



Kunsill Lokali Marsaskala

228, Triq is-Salini, Marsaskala, Malta

Tel : 21637171, Fax : 21637744,

E-mail : marsaskala.lc@gov.mt

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

Dear Auditor General

Reply to Management Letter for the Financial Year ending 31st December 2020

- 2.1&** The Council will take the auditors' recommendation
2.2
- 2.3 &** The Council will make it utmost so this won't happen again, however the
2.4 Council was not informed that a payment was done on behalf of the Council.
- 2.5&** The recommendation will be implemented by the Council and a new lease
2.6 agreement will be signed by both parties.
- 2.7&** The Council will adhere with the auditors' recommendation.
2.8
- 2.9&** During the year end process, the Council has limited information on this issue.
2.10 Nonetheless the Council passed the proposed audit adjustment.
- 3.1&** This valid point is going to be mentioned during a council meeting whereby it will
3.2 explained in detail regards the importance that each delegate prepare the necessary reports.
- 3.3** Kindly note that the council was supplied with fiscal receipts from these suppliers which unfortunately did not feature an itemised proper description.
- 3.4 &** These voucher did in fact have an appropriate petty cash voucher which were signed
3.5 by a local council official but not by the Executive Secretary.
- 3.6 &** Point taken.
3.7
- 3.8** Point taken, but in the case of Mr Giovanni Camilleri and Koperattiva Tabelli these are
&3.9 tenderers.
- 3.10** Mr Jimmy Muscat - Meeting was scheduled on the 16 th March 2020. Cheques usually
& were prepared on the same day of the meeting but not signed. Due to unforeseen circumstances meeting was re scheduled.
3.11 Marsaskala FC – This payment was presented as a late payment on the previous meeting, and therefore it was listed as an urgent payment in the following meeting.

Mayor
Mario Calleja

Deputy Mayor
Janice Falzon

Councillors
John B. Camilleri
Charlot Mifsud
Dr. Patrick Camilleri
Ms Mary Rose Mifsud
Mr. Ryan Portelli
Perit John Scehmbri
Dr. Errol Cutajar

Executive Secretary
Josef Grech

Auditors.doc

- 3.12& 3.13** KLM 01/2020 Kindly note that the council had signed the contract on the 16 th September and the contractor has signed on the 23rd September. An issue than arose to get approval from DIER regards the employees whom were working with the previous contractor since the law states that they should be given the opportunity to work with the new contractor. A dispute arose from the new contactor and the new and it took some time that's the reason the performance bond was dated 27th October 2020
- KLM2020/02 There is no lapse of 15 days with regards to this contract since the contractor signed the contract on the 16 the September and the performance bond was issued on the 22nd September 2020.
- 3.14** Kindly note that with regards to this tender there was only one bid and it resulted that the budget was not calculated correctly.
- 3.15** Kindly note that with this tender the BPQR was applied and despite the fact that there were cheaper bids, the council selected the cheapest offer which was technically compliant.
- 3.16** Kindly note that the estimate was calculated on a certain amount of works. Kindly note that the council will spend much less that the estimated amount over a period of 4 years.
- 3.18 & 3.19** Point noted.
- 3.20& 3.21** Point noted
- 3.22& 3.23** Kindly note that there is no difference between national and international insurance. This is being given for free by the insurance. The Council just has to notify the insurance whenever officials are travelling abroad. This is saving the Council time and money.
- 3.24 & 3.25** Please note that the council did try to insure the van on a full policy coverage but this was not accepted by the insurance.
- 3.26 & 3.27** Point noted.
- 3.28& 3.29** A new rental agreement will be signed.
- 4.1& 4.2** The Council passed the auditors' proposed adjustments.
- 4.3& 4.4** Point noted
- 5.1& 5.2& 5.3** The Council investigated these variances and in fact adjusted its books of accounts.
- 5.4& 5.5& 5.6** Variances investigated and already adjusted.
- 5.7& 5.8&5.9** Details for assets bought in 2020 were appropriate included in the fixed asset register.
- 5.10** The Council was given this defibrillator through a donation but has no idea about the value of such equipment.
- 5.12 & 5.13** The Council had signed the extension of contract initially and sent two copies to the department for local government and to date has not received a signed copy. The Council will do its utmost to obtain a signed copy from both parties.
- 5.14& 5.15** Point noted and already adjusted.
- 6.1& 6.2** The Council recorded information in its ledger as per information included in the Loqus report.

- 6.3 & 6.4 With regards to Green Mt and Media Trends the Council will consider this year to write off the pending balances. Where as to Wasteserv Ltd and WSC the Council will try to settle the matters during the financial year 2021
- 7.1 & 7.2 We ask for the statements and fiscal receipts every time in every payment voucher we send.
- 7.3& 7.4 With regards to Catbros and DOI please note that the matter has been settled during 2021. Whereas with regards to arms the matter is still pending.
- 7.5& 7.6 The Council will investigate the long outstanding creditors and take the necessary actions.
- 7.7& 7.8 Point noted and reason included in point 2.3 &2.4 above.
- 8.1 & 8.2 Action has been taken by the council.
- 8.3 & 8.4 Bank transfer are being effected by the council employees in the presence of the Executive Secretary.
- 9.1 Contractor informed the council that invoice was already paid and the contractor returned the cheque and it was cancelled.
- 9.2 Noted.
- 9.3 & 9.4 Kindly note that on each schedule of payment there is clearly written the council meeting number.
- 9.5 & 9.6 In all the three instances something cropped up unexpectedly and the meeting had to be postponed to a different date which was agreed upon by all councillors and also published accordingly on the website.
- 9.7 & 9.8 Noted.
- 10.1 Points noted and adjusted.
- 10.2 Noted
- 11.1 & 11.2 Noted.
- 12.1-12.3 Noted.
- 13.1 &13.2 Despite the fact that three nominal accounts recorded an increase in expenditure from the budged amount, one has to take into consideration the overall picture whereby there were a lot more nominal accounts whereby the council spent much less than the budgeted amount.

Signed

Josef Grech
Executive Secretary

Signed

Mario Calleja
Mayor

Cc: Grant Thornton Malta, Fort Business Centre, Triq l-Intornjatur, Zone 1, Central Business District, Birkirkara CBD 1050

Cc: Director, Department for Local Government, No 26, Archbishop Street, Valletta