



RABAT  
*Citta' Victoria*

20/05/2020

RSM Malta  
Mdina Road,  
Zebbug ZBG 9015  
Malta

Dear Sirs,

We confirm that the following information in connection with your audit of the financial statements of the Local Council for the year ended 31<sup>st</sup> December 2019 is, to the best of our knowledge and belief, true and fair, bearing in mind the requirements of the Local Councils Act, Cap. 363, the Financial Regulations issued in terms of the said Act and the Local Councils (Financial) Procedures.

#### **1 General**

To the best of our knowledge and belief, all transactions undertaken by the Local Council have been properly recorded in the accounting records and these financial statements, and all relevant records have been given to you.

- (a) We acknowledge the Council's responsibility for the fair presentation in the financial statements of the financial position, financial performance and changes in financial position in conformity with generally accepted accounting principles.
- (b) All minutes of the Council meetings and all financial and accounting records and related data have been made available to you. We are not aware of any accounts, transactions or material agreements not fairly described and properly recorded in the financial and accounting records underlying the financial statements.
- (c) We are not aware of:-
  - (1) any irregularities involving Council members or employees who have significant roles in the system of internal accounting control or any irregularities involving other employees which could have a material effect on the financial statements, or
  - (2) any violations or possible violations of laws or regulations whose effect should be considered for disclosure in the financial statements or as the basis for providing for a loss.



The Council has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of non-compliance.

## **2 Accounting Policies**

The accounting policies used are detailed in the financial statements and are consistent with those adopted in the previous year's financial statements.

## **3 Audit Adjustments**

We have reviewed the list of audit adjustments relating to the year ended 31<sup>st</sup> December 2019 and authorize their inclusion in the financial statements to that date.

We believe that the effects of those uncorrected financial statement misstatements aggregated by you during the course of your audit are immaterial both individually and, in the aggregate, to the financial statements taken as a whole. We believe that no adjustment is required to be made in respect of these items in the financial statements for the year ended 31<sup>st</sup> December 2019.

## **4 Statement of comprehensive income (€ 132,984)**

Except as disclosed in the financial statements, the results for the year were not materially affected by:

- (a) transactions of a sort not usually undertaken by the Local Council
- (b) circumstances of an exceptional or non-recurrent nature
- (c) charges or credits relating to prior periods or
- (d) any change in the basis of accounting.

Any expenditure included in the financial statements was properly made in connection with the carrying on of the Council's operations. All income and expenditure properly attributable to the Local Council has been accounted for in the books.

## **5 Property, plant & equipment & intangibles € 525,103**

- (a) The Local Council has satisfactory title to all property, plant and equipment and intangible assets included in the financial statements.



- (b) The property, plant and equipment and intangible assets to which the Local Council has satisfactory title are included in the financial statements.
- (c) All amounts of expenditure capitalized in respect of property, plant and equipment and intangible assets as detailed in the financial statements represent expenditure incurred in acquiring additional assets or improving existing assets. No expenditure capitalized is of a revenue nature.

**6 Inventories € 25,731**

Inventories represent books published by the Local Council which have not been sold till the end of the financial year. Inventories are stated at the lower of cost and net realizable value.

**7 Receivables € 182,877**

Balances included in the financial statements are all valid receivables or prepayments. A provision has been made against specific debts which are known or may be expected to be irrecoverable.

**8 Other Current Assets € 154,884**

Other current assets shown in the Council's statement of financial position represent cash in hand and at bank. Cash at bank is deposited with reputable banks and consequently the credit risk is deemed to be low.

**9 Liabilities (€ 869,791)**

All known liabilities of material amount as at 31<sup>st</sup> December 2019 are shown in the financial statements including the liability for all purchases to which title has passed prior to 31<sup>st</sup> December 2019. We confirm that we have provided you with all the invoices relating to expenditure incurred during the year ended 31<sup>st</sup> December 2019 that were not paid till the end of the year, as well as with all the information relating to purchase orders made and completed in the said year, for which the respective invoice has not been issued till 31<sup>st</sup> December 2019.





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## 10 Capital Commitments

At 31<sup>st</sup> December 2019, there were no commitments for capital expenditure other than those listed in the notes to the financial statements.

## 11 Contingent Liabilities

All contingent liabilities that existed as at 31<sup>st</sup> December 2019 have been properly disclosed in the financial statements.

## 12 Events After the Reporting Period

Events since the statement of financial position date have been fully taken into account in so far as they have a bearing on the amounts attributable to assets and/or liabilities at that date and have not made the present financial position substantially different from that shown by the statement of financial position.

## 13 Laws and Regulations

We confirm that the Local Council has complied with all laws and regulations relevant to its activities during the year under audit and that we have made available all such relevant information necessary for audit purposes.

**Mr Josef Schembri**  
Mayor

**Mrs Miriam Attard**  
Executive Secretary