

Audit Report 2/2021

Integrated Cleaning and Illumination Fee:

Does the way the fee is imposed ensure that it does not end up being converted into a tax? Is it actually allocated for the reciprocal services for which it is exclusively intended?

EXECUTIVE SUMMARY

The reciprocal fees constitute a category of regular revenues of the Municipalities. The reciprocal cleaning and illumination fee is imposed to cover the costs of rendering the specific services.

This audit was conducted horizontally on 11 municipalities by 10 HCA Commissioner's Services throughout Greece, from 15.3.2021 to 30.9.2021.

The main audit findings consist of the following:

1. The production costs of rendering cleaning and lighting services is the only factor taken into consideration for the determination of the relevant fee, as these costs can be directly and distinctly attributed to the provision of the services in question. However, the part of the horizontal operating and administrative expenses of the municipality for the production of these services is not apportioned in order to be included in the fee.
2. The municipalities do not have an accurate picture of the properties that are subject to the fee nor of the persons liable for the payment of the fee.
3. The municipalities do not make extensive use of the possibility provided by law to set more special rates, so that the fee is divided among the taxpayers according to the degree of use of the relevant services.
4. In most municipalities, the revenue from the fee and the cost for the provision of the relevant services were found to be in a satisfactory ratio.
5. In the case of powered properties, the collection of the fee through the electricity provider ensures in principle a high collection rate. However, the municipalities do not verify the transfer of the total fee revenue from the electricity providers.
6. The municipalities complied with their obligation to implement a separate accounting system in regard to the management of the fee in question.