

Audit Report 1/2021

“Real Estate Due - Do the Municipalities comply with their obligations regarding collection of the due and allocation of the amounts received?”

EXECUTIVE SUMMARY

Article 102 of the Constitution provides that the State must take the necessary action, in order to ensure that the Local Government Organizations have the necessary resources to fulfill their mission. In this context, article 24 of Law 2130/1993 established the Real Estate Due (“TAP”), as a revenue of the Local Government Organizations, providing them with an independent source of income to meet their needs.

The present audit of the internal control system of the Local Government Organizations was included in the Annual Audit Program of the Hellenic Court of Audit (“HCA”) for the year 2021, which was approved by the HCA’s Plenary Session and presented to the Special Committee on Institutions and Transparency of the Hellenic Parliament on 14th December 2020.

This audit was carried out horizontally with 20 Local Government Organizations by 18 HCA Commissioner’s Services throughout Greece, from 1.3.2021 to 31.5.2021.

The main audit findings are the following:

1. The Local Government Organizations do not have a complete picture of the real estate which is located within their territory and is subject to TAP, especially of real estate not supplied with electricity, or of the owners thereof.
2. The Local Government Organizations do not dispose of a system allowing them to verify the grounds of exemption of real estate from TAP, nor do they follow up whether such grounds continue to exist in those cases where an exemption from TAP was granted.
3. The audit identified cases of incorrect calculation of TAP, mainly due to outdated real estate objective values.
4. The largest part of TAP revenues derives from real estate supplied with electricity and it is collected through the electricity bills. Ascertaining and collecting TAP corresponding to real estate not supplied with electricity show significant delays.
5. It is not safeguarded that 50% of the amounts collected is allocated as provided by law.