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AUDIT OF THE USE OF FUNDS SPENT ON BY-ELECTIONS

Summary for the press

on the audit of the use of funds spent on by-elections (18078)

The State Audit Office has completed the verification of the use of funds for interim elections 2015 and 2016. The SAO found that the National Election Office used the public funds entrusted to its care for the elections, and the creation of its control environment ensured the conditions for compliant, transparent and accountable public spending. The chapter-managed appropriations of the "Conduct of by-elections and national minority elections" managed by the National Election Office were modified and reallocated in a manner compliant with regulations, the residues were reported and the reporting duties were carried out in compliance with regulations.

According to the Electoral Procedure Act, the costs of implementing state tasks related to the preparation and conduct of elections and the other costs related to the activities of the electoral organs are to be provided from the central budget, as determined by the National Assembly. The State Audit Office of Hungary audits the use of these funds by law, and informs the National Assembly of its audit.

In 2015, two parliamentary and 178 municipal by-elections were held. In 2016, 200 inter-municipal elections were held, with no parliamentary interim elections.

The National Election Office – as an autonomous government agency with an autonomous title within the budget chapter of the National Assembly – provides the central financial functions of the elections as a priority task and ensures the conduct of public procurements related to the conduct of the elections, also ensures the acquisition of assets in other manners, and also ensures the management of the central electoral register. The audit covered the appropriations of Nemzeti Választási Iroda entitled "Interim and National Election Conduct". Its purpose was to establish whether the planning, use, accounting and control of funds spent on the by-elections of members of parliament, local government representatives, mayors, and minority self-government representatives were compliant with regulations.

The audit found that the National Election Office created the control environment of the chapter-managed appropriations for "Conduct of by-elections and national minority elections" in accordance with the regulations.

When making payments under the chapter-managed appropriation, the National Election Office used the funds to prepare and conduct by-elections in accordance with the regulations.

The National Election Office acted in compliance with the law concerning the chapter-managed appropriations when modifying or reallocating the appropriations, preparing the residue report, and compiling the annual report. However, in spite of legal obligations, in 2016 it did not inform the Treasury of the modification of the appropriations carried out under the authority of the body managing the chapter, and it submitted the residue report for 2016 to the Minister of Public Finance past the deadline.

In its report, the State Audit Office made two proposals to the President of the National Electoral Office for which they are required to prepare an action plan within 30 days. The SAO has also contacted the President of the National Election Office with an awareness-raising letter to take action to abolish law-abusing practices.