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AUDIT OF NATIONAL MEDIA AND INFOCOMMUNICATION AUTHORITY

Summary for the press on the Audit of the National Media and Infocommunication Authority (19074)

The State Audit Office of Hungary has concluded the Audit of the National Media and Infocommunication Authority. The SAO has determined that financial management of the National Media and Infocommunication Authority showed good practices. The establishment and operation of its internal control system ensured the conditions of the transparent and accountable use of public funds. The regularity of financial and property management supported the transparent use of public funds and the preservation of public property. The integrity control system was established in proportion to the risks, and the integrity approach prevailed.

The operational and financial management rules relating to bodies endowed with autonomy under the statutory rules ensure a high degree of independence. Such bodies include the National Media and Infocommunication Authority. The State Audit Office of Hungary considers the autonomy of these institutions important, and through the audit it intends to bring attention to the operation and financial management of these bodies. The audit of the SAO was justified by the significance of the public service task performed by the NMIA, as well as by the fact that it is a high priority that the operation, financial management of the economic organisations included in the accounts of the government sector should be regular and the data provided by them should be reliable.

The National Media and Infocommunication Authority, whose direct legal predecessor was the National Infocommunications Authority, was established as an autonomous governmental entity with effect from 11 August 2010. The NMIA is an independent regulatory body, which is subject exclusively to the law. The authority manages its finances by applying the legal regulations concerning the financial management of budgetary institutions appropriately, it is entitled to manage state property according to the legal provisions relating to central budgetary institutions, and it covers the expenditures associated with the performance of its task from its own revenue and budget contribution.

The task of the NMIA is to promote, especially, the seamless and effective operation and development of the communications market, the protection of the interests of those carrying out communications activity and the users, and the development and maintenance of fair and efficient competition in the electronic communications sector. A further task of the authority is to supervise whether the behaviour of the organisations and persons carrying out communications activity complies with the legal regulations.

The State Audit Office of Hungary audited the establishment and operation of the internal control system, the financial and property management of the authority, the degree of the deployment of integrity controls and the prevalence of the integrity approach concerning the period 2015-2017.

The SAO's audit has determined that financial management of the National Media and Infocommunication Authority showed good practices.

The establishment of the control environment was regular at the NMIA. The risks inherent to the activity and the financial management were assessed, and a risk management system was established and operated. The exercising of the control activities was in line with the legal regulations. The chairman of the authority established the information-communications system of the organisation in accordance with the rules, thereby ensuring that the necessary information reaches the competent organisation, organisational unit or person fully and in a timely manner. The system for the ad-hoc and continuous monitoring of the authority's activities and the implementation of the objectives was established, and the operational activity-independent internal audit activity was in accordance with the rules.

The NMIA's financial and property management were regular. The collection and accounting of revenues, as well as the use of expenditure appropriations and the exercising of cash management competencies complied with the legal requirements. The determination of appropriation residues was regular. The authority supported the balance sheet items of its annual financial statements by a regular inventory. The integrity control system was established and operated in proportion to the risks.

The State Audit Office of Hungary made no recommendations in its report.