



**MANAGEMENT AND ACCOUNTING OF TANGIBLE GOODS USED BY THE  
INTEGRATED SERVICES OF THE MADEIRA REGIONAL GOVERNMENT**

REPORT Nº 11/2020 – FS/SRMTC

2.<sup>nd</sup> SECTION

PROCESS Nº 02/2019 – AUD/FS

15<sup>TH</sup> OCTOBER 2020

JUDGE: Laura Tavares da Silva

REGIONAL PUBLIC ADMINISTRATION – ORIENTED AUDIT – TANGIBLE GOODS REGISTRY  
– PUBLIC ASSETS – INTERNAL CONTROL – MADEIRA AUTONOMOUS REGION - FINANCIAL  
RESPONSIBILITY WAIVER

The Court decided to carry out an audit focusing on the management and the accounting of the tangible goods, with the exception of the artistic and cultural ones, used by the integrated services of the Madeira regional government, reported to 31/12/2017. The Court concluded that:

1. The “Direção Regional do Património e Informática (DRPI)” does not exercise its coordination, monitoring and public asset information centralisation role in disregard of the commands issued in its organic law.
2. The internal control system was inadequate due to the lack of key control procedures designed to ensure the assets protection, the accuracy and reliability of accounting records, the disclosure of reliable financial and patrimonial information and the prevention and detection of irregularities:
  - a) The lack of systematic and comprehensive regulations and procedures regarding the public tangible goods management in use by the integrated services of the Madeira regional government;
  - b) The errors and omissions found on the individual asset charts (that sometimes were inexistent) and on the users inventory;
  - c) The lack of controls aimed to detect, correct and prevent errors and compliance failures from the asset users;
  - d) The insufficient coordination between DRPI, the “Direção Regional de Orçamento e Tesouro (DROT)”, the “Unidades de Gestão” and the asset user’s in regard of the tangible goods accounting and registry.
3. The net value of the tangible goods of integrated services of the Madeira regional government in 31/12/2017, reported by the Vice-Presidency of the regional government in 15/02/2019 (9.249.013,56€), differ from the value indicated in the 2017 regional account financial statement (7.893.067,41€). Furthermore, the errors found on a sample of 73 items, over evaluated the assets in approximately 1,3 million euros.



In the aftermath of the audit findings, the court recommended to the Vice-President of the regional government to take decisive actions to enhance the intra and inter departmental coordination in respect to the registry and accounting of the tangible goods in use by the integrated services of the Madeira regional government. The Court also recommended:

1. To the “Direção Regional” liable to the public assets control:
  - a) To pursue the commands issued in its organic law regarding the coordination, monitoring and control of the public assets under its care;
  - b) Set out a plan to implement an internal control system based on information systems and systematic and comprehensive procedures that ensure that, at each moment, it is possible to know, for each and all of the assets in use by the integrated services of the Madeira regional government, its identification, location and value.
2. To the “Direção Regional” responsible for the management and control of the computer equipment, to fully ensure the pursuit of the assignments established in its organic law in regard to the registry and inventory update of computer hardware, coordinating its activity with DROT to ensure the permanent update of the financial information.
3. To the DRPI, “Direção Regional de Educação” and to the “Direção Regional da Cultura” in regard to the assets that are under its administration, undertake actions to:
  - a) Check and update periodically their inventories to prevent errors and omissions;
  - b) Correct the registry and valorisation of the assets under their administration;
  - c) Fully complete the asset charts of the mobile goods under their administration and correct the errors identified in the audit report;
  - d) Label all the assets in accordance with the existing coding system and carry out periodic physical verifications of the assets.