

SUMMARY

of the Audit on the residential social care for the elderly in the central sub-system of public finances

The audit of the State Audit Office of Hungary on the situation of residential social care for the elderly has been concluded. Although the SAO has also identified a number of good practices at the audited institutions, the solution to the deficiencies known by the ministry and the public maintainer – lack of professionals, low wages or outdated assets – requires additional measures. Among other things, the SAO formulated recommendations to ensure the personal and material conditions of the institutions as well as the more efficient management of resources.

During its audits, the SAO pays special attention to the sectoral problems affecting vulnerable strata of society and those socially in need as well as auditing of institutions contributing to the care of people who need assistance. In line with this goal, during its recently concluded audit, the SAO examined the residential social care system for the elderly from several perspectives.

In addition to auditing the effectiveness of the measures taken by the Ministry of the Interior, as controller, and the Directorate-General for Social Affairs and Child Protection (SZGYF), as central controller and at the same time maintainer, the SAO also examined in what measures the elderly were supported for their social security by the selected nine public social institutions providing residential care for the elderly.

The audit found that in order to sustainably organise the social care for the elderly, the ministry created the strategic framework, defined the objectives, the measures necessary to achieve the objectives, and identified the shortcomings. These include the lack of professionals in the social sphere, low wages, insufficient information on system operation as well as the lack of uniform functioning. However, the measures set out in the strategies were not implemented in the years of 2020-2022. The audit found that in order to sustainably organise the social care of the elderly, the ministry created the strategic framework, defined the goals and the necessary measures to achieve them as well as identified the shortcomings. These include the lack of professionals in the social sphere, low wages, insufficient information on system operation and the lack of uniform functioning. However, the measures set out in the strategies were not implemented in the years of 2020-2022.

The audit also found that the measures taken to ensure the necessary material conditions were not effective as a whole – primarily due to the scarcity of available budgetary resources.

The maintainer did not have a mid- and long-term concept supporting the implementation of the strategic goals. Although it audited and evaluated the operation of the institutions, efficiency tests were not carried out in relation to the financial management and operational processes. In

order to ensure the missing material conditions, the SZGYF carried out transfers and submitted requests for supplementary support to the ministry, however these measures were not effective.

In 2022, the capacity utilisation in the audited institutions decreased, meanwhile the average length of the waiting time slightly increased, it was more than 6 months. Part of the reason behind the decreasing capacity utilisation was that in some service places, empty capacities could not be filled due to the lack of material or personnel conditions, thus the applicants in need of continuous care on the waiting list could not be accommodated due to these deficiencies.

Between 2018-2022 the number of vacant positions at the end of the year in the audited institutions increased by almost one and a half times, the high turnover and the increasing time required to fill vacant positions posed a risk to the level of exercise of functions. In terms of adequate quality services, obsolete assets also entailed risk.

About 70-80% of the annual income of the audited nursing homes came from the central budget and the proportion of the compensation paid by the beneficiaries within the annual income continuously decreased in the audited years. In addition, the amount of reimbursement fee arrears in the audited institutions was significant, at the end of 2022 it amounted to 10.3% of the established annual reimbursement fee. The residential placement and care of the elderly was increasingly financed from the national budget.

The maintainer assessed the condition of the institutional assets in terms of the material conditions and made a proposal to the ministry for development and renovation, specifying the necessary additional resources, however, the available resources mainly covered the replacement of unusable devices due to force majeure. The implemented measures were not effective and sufficient as a whole to increase the proportion of capacities with a temporary operating license (i.e. fulfilling the legal conditions). By the end of 2022, the proportion of capacities in institutions with a temporary operating license– i.e. in institutions with certain legal deficiencies – was close to 45%, which posed a risk to long-term safe operation and high-quality exercise of functions.

In case of two-thirds of the audited institutions, the SAO also identified good practices and measures focusing on performance, such as processes of costs rationalisation, expansion management monitoring, and exploration of the needs of persons in need.

In view of the risks affecting the long-term, safe organisation of care for the elderly, the SAO formulated a number of recommendations to ensure the personal and material conditions of the institutions, prepare a maintenance concept and enforce effective management of resources.