



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

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

Tarxien Local Council
73, Triq Santa Maria
Tarxien TXN 1704

14 June 2022

Grant Thornton
Fort Business Centre,
Triq l-Intornjatur, Zone 1
Central Business District
Birkirkara CBD
Malta

Dear Sirs,

This representation letter is provided in connection with your audit of the financial statements of Tarxien Local Council for the year ended 31 December 2021 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the financial position of the council as of 31 December 2021 and of the results of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

We confirm that we have fulfilled our responsibilities, on behalf of the council members, for the fair presentation of the financial statements in accordance with IFRS.

Certain representations in this letter are described as being limited to matters that are material. Items are considered to be material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of the surrounding circumstances, makes it probable that the judgement of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, the following representations:

1. The financial statements referred to above are fairly presented in accordance with IFRS as adopted by the European Union.
2. We have provided you with:
 - i. access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation, minutes of all meetings and other matters;



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- ii. additional information that you have requested from us for the purpose of your audit; and
 - iii. unrestricted access to persons within the entity from whom you determine it necessary to obtain audit evidence.
3. There have been no communications from regulatory authorities concerning non-compliance with, or deficiencies in, financial reporting practices.
 4. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements. The attached summary of adjusting journal entries for the year ended 31 December 2021, which have been proposed by you, are approved by us and will be recorded on the books of the council.
 5. There are no uncorrected financial statement misstatements that are material, both individually and in the aggregate, to the financial statements taken as a whole.
 6. FSS has, where applicable, been correctly deducted and accounted for on all relevant payments made by the council to its employees.
 7. All loans receivable and amounts due from debtors are collectible except for those amounts for which a provision has been made in the financial statements.
 8. We understand that the term "fraud" includes misstatements resulting from fraudulent financial reporting and misstatements resulting from misappropriation of assets. Misstatements resulting from fraudulent financial reporting involve intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users. Misstatements resulting from misappropriation of assets involve the theft of an entity's assets, often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorisation.

We acknowledge our responsibility for the implementation and operations of accounting and internal control systems that are designed to prevent and detect fraud and error.

There have been no instances of fraud or suspected fraud affecting the council involving:

- i. management;
- ii. employees who have significant roles in internal control; or
- iii. others where the fraud could have a material effect on the financial statements.

There have been no allegations of fraud, or suspected fraud, affecting the council's financial statements communicated by employees, former employees, analysts, regulators or others.



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9. We have reviewed the risk disclosures included in the financial statements as required under IFRS 7 – *Financial Instruments: Disclosures*. We confirm that we have satisfied ourselves that the qualitative information included represents adequately the risk management processes and procedures operated during the year. We are satisfied that the quantitative information disclosed is reasonable. We are satisfied that the quantitative information disclosed relating to the sensitivity analysis has been based on the knowledge and experience of management.
10. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
11. We have disclosed to you all the information of which we are aware regarding the identification of related parties and all the related party relationships and transactions. 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.

For the purpose of this letter, we understand the following to be the definition of the term "related party":

Affiliates of the council; members of the immediate families of principal members of the council and its management; and other parties with which the council may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests. Another party also is a related party if it can significantly influence the management or operating policies of the transacting parties or if it has an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.

12. Guarantees, whether written or oral, under which the council is contingently liable have been properly recorded or disclosed in the financial statements.
13. There are no:
 - i. Unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with IAS 37 - *Provisions, Contingent Liabilities and Contingent Assets*.
 - ii. Other material liabilities or gain or loss contingencies that are required to be accrued or disclosed by IAS 37 except as disclosed in note 21 to the financial statements.
14. The council has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.



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15. The council has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of non-compliance.
16. To the best of our knowledge and belief no events have occurred subsequent to the reporting date and to the date of this letter that would require adjustment to, or disclosure in, the aforementioned financial statements.
17. In our opinion, it is appropriate for the going concern basis to be adopted in preparing the financial statements. In making this judgement, we have paid particular attention to:
- i. circumstances which we consider may occur in the period up to 13 June 2023;
 - ii. any planned or expected changes in operations in that period;
 - iii. the need to disclose in the financial statements information regarding any significant uncertainty regarding going concern in the financial statements.

After making these enquiries, we have a reasonable expectation that the council has adequate resources to continue operations for the foreseeable future.

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

The approval of this letter of representation was minuted by the council members at its meeting on 14 June 2022.

Signed on behalf of the council

Yours faithfully,

Joseph Abela Galea
Mayor

Emanuela Vella
Executive Secretary

14 June 2022