



ÁLLAMI
SZÁMVEVŐSZÉK

Further information, Public Relations:

Bálint Horváth, Head of Department, Senior Counsellor
State Audit Office of Hungary, Department of Communication and
Public Relations

Phone: +36 1 484 9145 Mobile: +36 20 238 6939

E-mail: sajto@asz.hu Web: www.asz.hu; www.aszhirportal.hu



AUDIT OF SZENT MÁRTON JÁRÓBETEG KÖZPONT NONPROFIT KÖZHASZNÚ Kft.

Summary for the press

on the audit of Szent Márton Járóbeteg Központ Nonprofit Közhasznú Kft. (18095)

The State Audit Office of Hungary has completed the audit of Szent Márton Járóbeteg Központ Nonprofit Közhasznú Kft. The SAO concluded that the Local Government of Pannonhalma properly established the framework for exercising proprietary rights, but exercised its proprietary rights in an irregular manner. The regulation of the company's financial management and its asset management activities were adequate, it fulfilled its reporting obligation and its solvency was ensured.

A key objective of the State Audit Office of Hungary is to ensure, by uncovering the financial risks inherent in the financial management of local governments, and by auditing the state subsidies provided outside the state budget and the free grants of assets and the task performance systems operating outside the state budget, that public funds are used by the organisations operating outside the state budget in a transparent and compliant manner as well. In line with the objectives of the State Audit Office of Hungary and in line with the social demand and the importance of business associations, the audit of Szent Márton Járóbeteg Központ Nonprofit Közhasznú Kft. was carried out.

The company was founded on 15 November 2008 by ten local governments. Its registered capital was 7 million HUF at the time of the foundation, and on 1st January 2013 it was 50.6 million HUF. In 2013 the local government provided contribution in kind in the form of real estate in the value of 31.7 million HUF as capital increase, therefore the registered capital increased to 82.3 million HUF and did not change until the end of 2016. The local government's share in the registered capital of the company was 97.1% at the time of the foundation and 99.8% on 9 December 2013. The company did not manage municipal assets and operated as an organisation listed among other organizations in the governmental sector in 2016.

The main activity of Szent Márton Járóbeteg Központ Kft. was patient care in Pannonhalma and its surroundings, with the operation of 22 outpatient care clinics. Its main activity, also a public benefit activity, was specialist outpatient care. It also provided general outpatient care and other human health care as a public benefit activity. The company's public benefit tasks were also public tasks. The company's business activities were renting and operating real estate, cosmetology and so called "premium services" (cosmetic dermatological services).

The company created the building and equipment needed to carry out its activities from European Union funds on a plot of land provided by the local government as a contribution in kind, with financial support of 806.8 million HUF. The local government provided a total of 16.4 million HUF in grants and 22 million HUF loan to the company during the audited period, which was repaid by the company by the end of 2016. Its equity increased by 66.7% during the audited period.

The local government properly established the framework for exercising proprietary rights, but exercised its proprietary rights in an irregular manner. The Local Government fulfilled its obligation to draw up its medium- and long-term asset management plans. Remuneration policies were not created by the company's supreme body.

The company had the prescribed regulations, its asset register and asset management activity were regular. Asset items included in the abridged annual reports were supported by an inventory.

In 2016 the managing director did not set up a system for tracking the implementation of objectives and monitoring the activities, so no such system contributed to the strengthening of integrity.

The solvency of Szent Márton Járóbeteg Központ Kft. was ensured and it fulfilled its reporting obligations properly. The company did not prepare a policy for the fulfilment of requests for information on public interest data, and did not publish its public interest data.

The accounting of revenues and expenses did not comply with legal requirements. Depreciation was properly accounted by the company. The accounting of personnel expenses was regular. Szent Márton Járóbeteg Központ Kft. was not obliged to draw up a cost accounting policy, and it set the fees of healthcare services subject to payment in compliance with regulations.

In 2016 the company made a debt-creating transaction irregularly.

The State Audit Office of Hungary, as the supreme financial and economic audit institution of the Hungarian National Assembly, is an independent fundamental institution of the democratic system of institutions. Its mission is to promote the transparency of public finances through value creating audits, performed on a solid professional basis, thus contributing to 'good governance'. Through its recommendations, the SAO promotes the regular, economical, efficient and effective use and utilisation of public funds.

On the basis of the findings, the SAO made three recommendations for the mayor of the local government, and nine for the company's managing director.