

30th June, 2022

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

Dear Sir,

### ***Management Letter for the year ended 31<sup>st</sup> December 2021***

We are in receipt of the Management Letter prepared by Grant Thornton as external Auditors of Hal Kirkop Local Council for the year ended 31st December 2021. We would like to show our appreciation for the work done and look forward to take recommendations and suggestions. Whilst expressing our thanks, we submit our reply to clarify some of the points mentioned.

#### **1. IFRS 16 'Leases' Assessment**

The Council will perform a Lease Assessment under IFRS16. Recommendation noted.

#### **2. Fixed Assets**

##### **Fixed Asset Register**

Recommendation noted and FA Register to be updated accordingly.

#### **3. Receivables**

##### **Overdue receivables**

The Council will look into this amount and make a reconciliation with WasteServ Malta Ltd. to address this issue. Invoices are being checked to establish discrepancy of pending invoices with receipts.

#### **4. Payables**

##### **Supplier Statements**

Council will do its best so that issue will be addressed during current financial year. Not all suppliers send requested statements even though these are requested.

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#### 4. **Payables ... cont**

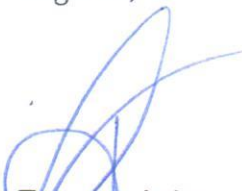
##### **Long-outstanding creditors**

The Council will review the long outstanding creditors and write-off any old balances upon approval from the Council.

It is very important to note that we are doing our outmost to work on the shortcomings pointed in the Management Letter, so as to have a better situation this financial year end.

We would like to take this opportunity to thank Ms. Patrizia Cassar, Ms. Riza Alejado and Ms. Sheila Subingsubing from Grant Thornton, for their guidance and co-operation.

Regards,



Terence Agius  
**Mayor**



Antonia Demicoli  
**Executive Secretary**

c.c. Local Government Department  
Grant Thornton