



ÁLLAMI
SZÁMVEVŐSZÉK

Further information, Public Relations:

Bálint Horváth, Head of Department
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 Web: www.asz.hu ; www.aszhiportal.hu
Media: [ASZ Youtube](https://www.youtube.com/ASZ) ; www.facebook.com/penzugyiszemle



THE AUDIT OF MVM HUNGARIAN ELECTRICITY PRIVATE LIMITED COMPANY

Summary for the Press
on the audit of MVM Hungarian Electricity Private Limited Company (19157)

The State Audit Office of Hungary has concluded the audit of MVM Hungarian Electricity Private Limited Company's strategic management activity for the period between 2015 and 2017. The SAO established that the company's strategic management activity with regards to its majority-owned subsidiaries had been carried out in line with the statutory provisions. MVM Zrt. carried out its activities as practitioner of ownership rights over the audited companies in due order. The performance of the centralised financial management and financing activity in line with the internal requirements contributed to the implementation of the group-level coordination of property management. MVM Zrt. complied with its obligation of disclosure and data provision.

The operation of the holding led by the MVM Hungarian Electricity Private Limited Company covers the fields of electricity production, electricity transmission system management, trade of electricity, storage of natural gas, trade of natural gas, technical services and info-communications. MVM Zrt. and MVM Group are in the center of public interest due to the public services fulfilled by them and the maintenance of energy security. The public shareholding in MVM Zrt. forms part of the national assets and it is a highlighted national asset from a national economic point of view.

MVM Hungarian Electricity Private Limited Company was established in 1991 by the transformation of Hungarian Power Companies Trust. In addition to the Hungarian State, the shares of MVM Zrt. were owned by three municipal governments, seven natural persons and three legal entities as minority owners from 1 January 2015 to 29 June 2015. Subsequently, the shares of the minority owners came into the possession of MVM Zrt., which became a company with a single shareholder, and the ownership rights were exercised by MVM Zrt. on behalf of the Hungarian State. In the audited period, MVM Zrt. was managed by the board of directors and a supervisory committee was also in place at the company. The subscribed capital of MVM Zrt. was HUF 308 billion and 401.2 million at the end of 2017.

On 1 June 2007 MVM Zrt. and its subsidiaries became a renowned group of companies, whose dominant member was MVM Zrt. The audit of the SAO selected nine companies from the companies of the MVM Group on the basis of a risk-based sampling.

The SAO's audit concluded that MVM Hungarian Electricity Private Limited Company carried out its strategic management activity in accordance with the provisions of the Statutes and the Group-Level Strategies, in line with requirements of the National Energy Strategy 2030, the National Reform Programme, and the EU Energy Strategy 2030.

MVM Zrt. exercised its ownership rights over the companies selected for audit in a regular manner. The risk management system was established in order to manage the financial risks of the companies selected for audit. The company ensured the regulation of remuneration in compliance with the law and the internal regulators. While establishing the framework of the exercise of proprietary rights, MVM Zrt. ensured the organisational and decision-making independence of MAVIR Zrt. in accordance with the requirement.

MVM Zrt. carried out the group-level coordination of property management in a regular manner. In terms of the selected companies, the records of shareholding assets were kept in compliance with the internal requirement. MVM Zrt. carried out its centralised financial management and financing activity, its tasks relating to the establishment and operation of a cash-pool system in line with the internal regulatory assets.

MVM Zrt. complied with its obligation of disclosure and data provision in accordance with the applicable statutory provisions.

The State Audit Office of Hungary did not make recommendations based on the audit findings.

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 institutional system. Its mission is to promote the transparency of public funds through value creating audits, performed on a solid professional basis, thus contributing to a 'well-managed state'. Through its recommendations, the SAO promotes the regular, economical, efficient and effective use and utilisation of public funds.