



MARSAXLOKK LOCAL COUNCIL

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13th October 2022

National Audit Office
Notre Dame Revelin
Floriana

Dear Sir,

Reference is made to the Auditor's letter dated 22nd September 2022. In terms of section P2.06B (c.02) of the Local Councils' (Audit) procedures 2006, on behalf of the Marsaxlokk Local Council we are presenting the following documents.

1. Previous Management Letter

The points that Auditors reported under this heading will be replied to in each of respective sections below.

2. Fixed Assets

With regards to the additions to the fixed asset register, kindly note that these additions were approved by the council members, the following is the minutes relating to the additions:

Item No.	Supplier	Description	Minutes
99132	MEPA	PA Application	27.3.2 and 32.7.1
98151	N003	Citroen Picasso	24.6

With regards to the Decorative lantern – St. Catherine Str, these was obtained through the expired tender which is still in force on a regional level to date.

The Concrete pots were purchased through a call for quotations, three quotations were obtained, and the chosen supplier was the only supplier offering tailor made concrete pots according to our specifications. The tourism zones foundations provided the local council with financial assistance regarding these concrete pots.

Following the points noted by the auditors with regards to the architectural services still being used by the Council from Perit Robert Grech, kindly note that the Council is the process of terminating such services as the South region will pe providing architectural assistance themselves.

Mayor: **Steven Grech**
Deputy Mayor: **Elenia Desira**
Councillors: **Daniel Zerafa** | **Stephen Caruana**
Deputy Executive Secretary: **Carmel Attard**

3. Garnishee Order

The council will be following the garnishee order dated 2008.

4. Pre-regional LES debtors

The variance of Eur 49,891 has been coming from the period before 2011 and is related to pre-region citations. According to Loqus report these citations all relate to Marsaxlokk and when any citation is paid, Local Council Marsaxlokk receive the money. During 2020 the Council felt that it is important that these are recorded in the Local Council financial statements as a prior year adjustment, notwithstanding the fact that due they are long overdue a provision for bad debts had been accounted for as well.

Hence the net effect on profit and loss for the year end was nil. Unfortunately, the auditors reversed the adjustments, which the council had to take on board, in order not to cause any disputes. Nonetheless, the Council as at this stage feel that it cannot do anything more.

5. Accrued Expenses

Financial decision has not yet been received. The council is monitoring the issue and will be making the necessary adjustments in its books of accounts accordingly.

6. Income

The Council will follow the recommendations by the auditors and will raise this issue with the Department for Local Government.

7. Long-outstanding creditors

This long overdue invoice will be settled and included in October 2022 payments schedule.

8. Government Allocation

The failure of application for the additional funds for Tourism Zones and adjustment fund for 2021 resulted due to change in Council's administration thus these has been rectified and these funds have been applied for in 2022.

We trust that our replies are to your satisfaction.

Your faithfully



Carmel Attard
Deputy Executive Secretary

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