

Thursday 24th September 2020

The Auditor General,
National Audit Office,
Notre Dame Ravelin,
Floriana

Dear Sirs,

**REPLY TO THE MANAGEMENT LETTER FOR THE YEAR ENDED
31 DECEMBER 2019**

The Qrendi Local Council is in receipt of the Management Letter as prepared by Nexia BT as external Auditors for the year ended 31 December 2019. While expressing our gratitude as regards to the points raised, we wish to comment as follows:

1.1 BANK

With reference to this point we will be doing our best so that these issues are rectified as soon as possible. We shall discuss this issue with our accountant.

1.2 LES DEBTORS

We will strive to do our best so that reconciliation and necessary adjustments are carried out before the unaudited financial statements are passed for audit.

1.3 TRADE RECEIVABLES

We took note of the auditors' comments regarding Trade Receivables.

1.4 TRADE PAYABLES

We will strive to do our best so that the creditors' list and accounts are in agreement before the unaudited financial statements are passed for audit.

1.5 SALARIES

We shall be taking the recommendation of our auditors and we will be reconciling the FS7 to the FS5 forms before submission.

1.6 DEPOSITS

We wish to point out that it is not always possible to deposit the Local Council's general income daily or twice weekly since no branch exists in our locality. As the Auditors' comments, "amounts in hand were not material," thus making bi-weekly bank deposits not economical feasible.

1.7 ACCRUED INCOME

As per Management Note, the amount of "€17 as at year-end" is not material, but we will be doing our utmost that similar amounts will be accounted for in the future.

1.8 IFRS 16 – NEW ADOPTION


With reference to this point, we shall be discussing this issue with our accountant in order to rectify our position in the future.

CONCLUSION

We wish to take this opportunity to thank Mr Ryan Finch, Mr Manuel Castagna, Mr Darren Bugeja and Nexia BT for the services rendered to the Qrendi Local Council as well as for their kind co-operation.

Regards

David Michael Schembri MQR
Mayor


Chris Falzon
Executive Secretary