

9th June, 2023

KLZ09-06-23ca

Parker Russell Turner
13, Curate Fenech Street,
Birzebbugia

To whom it may concern,

Reply to the management letter

Property , Plant and Equipment

1.1 This was an unintentionally error of inputting the amount of 1,800Eur as expense instead of fixed assets. Infact, Zurrieq Local Council makes it utmost to include all the revenue expenditure and capital expenditure appropriate. Auditors' recommendations are already being followed by the Council.

1.2 The Council will do its utmost to obtain three quotations in the case an expense is over 500 Eur.

Cash at Bank

2 2.1 The Bank account mentioned was a fixed bank account. Due to its nature, the bank could not change its signatories. Nonetheless the bank, were aware that Ms Rita Grima was the new Mayor and infact, the Council had no problems in closing down the account. As at today, this issue is settled.

2.2 Whilst the Council appreciate the auditors' effort, the Council is already making the optimum use of public funds by using its tools already in hand like the quarter reports, the budget, the business plan and its accounting software. Opening another bank account might cause unnecessary bank charges if for example the account is not used for a



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period of time and complications if an asset and expense are included on the same supplier's invoice.

Debtors

3.1 The Council will follow these debtors and take the necessary action.

3 3.2 The Council has no control of the movement of LES report 622. Moreover the Council cannot write these amounts as bad debts because every year part of this amount is settled. Nonetheless since amounts are overdue, the Council was prudent and in previous years provided a provision for bad debts. Hence there will be no effect of future profits or losses.

Accrued Income

4 This amount was not accrued for since by the time the Council was finalising the accounts , these amounts were not confirmed by the respective region.

Creditors

5 The Council is aware of these balances and once the issue will be resolved everything will be minuted in the Local Council meetings.

Accruals and prepayments

6 Accruals and prepayments are estimates. Nonetheless the Council will continue to make its utmost to make sure that accruals and prepayments are accurate as much as possible.

Revenue

7 This is due to the fact that the bank does not accept coins and 2021 coins were deposited in 2022.

The Council does not have control on the LES system and invoices are issued automatically from the system.



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Debit transactions

- 8 We have obtained quotes re 1 year hosting re mobile app. It was partly financed by Measure 3. But again the Council will do its utmost to obtain three quotations in the case an expense is over 500 Eur.

Funds help by the Tribunal Council

- 9 The Council never accounted for the said amount of 6,162Eur that might be received from Zurrieq Joint Committee. It was proposed by the auditors as an audit adjustment but removed following a meeting with our accountant. Nonetheless, Zurrieq Local Council is following closely the issue and will make the necessary adjustments once settled.

Presentations of financial statements

- 10 The Council took on board the auditor's recommendations. However, the Council did not agree with the proposed audit adjustment which was a set off between the LES movement which was recorded in note 4 of the financial statements, in the income section and the provision for bad debts which was record as an expense in note 9 of the financial statements in the administrative section. The set off amounted to Eur 29,880 . This is not in line with previous years' accounting and in line with the Local Council's finance procedures where income and expenses cannot be set off. However, given that this did not have an effect on the profit and loss of the Council, the Council passed this adjustment.

Conclusions

- 11 Thankyou , we will take your recommendations and try our best to not repeat same weaknesses.

Yours faithfully,



Rita Grima
Mayor



Josianne Ċilia Mumford
Executive Secretary



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