

internal control system and whether the system is functional, as required under the applicable provisions of Act No. 320/2001 Coll. on financials controls in public administration and on changes to certain laws (the Financial Control Act) (as last amended).

The inspectorate discovered 291 instances where there were regulatory violations. 78 of these involved the improper implementation of an internal control system and in the other instances, the implemented system was either not being used or it was dysfunctional and the management did not make use of the requisite control procedures. As a result, there was a high level of risk of the misuse of public funds.

Tracking State Budget Funding in Accounting Systems

The purpose of the inspections conducted in this area was to determine whether the funds provided from the State Budget were being properly tracked in the accounting system and whether these resources were being tracked separately and properly in related accounts.

109 instances were uncovered in which the provisions of the Accounting Act had been violated by the inspected schools and school facilities. These violations involved a lack of complete and transparent accounting records for government funds and, in most cases, the tracking of such funds was also not maintained in a separate fashion using the prescribed purpose category classifications.

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Ability to Respond to Deficiencies Uncovered in the Monitored Areas by Other Regulatory Bodies

In 318 instances, other regulatory bodies had conducted prior inspections of the respective entities looking at the respective monitored area. Most of these were inspections carried out by agents from the social security administration and health insurance providers. There were 124 instances in which deficiencies were discovered during these inspections. In 86 of these, the inspected entities had failed to adopt the necessary remedial measures and in 13 instances, the inspector discovered that the adopted remedial measures were not being followed through.