noted the following errors/omissions in relation to the accruals recognized by the Council:

- The accrual for street lighting payable to Mica Med Limited is overstated by €37.35.
- The accrual for cash collection services payable to Signal 8 Security Limited is overstated by €41.30.
- The accrual for the 2017 performance bonus payable to the executive secretary is understated by €59.30.
- The accrual for tipping fees for the month of December 2017 payable to WasteServ Malta Ltd is overstated by €118.83.
- The accrual for refuse collection for the month of December 2017 payable to Christian Galea is overstated by €1,650.

Issues Arising

In line with the concept of accrual accounting, accruals should be estimated and accounted for correctly and completely. This also entail that payables are properly recognised in the financial period in which they arise.

Recommendations

The Council should prepare accounts in compliance with the "accruals concept" of accounting in line with the generally accepted accounting principles and International Financial Reporting Standards. Invoices received and dated after year end should be checked carefully to determine if any amounts should be accrued for and included in the correct accounting period. Further to our recommendations, the necessary adjustments were included and the financial statements were rectified by the Council accordingly.

6.2. Supplier balances reconciliation

Observations

We noted a situation whereby the Council's supplier balance did not agree with the balance maintained by the supplier. A variance of €109.89 was noted between the balance in the books of the Council and the balance as per the supplier statement of WasteServ Malta Ltd.

Issues Arising

Such variances may distort the amounts due by the Council at any point in time to its suppliers. Therefore, supplier balances need to be reconciled on a periodic basis. Such a reconciliation should entail the investigation of any variances and, if adjustments are required, these should be reflected in the books of accounts,

Recommendations

On a regular basis, the Council should request the necessary supplier statements and confirmations from its creditors to ensure that its balances are correct and adequately reconciled.

7. OTHER DISCLOSURES IN THE FINANCIAL STATEMENTS

7.1. Disclosures required in respect of certain IFRS

Observations

The Local Council (Financial) Procedures, 1996, require that the financial statements should be prepared in accordance with International Financial Reporting Standards. These financial statements are not compliant in all respects with the requirements of these standards and in fact disclosures emanating from certain accounting standards are missing or not in line with the relevant accounting standard.

For example, omissions were noticed in relation to disclosure of new and revised IFRSs adopted by the EU that are not mandatorily effective (but allow early application) for the year ending 31 December 2017 in line with the requirements of IAS 1-Presentation of Financial Statements. Furthermore, the disclosure of new and amended standards adopted by the Local Council, and standards and interpretations issued by the IASB but not yet adapted by the EU are not complete.

Disclosure of related parties and related party transactions in note 20 is not complete in view that the requirements of articles 18, 25 and 26 of the said standard have not been complied with.

Other presentation and disclosure deficiencies have been duly noted in other areas of this management report.

Issues Arising

The financial statements should be prepared in a consistent manner, whereby all disclosures need to be undertaken in line with the requirements of International Financial Reporting Standards. These disclosures are not simply quantitative but also descriptive and we noted that the latter have sometimes been omitted as noted above. In this respect, we have qualified our audit report.

Recommendations

The financial statements should be prepared in accordance with International Financial Reporting Standards and that all necessary disclosures are undertaken as required.

7.2. Financial Statements presentation

Observations

During our review of the financial statements we noted a number of areas in the presentation of the financial statements which were incorrect or were not properly presented.

Issues Arising

- In the Statement of Cash Flows, the below issues were noted:-
 - The line item 'Loss on disposal of fixed assets' should have been removed since both current and prior year figures are 0
 - '(Increase)/Decrease in Trade and other receivables' should read 'Decrease/(Increase) in Trade and other receivables'
 - The section: Cash flows from financing activities should have been removed.
- In note 7 to the financial statements, the disclosure for average number of employees in the 2017 column should read 3 rather than 2.
- In note 9 to the financial statements, the line item 'Loss on Disposal' should have been removed

- In note 21 to the financial statements, under the heading 'Liquidity risk', the balance for cash and cash equivalents should read €419,378.
- In note 21 to the financial statements, under the heading 'Liquidity Risk', the sentence 'At 31 December 2017, the Council's financial liabilities have contractual maturities which are summarised below:' should be transferred to the next page.

Recommendations

The Council should ensure compliance with *International Financial Reporting Standards, respective Memos and Local Councils Procedures (2006 Audit)* in the preparation of the Financial Statements.

8. GENERAL

8.1. Comparison of Actuals with the Annual BudgetObservations

During our review of the 2017 annual budget, it was noted that capital expenditure incurred in 2017 exceeded the budgeted amount. In fact, according to the 2017 annual budget no capital expenditure had to be incurred. However, as per financial statements, capital expenditure amounted to €31,411.

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.

8.2. Council minutes

Observations

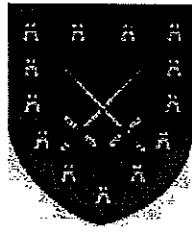
We noted that the Council's minutes for meeting number 12/K7/2017 were not signed by the Mayor.

Issues Arising

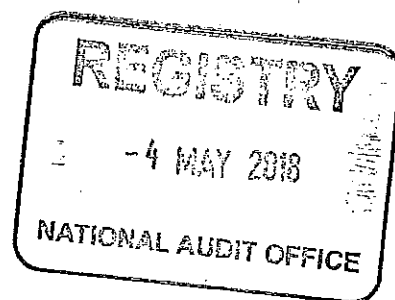
The Sixth Schedule of the Local Councils Act requires in paragraphs 14(A)(6) and 14(A)(7) that the minutes become public once they have been approved and signed by the Chairman and the Executive Secretary and that these should be initialled by the Chairperson. Paragraph 14(A)(8) of the same schedule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

Recommendations

The Council should adhere to the requirements of these memos and Local Councils Act accordingly.



**PEMBROKE LOCAL COUNCIL
REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2017**



*Prepared by Romina Perici Ferrante B. Com, B.A. Hons (Mgt), F.I.A., C.P.A.
Certified Public Accountant
15, St. John Street,
Mosta MST 3603*

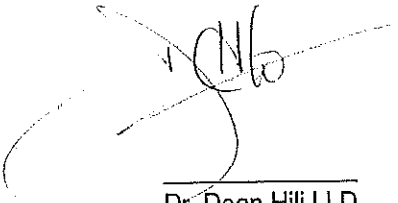
**PEMBROKE LOCAL COUNCIL
REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2017**

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**PEMBROKE LOCAL COUNCIL
STATEMENT OF LOCAL COUNCIL MEMBERS' AND
EXECUTIVE SECRETARY'S RESPONSIBILITIES**

The Local Council (Financial) Regulations, 1993, require the Executive Secretary to prepare a detailed Annual Administrative Report, which includes a statement of the Local Council's comprehensive income for the year and of the Local Council's retained funds at the end of the 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 accounting policies applicable to Local Councils, the income and expenditure of the Local Council for the year ended and its retained funds as at the year end, and that they comply with the Act, the Local Councils (Financial) Regulations, 1993, and the Local Council (Financial) Procedures, 1996 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, CAP 363, the Local Councils (Financial) Regulations, 1993, and the Local Councils (Financial) Procedures, 1996. 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.



Dr. Dean Hili LLD
Mayor

Kevin Borg
Executive Secretary

Date: 24th April 2018

LOCAL COUNCIL PEMBROKE
Report of the Local Government Auditors to the Auditor General

Report on the Audit of the Financial Statements

We have audited the financial statements of LOCAL COUNCIL PEMBROKE, set out on pages 6 to 28, which comprise the statement of financial position as at 31 December 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Qualified Opinion

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of LOCAL COUNCIL PEMBROKE as at 31 December 2017, and its financial performance for the year then ended in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union.

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, 1993, 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, which amounted to €80.38 for the year under review, which has been recorded in the financial statements as well as on any possible accrued income or liabilities present as at end of the current financial year.

The Council maintains a fixed asset register to record fixed assets acquired by it. However, a number of assets have been incorrectly categorized with the consequence that an incorrect depreciation rate has been applied and recognised in the financial statements. Whilst we are of the opinion that there may be material misstatements in the depreciation provision and charge for the year, there were no practicable procedures to arrive to the exact amount of misstatement in the depreciation provision and depreciation charge for the year.

IFRS require that all applicable standards and their disclosure requirements are adhered to. These financial statements lack appropriate disclosure in line with the requirements of IAS 24 - Related Party Disclosure in relation to related parties and related party transactions as detailed in note 20 in view that the requirements of articles 18, 25 and 26 of the said standard have not been complied with. These financial statements also lack proper disclosures emanating from IAS 38 - Intangible Assets in relation to the recognition and disclosure of computer software. Furthermore, they also lack proper disclosures emanating from IAS 1 - Presentation of Financial Statements in relation to new and revised IFRSs adopted by the EU that are not mandatorily effective but allow early application for the year ending 31 December 2017.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Council in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in accordance with the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) in Malta, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other Information

The Council is responsible for the other information. The other information comprises the Statement of Local Council Members' and Executive Secretary's Responsibilities. Our opinion on the financial statements does not cover this information, including the Statement of Local Council Members' and Executive Secretary's Responsibilities. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. We have nothing to report in this regard.

Council's Responsibility for the Financial Statements

The Council Members and the Executive Secretary are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU 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.

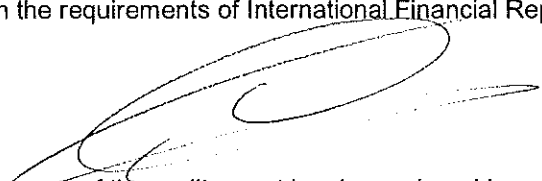
In preparing the financial statements, the management are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intend to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Report on Other Legal and Regulatory Requirements

The Local Council (Financial) Procedures, 1996, require that the financial statements should be prepared in accordance with the International Financial Reporting Standards. In view of the matters set out under the basis for qualified opinion section of this report, these financial statements have not been prepared in line with the requirements of International Financial Reporting Standards.



This copy of the audit report has been signed by
Mr. Neville Cutajar (Audit Partner) for and on behalf of

3a

Certified Public Accountants

Level 2,

Palazzo Ca Brugnara',

Valley Road,

Birkirkara Malta.

Date: 24th April 2018

PEMBROKE LOCAL COUNCIL
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2017

		2017	2016
	Notes	Euro	Euro
INCOME			
Funds received from Central Government	3	447,630	411,351
Income raised under Law Enforcement system	4	5,327	5,984
Income raised under Local Council Bye Laws	5	3,564	3,506
General income	6	<u>6,186</u>	<u>7,173</u>
		<u>462,707</u>	<u>428,014</u>
EXPENDITURE			
Personnel emoluments	7	95,311	91,085
Operations and maintenance expenses	8	217,187	214,626
Administration and other expenditure	9	<u>99,176</u>	<u>83,198</u>
		<u>411,674</u>	<u>388,909</u>
OPERATING PROFIT FOR THE YEAR		€51,033	€39,105
Finance Income	10	<u>163</u>	<u>176</u>
PROFIT FOR THE YEAR		<u>€ 51,196</u>	<u>€ 39,281</u>


The notes on pages 10 to 28 form an integral part of these financial statements.

**PEMBROKE LOCAL COUNCIL
STATEMENT OF FINANCIAL POSITION
At 31 December 2017**

	Notes	31 Dec 2017	31 Dec 2015
		Euro	Euro
ASSETS			
Non-Current Assets			
Property, plant and equipment	11	<u>359,150</u>	<u>379,999</u>
Current Assets			
Inventories	12	1,650	1,790
Trade and other receivables	13	22,291	21,364
Cash and cash equivalents	14	<u>419,378</u>	<u>354,299</u>
Total Current Assets		<u>443,319</u>	<u>377,453</u>
TOTAL ASSETS		<u>€ 802,469</u>	<u>€ 757,452</u>
RESERVES AND LIABILITIES			
Reserves			
Retained earnings		<u>711,164</u>	<u>659,968</u>
Non-Current Liabilities			
Deferred Income	15	<u>38,267</u>	<u>42,548</u>
Total Non-Current Liabilities		<u>38,267</u>	<u>42,548</u>
Current Liabilities			
Trade and other payables	16	<u>53,038</u>	<u>54,936</u>
Total Current Liabilities		<u>53,038</u>	<u>54,936</u>
TOTAL RESERVES AND LIABILITIES		<u>€ 802,469</u>	<u>€ 757,452</u>

The notes on pages 10 to 28 form an integral part of these financial statements.

These Financial Statements were approved by the Local Council on the 24th April 2018
and signed on its behalf by:


Dr. Dean Hili LLD
Mayor


Kevin Borg
Executive Secretary

PEMBROKE LOCAL COUNCIL
STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2017

	Retained Funds Euro
At 1 January 2016	620,687
Profit for the year	<u>39,281</u>
At 31 December 2016	<u>659,968</u>
At 1 January 2017	659,968
Profit for the year	<u>51,196</u>
At 31 December 2017	<u>711,164</u>

The notes on pages 10 to 28 form an integral part of these financial statements.

PEMBROKE LOCAL COUNCIL
STATEMENT OF CASH FLOWS
For the year ended 31 December 2017

		1 Jan 2017 – 31 Dec 2017	1 Jan 2016 – 31 Dec 2016
	Notes	Euro	Euro
Net Profit for the year		51,196	39,281
Reconciliation to cash generated from operations:			
Depreciation		52,260	51,220
Interest Receivable		(163)	(176)
Operating Profit before Working Capital changes		103,293	90,325
Decrease in Inventories		140	190
Decrease in Trade and other receivables		(927)	(9,260)
(Decrease) in payables		(870)	(3,120)
(Decrease) in other payables		(514)	(333)
Government Grant released		<u>(4,795)</u>	<u>(5,379)</u>
Cash generated from operating activities		<u>96,327</u>	<u>72,423</u>
Cash flows from investing activities			
Interest Received		163	176
Acquisition of property, plant and equipment		<u>(31,411)</u>	<u>(86,205)</u>
Cash used in investing activities		<u>(31,248)</u>	<u>(86,029)</u>
Net increase/(decrease) in cash and cash equivalents		<u>65,079</u>	<u>(13,606)</u>
Analysis of changes in cash and cash equivalents during the year			
Cash and cash equivalents at beginning of year		354,299	367,905
Net increase/(decrease) in cash and cash equivalents		<u>65,079</u>	<u>(13,606)</u>
Cash and cash equivalents at end of year	14	<u>419,378</u>	<u>354,299</u>

The notes on pages 10 to 28 form an integral part of these financial statements.

PEMBROKE LOCAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2017

1. GENERAL INFORMATION

Pembroke Local Council is the local authority of Pembroke setup in accordance with the Local Councils Act 1993. The office of the Council is at Triq Alamein, Pembroke.

The financial statements were authorised for issue by the Council on the 24 April 2018.

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.

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 the Council has applied the following International Financial reporting Standards as adopted by the EU which have been mandatorily effective for the year ending 31 December 2017:

PEMBROKE LOCAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)

On 12 May 2014 the IASB issued Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation. The amendments clarify that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment. The issue also introduces a rebuttable presumption that an amortisation method that is based on the revenue generated by an activity that includes the use of an intangible asset is inappropriate, which can only be overcome in limited circumstances where the intangible asset is expressed as a measure of revenue, or when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated. The amendments finally add guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset.

On 18 December 2014 the IASB issued Amendments to IAS 1 Disclosure Initiative. It clarifies that information should not be obscured by aggregating or by providing immaterial information, materiality considerations apply to all the parts of the financial statements, and even when a standard requires a specific disclosure, materiality considerations do apply; provides clarification that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarification that an entity's share of OCI of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss; and gives additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order so far listed in paragraph 114 of IAS 1.

Standards and Interpretations issued by the IASB but not yet adapted by the EU

At present, IFRS as adopted by the EU do not significantly differ from regulations adopted by the International Accounting Standards Board (IASB) except for the following standards and amendments to the existing standards, which were not endorsed for use in the EU as at 31 December 2016 and cannot be applied by the entities preparing their financial statements in accordance with IFRS as adopted by the EU:

- Annual Improvements to IFRS Standards 2014-2016 Cycle (issued December 2016)
- IFRS 15 Revenue from Contracts with Customers (issued in May 2014)
- Amendments to IAS 7 Disclosure Initiative (issued January 2016);

The Councillors 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 Councillors anticipate 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.

PEMBROKE LOCAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)

Intangible Fixed Assets

Computer Software

Computer software is valued at cost less accumulated depreciation and impairment losses to date. Depreciation to write off the cost is calculated on a monthly basis using the reducing balance method at 20% per annum.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment loss 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	0.0
Trees	0.0
Buildings	1.0
Office Furniture, Fixtures and Fittings	7.5
Construction works	10.0
Urban Improvements (street furniture)	10.0
Special Programs (Projects)	10.0
Office Equipment	20.0
Motor Vehicles	20.0
Plant and Machinery	20.0
Computer Equipment	25.0
Plants	100.0
Litter Bins	Replacement Basis
Playground Furniture	100.0
Traffic Signs	Replacement Basis
Road Signs	Replacement Basis
Street Mirrors	Replacement Basis
Street Lights	100.0

PEMBROKE LOCAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)

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.

Related parties

Related parties are those persons or bodies of persons having relationships with the Council as defined in IAS 24. The paragraphs adopted from IAS 24 are paragraphs 25 – 27, being amendments to government related entities' disclosures.

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 cost to sell and the value in use. Impairment losses are immediately recognised as an expense in the Statement of Comprehensive Income.

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.

Amounts Receivable

Amounts receivable are recognized initially at fair value and subsequently measured at amortized 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 receivable. The amount of the provision is the difference between the carrying amount of the asset in the present value of the estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognized in the Statement of Comprehensive Income.

PEMBROKE LOCAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)

Revenue recognition

Revenue is recognised when there are no significant uncertainties concerning the derivation of consideration or associated costs. Interest income is recognised in the Statement of Comprehensive Income as it accrues.

Payables and Borrowings

Payable and Borrowing Costs are recognised as an expense in the period in which they are incurred. Amounts payable comprise creditor payments, that is, the amounts payable for the procurement of supplies and services. When an invoice or request for payment is received from a supplier, this is checked to the purchase order previously issued or the services contract, before payment is released in favour of any vendor. All cheque payments are signed by the Mayor and Executive Secretary and then reconciled with the bank statements on a monthly basis.

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 Statement of Comprehensive Income over the expected lives of the related assets.

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.

Inventories

Inventories are valued at lower of cost and net realisable value.

Profits and losses

Only profits 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 Statement of Cash Flows, cash and cash equivalents comprise cash in hand and balances held with banks.

PEMBROKE LOCAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)

Local Enforcement System

Pembroke Local Council formed part of the Group H Joint Committee from September 2002 until August 2011. As from September 2011, Pembroke Local Council forms part of the North Region. The amount disclosed in the financial statements under Local Enforcement Income represents the share of profit derived from the Joint Committee after deducting the related expenses. As from September 2011, the Council receives 10% administrative fees on fines collected.

Critical Accounting Estimates and Judgements

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 Executive Secretary, the accounting estimates and judgements made in the preparation of the Financial Statements are not difficult, subjective or complex, to a degree that would warrant their description as critical in terms of the requirements of IAS1 (revised) – 'Presentation of Financial Statements'.

Capital Management Policies and Procedures

The Council's capital consists of its net assets, including working capital, represented by its retained funds. The Council's management objective 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 this, the Council carries out a quarterly review of the working capital ratio (Financial Situation Indicator). This ratio was positive at the reporting date. 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.

Financial Instruments

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

PEMBROKE LOCAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)

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 counter party 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 included other payables. These are stated at their nominal account which is a reasonable approximation of fair value.

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

3. FUNDS RECEIVED FROM CENTRAL GOVERNMENT

	1 Jan-31 Dec 2017	1 Jan-31 Dec 2016
	Euro	Euro
In terms of Section 55 of the Local Councils Act, 1993	415,842	378,463
Supplementary Government Income	17,300	25,509
Other Government Income	<u>14,488</u>	<u>7,379</u>
	<u>447,630</u>	<u>411,351</u>

4. INCOME RAISED UNDER LOCAL ENFORCEMENT INCOME

	1 Jan-31 Dec 2017	1 Jan-31 Dec 2016
	Euro	Euro
Administrative charges to Regional Committees	5,247	5,834
Share of Surplus from Joint Committee	<u>80</u>	<u>150</u>
	<u>5,327</u>	<u>5,984</u>

PEMBROKE LOCAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)

5. INCOME RAISED UNDER LOCAL COUNCIL BYE-LAWS

	1 Jan-31 Dec 2017	1 Jan-31 Dec 2016
	Euro	Euro
Sale of Pembroke books, Contributions and Advertising	<u>3,564</u>	<u>3,506</u>

6. GENERAL INCOME

	1 Jan – 31 Dec 2017	1 Jan – 31 Dec 2016
Documentation/Information charges	189	572
Donations and Sponsorships	1,400	531
Contributions	0	360
Others	294	1,159
Income from permits	2,897	3,990
Income re Library	791	561
Insurance Claims	<u>615</u>	<u>0</u>
	<u>€ 6,186</u>	<u>€ 7,173</u>

7. PERSONNEL EMOLUMENTS

	1 Jan – 31 Dec 2017	1 Jan – 31 Dec 2016
Personnel Emoluments include, <i>inter alia</i>		
Mayor's Honoraria	7,345	7,229
Mayor's and Councillors' Allowances	6,893	5,907
Executive Secretary Salary and Allowances	29,398	28,616
Employees' Salaries	45,219	43,173
Social Security Contributions	<u>6,456</u>	<u>6,160</u>
	<u>€ 95,311</u>	<u>€ 91,085</u>

Average number of people employed

Employees	3	3
Mayor & Councillors	5	5

PEMBROKE LOCAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)

	1 Jan – 31 Dec 2017	1 Jan – 31 Dec 2016
8. OPERATIONS AND MAINTENANCE EXPENSES	Euro	Euro
Operations and maintenance includes, <i>inter alia</i>		
REPAIRS AND UPKEEP		
Roads and street pavements (patching works)	37,952	26,432
Public Property	2,729	9,874
Office furniture & equipment	363	771
Street Signs	3,863	1,223
Other repairs & upkeep	1,517	372
Road Markings	5,371	3,776
	<u>€ 51,795</u>	<u>€ 42,448</u>
CONTRACTUAL SERVICES		
Refuse collection	61,196	59,513
Bulky refuse collection	12,665	13,346
Road and street cleaning	19,523	19,313
Cleaning and maintenance of non-urban roads	17,375	17,762
Cleaning and maintenance parks and gardens	18,620	16,935
Cleaning and maintenance of verges	18,216	18,473
Cleaning and maintenance council premises	2,465	2,319
Cleaning and maintenance public conveniences	5,971	5,987
LES related expenditure	9	19
Street lighting	3,056	7,666
Other Contractual Services	6,296	10,845
	<u>€ 165,392</u>	<u>€ 172,178</u>
TOTAL OPERATIONS AND MAINTENANCE EXPENSES	<u>€ 217,187</u>	<u>€ 214,626</u>

PEMBROKE LOCAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)

	1 Jan - 31 Dec 2017	1 Jan - 31 Dec 2016
	Euro	Euro
9. ADMINISTRATIVE AND OTHER EXPENSES		
Depreciation	52,260	51,220
Water, Electricity & Telecommunications	4,000	4,930
Rent	1,456	1,456
National and international memberships	1,225	710
Office Services	4,372	2,127
Insurance	1,995	2,002
Library expenses	2,936	2,341
Transport	751	576
Advertising & Public relations	573	1,137
Professional services	21,633	10,710
Community and hospitality	7,271	5,641
Sundry minor expenses	508	133
Bank Charges	<u>196</u>	<u>215</u>
TOTAL ADMINISTRATIVE EXPENSES	<u>€ 99,176</u>	<u>€ 83,198</u>

10. FINANCE INCOME

	1 Jan-31 Dec 2017	1 Jan- 31 Dec 2016
Bank Interests	<u>€ 163</u>	<u>€ 176</u>

PEMBROKE LOCAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)

11. PROPERTY, PLANT AND EQUIPMENT

	Office Furniture, Fixtures &	Office	New Street	Urban	Construction & Street	Special	Trees	Plant & Machinery	Asset not yet capitalised	Total
	Fittings €	Equipment €	Signs €	Improvements €	Paving €	Programmes €	€	€	€	€
Depreciation Rate	7.50%	20.00%	100.00%	10.00%	10.00%	10.00%	0.00%	20.00%		
Cost										
At 1 January 2017	24,583	47,420	11,787	496,248	612,447	653,660	17,307	6,300	2,951	1,872,703
Additions	0	49	0	31,362	0	0	0	0	0	31,411
Transferred	0	0	0	2,951	0	0	0	0	-2,951	0
Disposals	0	0	0	0	0	0	0	0	0	0
At 31st December 2017	24,583	47,469	11,787	530,561	612,447	653,660	17,307	6,300	0	1,904,114
Grants										
At 1 January 2017	0	3,494	0	60,436	0	653,923	0	0	0	717,853
Transferred during the year	0	0	0	0	0	0	0	0	0	0
At 31st December 2017	0	3,494	0	60,436	0	653,923	0	0	0	717,853
Depreciation										
At 1 January 2017	13,846	37,595	11,787	290,874	415,093	-263	0	5,919	0	774,851
Transferred	0	0	0	0	0	0	0	0	0	0
Charge for the period	847	1,663	0	28,535	21,127	0	0	88	0	52,260
Released on Disposal	0	0	0	0	0	0	0	0	0	0
At 31st December 2017	14,693	39,258	11,787	319,409	436,220	-263	0	6,007	0	827,111
Net Book Value										
At 31st December 2017	9,890	4,717	0	150,716	176,227	0	17,307	293	0	359,150

PEMBROKE LOCAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)

11. PROPERTY, PLANT AND EQUIPMENT (cont.)

	Office Furniture, Fixtures &		Office	New Street	Urban	Construction & Street	Special	Trees	Plant & Machinery	Asset not yet capitalised	Total
	Fittings	Equipment		Signs	Improvements	Paving	Programmes	€	€	€	€
Depreciation Rate	7.50%	20.00%		100.00%	10.00%	10.00%	10.00%	0.00%	20.00%		
Cost											
At 1 January 2016	24,583	46,312		11,787	438,534	589,175	653,660	16,147	6,300	0	1,786,498
Additions	0	1,108		0	57,714	23,272	0	1,160	0	2,951	86,205
Transferred	0	0		0	0	0	0	0	0	0	0
Disposals	0	0		0	0	0	0	0	0	0	0
At 31st December 2016	24,583	47,420		11,787	496,248	612,447	653,660	17,307	6,300	2,951	1,872,703
Grants											
At 1 January 2016	0	3,494		0	60,436	0	653,923	0	0	0	717,853
Transferred during the year	0	0		0	0	0	0	0	0	0	0
At 31st December 2016	0	3,494		0	60,436	0	653,923	0	0	0	717,853
Depreciation											
At 1 January 2016	12,836	35,438		11,787	265,206	392,826	-263	0	5,801	0	723,631
Transferred	0	0		0	0	0	0	0	0	0	0
Charge for the period	1,010	2,157		0	25,668	22,267	0	0	118	0	51,220
Released on Disposal	0	0		0	0	0	0	0	0	0	0
At 31st December 2016	13,846	37,595		11,787	290,874	415,093	-263	0	5,919	0	774,851
Net Book Value											
At 31st December 2016	10,737	6,331		0	144,938	197,354	0	17,307	381	2,951	379,999

PEMBROKE LOCAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)

12. INVENTORIES

	As at 31 December 2017	As at 31 December 2016
Books and other publications	<u>1,650</u>	<u>1,790</u>

13. TRADE AND OTHER RECEIVABLES

	As at 31 December 2017	As at 31 December 2016
	Euro	Euro
Amount invoiced but not yet settled	7,296	7,942
Provision for general Bad debts	(4,200)	(4,200)
Pre-Pooling LES Debtors	7,966	8,583
Provision for Bad LES debts	(7,966)	(8,583)
Other debtors	700	700
Prepayments and Accrued income	<u>18,495</u>	<u>16,922</u>
	<u>22,291</u>	<u>21,364</u>

Prepayments include prepayments of Local Council property rental and insurance premium.

Receivables

General receivables are analysed as follows:

	As at 31 December 2017	As at 31 December 2016
	Euro	Euro
Within credit period	2,524	2,739
Exceeded credit period but not impaired	572	1,003
Provision for doubtful debts	<u>4,200</u>	<u>4,200</u>
	<u>7,296</u>	<u>7,942</u>

14. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash in hand and balance with banks. Cash and cash equivalents included in the cash flow statement comprise the following amounts in the Local Council's Statement of Financial Position:

	As at 31 December 2017	As at 31 December 2016
	Euro	Euro
Cash in hand	233	233
Bank balances – Ordinary Funds	<u>419,145</u>	<u>354,066</u>
	<u>€ 419,378</u>	<u>€ 354,299</u>

PEMBROKE LOCAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)

15. DEFERRED INCOME

	As at 31 December 2017	As at 31 December 2016
	€	€
Government Grants		
At beginning of year	47,343	51,595
Increase in period	<u>0</u>	<u>1,127</u>
	47,343	52,722
Released in period	<u>(4,795)</u>	<u>(5,379)</u>
At end of year	<u>42,548</u>	<u>47,343</u>
 Current Deferred Income	 <u>4,281</u>	 <u>4,795</u>
 Non-Current Deferred Income	 <u>38,267</u>	 <u>42,548</u>
 Deferred Government Grants		
Deferred between one and two years	8,109	9,076
Deferred between two and five years	9,254	10,326
Deferred in five years or more	<u>25,185</u>	<u>27,941</u>
	<u>42,548</u>	<u>47,343</u>
 Deferred after five years or more		
Government Grants	<u>25,185</u>	<u>27,941</u>

16. TRADE AND OTHER PAYABLES

	As at 31 December 2017	As at 31 December 2016
	Euro	Euro
Trade Payables	16,829	16,735
Accruals and Deferred Income	<u>36,209</u>	<u>38,201</u>
	<u>53,038</u>	<u>54,936</u>

Trade Payables are analysed as follows:

	As at 31 December 2017	As at 31 December 2016
	Euro	Euro
Within credit period	10,364	8,132
Exceeded credit period	<u>6,465</u>	<u>8,603</u>
	<u>16,829</u>	<u>16,735</u>

Accruals include estimates for goods and services received prior to 31 December 2017 and for which invoices have not yet been received by the Local Council.

PEMBROKE LOCAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)

17. CONTINGENT LIABILITIES

The council has no contingent liabilities at year end.

18. CAPITAL COMMITMENTS

	As at 31 December 2017	As at 31 December 2016
	Euro	Euro
- Capital expenditure that has been approved but not provided for in the Financial Statements		
(i) 2017-Lamps in Triq Mons L Mifsud Tommasi and lamps in passage between Triq Sant Andrija & Triq Tobruk	7,920	9,152
(2016-New underground installation in Triq Burma)		
- Capital expenditure that has been approved but not yet contracted for.		
(ii) General upgrading works	0	0
	<u>€ 7,920</u>	<u>€ 9,152</u>

19. 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.

PEMBROKE LOCAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)

20. RELATED PARTY TRANSACTIONS

The Pembroke Local Council has the following related parties, exercising:

- i. Significant Control – The Department of Local Government
- ii. No Control – Arms Ltd., Water Services Corporation, Enemalta Corporation, WasteServ Malta Ltd., Malta Information Technology Agency, Northern Harbour District Joint Committee, Malta Tourism Authority, Bank of Valletta plc., South Regional Committee, Gozo Regional Committee, South Eastern Regional Committee, Central Regional Committee, LESA, Police General Head Quarters, Malta Environment and Planning Authority, Department of Lands and the Department of Information.

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

	2017	2016
	Euro	Euro
Annual Financial Allocation	415,842	378,463
<u>Key Management Emoluments</u>		
Executive Secretary	29,398	28,554
Mayor's Honoraria	7,345	7,229
Mayor & Councillors' Allowances	6,893	5,907

PEMBROKE LOCAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)

21. 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 program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Council's financial performance.

Market Risk

The Council's interest rate risk arises from its deposits with financial institutions. The Council does not have any long term borrowings. 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.

Credit Risk

Financial assets which potentially subject the Council to concentrations of credit risk which are principally made up of cash at bank and debtors. The Council's cash is placed with a quality 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. Furthermore, credit risk is limited due to the fact that government-owned customers comprise a high percentage of the council's debtor base. LES Debtor balance has been provided for fully with an allowance for bad debts.

The Council's exposure to credit risk is limited to the carrying amount of financial assets recognised at the end of the reporting period and is summarized as follows:

	2017	2016
	€	€
Classes of financial assets - carrying amounts		
Trade and other receivables	19,985	18,785
Cash and cash equivalents	<u>419,378</u>	<u>354,299</u>
	<u>439,363</u>	<u>373,084</u>

PEMBROKE LOCAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)

Included in the council's trade receivable there are no balances which are past due and which have not been provided for.

	2017 Euro	2016 Euro
31-60 days	2,524	2,727
61-90 days	0	0
91-180 days	0	12
181-365 days	572	1,003
Over 365 days	<u>4,200</u>	<u>4,200</u>
	<u>7,296</u>	<u>7,942</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

Interest rate risk mainly arises through interest bearing liabilities and assets. The objective of interest rate risk management is to optimize the balance between minimizing uncertainty caused by fluctuations in interest rates and maximizing the net interest income and expense.

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 € 419,378. This should ensure an ongoing working capital of the Council for the next 12 months. The Council also maintains a positive net asset position ensuring that adequate headroom is available to cover present liabilities as well as short term obligations and commitments arising.

PEMBROKE LOCAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)

At 31 December 2017, the Council's financial liabilities have contractual maturities which are summarised below:

	Current within 1 year €	Non-Current 1 to 5 years €	Non-Current later than 5 years €
Payables	<u>16,829</u>	<u>-</u>	<u>-</u>

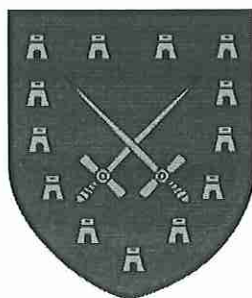
This compares to the maturity of the Council's financial liabilities in the previous reporting period as follows:

	Current Within 1 year €	Non-Current 1 to 5 years €	Non-Current later than 5 years €
Payables	<u>16,735</u>	<u>-</u>	<u>-</u>

22. SUMMARY OF FINANCIAL ASSETS AND LIABILITIES

The carrying amounts of the council's financial assets and liabilities as recognized at the reporting dates under review are categorized as follows:

	2017 €	2016 €
Current assets		
Loans and receivables:		
Trade and other receivables	19,985	18,785
Cash and cash equivalents	<u>419,378</u>	<u>354,299</u>
	<u>439,363</u>	<u>373,084</u>
Current liabilities		
Financial liabilities measured at amortised cost:		
Payables	<u>16,829</u>	<u>16,735</u>
	<u>16,829</u>	<u>16,735</u>



Kunsill Lokali Pembroke

Rapport Annwali Amministrattiv

2017

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1.0 L-Introduzzjoni tas-Sindku

Għaddiet sena oħra ta' xogħol imwettaq minn dan il-Kunsill. Naturalment, ix-xogħol imwettaq fil-lokalita' wieħed jarah b'għajnejh u jmissu b'idejh. Naħseb l'ilkoll naqblu li l-manutenzjoni f'dak li kellu x'jaqsam mat-toroq urbana, dawk mhux urbana u s-soft areas fost xogħol ieħor, il-livell għal darb'oħra kien wieħed sodisfaċenti. Perfetti m'aħniex u diment li l-Kunsill, bħal kull qasam tal-ħajja, ikun immexxi mill-bnedmin, ftit li xejn nistgħu naspiraw li nkunu perfetti – madanakollu, nista' b'umilta' sħiħa ngħid li għamilna l-almu tagħna biex nkunu qrib ir-residenti, smajna l-karbiet u s-suggerimenti tagħhom, u għamilna li stajna sabiex nindirizzawhom, u nindirizzawhom fil-ħin.

Ikun xieraq li nagħti rendikont t'aspetti oħrajn tax-xogħol tal-Kunsill, xogħol imwettaq dejjem fl-aħjar interessi tal-lokalita', b'miżuri l'ittieħdu ħafna mid-drabi bi qbil unanimu fil-Kunsill, xi ħaġa li l-elettorat għandu jkun tassew kburi biha, kif aħna aħna wara kollox.

Żgur illi ma nistgħux ngħidu li din is-sena kienet waħda kwalunkwe għal-lokalita' tagħna. Indubjament kienet waħda fejn il-politika' lokali, u anke dik ċentrali f'dak li kellu x'jaqsam mal-lokalita' tagħna, qajmet ftit interess mhux ħazin.

Fl-opinjoni tiegħi, u wara dak kollu li l-lokalita' esperjenzat, ikun xi ftit jew wisq ingust mas-sitwazzjoni jekk niġi quddiemkom u nitkellem biss dwar il-bankini kollha ġodda li kkummissjonajna, dwar l-attivitajiet li ħdimna fuqhom, dwar l-laqqgħat kollha li organizzajna għall-pubbliku – jekk ma nindirizzawx ħwejjeg oħra li naturalment, ir-residenti tagħna lkoll qiegħdin jikkellmu dwarhom.

F'wieħed mill-interventi li ġejt mitlub nagħmel fil-*media* dwar l-andament tal-lokalita' kont għidt li Pembroke jinsab taħt assedju. Konna għadna kif bdejna nisimgħu dwar il-pjanijiet li kellhom għal zona massiċċa kollha kemm hi verġni quddiem Triq Gabriel Henin, l-iskola Chiswich House School, fis-Sajf tas-sena kurrenti. Dak iż-żmien kont għidt li l-proġetti li konna qiegħdin nibdew nisimgħu dwarhom ser ikunu ta' piż u ta' theddida għall-ħajja li l-lokalita', kienet sa issa mdorrija biha.

Kien hemmhekk fejn bdiet il-mixja fejn il-lokalita' qamet u verament semmgħet leħinha. Inizjalment pjanajna l'issir laqgħa pubblika sabiex kulħadd verament jifhem dak li kien qiegħed jiġi propost – ridna lil kulħadd ikun konxju tat-theddida, u ridna wkoll nindirizzaw l-għajdut li xi minn daqqiet ma jkunx korrett. Konna mbagħad ndunajna li l-interess li ġġenerat il-kwistjoni ma kienitx tixraq biss laqgħa fis-sala li qiegħdin fiha llum, izda kien ikun aktar xieraq li ssir laqgħa fuq il-post, li għaliha jkun mistieden kulħadd. Kien verament sodisfaċenti għalina li daqstant minnkomm ħassew li ħassejna aħna, u kontu lesti tiefqu magħna, ta' dan niringrazzjawkom.

Niringrazzja wkoll lil dawk l-individwi kollha li għenu sabiex gbarna l-petizzjonijiet li fl-aħħar kienu jgħoddu aktar elf u ħames mitt waħda, kien bis-saħħa tagħkom lkoll li din l-inizjattiva kienet daqstant ta' suċċess.

Dan kollu aħna kburin li għamilnih mar-residenti, izda l-ġlieda ma tieqafx hawn u fadal ħafna xogħol xi jsir, il-bini fuq art verġni għandu jiġi kkunsidrat biss bħala eċċezzjoni, u għandna nkomplu nsostnu li jkun fl-interess pubbliku u mhux igawdu minnu ftit individwi, jew biex isir negozju minnu, partikolarment minn skola li diġa qiegħda topera minn x'imkien ieħor.

Huwa l-ħsieb tal-Kunsill li nkunu ta' tarka għall-ħsibijiet tar-residenti, m'aħniex ser naqblu dejjem u d-djalogu huwa tajjeb, izda nemmen li l-Kunsill huwa rappreżentattiv biżżejjed u li bejn il-Kunsill, f'ħafna mid-drabi, issir diskussjoni denja, u b'hekk, jitwiellu l-ideat u s-soluzzjonijiet għall-problemi diversi u varji li naffaċċjaw.

1.0 L-Introduzzjoni tas-Sindku

Bla dubju ta' xejn, irridu nkomplu nirrapprezentaw il-ħsibijiet tar-residenti fejn jidhlu proġetti oħrajn partikolarment dak propost fis-sit tal-ITS. Hawn ukoll il-Kunsill kien pro-attiv u ħareġ b'soluzzjonijiet u suggerimenti dwar dak li smajna sa issa, u dan huwa dak li hu kommess li jkompli jagħmel il-Kunsill, dejjem fl-aħjar interess tal-lokalita', u bil-ħsieb li jipprotegi u jissalvagwardja dak li sa llum, ngħożžu għewwa l-lokalita' tagħna.

Ma nistax ma nsemmix pero', u din ngħidha b'ċertu dieqa, li bħal legġenda taż-Żiemel ta' Trojja, l-assedju mhuwiex ġej biss minn barra, iżda qiegħdin nibdew inħossu li hemm attakki minn għewwa ukoll.

Kwistjoni li okkupat lill-Kunsill f'diversi udjenzi u laqgħat l-Awtorita' tal-Ippjanar, rapporti, appelli u seduti għas-smieġ li naturalment huma ta' piż finanzjarju għall-Kunsill, hija dik relatata mal-għoli tal-bini f'żoni residenzjali.

Din is-sena l-Kunsill se jjaħ laqgħa sabiex dwar dan ukoll jisma' l-ħsibijiet tar-residenti. Dakinhar kien evidenti li dawk li attendew għal din il-laqgħa kellhom fil-ħsibijiet tagħhom li jipprotegu l-istatus quo fil-lokalita' tagħna għaliex il-ħajja li drajna f'Pembroke ngħożžuha, u rridu li tibqa' tali.

Hija sitwazzjoni diffiċli għaliex għalkemm nemmnu li hemm konsiderazzjonijiet kontra deċizzjonijiet li jippermettu torrijiet ta' sitt sulari fil-lokalita' tagħna, jidher li s'issa l-Awtorita' tal-Ippjanar qiegħda biss timxi fuq il-*policies* tagħha u kollox jindika li ser nibdew nimxu lejn dik id-direzzjoni.

Mhijiex kwistjoni personali, pero' ħassejna li dan imur kontra l-interessi tal-lokalita' u kienet tkun ingustizzja kbira li kieku ma għamilniex l-almu tagħna kontra dan it-tip ta' żvilupp, li bħal ma jaf kulhadd, qered numru ta' lokalitajiet madwar Pembroke tagħna, li s'issa, kienet kważi kważi qisha oasi fid-deżert f'din in-naħa ta' Malta.

Naturalment, dan il-proċess kien wieħed li għab piż finanzjarju konsiderevoli miegħu. Dan ukoll apparti l-fatt illi l-Kunsill kellu jiddedika ħafna mill-ħin u l-allokazzjoni għal servizzi professjonali sabiex dawn l-applikazzjonijiet jiġu missielta. Konna nippreferu li dawn l-ispejjeż u s-sieġat ta' xogħol ninvestuhom f'aktar proġetti godda, iżda sitwazzjoni bħal din okkupat il-ħin tal-periti u l-avukati li qiegħdin jassistuna, ħassejna li kienet prijorita'.

Nistennew issa l-verdett tal-Awtorita' tal-Ippjanar sabiex nsiru nafu aktar dwar id-destin tal-lokalita' tagħna.

Fuq nota differenti, ma nistax ma nsemmix istanzi oħrajn fejn il-lokalita' verament ingabret f'komunita' u minn sitwazzjoni bħal dik, indubjament nistgħu biss naħsdu l-frott.

Qiegħed partikolarment nirreferi għall-attivitajiet ta' Jum Pembroke li din is-sena kienu ta' suċċess kbir. Għall-ewwel darba dawn saru fuq iz-zuntier tal-Knisja Parrokkjali tagħna, u dan bħala l-ewwel sforz ta' ħidma id f'id mal-Kappillan il-ġdid li bla dubju ta' xejn diga' daħal f'qalb il-lokalita', Father Reuben Micallef. Kienu avvenimenti sbieħ li laqgħuna u flimkien ikkommemorajna sena oħra ta' ħidma lokali. Niehdu pjaċir niltaqgħu f'okkażjonijiet bħal dawn u napprezzaw ukoll il-kummenti tagħkom dwar dan li tixtiequ taraw aktar minnu f'dawn il-festini.

Ma nistax ma nsemmix ukoll il-party enormi tal-Halloween li sar fi Triq San Ġorġ Preca, attivita' oħra li kont tassew kburi biha fejn għal darb'oħra, l-komunita' ltaqgħet u ħadmet flimkien biex inħoloq tant ġid mid-donazzjonijiet ta' kull min attenda. Ikun ingust jekk ma nsemmix lir-residenti tal-istess triq li minn jeddom, minn buthom, u minn saħħithom, ħadmu sabiex din l-attivitá tkun daqstant ta' suċċess. Hemm min tkellem miegħi u qalli li ma stenniex li din l-attivitá tkun daqstant ta' suċċess, u li s-sena d-dieħla ser jattendi għaliha. Ninkweta mhux f'it meta nisma' hekk... dawn in-nies kollha fejn ser

1.0 L-Introduzzjoni tas-Sindku

inqiegħduhom?! Ċajt apparti, kienet attività mill-isbaħ, li ġabret hafna flus għal Puttinu, u ta' dan ngħid grazzi mill-qalb lil kull min għen.

Flimkien mar-residenti din is-sena saru wkoll l-attivitajiet tal-karnival li għal sena oħra wkoll kienu ta' suċċess b'diversi minn uliedkom jattendu, taħdidiet rigward *Fire Safety*, u l-attivitajiet ta' Ħamis ix-Xirka – avvenimenti li nistgħu ngħidu li wara li ġew introdotti fl-aħħar snin, saru prattikament fissi fil-kalendarju tagħna.

L-istess jista' jingħad għat-tournament li l-Kunsill jorganizza ma' Pembroke Athleta b'risq it-tfal tal-lokalita' tagħna li jattendu għat-taħriġ mal-istess klabb, u l-maratona tal-ġiri mal-Pembroke Athletics and Triathlon. Nemnu bis-sħiħ li l-Kunsill irid mhux biss jamministra l-postijiet pubbliċi, iżda verament nidhlu fil-ħajjiet tar-residenti u nagħmlu d-differenza, u dawn l-attivitajiet varji huma xhieda ta' dan – dawn ukoll iservu sabiex nkunu qiegħdin naqdu l-ħtiġijiet tagħna fuq livell ta' politika lokali.

Ma nistax umbagħad ma nsemmix ix-xogħol kollu li għamel il-Kunsill flimkien mal-Ministeru għall-Familja, Drittijiet tat-tfal u Solidarjeta' Soċjali, il-Ministru Michael Falzon, u s-Segretarju Parlamentari Tony Agius Decelis. Qiegħed nitkellem dwar il-proġett tal-ftuħ ta' Dar Warda, dar li sejra tkun qiegħda tospita' tfal b'diżabilita' sabiex jgħixu magħna fil-komunita', l-ewwel tax-xorta tagħha f'Malta.

Sar xogħol voluminuż sabiex l-akwati kollha ġew organizzati b'mod aħjar, tneħħew tunnellati ta' materjal mill-akwata, inżabru s-siġar u d-dehra tal-post bla dubju ta' xejn, ħadet ir-ruħ. Ser inkunu qiegħdin nidhlu fit-tieni fażi ta' dan il-proġett, u fuq suggeriment tal-Kunsill, iż-żona pubblika biswit din ir-residenza ser naraw li tkun qiegħda tinbidel drastikament u tittrasforma ruħha fi spazju rikreattiv għal familja permezz ta' pavimentar, dawl, u *outdoor furniture* fost affarijiet oħra. Dan is-suggeriment sar mill-Kunsill xi xhur ilu u jidher li ntlaqa' tajjeb u fil-preżent, qiegħdin jinħadmu l-istimi għax-xogħol li neħtiegu.

Matul is-sena li ġejja ser inkunu qiegħdin naraw ukoll li jsir upgrading totali tal-*Picnic Area*. Rajna illi sena wara l-oħra din iż-żona qiegħda tattira aktar residenti u oħrajn li mhumix mill-lokalita', ħassejna li iż-żona jkun jixraqilha li tingħata spinta 'l quddiem fid-dehra, u l-faċilitajiet tagħna.

Fil-preżent qiegħdin naraw li d-disinn ikun maqbul mal-periti tagħna, sabiex b'hekk nibdew noħorġu l-ordnijiet tax-xogħol. Ser naraw li jkun hemm dawl fejn illum ma hemmx, sforz favur is-sigurtà ta' min jagħmel użu minn dawn l-imkejjen wara nżul ix-xemx, partikolarment fix-xhur tas-Sajf, *outdoor furniture*, passaġġi u *soft landscaping* ieħor. Ma rridux ninterferixxu żżejjed fiż-żona, u rridu nippreservaw il-ġmiel naturali li kattarna matul is-snin b'introduzzjoni ta' diversi siġar. Hawn pero' rrid ngħid illi l-akbar sfida li qiegħdin naffaċċjaw hija l-idea li nintroduċu bankijiet u mwejjed ta' materjal *vandal-proof*, u *theft-proof*, possibilment tal-*concrete*. Dan wara li l-bankijiet u mwejjed tal-injam sfaw fil-mira kemm ta' atti vandali, u anke tas-serq. Kien hemm min saħansitra ta n-nar lil dawn l-istrutturi – azzjonijiet li ftit li xejn jitwemnu, imma iva sinjuri, għad hawn minn dawn l-individwi fostna.

Ma xtaqtx intawwal iżżejjed għalkemm stajt nitkellem dwar diversi inizjattivi, dawl ġdid, bankini, u xogħol ieħor iżda din is-sena ħassejt li kelli nindirizza ħwejjeġ u sfidi oħra li diġa qiegħdin naffaċċjaw illum bħala Kunsill, bħala lokalita', u sfidi oħrajn li qiegħdin naraw joqorbu fuq ix-xefaq.

Kienet sena oħra ta' xogħol b'risq il-lokalita' u wara kollox, ir-residenti li jagħmluha ħajja. Bħal dejjem, niringrazzja lill-Kunsilliera sħabi tas-sehem tagħhom, il-Viċi Sindku Ray Lanzon, lill-Kunsilliera Evelyn Vella Brincat, Mark Causon u Charles Cesare, u lill-impjegati amministrattivi mmexxija mis-Segretarju Eżekuttiv is-sur Kevin Borg. Kburi li

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mmexxi Kunsill li jippromwovi d-diskussjoni, Kunsill li jieħu disa` minn kull għaxar deċiżjoni b'vot unanimu, u ta' dan niringrazzja lil sħabi għaliex b'hekk nistgħu nkomplu naħdmu fis-serenita`.

Inħares 'l quddiem b'sens ta' ottimiżmu għal ġejjieni, b'determinazzjoni li naffaċċjaw flimkien sfidi ġodda. Inwiegħed li nibqa` leali lejkom.



Avv. Dean Hili
Sindku

2.1 Il-Kunsill

L-Elezzjoni tas-Seba' Legislatura tal-Kunsill saret f'Marzu ta' l-2013 u l-Ħatra tal-Ġurament saret fl-aħħar jiem ta' Marzu stess ta' l-2013.

Iż-Żmien tat-tmexxija tas-Seba' Legislatura tal-Kunsill huwa mill-1 t'April 2013 sal-31 ta' Marzu 2019. Il-Kunsill huwa kostitwit minn :-

Kariga	Isem u Kunjom	Rappreżentant
Sindku	I-Avv. Dean Hili	Partit Laburista
Viċi Sindku	Is-Sur Raymond Lanzon	Partit Laburista
Kunsillier	Is-Sinjura Evelyn Vella Brincat	Partit Nazzjonalista
Kunsillier	Is-Sur Mark Causon	Partit Laburista
Kunsillier	Is-Sur Charles Cesare	Partit Nazzjonalista

Bejn Jannar u Settembru l-Kunsill kellu lis-Sur Jesmar Scicluna bħala l-Ambaxxatur taż-Żgħażaġh.

Sotto Kumitati

Chairman	Sotto Kumitat
Sindku L-Avv. Dean Hili	Kumitat - Finanzi; Relazzjonijiet pubbliċi Lokali u Internazzjonali; Ordni Pubblika (inkluż materja legali u relazzjonijiet mal-Pulizija, il-Gwardjani Lokali u l-Kumitat Reġjonali); Awtorita' ta' l-Ippjanar; Informazzjoni Generali; Proġetti Kapitali u Infrastrutturali; Tfassil ta' kuntratti tal-Kunsill u sorveljanza fuq it-tweġġieq tagħhom; Editur tal-pubblikazzjonijiet kollha tal-Kunsill u komunikati uffiċjali tal-Kunsill; Staff Amministrattiv u Haddiema assenjati mal-Kunsill; Relazzjonijiet maż-żgħażaġh tal-lokal inkluż il-Kunsill taż-żgħażaġh; Ko-ordinament ma' l-għaqdiet sportivi, Scouts, Knisja u NGO's; Tfassil u tweġġieq ta' bye laws; Rappreżentant ta' ECAD Advisory Board, MIEMA u Anna Lindth Foundation.
Viċi Sindku Raymond Lanzon	Kumitat - Rappreżentant NHDJC inkluż iż-żamma u l-manutenzjoni tad-dawl fit-toroq; Anzjani nkluz il-ko-ordinament ma' l-Għaqda Anzjani Pembroke; Konservazzjoni, ħarsien u titjeb ta' l-ambjent kollu fil-lokal; Customer care handling (ilmenti); Housing; Aktivitajiet Soċjali, Kulturali u tal-massa nkluz open days eċċ.
Kunsillier Evelyn Vella Brincat	Kumitat - Ħarsien ta' Bini Storiku; Turizmu; Konfini; Single Parents; Saħħa; Persuni u familji bi bżonnijiet speċjali; Aktivitajiet u Inizjattivi oħra favur il-ħarsien, kura, u drittijiet tal-annimali.

2.0 Il-Kunsill

Kunsillier Mark Causon	Kumitat -	Applikazzjonijiet għall-fondi tal-EU u implimentazzjoni tal-proġetti relatati mal-EU inkluż dawk edukattivi u ambjentali; Informazzjoni nkluz I.T., Web Page, Facebook, eċċ; Librerija, Edukazzjoni; Kultura; Organizazzjoni ta' kull tip ta' laqgħat t'informazzjoni u korsijiet.
Kunsillier Charles Cesare	Kumitat -	Settur Kummerċjali; Liċenzji u Permessi; Traffiku u Servizzi Pubbliċi; Trasport Pubbliku;

Staff

Impjegat	Grad	Bidu t'impjieg	Tmiem t'impjieg
Kevin Borg	Segretarju Eżekuttiv	1 ta' Settembru 1997	
Alison Grixti	Assistent Uffiċjal Prinċipali	15 t'Ottubru 2000	
Kirsty Rizzo	Uffiċjal Eżekuttiv	1 ta' Lulju 2008	
M. Bianca Fiorini	Support Service	1 ta' Awwissu 2016	30 ta' Ġunju 2017

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

Servizz	Isem / Kumpanija	Rimarki
Project Manager u Perit	Cornerstone	Sorveljanza fuq kuntratti ta' xogħlijiet infrastrutturali
Avukat	Alexia Joy Farrugia Zrinzo & Stefan Zrinzo Azzopardi	Konsulenza Legali (sal-31/08/17)
Accountant Contracts Manager	Romina Perici Ferrante Raphael Carabott	Konsulenza Finanzjarja Sorveljanza fuq kuntratti ta' servizzi

2.0 Il-Kunsill

2.2 Attendenza għal-laqgħat tal-Kunsill.

Kariga	Isem u Kunjom	Rappreżentant
Sindku	I-Avv. Dean Hili	Partit Laburista
Viċi Sindku	Is-Sur Raymond Lanzon	Partit Laburista
Kunsillier	Is-Sinjura Evelyn Vella Brincat	Partit Nazzjonalista
Kunsillier	Is-Sur Mark Causon	Partit Laburista
Kunsillier	Is-Sur Charles Cesare	Partit Nazzjonalista

Atendenza tal-Membri tal-Kunsill Lokali - 2017

Kunsill Lokali: Pembroke

Isem il-Kunsillier:

Sindku	Viċi Sindku	Kunsillier	Kunsillier	Kunsillier	Ambaxxatur
D. Hili	R. Lanzon	E. Vella Brincat	M. Causon	C. Cesare	J. Scicluna

Numru tal-Laqgħa	Data tal-Laqgħa	Preżenti	Assenti	Preżenti	Assenti	Preżenti	Assenti	Preżenti	Assenti	Preżenti	Assenti	Preżenti	Assenti
01/K7/2017	31/01/17	X		X		X		X		X		X	
02/K7/2017	31/01/17	X		X		X		X		X		X	
03/K7/2017	21/02/17	X		X		X		X		X		X	
04/K7/2017	28/03/17	X		X			X	X		X		X	
05/K7/2017	25/04/17	X		X			X	X		X		X	
06/K7/2017	30/05/17	X		X			X		X	X		X	
07/K7/2017	22/06/17	X		X		X			X	X		X	
08/K7/2017	27/07/17	X		X		X			X	X		X	
09/K7/2017	28/08/17	X		X		X		X		X		X	
10/K7/2017	26/09/17	X		X			X	X		X		X	
11/K7/2017	24/10/17	X		X			X		X	X			X
12/K7/2017	28/11/17	X		X		X			X	X			X
13/K7/2017	14/12/17	X		X		X		X		X			X
14/K7/2017	14/12/17	X		X		X		X		X			X
15/K7/2017	19/12/17	X			X		X	X		X			X
Total		15	0	14	1	9	6	10	5	15		10	5

Nota: In-nuqqas t'attendenza fir-rigward tal-Kunsillier Evelyn Vella Brincat kien dovut għal drabi fejn kienet indisposta filwaqt li għal drabi oħra minhabba impenji marbuta mal-kampanja elettorali nazzjonali.

In-nuqqas t'attendenza fir-rigward tal-Kunsillier Mark Causon kien dovut għal drabi minhabba impenji ta' xogħol privat barra minn Malta filwaqt li għal drabi oħra minhabba impenji marbuta mal-kampanja elettorali nazzjonali.

Il-Finanzi u l-Hidma tal-Kunsill (l-kompli)**3.1 Il-Finanzi tal-Kunsill**

Matul is-sena finanzjarja li għaddiet, il-Kunsill Lokali Pembroke għamel l-almu tiegħu biex jaqdi l-funzjonijiet li hemm indikati fl-Att XV ta' l-1993 u dan sar bi sforz kbir biex ma jispiċċax b'xi bilanċ negattiv fil-kotba finanzjarji tiegħu. Fl-aħħar ta' Diċembru 2017 il-Bilanċ kien ta' **€ 419,378.06**. Dan l-ammont kien maqsum hekk :-

009010703 050	HSBC - Saving Account	€ 117,111.04
009010703 001	HSBC - Current Account	€ 15,741.91
009010703 100	HSBC - Fixed Account - 30/01/2018	€ 300,000.00
40021345911	BOV - Current Account	€ 417.80
	Uncashed Chqs HSBC	(€ 14,125.62)
	Uncashed Chqs BOV	0.00
	Petty Cash	€ 232.93
	Cash in hand	0.00
Total		€419,378.06

Minn dan il-bilanċ ta' **€ 419,378.06** il-Kunsill għandu jagħmel dan l-aġġustament :

Naqqas Accruals (Xogħol lest li għadu ma tħallasx)	(€30,396.00)
Naqqas Current Deferred Income (Government Grants)	(€4,281.00)
Naqqas Deferred Income (Fattura tas-sena 2017)	(€1,532.00)
Żied Pre Payments	€2,306.00
Żied Inventarju	€1,650.00
Żied Debituri	€3,796.00
Zied Accrued Income (DLG Supplimentary Income -WasteServ)	€16,189.00
Naqqas Kredituri	(€16,829.06)
Naqqas Future Commitments	(€7,920.00)
Total	(€37,017.00)
Bilanċ finali	€382,361.00

3.2 Il-Hidma tal-Kunsill

Ir-responsabilitajiet li kellu l-Kunsill għas-sena finanzjarja 2017 kienu:

1. **Ġbir u ġarr ta' Żibel u Skart domestiku**
2. **Tindif tat-Toroq**
3. **Tindif u Manutenzjoni ta' Latrini Pubbliċi**
4. **Tiswija u Manutenzjoni tat-Toroq**
5. **Tindif u Manutenzjoni tax-Xtut u Bajja**
6. **Manutenzjoni ta' Sinjali u Marki tat-Toroq**
7. **Tindif u Manutenzjoni ta' Ġonna Pubbliċi**
8. **Tindif u Manutenzjoni ta' Toroq u partijiet mhux Urbani**
9. **Żamma, manutenzjoni u nstallazzjoni ta' dwal tat-toroq.**

Ġbir u ġarr ta' żibel u Skart domestiku

Il-kuntratt tal-ġbir ta' skart qed isir fuq bażi regolari nhar ta' Tnejn, Erbgħa, Ħamis, Ġimgħa u Sibt u kien ikkumplementat bis-servizz tal-'Bulky Refuse Collection'. Darba fil-ġimgħa sar ġbir ta' skart domestiku goff, b'hal m'huma saqqijiet eċċ u dan minn wara l-bieb tal-persuna kkonċernata. Il-ħlas ta' dan is-servizz sar mill-Kunsill Lokali. F'każijiet fejn għad hemm nies li m'humiex konxji ta' l-ambjent u jifgħu skart goff f'xi nħawi, l-Kunsill ħa azzjoni biex dan jiġi mneħħi kemm jista' jkun malajr. Tkomplet ukoll is-sistema ta' l-użu ta' l-iskips tas-separazzjoni liema servizz jingħata b'effiċjenza. Din is-sena tkompla wkoll is-servizz ta' ġbir ta' skart separat mid-djar, servizz li qed isir fuq bażi Nazzjonali nhar ta' Tlieta.

Il-Kunsill flimkien u bil-koperazzjoni ta' GreenPak, minn żmien għal żmien, iqassam f'kull dar fil-lokal, notifika lir-residenti fejn jiġu mitluba jiġbru mill-Kunsill paketti ta' boroż mingħajr ħlas biex fihom jingabar skart għar-riċiklaġġ.

Hawn ta' min jinnota li mill-iskema ta' GreenPak, il-lokal ta' Pembroke wieħed mill-uniċi fejn f'ġimgħat partikulari laħaq il-kwota Nazzjonali.

Tindif tat-Toroq

Għal darb'oħra l-Kunsill ħa ħsieb sabiex il-lokalita' tinżamm fi stat nadif. Il-knis qed jsir f'kull triq tal-lokal darba fil-ġimgħa filwaqt li fit-toroq u żoni prinċipali l-knis isir darbtejn fil-ġimgħa. Sar xogħol biex il-ħaxix li jikber mal-bankini, qed jinqata' kemm jista' jkun ta' spiss.

Tindif u Manutenzjoni tal-Latrini Pubbliċi

Il-Latrini li għandna fil-ġonna tal-lokal, wara li s-sena li għaddiet inżammu magħluqa, din is-sena nħareġ tender ġdid għat-tindif, żamma u manutenzjoni fejn dan beda jopera b'effett mill-1 ta' April, fejn il-latrini nfetħu kulljum mit-Tnejn sal-Ħadd u ngħata servizz diċenti u kif jixraq lil min jagħmel użu minn dawn il-facilitajiet.

Tiswija u Manutenzjoni tat-Toroq

Din is-sena sar xogħol ta' rutina. Qatt m'hu biżżejjed iżda matul is-sena li għaddiet sar xogħol ta' patching fit-toroq kollha fejn kien hemm bżonn kif ukoll li kien hemm każijiet li numru ta' toroq minnhom sar patching fihom għal aktar minn darba.

Tindif u Manutenzjoni tax-Xtut u Bajja

Dan sar fuq bażi regolari skond il-kuntratt u kien wieħed sodisfaċenti. Ta' min jinnota li l-Kunsill mhux qed iħallas għal dan is-servizz peress li qed jiġi offrut mill-Gvern Ċentrali mingħajr ħlas.

Manutenzjoni ta' Sinjali u Marki tat-Toroq

Ix-Xogħol tat-tabelli qed isir minn kuntrattur privat fejn il-kwalita' hija tajba għalkemm l-effiċjenza m'hiex daqstant. Sfortunatament il-problema prinċipali hija li t-tabelli tat-traffiku jiġu vandalizzati frekwentament u b'hekk il-Kunsill qed ikollu spiża li tista' tiġi ffrankata bi ftit koperazzjoni minn kulħadd.

Tindif u Manutenzjoni tal-Ġonna Pubbliċi u siġar oħra

Il-Kunsill ħa fieseb li kemm il-Ġnien Madre Teresa ta' Kalkutta, jiġifieri dak ta' Triq Camillo Sceberras kif ukoll Ġnien 4 ta' Lulju li jinsab fi Triq Jum Pembroke jiġu mnaddfa regolarment. Sfortunatament, tul is-sena saru bosta' vendikazzjonijiet u saru diversi ħsarat fejn il-Kunsill għamel dak kollu possibli biex kull ħsara li saret ġiet irrangata fl-aqsar ħin possibli.

Tindif u Manutenzjoni ta' Areas mhux Urbani u Open Areas

Din is-sena sar xogħol ta' rutina. Qatt m'hu biżżejjed iżda matul is-sena li għaddiet sar xogħol ta' patching fit-toroq kollha fejn kien hemm bżonn kif ukoll li kien hemm każijiet li numru ta' toroq minnhom sar patching fihom għal aktar minn darba.

Tindif u Manutenzjoni ta' Soft Areas

Din is-sena sar xogħol ta' rutina. Qatt m'hu biżżejjed iżda matul is-sena li għaddiet sar xogħol ta' patching fit-toroq kollha fejn kien hemm bżonn kif ukoll li kien hemm każijiet li numru ta' toroq minnhom sar patching fihom għal aktar minn darba.

L-Amministrazzjoni

Bħala kumment dwar l-amministrazzjoni ta' l-Uffiċċju, nixtieq ngħid li dan ikun miftuħ regolarment mit-Tnejn sal-Ġimgħa f'hinijiet stabbiliti mill-Kunsill kif ukoll wara li saret ir-riforma, nhar ta' Sibt kif mitlub mid-Dipartiment għall-Gvern Lokali. Fl-Uffiċċju issib lis-Segretarju Eżekuttiv Kevin Borg u lis-Sinjura Alison Grixti u lis-Sinjorina Kirsty Rizzo bħala skrivani Full Time.

Dawn il-persuni dejjem ikunu lesti jagħmlu l-almu tagħhom biex jilqgħu l-ilmenti u jippruvaw, meta jkun possibbli, jsibu soluzzjoni għall-problemi li jinqalgħu għalkemm dan mhux dejjem ikun possibbli.

Konkluzjoni

Għaddiet sena oħra ta' ħidma ntensiva mill-Kunsill. Sena li fiha saru diversi diskussjonijiet ma' membri tal-Gvern dwar proġetti u inizjattivi li ser isiru fil-lokal fis-snin li ġejja u għalhekk il-Kunsill ħa f'siebi li jressaq il-kummenti u l-pożizzjoni tiegħu dwar dak li ser jolqot il-lokal.



Kevin Borg
Segretarju Eżekuttiv

4.0 Il-Varjazzjonijiet fid-Dhul u fl-Infiq

4.1 L-Iskeda tal-Varjazzjonijiet konsolidati fid-Dhul u fl-Infiq

Nru. tal-Kont	DESKRIZZJONI	c	b	a	a-b/b-a	a-c/c-a
		2016	2017	2016	VARJANZA	VARJANZA
		ATTWALI	ESTMI	ATTWALI	ATTWALI/ESTMI	ATTWALI
		€	€	€	€	€
2	Id-Dhul					
0000	Mill-Gvern	447,630.00	420,855.39	411,351.00	26,774.61	36,279.00
0020	Il-Bye-laws'	11,334.00	8,700.00	13,606.00	2,634.00	-2,272.00
0090	L-Investment	163.00	150.00	176.00	13.00	-13.00
0100	Generali	3,743.00		3,057.00	3,743.00	686.00
	TOTAL	462,870.00	429,705.39	428,190.00	33,164.61	34,680.00
1	L-Infiq					
1000	Is-Salarji	95,311.00	96,413.13	91,085.00	1,102.13	-4,226.00
2000	Manutenzjoni u Xoghlijiet ohra	265,376.00	333,292.26	246,604.00	67,916.26	-18,772.00
7000	L-Infiq Kapitali	30,138.00		86,205.00	-30,138.00	56,067.00
	TOTAL	390,825.00	429,705.39	423,894.00	38,880.39	33,069.00
	Bilanc	72,045.00		4,296.00	-5,715.78	1,611.00
	Opening Cash and Bank Balances - 01/01/2017			322,517.00		
Add	Grant Received					
Less	Grant Absorbed					
Less	Current Deferred Grant			-4,281.00		
	Long Term Liability re Council Premises					
	Future Commitments			-7,920.00		
Add:	Balance (Surplus/(Deficit)			72,045.00		
	Available Funds			382,361.00		

Noti:

II-Varjazzjonijiet fid-Dhul u fl-Infiq (ikompli)**4.2 L-Iskeda tal-Varjazzjonijiet fid-Dhul fid-Dettall**

Nru. tal-Kont	DESKRIZZJONI	a	b	c	a-b	a-c
		2017 ATTWALI €	2017 ESTMI €	2016 ATTWALI €	VARJANZA ATTWALI - ESTMI €	VARJANZA ATTWALI €
2	Id-Dhul					
0000	Mill-Gvern (Brought Forward)					
0001	Annwali	415,842.00	415,841.63	378,463.00	0.37	37,379.00
0002	Supplimentari	22,095.00		30,888.00	22,095.00	-8,793.00
0003	Bzonnijiet Speċjali					
0004	Delegazzjonijiet Pubbliċi/Governattivi					
0015	Hwejjeg Ohra	9,693.00	5,013.76	2,000.00	4,679.24	7,693.00
		447,630.00	420,855.39	411,351.00	26,774.61	36,279.00
0020	Il-'Bye-Laws'					
0021	Servizzi Komunitarji	5,197.00	3,600.00	4,158.00	1,597.00	1,039.00
0036	Ksur tal-'bye-laws'	80.00		150.00	80.00	-70.00
0056	Għotjiet Sponsorjali	450.00	100.00	100.00	350.00	350.00
0066	Generali	5,607.00	5,000.00	9,198.00	607.00	-3,591.00
		11,334.00	8,700.00	13,606.00	2,634.00	-2,272.00
0090	Investiment					
0091	Imghax tal-Bank	163.00	150.00	176.00	13.00	-13.00
0096	Sigurtajiet tal-Gvern					
		163.00	150.00	176.00	13.00	-13.00
0100	Generali					
0110	Donazzjonijiet	950.00		431.00	950.00	519.00
0120	Kontribuzzjonijiet	2,793.00		2,626.00	2,793.00	167.00
		3,743.00		3,057.00	3,743.00	686.00
TOTAL		462,870.00	429,705.39	428,190.00	33,164.61	34,680.00

Noti:

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*L-Indikaturi li jkejlu l-Effiċjenza u l-Effettività (ikompli)***4.3 L-Iskeda tal-Varjazzjonijiet fl-Infiq fid-dettall**

Nru. tal-Kont	DESKRIZZJONI	c	b	a	b-a	c-a
		2016 ATTWALI €	2016 ESTMI €	2015 ATTWALI €	VARJANZA ATTWALI/ESTMI €	VARJANZA ATTWALI €
1	L-Infiq					
1000	Is-Salarji					
1100	L-Onorarju tas-Sindku	7,345.00	7,333.00	7,229.00	-12.00	-116.00
1200	Pagi ta' l-impjegati	65,472.00	66,511.76	62,813.00	1,039.76	-2,659.00
1300	Bonus	6,369.00	6,277.00	6,206.00	-92.00	-163.00
1400	Dhul Supplementari	380.00	349.41	350.00	-30.59	-30.00
1500	Kontribuzzjonijiet tas-Sigurtà Soċjali	6,456.00	6,783.96	6,160.00	327.96	-296.00
1600	Koncessjonijiet ('Allowances')	6,893.00	6,400.00	5,907.00	-493.00	-986.00
1700	Sahra	2,396.00	2,758.00	2,420.00	362.00	24.00
		95,311.00	96,413.13	91,085.00	1,102.13	-4,226.00
2000	Manutenzjoni u Xogholijiet ohra					
2100	Konsum tal-bżonn (dawl/ilma/tel. etc.)	4,000.00	6,388.00	4,930.00	2,388.00	930.00
2200	Xiri ta' Materjal u Fomimenti	303.00	400.00	304.00	97.00	1.00
2300	Tiswijiet u Manutenzjoni	52,765.00	106,995.00	42,144.00	54,230.00	-10,621.00
2400	Kera	1,456.00	1,456.00	1,456.00		
2500	Shubija f'Għaqdiet Nazżjonali/Internazzjonali	1,225.00	1,200.00	710.00	-25.00	-515.00
2600	Spejjez ta' l-Ufficcju	4,372.00	3,195.00	2,127.00	-1,177.00	-2,245.00
2700	Trasport	751.00	1,000.00	576.00	249.00	-175.00
2800	Safar u vjaġġar					
2900	Tagħrif lill-Publiku	3,509.00	2,950.00	3,478.00	-559.00	-31.00
3000	Spejjez ta' Kuntratti	167,574.00	180,118.31	174,376.00	12,544.31	6,802.00
3100	Servizzi Professjonali	21,633.00	17,540.55	10,710.00	-4,092.45	-10,923.00
3200	Tahrig		500.00		500.00	
3300	Ospitalità u Servizzi lill-Komunità	7,271.00	11,445.00	5,641.00	4,174.00	-1,630.00
3400	Spejjez ohra li jinqalghu	508.00	104.40	133.00	-403.60	-375.00
3600	Local Enforcement System	9.00		19.00	-9.00	10.00
		265,376.00	333,292.26	246,604.00	67,916.26	-18,772.00
7000	L-Infiq Kapitali					
7001	Xiri ta' propjeta					
7100	Bini					
7200	Titijb	30,089.00		83,937.00	-30,089.00	53,848.00
7300	Makkinarju u Apparat	49.00		1,108.00	-49.00	1,059.00
7500	Progetti Speċjali			1,160.00		1,160.00
		30,138.00		86,205.00	-30,138.00	56,067.00
TOTAL		390,825.00	429,705.39	423,894.00	38,880.39	33,069.00

Noti:

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5.0 Id-Dikjarazzjoni ta' Rikonċiljazzjoni mal-Bank**5.1 Kont ta' tiffdil**

	€
Bilanc tal-Bank Statement HSBC 009010703 050	117,111.04
Depoziti li saru sal-31/12/2017 u li ma dehrux fil-Bank Statement Tnaqqis ta' 'withdrawals' li saru u li ma deherux fil-Bank statement	
Bilanc fil-kont tal-Bank	117,111.04

5.2 Kont kurrenti

	€
Bilanc tal-Bank Statement HSBC 009010703 001	15,741.91
Depoziti li saru sal-31/12/2017 u li ma dehrux fil-Bank Statement Audit adjustments	0.00
Cekkijiet maħruġa l'izda għadhom ma ġewx imsarrfa	-14,125.62
Bilanc fil-kont tal-Bank	1,616.29

5.3 Petty Cash

	€
Flus fl-idejn	232.93
Depoziti li saru sal-31/12/2017 Tnaqqis ta' 'withdrawals' li saru	
Bilanc fil-kont fl-idejn	232.93

5.4 Kont Fixed

	€
Bilanc tal-Bank Statement HSBC 009010703 104	300,000.00
Depoziti li saru sal-31/12/2017 u li ma dehrux fil-Bank Statement Tnaqqis ta' 'withdrawals' li saru u li ma deherux fil-Bank statement	
Bilanc fil-kont tal-Bank	300,000.00

5.5 Kont kurrenti

	€
Bilanc tal-Bank Statement BOV 40021345911	417.80
Depoziti li saru sal-31/12/2017 u li ma dehrux fil-Bank Statement Cekkijiet maħruġa l'izda għadhom ma ġewx imsarrfa	
Bilanc fil-kont tal-Bank	417.80



Kevin Borg
Segretarju Eżekuttiv

6.1 Rapport ta' l-Udituri

Rapport Anness

National Audit Office
Notre Dame Ravelin
Floriana FRN 1600
Malta

Phone: (+356) 22055555
E-mail: nao.malta@gov.mt
Website: www.nao.gov.mt
www.facebook.com/NAOMalta

Our Ref: NAO 107/2015/46

Your Ref:

8 May 2018

The Mayor and Executive Secretary
Pembroke Local Council
Pembroke

Dear Sir/Madam,

**AUDIT REPORT and FINANCIAL STATEMENTS
YEAR ENDING 31 DECEMBER 2017**

In terms of Section P2.06 (c.02) of the Local Councils (Audit) Procedures 2006, I am forwarding a copy of the Audit Report and Financial Statements, together with the Management Letter for the financial year ending 31 December 2017.

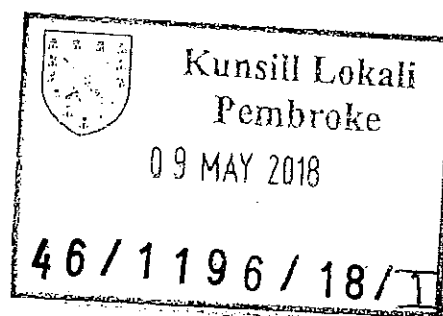
After seeking the Council's approval, you are kindly requested to submit your response to the Director (Local Government), the Local Government Auditor, and to this Office as stipulated in Section P2.06 (d) of the same Procedures, by not later than six weeks following receipt of this letter.

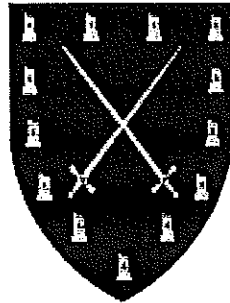
Yours faithfully,



Tanya Mercieca
Asst. Auditor General

Encls.

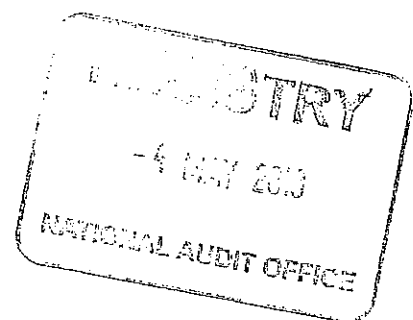




LOCAL COUNCIL PEMBROKE

Report and Financial Statements

for the year ended 31 December 2017





24th April 2018

The Mayor
LOCAL COUNCIL PEMBROKE
Triq Alamein
PEMBROKE PBK 1776

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. The controls 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 period ended 31 December 2017, 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 and Circulars globally issued to Local Councils in the Maltese Islands.

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

3a Certified Public Accountants

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

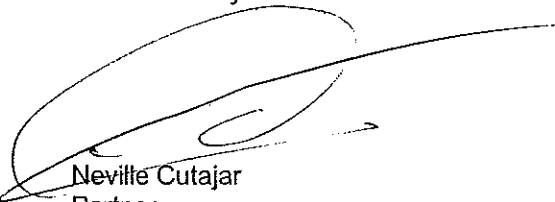
Telephones: +356 2757 2757
Facsimile: +356 2757 2758
Email: info@3amalta.com

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/26/84/62

3amalta.com

Finally, we take this opportunity to thank the 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



Neville Cutajar
Partner

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1. FOLLOW-UP: MANAGEMENT REPORT - YEAR ENDED 31 DECEMBER 2016

1.1. Income arising from the Local Enforcement System

The Council does not have direct control on this matter as it is dependent on third party reports and therefore it could not address this issue. In this respect, we draw your attention to paragraph 2.1 of our management report.

1.2. Income from Bye Laws

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

1.3. LES Post Regional 10% Commission

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

1.4. System of Council Income Receipting and Invoicing

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

1.5. Income not recorded in the appropriate accounting period

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

1.6. Income recognized on a cash basis rather than on an accrual basis

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

1.7. Classification of income

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

1.8. Procurement procedures

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

1.9. Categorization of assets and depreciation thereof

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

1.10. Insurance policy

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

1.11. The Upkeep of the Fixed Asset Register (FAR)

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

1.12. Reconciliation of the Fixed Asset Register (FAR) to the Financial Statements

The Council has not addressed the matter during the year under review and we therefore draw your attention to paragraph 4.4 of our management report.

1.13. Assets no longer used by the Council

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

1.14. Computer Software

The Council has not addressed the matter during the year under review and we therefore draw your attention to paragraph **Error! Reference source not found.** of our management report.

1.15. Assets donated in kind

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

1.16. Fixed Assets Labelling

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

1.17. Capital Commitments

The Council has not addressed the matter during the year under review and we therefore draw your attention to paragraph 4.84.7 of our management report.

1.18. Capital Expenditure vs Revenue Expenditure

The Council has not addressed the matter during the year under review and we therefore draw your attention to paragraph 4.94.7 of our management report.

1.19. Accruals

The Council has not addressed the matter during the year under review and we therefore draw your attention to paragraph 6.1 of our management report.

1.20. Supplier balances

The Council has not addressed the matter during the year under review and we therefore draw your attention to paragraph 6.2 of our management report.

1.21. Disclosures required in respect of certain IFRSs

The Council has not addressed the matter during the year under review and we therefore draw your attention to paragraph 7.1 of our management report.

1.22. Financial statements presentation

The Council has not addressed the matter during the year under review and we therefore draw your attention to paragraph 7.2 of our management report.

1.23. Comparison of Actuals with the Annual Budget

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

2. INCOME

2.1. Income arising from the Local Enforcement System

Observations

By the date of conclusion of our audit work, the Council had still not received the audited annual report of the Joint Committee for the period ended 31st December 2017. During the year under review, the Council has been correctly recording any cash receipts received by the Joint Committee, as well as making the distinction between LES pooling and pre-pooling receipts. Income received in relation to the former amounted to €80.38.

One also has to note that the Joint Committee function ended in August 2011 in view that from September 2011 the Local Enforcement System was delegated to Regional Committees, which delegation has now been passed to LESA as from October 2015.

Issues Arising

In view of the absence of an audited annual report for the Joint Committee as at 31st December 2017, we could not rely on third party financial information as provided by the Joint Committee to provide reasonable assurance on the amounts being recorded in the financial statements as income from the Local Enforcement System. We have qualified our audit report in this respect.

Recommendations

The Council should pressure the Joint Committee to provide audited financial statements for every financial year in order to have a basis on which to recognise all LES income due to the Council.

2.2. System of Council Income Receipting and Invoicing

Observations

We noted that the Council issues proper official receipts for the income received. However, the system used by the Council is manual based, and therefore the system does not provide a proper electronic audit trail.

Issues Arising

The current system used by the Council is working well because no major issues were identified. However, it should be noted that this system could lead to errors in view of human intervention and requires more physical space to keep track and storage of the paper documents. Furthermore, more effort is needed to find information when required.

Recommendations

The Council may consider adopting an electronic based receipting system. Such system will help the Council to be more efficient in keeping its financial records and requires less storage space. Furthermore, this will prevent loss of data if backups of the system are done regularly.

2.3. Income not recorded in the appropriate accounting period

Observations

Following tests on the income of the Council, it transpired that income of €952.50 relating to online streaming maintenance for the period October 2016 to October 2017 was fully recognised in 2017 when a portion of this income amounting to €158.75 should have been accrued for in 2016. In

addition, income of €952.50 relating to online streaming maintenance for the period October 2017 to October 2018 was deferred to 2018, when a portion of this income amounting to €158.25 relates to 2017.

Issues Arising

The Council is obliged to ensure that all revenue is properly accounted for and recognised in line with the requirements of IAS 18-Revenue Recognition. Income relating to a particular year, even though it is not yet received at year end, should be estimated and accounted for as accrued income. All such income should be accounted for appropriately in its financial statements, based on the requirements of the "accruals concept" of accounting and revenue recognition requirements arising from IAS 18-Revenue Recognition.

Recommendations

The Council should follow the provisions of IAS 18-Revenue Recognition and ensure that all income is properly recorded in the year in which it is generated as well as that all income is properly accounted for and properly categorised in the nominal ledger. Further to our recommendations, the necessary adjustments in relation to the online streaming maintenance income for the period October to December 2017 were included and the financial statements were rectified by the Council accordingly.

2.4. Income recognised as an increase in government grants

Observations

During our testing, we noted that income received by the Council from LESA amounting to €7,485.77 was recognised in the financial statements as an increase in grants for the period and recorded as a non-current grant. The Executive Secretary advised that these funds were not provided to the Council in connection with a particular project.

Issues Arising

The income received by the Council does not meet the recognition criteria of government grants as per IAS 20-Accounting for Government Grants and Disclosure of Government Assistance. Such income should therefore be recognised in the Statement of Comprehensive Income.

Recommendations

Income should be correctly recorded in the year to which it relates, and proper classification should be made in accordance with the requirements of IAS 1-Presentation of Financial Statements. Further to our recommendations, the necessary adjustments have been undertaken, and the financial statements were rectified by the Council accordingly.

3. EXPENDITURE

3.1. Classification of expenses

Observations

We noted an instance where inappropriate classification of expenses was presented in the financial statements.

Issues Arising

Expenses in relation to tipping fees for the month of May 2017 amounting to €2,470.92 were included in a separate expense account.

Recommendations

Expenses should be correctly recorded in the year to which they relate, and proper classification should be made in accordance with the requirements of IAS 1-Presentation of Financial Statements. Further to our recommendations, the necessary adjustments were included, and the financial statements were rectified by the Council accordingly.

3.2. Personal vehicle allowance

Observations

We noticed expenditure relating to reimbursement of fuel expenses made to the Executive Secretary. We noted an instance whereby the claim form that was submitted by the Executive Secretary was not signed by the Mayor.

Issues Arising

We understand that at present proper claim forms are being filled out with the necessary details of the mileage undertaken in respect to reimbursement for personal vehicle use. Such claim forms need to be approved and signed by the Mayor.

Recommendations

With reference to the Memo 109/2010, we bring to the attention of the Council the fact that the Council should not be paying such expenses without a duly approved and signed claim form. We therefore recommend that the Council ensures that reimbursements for personal vehicle use are made only if these are supported by proper claim forms which are approved by the Mayor.

4. PROPERTY, PLANT AND EQUIPMENT

4.1. Categorization of assets and depreciation thereof

Observations

The Council has categorised some assets in different incorrect asset categories, with the consequence that these are being depreciated with an incorrect depreciation rate.

For example, photovoltaic panels installed on the Council's roof in 2011 amounting to €10,141.71 and various vertical and micro blinds purchased in 2007 for the Council's administrative offices amounting to €1,232.24 have been recognised under the 'Construction' asset category when these should have been allocated under 'Buildings' asset category and 'Office Furniture & Fittings' asset category respectively.

During the year under review, a railing installed in Triq Burma amounting to €19,912.94 has been recognised under the 'New Street Signs' asset category when this should have been allocated under the 'Urban Improvements' asset category. Accordingly, the asset was fully depreciated rather than having been depreciated by the rate of 10% applicable to such assets.

Issues Arising

The calculation and posting of depreciation is regulated by the Financial Procedures (1996 – Finance) KLP 1/96 P1.01, h.07 (as amended by Legal Notice 323 of 2002). The measurement of depreciation undertaken by the Council is in conflict with the depreciation accounting policy of local councils as in fact stipulated in note 2 of the financial statements. We have qualified our audit report in this respect. With respect to the railing installed in Triq Burma, the necessary adjustments have been proposed which were duly rectified by the Council accordingly.

Recommendations

The Council should reclassify accordingly, in both the FAR and the financial statements, any assets wrongly categorised as well as undertake the necessary adjustments to the depreciation provision charged on such assets.

4.2. Insurance Policy

Observations

The Council is not properly insured in certain categories of property, plant and equipment held by the Council. In fact, the Council has an insurance policy covering the Council's furniture and fittings for the amount of €74,610, "property in the open" for the amount of €182,172, plant and machinery for €6,300 and Council's buildings for the amount of € 74,100.

The Council's total cost of fixed assets, excluding special programmes, as disclosed in its financial statements, amount to €1,250,454 of which €24,583 relate to furniture and fittings, €47,469 relate to office and computer equipment, €6,300 relate to plant and machinery, €11,787 relate to street signs, €17,307 relate to trees, and €530,651 and €612,447 relate to urban improvements and construction works respectively.

Issues Arising

The Council is exposed to a risk of theft and fire or damage for assets held by the Council. This is mainly evident with respect to office and computer equipment and plant and machinery, and to a certain extent urban improvements.

The Council's insurance policy in respect of assets insured needs to be reviewed on an annual basis to avoid having over and under insurance in different categories of property, plant and equipment.

Recommendations

The Council should ensure 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.

The Council should review the insurance policy on an ongoing basis to avoid unnecessary over and under insurance cover for each respective applicable asset categories and to ensure that the Council is properly insured.

It would be appropriate that the insurance policy details better those assets to be covered under each asset category. In this manner, it will be easier to carry out a claim in case of damage to any particular asset.

4.3. The Upkeep of the Fixed Asset Register (FAR)

Observations

The Fixed Asset Register (FAR) is not being entirely maintained in the appropriate manner as stipulated by the Local Council Procedures (1996 – Finance) KLP 1/96, P1.16b.

Some descriptions lack fundamental details about the asset being capitalised. In some cases, the description of the FAR card only includes a very generic description thus not providing relevant information about the asset and its location, example 'URBAN054 – Wrought iron hand railing', 'URBAN003 – General works' and 'SPFUN031 – Road Resurfacing'.

Issues Arising

Proper asset description 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 and one would need to identify them to be able to correctly dispose of them.

Recommendations

The Council should undertake an exercise so that 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 'road resurfacing' and 'general works'. Furthermore, 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 can be identified easily. This would be useful for insurance claims and asset disposal adjustments.

4.4. Reconciliation of the Fixed Asset Register (FAR) to the Financial Statements

Observations

We noted that the accumulated depreciation as per FAR for certain fixed asset categories is not in agreement to the accumulated depreciation in the financial statements. The below variances were identified:

Category of assets	Depreciation as per FAR	Depreciation as per FS	Variance
	€	€	€
Construction	430,842.68	436,220.00	(5,377.32)
Office equipment	42,170.50	42,752.00	(581.50)
Furniture and fittings	14,529.30	14,693.00	(163.70)
Plant and Machinery	5,972.21	6,007.00	(34.79)
Urban improvements	378,326.28	378,798.00	(471.72)

The Council explained that these variances are arising due to a different software programme being used for depreciation. The monthly depreciation charges are being passed automatically on Sage Evolution, and when these are being integrated with Sage Pastel Partner, the above variances are arising.

Issues Arising

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 principal accounting ledgers of a Council, which enables the Council to maintain its control of its capital expenditure by recording the value, depreciation as well as the location of the particular asset being recorded.

Recommendations

The Council should ensure that any such variances in the depreciation provision of these asset categories within the FAR is duly reconciled and adjusted so that they agree with the amounts as per nominal ledger.

4.5. Assets no longer used by the Council

Observations

We noted that certain fixed assets such as 'COMP012 -Scanner and Zip Drive' purchased in 1998 at a cost price of €743.07 and 'COMP023 – New Computer/Tel /Fax Network' purchased in 2000 at a cost price of €391.33 are included in the Fixed Asset Register and in the financial statements. The Executive Secretary stated that these assets were discarded when replaced some years ago.

Issues Arising

IAS 16-Property, Plant and Equipment and IAS 36-Impairment of Assets require that assets are assessed for impairment on an annual basis and any asset which is no longer in use should be duly disposed of accordingly in the accounts of the Council and such disposal duly reflected in its FAR.

Recommendations

The Council should undertake an exercise whereby all Council's assets are reviewed to confirm whether any impairment provision should be undertaken and to dispose of assets which are no longer in use in line with the requirements of IAS 16 and IAS 36.

4.6. Accounting for Intangible Assets

Observations

The Council does not have any computer software recognised in its financial statements even though during the year under review the Council incurred an expense of €796.50 with respect to Sage Evolution Pro, an accounting software. The Council also owns and uses other computer software.

Issues Arising

Computer software falls under the definition of "Intangible assets" and has to be accounted for in line with the requirements of IAS 38-Intangible Assets. This class of assets needs to be disclosed separately in the financial statements.

Recommendation

The Council should ensure that the requirements of IAS 38 are properly applied with respect to any computer software purchased by the Council.

4.7. Fixed Assets Labelling

Observations

The markings and labels of certain fixed assets included in the FAR such as 'COMP080 – HP Computer – Executive', 'COMP081 – HP Computer – Clerk', and 'COMP082 – HP Computer – Clerk' were not updated on the physical assets.

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 the Council to carry out an exercise of updating the labelling all the 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.

4.8. Capital Commitments

Observations

The financial statements disclose capital expenditure that has been approved but not provided for amounting to €7,920 was disclosed. However, this capital expenditure was not reflected in the Annual Budget for 2018 that the Council approved.

Issues Arising

Capital commitments need to be disclosed in their entirety in line with the requirements of IAS 16- Property, Plant and Equipment. Furthermore, it is important that a proper reconciliation is provided, which should tally with both the capital commitments as per financial statements and those as per the forthcoming Annual Budget. In this way financial reports issued by the Council would be comparable and consistent.

Recommendations

The Council should ensure that capital commitments are properly assessed and disclosed, and a proper reconciliation provided to ensure that capital commitments as disclosed in the Council's budget are in line with those being disclosed in the financial statements.

4.9. Capital Expenditure accounted for as Revenue Expenditure

Observations

We identified an instance where expenditure of a capital nature was recorded as expenditure of a revenue nature. This relates to a crash barrier in Triq Tunis amounting to €1,272.52 which was recognised under the nominal code "road markings".

Issues Arising

This item should have been capitalised rather than expensed directly to the Statement of Comprehensive Income in line with the requirements of IAS 16 - Property, Plant and Equipment.

Recommendations

Appropriate distinction should be made between items of revenue and capital expenditure throughout the bookkeeping process. Further to our recommendations, the necessary adjustments were included and the financial statements were rectified by the Council accordingly.

5. RECEIVABLES

5.1. Collection of Local Enforcement fines outstanding

Observations

The Local Council's unaudited financial statements show that as at year-end the Council had LES Debtors amounting to €8,582.62 against which it has provided a full provision for bad debts.

However, when we extracted LES report 622 titled "Tribunal Pending Payments" with a date range for fines issued from 1st January 2000 till 31st August 2011 and tribunal period 1st January 2000 till 31st December 2017, the amount of LES contraventions payable to the Council amounted to €7,965.15.

Issues Arising

Although the net effect is nil, since a full provision for doubtful debts is still required to be provided for, it is important that an amount is recognised and provided for in agreement to the actual LES contraventions payable to the Council, which are based on reports emanating from the LES system.

Recommendations

The Council should take note to ensure the amount recognised and fully provided for should be equal to the tribunal pending payments amount as per LES report 622. Further to our recommendations, the necessary adjustments were included and the financial statements were rectified by the Council accordingly.

5.2. Accounting for Prepayments and Accrued Income

Observations

We noted that a prepayment with respect to rental fees for the period January to June 2018 was understated by €461.85.

Furthermore, we noted that no accrued income was accounted for in relation to the 2017 tipping fees amounting to €16,188.61.

Issues Arising

In order for the Council to comply with the requirements of International Financial Reporting Standards, it needs to account for prepayments and accrued income correctly and completely.

Recommendations

It is important that the Council makes a proper assessment of its prepaid expenses and accrued income at the end of every financial reporting period. Further to our recommendations, the necessary adjustments were included and the financial statements were rectified by the Council accordingly.

6. PAYABLES

6.1. Accounting for Accruals

Observations

Following cut-off tests on creditors and accruals recognised in the financial statements, it transpired that invoices amounting to €1,033.21 were incorrectly accounted for as accruals when in actual fact these should have been recognized as creditors.

Furthermore, we noted the following errors/omissions in relation to the accruals recognized by the Council:

- The accrual for street lighting payable to Mica Med Limited is overstated by €37.35.
- The accrual for cash collection services payable to Signal 8 Security Limited is overstated by €41.30.
- The accrual for the 2017 performance bonus payable to the executive secretary is understated by €59.30.
- The accrual for tipping fees for the month of December 2017 payable to WasteServ Malta Ltd is overstated by €118.83.
- The accrual for refuse collection for the month of December 2017 payable to Christian Galea is overstated by €1,650.

Issues Arising

In line with the concept of accrual accounting, accruals should be estimated and accounted for correctly and completely. This also entail that payables are properly recognised in the financial period in which they arise.

Recommendations

The Council should prepare accounts in compliance with the "accruals concept" of accounting in line with the generally accepted accounting principles and International Financial Reporting Standards. Invoices received and dated after year end should be checked carefully to determine if any amounts should be accrued for and included in the correct accounting period. Further to our recommendations, the necessary adjustments were included and the financial statements were rectified by the Council accordingly.

6.2. Supplier balances reconciliation

Observations

We noted a situation whereby the Council's supplier balance did not agree with the balance maintained by the supplier. A variance of €109.89 was noted between the balance in the books of the Council and the balance as per the supplier statement of WasteServ Malta Ltd.

Issues Arising

Such variances may distort the amounts due by the Council at any point in time to its suppliers. Therefore, supplier balances need to be reconciled on a periodic basis. Such a reconciliation should entail the investigation of any variances and, if adjustments are required, these should be reflected in the books of accounts,

Recommendations

On a regular basis, the Council should request the necessary supplier statements and confirmations from its creditors to ensure that its balances are correct and adequately reconciled.

7. OTHER DISCLOSURES IN THE FINANCIAL STATEMENTS

7.1. Disclosures required in respect of certain IFRS

Observations

The Local Council (Financial) Procedures, 1996, require that the financial statements should be prepared in accordance with International Financial Reporting Standards. These financial statements are not compliant in all respects with the requirements of these standards and in fact disclosures emanating from certain accounting standards are missing or not in line with the relevant accounting standard.

For example, omissions were noticed in relation to disclosure of new and revised IFRSs adopted by the EU that are not mandatorily effective (but allow early application) for the year ending 31 December 2017 in line with the requirements of IAS 1-Presentation of Financial Statements. Furthermore, the disclosure of new and amended standards adopted by the Local Council, and standards and interpretations issued by the IASB but not yet adapted by the EU are not complete.

Disclosure of related parties and related party transactions in note 20 is not complete in view that the requirements of articles 18, 25 and 26 of the said standard have not been complied with.

Other presentation and disclosure deficiencies have been duly noted in other areas of this management report.

Issues Arising

The financial statements should be prepared in a consistent manner, whereby all disclosures need to be undertaken in line with the requirements of International Financial Reporting Standards. These disclosures are not simply quantitative but also descriptive and we noted that the latter have sometimes been omitted as noted above. In this respect, we have qualified our audit report.

Recommendations

The financial statements should be prepared in accordance with International Financial Reporting Standards and that all necessary disclosures are undertaken as required.

7.2. Financial Statements presentation

Observations

During our review of the financial statements we noted a number of areas in the presentation of the financial statements which were incorrect or were not properly presented.

Issues Arising

- In the Statement of Cash Flows, the below issues were noted:-
 - The line item 'Loss on disposal of fixed assets' should have been removed since both current and prior year figures are 0
 - '(Increase)/Decrease in Trade and other receivables' should read 'Decrease/(Increase) in Trade and other receivables'
 - The section: Cash flows from financing activities should have been removed.
- In note 7 to the financial statements, the disclosure for average number of employees in the 2017 column should read 3 rather than 2.
- In note 9 to the financial statements, the line item 'Loss on Disposal' should have been removed

- In note 21 to the financial statements, under the heading 'Liquidity risk', the balance for cash and cash equivalents should read €419,378.
- In note 21 to the financial statements, under the heading 'Liquidity Risk', the sentence 'At 31 December 2017, the Council's financial liabilities have contractual maturities which are summarised below:' should be transferred to the next page.

Recommendations

The Council should ensure compliance with *International Financial Reporting Standards, respective Memos and Local Councils Procedures (2006 Audit)* in the preparation of the Financial Statements.

8. GENERAL

8.1. Comparison of Actuals with the Annual BudgetObservations

During our review of the 2017 annual budget, it was noted that capital expenditure incurred in 2017 exceeded the budgeted amount. In fact, according to the 2017 annual budget no capital expenditure had to be incurred. However, as per financial statements, capital expenditure amounted to €31,411.

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.

8.2. Council minutes

Observations

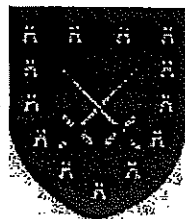
We noted that the Council's minutes for meeting number 12/K7/2017 were not signed by the Mayor.

Issues Arising

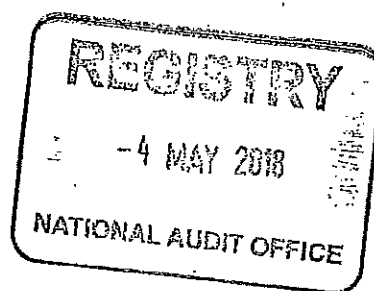
The Sixth Schedule of the Local Councils Act requires in paragraphs 14(A)(6) and 14(A)(7) that the minutes become public once they have been approved and signed by the Chairman and the Executive Secretary and that these should be initialled by the Chairperson. Paragraph 14(A)(8) of the same schedule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

Recommendations

The Council should adhere to the requirements of these memos and Local Councils Act accordingly.



**PEMBROKE LOCAL COUNCIL
REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2017**



*Prepared by Romina Perici Ferrante B. Com, B.A. Hons (Mgt), F.I.A., C.P.A.
Certified Public Accountant
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Mosta MST 3603*

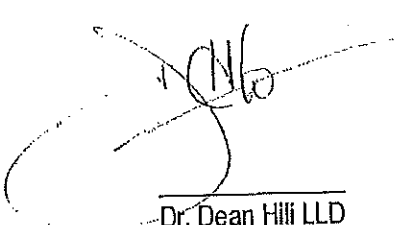
**PEMBROKE LOCAL COUNCIL
REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2017**

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**PEMBROKE LOCAL COUNCIL
STATEMENT OF LOCAL COUNCIL MEMBERS' AND
EXECUTIVE SECRETARY'S RESPONSIBILITIES**


The Local Council (Financial) Regulations, 1993, require the Executive Secretary to prepare a detailed Annual Administrative Report, which includes a statement of the Local Council's comprehensive income for the year and of the Local Council's retained funds at the end of the 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 accounting policies applicable to Local Councils, the income and expenditure of the Local Council for the year ended and its retained funds as at the year end, and that they comply with the Act, the Local Councils (Financial) Regulations, 1993, and the Local Council (Financial) Procedures, 1996 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, CAP 363, the Local Councils (Financial) Regulations, 1993, and the Local Councils (Financial) Procedures, 1996. 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.



Dr. Dean Hilli LLD
Mayor

Date: 24th April 2018



Kevin Borg
Executive Secretary

LOCAL COUNCIL PEMBROKE
Report of the Local Government Auditors to the Auditor General

Report on the Audit of the Financial Statements

We have audited the financial statements of LOCAL COUNCIL PEMBROKE, set out on pages 6 to 28, which comprise the statement of financial position as at 31 December 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Qualified Opinion

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of LOCAL COUNCIL PEMBROKE as at 31 December 2017, and its financial performance for the year then ended in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union.

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, 1993, 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, which amounted to €80.38 for the year under review, which has been recorded in the financial statements as well as on any possible accrued income or liabilities present as at end of the current financial year.

The Council maintains a fixed asset register to record fixed assets acquired by it. However, a number of assets have been incorrectly categorized with the consequence that an incorrect depreciation rate has been applied and recognised in the financial statements. Whilst we are of the opinion that there may be material misstatements in the depreciation provision and charge for the year, there were no practicable procedures to arrive to the exact amount of misstatement in the depreciation provision and depreciation charge for the year.

IFRS require that all applicable standards and their disclosure requirements are adhered to. These financial statements lack appropriate disclosure in line with the requirements of IAS 24 - Related Party Disclosure in relation to related parties and related party transactions as detailed in note 20 in view that the requirements of articles 18, 25 and 26 of the said standard have not been complied with. These financial statements also lack proper disclosures emanating from IAS 38 - Intangible Assets in relation to the recognition and disclosure of computer software. Furthermore, they also lack proper disclosures emanating from IAS 1 – Presentation of Financial Statements in relation to new and revised IFRSs adopted by the EU that are not mandatorily effective but allow early application for the year ending 31 December 2017.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Council in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in accordance with the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) in Malta, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other Information

The Council is responsible for the other information. The other information comprises the Statement of Local Council Members' and Executive Secretary's Responsibilities. Our opinion on the financial statements does not cover this information, including the Statement of Local Council Members' and Executive Secretary's Responsibilities. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. We have nothing to report in this regard.

Council's Responsibility for the Financial Statements

The Council Members and the Executive Secretary are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU 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.

In preparing the financial statements, the management are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intend to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Report on Other Legal and Regulatory Requirements

The Local Council (Financial) Procedures, 1996, require that the financial statements should be prepared in accordance with the International Financial Reporting Standards. In view of the matters set out under the basis for qualified opinion section of this report, these financial statements have not been prepared in line with the requirements of International Financial Reporting Standards.



This copy of the audit report has been signed by
Mr. Neville Cutajar (Audit Partner) for and on behalf of

3a
Certified Public Accountants
Level 2,
Palazzo Ca Brugnara',
Valley Road,
Birkirkara Malta.

Date: 24th April 2018

PEMBROKE LOCAL COUNCIL
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2017

		2017	2016
	Notes	Euro	Euro
INCOME			
Funds received from Central Government	3	447,630	411,351
Income raised under Law Enforcement system	4	5,327	5,984
Income raised under Local Council Bye Laws	5	3,564	3,506
General income	6	<u>6,186</u>	<u>7,173</u>
		<u>462,707</u>	<u>428,014</u>
EXPENDITURE			
Personnel emoluments	7	95,311	91,085
Operations and maintenance expenses	8	217,187	214,626
Administration and other expenditure	9	<u>99,176</u>	<u>83,198</u>
		<u>411,674</u>	<u>388,909</u>
OPERATING PROFIT FOR THE YEAR		€51,033	€39,105
Finance Income	10	<u>163</u>	<u>176</u>
PROFIT FOR THE YEAR		<u>€ 51,196</u>	<u>€ 39,281</u>


The notes on pages 10 to 28 form an integral part of these financial statements.

**PEMBROKE LOCAL COUNCIL
STATEMENT OF FINANCIAL POSITION
At 31 December 2017**

	Notes	31 Dec 2017	31 Dec 2015
		Euro	Euro
ASSETS			
Non-Current Assets			
Property, plant and equipment	11	<u>359,150</u>	<u>379,999</u>
Current Assets			
Inventories	12	1,650	1,790
Trade and other receivables	13	22,291	21,364
Cash and cash equivalents	14	<u>419,378</u>	<u>354,299</u>
Total Current Assets		<u>443,319</u>	<u>377,452</u>
TOTAL ASSETS		<u>€ 802,469</u>	<u>€ 757,452</u>
RESERVES AND LIABILITIES			
Reserves			
Retained earnings		<u>711,164</u>	<u>659,968</u>
Non-Current Liabilities			
Deferred Income	15	<u>38,267</u>	<u>42,548</u>
Total Non-Current Liabilities		<u>38,267</u>	<u>42,548</u>
Current Liabilities			
Trade and other payables	16	<u>53,038</u>	<u>54,936</u>
Total Current Liabilities		<u>53,038</u>	<u>54,936</u>
TOTAL RESERVES AND LIABILITIES		<u>€ 802,469</u>	<u>€ 757,452</u>

The notes on pages 10 to 28 form an integral part of these financial statements.

These Financial Statements were approved by the Local Council on the 24th April 2018
and signed on its behalf by:


Dr. Dean Hili LLD
Mayor


Kevin Borg
Executive Secretary

PEMBROKE LOCAL COUNCIL
STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2017

	Retained Funds Euro
At 1 January 2016	620,687
Profit for the year	<u>39,281</u>
At 31 December 2016	<u>659,968</u>
At 1 January 2017	659,968
Profit for the year	<u>51,196</u>
At 31 December 2017	<u>711,164</u>

The notes on pages 10 to 28 form an integral part of these financial statements.

PEMBROKE LOCAL COUNCIL
STATEMENT OF CASH FLOWS
For the year ended 31 December 2017

		1 Jan 2017 – 31 Dec 2017	1 Jan 2016 – 31 Dec 2016
	Notes	Euro	Euro
Net Profit for the year		51,196	39,281
Reconciliation to cash generated from operations:			
Depreciation		52,260	51,220
Interest Receivable		(163)	(176)
Operating Profit before Working Capital changes		103,293	90,325
Decrease in Inventories		140	190
Decrease in Trade and other receivables		(927)	(9,260)
(Decrease) in payables		(870)	(3,120)
(Decrease) in other payables		(514)	(333)
Government Grant released		<u>(4,795)</u>	<u>(5,379)</u>
Cash generated from operating activities		<u>96,327</u>	<u>72,423</u>
Cash flows from investing activities			
Interest Received		163	176
Acquisition of property, plant and equipment		<u>(31,411)</u>	<u>(86,205)</u>
Cash used in investing activities		<u>(31,248)</u>	<u>(86,029)</u>
Net increase/(decrease) in cash and cash equivalents		<u>65,079</u>	<u>(13,606)</u>
Analysis of changes in cash and cash equivalents during the year			
Cash and cash equivalents at beginning of year		354,299	367,905
Net increase/(decrease) in cash and cash equivalents		<u>65,079</u>	<u>(13,606)</u>
Cash and cash equivalents at end of year	14	<u>419,378</u>	<u>354,299</u>

The notes on pages 10 to 28 form an integral part of these financial statements.

PEMBROKE LOCAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2017

1. GENERAL INFORMATION

Pembroke Local Council is the local authority of Pembroke setup in accordance with the Local Councils Act 1993. The office of the Council is at Triq Alamein, Pembroke.

The financial statements were authorised for issue by the Council on the 24 April 2018.

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.

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 the Council has applied the following International Financial reporting Standards as adopted by the EU which have been mandatorily effective for the year ending 31 December 2017:

PEMBROKE LOCAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)

On 12 May 2014 the IASB issued Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation. The amendments clarify that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment. The issue also introduces a rebuttable presumption that an amortisation method that is based on the revenue generated by an activity that includes the use of an intangible asset is inappropriate, which can only be overcome in limited circumstances where the intangible asset is expressed as a measure of revenue, or when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated. The amendments finally add guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset.

On 18 December 2014 the IASB issued Amendments to IAS 1 Disclosure Initiative. It clarifies that information should not be obscured by aggregating or by providing immaterial information, materiality considerations apply to all the parts of the financial statements, and even when a standard requires a specific disclosure, materiality considerations do apply; provides clarification that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarification that an entity's share of OCI of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss; and gives additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order so far listed in paragraph 114 of IAS 1.

Standards and Interpretations issued by the IASB but not yet adapted by the EU

At present, IFRS as adopted by the EU do not significantly differ from regulations adopted by the International Accounting Standards Board (IASB) except for the following standards and amendments to the existing standards, which were not endorsed for use in the EU as at 31 December 2016 and cannot be applied by the entities preparing their financial statements in accordance with IFRS as adopted by the EU:

- Annual Improvements to IFRS Standards 2014-2016 Cycle (issued December 2016)
- IFRS 15 Revenue from Contracts with Customers (issued in May 2014)
- Amendments to IAS 7 Disclosure Initiative (issued January 2016);

The Councillors 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 Councillors anticipate 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.

PEMBROKE LOCAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)

Intangible Fixed Assets

Computer Software

Computer software is valued at cost less accumulated depreciation and impairment losses to date. Depreciation to write off the cost is calculated on a monthly basis using the reducing balance method at 20% per annum.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment loss 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	0.0
Trees	0.0
Buildings	1.0
Office Furniture, Fixtures and Fittings	7.5
Construction works	10.0
Urban Improvements (street furniture)	10.0
Special Programs (Projects)	10.0
Office Equipment	20.0
Motor Vehicles	20.0
Plant and Machinery	20.0
Computer Equipment	25.0
Plants	100.0
Litter Bins	Replacement Basis
Playground Furniture	100.0
Traffic Signs	Replacement Basis
Road Signs	Replacement Basis
Street Mirrors	Replacement Basis
Street Lights	100.0

PEMBROKE LOCAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)

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.

Related parties

Related parties are those persons or bodies of persons having relationships with the Council as defined in IAS 24. The paragraphs adopted from IAS 24 are paragraphs 25 – 27, being amendments to government related entities' disclosures.

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 cost to sell and the value in use. Impairment losses are immediately recognised as an expense in the Statement of Comprehensive Income.

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.

Amounts Receivable

Amounts receivable are recognized initially at fair value and subsequently measured at amortized 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 receivable. The amount of the provision is the difference between the carrying amount of the asset in the present value of the estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognized in the Statement of Comprehensive Income.

PEMBROKE LOCAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)

Revenue recognition

Revenue is recognised when there are no significant uncertainties concerning the derivation of consideration or associated costs. Interest income is recognised in the Statement of Comprehensive Income as it accrues.

Payables and Borrowings

Payable and Borrowing Costs are recognised as an expense in the period in which they are incurred. Amounts payable comprise creditor payments, that is, the amounts payable for the procurement of supplies and services. When an invoice or request for payment is received from a supplier, this is checked to the purchase order previously issued or the services contract, before payment is released in favour of any vendor. All cheque payments are signed by the Mayor and Executive Secretary and then reconciled with the bank statements on a monthly basis.

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 Statement of Comprehensive Income over the expected lives of the related assets.

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.

Inventories

Inventories are valued at lower of cost and net realisable value.

Profits and losses

Only profits 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 Statement of Cash Flows, cash and cash equivalents comprise cash in hand and balances held with banks.

PEMBROKE LOCAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)

Local Enforcement System

Pembroke Local Council formed part of the Group H Joint Committee from September 2002 until August 2011. As from September 2011, Pembroke Local Council forms part of the North Region. The amount disclosed in the financial statements under Local Enforcement Income represents the share of profit derived from the Joint Committee after deducting the related expenses. As from September 2011, the Council receives 10% administrative fees on fines collected.

Critical Accounting Estimates and Judgements

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 Executive Secretary, the accounting estimates and judgements made in the preparation of the Financial Statements are not difficult, subjective or complex, to a degree that would warrant their description as critical in terms of the requirements of IAS1 (revised) – 'Presentation of Financial Statements'.

Capital Management Policies and Procedures

The Council's capital consists of its net assets, including working capital, represented by its retained funds. The Council's management objective 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 this, the Council carries out a quarterly review of the working capital ratio (Financial Situation Indicator). This ratio was positive at the reporting date. 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.

Financial Instruments

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

PEMBROKE LOCAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)

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 counter party 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 included other payables. These are stated at their nominal account which is a reasonable approximation of fair value.

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

3. FUNDS RECEIVED FROM CENTRAL GOVERNMENT

	1 Jan-31 Dec 2017	1 Jan-31 Dec 2016
	Euro	Euro
In terms of Section 55 of the Local Councils Act, 1993	415,842	378,463
Supplementary Government Income	17,300	25,509
Other Government Income	<u>14,488</u>	<u>7,379</u>
	<u>447,630</u>	<u>411,351</u>

4. INCOME RAISED UNDER LOCAL ENFORCEMENT INCOME

	1 Jan-31 Dec 2017	1 Jan-31 Dec 2016
	Euro	Euro
Administrative charges to Regional Committees	5,247	5,834
Share of Surplus from Joint Committee	<u>80</u>	<u>150</u>
	<u>5,327</u>	<u>5,984</u>

PEMBROKE LOCAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)

5. INCOME RAISED UNDER LOCAL COUNCIL BYE-LAWS

	1 Jan-31 Dec 2017	1 Jan-31 Dec 2016
	Euro	Euro
Sale of Pembroke books, Contributions and Advertising	<u>3,564</u>	<u>3,506</u>

6. GENERAL INCOME

	1 Jan – 31 Dec 2017	1 Jan – 31 Dec 2016
Documentation/Information charges	189	572
Donations and Sponsorships	1,400	531
Contributions	0	360
Others	294	1,159
Income from permits	2,897	3,990
Income re Library	791	561
Insurance Claims	<u>615</u>	<u>0</u>
	<u>€ 6,186</u>	<u>€ 7,173</u>

7. PERSONNEL EMOLUMENTS

	1 Jan – 31 Dec 2017	1 Jan – 31 Dec 2016
Personnel Emoluments include, <i>inter alia</i>		
Mayor's Honoraria	7,345	7,229
Mayor's and Councillors' Allowances	6,893	5,907
Executive Secretary Salary and Allowances	29,398	28,616
Employees' Salaries	45,219	43,173
Social Security Contributions	<u>6,456</u>	<u>6,160</u>
	<u>€ 95,311</u>	<u>€ 91,085</u>

Average number of people employed

Employees	3	3
Mayor & Councillors	5	5

PEMBROKE LOCAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)

	1 Jan – 31 Dec 2017	1 Jan – 31 Dec 2016
8. OPERATIONS AND MAINTENANCE EXPENSES	Euro	Euro
Operations and maintenance includes, <i>inter alia</i>		
REPAIRS AND UPKEEP		
Roads and street pavements (patching works)	37,952	26,432
Public Property	2,729	9,874
Office furniture & equipment	363	771
Street Signs	3,863	1,223
Other repairs & upkeep	1,517	372
Road Markings	5,371	3,776
	<u>€ 51,795</u>	<u>€ 42,448</u>
CONTRACTUAL SERVICES		
Refuse collection	61,196	59,513
Bulky refuse collection	12,665	13,346
Road and street cleaning	19,523	19,313
Cleaning and maintenance of non-urban roads	17,375	17,762
Cleaning and maintenance parks and gardens	18,620	16,935
Cleaning and maintenance of verges	18,216	18,473
Cleaning and maintenance council premises	2,465	2,319
Cleaning and maintenance public conveniences	5,971	5,987
LES related expenditure	9	19
Street lighting	3,056	7,666
Other Contractual Services	6,296	10,845
	<u>€ 165,392</u>	<u>€ 172,178</u>
TOTAL OPERATIONS AND MAINTENANCE EXPENSES	<u>€ 217,187</u>	<u>€ 214,626</u>

PEMBROKE LOCAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)

	1 Jan - 31 Dec 2017	1 Jan - 31 Dec 2016
	Euro	Euro
9. ADMINISTRATIVE AND OTHER EXPENSES		
Depreciation	52,260	51,220
Water, Electricity & Telecommunications	4,000	4,930
Rent	1,456	1,456
National and international memberships	1,225	710
Office Services	4,372	2,127
Insurance	1,995	2,002
Library expenses	2,936	2,341
Transport	751	576
Advertising & Public relations	573	1,137
Professional services	21,633	10,710
Community and hospitality	7,271	5,641
Sundry minor expenses	508	133
Bank Charges	<u>196</u>	<u>215</u>
TOTAL ADMINISTRATIVE EXPENSES	<u>€ 99,176</u>	<u>€ 83,198</u>
 10. FINANCE INCOME		
	1 Jan-31 Dec 2017	1 Jan- 31 Dec 2016
Bank Interests	<u>€ 163</u>	<u>€ 176</u>

PEMBROKE LOCAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)

11. PROPERTY, PLANT AND EQUIPMENT

	Office Furniture, Fixtures &	Office Equipment €	New Street Signs €	Urban Improvements €	Construction & Street Paving €	Special Programmes €	Trees €	Plant & Machinery €	Asset not yet capitalised €	Total €
Depreciation Rate	7.50%	20.00%	100.00%	10.00%	10.00%	10.00%	0.00%	20.00%		
Cost										
At 1 January 2017	24,583	47,420	11,787	496,248	612,447	653,660	17,307	6,300	2,951	1,872,703
Additions	0	49	0	31,362	0	0	0	0	0	31,411
Transferred	0	0	0	2,951	0	0	0	0	-2,951	0
Disposals	0	0	0	0	0	0	0	0	0	0
At 31st December 2017	24,583	47,469	11,787	530,561	612,447	653,660	17,307	6,300	0	1,904,114
Grants										
At 1 January 2017	0	3,494	0	60,436	0	653,923	0	0	0	717,853
Transferred during the year	0	0	0	0	0	0	0	0	0	0
At 31st December 2017	0	3,494	0	60,436	0	653,923	0	0	0	717,853
Depreciation										
At 1 January 2017	13,846	37,595	11,787	290,874	415,093	-263	0	5,919	0	774,851
Transferred	0	0	0	0	0	0	0	0	0	0
Charge for the period	847	1,663	0	28,535	21,127	0	0	88	0	52,260
Released on Disposal	0	0	0	0	0	0	0	0	0	0
At 31st December 2017	14,693	39,258	11,787	319,409	436,220	-263	0	6,007	0	827,111
Net Book Value										
At 31st December 2017	9,890	4,717	0	150,716	176,227	0	17,307	293	0	359,150

PEMBROKE LOCAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)

11. PROPERTY, PLANT AND EQUIPMENT (cont.)

	Office Furniture, Fixtures & Equipment	Office Equipment	New Street Signs	Urban Improvements	Construction & Street Paving	Special Programmes	Trees	Plant & Machinery	Asset not yet capitalised	Total
	€	€	€	€	€	€	€	€	€	€
Depreciation Rate	7.50%	20.00%	100.00%	10.00%	10.00%	10.00%	0.00%	20.00%		
Cost										
At 1 January 2016	24,583	46,312	11,787	438,534	589,175	653,660	16,147	6,300	0	1,786,498
Additions	0	1,108	0	57,714	23,272	0	1,160	0	2,951	86,205
Transferred	0	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0	0	0
At 31st December 2016	24,583	47,420	11,787	496,248	612,447	653,660	17,307	6,300	2,951	1,872,703
Grants										
At 1 January 2016	0	3,494	0	60,436	0	653,923	0	0	0	717,853
Transferred during the year	0	0	0	0	0	0	0	0	0	0
At 31st December 2016	0	3,494	0	60,436	0	653,923	0	0	0	717,853
Depreciation										
At 1 January 2016	12,836	35,438	11,787	265,206	392,826	-263	0	5,801	0	723,531
Transferred	0	0	0	0	0	0	0	0	0	0
Charge for the period	1,010	2,157	0	25,668	22,267	0	0	118	0	51,220
Released on Disposal	0	0	0	0	0	0	0	0	0	0
At 31st December 2016	13,846	37,595	11,787	290,874	415,093	-263	0	5,919	0	774,851
Net Book Value										
At 31st December 2016	10,737	6,331	0	144,938	197,354	0	17,307	381	2,951	379,999

PEMBROKE LOCAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)

12. INVENTORIES

	As at 31 December 2017	As at 31 December 2016
Books and other publications	<u>1,650</u>	<u>1,790</u>

13. TRADE AND OTHER RECEIVABLES

	As at 31 December 2017	As at 31 December 2016
	Euro	Euro
Amount invoiced but not yet settled	7,296	7,942
Provision for general Bad debts	(4,200)	(4,200)
Pre-Pooling LES Debtors	7,966	8,583
Provision for Bad LES debts	(7,966)	(8,583)
Other debtors	700	700
Prepayments and Accrued income	<u>18,495</u>	<u>16,922</u>
	<u>22,291</u>	<u>21,364</u>

Prepayments include prepayments of Local Council property rental and insurance premium.

Receivables

General receivables are analysed as follows:

	As at 31 December 2017	As at 31 December 2016
	Euro	Euro
Within credit period	2,524	2,739
Exceeded credit period but not impaired	572	1,003
Provision for doubtful debts	<u>4,200</u>	<u>4,200</u>
	<u>7,296</u>	<u>7,942</u>

14. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash in hand and balance with banks. Cash and cash equivalents included in the cash flow statement comprise the following amounts in the Local Council's Statement of Financial Position:

	As at 31 December 2017	As at 31 December 2016
	Euro	Euro
Cash in hand	233	233
Bank balances – Ordinary Funds	<u>419,145</u>	<u>354,066</u>
	<u>€ 419,378</u>	<u>€ 354,299</u>

**PEMBROKE LOCAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)**

15. DEFERRED INCOME

	As at 31 December 2017	As at 31 December 2016
	€	€
Government Grants		
At beginning of year	47,343	51,595
Increase in period	<u>0</u>	<u>1,127</u>
	47,343	52,722
Released in period	<u>(4,795)</u>	<u>(5,379)</u>
At end of year	<u>42,548</u>	<u>47,343</u>
 Current Deferred Income	 <u>4,281</u>	 <u>4,795</u>
 Non-Current Deferred Income	 <u>38,267</u>	 <u>42,548</u>
 Deferred Government Grants		
Deferred between one and two years	8,109	9,076
Deferred between two and five years	9,254	10,326
Deferred in five years or more	<u>25,185</u>	<u>27,941</u>
	<u>42,548</u>	<u>47,343</u>
 Deferred after five years or more Government Grants	 <u>25,185</u>	 <u>27,941</u>

16. TRADE AND OTHER PAYABLES

	As at 31 December 2017	As at 31 December 2016
	Euro	Euro
Trade Payables	16,829	16,735
Accruals and Deferred Income	<u>36,209</u>	<u>38,201</u>
	<u>53,038</u>	<u>54,936</u>

Trade Payables are analysed as follows:

	As at 31 December 2017	As at 31 December 2016
	Euro	Euro
Within credit period	10,364	8,132
Exceeded credit period	<u>6,465</u>	<u>8,603</u>
	<u>16,829</u>	<u>16,735</u>

Accruals include estimates for goods and services received prior to 31 December 2017 and for which invoices have not yet been received by the Local Council.

PEMBROKE LOCAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)

17. CONTINGENT LIABILITIES

The council has no contingent liabilities at year end.

18. CAPITAL COMMITMENTS

	As at 31 December 2017	As at 31 December 2016
	Euro	Euro
- Capital expenditure that has been approved but not provided for in the Financial Statements (i) 2017-Lamps in Triq Mons L Mifsud Tommasi and lamps in passage between Triq Sant Andrija & Triq Tobruk (2016-New underground installation in Triq Burma)	7,920	9,152
- Capital expenditure that has been approved but not yet contracted for. (ii) General upgrading works	0	0
	<u>€ 7,920</u>	<u>€ 9,152</u>

19. 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.

PEMBROKE LOCAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)

20. RELATED PARTY TRANSACTIONS

The Pembroke Local Council has the following related parties, exercising:

- i. Significant Control – The Department of Local Government
- ii. No Control – Arms Ltd., Water Services Corporation, Enemalta Corporation, WasteServ Malta Ltd., Malta Information Technology Agency, Northern Harbour District Joint Committee, Malta Tourism Authority, Bank of Valletta plc., South Regional Committee, Gozo Regional Committee, South Eastern Regional Committee, Central Regional Committee, LESA, Police General Head Quarters, Malta Environment and Planning Authority, Department of Lands and the Department of Information.

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

	2017	2016
	Euro	Euro
Annual Financial Allocation	415,842	378,463
<u>Key Management Emoluments</u>		
Executive Secretary	29,398	28,554
Mayor's Honoraria	7,345	7,229
Mayor & Councillors' Allowances	6,893	5,907

PEMBROKE LOCAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)

21. 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 program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Council's financial performance.

Market Risk

The Council's interest rate risk arises from its deposits with financial institutions. The Council does not have any long term borrowings. 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.

Credit Risk

Financial assets which potentially subject the Council to concentrations of credit risk which are principally made up of cash at bank and debtors. The Council's cash is placed with a quality 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. Furthermore, credit risk is limited due to the fact that government-owned customers comprise a high percentage of the council's debtor base. LES Debtor balance has been provided for fully with an allowance for bad debts.

The Council's exposure to credit risk is limited to the carrying amount of financial assets recognised at the end of the reporting period and is summarized as follows:

	2017	2016
	€	€
Classes of financial assets - carrying amounts		
Trade and other receivables	19,985	18,785
Cash and cash equivalents	419,378	354,299
	<u>439,363</u>	<u>373,084</u>

PEMBROKE LOCAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)

Included in the council's trade receivable there are no balances which are past due and which have not been provided for.

	2017 Euro	2016 Euro
31-60 days	2,524	2,727
61-90 days	0	0
91-180 days	0	12
181-365 days	572	1,003
Over 365 days	<u>4,200</u>	<u>4,200</u>
	<u>7,296</u>	<u>7,942</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

Interest rate risk mainly arises through interest bearing liabilities and assets. The objective of interest rate risk management is to optimize the balance between minimizing uncertainty caused by fluctuations in interest rates and maximizing the net interest income and expense.

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 € 419,378. This should ensure an ongoing working capital of the Council for the next 12 months. The Council also maintains a positive net asset position ensuring that adequate headroom is available to cover present liabilities as well as short term obligations and commitments arising.

PEMBROKE LOCAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)

At 31 December 2017, the Council's financial liabilities have contractual maturities which are summarised below:

	Current within 1 year €	Non-Current 1 to 5 years €	Non-Current later than 5 years €
Payables	<u>16,829</u>	<u>-</u>	<u>-</u>

This compares to the maturity of the Council's financial liabilities in the previous reporting period as follows:

	Current Within 1 year €	Non-Current 1 to 5 years €	Non-Current later than 5 years €
Payables	<u>16,735</u>	<u>-</u>	<u>-</u>

22. SUMMARY OF FINANCIAL ASSETS AND LIABILITIES

The carrying amounts of the council's financial assets and liabilities as recognized at the reporting dates under review are categorized as follows:

	2017 €	2016 €
Current assets		
Loans and receivables:		
Trade and other receivables	19,985	18,785
Cash and cash equivalents	<u>419,378</u>	<u>354,299</u>
	<u>439,363</u>	<u>373,084</u>
Current liabilities		
Financial liabilities measured at amortised cost:		
Payables	<u>16,829</u>	<u>16,735</u>
	<u>16,829</u>	<u>16,735</u>