

The Mayor
Santa Lucija Local Council
5/6 Binja Tal-Faqqani
Trejquet il-Girasol
Santa Lucija, SLC 1050

Our ref: AB/mf/119825

7 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 "Local 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 Joint committee

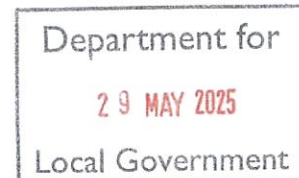
The Santa Lucija Local Council formed part of the Zejtun Joint Committee up to 31 August 2011.

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 Upkeep of fixed asset register

We again noted that the fixed asset register does not include all necessary information (refer to note 2.1).



1.3 Accruals

During the year, we noted that the bonus accruals were not yet recorded in the books (refer to note 4).

2 Fixed assets

Upkeep of fixed asset register

2.1 We have noted that the fixed asset register does not contain complete details such as reference numbers, description of assets, invoice numbers, suppliers' details or location of all assets thus posing difficulty in the identification of specific assets.

2.2 We recommend that every possible effort should be made to update the fixed asset register and include at least the following details:

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

2.3 An updated fixed asset register enables the Council to exercise proper control over the Local Council's property, plant and equipment. It provides a suitable inventory/checklist which may be used to determine whether assets previously purchased are still in existence or in use. We therefore recommend that the Local Council's fixed asset register is updated.

3 Accruals

Whilst reviewing the accrual schedule, we noted that the staff bonus amounting to €2,031.06 was not recorded in the books. The staff bonuses were paid in March 2025. The adjustment has been reflected in the audited financial statements.



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 Local 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 Bernice Darmanin and her staff for their co-operation and assistance during the course of the audit.

Yours faithfully,

Grant Thornton

CS



11th June 2025

Grant Thornton
Fort Business Centre
Triq L-Intornjatur, Zone 1,
Central Business District
Birkirkara CBD1050
Malta

Dear Sir/Madam,

Financial Statements for the year ended 31 December 2024

Reference is made to the Auditor's management letter dated 20th May 2025.

In terms of Section P2.05B (d.02) of the Local Councils (Audit) Procedures 2005, on behalf of the Santa Luċija Local Council, we are presenting herewith the following comments on the points raised in the letter.

As a general point, it is important to highlight that during this financial year, the Local Council obtained a positive liquidity.

As a follow-up to last year's report, the Council has made sure to address almost all the issues raised last year in the management letter:

1. Previous management letter

Whilst acknowledging the positive remarks raised by the Auditors with regards to the previous year management letter, other comments raised.

1.1 Joint Committee

The Local Council has again raised the issue with the Department for Local Government and till today there are no updates.

1.2 Fixed Assets

We noted that the FAR was not updated for the last few years. The administration started working on it recently so that by next year it is fully updated as it is a complicated exercise. Please note that during 2024 the administration changed completely.

1.3 Accruals

Due to the new Collective Agreement 2024 – 2028 regarding the employees employed by the Local Council including those who were employed during the year 2024, the full adjustments were completed with May 2025 payroll including the change in notches and bonuses.

2. Fixed Assets

Please see point 1.2.

3. Accruals

Please see point 1.3.

Yours faithfully,



Charmaine St John
Mayor



Bernice Darmanin
Executive Secretary

11th June 2025

c.c. Director – Local Government Department
 Mr C Deguara – Auditor General

