



**HAL TARXIEN LOCAL COUNCIL**  
**73, ST. MARY STREET**  
**TARXIEN. TXN 1704**

**Tel 00356 21666688 - Fax 00356 21666777 - email :- tarxien.lc@gov.mt**

19th June 2019

*Reply to Management Letter by Hal Tarxien Local Council which was approved at the Council's Meeting held on Wednesday 19th June 2019 @ 17:30.*

**2. Prior Period Adjustment**

**2.1 – 2.2**

The Council notes your comments and states that it will do its' best to abide accordingly.

**3. Income**

**3.1 – 3.6 Income from LES administration fees**

The Council takes note of your comment.

**3.7 – 3.8 Income from LESA and regional committees**

The Council notes your comments and states that it will do its' best to abide accordingly.

**3.9 3.12 Other Government income**

The Council notes your comments and states that it will do its' best to abide accordingly.

**4. Payroll**

**4.1 – 4.4 Councillor's Allowance**

The Council notes your comments and states that it will do its' best to abide accordingly.

**5. Expenditure**

**5.1 – 5.2 Petty Cash expenditure**

The Council takes note of your comment and states that it finds that it has more control in this way than keeping petty cash at the office since very few purchases are done in this regard.

**5.3 - 5.4 Procurement Procedures**

The Council notes your comment. This office would like to point out that it always does and will continue to do its best to issue purchase orders and obtain VAT receipts from its suppliers. Also this office contends that together with the Procurement Guidelines 2017 issued by the Department for Local Government in the **SUBSIDIARY LEGISLATION 174.04 PUBLIC PROCUREMENT REGULATIONS** it is stated that *Where the estimated value does not exceed five thousand euro (€5,000), the supplies, works or services may be procured departmentally either ..... or through a direct contract at the discretion of the Head of the contracting authority.* Thus such option was adopted.

**MAYOR - PAUL FARRUGIA - DEPUTY MAYOR - KEITH DARMANIN**  
**COUNCILLORS - FRANS AGIUS, LAWRENCE BONAVIA, ISMAEL DALLI, DORIS VELLA(MRS), LUKE GENUIS**  
**EXECUTIVE SECRETARY - ANTONELLA GALEA(MS)**

#### **5.5 – 5.6 Call for Tenders**

The Council notes your comments and states that it will do its' best to abide accordingly and issue calls for expired tenders.

#### **5.7 – 5.8 Tendering Procedures**

The Council notes your comments and states that it will do its' best to abide accordingly.

#### **5.9 – 5.11 Asset Insurance**

The Council discussed your comments and will contact its Insurance provider to adjust accordingly.

#### **5.12 – 5.13 Reimbursement**

The Council notes your comments and states that it will do its' best to abide accordingly.

### **6 Fixed Assets**

#### **6.1 – 6.5 Upkeep of fixed asset register**

The Council notes your comments and states that it will do its' best to rectify accordingly.

#### **6.6 -6.7 Reconciliation of financial statements with accounting records**

The Council takes note of your comments and will seek to rectify the matter in the shortest time possible.

#### **6.8 – 6.9 Reconciliation of financial statments with fixed asset register**

The Council takes note of your comments and will seek to rectify the matter in the shortest time possible.

### **7. Stock**

#### **7.1 – 7.2 Stock list**

The Council takes note of your comments and will seek to rectify the matter.

#### **7.3 – 7.4 Net realisable value of inventory**

The Council notes your comments and states that it will do its' best to abide accordingly.

### **8. Trade & other Receivables**

#### **8.1 – 8.4 Confirmationof debtor**

The Council takes note of your comments and will seek to rectify the matter.

#### **8.5 – 8.6 Overdue Trade Receivables**

The Council notes your comment and specifies that it will endeavour to rectify the situation.

#### **8.7 – 8.8 Cassar Ship Repair**

The Council notes your comments and states that it regularly sends monthly statements to all its debtors. Otherwise it will endeavour to rectify the situation.

#### **8.9 – 8.10 Organic waste collection agreement**

The Council takes note of your comments and will seek to rectify the matter accordingly with WASTESERV.

#### **8.11 – 8.12 Pre-regional receivables**

The Council takes note of your comments and will seek to rectify the matter

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## **9. Bank**

### **9.1- 9.2 Bank Account Representative**

The Council notes your comment and it would like to specify that this issue will again be raised with the relative Bank.

### **9.3 – 9.5 Missing Bank Statements**

The Council notes your comment and it would like to specify that this issue will be raised with the relative Bank.

### **9.6 – 9.7 Cheque Payments**

The Council takes note of your comments.

## **10. Trade Payables**

### **10.1 - 10.2: Supplier Statements**

The Council notes your comment and specifies that it regularly asks for monthly statements from all its creditors but unfortunately not all suppliers are able and capable of preparing proper Statements. Otherwise this office will endeavour to rectify the situation.

### **10.3 – 10.5 Confirmation of Trade creditors**

The Council takes note of your comments and will seek to rectify the matter with said supplier.

### **10.6 – 10.7 Long-outstanding Creditor**

The Council takes note of your observation and as stated in the Management Letter, the Council is still in dispute with this Supplier and is doing all that is possible to settle this matter sooner rather than later.

### **10.8 – 10.9 Outstanding Invoices**

The Council takes note of your comments and will seek to abide accordingly.

### **10.10 – 10.11 Other Creditors**

The Council has discussed this issue and takes note of your observation and states that :

The Audit adjustment of €2446 which is recurring from 2010, this amount relates to a balance which is still pending on an embellishment project. No proper documentation to what this value relates to was found after an Ex Executive Secretary retired from office. Meanwhile the present Administration is doing and will continue to do its best to settle this issue and retrieve all necessary documentation.

The balance of €2200 from the Youth Programmes which was never claimed, the Council states that all proper documentation was forwarded in 2008 to the responsible Entity in charge of these Youth Programmes and that whenever claimed this money can and will be immediately settled as it will be deposited in a separate bank account different from the bank accounts of the Local Council.

### **10.12 – 10.15 Unrecorded liabilities**

The Council notes your comment. This office would like to point out that it contends that together with the Procurement Guidelines 2017 issued by the Department for Local Government in the **SUBSIDIARY LEGISLATION 174.04 PUBLIC PROCUREMENT REGULATIONS** it is stated that *Where the estimated value does not exceed five thousand euro (€5,000), the supplies, works or services may be procured departmentally either ..... or through a direct contract at the discretion of the Head of the contracting authority.* Thus such option was adopted also in this instance.

### **10.16 – 10.19 5 A-side Football Ground**

The Council takes note of your comments and will seek to rectify the matter accordingly.

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## **11 Financial Statements**

### **11.1 – 11.2: Presentation of financial statements**

The Council notes your comments and states that it will do its' best to amend accordingly.

### **11.3 IAS 8 Accounting Policies, changes in accounting estimates and errors**

The Council takes note of your comments and will seek to rectify the matter accordingly.

### **11.4 IFRS 9 , 'Financial Instruments'**

The Council takes note of your comments and will seek to rectify the matter accordingly.

### **12.1 – 12.2 Schedule of Payments**

The Council notes your comment and will seek to abide accordingly.

## **13. Electronic Site**

### **13.1 – 13.3**

The Council notes your comment and will seek to abide accordingly.

### **13.4 – 13.6 Uploading of management letter and other documents**

The Council takes note of your comments and will seek to rectify the matter accordingly.

## **14 Capital Commitments**

The Committee notes your comments and states that it will do its' best to amend accordingly.

## **Conclusion**

This Council thanks the Auditors for their comments and suggestions for a better and smoother financial management and control procedure of the Local Council.

  
Ms Antonella Galea  
Executive Secretary

Chev. Paul Farrugia  
Mayor