



Ref. Tagħna : 46/4215/25/O/94/205/264/333/366/370  
Ref. Tiegħek :  
Ref. Interna : **Minuti 06/K9/2025 – 06.06.1, 46/3663/25/I,**

28 ta' Meju 2025

**Dipartiment għall-Gvern Lokali**  
26,  
Triq l-Arcisqof,  
Valletta, VLT 1443.

**Att: Id-Direttur Ġenerali Emil Vassallo**

## **Management Letter 2024**

B'referenza għall-Management Letter għas-sena finanzjarja li għalqet fil-31 ta' Dicembru 2024 (**Ara Dok. 1**), f'isem il-Kunsill Lokali Pembroke qed nissottomettu r-risposta tagħna kif approvata fil-laqgħa tal-Kunsill referenza 06/K9/2024 miżmuma nhar il-Ħamis 28 ta' Meju 2025.

Ir-risposta tal-Kunsill Lokali Pembroke hija:

### **1. Ittra ta' Ġestjoni Preċedenti**

#### **1.1. Kontabilizzazzjoni ta' ghotjiet u nefqa relatata mal-ghotjiet**

Il-kumment gie innotat, grazzi.

#### **1.2. Assi fissi**

Fejn huwa possibbli ser naħdmu biex intejbu d-dettalji li jiddaħħlu fir-registru tal-assi fissi. Is-sistema għandha limitazzjonijiet ta' kemm tista' iddaħħal informazzjoni.

### 1.3. Kontabilizzazzjoni ta' nefqa akkumulata

Il-kumment ġie innotat, grazzi.

### 1.4. Prezentazzjoni tad-dħul

Ara l-punt 3 hawn taħt.

## 2. Rikonoxximent tad-Dħul

Intlaħaq qbil li jintuża l-approċċ indikat, u l-Kunsill Lokali se jiżgura li dan jinżamm meta jiġu analizzati l-akkużazzjonijiet għad-dħul u l-infiq.

## 3. Prezentazzjoni tad-Dħul

Intlaħaq qbil li tinżamm il-konsistenza fil-prezentazzjoni tal-kontijiet.

## 4. Pagabbli

Il-Kunsill Lokali se jsegwi l-istatus ta' dawn it-talbiet u ser ikompli jaħdem biex jissolva kwalunkwe kwistjoni pendenti sabiex is-saldu jkun jista' jiġi pprezentat b'mod preċiż.

Tislijiet,



Av. Kaylon Zammit  
**Sindku**



Kevin Borg M.Sc. (Gov & Mngt)  
**Segretarju Eżekuttiv**

**Kopja :** *Awditur Ġenerali, NAO [nao.malta@gov.mt](mailto:nao.malta@gov.mt)  
Udituri Lokali – Grand Thorton  
Ministru għall-Finanzi (Onor. Clyde Caruana)  
Segretarjat Parlamentari għall-Gvern Lokali (Onor. Alison Zerafa Civelli)  
Il-Ministru għall-Wirt Nazzjonali l-Arti u l-Gvern Lokali (Onor. Owen Bonnici)  
LGD - [compliance.dlg@gov.mt](mailto:compliance.dlg@gov.mt)*

The Mayor  
Pembroke Local Council  
Triq Alamein  
Pembroke, PBK 1776

Our ref: AB/mf/115225  
30 April 2025

Dear Sir,

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

During the course of our financial statements audit for the year ended 31 December 2024, we have reviewed the accounting system and procedures operated by Pembroke Local Council (the “local council” or “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 Accounting of grants and expenditures related to grants**

We are pleased to note that the issue regarding the recording of grants and its expenditures did not recur this year.

##### **1.2 Fixed assets**

We still recommend for every possible effort to be made in updating the fixed asset register and include important details such as:

- Description of asset
- Date of purchase
- Supplier details
- Invoice number
- Asset tag code (where applicable)
- Cost
- Depreciation rate
- Location of the asset
- Grants received.





## 1.3 **Accounting for accrued expenses**

We are pleased to note that the issue regarding the recording of accrued expenses did not recur in the current year.

## 1.4 **Presentation of revenue**

We noted revenue was still accounted for in the incorrect classification of income (see point 3 below).

## **2 Revenue recognition**

2.1 We noted that the council accrued a revenue amounting to €70,978 related to works not yet carried out in 2024.

2.2 As per the accrual basis of financial reporting, this revenue should be recognised when it is earned. Therefore, we proposed to reverse the revenue. The adjustment was correctly reflected in the financial statements.

2.3 We recommend that once timely information has been obtained and prior to the approval of the financial statements, the council records revenue in the period which they have been earned.

## **3 Presentation of revenue**

3.1 During our review of the revenue accounts, the council was contracted to reimburse a contractor amounting to €508,821 for a project with Project Green Agency, which is part of the Ministry for the Environment, Energy and Rehabilitation of the Grand Harbour, to upgrade Gnién William Harding. The local council accounted for the first 46% of the income as part of the funds received from central government while the remaining 54% was recorded as part of general income. Consequently, we proposed a reclassification journal entry to present the amount incorrectly recorded as funds received from the government to general income. The adjustment was correctly reflected in the financial statements.

3.2 We recommend that the council maintains consistency in recording its transactions to present a more accurate financial statements.

## **4 Payables**

4.1 During our audit of the council's payables as of 31 December 2024, we requested direct confirmation of payables from third parties. Out of a sample of seven creditors, we were unable to send a request for direct confirmation to Jake Borg, for whom the council has an outstanding liability of €86,859.

4.2 Management have informed us that these could not be sent due to on-going dispute with such third party. There have been no further transactions on this account since the previous year.

- 4.3 We recommend that council follows up on the status of such claims and attempt to resolve any outstanding matters with the creditor. The balances should be either subsequently confirmed, or if not due, adjusted or reversed.

### **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 Mr Kevin Borg and his staff for their co-operation and assistance during the course of the audit.

Yours faithfully,



Alex Brincat  
Principal