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AUDIT OF THE DR. BUGYI ISTVÁN HOSPITAL OF CSONGRÁD COUNTY

Summary for the Press – The audit of central budgetary institutions – Dr. Bugyi István Hospital of Csongrád County
(19178)

The State Audit Office of Hungary has completed the audit of Dr. Bugyi István Hospital of Csongrád County, covering the period between 2015 and 2017. The SAO concluded that the establishment and operation of the hospital's internal control system, and its financial and property management were not regular, thus, the transparent, accountable and responsible financial management of public funds and national assets was not ensured. Integrity-based operation and protection against corruption were not ensured.

The State Audit Office of Hungary regularly audits the financial and property management of institutions forming part of the central subsystem and playing a decisive role in the use of public funds, 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.

Dr. Bugyi István Hospital of Csongrád County, based in Szentes, has been operating as a budgetary institution since 1 April 1979, and its basic task is to provide outpatients and inpatients with diagnostic and specialised therapeutic care, rehabilitation and monitoring care. During the period audited the management authority of the hospital was the Ministry of Human Capacities (EMMI), the rights of intermediate management were exercised by the National Institute for Quality and Organisational Development in Healthcare and Medicines, then, from 1 March 2015 by its legal successor, the National Healthcare Services Center (ÁEEK). During the period audited, the hospital managed balance sheet assets of HUF 3 billion and 200 million, and its total revenues exceeded HUF 6 billion in each year.

The audit the SAO concluded that the establishment and operation of the internal control system of Dr. Bugyi István Hospital of Csongrád County in the period between 2015 and 2016 was not regular, thus, it did not ensure the regular use of public funds and the responsible financial management of national assets. In 2017, the Director-General established the control environment, the integrated risk management system and the information and communication processes in a regular manner as part of the internal control system. However, the operation of the integrated risk management system was not regular. The operation of the monitoring system and the exercise of control activities were not regular; therefore, the internal control system of the hospital did not ensure the regular financial management of public funds and national assets, the proper fulfillment of the reporting and data provision obligations in 2017 either.

The financial management of the hospital was not regular. During the collection and accounting of revenues as well as the use of the expenditure appropriation, the exercise of financial management powers was not regular, and as a consequence, it was not guaranteed that the public funds were used in order to perform the public task. The hospital did not comply with the legal provisions concerning contract conclusion with transparent organisations while collecting the revenues from asset utilisation and using the expenditure appropriations, thus, it did not ensure the regular use of public funds.

The establishment of residue by the hospital was not regular due to the deficiencies in the content of the records kept of the specimen signatures of persons entitled to exercise powers to undertake commitments and financial management powers. The property management of the hospital was not regular, as the balance sheet items of the financial statement were not substantiated by inventory; therefore, the authenticity of the value of the assets and liabilities shown in the balance sheet was not justified.

The hospital did not establish requirements suitable for measuring performance, and did not define tasks aiming at achieving the organisational goals. In 2017, the hospital did not develop the non-mandatory controls supporting integrity, in the absence of which the integrity approach did not prevail in the operation.

The performance of management authority's tasks by the EMMI, and the performance of intermediate management tasks by the ÁEEK were regular.

Based on the audit findings, the State Audit Office of Hungary made one recommendation to the Director-General of the ÁEEK, and 17 recommendations to the Director-General of Dr. Bugyi István Hospital of Csongrád County, in response to which those concerned must 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 institutional system. Its mission is to promote the transparency of public funds through value creating audits, performed on a solid professional basis, thus contributing to a 'well-managed state'. Through its recommendations, the SAO promotes the regular, economical, efficient and effective use and utilisation of public funds.