



14th July 2023

Director General

Local Government Division

MANAGEMENT LETTER FOR FINANCIAL YEAR 2022

The Naxxar Local Council (NLC) makes reference to the attached management letter for the financial year ending 31st December 2022. We would like to point out the following:

2. Income from Joint Committee

The Local Council is pleased to note the commitment by the Finance Directorate within the Local Government Division to conclude the process of liquidation of the joint committee. Until this process is concluded the NLC cannot make progress in this regard however we urge the DLG to speed up the process as much as possible.

3. Accounting for grants

The NLC commits itself to investigate these discrepancies and to adjust the books of account accordingly.

4. Upkeep of Fixed Asset Register

We will continue to do our utmost to keep the FAR as updated as possible as per Auditor's recommendations. Still we have to point out that even though for most of the FA's the details are included, for some reason the report extracted from Sage excludes them. In this regard we will seek the provider's assistance to ensure that report includes all the relevant details.

Reconciliation of Financial Statements with FAR

Every effort will continue to be made to ensure having a correct plant register. Therefore we will investigate and make the necessary adjustments.

5. Supplier statements and long-outstanding creditors

As rightly recognised by the Auditors, the Local Council does every effort possible to obtain monthly statements but suppliers do not always comply quickly. We will however continue to make every effort possible.

Creditors' list

Delays in payment resulted mostly in issues which were disputed, not clear enough or purposely withheld. From the four listed two of them (TCTC) and WM Environmental have been settled. Dimros still has money retained for Asphaltting works (Triq San Gorg) but the one of Planet IT Solutions is still unpaid due to lack of clarification/justification from their end.

Debit balances in creditors' list

This small figure related to the Finance Ministry will be investigated and adjusted accordingly.

The NLC would like to take the opportunity to thank the auditors for their work and for being so courteous during the course of the audit.



Anne Marie Muscat Fenech Adami

Mayor



Paul Gatt

Executive Secretary

cc: National Audit Office