



15 October 2022

Auditor General
Hornworks Ditch
Floriana

Reply to Management letter 2021

1.1 & 2.1, 2.2

Rabat Local Council is depositing money on a regular basis as soon as there is a concern with regards to the safety of the courier who is the Executive Secretary himself. The Executive Secretary normally deposit these funds after the normal working hours from three to four times a week.

1.1, 2.5-2.7

With regards to the latest financial statements of the Birkirkara Joint Committee, it is the role of the Authorised Officer who should submit same. Central Government should seek remedy as this is a common concern in the accounts of the councils forming part of this Joint Committee.

1.2, 3.1-3.2

With regards to the €61,547.00 as rent expense, the auditors confirmed that we are operating on a temporary building at 30, Triq Inguanez, as we had to vacate our ordinary Municipality offices at 8, Hospital Street for refurbishment. The premises in Hospital Street were a threat to the lives of all the employees as the roofs had to be replaced since a lot of water penetrated in the steel and wooden beams and were declared dangerous for general public being served in our offices.

1.3

We are very pleased to note that no irregularities have been noted in the personal emoluments.

1.4, 4.1, 4.2 & 4.3

The discrepancies arising from the fixed assets register and the financial statements are being investigated. Rabat Local Council is considering the €35,683 difference in the Urban Improvements

and the Special Programmes together in the Net Book Value and that of €42,471 including also the Property to be corrected.

4.4 - 4.5

With regards to the proper classification of assets, particularly with respect to the refurbishment of the public convenience of Triq Santa Rita, under the Property (Buildings 1%-1.25%) in the Fixed Assets Register vis a vis Urban Improvements (10%-85.72%) in the financial statements this was a very awkward exercise. In fact Rabat Local Council did a refurbishment which included the reconstruction of same public convenience.

1.5, Receivables

5.1 Wasteserv's receivables for September to November 2021 were duly recorded and matched the amounts in the Trial Balance.

5.2 Rabat Local Council's accounts operator is doing her best to obtain statements and reconcile them as soon as they are received.

5.3 We agree with our auditors that the pre-regional LES debtors report 622 of €215,539 compared to the amount denoted in our accounts of €219,889 has no effect on the financial statements since LES debtors are carried at nil value following a provision for doubtful debts for the same amount.

5.6 We are requesting our bankers to provide us with the receivable guarantee emanating from a former infrastructural project undertaken by Rabat LC for €1,000

1.6 Rabat Local Council is pleased to note that no irregularities were identified during the audit exercise in cash and cash equivalents.

1.7 Trade and other payables

6.1, 6.2 We do not agree with the auditors claiming that during the course of audit they have observed that Rabat Local Council did not obtain statements at year end from all suppliers to confirm the year end balance. Our financial officers did their best to make all our suppliers aware that they had to provide us with a statement as at 31 December 2021.

6.3, 6.4 Efforts are being made to identify how an amount of €163.75 as a debit balance appeared in the creditors' list. Investigations are being made to determine the creditor account in debit.

1.8, Financial Statements

7.1 & 7.2

Efforts are being made to provide a set of financial statements in conformity with International Financial Reporting Standards. The ones to be presented for the year 2022 should be updated to reflect updates.

2.3 Income from LES Administration Fee

Frequent generations of Loqus report 483 to reconcile to income from LES administration fees are being done to eliminate future audit adjustments. The amount understated of €6,254.35 is substantial and thus the difficulties need to be addressed before presenting the Financial Statements.

6.5 & 6.6 Contractor's deposit guarantee

Rabat Local Council has requested our bankers to provide us with advices on whether the amounts of €8,379 deposit guarantees requested upon application for permits of construction and works since 2007 are still receivable. This is being also checked from a legal perspective.

6.7 Accruals

The main issue here is the resurfacing works for I-Imtaħleb and Ta' Koronja under the EAFRD 2014-2020 Measure 4.3. Further discussions were still going on in 2022 to resolve this issue since ARPA is making it difficult for us to sustain Rabat Local Council and fork out the remaining funds due to the contractor Bonnici Bros Ltd. Works were concluded in 2021.

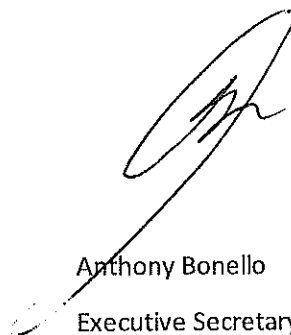
Finally we thank Grant Thornton for the field work and audited financial statements for year end 2021.

Regards



Alexander k/a Sandro Craus

Mayor



Anthony Bonello

Executive Secretary