



ÁLLAMI
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THE AUDIT OF KAROLINA KÓRHÁZ RENDELŐINTÉZET

Summary for the press on the financial and property management audit of specific institutions of the central subsystem – Karolina Kórház – Rendelőintézet (18243)

The State Audit Office of Hungary has completed the audit of the regularity of the financial and property management of Karolina Kórház – Rendelőintézet (Mosonmagyaróvár) in respect to years 2014 to 2016. The SAO concluded that the exercise of rights of the middle management bodies over the hospital was not compliant with regulations. The SAO concluded that the establishment and operation of the internal control system was not regular and therefore the transparent and accountable use of public funds was not ensured. The financial and property management was not regular. The integrity control system to provide protection against corruption threats was not established in proportion to the risks, the integrity approach did not prevail.

The State Audit Office of Hungary regularly audits the financial and asset management of central budgetary institutions playing an extremely important role in public spending, including hospitals. Healthcare costs are continuously in the center of public interest. A major part of the central budget is spent on healthcare, and most of the support is received by the hospitals.

The task of Karolina Kórház – Rendelőintézet operating in Mosonmagyaróvár (Győr-Moson-Sopron county) is to provide outpatients and inpatients with diagnostic and therapeutic care, rehabilitation and monitoring through its specialists, in Mosonmagyaróvár and its agglomeration. The average number of hospital beds amounted to 311 in 2016. In 2016, the total revenue of the hospital was HUF 846.8 million, while its total expenditure was HUF 2,898.1 million.

The SAO concluded that the governing body power over Karolina Kórház – Rendelőintézet and the employer rights were exercised lawfully by the Ministry of Human Capacities. The Institution of Pharmaceutical and Healthcare Quality and Organizational Development (Gyógyszerészeti és Egészségügyi Minőség- és Szervezetfejlesztési Intézet) and its legal successor, National Healthcare Services Center (Állami Egészségügyi Ellátó Központ) as middle management organizations did not exercise its management and supervisory rights in a regular way in 2014 and 2015, since it did not approve the organizational and operational statutes of the hospital.

The SAO concluded that the establishment and operation of the internal control system was not regular and therefore the transparent and accountable use of public funds was not ensured. The risk management system was not established, and the performance of control activities was not regular. Information and communication processes were not established and operated in 2014 and 2015, and the establishment and operation in 2016 were not regular, which did not ensure organization transparency. The operation of internal audit did not comply with regulations.

The company's financial management was not regular. During collection and settlement of revenues, as well as the utilization of expenditure appropriations the exercising of cash management competencies did not comply with legal requirements.

The company's asset management did not comply with legal regulations, since the balance sheets were not supported by an inventory check.

The integrity control system to provide protection against corruption threats was not established and operated in proportion to the risks, obligatory integrity controls were not operated appropriately, and controls which were not obligatory were not operated.

Based on the findings, the State Audit Office of Hungary made one recommendation to the Minister of Human Capacities, one recommendation to Director General of the National Healthcare Services Center and further 19 recommendations to the Director General of Karolina Kórház – Rendelőintézet, for which they have to prepare a plan of action 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.