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THE AUDIT OF NEMZETI TÁNCSZÍNHÁZ NONPROFIT KFT.

Summary for the press on the audit of state-owned business associations – Nemzeti Táncszínház
Nonprofit Kft. (18239)

The State Audit Office has completed the audit of Nemzeti Táncszínház Nonprofit Kft. for the period 2013-2016. The level of regulation of the operation of Nemzeti Táncszínház Nonprofit Kft. was not in compliance with legal regulations. The provision of financial and accounting tasks and its asset management activities were not regular. The company failed to comply with its data provision and disclosure obligation, thus the transparency of its financial management was not ensured.

Since state-owned and partly state-owned enterprises form part of national property, their audit is of key importance in view of the preservation and protection of national property. Through its audits, the State Audit Office of Hungary contributes to the regular, transparent, accountable and successful use of public funds. The SAO, therefore, proceeds with scheduled audits of state-owned economic organizations, within the framework of which it also audited Nemzeti Táncszínház Nonprofit Kft.

During the period audited, Nemzeti Táncszínház Kft. was owned by the state in 100%, ownership rights were exercised by the Ministry of Human Capacities in accordance with the property management contract concluded with MNV Zrt. and, from January 27th, 2013, in accordance with a commission contract. The company operated as an organization with particular public benefit purpose until May 31st, 2014, and then as an organization with public benefit purpose. Based on its activities with public benefit purpose, it carried out tasks related to culture, education, skill development, awareness raising and the protection of cultural heritage. Within the framework of contracting activities, the Company rented the auditorium, the gallery, the buffet, the cloakroom and the sound and light technology. During the period audited, the company was classified as other institution of the government sector.

The Ministry of Human Capacities established the frameworks for the exercise of proprietary rights regularly, and it exercised its proprietary rights over the company in line with requirements.

The level of regulation of the operation of Nemzeti Táncszínház Nonprofit Kft. was not in compliance with legal regulations, as the accounting policy, financial management policy and inventory policy to be prepared by the company in accordance with the Accounting Act did not fully contain the statutory content elements. The Company did not prepare the internal policy concerning the calculation of prime costs.

The performance of financial and accounting tasks was not regular, since contravening the provisions of the Accounting Act the company did not have a list of employees, therefore, the staff appropriation management was not auditable and accountable.

The company's property management activities were not regular due to the deficiencies of the registration of assets arising from the accounting of depreciation. The data of the balance sheet of the reports were substantiated by an inventory.

As an organization classified in the government sector, the company did not set up a system for monitoring the implementation of activities and objectives and failed to meet its reporting obligations towards the Minister of Public Finances.

Based on the findings of the audit report, the State Audit Office of Hungary formulated seven recommendations for the general manager of Nemzeti Táncszínház Nonprofit Kft.