



Hal Balzan Local Council

The Director
Finance and Procurement Compliance
Local Government Division
26, Archbishop Street
Valletta VLT 1443

18th June 2026

Dear Ms Bugeja,

Re: Reply to Management Letter 2025

Reference is made to the Auditor's Management Letter dated 21st May 2026 and received on 5th June 2026.

Please find hereunder the Hal Balzan Local Council's response to the Management Letter for the year ending 31st December 2025.

1. Previous Management Letter

Follow up on prior year's issues

As a follow-up to last year's report, the Council made sure to address the issues raised in last year's management letter.

Whilst acknowledging the positive remarks raised by the Auditors, other comments raised under:

- 1.3 will be dealt in notes 2.1; and
- 1.4 will be dealt in note 3.

2. Fixed Assets

2.1 – Upkeep of fixed asset register

The Council will be revising the Fixed Asset list to determine which assets are still in existence and which are not. Any remaining assets will be updated with any available information.

3. LES receivables

The Council acknowledges the recommendation and will make further contact with LESA concerning the matter to verify and confirm the correct balance.



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4. Deferred Income

The Council noted the matter and acknowledged that it arose as a result of an oversight. The proposed adjustments were approved and adopted by the Council, and the Financial Statements were amended accordingly.

5. Specimen chart of accounts

The Council has updated the Chart of Accounts to ensure compliance with the latest Chart of Accounts framework as communicated by the Local Government Division.

The Hal Balzan Local Council would like to thank the auditors for their constructive and professional advice provided during the course of their audit.

During the Council meeting held on Thursday 18th June 2026, the Hal Balzan Local Council has discussed and clearly understood the contents of the Management Letter sent by the Auditors and will be making the necessary amendements as outlined in this reply.

SIGNED

Dr Angelo Micallef
Mayor

SIGNED

Doriette Farrugia
Executive Secretary

cc Auditor General, National Audit Office
Local Government Auditors , Grant Thornton