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AUDIT OF MEZŐCSÁTI MICRO-REGIONAL HEALTH DEVELOPMENT CENTER

Summary for the press on the audit of the business organizations with majority local government ownership – Mezőcsáti Kistérségi Egészségfejlesztő Központ Egészségügyi Szolgáltató Kiemelkedően Közhasznú Nonprofit Kft. (18122)

The State Audit Office of Hungary has completed the audit of Mezőcsáti Kistérségi Egészségfejlesztő Központ Egészségügyi Szolgáltató Kiemelkedően Közhasznú Korlátolt Felelősségű Társaság for the period between 2013 and 2016. The SAO found that the local government of Mezőcsát properly exercised its ownership rights over the company, however, it did not audited its operation. The company's operation was not transparent, its financial management and asset management were not regular. The truthfulness of the balance sheet was not ensured, which jeopardized both the preservation of the assets and the accountability.

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. Therefore, the SAO audits economic organisations in the majority ownership of local governments in a scheduled manner and, within the framework of these audits, Mezőcsáti Kistérségi Egészségfejlesztő Központ Egészségügyi Szolgáltató Kiemelkedően Közhasznú Nonprofit Kft. was also audited.

The company was founded on September 8th, 2008 by the Local Government of Mezőcsát with the association of eight local governments to provide general and specialized outpatient care for the population living in the community falling under its territorial health care obligation. During the period audited, the registered capital of the company was HUF 57.2 million, the shares of the Local Government of Mezőcsát in the company were 95.58%. The company performed its tasks by using its own assets and the assets leased from the local government for use. There were no assets in its property management, it had no shares in any affiliated undertakings. The company has had a particular public benefit status and has been listed among other organizations in the government sector since 30 December 2015.

The audit of the SAO found that the company's financial management and asset management were not compliant. The regulation established by the company did not comply with legal requirements, and it did not prepare an inventory to support the balance sheet items of the annual reports. The accounting of revenues and expenditures was not regular.

The company fulfilled its reporting obligations, but did not ensure access to public data and information of public interest as required by law, and therefore its operation was not transparent.

The SAO found that the local government of Mezőcsát properly exercised its ownership rights over the company, therefore, it did not contribute to its regular operation.

The SAO formulated two recommendations for the mayor of the Local Government of Mezőcsát, and seven recommendations for the general manager of Mezőcsáti Kistérségi Egészségfejlesztő Központ Egészségügyi Szolgáltató Kiemelkedően Közhasznú Nonprofit Kft. based on the findings, in response to which they must prepare an action plan within 30 days.