



ÁLLAMI
SZÁMVEVŐSZÉK

AUDIT OF THE CHRISTIAN DEMOCRATIC PEOPLE'S PARTY

Summary for the Press

of the Audit of the Legality of Financial Management in 2012-2013 of the Christian Democratic People's Party Receiving Budgetary Support
(15055)

Based on its legal mandate, the State Audit Office of Hungary (SAO) audits every other year the financial management of political parties receiving regular financial support from the central budget. In the course of the audit on the financial management of the Christian Democratic People's Party (KDNP) in 2012-2013 auditors evaluated whether the published annual reports were in conformity with the legal provisions, and whether in the book-keeping and financial management the relevant legal and internal regulations were observed as well as whether the party's financing originated exclusively from legally acceptable sources.

According to its published financial reports, KDNP's yearly revenue reached HUF 260.9 million in 2012 and HUF 263.629 million in 2013. Its expenditure was HUF 231.75 million in 2012 and HUF 322.323 million in 2013.

The reports on its financial management in 2012 and 2013 were published in due course, and with sufficient content according to legal regulations. In general, the reports had been compiled with due regard to accounting principles. The reports published on the party's financial management met the legal requirements, the sums of the reports' lines were underpinned by data from the general ledger statements. Both the book-keeping and the financial management of KDNP – some minor deficiencies notwithstanding – observed the legal and internal regulations.

The accounting policy in force, the related regulations (system of accounts, rules of stock-taking and inventory, rules of the evaluation of assets and liabilities and the cash handling regulation) as well as the regulation of financial management – besides some minor deficiencies revealed by the SAO audit – met the content criteria set by the relevant legal provisions and internal regulations.

In 2012-2013 KDNP used exclusively legally permitted sources for its functioning, components of its assets had also been generated from legally accepted sources. The party had no profit-seeking activity, established no company (which would have been illegal according to the relevant law), and it did not buy any shares.

The decision-making and the steering bodies of KDNP fulfilled their obligations stipulated in regulations. The procedure established to regulate the financial management control ensured the application of the provisions of the Act on Accounting. However, cash offices were checked not as often as required by the internal regulation.

Recommendations of the SAO contained in its former report had only partially been utilised. Based on the findings of the audit, the SAO formulated recommendations for KDNP's President. In response to them, the party has to prepare an action plan.

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.