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ÁLLAMI  
SZÁMVEVŐSZÉK

**Summary**  
**of the Audit on the Legality of the Financial Management of the Antall  
József Foundation in 2008-2009 (1044)**

**Objective and scope of the audit**

The Antall József Foundation (Foundation) was established in 2003 by the Hungarian Democratic Forum (MDF) and it was audited for the third time. The **audit objective** was to evaluate the legality of the financial management of the Foundation, the compliance of financial statements and bookkeeping with legal provisions, as well as the termination of deficiencies revealed in the course of previous audits.

**Main findings**

The activity of the Foundation complied with legal provisions and the deed of foundation, however the audit revealed deficiencies in its financial management. The **board of trustees** took their decisions observing the deed of foundation, however in 2009 – violating the requirement of holding a meeting every three months – in the second and third quarter of the year they did not meet.

76% of the Foundation's **revenue** in 2008-2009 (HUF 203,176 thousand) resulted from central budgetary subsidies as stipulated in the annual budget acts, on the basis of the Act on the Operation and Financial Management of Political Parties. The donations from those wishing to join were transferred, in every case, to the cash flow account of the Foundation. The Foundation met its disclosure obligation stipulated by the Act on the Foundations Engaged in Scientific, Academic, Research and Educational Activities in Support of Political Parties via its webpage.

The Foundation utilised the subsidies received in harmony with the objectives set by the granter. The Foundation registered **expenditures** of a total amount of HUF 203,140 thousand, of which it granted HUF 8,890 thousand to private individuals and HUF 5,005 thousand to organisations. The contracts related to subsidies granted to private individuals did not stipulate an obligation to account for the amounts granted, while the Foundation did not remark on the deficiencies in the accounting for the subsidies granted to other organisations.

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The **financial statements** of the audited period contained errors of a considerable amount. The Foundation prepared its reports related to the financial statements in both years as stipulated by the act on the foundations of political parties, but they were not discussed by the board of trustees in a meeting with a quorum present, thus they were not adopted. The internal regulations were deficient, they did not contain the specifications characteristic of the Foundation. The audit revealed several errors in the field of bookkeeping and that of supporting records.

### **Recommendations**

By the end of the audited period the Foundation did not observe the recommendations of the previous two audits, and did not terminate deficiencies revealed in connection with its financial management. The State Audit Office of Hungary recommended the board of trustees to amend the internal regulations and to set up an accounting system that allows for the efficient audit of financial management and for keeping records in compliance with legal regulations.