

The Mayor
Birzebbuga Local Council
Dar Birzebbuga,
Triq Santa Marija,
Birzebbuga BBG 1651
Malta

Our ref: PC/mf/108225

9 April 2025

Dear Sir,



Financial statements for the year ended 31 December 2024

During the course of our audit for the year ended 31 December 2024, we have reviewed the accounting system and procedures operated by Birzebbuga Local Council (the "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 Long outstanding balance

We are pleased to report that there are no long-outstanding receivables recorded in the council's books of account.

1.2 Zurrieq Joint Committee

The council's books of account include an amount receivable from the Zurrieq Joint Committee (refer to note 2.3).

1.3 Long outstanding creditors

The creditors list still includes long-outstanding creditors (refer to note 3.1).

2 Trade and other receivables

Zurrieq Joint Committee

- 2.1 We noted that included with receivables is an amount of €67,619 due from the Zurrieq Joint Committee of which Birzebbuga Local Council had formed part of. The council is claiming that this amount relates to pre-regional contraventions paid since December 2008 and remitted to the Committee erroneously. We further noted that no movement took place during the current year.

2.2 As of audit date, we were informed by the Council that it has reiterated its position to collect the payment of €67,619 and the amount is not provided for. The Zurrieq Joint Committee is no longer in operation and recoverability of this balance remains highly doubtful. As a result, our audit report has been qualified.

2.3 We recommend that the Council continues to query this issue with the Department for Local Government and tries to obtain audited financial statements to verify whether the Council has any amounts which are still due to it.

3 Trade and other payables

Long outstanding creditors

3.1 The council's creditors' list includes the following balances which have been outstanding for more than one year:

Creditor	€
Zurrieq Joint Committee for LES	8,485.24
Alfred Schembri & Sons Ltd (note 3.2)	303,513.69
	311,998.93

3.2 The council informed us that no payments are being made to Alfred Schembri & Sons Ltd as the supplier became black-listed and the council was instructed not to make any payments. We recommend that the council seeks guidance on the matter from the Department for Local Government.

3.3 We recommend that the council reviews these amounts and either settles them if still due, or else, reverses them after having obtained approval from the council. Furthermore, decisions and discussions regarding these balances should be minuted during the council meetings.

Confirmation of trade creditors

3.4 We identified a discrepancy in the outstanding balance due to Regjun Nofsinhar, amounting to €13,892.44. The variance arose due to waste rejection invoices dated 28/06/2024 and 31/12/2024, for which the Region instructed the council to keep these invoices pending until further instructions were provided. As of the audit date, no updates had been received from the creditor, and consequently, no adjustments were made to the balance.

3.5 We advise the council to promptly follow up with the creditor to obtain the necessary updates and ensure that the outstanding balance is accurately reconciled in a timely manner.

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. Jordy Brincat and his staffs for their co-operation and assistance during the course of the audit.

Yours faithfully,

