Audit Report 11/2021

"Are the Public Entities' fixed assets duly protected by means of the Fixed Asset Register?"

EXECUTIVE SUMMARY

The protection of fixed assets belonging to State Bodies, such as local authorities and public legal entities, requires the establishment of special procedures for their registration and safeguarding.

The Hellenic Court of Audit, through its Commissioner's Units, carried out an audit regarding the aforementioned question in 32 State Bodies.

The audit focused on "tangible assets", i.e. property items or equipment in possession of a State Body, which are intended to be used for the accomplishment of its mission, the useful life of which exceeds one year.

The audit findings are the following:

I. Public entities do not ensure complete registration of their fixed assets:

a) Several State bodies do not keep a Fixed Asset Register.

b) Even where such Fixed Asset Register is kept, this does not include all fixed assets; in addition there are deficiencies and errors in the description of the assets, which make the identification thereof difficult.

II. The incorrect asset value assessment as well as the inclusion of assets that do not belong to the State body or of items that do not qualify as fixed assets, result in an inaccurate picture of the value of each asset as well as of the total value of the State Body´s assets.

III. State bodies do not take the necessary measures to safeguard their assets; this results in cases of encroachment on real estate and loss or damage of other fixed assets.

IV. State bodies do not seek how to optimize the use of their fixed assets; as a result, there are cases where assets, especially real estate, are not used for their intended purpose, or even remain unused for a long time.

V. Assets that are no longer operational still appear in the Fixed Asset Register, either because no decision has been made to destroy them or because they have not been removed from the Fixed Asset Register, following their destruction.