



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 SARKADI KISTÉRSÉGI EGYÉSZSÉGÜGYI FEJLESZTŐ NONPROFIT KFT.

Summary for the Press

On the audit of Sarkadi Kistérségi Egészségügyi Fejlesztő Nonprofit Kft. (18123)

The State Audit Office of Hungary has completed the audit of Sarkadi Kistérségi Egészségügyi Fejlesztő Nonprofit Kft. The SAO found that the local government of the town of Sarkad established regularly the framework for exercise of proprietary rights and it exercised its rights of ownership properly. The regularity of financial management of the company and activity of property management were not appropriate. It fulfilled its prescribed reporting obligation. The company did not comply with its obligation to disclose data of interest so it did not ensure transparency.

The key objective of the State Audit Office of Hungary is to ensure, by revealing 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 aims of the State Audit Office of Hungary and the social demand, as well as the important role of business associations, the audit of the Sarkadi Kistérségi Egészségügyi Fejlesztő Nonprofit Kft. was launched.

The Sarkad based company was established by nine local governments with 52.7 million HUF equity capital on 3 September 2008. The local government of Sarkad had majority ownership of the company, it owned 74% of shares and votes. The company was founded with the aim to build the Outpatient-special-care Health Centre and to operates in this form for at least five years.

The public benefit activity of the company was outpatient care, inpatient care, general outpatient care and other human healthcare. Within the framework of business activities it was involved in the rental and operation of self-owned real estate. Net sales revenue decreased from HUF 143.2 million to HUF 140.4 million by the end of the audit period. According to the yearly professional report of the company, the number of persons who appeared at the professional care units was between 11-12,000 persons/year and the number of cases varied between 70-81,000/year in the audited period.

At the local government of Sarkad, the framework of exercise of proprietary rights and the exercise of proprietary rights were regular. The chief body of the company did not produce statutes of remuneration.

The regularity of the financial management of Sarkadi Kistérségi Egészségügyi Fejlesztő Nonprofit Kft. was not appropriate. The company had the required internal rules but the statutory changes were not updated in them. Its system of accounts did not fully correspond with the laws, because it did not include the system of documentation.

The asset management activity of the company was not regular due to the discrepancies of the inventory. It completed the prescribed reporting obligation, but did not fulfill its disclosure obligation. The company had a data protection policy, however a person responsible for data protection was not designated or appointed. The company was classified as other institution of the government sector, in 2016. In 2016, the managing director did not formulate a system for the performance of the aims and tracking of activities, so he did not contribute to strengthening integrity.

The settlement of revenues and expenses of the company was regular except the personnel expenses. The company determined the fees of the payment of chargeable healthcare services according to the laws.

According to the findings, the SAO made two recommendations to the mayor of the local government, made seven recommendations to the managing director of the company, who have to prepare an action plan within 30 days.

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.