

30th July 2025

Grant Thornton,
Fort Business Centre
Triq L-Intornjatur, zone 1
Central Business District
Birkirkara, CBD 1050, Malta.

Attn: Mr. Mark Bugeja

Dear Sir,

Reference is made to your management letter dated 25th June 2025, received at our offices on the 10th July 2025.

The council noted all points and will be addressing these separately. See our responses below:

1. Prior year management letter points

Income – please see response in section 2 below.

Trade receivables – please see response in section 3 below.

2. Income

Joint Committee – as per previous management letters the council is aware that no Financial Statements by the Birkirkara Joint Committee were presented to the council since 2015. The council had contacted the Department of Local Government on the 23rd November 2023 to remind them to perform the liquidation of the Birkirkara Joint Committee. Up till now a response on the estimated date when this will happen has not been received.

3. Trade Receivables

A Statement of Account and reminders have been sent to the parties from which a receivable was noted as overdue in the management letter and for which a provision was not recognised. The council is confident to receive these amounts in 2025. If this is not the case, the provision for doubtful debts will be adjusted accordingly or a write-off will be carried out on the amounts not received.

4. Trade payables

The overdue payables noted in the management letter will be reviewed and these will be paid off or reversed accordingly. It is to be pointed out that in relation to the amount due to Joseph Tabone and to Michael Attard Ltd., which constitute most of the overdue payables, a re-payment schedule is in place. The Attard Local Council is following these re-payment schedules accordingly to effect payments to these suppliers.

Regarding the amount due to Regjun Tramuntana, as noted in the management letter discussions are ongoing in relation to the points raised by the Attard Local Council on the issues noted with the service provided by the regional contractor for waste collection. Once these discussions are finalised the amount that will need to be paid to Regjun Tramuntana will be agreed and a settlement plan will be put in place accordingly.

5. Refunds from Government

The recommendation proposed by the auditors to reclassify the amount received by the Electoral Commission for the overtime of the Attard Local Council staff, in connection with the local council elections held in June 2024, was accepted and this amount was reclassified to income rather than netted off with expenses in the 2024 financial statements.

6. Prepayments

The recommendation proposed by the auditors to reclassify the payments made in 2024 for the lease of the new local council office from a Right-of-Use Asset to a Prepayment, until the new office becomes fully operational, was accepted and this amount was reclassified accordingly in the 2024 financial statements.

On behalf of the Local Council and staff I would like to thank the Auditors for their collaboration and professional attitude during the course of the audit.

Regards,

Stefan Cordina
Mayor