



ÁLLAMI  
SZÁMVEVŐSZÉK

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## THE AUDIT OF TOLNA MEGYEI BALASSA JÁNOS KÓRHÁZ

Summary for the press on the financial and asset management audit of specific institutions of the central subsystem – Tolna Megyei Balassa János Kórház (18250)

**The State Audit Office of Hungary has completed the financial and asset management regularity audit of the Szekszárd-based Tolna Megyei Balassa János Kórház in respect of years 2014 to 2016. The SAO concluded that the establishment and operation of the internal control system of the hospital was not regular and therefore the transparent and accountable use of public funds was not ensured. The financial and asset 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 public task of Tolna Megyei Balassa János Kórház is to provide outpatients and inpatients with diagnostic and therapeutic care, rehabilitation and monitoring through its specialists. The average number of hospital beds decreased from 985 in 2014 to 972 in 2015. The assets of the hospital was HUF 13,788.1 million on December 31st, 2016, its total revenue amounted to HUF 10,380 million, its total expenditure was HUF 10,063.5 million in 2016.

The State Audit Office of Hungary found that the Ministry of Human Capacities (Emberi Erőforrások Minisztériuma) and through its delegated power, the Institution of Pharmaceutical and Healthcare Quality and Organizational Development (Gyógyszerészeti és Egészségügyi Minőség- és Szervezetfejlesztési Intézet) and National Healthcare Services Center (Állami Egészségügyi Ellátó Központ) exercised their power as governing bodies over Tolna Megyei Balassa János Kórház.

No control environment was established in the hospital which would have allowed for ethical expectations be specified, known and accepted at all levels of the organization. The organisational units performing the tasks of the business organisation did not have rules of procedure except for one. The risk management system was not operated, risks related to organisational goals were not assessed, no measures were taken to ensure the establishment of the integrated risk management system. The performance of control activities was not regular. The information and communication processes were established, however, operation and management-related documents were not published, thus the transparency of the organisation was not ensured. The system for the continuous and occasional monitoring the hospital's activities and tracking the implementation of the objectives was not established. The internal control operating independently of operational activities did not function properly, only 14.3% of the planned audits were performed and the stakeholders either failed to prepare or were delayed in preparing their related action plans.

The company's financial management was not regular. During the utilization of expenditure appropriations, the exercising of cash management competencies did not comply with legal requirements and internal regulations.

In the scope of asset management, failure to arrange for the registration and deletion of the asset management right in the real estate registry and the collection of revenues was not regular. The balance sheet items of the annual report were not supported by an inventory despite legal requirements.

The integrity control system to provide protection against corruption threats was not established and operated in proportion to the risks.

The State Audit Office of Hungary made one recommendation to the Minister of Human Capacities and further 18 recommendations to the Director General of Tolna Megyei Balassa János Kórház, for which they have to prepare a plan of action within 30 days.

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*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.*