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ÁLLAMI  
SZÁMVEVŐSZÉK

**SUMMARY**  
**of the Audit on the Operation and Financial Management of  
the Hungarian State Treasury (14098)**

**The operation and financial management of the Hungarian State Treasury (which is the country's exchequer office) and the regularity of its public service delivery were assessed by the State Audit Office of Hungary for the period 2008-2012. According to the findings of the released audit report, the areas subjected to the audit basically complied with the relevant legal requirements. The audit found shortcomings in respect of updates to the internal regulation system, the authenticity of the official records the Treasury keeps on the public sector institutions, the delivery of IT tasks, services, as well as the functioning of the internal controls.**

The audit by the State Audit Office of Hungary (SAO) found that the Hungarian State Treasury (Treasury) implemented its professional duties on the basis of the legal requirements governing its respective duties - despite regulatory deficiencies in the internal regulations on its subdivisions and in the procedural regulations - and the necessary human resource and office equipment requirements were fulfilled. Operation and activities of the Treasury as a supervising body basically complied with the legal requirements.

The duty to disclose data of public interest was fulfilled by the Treasury with a few exceptions; however the auditors found deficiencies in the documentations and in the implementation of rules on such data. The detailed official records (the register) which the Treasury is required to continuously keep on each public sector institution were incomplete, and their authenticity was compromised. In lack of requests for removal from register, the register contained defunct bodies already abolished by virtue of law. On the other hand, several public sector institutions were not included in the register due to the lack of their application for registration.

IT support for the delivery of IT services, tasks was provided, but IT governance and regulation system was incomplete. Among others, the Treasury had no IT strategy, no documents to define IT processes and IT development procedures, and no procedural regulations on quality assurance.

The Treasury set up a control system for financial and asset management, which as a whole complied with legal requirements. However, the audit found that the Treasury failed to set procedural rules on how to deliver procurements with a value below the statutorily defined public procurement threshold, and, in regard of allowances provided for persons holding high public positions, the Treasury failed to take into account the regulations limiting the use of corporate cars for private purposes. Internal controls adopted on how to exercise, perform the different duties in the financial management processes could only partly support regularity in the use of public funds and asset management. The audit found shortcomings among others in the internal certification of the performance of purchased external services and in the public procurement actions taken.

The recommendations formulated in the SAO's 2009 audit report were in part, however those of the 2012 report were fully implemented. In its present report, the SAO developed for the President of the Treasury and the Minister for National Economy audit recommendations which require actions to be taken. The Treasury's new management has already begun the implementation of the recommendations earlier, that is, after learning the content of the draft audit report.

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*The State Audit Office of Hungary as the financial and economic audit organisation of the National Assembly, is one of the key basic institutions of the democratic state organisation. Its mission is to promote the transparency of public finances with its value creating audits performed on a solid professional basis, thus contributing to 'good governance'. With its recommendations, the SAO facilitates the regular, economical, efficient and effective utilisation and use of public funds.*