



Further information, Public Relations:

Bálint Horváth, Head of Department
State Audit Office of Hungary, Department of Communication and
Institutional Relations

Phone: +36 1 484 9145 Mobile: +36 20 238 6939

E-mail: sajto@asz.hu Web: www.asz.hu ; www.aszhirportal.hu

Media: [ÁSZ Youtube](https://www.youtube.com/asz) ; www.facebook.com/penzugyiszemle



THE AUDIT OF SZENT BORBÁLA HOSPITAL

Summary for the press – The audit of central budgetary institutions – Szent Borbála Hospital (19179)

The State Audit Office of Hungary has completed the audit of Szent Borbála Hospital, covering the period between 2015 and 2017. The SAO established that the hospital failed to fulfill the legal requirements concerning budgetary discipline. Its internal control system did not ensure the conditions required for the transparent and accountable management of public funds. The hospital's financial and property management was not regular, and it did not support the balance sheet items by inventory. 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.

Szent Borbála Hospital, based in Tatabánya, started its operation on 31 December 1900, 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 intermediate management rights 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). The hospital's balance sheet assets increased from HUF 9 billion and 593 million on 1 January 2015 by 40.8% to HUF 13 billion and 512 million by 31 December 2017.

The SAO's audit found that the internal control system of Szent Borbála Hospital did not ensure the transparent, regular, economical and responsible financial management of public funds. The hospital did not operate the risk management system and integrated risk management system. The exercise of control activities was not regular during the period audited. The development and operation of the monitoring system was not regular in the period between 2015 and 2016. The Director-General of the hospital assessed the quality of the internal control system in a statement in each year of the audited period; however, the findings of the SAO's audit did not confirm the content of the statement. In 2016 and 2017, the hospital did not develop the controls supporting an operation based on the principle of integrity.

The financial management of the hospital was not regular. It did not use the expenditure appropriations in a regular manner; furthermore, the establishment of the appropriation residues was not regular in the period between 2015 and 2016 due to the deficiencies of the supporting records. In the period between 2015 and 2016, the hospital did not comply with the legal requirements concerning contract conclusion with transparent organisations during the conclusion of contracts for pecuniary interest with a legal person, thus, it did not ensure the regular use of public funds.

In terms of the establishment of the annual budget residue and the accounts payable unpaid at the end of the year, which influences the former, the hospital did not comply with the legislative provisions in 2017. The financial management of the hospital did not comply with the legislative provisions as it undertook commitments in excess of the free appropriation.

The property management was not regular in the period between 2015 and 2017 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. Due to the irregularities revealed in terms of the records of commitments, the establishment of residue and property management, the statement of Szent Borbála Hospital did not show a true and fair view of the hospital's financial situation and assets.

While the hospital developed the requirements for the measurement of performance, the conditions of performance measurement were not fulfilled due to the deficiencies identified in the operation of the internal control system, financial and asset management.

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 SAO made one recommendation to the Director-General of the ÁEEK, and 11 recommendations to the Director-General of Szent Borbála Hospital, 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.