



ÁLLAMI
SZÁMVEVŐSZÉK

THE SAO HAS CONCLUDED THE AUDIT OF THE MAGYAR NEMZETI BANK

Press summary of the audit of the regular operation in the year 2014 of
the Magyar Nemzeti Bank (16116)

The State Audit Office of Hungary has completed the audit of the regularity of operation of the Magyar Nemzeti Bank (Hungarian Central Bank) (MNB) in 2014. The SAO found that the MNB's management, decision-making and auditing system all in all functioned in a well-regulated manner, its financial management and central budget accounts were regular and orderly. Its supervisory, audit and regulatory activities related to the financial intermediary system were all in all in compliance with the legal requirements.

Based on the relevant statutory provisions, the State Audit Office of Hungary regularly audits the financial management of the MNB and its activities not included in the core tasks carried out on the basis of the provisions of the Act on the Hungarian Central Bank. Accordingly, the SAO assessed the activities of the MNB not included in its core tasks and the appropriateness of its financial management in 2014, as well as the accounts related to the central budget on the basis of the statutory requirements applicable in 2014. The audit covered the compliance of the MNB's supervisory, control and regulatory activities of the financial intermediary system with the legal requirements. The audit did not cover the establishment of foundations and their financial management and the MNB's resolution authority tasks.

The SAO's audit found that the MNB's organisational structure, its governance and decision-making system complied with the legislation. The operation of the Supervisory Board until May 2014 complied with the requirements of legislation and the rules of procedure, the internal auditing organisation operated in a regulated and orderly manner. The MNB provided the conditions for the operation of the Financial Arbitration Board in accordance with the legal requirements. At the MNB, the planning of operating costs, the compilation of investment plans, procurements and accounts were regular. The planning, payment and settlement of the assistance schemes provided by the MNB were regular, and its accounts related to the central budget were regular and orderly.

The MNB has acted correctly in the regulation of the public electronic information system in connection with the supervisory, control and regulatory activities of the financial intermediary system. An error was detected in the administrative and deficiency remediation procedures during the authorisation and other procedures related to supervision. The MNB acted properly in its control procedures, in the appointment of supervisory commissioners and in the conduct of consumer protection and market surveillance procedures initiated by financial intermediary organisations. The audit did not reveal any irregularities in the verification of the authorisation and control procedures related to the supervision of investment firms.

In its report the SAO made recommendations to the President of the MNB, in response to which an action plan must be prepared within 30 days.

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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.