



The Auditor
Grant Thornton
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Central Business District
Birkirkara.
CBD 1050
Ref- 416:C-2023
31st May 2023

Re-Management letter for Audit for year ending 31st December 2022.

We are in receipt of the management letter dated 25th April 2023, in connection with the annual audit of the L-Imnsida Local Council (L.C) financial records for the year ending 31st December 2022.

Whilst we would like to take this opportunity to thank your firm for the services and cooperation provided to the L.C during their field work, we would also like to comment as follows:

1 Previous management letter

1.1 Income

The L.C took note

1.2 Debtors

The L.C took note refer to replies in 3.2 & 3.1a-b

1.3 Bank and cash

The L.C took note



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1.4 Financial statements

The L.C took note

2 Expenditures

The L.C agrees and will establish a formal capitalization policy as recommended.

3 Debtors

3.1 Overdue receivables

The L.C took note and will consider the recommendation to make a provision for doubtful debts in the books of account. However, to date there was no indication to doubt that the overdue amount (€23,266.59) cannot be recovered and until the debtor highlights any valid differences, the LC

- a remains resolved to pursue with the request for settlement. To that end the LC has increased the efforts in communicating with the accounts department at LESA to reconcile the shown amount and likewise the receivables due from 2022 (€5,321.47) to be settled at the earliest. Also, the LC will strive to maintain this effort for the receivable amounts due in 2023.

- b The L.C took note of overdue receivables by WasteServ Malta Limited refer to reply in 3.2

3.2 Confirmation of debtors

The L.C took note and has sent a reconciled organic waste collection statement to Wasteserv Malta Limited while persisting to maintaining contact by sending weekly reminders to ensure that all invoices are approved and recorded. Also, according to the records as at end December 2022 the LC has an outstanding balance (€55,058.63) due to Wasteserv Malta Limited for Tipping fees and therefore is requesting for a part settlement of the outstanding balance through a set off and payment for the remaining balance.

In a communication dated 17 May 2023 Wasteserv Malta Limited states that the delay in payment was caused because of the addendum with regards to the change in rate in June 2022 which had been signed by the LC and sent back. However, it was explained that this document was lost in their internal mail system and therefore another document is being recirculated for the signatures and once signed this document will be resent to the LC for endorsement with the assurance that as soon as done the remainder of the organic invoices for 2022 will be processed.



In reply (17 May 2023) the LC makes reference to the pending organic waste collection invoices for the period prior to the changes in rate as from the 5th June 2022 and In this regards requested Wasteserv Malta Limited to forward the payment for January till May 2022 .

Conclusion

The I-imsida Local Council would like to take this opportunity once again to thank your firm for the services offered and cooperation shown and for the comments raised for the L.C to operate in a smoother and more efficient manner.

Yours faithfully.

Margaret Baldacchino Cefai.
Mayor.

Alan Vella.
Executive Secretary.

cc. Mr Christopher Galea , Director Monitoring and Support , Local Government Division.
Auditor General, National Audit Office, Floriana



