



Further information, Public Relations:

Bálint Horváth, Head of Department, Senior Counsellor
State Audit Office of Hungary, Department of Communication and
Public Relations

Phone: +36 1 484 9145 Mobile: +36 20 238 6939

E-mail: sajto@asz.hu Web: www.asz.hu ; www.aszhirportal.hu



THE SAO HAS CONCLUDED THE AUDIT OF THE HUNGARIAN NATIONAL BANK

Press summary of the audit of the regular operation of the Hungarian National Bank (18179)

The State Audit Office of Hungary has completed the audit of the regularity of operation of the Hungarian National Bank (MNB) in 2016. The SAO found that the MNB's management, reporting and auditing system functioned in a well-regulated manner in 2016. The management of the central bank was regulated and orderly. Its supervisory, auditing and controlling activities facilitated the proper functioning of the financial intermediary system.

Based on the relevant statutory provisions, the State Audit Office of Hungary regularly audits the financial management of the Hungarian National Bank (MNB) and its activities not included in the core tasks. Accordingly, in addition to the assessment of the MNB's financial management in 2016 and the regularity of its central budget accounts, the audit also covered the compliance of MNB's auditing, controlling and regulatory activities of the financial intermediary system, as well as MNB's tasks as a resolution authority.

The SAO's audit found that the MNB's management, reporting and auditing system 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. The Supervisory Board's operation complied with legal regulations and the rules of procedure. The internal audit organization's operation was regulated and orderly. The exercise of proprietary rights of the MNB's majority and sole ownership companies complied with the legal requirements.

The MNB prepared the annual plan of operating costs and investments, but the annual plan did not fully comply with the legal requirements. With the exception of this deficiency, the MNB's financial management and central budget accounts were regular. The implementation of purchases and investments, and the planning, payment and settlement of the related accounts as well as of the subsidies provided by the MNB were regular.

The MNB's monitoring, audit and regulatory activities related to the financial intermediary system were in compliance with the legal requirements. The MNB operated the public electronic information system in accordance with the requirements. The MNB performed its regulatory activities related to the supervision of the financial intermediary system in a compliant manner. The MNB acted properly in its authorization activities related to the supervision of the financial intermediary system and the initiated consumer protection procedures. Designation of the supervisory Commissioners was properly carried out. The completion of market surveillance procedures was regular. Notwithstanding the MNB Act, the MNB did not ensure the erasure of data that is no longer lawfully controllable following the termination of procedures.

Of its responsibilities as resolution authority, the MNB performed its preparation of resolution planning tasks and resolution implementation tasks properly, but its activities related to resolution planning were not regular.

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