01/2025

RSM

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Department For
2 0 MAR 2026
Local Government

26 February 2026

Local Council Ghajnsielem
J.F Chambray,
Ghajnsielem GSM 1501,
Gozo

Dear Mayor,

RE: MANAGEMENT REPORT – FOR YEAR ENDED 31 DECEMBER 2024

We have completed our audit of the financial statements of the Local Council Ghajnsielem for the year ended 31 December 2024. The purpose of this report is to summarise our principal findings arising from this work.

Our audit was primarily based on verifying balances in the financial statements to ensure that they are free from material error and comply with relevant legislation. Consequently, the matters raised in this report cannot be regarded as a comprehensive statement of all weaknesses that exist or all improvements that might be made. Our aim is to offer guidance to the Local Council such that it would be in a better position to improve its internal controls, enhance its book-keeping function and consolidate its overall governance.

Our engagement obliges us to distribute copies of this report to (a) your Council; (b) the National Audit Office; and (c) the Local Councils' Department. Consequently, this report, in part or in full, may not be distributed, used or quoted except for the scope it is prepared, without our prior written consent.

This report has been prepared on the basis of the limitations set out in the Responsibility Statement as presented on page 13 of this report.

During the course of our audit for the year ended 31 December 2024, we examined the principal documents, systems and controls used by the Council, to help it ensure, as far as possible, the accuracy of these documents and to assess how much can one rely on these documents to safeguard the assets of the Council. We also examined whether or not your Council abided by the procedures as they are provided for in the Local Councils Act, 1993, the Financial Procedures and various Legal Notices issued to your Council.

The objective of this letter is to bring to your attention those divergences in the system that were noticed during our audit work and suggest ways of how these can be remedied.

We would like to take this opportunity to thank the Executive Secretary and the Council Staff for their assistance during the course of our audit.

Yours faithfully

REGISTRY
1 1 MAR 2026
NATIONAL AUDIT OFFICE

Conrad Borg (Principal)
for and on behalf of
RSM Malta

Local Council Ghajnsielem

Management Report for the year ended 31 December 2024

Contents

1.0 Follow-up to Last Year's Report

1.1 Property, plant and equipment

During the previous audit, several weaknesses relating to the property, plant and equipment had been identified namely:

- During the exercises carried out by the Local Council on the fixed assets register in 2012 and in 2017, variances were found that were simply written off without the necessary justifications. The method used for the building up of the new fixed assets registers was not reliable.
- The fixed assets register lacked certain important details and excluded assets fully written off.
- The adoption of Directive 01/02017 was not properly carried out.
- The net book value, additions and depreciation charge disclosed in the fixed assets register were not reconciling to the amounts shown in the financial statements.
- The amounts accrued for grants yet to be received in relation to a project, exceeded the total amount of grants the Local Council was entitled to.
- Grants relating to other projects were capitalised under the category assets under construction.
- For one of the projects, the reversal of the opening accrual relating to capitalised costs was done incorrectly in a different project account.
- An accrual for capital costs was made for which there was no supporting documentation and no explanation.

During the year being reviewed, the issues mentioned above still existed except for the last three points.

1.2 Receivables

The issues below were noted last year with respect to the receivables:

- The amounts accrued for grants yet to be received in relation to one of the capital projects, exceeded both the total amount of grants the Local Council was entitled to, and the total costs incurred in relation to that project.
- Grants not yet received in relation to the additional work carried out on the Qighan Project, were not accrued for.

Issues like the first point were encountered during the current year.

1.3 Cash and cash equivalents

Last year we noted that the petty cash account was showing a negative balance. This resulted since the petty cash finished and the Executive Secretary was paying the petty cash expenses from personal funds and in the accounts, only the payments were being recorded.

During the year under review, the petty cash balance was also negative but for a different reason.

1.4 Payables

During the previous audit, several weaknesses relating to the payables have been identified namely:

- For two of the samples chosen to test the accounts payable, the balances shown in the statements or confirmations received did not agree with the accounts payable's list.
- Deferred income was understated in view that funds received in advance, were capitalised despite the project was not yet started.
- In the list of accounts payable, we noted a negative balance representing payment in advance to a supplier that was not reclassified to under the receivables for presentation purposes.
- Some of the accruals as at the end of the year were not accounted for.
- Invoices dated in 2022 were accounted for during the year.

During the year under review, similar issues mentioned above still existed with the exception of the last point.

1.4 Expenditure

During the previous audit, the following weaknesses have been highlighted:

- Actual expenditure in certain categories exceeded the budgeted expenditure.
- Purchase requests and purchase orders were not prepared regularly and not in line with the Local Councils Financial Procedures.
- No assessment for the applicability of IFRS 16 – Leases was carried out with respect to the renting of a garage.
- It was noted that in several instances, the procurement procedures were not followed.
- A reversal of an accrual was incorrectly posted in an incorrect expense account.
- For two of the samples tested, no tax invoice was provided but rather a letter was provided to support the payment made.

During the year under review, the issues mentioned above still existed except for the last two points.

1.5 Other Matters

Last year, no legal reply was received from the Council's lawyer up until the end of the audit. This was also the case for the current year.

The unaudited financial statements approved by the Council did not include the amendments to International Accounting Standard 1 – Presentation of Financial Statements. These amendments were reflected in the financial statements for the year ended 31 December 2024.

1.7 Financial Situation Indicator

The Financial Situation Indicator held by the Council at the statement of financial position date, stood at negative 7% which falls below the 10% threshold required by the Financial Provisions to the Local Councils Act. This situation was rectified during the year under review.

2.0 PROPERTY, PLANT AND EQUIPMENT

2.1 During 2012, the Local Council outsourced the exercise of building the fixed assets register from scratch. One of the problems encountered in this exercise was the fact that the Council had no Sage backups of the accounts prior to the year 2008 since there was a change in the Council's accountant and apparently, he had the backups on his personal computer which were never given to the Local Council. We were given to understand that the procedure adopted was that the Council staff went around the Council premises and the urban areas within the locality to take note of the assets and then gathered all the relevant documents that could be found about the items of property, plant and equipment of the Council. As for the road resurfacing, the executive secretary contacted the architect who was responsible for the roads which were resurfaced by the Council from 1994 onwards and the costs connected to such works were taken from the final architect certification obtained. As for the Council premises, the Council listed all the assets present in the new civic centre and agreed them to the nominal ledger.

2.2 The method used by the Council created discrepancies in relation to the 2011 audited financial statements and the difference between the register and the nominal ledger has been accounted for as an impairment through a prior year adjustment. The following were the variances noted:

2.2.1 The closing cost of property, plant and equipment as per the audited financial statements for the year ended 31st December 2011 amounted to €1,046,654 whilst the new opening cost as at 1st January 2012 amounted to €889,317. This means a difference of €157,337 out of which €1,108 represented a reclassification to under intangible assets.

2.2.2 The accumulated depreciation as per the audited financial statements for the year ended 31st December 2011 amounted to €464,800 whilst the new opening accumulated depreciation as at 1st January 2012 amounted to €361,049. This means a difference of €103,751 out of which €330 represented a reclassification to under intangible assets.

2.2.3 The resulting net figure after removing the reclassified amounts was €52,808. This amount has been passed as a prior year adjustment without an indication as to which assets the amounts written off related to.

2.3 Moreover, the new fixed assets register still lacked important details with respect to the new civic centre. A one-line item under the buildings category showed the total balance of all the construction works, electrical works and other expenditure incurred in the building of the new civic centre. It is understood that the Council grouped all the assets together as one asset since the civic centre was capitalised wholly. During our audit visit, we were then provided with an itemised list on MS Excel.

2.4 The method used for the building of the new fixed assets register as described above, creates several problems. There is no assurance that the costs taken for the individual items of property, plant and equipment are all correct. It is very possible that items have been left out from the register even though they are still in existence and in good condition. There is no assurance that the new calculation of the depreciation of the assets was carried out correctly by commencing the depreciation calculation from the correct date. The new register still lacks sufficient details to ease the traceability of the different assets.

2.5 Furthermore, since the above exercise was carried out, the fixed assets register was not being regularly updated. During 2017, another exercise to update the fixed assets register was carried out. Again, variances arose in both costs and depreciation that were written off without there being a real justification. The most material write offs related to the assets under construction as at 31 December 2016 amounting to €30,488 and the accumulated depreciation of the 'Special Programmes' category of €32,919. No justification was obtained for the former adjustment other than because no details were available about what the assets under construction were.

2.6 Due to the materiality of the amounts involved and the number of uncertainties in the new valuations of the Local Councils' property, plant and equipment, we had to qualify our audit report.

2.7 The current fixed assets register furthermore does not contain details of the costs, accumulated depreciation and grants of the assets fully written off. It only contains a description of some of these assets. Should the Local Council dispose of, or would need to write off, any of these fully depreciated assets, the information would not be available to pass the necessary adjustments in the accounts.

2.8 It is recommended that an exercise is carried out to identify the variances that arose between the accounts and the register during the two exercises that were carried out in 2012 and 2017, which variances were simply written off from the accounts. The register should include among other details, the detailed description of the assets, their identification codes, their locations and the category of the assets according to their nature. Assistance might be sought from the previous and current auditors of the Local Council, for any possible information that they might have which for some reason is not available at the Local Council. If the correct costs, accumulated depreciation and grants could not be recorded in the fixed assets register due to the change in the accounting policies in line with Directive 01/2017, then a separate register containing this information should be maintained that would then be used when reconciling the costs, accumulated depreciation and grants found in the fixed assets register with those found in the accounts and the financial statements.

2.9 Furthermore, we highly recommend that the Council obtains copies of the accounts' backups for the periods before the year 2008. Kindly note that the Council is obliged to have such backups available at its offices.

2.10 Following Directive 01/2017 issued by the Department for Local Government to Local Councils on the change in the accounting policies on depreciation, whereby the straight-line method is to be applied instead of the reducing balance method and the accounting policy on government grants, whereby the capital approach is to be applied instead of the income approach, we noticed from the limited procedures that we could carry out that:

2.10.1 Items of property, plant and equipment whose useful life expired were not written off upon the adoption of the new depreciation accounting policy.

2.10.2 The depreciation is not being worked out on the remaining useful life of the assets.

2.10.3 Grants received for specific projects, were allocated to several items of property, plant and equipment rather than those specific projects, clearly indicating that the allocation of grants to the respective assets was not properly carried out.

2.10.4 As at 31 December 2017, the Local Council had deferred income amounting to €101,363 relating to three different projects that were not yet carried out as of that date. Yet, we noticed that when the comparative figures were restated following the change in the accounting policy on government grants, these grants were still allocated against property, plant and equipment rather then left under deferred income. The projects were then completed in subsequent years.

2.11 We highly suggest that the exercise of applying the changes in the accounting policies is redone diligently and the necessary corrections made to the accounts through a prior year adjustment. Once the exercise is completed, the fixed assets register would need to be updated as well. When doing such an exercise, it is important to keep all the necessary workings to be able to reconcile the costs and accumulated depreciation as per updated fixed assets register to the figures shown in the note to the financial statements on property, plant and equipment. It is also to be ensured that grants are allocated to the correct projects given that some grants were capitalised before the projects were carried out and hence were allocated to projects which they did not intend to cover.

2.12 In the financial statements for the year ended 31 December 2018, the note relating to property, plant and equipment, was not properly prepared following the changes in the accounting policies in accordance with Directive 01/2017. The amounts added to the grants, did not represent the gross amounts of grants received but the gross amounts of grants received less the amortisation up till 31 December 2016. The amortisation up till 31 December 2016 should have been netted off against the accumulated depreciation as of that date. This error in the presentation was never corrected in the financial statements as the same figures are being brought forward year on year, both for the grants and for the accumulated depreciation.

2.13 We recommend that an exercise is carried out by the Local Council to correct the note to the financial statements relating to property, plant and equipment. It is important that all the necessary supporting documentation is maintained as to how the figures are calculated in order for the auditors to be able to confirm the correctness of the revised figures for each line item.

2.14 We noted that the net book value, additions, grants and depreciation charge for the year disclosed in the fixed assets register do not reconcile to the same corresponding figures disclosed in the unaudited financial statements by €718, €123,694, €38,383 and €7,294 respectively. In the depreciation calculation column for the month of December, we noted a reversal of the opening accumulated depreciation on the project relating to the resurfacing of Triq il-Brieghen and Triq ix-Xatt l-Ahmar of €87,667 which has been excluded for the calculation of the variance in the depreciation charge for the year, as otherwise the variance would have been larger.

2.15 We recommend that the fixed assets register is updated with all the correct and complete information about the fixed assets to reconcile with the amounts disclosed in the books of accounts and those presented in the financial statements, as this might subsequently impact the depreciation charge that is being calculated and accounted for.

2.16 When testing the additions, depreciation and the related capitalised grants of property, plant and equipment, we noted the below:

2.16.1 The accrual accounted for the costs not yet invoiced as at the end of the year with respect to the resurfacing of Hamri Street, excluded the Value Added Tax element. The amount of €22,066 was adjusted for, increasing the accrued expenses and the capital expenditure.

2.16.2 The amount of €94,990 relating to a prior year audit adjustment to the depreciation of the Special Programs, was not accounted for. An adjustment was passed to correct the accumulated depreciation and the accumulated funds.

2.16.3 The amount of grant approved relating to the Project Tisbieħ Kazini was capped at the lowest of 85% of the costs incurred and €100,000. It was noted that the total cost of the project amounted to €75,437 and that the grant capitalised and the related accrued income were overstated by €11,316 as these conditions were not taken into consideration. This variance was adjusted for.

2.16.4 The total approved grants for the Project Belvedere Qigħan amounted to €120,500. Despite the total expenditure for this project amounted to €119,489, the full amount of the grant agreement of €120,500 was capitalised through an accrued income adjustment for the funds not yet received. An adjustment of €1,011 was passed to limit the accrued income to the total amount of costs incurred. It was also noted that an amount of €976 capitalised under the grants relating to this project, related to an eligible cost that was not of a capital nature and hence was not part of the costs capitalised. Therefore, an adjustment of €976 was passed to write off this amount to the statement of comprehensive income.

2.17 We recommend that the Local Council should ensure that all the audit adjustments are properly reflected in the books of accounts and that a reconciliation of the opening balances is done thereafter and is properly documented. It also needs to ensure that all expenditure accounted for is inclusive of Value Added Tax in view that the Local Council is not eligible to claim any Value Added Tax.

2.18 Where grants are concerned, the principles of IAS 20 – Accounting for Government Grants and Disclosure of Government Assistance, are to be correctly applied using the capital approach in line with the accounting policy adopted by Local Councils. The Council should be aware of what costs have been capitalised for which the Council has received, or will receive, grants in accordance with agreements made, and should immediately reflect the correct related grants under the property, plant and equipment after considering the applicable terms and conditions as per agreement.

3.0 RECEIVABLES

3.1 During our testing on the accrued income, the below matters were noted:

3.1.1 The amount of grant approved relating to the Project Tisbieħ Kazini was capped at the lowest of 85% of the costs incurred and €100,000. It was noted that the total cost of the project amounted to €75,437 and that the grant capitalised and the related accrued income were overstated by €11,316 as these conditions were not taken into consideration when calculating the accrued income.

3.1.2 The Local Council carried out additional works relating to the Project Belvedere Qighan, which works were also covered by a funding agreement but were not yet received by the Council. Other than the issues mentioned in point 2.16.4 above relating to such project, we also noted another error of €22,733 which seem to have resulted since the Local Council managed to get the approval to have funds that were originally allocated to another project, to be used for this Project Belvedere Qighan. The latter change in the project allocation for the grants receivable, led to a mistake in the amount calculated for the accrued income.

3.1.3 As at the end of the year, the Local Council accounted for the accrued income relating to the Project Tolfa, without reversing the opening accrued income as at 1 January 2024. The closing accrued income for the Project Tolfa was therefore overstated by €13,208.

3.1.4 The accrued income relating to the Halloween activities were noted to be overstated as the grant agreement covered an amount of €2,500 and not €5,000 as was accrued for.

3.1.5 An amount of €17,000 relating to the 2023 Christmas activities, were received during the year however the opening accrued income was not reversed.

3.1.6 For the 2nd Call under Measure 4.3 resurfacing, for which the originally agreed total eligible costs amounted to €67,690, the accrued income with respect to the 10% co-financing was not adjusted in line with the actual cost incurred amounting to €33,380. This resulted in an over-accrued amount of €3,098.

3.2 We recommend that the Local Council maintains a list of all the projects undertaken together with the relevant details of their status, invoices issued, payments made and details of the respective grant agreements, including the agreed terms and conditions and the amounts of grants received. Reference should then be made to this list when calculating the funds yet to be received and that must be accrued for as at the end of the financial year. It has also to be ensured that when grants previously accrued for are received, the opening accrued income is to be reversed against such receipts.

3.3 When analysing the list of the accounts receivables, we noted a negative balance of €198, which represented a receipt in advance. A reclassification adjustment was passed to reflect such balance under the other payables for presentation purposes.

3.4 It is important that any negative balances within the receivables, are properly reclassified for presentation purposes to be shown under the correct category in the financial statements.

4.0 CASH AND CASH EQUIVALENTS

4.1 As at the end of the year, the books of the Local Council showed a negative petty cash balance of €77. Upon investigating the matter, it was noted that this resulted from a cashed cheque of €150 which was not booked during year end. It was agreed to pass an adjustment to reflect this transaction and reconcile the petty cash balance.

4.2 It is recommended that the petty cash is regularly monitored and reconciled with the books of the Local Council, to identify any discrepancies which should then be immediately investigated.

5.0 PAYABLES

5.1 For one of the samples chosen for the testing of the accounts payable, the amount as per the accounts payable's list and the balance shown in the supplier confirmation received, were not agreeing. The difference was traced and it resulted from an invoice received in December that was included by the Local Council within the accrued expenditure. This error amounting to €7,165 was adjusted during the audit to ensure proper classification of this liability.

5.2 We recommend that the Local Council should ask its suppliers to provide it with statements at least at the end of the financial year. Statements received are to be reconciled with the balances shown in the books of accounts. These statements are to be made available to the auditors during their audit. The Council should have a system that easily identifies that an invoice has already been posted.

5.3 When analysing the list of the accounts payable, we noted a negative balance of €5,430, which according to the Executive Secretary represented a payment in advance to a local contractor. A statement was obtained from the supplier to confirm the correctness of this negative balance and then a reclassification adjustment was passed to reflect such balance under the other receivables.

5.4 It is important that any negative balances within the payables, are properly reclassified for presentation purposes to be shown under the correct category in the financial statements.

5.5 During our testing, it was noted that an amount of €453,066, representing 50% payment received in advance relating to the Project Green, was capitalised under property, plant and equipment when the project was not yet started. From discussions held with the Executive Secretary, it transpired that this project will be done in 2026 at the earliest. For this reason, it was agreed to transfer this amount from capitalised grants to non-current deferred income.

5.6 We recommend that the Council properly checks to what the funds received relate to and any advance payments received relating to projects which are not yet done, are accounted for under deferred income until such time that the projects are done. Furthermore, it is to be ensured that any deferred income relating to projects that are not planned to be started within twelve months from the statement of financial position date, are classified as non-current.

6.0 INCOME

6.1 During our testing of the income, we noted that the funds amounting to €1,665 received in advance with respect to the 2025 CIES scheme were accounted for as income for the year rather than as deferred income.

6.2 It is important that the Council is aware of what each receipt represents and if any receipt relates to future financial periods, it is to be accounted for as deferred income to then be released in the financial year in which the respective expenditure is recognised to ensure that the matching concept is properly applied.

6.3 Funds received from the central government for cultural activities amounting to €40,000 were accounted for as income generated from cultural activities under the category 'General Income'.

6.4 Kindly note that funds received from the central government are to be accounted for separately as they are to be disclosed in the statement of comprehensive income under the category 'Funds received from Central Government'.

7.0 EXPENDITURE AND TENDERS

7.1 It was noted that the Council has exceeded the budgeted expenditure for several categories, namely:

- 7.1.1 Utilities (Category 2100) by €285
- 7.1.2 Materials and supplies (Category 2200) by €23,419
- 7.1.3 Repairs and upkeep (Category 2300) by €3,321
- 7.1.4 Office services (Category 2600) by €983
- 7.1.5 Transport (Category 2700) by €193
- 7.1.6 Information services (Category 2900) by €75
- 7.1.7 Contractual services (Category 3000) by €15,929
- 7.1.8 Training (Category 3200) by €840
- 7.1.9 Community and hospitality (Category 3300) by €9,724
- 7.1.10 EU Projects (Category 3700) by €1,056
- 7.1.11 Provision for doubtful debts by €6,582

7.2 The Financial Procedures applicable for Local Councils require Councils to draw up twelve (12) months budgets, three (3) years business plans, quarterly reports and eventually yearly administrative reports at the end of the year. The Council is also allowed to revise budgets in line with actual requirements and there are enough reporting tools to note which areas in the budget need revising.

7.3 We recommend that the Council makes use of the reporting tools in hand to take corrective measures in the budget every quarter such that by the end of the accounting period/year such discrepancies would not materialise.

7.4 The Local Council rents a garage to be used for storage. The Council did not carry out the assessment under IFRS 16 – Leases, to quantify the value of the right of use asset and the corresponding lease liability. It just accounted for the rent paid as an expense for the year. From an analysis that we carried out, it transpired that the computed amounts fall under the materiality level.

7.5 It is recommended that whenever the Local Council enters into a rental agreement, it should carry out the necessary analysis to check whether the agreement falls under the scope of IFRS 16 – Leases. If it does, the value of the right of use asset and of the lease liability are to be computed and the agreement is to be accounted for accordingly.

7.6 We noticed that the Council does not draw up purchase requests in line with the Local Councils Financial Procedures. With regards to the purchase orders, these are prepared for most of the purchases but there are still cases where these are not prepared. There appears to be no specific reason behind this practice.

7.7 It is understood that at times the urgency of matters might require that bureaucracy is reduced to the minimum possible, however we are still of the opinion that the necessary paperwork should have been done in line with the financial procedures.

7.8 From the samples chosen for the testing of the expenditure, the following deviations were noted from the requirements of the Local Councils Financial Procedures.

7.8.1 No quotations were provided for ten samples tested for which the total yearly expenditure was between €4,999 and €500.

7.8.2 No direct order approval was provided for two of the samples tested for which the total yearly expenditure was below €500.

7.8.3 No tender was issued for electrical services and supplies during events held in the locality. The Executive Secretary explained that for events of a certain scale and magnitude, such as Betlehem f'Għajnsielem, no bidder would submit a bid based on previous experience. The total expenditure for such services during the year amounted to €28,161.

7.8.4 Services were acquired from architect Edward Scerri through direct orders. The value of the invoices issued during the year amounted to €6,543.

7.8.5 Services were rendered to the Local Council by Buzzy Kids, after obtaining only one quote. The total value of the invoices issued for these services during the year amounted to €4,090.

7.8.6 Services with a total value of €5,782 were acquired from Citadel Video Communications through direct orders. According to the Executive Secretary, these were the only available suppliers for the specific services which were needed.

7.8.7 Accountancy services offered by Pauliana Said were renewed based on trust for the services being provided and no new quotations were obtained. The total value of the invoices issued for these services during the year amounted to €5,983.

7.8.8 The total expenditure from Rapa Stores Ltd, and Attard Ironmongery, for hardware related expenses amounted to €8,455 and €5,635 respectively during the year under review. However, no quotations were requested. We were informed that purchases of this nature would be on an ad hoc basis and with a degree of urgency, and it would not be practical to request and wait for quotations.

7.9 Not following the procurement procedures, goes against the Local Councils Financial Procedures that the Council should abide with. Therefore, we strongly recommend that the Council should maintain evidence that the procurement procedures have been followed and if there were instances were these were not followed, it should take immediate action to ensure that such occurrences are not repeated in the future.

8.0 OTHER MATTERS

8.1 Throughout the course of our audit, we noted that several transactions were not accounted for in the correct nominal account and therefore certain reclassification adjustments had to be passed. These included bonuses amounting to €7,467 which were accounted for within the wages' accounts instead in the specific bonuses account, capitalised grants relating to trees that were posted under grants relating to special programs amounting to €9,613 and deferred income that was posted in the account special funds resurfacing amounting to €121,861.

8.2 Care should be taken when posting transactions in the books of accounts to ensure that the correct nominal account is used, carrying the correct description, so that then it is ensured that when figures are reflected in the financial statements, all presentations are correct.

Responsibility Statement

While our report includes suggestions for improving accounting procedures, internal controls and other aspects of the Local Council arising out of our audit, we emphasise that our consideration of the Local Council's system of internal financial control was conducted solely for the purpose of our audit having regard to our responsibilities under International Standards on Auditing.

We make these suggestions in the context of our audit but they do not in any way modify our audit opinion which relates to the financial statements as a whole. Equally, we would need to perform a more extensive study if you wanted us to make a comprehensive review for weaknesses in existing systems and present detailed recommendations to improve them.