



Kunsill Lokali San Gwann

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Reply to Management Letter 2020

- 1.1 The Joint committee Lvant had transitioned into the Regjun Centru of which San Gwann formed part. The council has no control over the financial statements of either entity. However since 2018, the San Gwann local council had received a number of payments of which the amount has been deposited into our BNF account. Amount which is still there and will be used to finance capital project as directed by Regjun Centru.
- 1.2 The Council shall regularly revise the insurance cover in line with the latest NBV as per latest audited Financial Statements and shall ensure not to insure property in the open (refer to audit observation 3.8)
- 1.3 A new process started as from financial year 2021, whereby a monthly payroll reconciliation with the FS5 is performed and the payroll expense categories are correctly posted in the respective nominal ledger accounts. The accountant shall ensure that any differences are brought to the attention of the payroll officer so that these are investigated immediately.
As regards to previous year's adjustments these were adjusted in the Financial Statements accordingly.
- 1.4 A plan will be devised to implement an Inventory Register for Fixed assets – the fixed asset register maintained by the accountants does not contain sufficient information to be used for inventory and control purposes.
- 1.5 An exercise will be carried out to follow up overdue debtors. This will be conducted at least on an annual basis. The exercise shall determine whether to provide for allowance for doubtful debts or classify as irrecoverable debts depending on a case-by-case basis.
- 1.6 The council will make sure that the bank reconciliations are kept up to date on a regular basis. To this effect the Council will ensure to have access to the online systems of the respective banks to be able to download bank statements when required.
- 1.7 – 1.10 We would like to note that the Council adopts a procedure where all invoices are presented to the Council Committee for approval before being paid. Notwithstanding this, the Council will request regular suppliers' statements to monitor and control that all invoices are being accounted and suppliers' balances are reconciled.
As regards to the long outstanding creditors an exercise will be carried out to determine the reasons behind why these have been outstanding.

Sindku: Trevor Fenech, Vici Anthony Mifsud Bonnici
Kunsilliera: Joan Farrugia, Dominic Cassar, Etienne Bonello DuPuis, Joseph Mary Aquilina, David Dalli, Tania Borg u Violet Bajada
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- 2.1 – 2.2 The Council performed the recommended audit reclassification for income derived from permits and was reported under general income (comparative adjusted). This approach will be adopted for future reporting.
- 2.3 – 2.4 The council will make sure to perform a reconciliation of the Report 483 with the accounts.
- 2.5 – 2.6 The Council will make sure to send LES invoices in the first week of the following month.
- 2.7 – 2.10 The Council will implement a procedure to make sure that cash collected is deposited at least twice weekly.
- 2.11 – 2.17 The Council will implement a procedure to make sure that cash collected is deposited at least twice weekly.
- 3.1 - 3.5 The Council will make sure to adhere to the applicable regulations and such instances are not repeated.
- 3.6 – 3.9 The council will adopt the directives and ensure that the council is fully covered without being over insured.
- 3.10 - 3.12 The council will continue to strive to ensure that all procurement procedures are adhered to as much as possible.
- 3.13 - 3.16 Since last audit, the Gardening services and domestic waste collection tenders have been issued and awarded.
- 4 Refer to reply in 1.3
- 5.1 – 5.2 The Council will perform regular reconciliation between the Fixed Assets register and the accounts
- 5.3 – 5.12 As noted in point 1.4 above the Council will devise a plan to keep an Inventory register. Details listed in observation note 5.4 are to be included.
- 6.1 – 6.2 Refer to reply in 1.1
- 6.3 – 6.4 The Council will investigate overdue payments.
- 7.1 – 7.2 A new account will be opened in due course.
- 7.3 – 7.8 Refer to reply 1.6



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- 7.9 The Council will make sure to advise the Bank accordingly, although this has insignificant affect since no interest is paid on balances maintained.
- 7.10 Although the amount is very negligible, we will instruct our bank.
- 7.11 -7.14 We will investigate any discrepancies.
- 8 As noted in point 1.7 above, the Council will request regular supplier statements to ensure proper recording.
- 9 The council has uploaded numerous of the documentation and will continue to strive to ensure that all required documentation is uploaded on the website.
- 10 A three year business plan has been approved and uploaded.
- 11 The council is committed to these projects, however at that point in time, the did have the necessary estimates and BOQ finalized for each individual project. At that moment, it would have been imprudent to include in the financial statements.



Trevor Fenech
Mayor



Kurt Guillaumier
Executive Secretary