

Summary
**of the Audit on the Accounting for Funds Utilised for the European
Parliament Election Held on 7 June 2009 (1005)**

In the Budget Act for 2009 the National Assembly approved an appropriation of HUF 4,100 million for the performance of the tasks concerning the election, out of which HUF 3,951 million was reallocated to the Central Office for Administrative and Electronic Public Services (hereinafter: COAEPS), HUF 86 million to the Ministry of Foreign Affairs (hereinafter MFA) and HUF 63 million was reallocated within the budgetary chapter ' Ministry of Local Governments' (hereinafter: MLG). The planned expenses of the EP election were 5.8% lower than those of the EP election in 2004. The decrease was caused by the joint effect of the nearly three-quarters decrease of the votes taken at foreign representations, as well as the one-third decrease of central expenditures and the more than one-third increase of local expenditures.

The MFA and the regional public administration offices (hereinafter: RPAOs) complied with their financial planning obligation. It was a general deficiency that the local governments and RPAOs indicated their expenses broken down only by priority appropriations and did not give detailed data per tasks.

Contrary to the regulations of the Act on Public Finances, before the utilisation of the appropriation the local governments did not make the amendments necessary for the financial implementation of the election, thus they undertook payment obligation without having approved the appropriation. The regional election offices (hereinafter: REOs) transferred the respective shares of the financial funds of the election to the local election offices (hereinafter: LEOs) and to the election offices of the individual constituencies of the National Assembly in time.

The appropriation amounting to HUF 546 million regarding the non-personnel expenses of the election was realized in a sum of HUF 422 million (77%), whose dominant items were the production cost of voting slips, general expenses accounted by COAEPS and transport costs. Two thirds of the audited local governments, 83.3% of the audited municipal governments and all of the audited county governments took the opportunity to reallocate the non-personnel normative contributions to the personal expenses. The RPAOs did not take an advantage of reallocating.

The National Election Office (hereinafter: NEO) gave personal allowance to its 48 members in connection with the election. The average of the payments was HUF 521 thousand per person, the lowest amount was HUF 200 thousand and the highest amount reached HUF 2,610 thousand. When deciding upon the bonuses of the NEO's head, their deputy and two people receiving a bonus

higher than HUF 900 thousand, it was not taken into account that the concerned employees' job descriptions partly included the target tasks as well. As regards personal allowances, for the implementation of the task concerning the election at least the norms determined and detailed in the MLG's decree had to be granted. Contrary to this, three heads of LEOs and a head of REO did not pay the full remuneration determined in the norm related to the performance of the task for the concerned employees. The a posteriori audit did not reveal the irregularity.

The COAEPS conducted altogether nine public procurement procedures related to the election. With regard to the estimated value of the procurements, four framework agreement procedures were arranged according to Community public procedural rules, while three negotiation procedures, launched without publishing an announcement, were managed with an official assignment of a procurement adviser. Centralised public procurement was applied in two cases. Agreements exceeding the value limit of the public procurement were not signed without a public procurement procedure. The framework agreements and the work contracts were signed in harmony with the tenders, and the framework agreements met the requirements of the Act on Public Procurement. The order of attestation of performance and the collateral obligations assuring the contract were determined in the work contracts. The total contractual value of procurements related to the election was HUF 1,611 million.

The IT system of the election worked appropriately, no such problems arose which could have caused interruption of processing, information disorder or aggregation error.

The heads of LEOs prepared the task-based accounts as determined in the decree of the MLG and handed them over to the REOs. The heads of REOs prepared the accounts and the consolidated accounts; the MFA, RPAOs and the MLG also prepared their accounts within the deadline and submitted them to the president of COAEPS, who presented the consolidated accounts to the Minister of the Local Governments via the head of NEO within the deadline. The Minister of Local Governments approved of the accounts. The amount of actual payments was HUF 3,855 million and the residue was HUF 245 million.

The authorities participating in the election complied with their audit obligations.