

**QORMI LOCAL COUNCIL**  
**392, Triq il-Vitorja**  
**Hal Qormi (Citta' Pinto) QRM 2507**  
**Malta**

Nexia BT  
Certified Public Accountants  
The Penthouse, Suite 2  
Capital Business Centre, Entrance C  
Triq taz-Zwejt  
San Gwann SGN 3000  
Malta

4th May 2020

Dear Sirs,

We confirm to the best of our knowledge and belief, and having made appropriate enquiries of other councillors and officials of the local council, the following representations given to you in connection with your audit of the financial statements for the year ended 31 December 2019.

- 1 We acknowledge as mayor, councillors and executive secretary our responsibilities for preparing financial statements which give a true and fair view and for making accurate representations to you. We confirm that we have fulfilled these responsibilities. All the accounting records and supporting documentation have been made available to you for the purpose of your audit and all the transactions undertaken by the local council have been properly reflected and recorded in the accounting records. Significant assumptions used in making accounting estimates are reasonable.
- 2 All minutes of meetings have been made available to you.
- 3 We also acknowledge our responsibility for the design and implementation of internal control to prevent and detect error and fraud. We have disclosed to you all information in relation to fraud or suspected fraud. We are not aware of any such fraud involving management, key employees, or any others where the fraud could have a material effect on the financial statements.
- 4 There have been no irregularities involving management, employees who have a significant role in internal control, or others where the irregularity could have a material effect on the financial statements.
- 5 The financial statements are free from material misstatements, including omissions. All significant assumptions used in making accounting estimates, including for assets held at fair value, are reasonable.
- 6 We have fully disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud. There have been no allegations of fraud or suspected fraud affecting the financial statements communicated to us by employees or others.
- 7 There have been no communications from regulatory authorities concerning non-compliance with, or deficiencies in, financial reporting practices.
- 8 At year-end, the local council had no liabilities or contingent liabilities other than those disclosed in the accounts. In this respect, any litigations and claims against the local council have been communicated to you.
- 9 There are no:
  - (a) Violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.

- (b) Unasserted claims or assessments that our lawyer has advised us are probable of assertion and that must be disclosed.
- 10 FSS has, where applicable, been correctly deducted and accounted for on all relevant payments made by the local council to its employees.
- 11 All loans receivable and amounts due from debtors are collectible except for those amounts for which full provision has been made in the financial statements.
- 12 There have been no events subsequent to the balance sheet date which necessitate revision of the figures included in the financial statements or inclusion of a note thereto, other than those already disclosed or included in the accounts.
- 13 The following have been properly recorded and, when appropriate, adequately disclosed in the financial statements:
- (a) losses arising from sale and purchase commitments;
  - (b) agreements and options to buy back assets previously sold; and
  - (c) assets pledged as collateral.
- 14 Related party transactions and related amounts receivable or payable, including sales, purchases, loans, transfers, leasing arrangements, and guarantees have been properly recorded or disclosed in the financial statements. We have disclosed to you the identity of all related parties and transactions with them relevant to the local council; and that we are not aware of any further related party matters that require disclosure.
- 15 The local council has not contracted for, nor authorised, any capital expenditure other than as disclosed in the financial statements.
- 16 We confirm that there has been no possible or actual instance of non-compliance with those laws and regulations which provide a legal framework within which the local council conducts its business.
- 17 We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
- 18 The local council has satisfactory title to all assets and there are no liens or encumbrances on the local council's assets which have not been disclosed to you.
- 19 We confirm that the local council had bank accounts with Bank of Valletta p.l.c., APS Bank Malta p.l.c., Central Bank of Malta and Banif Bank Malta p.l.c. only.
- 20 We confirm that there were no acquisitions and disposals of property, other than those accounted for in the financial statements.
- 21 We confirm that up to the approval date of the financial statements, COVID-19 did not impact the operations of the local council.

We confirm that the above representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where relevant, of inspection of supporting documentation) sufficient to satisfy ourselves that we can properly make each of the above representations to you.

This letter is signed on behalf of the council members.

Yours faithfully,



Mr Renald Falzon  
Mayor



Ms Karen Camilleri  
Executive Secretary