

The Mayor  
Marsa Local Council  
Pont San Tumas,  
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Malta

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Our ref: AB/mf/124825

22 May 2025

Dear Sir,

### **Financial statements for the year ended 31 December 2024**

During the course of our audit for the year ended 31 December 2024, we have reviewed the accounting system and procedures operated by your council (the "Council"). We set out in this report the more important points that arose as a result of our review.

#### **1 Previous management letter**

- 1.1 Unaccounted variance per creditor's aging and trial balance. The council has rectified the issue during the year under review.
- 1.2 In 2023, we recommended that the council reconciles the creditors' list with the creditors' control account. The council has rectified the issue during the year under review.
- 1.3 In 2023, we recommended that the council take the matter up with Loqus concerning its LES receivables. This is to determine what the correct balance is and then consider whether an adjustment should be passed in the council's books. We again noted that the council has still not communicated with Loqus - see point 2
- 1.4 In 2023, we noted that the council's creditor balances related to Wasteserv has variance when verified to transactions statement. The council has rectified the issue during the year under review.
- 1.5 In 2023, we recommended that the council includes account numbers in the petty cash summaries to ensure payments are correctly allocated in the books of account. We are pleased to note that the council was able to resolve the issue.



## **2 Receivables**

### **LES receivables**

- 2.1 According to report 622 issued from Loqus, the council's tribunal payments for the pooling period from 31 August 2011 is €87,243.36. No amount is recognised as an LES receivable in the council's books of account and in the financial statements. We did not propose an audit adjustment to account for LES debtors because it 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.
- 2.2 We recommend that the council takes the matter up with Loqus to determine what the correct balance is and then considers whether an adjustment should be passed in the council's books.

## **3 Payable – Charges made by Region**

- 3.1 During 2024, the council received two invoices for waste rejects from the South Region pertaining to years ending 2023 and 2024. We also noted that the Region informed the council to not record such invoices prior to further communication from their end. Subsequently, the region issued a credit note for the 2024 recharges since such reimbursement was received by them from the Department for Local Government. Upon reviewing the payable balance to the region, we noted that the council has recorded €9,823.44 for the 2023 waste rejects for which no supporting agreement or circular was issued by the department. .
- 3.2 We recommend the council to liaise with the Department for Local Government on the accounting treatment for waste rejects. Furthermore, the council should ensure that guidelines are issued outlining the basis for the recharges being used across councils.

## **4 Personal emoluments - FS reports**

- 4.1 During our review of the FS5 and FS7 reports filed by the council, we noted a variance amounting to €2,208. We did not propose an audit adjustment to account for the difference since it is below our materiality.
- 4.2 We recommend that the council conducts monthly reconciliation and review to ascertain that all filed reports are reconciled.

**Conclusion**

We would like to point out that the matters dealt with in this report came to our notice during the conduct of our normal audit procedures which are primarily designed for the purpose of expressing an opinion on the financial statements of the Council. In consequence, our work did not encompass a detailed review of all aspects of the system and cannot be relied upon necessarily to disclose defalcation or other irregularities or to include all possible improvements in internal control that a more extensive special examination might develop.

We would like to take this opportunity to thank the Marsa Local Council staff for their co-operation and assistance during the course of the audit.

Yours faithfully,

