



Isla
Città Invicta

Kunsill Lokali Isla

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11.05.2024

National Audit Office
Notre Dame Revelin
Floriana

Dear Sir/Madam,

RE- Management Letter for audit for the period ended 31st December 2023

We are in receipt of the management letter dated 29th February 2024 in connection with the annual audit of the Council's financial records for the period ended 31st December 2023. 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 2023, 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

1.2 Isla Local Council has the Rental agreement for Misraħ 4 ta' Settembru, the lease for this rental is for five years from 19th Dec 2021.

1.5 Pre- Reginal LES Debtors note **4.1 Trade and other Receivables**

When testing the pre-regional receivables, we noted a balance of €111,875.53 in the unaudited council's book whilst the 622 Loqus report shows balance of €106,620.85.

Auditors did not propose an audit adjustment 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.

Isla Local Council is investigating these differences and refer them to Loqus.

1.8 Other Creditors

We again noted that the council did not commence the project and failed to obtain an extension approval from Department of Local Government

The Executive Secretary checked the agreement **SPI/SCI/08/2021** which this project is not started yet because Isla Local Council is waiting for the WSC to commence works in Triq il-Ponta and afterwards tender for paving will be issued. The Executive Secretary will ask for an extension from the Department of Local Government to extend agreement from **23 Feb 2024** onwards.

3. Expenditure

3.1 Rent Agreement

Rent agreement re Misrah 4 ta' Settembru is attached with this reply.

4. Trade and other receivables

Answered in item 1.5

5. Bank and Cash

5.2 Bank accounts

Isla Local Council will take note to prepare a bank reconciliation on regular basis.

5.4 Cash in Hand

Isla Local Council takes note for your recommendation to allocate income received to the appropriate accounts so that the income and other creditors are properly recorded.

6. Trade and other Payables

6.1 Other Creditors

In 2021 the council received an amount of €36,540.21 in relation to SPCI/SCI/3/2020. In 2022, additional funds of €17,904.71 were received in relation to SPCI/SCI/08/2021. These two schemes refer to the same scheme for Paving in Triq il-Ponta, scheme mentioned in 1.8.

MDIA Project agreement has been extended to 23rd June 2024

Isla Local Council is going to liaise with the department for an extension for the project because, the contractor is still waiting for the shipment re Road Smart Technologies (MDIA).

Regards



Graziella Gellel

Executive Secretary

