



**KUNSILL LOKALI L-IKLIN**  
L-IKLIN LOCAL COUNCIL

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Our Ref: MB/MF/86923

The Auditor General  
National Audit Office  
Notre Dame Ravelin  
Floriana FRN 1601  
Malta

2 June 2023

**Re: Management letter for audit for the period ended 31<sup>st</sup> of December 2022**

Dear Sir,

We are in receipt of the management letter received on the 10 May 2023 in relation to the annual audit of the Council's financial statements for the year ended 31<sup>st</sup> of December 2022. Whilst we would like to take this opportunity to thank your firm for the professional services and co-operation provided to the Local Council during their fieldwork, we would also like to comment as follows:

**1. Previous management letter**

The issues in respect of previous years management letter will be tackled in detail under their respective section.

**2. Fixed Asset Registry**

2.1 to 2.3 The Local Council will include the missing details in the Fixed Asset registry when possible.

2.4 to 2.5 The difference identified by the auditors of € 30,250 mainly relates to Assets under construction not yet included in the Fixed Assets Registry since the assets are not yet in operation. The Local Council is

aware that there is a difference of € 5,527 between the FAR and Financial statements as per Reconciliation statement.

### **3. Receivables**

3.1 & 3.2 The Local Council will report the Loqus debtor and related Provision for Bad debts in the accounting system.

#### **Accrued Income – old balances**

3.3 & 3.4 From the € 5,603.92 accrued income an amount of € 4,612.92 relates to Accrued income to be received on Triq il Wied expenses and only € 787 relates to old balances brought forward from previous accountants dated before 2015. These will be transferred to the profit and loss account during next year.

### **4. Deferred Income**

The Local Council will obtain guidance from the Local Government Department on the unused funds of € 6,870 on the football ground project and € 3,200 on the Accessibility fund. As proposed by the auditors, the Local Council will see if such funds can be used on other projects that the Local Council intends to perform.

### **5. Payables**

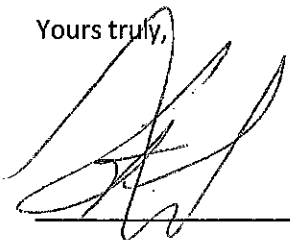
The Council will request creditors statements ongoingly during the year. The Council had in hand the main creditors statements as at 31 December 2022. Furthermore, the old creditors shown in the creditors list were all adjusted for as recommended by the auditors.

### **6. Bank and cash**

The local council will start to qualify the six-month maturity deposit as other current financial asset as proposed by the auditors and in accordance with IAS 7, Statement of Cash Flows.

We would like to take this opportunity once again to thank your firm for the services offered and co-operation shown and also for the comments raised in order for the Council to operate in a smooth and more efficient manner.

Yours truly,



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Etienne Montfort

Executive Secretary