



26th June 2025

Director (Monitoring & Support) – Local Government Division

Auditor General

Local Government Auditor

REPLY TO THE 2024 MANAGEMENT LETTER

I am pleased to forward you a copy of the Management letter for 2024 together with Council's response. This has been presented and approved during Council meeting 14 of 25th June 2025. Kindly find our responses to the points raised below:

1. Review of Prior Year's Management Letter

Each sub-point will be addressed separately under its respective heading. However, we wish to point out that **point 1.3 appears to have been erroneously included**, as there is no such mention in Note 4. Therefore, we believe this item should be disregarded.

2. Income from Joint Committee

As clearly explained by the auditors themselves, **no particular action is required by the Naxxar Local Council** in this regard since appropriate action is being taken by the Department for Local Government (DLG).

3. Grants

We will take this up directly with our accountant, as the Council would not wish for this issue to persist. We fully understand that **reconciling past figures may not be straightforward**, but we are committed to doing our utmost to resolve this matter. The Council will be doing its utmost for this matter to be brought to a close without further delay.

4. Fixed Assets

We have taken note of the issues raised and will make every effort to address them as soon as possible. However, we feel it is important to highlight that a major exercise was conducted throughout the year to **update the Fixed Asset Register (FAR)**. In fact, this was acknowledged by the omission of the previous year's notes (4.1 to 4.3) from this year's management letter – even if this may have been inadvertently omitted in Note 1.

Given that the FAR includes **assets dating back to 1994**, going through hundreds of items was no easy task. That said, we are now preparing to launch another exercise to **identify and rectify the remaining differences** as mentioned.

5. Debtors

The Council will continue to actively pursue this debtor and, if necessary, **take all appropriate legal measures to recover the amount due.**

6. Statements from Creditors

As rightly noted by the auditors, the Council consistently does its best to obtain statements from suppliers. However, not all suppliers are equally efficient in providing these in a timely manner.

We are nonetheless **very strict** about not issuing any payments for services unless a proper statement is provided. We would also like to note that during fieldwork, **no requests were made by the auditors for the Council to present any such supplier statements.** As a result, we find it somewhat surprising that this issue was raised in the final management letter.

Allow us to also point out that the Council applies strict controls not only in relation to statements but also to **fiscal receipts.** In fact, in one recent case, the Council went as far as to **report a supplier** for not issuing fiscal receipts in the correct format. While the current letter does not mention issues with receipts, we believe it is fair to highlight this level of diligence.

7. Expenses

Noted for future implementation.

8. Deferred Income

Also noted for the future.

We would like to extend our sincere thanks to the audit team for their professional conduct and constructive feedback. The management letter is an important tool that helps us strengthen our internal processes and ensure continued compliance with best practices in local governance. We remain fully committed to taking the necessary actions to address the points raised, while maintaining the highest standards of accountability and transparency in the Council's financial and administrative operations.



Dr Christopher Deguara

Mayor



Paul Gatt

Executive Secretary