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Our ref MB/mf/99024
30 April 2024



Dear Sir,

Financial statements for the year ended 31 December 2023

During the course of our audit for the year ended 31 December 2023 we have reviewed the accounting system and procedures operated by your 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 Fixed assets

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

There are still instances where fixed asset register does not reconcile with financial statements (refer to note 2.4).

1.2 Receivables

We again noted that debtors in the Loqus report 622 are not recorded in the books (refer to note 3.1).

1.3 Deferred income

We are pleased to inform that the council has reversed to profit or loss the deferred income for the football ground which was received over ten years ago following a resolution and approval from the Department of Local Government.

1.4 Payables

We did not encounter differences in the reconciliation of trade creditors against confirmation replies during the year.

1.5 Bank and cash

We did not encounter issues with respect to classification of cash balances during the year.

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, 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 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 council's fixed asset register is updated.

Reconciliation of financial statements to excel fixed asset register

- 2.4 During our fieldwork, we noted that the fixed asset register provided in excel does not agree to the unaudited financial statements. The following is a summary of the differences:

	NBV in fixed asset register	NBV in the financial statements	Difference
Construction	20,382	40,943 -	20,561
Office furniture and fittings	4,887	3,197	1,690
Urban improvements	59,236	32,260	26,976
Office equipment	4,687	2,114	2,573
Special programmes	19,365	36,469 -	17,104
Project under construction	-	46,505 -	46,505
	108,558	161,488 -	52,930

- 2.5 We recommend to the council to investigate and reclassify the variances identified between asset categories in the financial statements and the fixed asset register; and ensure that amounts recorded in the nominal ledger agrees to the fixed asset register and the financial statements.

3 Receivables

Pre-regional LES debtors

- 3.1 According to report 622 generated from the Loqus system, the tribunal payments as at 31 December 2023 were €46,701, which amount was not identified in the financial statements. We did not propose an audit adjustment to account for these LES debtors 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.
- 3.2 We recommend that the council should obtain plausible explanation and evidence from Loqus supporting the tribunal pending payments.

Alternative procedures on debtors

- 3.3 During our testing of debtors, we noted that the council recognised an amount of €3,823 receivable from MTA. We noted that part of the amount receivable from MTA of €3,000 was already collected and therefore no longer outstanding. An audit adjustment was proposed to decrease the debtors and income as appropriate. This was accepted by the council and corrected in the final set of financial statements.
- 3.4 We recommend that the council match payments received to outstanding invoices to ensure that debtors are stated properly.

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 Etienne Montfort and his staff for their co-operation and assistance during the course of the audit.

Yours faithfully,

