



ÁLLAMI
SZÁMVEVŐSZÉK

FOCUS ON THE 2015 BUDGET

Summary for the Press

on the audit of the implementation of the 2015 central budget of Hungary (16163) and on the macroeconomic audit of budget processes of 2015

The State Audit Office of Hungary has audited the implementation of the central budget for the year 2015, and has prepared this year an analysis of the macroeconomic relationships of the budgetary processes of the previous year. The SAO found that the implementation of the budget of the previous year was in compliance with the statutory provisions and EU requirements, the bill on the final accounts is substantiated, the data contained therein are reliable. With the macroeconomic analysis attached to the audit, the SAO, in compliance with its legal requirements, supports the well-managed state and the work of the Fiscal Council.

The State Audit Office of Hungary (SAO), as of 2015, audits the final accounts using a new methodology. As result of this, by applying statistical methods, the audit this year also covered 100% of the budgetary revenues and expenditure. The SAO conducted audits at nearly 150 organisations, as part of it assessed the reports of about 70 central budgetary institutions.

The audit of the final accounts by the SAO concluded that the achievement of the statutory appropriations of 2015 in the central subsystem of the state budget, the change in the deficit and the public debt were in compliance with the provisions of the Fundamental Law, the stability act, and the act on the budget. The public debt for 2015 according to the stability act was HUF 25,134.9 billion, 73.9% of the GDP. Hungary fulfilled the debt reduction obligation according to the EU criteria; at the end of 2015, the government sector's debt based on EU methodology—compared to 75.7% in 2014—was only 74.7% of GDP.

The revenue and expenditure data from the central budget being part of the central subsystem, from the financial funds of the social security, and from the separated state funds are reliable. While fulfilling the revenue and expenditure appropriations, the statutory provisions were overall adhered to. The bill truthfully shows the financial data and information related to the performance of the budget, in line with the data in the reports. The audit of the final accounts by the SAO concluded that the data included in the bill are supported by the data of the closed treasury reports.

The audit discovered regularity errors in the expenditure of the support to the local governments chapter and the support to minority local governments at local and regional level title, at the payments at the cost of Nemzeti Család- és Szociálpolitikai Alap (National Family and Socio-political Fund) appropriations, in the expenditure related to exercising the surety and the counter-guarantee undertaken by the state, in the revenues and expenditure of the specific chapter-managed appropriations, in the revenues and expenditure of certain institutions, and at in the expenditure of the TB Alapok (Social Insurance Funds), and in the expenditure of the Nemzeti Foglalkoztatási Alap (National Employment Fund), the Nemzeti Kutatási, Fejlesztési és Innovációs Alap (National Research, Development and Innovation Fund) and the Szövetkezeti Hitelintézetek Integrációs Alap (Integration Organisation of Cooperative Credit Institutions). The stakeholders were instructed to eliminate irregularities by the SAO in writing.

The GDP growth of the Hungarian economy in 2015 was 3.1%, 0.6 percentage point higher than the forecasted 2.5% recognised during the planning of the budget. The growth rate exceeded that of the European Union and the performance of the Eurozone, including the performance of the German economy; therefore, Hungary, similarly to the previous years, continued approaching the development level of the European Union.

The growth of the economy enabled the Hungarian companies to use the opportunities offered by the surging demand in the foreign markets; therefore, the foreign trade turnover of the country is favourable: the amount of export grew at 7.7%, exceeding the planned 6.9% rate. Due to the economic growth, the number of the employed grew significantly in 2015, by 2.7%, while the unemployment rate decreased to 6.8%. Out of the central measures supporting the economic processes, the SAO audit highlights the Növekedési Hítelprogram (Funding for Growth Scheme), Munkahelyvédelmi Akcióterv (Job Protection Action Plan) and the Startmunka-program (Start Work Scheme).

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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.