



# Kunsill Regjionali Lvant

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19<sup>th</sup> July 2022

## Management Letter – Financial Year – 2021

Dear Sir/Madam,

Reference is made to the above-mentioned letter dated 17<sup>th</sup> June 2022, received at the Region offices on the 8<sup>th</sup> July 2022 concerning the accounting systems and procedures used by the Region to safeguard the Region's assets in line with prevailing legislation dealing with local councils.

The contents of the Management Letter were read and discussed, where it was deemed appropriate to forward the following comments.

### 1. PREVIOUS MANAGEMENT LETTER

The Regional Council has addressed to the best of its capabilities all matters which were mentioned in last year's management report, other than those, which are outside the control of the Regional Council. The Regional Council will strive to continue to improve its operations during the coming year.

### 2. OPENING BALANCES

Point has been noted.

### 3. INCOME

#### *Reimbursement of expenses and salaries from LESA*

3.2 The latest reconciliation with LESA regarding amounts due was done till September 2021. Once payment is eventually received from LESA, another reconciliation will be carried out from October 2021 till September or December 2022.

#### *Other government Income*

3.4 CIES Payroll reimbursement will in the future be shown as a separate item in the Income Statement.

### 4. EXPENDITURE

#### *Expired Contracts*

A new agreement was going to be carried out when the agreement for the tribunal office was also prepared. However this was put on hold due to the reform on the Regional Councils and the Local Councils which took place in 2019. We already have a draft agreement in hand prepared by the notary however, earlier this year, 2021, we were informed that the sixth Regional Council is going to be in place as of January 2022 and therefore the new Regions are going to be formed.

Since we became aware that the locality of San Gwann will no longer be part of this Region, the members decided that new premises had to be found and the contract to be made in place need to reflect these conditions.

#### *IFRS 16 'Leases'*

Since the change in Councils forming part of the Eastern Regional Council, San Gwann no longer forms part of the Regional Council. Therefore the Regional Council is looking for alternative premises as its administration officed and Tribunal. This is the reason why IFRS 16 was not applied since it is the intention of the Regional Council to terminate the present lease.

## 5. LOCAL ENFORCEMENT SYSTEM

### *Collections*

This Regional Council is the only Regional Council who has made numerous attempts at sending out legal letters to offenders in order to collect any unpaid contraventions. As of 2015, the responsibility to collect the unpaid contraventions is LESA's responsibility.

### *Loqus System*

A system is in place whereby on a monthly basis a report is issued from the LOQUS system to determine the collected and adjudicated conytraventions and paid out in various Local Councils. A sales invoice with contravention numberis promptly issued and once the Local Councils deposit the funds in the Regional Council's bank account, each contravention is matched according to the Contravention number.

## 6. CASH AND CASH EQUIVALENTS

### *Undeposited cheque*

The Regional Council, as suggested by the auditors, have recorded the cheque in hand as cash in hand at year end.

Iffirmati

Anthony Chircop  
President

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Jeanette Galea  
Executive Secretary

Date: 19<sup>th</sup> July 2022