



**KUNSILL LOKALI SAN PAWL IL-BAĦAR LOCAL COUNCIL**  
**Triq San Pawl, San Pawl il-Baħar, SPB 3411 Malta, Europe**

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**To whom it may concern**

**San Pawl il-Baħar Local Council**

**Response to Auditor's Management Letter**

**Financial Year Ended 31 December 2024**

**Date: 23/07/2025**

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Dear Madam/Sir,

We refer to the Management Letter, dated 13 May 2025, issued in respect of the audit of the financial statements for the year ended 31 December 2024 and thank you for the observations presented. Kindly find below the Council's consolidated responses, which reflect ongoing efforts to ensure improved transparency, documentation, and governance.

**Note 2.1:** This observation is unchanged from the 2023 audit. We reiterate that the council had replied that the contract has been signed.

**Notes 3.1 to 3.3:** These observations mirror those noted in 2023. The Council continues to make every effort to ensure that all newly acquired assets are properly documented, with the necessary descriptive and financial details included in the asset register. This is part of a broader ongoing effort to improve asset management practices and record-keeping.

**Notes 3.4 to 3.6:** The variance reported has significantly decreased from €1.8 million in 2023 to €447,000 as at year-end 2024. As previously stated in the 2023 reply, this variance largely stems from a change in accounting policy and not from any omissions or misstatements. Our position remains consistent with the 2023 response.

Sindku/Mayor: Ċensu Galea; Viċi Sindku/Deputy Mayor: Christopher Vella Petroni  
Kunsilliera/Councillors: Alexander Agius; Anne Marie Fenech; Sandra Gauci; Daryl Connor; Rachel Antoinette Williams; Alan Bugeja; Clevion Micallef; Joseph Matthew Attard; Alexandra Smart Costantino; Mary Borg; Raymond Tabone.  
Aġent Segretarju Eżekuttiv/Acting Executive Secretary: Bjorn Bonello

**Notes 3.7 and 3.8:** These points are consistent with those raised in Note 3.14 of the 2023 Management Letter. The Council's response in Point 1.7 of that same reply remains valid and applicable in this instance.

**Notes 4.1 and 4.2:** These long-standing variances appear to relate to historic balances and, as noted in previous years, should ideally be addressed through consultation and resolution with the Department for Local Government (DLG). The Council is committed to working with the Department to clarify and regularise these items.

**Notes 4.3 to 4.7:** The Council has already initiated the process of adjusting provisions where necessary. As part of ongoing financial stewardship, overdue balances are being reviewed periodically during 2025, with corrective measures undertaken in accordance with updated assessments.

**Notes 4.8 and 4.9:** These adjustments were proactively discussed with the auditors to ensure that the closing balances present a fair and accurate view of the Council's financial position. Although the variance pertains to the closing balances of 2023, the necessary adjustments were recorded in the financials for 2024.

**Notes 4.10 to 4.12:** These are a continuation of the matters raised in Notes 4.13 to 4.15 in the 2023 audit. The Council had previously responded that these items would be reviewed in consultation with the Planning Authority. At present, given the uncertainty about the progress of these discussion, we will seek clarify.

**Notes 5.1 to 5.8:** The comments are duly noted.

**Notes 5.9 to 5.19:** The noted cases generally relate to invoices that were either not received by the Council or, in the case of the Christmas lighting expenditure, were received after the year-end financial closing. These observations are acknowledged, and care is being taken to account for similar instances more proactively in future reporting periods.

**Notes 6.1 to 6.4:** These are under internal review and will be addressed directly by the Council in due course.

The Council remains committed to financial accuracy, ongoing improvement of administrative systems, and continued collaboration with your audit team. We thank you for your professional observations and look forward to closing any outstanding matters constructively.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Bjorn Bonello', with a stylized flourish at the end.

**Bjorn Bonello**

*B.Sc. Hons. Environmental Planning (Birmingham, UK)*

Acting Executive Secretary San Pawl il-Baħar Local Council