



Regional Chamber of Audit
in Bydgoszcz

Auditing the property management of local authorities in Poland



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Local authorities potential

- natural resources,
- infrastructure and assets,
- human resources and cultural heritage.



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Local authorities property

- base for sustainable development policy,
- factor affecting the revenues and expenditure



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Tasks of Polish local authorities in terms of their property management

The local authorities property in Poland covers the rights of ownership and other property rights of respective local authorities and the property of other local authorities legal persons, including companies.

The local authority, as the owner, enjoys an unrestricted property management right defined by law.



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Tasks of Polish local authorities in terms of their property management

The immovable property includes the immovable property owned by the local authority not under perpetual usufruct, and the immovable property under perpetual usufruct.

The local authority's immovable property is managed by its executive body.



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Tasks of Polish local authorities in terms of their property management

Obligations connected with the sale or rental
of the property:

- developing an immovable property record and informing the public of it,
- performing a tender procedure.



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Local authorities property recording

It is essential that local authorities have complete and reliable knowledge on the property they manage. The property status must be documented in book-keeping.

The accounts of the reporting period must be entered with every event which occurred over that period.



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Local authorities property recording

The accounts should be kept with due diligence, errorless, transparently and on day-to-day basis.

Local authorities are obliged to perform and to settle the property inventory compliant with the Accounting Act.



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Audits performed by the Regional Chambers of Audit

The audits by the chambers are performed via audit inspectors according to two criteria:

1. compliance with the law,
2. compliance of the documentation with the real state of affairs.

As for the state government administration tasks, performed by local authorities, the chambers are entitled to perform audits, including additional criteria: purposefulness, diligence and economic prudence.



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Audits performed by the Regional Chambers of Audit

A comprehensive audit of the financial management of each local authority must be performed at least once every four years.

The audits are performed according to a uniform, accepted by all the chambers, audit topic.

Throughout the audits 10 topic groups are covered. One of the them is property management.



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Audits performed by the Regional Chambers of Audit

Problem-focused audits are performed to cover selected audit aspects.

Joint agenda audits (referred to as coordinated audits) are performed pursuant to the agreed audit agenda, implemented all across the country.

Ad-hoc audits are performed, if need be; in general, upon a request of other institutions or even upon complaints of the citizens.



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Property audit objectives

- eliminating the irregularities and their effects
- counteracting the emergence of the irregularities
- increasing the revenues generated from property by local authorities



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Detailed audit objectives include investigating:

- compliance with the statutory competences of local authorities bodies in the aspect of property management
- compliance with the provisions of procedures in terms of disposal and making the property available to others,
- the method of defining, collecting and debt-collecting the revenues from property,



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Detailed audit objectives include investigating:

- the adequacy of granting payment reliefs,
- adequacy of property recording,
- compliance with the statutory inventory principles and its settlement.



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Immovable property sale irregularities

- not informing the public of the list of immovable property allocated for sale,
- providing incomplete data in the lists and announcements made,
- sale of immovable property without a valid estimation made by the property expert,
- lowering the immovable property sale price,
- unjustified withdrawal from the tender procedure.



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Property tenancy and lease irregularities

- not informing the public of the list of immovable property allocated for tenancy or lease,
- entering into tenancy or lease contracts for unlimited period or more than 3 years,
- inadequate defining of the payments,
- inadequate granting of repayment reliefs
- debt-collecting abandonment

Property recording irregularities

- recording the property data incompliant with the provisions of law,
- inventory and its settlement abandonment,
- applying inadequate depreciation rates,
- inadequate acceptance and handing-over of respective property,
- inadequate property condition data recording,
- not recording all the fixed assets.



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Audits effects

- enhanced transparency of local authorities property management,
- increased revenues from the property,
- local community marketing.



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**Thank you
for your attention!**

