



Isla
Città Invicta

Kunsill Lokali Isla

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3 t' April 2023

National Audit Office
Notre Dame Revelin
Floriana

Dear Sir/Madam,

RE- Management Letter for audit for the period ended 31st December 2022

We are in receipt of the management letter dated 28th March 2023 in connection with the annual audit of the Council's financial records for the period ended 31st December 2022. Whilst we would like to take this opportunity to thank your firm for the services and co-operation provided to the council during their fieldwork, we would also like to comment as follows:

With reference to the report made by the government auditors regarding the deficiencies that were noted for the year ended 31st December 2022, hereunder you have the answer of the Isla Local Council for the actions that they should take so that these deficiencies will no longer occur.

1. Previous Management letter

1.1 Government income was properly disclosed.

1.2 Petty Cash Expenditure

Auditors were pleased that the council has rectified the issue during year 2022.

1.3 Rent Agreement

The rental agreement re Misraħ 4 ta' Settembru was not yet received during auditing, Lands Department should send it to Isla Local Council.

1.4 Overdue Receivables

Pre -regional LES debtors

Isla Local Council will take more attention to the 622 Loqus Report to investigate any differences and will refer them to Loqus.

1.5 Confirmation of Debtors

Isla Local Council would like to point out that Waste Serv Invoices from August to October were erroneously recorded in the system because Waste Serv wanted to receive invoices pre confirmation of collections emptied at the site, otherwise Isla Local Council would not have received payments by Waste Serv, therefore amounts were not matched with the amount of collections entered at the site because the exact amount was given after the date of invoice.

1.6 Deferred Income

It was recommended that the council should allocate grants received to the appropriate account to ensure that the amounts are being disclosed appropriately. This will be noted for future reference.

2. Income

Other Government Income

2.1 The Council did not failed to record the income for the glass and the recycle income of 12,838.40 refund for 2021 because this income was received in 2022.

3. Expenditure

Rent was clarified in section 1.3

4. Trade and other Payables

4.1 The proposed suggestion for an audit adjustment for the write-off for the outstanding balances receivable from Green MT, LES and Water Service Corporation was noted.

4.2 The Isla Local Council considered making a provision for doubtful debts in the books of accounts for these debtors.

4.3 Confirmation of Debtors

This was explained in section 1.5

4.4 The auditors recommendation to liaise with Wasteserv Malta Ltd to ensure that all invoices are approved and recorded correctly is no longer in liaise with the council since the Associatio of Local Council is taking care of these invoices for the year 2023, therefore Isla Local Council should ensure that invoices are correct with AKL.

4.5 Pre Regional LES Debtors

This was noted in section 1.4

4.7 Prepayments

The Isla Local Council will take note to make an appropriate provisions for prepayments for the 4G transmission and remote monitoring platform for the Gardjola Gardens and the Pjazza 4 ta' Settembru, to reflect the expenditure in the correct accounting period based on the accrual concept.

5. Trade and other payables.

5.1 Deffered Income

This was clarified in section 1.6

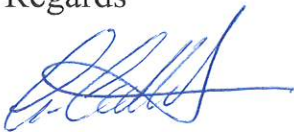
Other creditors

SPI/SCI/8/2020 Approval for the extension of the project.

Confirmation of Creditors

5.5 The Isla Local Council took into consideration that the payable balance of 3506.96 euros should be written off since it is now time barred.

Regards



Graziella Gellel

Executive Secretary