



Director Local Government
Monitoring Unit
Department for Local Government
26/28, Archbishop Street,
Valletta
Malta

21st July 2020

RE: REPLY TO REPORT BY AUDITOR GENERAL FOR THE PERIOD ENDED 31 DECEMBER 2019

1.0 FOLLOW UP TO LAST YEAR'S REPORT

Noted and currently action is being taken to, as much as possible, address any pending issues.

2.0 PROPERTY, PLANT AND EQUIPMENT

The issue about Property, Plant and Equipment has been with the Council for a couple of years. The Council has embarked on the project to reconcile and update its Fixed Asset Register in line with Direttiva 1/2017 from DLG. However, upon reconciliation it was noted that the current accounting packaging does not support the export and the import of its data into Excel. The new accounting package was installed by the Council during the last quarter of 2019 and thus the Council plans to reconcile and update its FAR in line with DLG Direttiva 1/2017 during 2020. As discussed also in the management report itself, this is not an easy and straight forward task, however, the Council will be doing its utmost to reconcile and update the Fixed Asset Register. This also in line the latest Circular to this matter as issued from the Department for Local Government.

3.0 RECEIVABLES

Comment noted. Since amount is receivable from Regional Committees and the amounts were not deemed material, it was decided not to provide for them. Council is chasing these Regional Committees to collect payment for these balances to close this position. In fact, mentioned balance was received during the first quarter of 2020.

4.0 CASH AND BANK

Noted. Mentioned cash box represents the cash collected on behalf of Third Parties such as LESA and Lands Authority payments. Since such balances are collected from Local Council on behalf of Third Parties and are held by Local Council in transit until funds are deposited at their respective bank accounts, such funds are not recorded in the Council's books.

5.0 PAYABLES

Mentioned case was an isolated situation resulting from the fact that such invoices were received after the financial statements for 2019 were prepared and an audit adjustment was reflected in the updated financial statements.

6.0 EXPENDITURE AND TENDERS

Noted. The increase in repairs and upkeep refer to extensive patching undertaken in the locality in winter of 2019, which patching exceeded the budget. The Council, having also Xlendi as part of the locality is organizing a number of activities in the locality, especially in Summer at Xlendi. It is to be noted that a substantial amount of this expenditure has been recovered either through sponsorships, and government and MTA grants to help tourism in Gozo. The new Mayor also had different plans for Community and Hospitality Expenditure

Comment about the fiscal receipt noted. The Council regularly chases the suppliers to issue fiscal receipts upon receipt of payment and the fact that only one occurrence of a missing receipt was noted confirms the effort made by the Council to obtain the fiscal receipts.

Signed

Damien Spiteri
Mayor

Signed

Ryan Debrincat
Executive Secretary