



ÁLLAMI
SZÁMVEVŐSZÉK

SUMMARY

of the Audit on the Financial Management Situation and Asset Management of the National Office of Cultural Heritage (14130)

The operation of the National Office of Cultural Heritage (NOCH) which is currently called Gyula Forster National Centre for Cultural Heritage Management has been audited for the first time by the State Audit Office of Hungary (SAO). The goal of the regularity audit was to assess whether in the period 2009-2012 NOCH managed the public funds and assets entrusted to it in a responsible manner and in accordance with the regulations. The audit also assessed whether NOCH had designed and operated its internal controls, the reorganisation had been well established, transparent and regular and whether the activities of the ministries in charge of governing NOCH had complied with the legislations in force. During the audited period the NOCH was subjected to altogether 9 reorganisations, each affecting its organisational structures and/or the public services, tasks to be performed by the institution.

The SAO has found that the reorganisations of the cultural heritage protection system in the years 2009-2011 were well-established, transparent and regular. However, regarding the reorganisations in 2012 it was found that regularity and transparency requirements – during the integration of the National Trust of Monuments for Hungary into the office – had not been fulfilled.

During the audited period the financial management of the NOCH was basically regular, and solvency was guaranteed due to the actions taken to increase savings and incomes.

With the incorporation of the National Trust of Monuments for Hungary, the asset stock of NOCH has significantly increased (i.e. nine-fold between 2009 and the end of 2012). Except the year 2012, the inventorying and presentation of the assets was regular. In 2012 due to the lack of inventorying, the balance sheet of the annual account was not substantiated by an inventory, thus the balance sheet could not give a true and fair view on the NOCH's financial management.

Regarding the performance of public services, tasks by NOCH, the audit assessed regularity in complying with the rules adopted on how to transport cultural assets abroad. These official duties were performed by NOCH during the whole audited period, however, the records kept on the export licences were defective.

The internal control system of NOCH did not completely secure regularity in the performance of public services, in the use of public funds and asset management. Due to the failure to update the internal regulations and set the audit trail, the control environment did not satisfy the relevant legislations. The regularity of the operation of the risk management system was not ensured during the audited period. Action plans have not been developed every time on the internal audit reports, and the tracking of the implementation of internal audit recommendations have not been ensured, either.

The SAO has addressed audit recommendations to the Minister for Human Resources and the President of Gyula Forster National Centre for Cultural Heritage Management (as the legal successor of NOCH), who have to prepare their respective action plans within 30 days. The SAO may evaluate the implementation of the action plans in the future within the framework of a post-audit.

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.