



KUNSILL LOKALI BIRŻEBBUĠA

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KL B/em/26/05/09

*The Auditor General, National Audit Office
The Director, Grant Thornton Malta
The Director (Finance and Procurement Compliance), Local Government Division*

24th June, 2026

**Reply to the Management Letter
Financial Statements for the year ended 31 December 2025**

Dear Sir,

Please find below our reply to the Management Letter for the year ending 31 December 2025.

2.1-2.3 Zurrieq Joint Committee (refer to 1.1 on Page 1)

Further to the matter concerning the Zurrieq Joint Committee, please note that the issue is currently being addressed at a higher level through the Local Government Division.

The Birżebbuġa Local Council is still awaiting formal direction on the way forward.

The Birżebbuġa Local Council will take the auditors' recommendation and continue discussions with the Local Government Division in order to rectify this issue.

2.4-2.5 Unusal trade debtor balance

To facilitate the purchase of goods by the supplier - Nexos Street Lighting, the Birżebbuġa Local Council had processed 2 payments on account. Subsequently, the supplier issued an invoice No. 2011810 dated 21st October 2023 against the payments on account. However, this invoice was not recorded in our accounting records.



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As a result, our books continued to reflect the payments on account as a receivable, whereas the supplier - Nexos Street Lighting had correctly accounted for both the payments on account received and the invoice issued in their records.

In support of this, we provided a copy of the supplier's invoice issued in 2023 together with a copy of the supplier's transaction history/statement of account. Accounting adjustments were carried out to properly reflect this transaction and thereby eliminating the receivable balance.

The Birzebbuga Local Council will take the auditors' recommendation and continue to chase suppliers for monthly statements to ensure proper reconciliation of payable amounts in the council's ledger.

3 *Trade and other payables*

Long outstanding creditors (refer to 1.2 on Page 1)

3.1 Creditor - Zurrieq Joint Committee for LES – Euro 8485.24

With regards to the outstanding balance of Euro 8485.24 due to Zurrieq Joint Committee for LES; this goes hand in hand with the receivable amount from Zurrieq Joint Committee. The Birzebbuga Local Council is still awaiting formal direction on the way forward.

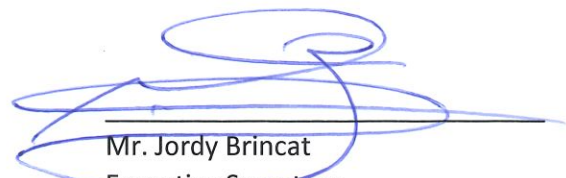
3.2 With regards to Alfred Schembri & Sons, The Birzebbuga Local Council is currently seeking legal guidance.

3.3 The Council will take the auditors' recommendation and decisions/discussions regarding these outstanding balances will be minuted accordingly.

4 *Property, plant and equipment*

4.1-4.2 The matter relating to the reclassification of property, plant and equipment balances and depreciation allocations was addressed during the audit fieldwork.

The Council has noted the auditors' recommendation.


Mr. Scott Camilleri
Mayor
Mr. Jordy Brincat
Executive Secretary