



ÁLLAMI
SZÁMVEVŐSZÉK

AUDIT OF THE LEHET MÁSA POLITIKA PÁRT

Summary for the Press

on the audit of the lawfulness of the 2013–2014 financial management of Lehet Más a Politika Párt receiving budget support
(16152)

Based on statutory authorisation, the State Audit Office of Hungary audits the financial management of political parties funded regularly from the central budget every two years. During the audit of the 2013–2014 financial management of the Lehet Más a Politika Párt (Politics Can Be Different Party) (LMP), the auditors assessed whether the annual reports disclosed were in compliance with statutory requirements, whether the relevant legal and internal requirements were adhered to in the course of bookkeeping and financial management, and whether the resources used for the operation were legitimate and eligible.

According to its published reports, the current year revenues of LMP were HUF 270.8 million in 2013, HUF 992.5 million in 2014. Its current year expenditure was HUF 249 million in 2013, HUF 1 billion 3.6 million in 2014. In order to finance its lack of resources, the party took a short-term loan in the amount of HUF 80 million in 2014.

LMP prepared its report for 2013 and its financial statement for 2014 in the structure required by the political parties act and arranged their publication. However, it published its financial statement for 2014 on its website after the deadline. In the course of preparing the report and the financial statement, the basic principle of authenticity and the principle of content having priority over form, stipulated in the accounting act, were not adhered to. In the financial statement for 2014, a donation and a donor, whose identification is required by law due to the amount, was not shown true to the facts.

The regulation of the accounting system of LMP—due to the shortcomings of the accounting policy, system of accounts, inventory policy, cash management—did not comply with the legal requirements. Bookkeeping in the audited period was not regular, as the supporting documents behind the accounting settlements did not comply with the requirements set forth in the accounting act. LMP did not prepare a complete, regular inventory supporting the balance sheet, furthermore, despite the provisions of the inventory policy, it failed to issue an inventory order and did not prepare an inventory schedule. LMP did not adhere to the other statutory requirements related to financial management. It fulfilled its reporting obligations and payment obligations related to contributions after the deadline.

The structure and operation of the control system of LMP was not in compliance with the regulations. LMP did not establish a supervisory board in 2014, and in the statutes the congress did not receive the authorisations to accept the report on the implementation of the budget. The audit committee did not form an opinion on the report on the implementation of the budget for the year 2014, the National Presidency did not fulfil its obligation to initiate measures. The financial-accounting information system of LMP operated according to the requirements.

The application of the resources needed for the operation of LMP as well as the use of the assets were regular, despite the fact that the statutes included a regulation that related to the scope of acceptable donations that was contrary to legislation.

LMP carried out four of the five tasks included in the action plan that was prepared on the basis of the recommendations of the previous SAO inspection by the deadline. One task was only partially carried out as they did not determine the maximum daily closing amount of cash in the central cash management policy.

The SAO made recommendations to the co-president of LMP, based on which an action plan must be prepared within 30 days.

Further information, Public Relations:

Bálint Horváth, Head of

Department, Senior Counsellor

State Audit Office of Hungary, Department of Communication and Institutional

Relations Phone: +36 1 484 9145 Mobile: +36 20 238 6939 E-mail: sajto@asz.hu

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.