



MARSAXLOKK LOCAL COUNCIL

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National Audit Office
Notre Dame Revelin
Floriana

28th July 2025

Dear Sirs,

Further to the management letter issued by the auditors for the financial year ended 31st December 2024, kindly find below the local council reply for the respective points which were pointed out by the auditors.

1. Previous Management

The points that the Auditors reported under this heading will be replied to in each of the respective sections below.

2. Fixed Assets

Further to the point raised by the auditors on the fixed assets register, last year the council started working on a new fixed asset register which shall include all information as highlighted by the auditors. This fixed asset register is still in process due to limited human resources available to the local council.

3. Receivables

Pre-regional LES debtors

The matter on the balance with LES will be discussed by Loqus as recommended by the auditors. The adjustment proposed by the auditors has been adjusted for in the financial statements.

Garnishee Order

The council will be following the garnishee order dated 2008.

Accrued Income

The adjustment proposed by the auditors has been adjusted for in the financial statements.

4. Cash and cash equivalents

The council adjusted the balances as highlighted by the auditors. The council identified the stale cheques and will be accounted for accordingly. pro

Mayor: **Steven Grech**

Deputy Mayor: **Mary Camilleri**

Councillors: **Nazzareno Bugeja** | **Matthew Bugeja** | **Daniel Zerafa**

Deputy Executive Secretary: **Tiffany Abela**

A monthly bank reconciliation is already being prepared by the council and the stale cheque will be investigated and accounted for accordingly.

5. Trade and other payables

Supplier Statements

The auditor's recommendations on the obtaining of monthly statements from the suppliers is already being actioned however not all suppliers provide the respective statements.

Long outstanding creditors

The council will review the long outstanding creditors as recommended by the auditors and will obtain the respective statements and should such balances deemed to be incorrect the amounts will be reversed after obtaining the council approval.

Alternative procedures on creditors

The adjustment proposed by the auditors has been adjusted for in the financial statements.

Income from grants on capital projects

The dog park project is being concluded and prospects are that will be finalised by the end of 2025. The council will be obtaining an extension from DLG.

6. Income

Joint Committee

The matter of the joint committee has been communicated to the Department of Local Government and this matter is being handled by this Department.

Government Income

The adjustment proposed by the auditors has been adjusted for in the financial statements.

7. Expenditures

Allocation of expenses

The reclassification proposed by the auditors has been adjusted for in the financial statements.

Penalty

The Council acknowledges the observation noted in the management letter regarding the €1,600 penalty imposed by the Environment & Resources Authority (ERA) related to unauthorised interventions on two Ficus trees. It is important to clarify that the intervention was carried out in good faith and in response to repeated reports and concerns raised by residents regarding public safety. The roots of the Ficus trees were causing significant and recurring damage to the adjacent pavement, creating a hazard for pedestrians, particularly the elderly and persons with mobility difficulties.

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While the Council did not obtain prior authorisation from ERA, the action was taken with the sole intention of mitigating risk to the public. Nonetheless, the Council accepts the decision of the ERA and has since settled the penalty in full. Going forward, the Council is committed to ensuring that all similar interventions are carried out in full compliance with applicable environmental regulations and in consultation with the relevant authorities.

8. Financial Statements

The recommendation on the matter on the presentation of the financial statements is being handled by the council.

9. Liquidity position

Going concern

Further to the recommendation made by the auditors for the council to take immediate remedial action to improve the liquidity position. The council is doing its utmost to reduce expenses which are in control of the council and is applying for several schemes and all works are only approved if related to schemes or funding. The council is also in constant communication with the Department of Local Government for the possibility of increase in allocation, as the current allocation is not enough for managing a locality which is an important touristic destination as Marsaxlokk.

We trust that our replies are to your satisfaction.

Your faithfully



Tiffany Abela
Deputy Executive Secretary