



KUNSILL LOKALI HAL GHAXAQ

Uffiċċju Amministrattiv: 15 Vjal il-Labour Hal Ghaxaq GXQ1831

Tel: 2166 4888 Fax: 2166 5454

E-mail: ghaxaq.lc@gov.mt

HAL GHAXAQ

Nexia BT

Certified Public Accountants

The Penthouse, Suite 2,

Capital Business Centre, Ent.C

Triq Taz-Zwejt

San Gwann SGN 3000

30th June 2019

Dear Sir/Madam,

Reference is being made to the Management Letter dated 29th April 2019. Kindly note the below replies:

1. PREVIOUS MANAGEMENT LETTER

The matters in respect of previous year management letter will be tackled in detailed under their respective sections.

2. MANAGEMENT LETTER POINTS FOR THE YEAR

2.1 The Local Council has passed the adjustments as recommended by the auditors. Further, statements from Wasterserv Malta will be obtained before finalising the accounts.

2.2 The Council will maintain expenditure on Ju mil-Lokal to the threshold established by the Government Memo.

2.3 The Local Council is in the process of updating its Fixed Asset registry.

2.4 The tagging of the assets will be implemented with the Fixed Assets registry.

2.5 The Local Council will update its insurance policy to include all assets as required by Section LCP 1.15b.04 of the Local Council (Financial) Procedures, 1996

2.6 The Council is aware that the Local Council (Financial) Procedures requires depreciation to be calculated on the Sage accounting package. This will be implemented once the plant register is ready.

2.7 The Local Council will ensure that financial assets are valued in accordance with IFRS 9. As stated by the auditors, the financial assets of the Local Council consists in receivables to Government entities, which has no significant credit risk.

2.8 The Local Council will review the debit balances included in the creditors list and adjust or reclassify accordingly.

2.9 The Local Council will reconcile the Wastesev balance and account for the accrued tipping fees

2.10 The Local Council will ensure that the cash balance is below the threshold.

2.11 The Council, agrees with the auditors that trade creditors need to be reconciled to suppliers' statements to ensure that the creditors' list is always complete and accurate. In this respect the Local Council will obtain statements regularly. The Council will also investigate the difference of € 1,925 on Bonnici Bros Limited creditor.

2.12 The Local Council will ensure that accruals are properly calculated and reflected in the accounting system.

2.13 The Local Council will investigate the difference found by the auditors in wages and will ensure that all payments to employees are included in the FSS system.

2.14 The Local Council will review the list of the unadjusted errors found by the auditors and adjust accordingly.

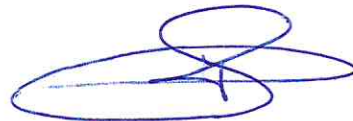
2.15 The Local Council has agreed to the adjustments recommended by the auditors.

2.16 The Local Council has agreed to the reclassifying adjustments recommended by the auditors.

Whilst thanking you for your attention,



Darren Abela
Mayor



Fiona Cutajar
Executive Secretary