



ÁLLAMI
SZÁMVEVŐSZÉK

FOLLOW-UP AUDIT ON RAIL TRANSPORT

Summary for the Press

on the follow-up audit of the utilisation of the recommendations of the report prepared on the audit of
the state subsidy system of rail transport (16044)

The State Audit Office of Hungary completed the follow-up audit related to the state subsidy system of rail transport. Back in 2012, the SAO evaluated the state subsidy system of rail transport, and the current follow-up audit assessed the implementation of the action plans prepared for the utilisation of the recommendations. The SAO stated that the Ministry of National Development fully implemented the measures contained in the action plans, while MÁV Zrt. (MÁV Co.) and MÁV-START Zrt. (MÁV-START Co.) fully implemented such measures, with the exception of one task each.

Pursuant to the new Act on the State Audit Office of Hungary effective as of 1 July 2011, the audited entities are obliged to prepare an action plan to utilise the recommendations of the State Audit Office of Hungary (SAO). With this, the period of audits without consequences was completed, and the system of independent follow-up audits appeared among the SAO's auditing functions.

Back in 2012, the SAO evaluated the state subsidy system of rail transport. The SAO drafted joint recommendations for the elimination of the identified deficiencies for the Minister of National Development, the President and Chief Executive Officer of MÁV Zrt. and the Chief Executive Officer of MÁV-START Zrt. The purpose of this follow-up audit was to assess whether the Ministry of National Development (NFM) and MÁV Zrt. and MÁV-START Zrt. have performed the tasks set out in the action plans prepared in accordance with the findings and recommendations requiring measures to be taken, contained in the audit report. The audit covered the period from the date of publication of the 2012 audit report to the start of the follow-up audit.

The SAO's audit found that the NFM performed five of the nine tasks set out in the action plan within the deadline, and that three tasks were carried out beyond the deadline and one task was not timely at the time of the follow-up audit.

In the joint action plan of MÁV Zrt. and MÁV-START Zrt., eight tasks were specified for MÁV Zrt., of which one task was completed in due time by MÁV Zrt., and six tasks were completed beyond the deadline. One task was not completed by MÁV Zrt., as its business plans, quarterly and annual reports and business reports did not include the statement of funds. MÁV-START completed two of the five tasks foreseen in the joint action plan by the deadline and two beyond the deadline. One task was not completed by them, as the business plans, quarterly and annual reports and business reports of MÁV-START Zrt. did not include the statement of funds.

The SAO issued a warning letter to the President and CEO of MÁV Zrt. and the President of MÁV-START Zrt. in relation to the non-implemented task and the functioning of controls ensuring the timely implementation of the measures, to ensure that the necessary measures are taken and that the results achieved by the measures implemented are maintained on a continuous basis.

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The State Audit Office of Hungary, as the supreme financial and economic audit institution of the Hungarian National Assembly, is an independent fundamental institution of the democratic system of institutions. Its mission is to promote the transparency of public finances through value creating audits, performed on a solid professional basis, thus contributing to 'good governance'. Through its recommendations, the SAO promotes the regular, economical, efficient and effective use and utilisation of public funds.