

The Mayor  
Zejtun Local Council  
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Zejtun

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Our ref:MB/bb/100324

22 April 2024

Dear Madam,

### **Financial statements for the year ended 31 December 2023**

During the course of our audit for the year ended 31 December 2023, we have reviewed the accounting system and procedures operated by Zejtun Local 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 Income**

The Zejtun Local Council formed part of the Zejtun Joint Committee up to 31 August 2011.

We have obtained the last audited financial statements of the Zejtun Joint Committee and noted that the reserves of the committee only amount to €2,672. To this end, our audit report was not qualified as the amount to be divided between all committee members would not be material.

Nevertheless, we recommend that the council raises this issue with the Department for Local Government and ensures that the Joint Committee is liquidated, and that the council receives any further income that may be due to it.

##### **1.2 Expenditures**

In prior year, we recommended that council to reviews all lease contracts in place and considers the impact of IFRS 16 'Leases' on the council's financial statements and adjust if the need arises.

We are pleased to note that this matter has been addressed by the council.



### 1.3 Debtors

We again noted issues raised in prior year on debtors such as the reconciliation of LES receivable with Loqus, recoverability assessment of overdue receivables and regular reconciliations of amounts due to debtors (refer to note 3.1 to 3.2)

## 2 Property, plant, and equipment

### Reconciliation of financial statements to fixed asset register

2.1 During our fieldwork, we noted that the fixed asset register provided does not agree to the audited financial statements. The following is a summary of the differences:

	NBV in fixed asset register	NBV in the financial statements	Difference
Fixed asset totals	1,507,055	1,546,008	-38,953

2.2 We recommend to the council to investigate and reclassify the variances identified between asset categories in the financial statements and the fixed asset register.

## 3 Debtors

### LES receivables

3.1 According to report 622 issued from Loqus, the council's tribunal payments for the pooling period up to 31 August 2011 is €265,871.76. 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.

3.2 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.

## 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 Ms. Maria Dolores Abela and her staff for their co-operation and assistance during the course of the audit.

Yours faithfully,

