Open Budget Survey 2023

Questionnaire

Hungary

May 2024

International Budget Partnership

Country Questionnaire: Hungary

PBS-1. What is the fiscal year of the PBS evaluated in this Open Budget Survey questionnaire?

Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

Answer:
FY 2023

Source:
n/a

Comment:
We evaluated FY 2023 because at the time of cut-off date the government still had time to publish documents before the submission of the budget proposal for FY 2024.
No evaluated document satisfied the requirements of Pre-Budget Statement.

The government published a fiscal and macroeconomic outlook for 2021-2025 in December 2021. Its title is „Makrogazdasági és költségvetési előrejelzés 2021-2025" (Macroeconomic and fiscal outlook 2021-2025). This was published about half a year before the submission of the budget proposal for FY 2023. The document describes the macroeconomic and budgetary trends, but does not present the planned new policies for the upcoming budget. This is explicitly stated on page 27: "A középtávú költségvetési kitekintés az eddig meghozott kormányzati intézkedések figyelembevételével készült" means the mid-term budgetary outlook considered only the already adopted policies. On pp. 26-28 the document describes these policies as outlook for 2022-2025. On pp. 8-9 the GDP-effect of selected policies are described, but these are for FY 2022. In the tables on pp. 30-32 the expenditure and revenue numbers are a forecast and the expenditures are not detailed by ministries or functions, so without the planned policies we did not assessed them as a proposal for the upcoming budget. The document is part of the medium-term EU budgetary framework that requires the government to make biannual macroeconomic and fiscal forecasts.
URL to the Macroeconomic and fiscal outlook:
https://kormany.hu/dokumentumtar/makrogazdasagi-es-koltsegvetesi-elorejelzes-2021-2025

In the previous years the government published a resolution to determine the main revenue and expenditure numbers at ministry level for the upcoming years.
In 2021 based on the additional rights granted by the state of danger the government exempted itself from this requirement and did the same in 2022.
The document for FY 2023 should have been published in December 2021 or January 2022 if the government had not exempted itself.
In 8. § (2) of resolution 814/2021 (XII. 28.) the government references this requirement as the resolution required by 29.§ (1) of act CXCV of 2021 on the public finances.
The second cited resolution is the same for 2022 (that is affecting FY 2024). In 8. § the government modified the previous resolution to expand it to 2022.
URL to resolution 814/2021 (XII. 28.):
http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK21244.pdf#page=5
URL to resolution 357/2022 (IX. 19.):
http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK22152.pdf#page=8

URL to act on public finances
https://net.jogtar.hu/jogszabaly?docid=a1100195.tv

The Ministry of Finance also published a technical document for the budgetary institutions for the planning of the budget for FY 2023. In the document the government informs the institutions about the assumptions that must be used to plan each institutions' own budget and the deadlines for submitting the individual budgetary plans to the Ministry of Finance. No new policies were presented in the document.
URL to the planning guide for FY 2023:
https://ngmszakmaiteruletek.kormany.hu/download/d/90/f2000/2023_tervezesi_tajekoztato.pdf

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

PBS-2. When is the PBS made available to the public?

Publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified in the OBS methodology and that all citizens are able to obtain free of charge. (See the Open Budget Survey Guidelines on Public Availability of Budget Documents.) This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.

The OBS methodology requires that for a PBS to be considered publicly available, it must be made available to the public one month before the Executive's Budget Proposal is submitted to the legislature for consideration. If the PBS is not released to the public at least one month before the Executive's Budget Proposal is submitted to the legislature for consideration, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the PBS.

Answer:
d. The PBS is not released to the public, or is released less than one month before the Executive's Budget Proposal is introduced to the legislature

Source:
n/a

Comment:
We did not find a document that fulfilled the requirements of a Pre-Budget Statement.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

PBS-3a. If the PBS is published, what is the date of publication of the PBS?

Note that the date of publication is not necessarily the same date that is printed on the document.

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2022 should be entered as 05/09/2022. If the document is not published or not produced, leave this question blank.

Answer:

Source:
n/a

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer

Opinion:

PBS-3b. In the box below, please explain how you determined the date of publication of the PBS.

If the document is not published at all, researchers should mark this question "n/a."

Answer:
n/a

Source:
n/a

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

PBS-4. If the PBS is published, what is the URL or weblink of the PBS?

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should leave this question blank.

Answer:

Source:
n/a

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

PBS-5. If the PBS is published, are the numerical data contained in the PBS available in a machine readable format?

Material (data or content) is machine readable if it is in a format that can be easily processed by a computer, such as .csv, .xls/.xlsx, and .json. Numerical data found in PDFs, Word (.doc/.docx) or HTML files do not qualify as machine readable. See more at: http://opendatahandbook.org/glossary/en/terms/machine-readable/

Option "d" applies if the PBS is not publicly available, therefore its machine readability cannot be assessed.

Answer:
d. Not applicable

Source:
n/a

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

PBS-6a. If the PBS is not publicly available, is it still produced?

If the PBS is not considered publicly available under the OBS methodology (and thus the answer to Question PBS-2 was "d"), a government may nonetheless produce the document.

Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question PBS-2)
Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.
Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.
Option "d" applies if the document is not produced at all.
Option "e" applies if the document is publicly available.

If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.

Answer:
c. Produced for internal purposes/use only

Source:
In Hungarian: Makrogazdasági és költségvetési előrejelzés 2021-2025
In English: Macroeconomic and fiscal outlook 2021-2025
URL: https://kormany.hu/dokumentumtar/makrogazdasagi-es-koltsegvetesi-elorejelzes-2021-2025

Email from the Ministry of Finance with document number PM/3891-1/2023 received on 23 May 2023

Comment:
The government published the macroeconomic and fiscal outlook, but that document did not satisfy the requirements of the PBS.
We asked the Ministry of Finance about the existence of other documents that were used for the exempted resolution. The Ministry confirmed in its reply that the documents had been prepared for internal use only.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

PBS-6b. If you selected option "c" or "d" in question PBS-6a, please specify how you determined whether the PBS was produced for internal use only, versus not produced at all.

If option "a,""b," or "e" was selected in question PBS-6a, researchers should mark this question "n/a."

Answer:
We asked the Ministry of Finance about the existence of other documents that were used for the exempted resolution. The Ministry confirmed in its reply that the documents had been prepared for internal use only.

Source:
In Hungarian: Makrogazdasági és költségvetési előrejelzés 2021-2025
In English: Macroeconomic and fiscal outlook 2021-2025
URL: https://kormany.hu/dokumentumtar/makrogazdasagi-es-koltsegvetesi-elorejelzes-2021-2025

Email from the Ministry of Finance with document number PM/3891-1/2023 received on 23 May 2023

Comment:
The government published the macroeconomic and fiscal outlook, but that document did not satisfy the requirements of the PBS.
We asked the Ministry of Finance about the existence of other documents that were used for the exempted resolution. The Ministry confirmed in its reply that the documents had been prepared for internal use only.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

PBS-7. If the PBS is produced, please write the full title of the PBS.

For example, a title for the Pre-Budget Statement could be "Proposed 2023 State Budget" or "Guidelines for the Preparation of Annual Plan and Budget for 2022/23."

If the document is not produced at all, researchers should mark this question "n/a."

Answer:
n/a

Source:
n/a

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

PBS-8. Is there a "citizens version" of the PBS?

While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle. While it is recognized that it may be unreasonable to expect that a citizens version is produced for each and every one of those key documents, it seems acceptable to expect that according to good practice, the executive releases a citizens version of key budget documents for each of the four stages of the budget process to allow citizens to be aware of what is happening, in terms of public financial management, throughout the entire budget cycle. For more information on Citizens Budget see: https://www.internationalbudget.org/publications/citizens-budgets/.

Answer:
b. No

Source:
n/a

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

EBP-1a. What is the fiscal year of the EBP evaluated in this Open Budget Survey questionnaire?

Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

Answer:
FY 2023

Source:

Comment:
The latest EBP until 31 December 2022 was for FY 2023.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

Researcher Response
The Hungarian government published and submitted an Executive's Budget Proposal during the regular budget cycle and it was enacted by the legislature. However in December 2022, a few days before the start of the budget year the government overhauled the enacted budget by a decree (to overwrite the budget the government used its amended authority citing the state of danger). The government started executing the decree version of the budget, but later, in January 2023 the government submitted it to the legislature for approval that was granted in April 2023. We evaluated the government decree as Enacted Budget. This was the version that was executed. The original budget was siginificantly modified by this decree, while the budget version submitted in January 2023 was submitted after the start of the budget year and the same as the decree version, so the approval of the legislature did not have any meaningful consequences. The government published only the decree and did not publish any document or submitted a new EBP to the legislature before the decree was published. Because the EBP must be publicly available before the Enacted Budget is adopted, the EBP is not published for FY 2023. The original answer referred to the regular budget cycle, but the EBP published during that became invalid after the decree. URL for the decree: http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK22220.pdf pp. 11022-11086

EBP-1b. When is the EBP submitted to the legislature for consideration?

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2022 should be entered as 05/09/2022. If the document is not published or not produced, leave this question blank.

Answer:

Source:
The Hungarian government on June 7, 2022 submitted the 2023 EBP to Parliament, which enacted the budget in July 2022.

The EBP on the webpage of the Parliament:
https://www.parlament.hu/web/guest/iromanyok-egyszerusitett-lekerdezese?p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_auth=hGXnUI64&_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_irom.irom_adat%3Fp_ckl%3D42%26p_izon%3D152

Comment:
However, near the end of 2022 the government - citing the powers it gained due to the "state of danger" the country remains in after COVID - issued an executive decree (which had force in law) overhauling the approved 2023 budget.

See executive decree: http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK22220.pdf

Given that there was no budget proposal for the executive decree (effectively the new 2023 budget), we are considering Hungary's 2023 Executive's Budget Proposal to be "not publicly available". And, given that the Enacted Budget is, by definition, enacted by the parliament, we also consider Hungary's 2023 Enacted Budget to be "not publicly available", as the executive decree was not submitted to parliament before the start of the budget year (which happens to be the cut-off date of the OBS as well).

Note: On January 19, 2023, the executive submitted an amended 2023 budget to parliament. (It is unclear if there were any changes between the executive decree and the amended budget - the topline revenue and expenditure figures, at least, are the same). Parliament discussed the amended budget; appears to have made some minor changes; and approved the new budget in March 2023. However, this does not change the fact that the government issued the executive decree effectively overhauling the approved 2023 budget in late 2022. In addition, the executive decree was not submitted to parliament at the time it went into force of law. The State Treasury started executing the decree version as official budget.

See amended 2023 budget: https://www.parlament.hu/web/guest/iromanyok-egyszerusitett-lekerdezese?p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_auth=rMHTx6u6&_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_irom.irom_adat%3Fp_ckl%3D42%26p_izon%3D2667

Hence, we are considering both the EBP and EB to be "not publicly available".

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

Researcher Response
The Hungarian government did not submit an EBP for the budget that the government started executing in the budget year. We evaluated the government decree published in December 2022 as Enacted Budget and no budget document was published before it that could be treated as EBP. This means the EBP was not published. The situation is described in more details at question EBP-1a.

IBP Comment
*Note: In the original answer to this question, we chose to consider both the Executive's Budget Proposal and Enacted Budget as "not publicly available" (see details above). Following the peer review and further discussion, for consistency across countries, we have chosen to assess the government decree published in December 2022 as Hungary's FY 2023 Enacted Budget. See Question EB-1a for more details. There is no change to the status of the Executive's Budget Proposal; it remains "not publicly available", as the researcher notes above.

EBP-2. When is the EBP made available to the public?

Publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified in the OBS methodology and that all citizens are able to obtain free of charge. (See the Open Budget Survey Guidelines on Public Availability of Budget Documents.) This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.

The OBS methodology requires that for an EBP to be considered publicly available, it must be made available to the public while the legislature is still considering it and before the legislature approves (enacts) it. If the EBP is not released to the public before the legislature approves it, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the EBP.

The OBS definition of an Executive's Budget Proposal is a document(s) that (i) the executive submits to the legislature as a formal part of the budget approval process and (ii) the legislature either approves or on which it approves proposed amendments.

The OBS will treat the Executive's Budget Proposal as "Not Produced," in the following cases:

- *The executive does not submit the draft budget to the legislature; or*
- *The legislature receives the draft budget but does not approve it or does not approve recommendations on the draft budget;*
- *The legislature rejects the draft budget submitted by the executive, but the executive implements it without legislative approval; or*
- *There is no legislature, or the legislature has been dissolved.*

Answer:
d. The EBP is not released to the public, or is released after the budget has been approved by the legislature

Source:
The Hungarian government on June 7, 2022 submitted the 2023 EBP to Parliament, which enacted the budget in July 2022.

The EBP on the webpage of the Parliament:
https://www.parlament.hu/web/guest/iromanyok-egyszerusitett-lekerdezese?p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_auth=hGXnUI64&_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_irom.irom_adat%3Fp_ckl%3D42%26p_izon%3D152

Comment:
However, near the end of 2022 the government - citing the powers it gained due to the "state of danger" the country remains in after COVID - issued an executive decree (which had force in law) overhauling the approved 2023 budget.

See executive decree: http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK22220.pdf

Given that there was no budget proposal for the executive decree (effectively the new 2023 budget), we are considering Hungary's 2023 Executive's Budget Proposal to be "not publicly available". And, given that the Enacted Budget is, by definition, enacted by the parliament, we also consider Hungary's 2023 Enacted Budget to be "not publicly available", as the executive decree was not submitted to parliament before the start of the budget year (which happens to be the cut-off date of the OBS as well).

Note: On January 19, 2023, the executive submitted an amended 2023 budget to parliament. (It is unclear if there were any changes between the executive decree and the amended budget - the topline revenue and expenditure figures, at least, are the same). Parliament discussed the amended budget; appears to have made some minor changes; and approved the new budget in March 2023. However, this does not change the fact that the government issued the executive decree effectively overhauling the approved 2023 budget in late 2022. In addition, the executive decree was not submitted to parliament at the time it went into force of law. The State Treasury started executing the decree version as official budget.

See amended 2023 budget: https://www.parlament.hu/web/guest/iromanyok-egyszerusitett-lekerdezese?p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_auth=rMHTx6u6&_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_irom.irom_adat%3Fp_ckl%3D42%26p_izon%3D2667

Hence, we are considering both the EBP and EB to be "not publicly available".

Peer Reviewer

Opinion: Disagree

Suggested Answer: a. At least three months in advance of the budget year, and in advance of the budget being approved by the legislature

Comments: The Executive Budget Proposal has been submitted to the Parliament as of June 7, 2022 and released to the public by publishing on the website of the Parliament. The Parliament approved the 2023 Budget in July 2022. Under the Open Budget Survey guidelines we could not find a category where could fit what happened in case of the Executive's Budget Proposal of the FY 2023. For this reason we would suggest to consider the category a) that the EBP published at least three month in advance of the budget year although knowing the circumstances which means that formally it was corresponding to the requirements of the guideline. In the past few years, it become a practice in the Hungarian legislation, that during the summer and autumn parliamentary sessions the legislator is revising and modifying the tax laws. In addition to these habit, during the pandemic, and also in 2022, several government decrees entered into force which superseded existing tax laws (or other laws), and sometimes these had retroactive effects. After the pandemic the Hungarian government is sustaining the state of emergency because of the war in Ukraine. The government published as of December 29, 2022 an executive decree which is overhauling certain chapters of the already accepted 2023 Budget. The corner numbers of the approved 2023 budget are changed significantly, the expenditure increase with 19%, the revenues with 17%, the deficit of the budget is modified from 2352 145,7 to 3400 234,8 million HUF. This executive decree is publishing only the Annex 1 of the Budget, which is detailing the incomes and expenditures of each budgetary chapters. The justification is not provided in the executive decree. The reasoning of the executive decree is that by holding on the state of emergency, the government is mitigating and managing the effects on Hungary caused by the war from Ukraine. The communication of the government is that these changes are necessary to protect the Hungarian households and the companies from the suddenly increasing overhead charges. Indeed, the chapter L. Overhead protection fund (Rezsivedelmi Alap) has been modified from 670 000 mHUF changed to 2609 975,2 mHUF, although after analyzing more in details the Annex 1 we can see, that all the other chapters have been significantly changed, which gives the impression that the previously enacted budget was not final and contained not correct figures. Later in January2023 the modification of the central budget is submitted and published under the website of the Parliament. The Budget modification proposal is containing the same budget lines as the executive decree published on December 29, 2022 but the detailed justification of the budget modification and the narrative presentation of each budgetary chapter is not available. We could not find it neither in the enacted modified Executive Budget (bill T/2667 submitted to the Parliament as of January 19, 2023) In this sense an EBP, which was not the base of the Enacted Budget, was discussed by the Parliament, and then it was modified by the executive decree on December 29, 2022. Although later the legislature was still feeling the need to submit a modification of the already enacted budget, which is in line with the executive decree. Also the State Treasury was using the Annex I of the executive decree from January on to prepare the In Year Reports, which means that even before the approval of the Parliament it was considered approved.

Government Reviewer

Opinion:

Researcher Response

We treated the EBP as not published. As summarised by the peer reviewer in the last paragraph the government decree was the Enacted Budget and no budget document was published for it that could be treated as EBP. The EBP submitted during the regular budget cycle contained significantly different numbers than the decree, the EBP submitted in January 2023 had no meaningful consequences since the government already started executing the decree version and it was made publicly available after the Enacted Budget. This is also described in more details at question EBP-1a.

IBP Comment

*Note: In the original answer to this question, we chose to consider both the Executive's Budget Proposal and Enacted Budget as "not publicly available" (see details above). Following the peer review and further discussion, for consistency across countries, we have chosen to assess the government decree published in December 2022 as Hungary's FY 2023 Enacted Budget. See Question EB-1a for more details. There is no change to the status of the Executive's Budget Proposal; it remains "not publicly available", as the researcher notes above.

EBP-3a. If the EBP is published, what is the date of publication of the EBP?

Note that the date of publication is not necessarily the same date that is printed on the document.

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2022 should be entered as 05/09/2022. If the document is not published or not produced, leave this question blank.

In the comment boxes below, researchers should also list any supporting documents to the EBP and their date of publication.

Answer:

Source:

The Hungarian government on June 7, 2022 submitted the 2023 EBP to Parliament, which enacted the budget in July 2022.

The EBP on the webpage of the Parliament:

https://www.parlament.hu/web/guest/iromanyok-egyszerusitett-lekerdezese?p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_auth=hGXnUI64&_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_irom.irom_adat%3Fp_ckl%3D42%26p_izon%3D152

Comment:
However, near the end of 2022 the government - citing the powers it gained due to the "state of danger" the country remains in after COVID - issued an executive decree (which had force in law) overhauling the approved 2023 budget.

See executive decree: http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK22220.pdf

Given that there was no budget proposal for the executive decree (effectively the new 2023 budget), we are considering Hungary's 2023 Executive's Budget Proposal to be "not publicly available". And, given that the Enacted Budget is, by definition, enacted by the parliament, we also consider Hungary's 2023 Enacted Budget to be "not publicly available", as the executive decree was not submitted to parliament before the start of the budget year (which happens to be the cut-off date of the OBS as well).

Note: On January 19, 2023, the executive submitted an amended 2023 budget to parliament. (It is unclear if there were any changes between the executive decree and the amended budget - the topline revenue and expenditure figures, at least, are the same). Parliament discussed the amended budget; appears to have made some minor changes; and approved the new budget in March 2023. However, this does not change the fact that the government issued the executive decree effectively overhauling the approved 2023 budget in late 2022. In addition, the executive decree was not submitted to parliament at the time it went into force of law. The State Treasury started executing the decree version as official budget.

See amended 2023 budget: https://www.parlament.hu/web/guest/iromanyok-egyszerusitett-lekerdezese?p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_auth=rMHTx6u6&_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_irom.irom_adat%3Fp_ckl%3D42%26p_izon%3D2667

Hence, we are considering both the EBP and EB to be "not publicly available".

Peer Reviewer
Opinion: Agree
Comments: The Hungarian government on June 7, 2022 submitted the 2023 EBP to Parliament, which enacted the budget in July 2022 and after the 613/2022 (XII. 29) Executive decree modified the budgeted amounts a modification of the EB has been submitted to the Parliament without the detailed justification of the budgeted amounts. The general justification is available, but the budget of several Chapters has been changed, and what is behind the new numbers is not available in the modification (bill T/2667 about the amendment of the enacted budget, submitted to the Parliament as of January 19, 2023. In this sense the EBP which was the base of the final Enacted Budget is not fully available before the start of the fiscal year although in terms of forms the legislator is fulfilling the requirements of the Open Budget Survey in relation of the EBP.

Government Reviewer
Opinion:

Researcher Response
We treated the government decree published in December 2022 as the Enacted Budget. No EBP was published for it, because the one submitted in June 2022 contained significantly different numbers, while the one submitted in January 2023 was published after the budget was already enacted by the decree. This is also described at question EBP-1a.

IBP Comment
*Note: In the original answer to this question, we chose to consider both the Executive's Budget Proposal and Enacted Budget as "not publicly available" (see details above). Following the peer review and further discussion, for consistency across countries, we have chosen to assess the government decree published in December 2022 as Hungary's FY 2023 Enacted Budget. See Question EB-1a for more details. There is no change to the status of the Executive's Budget Proposal; it remains "not publicly available", as the researcher notes above.

EBP-3b. In the box below, please explain how you determined the date of publication of the EBP.

If the document is not published at all, researchers should mark this question "n/a."

Answer:
n/a

Source:
The Hungarian government on June 7, 2022 submitted the 2023 EBP to Parliament, which enacted the budget in July 2022.

The EBP on the webpage of the Parliament:
https://www.parlament.hu/web/guest/iromanyok-egyszerusitett-lekerdezese?p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_auth=hGXnUI64&_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_irom.irom_adat%3Fp_ckl%3D42%26p_izon%3D152

Comment:
However, near the end of 2022 the government - citing the powers it gained due to the "state of danger" the country remains in after COVID - issued an executive decree (which had force in law) overhauling the approved 2023 budget.

See executive decree: http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK22220.pdf

Given that there was no budget proposal for the executive decree (effectively the new 2023 budget), we are considering Hungary's 2023 Executive's Budget Proposal to be "not publicly available". And, given that the Enacted Budget is, by definition, enacted by the parliament, we also consider Hungary's 2023 Enacted Budget to be "not publicly available", as the executive decree was not submitted to parliament before the start of the budget year (which happens to be the cut-off date of the OBS as well).

Note: On January 19, 2023, the executive submitted an amended 2023 budget to parliament. (It is unclear if there were any changes between the executive decree and the amended budget - the topline revenue and expenditure figures, at least, are the same). Parliament discussed the amended budget; appears to have made some minor changes; and approved the new budget in March 2023. However, this does not change the fact that the government issued the executive decree effectively overhauling the approved 2023 budget in late 2022. In addition, the executive decree was not submitted to parliament at the time it went into force of law. The State Treasury started executing the decree version as official budget.

See amended 2023 budget: https://www.parlament.hu/web/guest/iromanyok-egyszerusitett-lekerdezese?p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_auth=rMHTx6u6&_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_irom.irom_adat%3Fp_ckl%3D42%26p_izon%3D2667

Hence, we are considering both the EBP and EB to be "not publicly available".

Peer Reviewer
Opinion: Agree
Comments: The Hungarian government on June 7, 2022 submitted the 2023 EBP to Parliament, which enacted the budget in July 2022.

Government Reviewer
Opinion:

Researcher Response
The EBP was not published, so the date of publication could not be determined.

IBP Comment
*Note: In the original answer to this question, we chose to consider both the Executive's Budget Proposal and Enacted Budget as "not publicly available" (see details above). Following the peer review and further discussion, for consistency across countries, we have chosen to assess the government decree published in December 2022 as Hungary's FY 2023 Enacted Budget. See Question EB-1a for more details. There is no change to the status of the Executive's Budget Proposal; it remains "not publicly available", as the researcher notes above.

EBP-4. If the EBP is published, what is the URL or weblink of the EBP?

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should leave this question blank.

In the comment boxes below, researchers should also list any supporting documents to the EBP and their URL or weblink.

Answer:

Source:
The Hungarian government on June 7, 2022 submitted the 2023 EBP to Parliament, which enacted the budget in July 2022.

The EBP on the webpage of the Parliament:
https://www.parlament.hu/web/guest/iromanyok-egyszerusitett-lekerdezese?p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_auth=hGXnUI64&_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_irom.irom_adat%3Fp_ckl%3D42%26p_izon%3D152

Comment:
However, near the end of 2022 the government - citing the powers it gained due to the "state of danger" the country remains in after COVID - issued an executive decree (which had force in law) overhauling the approved 2023 budget.

See executive decree: http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK22220.pdf

Given that there was no budget proposal for the executive decree (effectively the new 2023 budget), we are considering Hungary's 2023 Executive's Budget Proposal to be "not publicly available". And, given that the Enacted Budget is, by definition, enacted by the parliament, we also consider Hungary's 2023 Enacted Budget to be "not publicly available", as the executive decree was not submitted to parliament before the start of the budget year (which happens to be the cut-off date of the OBS as well).

Note: On January 19, 2023, the executive submitted an amended 2023 budget to parliament. (It is unclear if there were any changes between the executive decree and the amended budget - the topline revenue and expenditure figures, at least, are the same). Parliament discussed the amended budget; appears to have made some minor changes; and approved the new budget in March 2023. However, this does not change the fact that the government issued the executive decree effectively overhauling the approved 2023 budget in late 2022. In addition, the executive decree was not submitted to parliament at the time it went into force of law. The State Treasury started executing the decree version as official budget.

See amended 2023 budget: https://www.parlament.hu/web/guest/iromanyok-egyszerusitett-lekerdezese?p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_auth=rMHTx6u6&_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_irom.irom_adat%3Fp_ckl%3D42%26p_izon%3D2667

Hence, we are considering both the EBP and EB to be "not publicly available".

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

Researcher Response
We evaluated the government decree published in December 2022 as Enacted Budget. The government did not publish any document related to it that could be treated as EBP. The EBP submitted to the legislature in June 2022 contained significantly different numbers, while the EBP submitted in January 2023 was published after the budget was enacted by the decree and already being executed. Because the EBP was not published, there was no URL for it. This is also described at question EBP-1a.

IBP Comment
*Note: In the original answer to this question, we chose to consider both the Executive's Budget Proposal and Enacted Budget as "not publicly available" (see details above). Following the peer review and further discussion, for consistency across countries, we have chosen to assess the government decree published in December 2022 as Hungary's FY 2023 Enacted Budget. See Question EB-1a for more details. There is no change to the status of the Executive's Budget Proposal; it remains "not publicly available", as the researcher notes above.

EBP-5. If the EBP is published, are the numerical data contained in the EBP or its supporting documents available in a machine readable format?

Material (data or content) is machine readable if it is in a format that can be easily processed by a computer, such as .csv, .xls/.xlsx, and .json. Numerical data found in PDFs, Word (.doc/.docx) and HTML files do not qualify as machine readable. See more at: http://opendatahandbook.org/glossary/en/terms/machine-readable/.

Option "d" applies if the EBP is not publicly available, therefore its machine readability cannot be assessed.

Answer:
d. Not applicable

Source:

Comment:

Peer Reviewer
Opinion: Disagree
Suggested Answer: c. No
Comments: The first document which was published on July 6, 2022 as the EBP, and which later on December 29, 2022 was overhauled by the executive decree 613/2022 (XII.29.) is a pdf document.

Government Reviewer
Opinion:

Researcher Response
We evalauted the government decree published in December 2022 as the Enacted Budget and no EBP was published related to it. The EBP submitted to the legislature in June 2022 contained significantly different numbers (and it was overhauled by the decree as noted by the peer reviewer), while the EBP submitted in January 2023 was published after the budget was enacted by the decree and being executed. For these reasons the government did not publish an EBP. This is also described at question EBP-1a.

IBP Comment
Many thanks to the peer reviewer for the comment and the researcher for the response. As noted by the researcher, since no EBP was published related to the December 2022 government decree, answer "D. Not applicable" is most suitable here.

EBP-6a. If the EBP is not publicly available, is it still produced?

If the EBP is not considered publicly available under the OBS methodology (and thus the answer to Question EBP-2 was "d"), a government may nonetheless produce the document.

Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question EBP-2).

Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.

Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.

Option "d" applies if the document is not produced at all.

Option "e" applies if the document is publicly available.

If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.

Answer:
d. Not produced at all

Source:

Comment:

Peer Reviewer
Opinion: Disagree
Suggested Answer: e. Not applicable (the document is publicly available)
Comments: Please see comments from EBP-2 question.

Government Reviewer
Opinion:

Researcher Response
The government published an EBP during the regular budget cycle in June 2022, but that was overhauled by a government decree in December 2022. Later, after the government started executing the decree version it submitted a budget modification about it to the legislature in January 2023. The submitted document contained the same numbers as the decree, but it is questionable if the budget modification can be treated as EBP since it was submitted after the start of the budget year. Because the government decree served as Enacted Budget and no clear EBP was published for it, we selected answer 'd'. URL for the budget modification submitted in January 2023: https://www.parlament.hu/irom42/02667/02667.pdf

IBP Comment
Please see Question EBP-1a for more details on the researcher's response. Answer "D" is maintained.

EBP-6b. If you selected option "c" or "d" in question EBP-6a, please specify how you determined whether the EBP was produced for internal use only, versus not produced at all.

If option "a,""b," or "e" was selected in question EBP-6a, researchers should mark this question "n/a."

Answer:
The government submitted a budget modification after it overwrote the enacted budget with a decree. We treated that document as a budget modification. While the numbers were the same as in the government decree, it was published after teh start of the budget year, so we did not consider it an EBP.

Source:

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

Researcher Response
No clear EBP was published related to the final version of the Enacted Budget as described in question EBP-6a.

IBP Comment
Please also see Question EBP-1a for more details. Answer remains "not produced at all".

EBP-7. If the EBP is produced, please write the full title of the EBP.

For example, a title for the Executive's Budget Proposal could be "Draft Estimates of Revenue and Expenditure for BY 2022-23, produced by the Ministry of Finance, Planning and Economic Development."

If there are any supporting documents to the EBP, please enter their full titles in the comment box below.

If the document is not produced at all, researchers should mark this question "n/a."

Answer:
n/a

Source:

Comment:

Peer Reviewer
Opinion: Disagree
Suggested Answer: T/152. számú TÖRVÉNYJAVASLAT MAGYARORSZÁG 2023. ÉVI KÖZPONTI KÖLTSÉGVETÉSÉRŐL (BILL T/152 ON HUNGARY'S 2023 CENTRAL BUDGET)

Government Reviewer
Opinion:

Researcher Response
We evaluated the government decree as Enacted Budget. The government did not publish any document that could be treated as EBP for it, because the EBP submitted to the legislature in June 2022 contained significantly different numbers, while the decree version of the budget was submitted to the legislature in January 2023 after the government started executing the decree version. For these reasons the EBP was not published before the budget was adopted. This is also described in question EBP-1a.

EBP-8. Is there a "citizens version" of the EBP?

While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle. While it is recognized that it may be unreasonable to expect that a citizens version is produced for each and every one of those key documents, it seems acceptable to expect that according to good practice, the executive releases a citizens version of key budget documents for each of the four stages of the budget process to allow citizens to be aware of what is happening, in terms of public financial management, throughout the entire budget cycle. For more information on Citizens Budget see: https://www.internationalbudget.org/publications/citizens-budgets/.

Answer:
b. No

Source:
The simplified version of the original 2023 EBP enacted by parliament in July 2022 is published as „Polgárok Költségvetése" (Citizens' Budget) at the end of the supplements:
https://www.parlament.hu/irom42/00152/adatok/fejezetek/00szemleltetes.pdf

Comment:
The document describes the distribution of the revenues and expenditures, highlights some of the expenditures in other charts and lists the government's main goals on the first page. It does not contain narrative discussion about the new policies and the government's goals are rather policies than measurable targets. The document was not disseminated actively and it is rather difficult to find without prior knowledge because it was at the bottom of many supplements or at the end of a 500-page-long document.

Peer Reviewer
Opinion: Agree
Comments: The first version of the 2023 EBP contains a simplified version of the EBP which is called Polgarok Koltsegvetese (Citizens' Budget) but at the end of 2022 the government - citing the powers it gained due to the "state of danger" the country remains in after COVID - issued the executive decree 613/2022 (XII.29) overhauling the approved 2023 budget. The executive decree was not submitted to parliament at the time it went into force of law. On January 19, 2023 the executive submitted an amended budget to the Parliament which was enacted in March, 2023. The Citizens' Budget from the first version of the 2023 EBP contains those budgetary details which were overhauled by the executive decree 613/2022 (XII.29), and in this way the numerical details are not giving clear picture to the citizens. The document presents the main priorities of the government, highlighting two main directions which are the "Protection of the consumers against the high overhead costs"(Rezsivedelem) and the "National Defense" (Honvedelem) but their goal are only broadly defined. Also the Revenues and expenditures of each chapter, including the before mentioned

directions, are significantly modified, for example the deficit from 2352 145 Million HUF is changing to 3400 234 Million HUF which is 44% higher then the original plans. The document is also presenting two diagrams which show the distribution of central budget expenditures according to functions and tax revenues according to the main types of tax revenues. The document also presents the subsidies provided for families, and also gives an overview about the funds which are entitled to cover priority investments and developments. The details are reflecting the first version of the EBP 2023, and neither the executive decree 613/2022 (XII.29), or the Budget modification submitted in January 2023 does not contain any simplified version of the budgetary plans of FY2023, and in this sense is not published in the same time as the EBP 2023, where the last version was not prepared or it was not prepared for the public. Formally the citizen's versions of the EBP was prepared, but considering the budgeting events from the later period, the document does not reflect the real plans.

Government Reviewer
Opinion:

Researcher Response
We evaluated the government decree published in December 2022 as Enacted Budget. As the peer reviewer noted this decree modified so significantly the originally adopted budget that it can be considered a new budget plan. We also agree that no simplified budget document was published for the decree or the budget modification submitted in January 2023, hence we revised the answer to 'b'.

EB-1a. What is the fiscal year of the EB evaluated in this Open Budget Survey questionnaire?

Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

Answer:
FY 2023

Source:
n/a

Comment:
The latest Enacted Budget until 31 December 2022 was for FY 2023.

Peer Reviewer
Opinion: Agree
Comments: The latest Enacted Budget until 31 December 2022 was for FY 2023 but this was modified on December 29, 2022 by the executive decree 613/2022 (XII.29). The Budget corner numbers and the budget of most of the chapters has changed, and in this way at the beginning of the fiscal year there was not Enacted Budget approved by the Parliament.

Government Reviewer
Opinion:

Researcher Response
We evaluated the government decree published in December 2022 as Enacted Budget. The government submitted to the legislature an EBP in June 2022 during the original budget cycle and the legislature adopted it in July 2022. In December 2022 the government overwrote the enacted budget with a decree - citing its amended authority in the state of danger. In January 2023, at the start of the budget year the government (through the State Treasury) started executing the decree version, validating that it considers that the enacted budget. In January 2023 the government submitted the decree version to the legislature for approval that was granted in April. However it did not have meaningful impact on the budget already under execution. For the above reasons we treated the government decree as Enacted Budget. URL: http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK22220.pdf pp. 11022-11086

EB-1b. When was the EB approved (enacted) by the legislature?

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2022 should be entered as 05/09/2022. If the document is not published or not produced, leave this question blank.

Answer:

Source:
The Hungarian government on June 7, 2022 submitted the 2023 EBP to Parliament, which enacted the budget in July 2022.

The EBP on the webpage of the Parliament:
https://www.parlament.hu/web/guest/iromanyok-egyszerusitett-lekerdezese?p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_auth=hGXnUI64&_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_irom.irom_adat%3Fp_ckl%3D42%26p_izon%3D152

Comment:
However, near the end of 2022 the government - citing the powers it gained due to the "state of danger" the country remains in after COVID - issued an executive decree (which had force in law) overhauling the approved 2023 budget.

See executive decree: http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK22220.pdf

Given that there was no budget proposal for the executive decree (effectively the new 2023 budget), we are considering Hungary's 2023 Executive's Budget Proposal to be "not publicly available". And, given that the Enacted Budget is, by definition, enacted by the parliament, we also consider Hungary's 2023 Enacted Budget to be "not publicly available", as the executive decree was not submitted to parliament before the start of the budget year (which happens to be the cut-off date of the OBS as well).

Note: On January 19, 2023, the executive submitted an amended 2023 budget to parliament. (It is unclear if there were any changes between the executive decree and the amended budget - the topline revenue and expenditure figures, at least, are the same). Parliament discussed the amended budget; appears to have made some minor changes; and approved the new budget in March 2023. However, this does not change the fact that the government issued the executive decree effectively overhauling the approved 2023 budget in late 2022. In addition, the executive decree was not submitted to parliament at the time it went into force of law. The State Treasury started executing the decree version as official budget.

See amended 2023 budget: https://www.parlament.hu/web/guest/iromanyok-egyszerusitett-lekerdezese?p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_auth=rMHTx6u6&_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_irom.irom_adat%3Fp_ckl%3D42%26p_izon%3D2667

Hence, we are considering both the EBP and EB to be "not publicly available".

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

Researcher Response
We evalauted the government decree as Enacted Budget as described at question EB-1a. The decree was not approved by the legislature before it came into effect. It was submitted to the legislature in January 2023 after the government started executing it in the budget year.

IBP Comment
*Note: In the original answer to this question, we chose to consider both the Executive's Budget Proposal and Enacted Budget as "not publicly available" (see details above). Following the peer review and further discussion, for consistency across countries, we have chosen to assess the government decree published in December 2022 as Hungary's FY 2023 Enacted Budget. See Question EB-1a for more details. There is no change to the status of the Executive's Budget Proposal; it remains "not publicly available".

EB-2. When is the EB made available to the public?

Publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified in the OBS methodology and that all citizens are able to obtain free of charge. (See the Open Budget Survey Guidelines on Public Availability of Budget Documents.) This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.

The OBS methodology requires that for an EB to be considered publicly available, it must be made available to the public three months after the budget is

approved by the legislature. If the EB is not released to the public at least three months after the budget is approved by the legislature, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the EB.

Answer:
a. Two weeks or less after the budget has been enacted

Source:
The Hungarian government on June 7, 2022 submitted the 2023 EBP to Parliament, which enacted the budget in July 2022.

The Enacted Budget was published in the Hungarian Journal under the title "2022. évi XXV. törvény Magyarország 2023. évi központi költségvetéséről" (Act XXV on the Central Budget of Hungary for FY 2023)
URL: http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK22127.pdf
pp. 5095-5294

Comment:
However, near the end of 2022 the government - citing the powers it gained due to the "state of danger" the country remains in after COVID - issued an executive decree (which had force in law) overhauling the approved 2023 budget.

See executive decree: http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK22220.pdf

Given that there was no budget proposal for the executive decree (effectively the new 2023 budget), we are considering Hungary's 2023 Executive's Budget Proposal to be "not publicly available". And, given that the Enacted Budget is, by definition, enacted by the parliament, we also consider Hungary's 2023 Enacted Budget to be "not publicly available", as the executive decree was not submitted to parliament before the start of the budget year (which happens to be the cut-off date of the OBS as well).

Note: On January 19, 2023, the executive submitted an amended 2023 budget to parliament. (It is unclear if there were any changes between the executive decree and the amended budget - the topline revenue and expenditure figures, at least, are the same). Parliament discussed the amended budget; appears to have made some minor changes; and approved the new budget in March 2023. However, this does not change the fact that the government issued the executive decree effectively overhauling the approved 2023 budget in late 2022. In addition, the executive decree was not submitted to parliament at the time it went into force of law. The State Treasury started executing the decree version as official budget.

See amended 2023 budget: https://www.parlament.hu/web/guest/iromanyok-egyszerusitett-lekerdezese?p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_auth=rMHTx6u6&_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_irom.irom_adat%3Fp_ckl%3D42%26p_izon%3D2667

Hence, we are considering both the EBP and EB to be "not publicly available".

Peer Reviewer
Opinion: Disagree
Suggested Answer: d. The EB is not released to the public, or is released more than three months after the budget has been enacted
Comments: The Hungarian government on June 7, 2022 submitted the 2023 EBP to Parliament, which enacted the budget in July 2022. Formally the EB is in line with the requirements of the Open Budget Survey although it was modified by the executive decree published as of December 29, 2022, which is overhauling the already enacted 2023 Budget. The corner numbers and the chapters of the already enacted budget are changed significantly. The government considering that Hungary is in a state of emergency because of the COVID or because of the war in Ukraine. It is a major question that are other nearby countries such as Romania, Slovakia, Poland are also declaring state of emergency in this period. The modification request of the Enacted Budget FY2023 has been submitted as of January 19, 2023 where the budgeted amounts are in line with the executive decree published as of December 29, 2022. Both the budget modification and the executive decree does not contain the detailed justification, and in this way it is not possible to know in details what is beyond the budgeted numbers in the Enacted Budget. During the state of emergency several government decrees entered into force which superseded existing tax laws (or other laws), and sometimes these had retroactive effects, but regarding the enacted 2023 Budget the government submitted a modification request to the Parliament. Bod Peter Akos, Hungarian economist who until 1994 was the president of the Hungarian National Bank formulated a critic about the budgeting practice of the government which was published in several newspapers. One of the interviews is available here: "Bod Péter Ákos: Hungarikum, hogy a kormány előbb kiad egy komolytalan költségvetést, majd vad improvizációba kezd" (Péter Ákos Bod: It is a Hungaricum that the government first issues a frivolous budget and then starts wild improvisation): https://hvg.hu/gazdasag/20221229_Bod_Peter_Akos_elemzes_ We would suggest answer a) in case there is no any other category what could cover the fact, that the Hungarian EB is in line formally with the requirements of the Open Budget Survey, only the numbers are changed later significantly.

Government Reviewer
Opinion:

Researcher Response

We evalauted the government decree published in December 2022 as Enacted Budget. The decree was not approved by the legislature, so we revised the original answer to 'd'. The original answer referred to the enacted budget approved by the legislature in July 2022. The government cited its amended authority granted by the state of danger to issue the decree and overhaul the previously enacted budget with it.

IBP Comment

*Note: In the original answer to this question, we chose to consider both the Executive's Budget Proposal and Enacted Budget as "not publicly available" (see details above). Following the peer review and further discussion, for consistency across countries, we have chosen to assess the government decree published in December 2022 as Hungary's FY 2023 Enacted Budget. See Question EB-1a for more details. There is no change to the status of the Executive's Budget Proposal; it remains "not publicly available". Since the decree version of the budget that we evaluate here was "enacted" upon publication, answer is revised from "D" to A".

EB-3a. If the EB is published, what is the date of publication of the EB?

Note that the date of publication is not necessarily the same date that is printed on the document.
Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2022 should be entered as 05/09/2022. If the document is not published or not produced, leave this question blank.

Answer:
29/12/2022

Source:
The Hungarian government on June 7, 2022 submitted the 2023 EBP to Parliament, which enacted the budget in July 2022.

The Enacted Budget was published in the Hungarian Journal under the title "2022. évi XXV. törvény Magyarország 2023. évi központi költségvetéséről" (Act XXV on the Central Budget of Hungary for FY 2023)
URL: http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK22127.pdf
pp. 5095-5294

Comment:
However, near the end of 2022 the government - citing the powers it gained due to the "state of danger" the country remains in after COVID - issued an executive decree (which had force in law) overhauling the approved 2023 budget.

See executive decree: http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK22220.pdf

Given that there was no budget proposal for the executive decree (effectively the new 2023 budget), we are considering Hungary's 2023 Executive's Budget Proposal to be "not publicly available". And, given that the Enacted Budget is, by definition, enacted by the parliament, we also consider Hungary's 2023 Enacted Budget to be "not publicly available", as the executive decree was not submitted to parliament before the start of the budget year (which happens to be the cut-off date of the OBS as well).

Note: On January 19, 2023, the executive submitted an amended 2023 budget to parliament. (It is unclear if there were any changes between the executive decree and the amended budget - the topline revenue and expenditure figures, at least, are the same). Parliament discussed the amended budget; appears to have made some minor changes; and approved the new budget in March 2023. However, this does not change the fact that the government issued the executive decree effectively overhauling the approved 2023 budget in late 2022. In addition, the executive decree was not submitted to parliament at the time it went into force of law. The State Treasury started executing the decree version as official budget.

See amended 2023 budget: https://www.parlament.hu/web/guest/iromanyok-egyszerusitett-lekerdezese?p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_auth=rMHTx6u6&_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_irom.irom_adat%3Fp_ckl%3D42%26p_izon%3D2667

Hence, we are considering both the EBP and EB to be "not publicly available".

Peer Reviewer

Opinion: Agree
Comments: The Parliament enacted the budget in July 2022 which was modified by the executive decree 613/2022 (XII.29) published on December

29, 2022. The executive submitted the budget modification as of January 19, 2023 which was approved by the Parliament end of March, 2023 and published as of April 5, 2023. The date of the publication of the final Enacted Budget in this way is April 5, 2023.

Government Reviewer
Opinion:

Researcher Response
We evalauted the government decree published in December 2022 as Enacted Budget. The date of publication is shown on the title page below the subtitle "Magyarország hivatalos lapja". URL: http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK22220.pdf pp. 11022-11086

IBP Comment
*Note: In the original answer to this question, we chose to consider both the Executive's Budget Proposal and Enacted Budget as "not publicly available" (see details above). Following the peer review and further discussion, for consistency across countries, we have chosen to assess the government decree published in December 2022 as Hungary's FY 2023 Enacted Budget. See Question EB-1a for more details. There is no change to the status of the Executive's Budget Proposal; it remains "not publicly available". In response to the peer reviewer's comment, we cannot select the budget modification submitted to parliament in January 2023 as the Enacted Budget because: 1. The budget modification was published after the Open Budget Survey cut-off date of 31 December 2022 and 2. The treasury began executing the decree version of the FY 2023 budget before the government submitted the budget modification to parliament, which is why we have chosen to consider the decree version as the true Enacted Budget here

EB-3b. In the box below, please explain how you determined the date of publication of the EB.

If the document is not published at all, researchers should mark this question "n/a."

Answer:
We checked the date of publication of the Official Journal which contained the decree.

Source:
The Hungarian government on June 7, 2022 submitted the 2023 EBP to Parliament, which enacted the budget in July 2022.

The Enacted Budget was published in the Hungarian Journal under the title "2022. évi XXV. törvény Magyarország 2023. évi központi költségvetéséről" (Act XXV on the Central Budget of Hungary for FY 2023)
URL: http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK22127.pdf
pp. 5095-5294

Comment:
However, near the end of 2022 the government - citing the powers it gained due to the "state of danger" the country remains in after COVID - issued an executive decree (which had force in law) overhauling the approved 2023 budget.

See executive decree: http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK22220.pdf

Given that there was no budget proposal for the executive decree (effectively the new 2023 budget), we are considering Hungary's 2023 Executive's Budget Proposal to be "not publicly available". And, given that the Enacted Budget is, by definition, enacted by the parliament, we also consider Hungary's 2023 Enacted Budget to be "not publicly available", as the executive decree was not submitted to parliament before the start of the budget year (which happens to be the cut-off date of the OBS as well).

Note: On January 19, 2023, the executive submitted an amended 2023 budget to parliament. (It is unclear if there were any changes between the executive decree and the amended budget - the topline revenue and expenditure figures, at least, are the same). Parliament discussed the amended budget; appears to have made some minor changes; and approved the new budget in March 2023. However, this does not change the fact that the government issued the executive decree effectively overhauling the approved 2023 budget in late 2022. In addition, the executive decree was not submitted to parliament at the time it went into force of law. The State Treasury started executing the decree version as official budget.

See amended 2023 budget: https://www.parlament.hu/web/guest/iromanyok-egyszerusitett-lekerdezese?p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_auth=rMHTx6u6&_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_irom.irom_adat%3Fp_ckl%3D42%26p_izon%3D2667

Hence, we are considering both the EBP and EB to be "not publicly available".

Peer Reviewer

Opinion: Agree

Comments: The date of publication of the final Enacted Budget (April 5, 2023) is determined based on the information available on the websites of the Parliament: https://www.parlament.hu/web/guest/iromanyok-egyszerusitett-lekerdezese?p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_auth=rMHTx6u6&_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_irom.irom_adat%3Fp_ckl%3D42%26p_izon%3D2667

Government Reviewer

Opinion:

Researcher Response

We evaluated the government decree published in December 2022 as Enacted Budget. The original answer referred to the enacted budget adopted in July 2022 but the was overhauled by the government decree in december 2022. This is described in details at question EB-1a. It was published in the Official Journal of Hungary (in Hungarian "Magyar Közlöny").

IBP Comment

*Note: In the original answer to this question, we chose to consider both the Executive's Budget Proposal and Enacted Budget as "not publicly available" (see details above). Following the peer review and further discussion, for consistency across countries, we have chosen to assess the government decree published in December 2022 as Hungary's FY 2023 Enacted Budget. See Question EB-1a for more details. There is no change to the status of the Executive's Budget Proposal; it remains "not publicly available". In response to the peer reviewer's comment, we cannot select the budget modification submitted to parliament in January 2023 as the Enacted Budget because: 1. The budget modification was published after the Open Budget Survey cut-off date of 31 December 2022 and 2. The treasury began executing the decree version of the FY 2023 budget before the government submitted the budget modification to parliament, which is why we have chosen to consider the decree version as the true Enacted Budget here

EB-4. If the EB is published, what is the URL or weblink of the EB?

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should leave this question blank.

Answer:
http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK22220.pdf

Source:
The Hungarian government on June 7, 2022 submitted the 2023 EBP to Parliament, which enacted the budget in July 2022.

The Enacted Budget was published in the Hungarian Journal under the title “2022. évi XXV. törvény Magyarország 2023. évi központi költségvetéséről” (Act XXV on the Central Budget of Hungary for FY 2023)
URL: http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK22127.pdf
pp. 5095-5294

Comment:
However, near the end of 2022 the government - citing the powers it gained due to the "state of danger" the country remains in after COVID - issued an executive decree (which had force in law) overhauling the approved 2023 budget.

See executive decree: http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK22220.pdf

Given that there was no budget proposal for the executive decree (effectively the new 2023 budget), we are considering Hungary's 2023 Executive's Budget Proposal to be "not publicly available". And, given that the Enacted Budget is, by definition, enacted by the parliament, we also consider Hungary's 2023 Enacted Budget to be "not publicly available", as the executive decree was not submitted to parliament before the start of the budget year (which happens to be the cut-off date of the OBS as well).

Note: On January 19, 2023, the executive submitted an amended 2023 budget to parliament. (It is unclear if there were any changes between the executive decree and the amended budget - the topline revenue and expenditure figures, at least, are the same). Parliament discussed the amended budget; appears to have made some minor changes; and approved the new budget in March 2023. However, this does not change the fact that the government issued the executive decree effectively overhauling the approved 2023 budget in late 2022. In addition, the executive decree was not submitted to parliament at the time it went into force of law. The State Treasury started executing the decree version as official budget.

See amended 2023 budget: https://www.parlament.hu/web/guest/iromanyok-egyszerusitett-lekerdezese?

p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_auth=rMHTx6u6&_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_irom.irom_adat%3Fp_ckl%3D42%26p_izon%3D2667

Hence, we are considering both the EBP and EB to be "not publicly available".

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

Researcher Response
We evaluated the government decree published in December 2022 as Enacted Budget. The government decree overwrote the budget enacted in July 2022 and the decree version was executed at the start of the budget year. This is also described in details at question EB-1a. The decree was published in the Official Journal (in Hungarian: "Magyar Közlöny").

IBP Comment
*Note: In the original answer to this question, we chose to consider both the Executive's Budget Proposal and Enacted Budget as "not publicly available" (see details above). Following the peer review and further discussion, for consistency across countries, we have chosen to assess the government decree published in December 2022 as Hungary's FY 2023 Enacted Budget. See Question EB-1a for more details. There is no change to the status of the Executive's Budget Proposal; it remains "not publicly available".

EB-5. If the EB is published, are the numerical data contained in the EB available in a machine readable format?

Material (data or content) is machine readable if it is in a format that can be easily processed by a computer, such as .csv, .xls/.xlsx, and .json. Numerical data found in PDFs, Word (.doc/.docx) and HTML files do not qualify as machine readable. See more at: http://opendatahandbook.org/glossary/en/terms/machine-readable/

Option "d" applies if the EB is not publicly available, therefore its machine readability cannot be assessed.

Answer:
c. No

Source:

Comment:

Peer Reviewer
Opinion: Disagree
Suggested Answer: c. No
Comments: The Hungarian government on June 7, 2022 submitted the 2023 EBP to Parliament, which enacted the budget in July 2022. The modification of the Enacted Budget is published as of April 5, 2023, which is three month after the starting of the Fiscal Year. The numerical data is not available in a machine readable format although the State Treasury is publishing the In-Year Report in .xls in the format of the Annex I of the EB.

Government Reviewer
Opinion:

Researcher Response
We evalauted the government decree published in December 2022 as Enacted Budget. The originaly enacted budget was approved by the legislature in July 2022 but the government overwrote it with a decree in December 2022. This is described in details at question EB-1a. It was published in pdf format only. URL for the decree: http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK22220.pdf pp. 11022-11086

IBP Comment
In response to the peer reviewer's comment, we cannot select the budget modification submitted to parliament in January 2023 as the Enacted Budget because: 1. The budget modification was published after the Open Budget Survey cut-off date of 31 December 2022 and 2. The treasury

began executing the decree version of the FY 2023 budget before the government submitted the budget modification to parliament, which is why we have chosen to consider the decree version as the true Enacted Budget here

EB-6a. If the EB is not publicly available, is it still produced?

If the EB is not considered publicly available under the OBS methodology (and thus the answer to Question EB-2 was "d"), a government may nonetheless produce the document.

Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question EB-2)
Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.
Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.
Option "d" applies if the document is not produced at all.
Option "e" applies if the document is publicly available.

If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.

Answer:
e. Not applicable (the document is publicly available)

Source:

Comment:

Peer Reviewer
Opinion: Disagree
Suggested Answer: a. Produced but made available online to the public too late (published after the acceptable time frame)
Comments: The Enacted Budget was published on April 5, 2023, and so it was made available to the public but not within the acceptable time frame. The executive decree 613/2022 (XII.29) published on December 29, 2022 modifies the Annex 1 of the previously enactment budget and also is changing the corner numbers, so in case of most of the budgetary chapter there is a change in the budgeted amounts. The detailed justification is not attached neither to the executive decree 613/2022 (XII.29) nor to the budget modification T/2667, submitted to the Parliament as of January 19, 2023. https://www.parlament.hu/web/guest/iromanyok-egyszerusitett-lekerdezese?p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_auth=rMHTx6u6&_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_irom.irom_adat%3Fp_ckl%3D42%26p_izon%3D2667

Government Reviewer
Opinion:

Researcher Response
We evaluated the government decree published in December 2022 as Enacted Budget. The original answer referred to the budget enacted during the regular budget cycle in July 2022 but the government overwrote that budget with a decree in December.

IBP Comment
In response to the peer reviewer's comment, we cannot select the budget modification submitted to parliament in January 2023 as the Enacted Budget because: 1. The budget modification was published after the Open Budget Survey cut-off date of 31 December 2022 and 2. The treasury began executing the decree version of the FY 2023 budget before the government submitted the budget modification to parliament, which is why we have chosen to consider the decree version as the true Enacted Budget here

EB-6b. If you selected option "c" or "d" in question EB-6a, please specify how you determined whether the EB was produced for internal use only, versus not produced at all.

If option "a,""b," or "e" was selected in question EB-6a, researchers should mark this question "n/a."

Answer:
n/a

Source:
n/a

Comment:

Peer Reviewer
Opinion: Disagree
Suggested Answer: The Hungarian government on June 7, 2022 submitted the 2023 EBP to Parliament, which enacted the budget in July 2022. The modification of the Enacted Budget is published as of April 5, 2023

Government Reviewer
Opinion:

Researcher Response
The original answer referred to the enacted budget adopted by the legislature in July 2022 but that budget was overhauled by a government decree in December 2022, hence we evaluated the decree as Enacted Budget. This is described in details at question EB-1a. The EB was publicy available.

IBP Comment
In response to the peer reviewer's comment, we cannot select the budget modification submitted to parliament in January 2023 as the Enacted Budget because: 1. The budget modification was published after the Open Budget Survey cut-off date of 31 December 2022 and 2. The treasury began executing the decree version of the FY 2023 budget before the government submitted the budget modification to parliament, which is why we have chosen to consider the decree version as the true Enacted Budget here

EB-7. If the EB is produced, please write the full title of the EB.

For example, a title for the Enacted Budget could be "Appropriation Act n. 10 of 2023."

If the document is not produced at all, researchers should mark this question "n/a."

Answer:
A Kormány 613/2022. (XII. 29.) Korm. rendelete a Magyarország 2023. évi központi költségvetésének a veszélyhelyzettel összefüggő eltérő szabályairól

Source:

Comment:

Peer Reviewer
Opinion: Disagree
Suggested Answer: 2022. évi XXV. törvény Magyarország 2023. évi központi költségvetéséről (XXV of 2022 Act on the 2023 Central Budget of Hungary)

Government Reviewer
Opinion:

Researcher Response
We evaluated the government decree published in December 2022 as Enacted Budget. The legislature enacted the budget during the regular budget cycle in July 2022 but the government overhauled it in December 2022 and started executing the decree version in the budget year. This is also described in details at question EB-1a. In Hungarian: A Kormány 613/2022. (XII. 29.) Korm. rendelete a Magyarország 2023. évi központi

költségvetésének a veszélyhelyzettel összefüggő eltérő szabályairól In English: Decree 613/2022. (XII. 29.) on the modified rules of the central budget of Hungary for budgey year 2023 related to the state of danger URL: http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK22220.pdf pp. 11022-11086

EB-8. Is there a "citizens version" of the EB?

While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle. While it is recognized that it may be unreasonable to expect that a citizens version is produced for each and every one of those key documents, it seems acceptable to expect that according to good practice, the executive releases a citizens version of key budget documents for each of the four stages of the budget process to allow citizens to be aware of what is happening, in terms of public financial management, throughout the entire budget cycle. For more information on Citizens Budget see: https://www.internationalbudget.org/publications/citizens-budgets/.

Answer:
b. No

Source:
n/a

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

Researcher Response
We evaluated the government decree published in December 2022 as Enacted Budget. There was no change from the original answer because neither the originally adopted enacted budget nor the decree version had a simplified version.

CB-1. What is the fiscal year of the CB evaluated in this Open Budget Survey questionnaire?

Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

If more than one Citizens Budget is produced, for each CB please indicate the document the CB simplifies/refers to, and the fiscal year.

Answer:
FY 2023

Source:
n/a

Comment:
The latest Citizens' Budget until 31 December 2022 was for FY 2023

Peer Reviewer
Opinion: Agree

Government Reviewer Opinion:

Researcher Response

The government did not publish a Citizens' Budget about the budget that the government started executing in the budget year. There was a Citizens' Budget about the originally submitted EBP in June 2022 but the government overhauled that budget with a decree in December 2022. Later, in January 2023 the government submitted this version to the legislature for approval. Neither the decree nor the budget modification contained a simplified budget document and because this version was executed in the budget year no Citizens' Budget was prepared. As stated in question EBP-1a we evaluated the government decree as Enacted Budget, so the Citizens' Budget must be related to that version.

CB-2a. For the fiscal year indicated in CB-1, what is the public availability status of the CB?

If more than one Citizens Budget is produced, please complete this question for one of them, specifying in the comment box below which document (Executive's Budget Proposal or Enacted Budget) you are referring to, and – in the same comment box – which other Citizens Budget is produced and its public availability status.

Remember that publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified by the OBS methodology and that all citizens are able to obtain free of charge. This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.

Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology
Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.
Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.
Option "d" applies if the document is not produced at all.
Option "e" applies if the document is publicly available.

Answer:
d. Not produced at all

Source:
„Polgárok Költségvetése" (Citizens' Budget) among the supplements of the original EBP, submitted to parliament in June 2022:
URL: https://www.parlament.hu/irom42/00152/adatok/fejezetek/00szemleltetes.pdf

Comment:
The EBP contained a document named „Polgárok Költségvetése" (Citizens' Budget) that visualized the revenues and expenditures of the budget on pie charts and summarized some of the policies. However the document was not actively disseminated and important information was missing about the EBP like the macroeconomic context or the budget goals.
The document is only available among the supplements of the EBP or at the end of a 500-page-long document. Apart from this no announcement was published about the document, the document was not mentioned in any of the interviews with the Finance Minister or disseminated any other way to the public.
This is the list with the „Polgárok Költségvetés" nearly at the bottom of the page:
https://www.parlament.hu/irom42/00152/adatok/fejezetek/fejezetek.html

This is the version of the EBP where the supplements are in one document. The „Polgárok Költségvetése" is on pp. 1315-1320.
https://www.parlament.hu/irom42/00152/T_152_II_fejezeti.pdf

On the first page the government presents the prioritised areas. The highlighted funds ("Rezsivédelem" / "Protecting low energy tariffs" and "Honvédelem" / "Military defense") refers to the newly created funds, while the list shows the government's goals. The goals are mixed with policies or discretional expenditures and the goals are very general and broad. The first one ("Továbbra is a család az első" / "Family is the first") refers to the government's general goal of supporting families, while the second one ("Fókuszban a nyugdíjasok védelme" / "Focusing on protecting the pensiones") refers to increasing the pensions with the inflation rate but that is a legal requirement. "Megerősített biztonság, Magyarország védelme" / "Strengthening security, defending Hungary" is both for the military investments and migration cases. Other goals like ("Fejlesztések az egészségügyben" / "Investments in healthcare" and "Fejlesztések a felsőoktatásban" / "Investments in higher education") are description of expenditures and may be tools for achieving other goals (for example increasing the wages).
The second page presents the two newly created funds: "Rezsivédelmi Alap" (Fund for protecting low energy tariffs) and "Honvédelmi Alap" ("Military defense fund") and what revenues and expenditures were allocated to them. They are slightly misleading because the first one aggregates the majority of the expenditures in one line, while the second one only presents the investment expenditures for military defense, while the operational expenditures are shown elsewhere in the budget.
On the next pages two pie charts show the distributions of the revenues and expenditures of the budget as percentages of the total amount.

On page 4 the expenditures categorized as family supports are presented. The chart uses broad categories and some of expenditures may not be strictly related to family support: like the „nők korhatár alatti nyugellátása”(meaning „pensions for women below age limit”) is not strictly related to childcare supports and added to the total amount probably in the "gyermekgondozásban segítők támogatás" ("supporting helpers in childcare"). The detailed list of the expenditures are shown in a separate table: https://www.parlament.hu/irom42/00152/adatok/altindmell/csaladpolitika.pdf
The last page shows the investment expenditures in the budget by main items.

The distributions of the revenues and expenditures can be useful, but the other charts may be selective. The size of the funds cannot be evaluated based on their totals alone because they are not compared to other expenditures or the total numbers. The goals on the first page are not separated into new ones and already existing ones, so it is unknown what the government did to achieve its goals. Also the goals are mixed with policies or expenditures, and they are not phrased as specific goals. It is also not presented if the policies are obligatory (like pensions or certain childcare supports) where the government does not have a choice how much to spend on it. The missing information are the macroeconomic numbers, the discussion of new policies and maybe other interesting topics like the state of the government debt or the revenues from EU funds could have been included.

Peer Reviewer

Opinion: Agree

Comments: The Citizen's Budget as the Part of the EBP is visualizing the revenues and expenditures of the budget on pie charts and summarized some of the policies. Considering that the EBP and the EB was significantly modified with the executive decree published as of December 29, 2022, the numerical data is not reliable in the Citizen's Budget. The Citizen's Budget is not available in the modification of the EB submitted to the Parliament as of January 19, 2023, after the start of the Fiscal Year.

Government Reviewer

Opinion:

Researcher Response

The government did not publish a Citizens' Budget about the budget that the government executed in the budget year. There was a Citizens' Budget published alongside the EBP submitted in June 2022, but a government decree overhauled that budget and made the EBP and CB irrelevant to the final budget plans. The government decree or the budget modification submitted in January 2023 did not contain any simplified document at all, so the CB was not produced and we revised the original answer to 'd'.

CB-2b. If you selected option “c” or “d” in question CB-2a, please specify how you determined whether the CB was produced for internal use only, versus not produced at all.

If option “a,”“b,” or “e” was selected in question CB-2a, researchers should mark this question “n/a.”

Answer:
The government did not publish a simplified version for the government decree or the budget modification submitted to the legislature in January 2023 and we assumed there is no point in producing the Citizens' Budget for internal use only, while the aim of the document is to inform wider audiences.

Source:
n/a

Comment:

Peer Reviewer

Opinion: Agree

Comments: In the first version of the Executive Budget Proposal, which was enacted by the Parliament July 19, 2022, the Citizens' Budget is available as the part of the Budget Proposal. The Citizens Budget is not available in the Enacted Budget. There is not information about the existence of the Citizens' Budget for internal purpose only.

Government Reviewer

Opinion:

Researcher Response

We evaluated the government decree published in December 2022 as Enacted Budget. The originally submitted EBP was overwrote by the decree, so

the Citizens' Budget published for that document became irrelevant. The government did not publish a simplified version of the government decree or the EBP the government submitted in January 2023.

CB-3a. If the CB is published, what is the date of publication of the CB?

Note that the date of publication is not necessarily the same date that is printed on the document.
Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2022 should be entered as 05/09/2022. If the document is not published or not produced, leave this question blank.

If more than one Citizens Budget is published, please complete this question for one of them, specifying in the comment box below which document you are referring to, and – in the same comment box – which other Citizens Budget is produced and its dates of publication.

Answer:

Source:
News article on the publication of the supporting documents of the EBP
https://www.portfolio.hu/gazdasag/20220617/hatalmas-fordulat-tobb-megemelt-kulonado-nem-csak-ket-evre-marad-velunk-551323

Comment:
The Citizens' Budget was published among the supplements of the EBP on the webpage of the Parliament. The upload date of the document was verified by the last modification timestamp of the pdf document and news articles about the publication of the supplements.

The article starts with "A kormány péntek délután csatolta a 2023-as költségvetésről szóló törvényjavaslathoz a fejezeti köteteket." meaning "the government attached the supporting documents to the EBP for FY 2023 on Friday afternoon". The article was published on 17 June 2022 (Friday afternoon).

Peer Reviewer
Opinion: Agree
Comments: The Citizens Budget is published only in the EBP which was published on the website of the Parliamentas of July 6, 2022 . The modified EBP published as of April 5, 2022, contains different budgetary elements. The CB contains only some basic information and as the amounts of the budget have changed with the modification, the first version of the CB available in the first version of EBP is not reflecting the modified EBP or the finale EB.

Government Reviewer
Opinion:

Researcher Response
No Citizens' Budget was published about the final budget, so there is no date of publication. As the peer reviewer noted there was a Citizens' Budget for the originally submitted EBP but a government decree in December 2022 overwrote that budget and made the Citizens' Budget irrelevant. There was no other simplified budget document. We revised the answer to blank because the previous answer referred to the CB published for the originally submitted EBP that is now outdated. This is also described in details at question CB-1.

CB-3b. In the box below, please explain how you determined the date of publication of the CB.

If the document is not published at all, researchers should mark this question "n/a."

Answer:
n/a

Source:

"Polgárok Költségvetése" (Citizens' Budget)
URL: https://www.parlament.hu/irom42/00152/adatok/fejezetek/00szemleltetes.pdf

News article on the publication of the supporting documents of the EBP
https://www.portfolio.hu/gazdasag/20220617/hatalmas-fordulat-tobb-megemelt-kulonado-nem-csak-ket-evre-marad-velunk-551323

Comment:
The article starts with "A kormány péntek délután csatolta a 2023-as költségvetésről szóló törvényjavaslathoz a fejezeti köteteket." meaning "the government attached the supporting documents to the EBP for FY 2023 on Friday afternoon". The article was published on 17 June 2022 (Friday afternoon).

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

Researcher Response
Because we modified the answer for question CB-3a to 'not published', we changed the answer for this question to 'n/a'.

IBP Comment
Please see Question CB-1 for more details on why the researcher's answer has changed since the original response.

CB-4. If the CB is published, what is the URL or weblink of the CB?

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should leave this question blank.

If more than one Citizens Budget is published, please complete this question for one of them, specifying in the comment box below which document you are referring to, and – in the same comment box – which other Citizens Budget is produced and its URL or weblink.

Answer:

Source:
"Polgárok Költségvetése" (Citizens' Budget)
URL: https://www.parlament.hu/irom42/00152/adatok/fejezetek/00szemleltetes.pdf

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

Researcher Response
The government did not publish a Citizens' Budget for the final version of the budget (the version that the government started executing in the budget year). The government published a Citizens' Budget for the originally submitted EBP in June 2022 but that budget was overhauled with a government decree in December 2022, so the CB became irrelevant. Since no other document was published that could be treated as CB, the document was not published. The original answer referred to the CB published for the originally submitted EBP but that document is now outdated. This is also described in details at question CB-1.

CB-5. If the CB is produced, please write the full title of the CB.

For example, a title for the Citizens Budget could be "Budget 2022 People's Guide" or "2023 Proposed Budget in Brief: A People's Budget Publication."

If the document is not produced at all, researchers should mark this question "n/a."

If more than one Citizens Budget is produced, for the other CB, indicate the document the CB refers to and, next to it, its full title.

Answer:

Source:
"Polgárok Költségvetése" (Citizens' Budget)
URL: https://www.parlament.hu/irom42/00152/adatok/fejezetek/00szemleltetes.pdf

Comment:
"Polgárok Költségvetése" (Citizens' Budget)

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

Researcher Response
The government did not publish a Citizens' Budget for the budget that the government started executing in the budget year. The government published a Citizens' Budget for the originally submitted EBP but then in December 2022 the government overhauled the budget and essentially created a new one. In January 2023 the government submitted this version to the legislature. Neither the decree nor the budget modification did not contain any simplified budget document. As a result, no CB was published. We revised answer because it referred to the originally submitted (now outdated) EBP and CB. This is also described at question CB-1.

CB-6. If the CB is produced, please indicate which budget document it corresponds to.

If more than one Citizens Budget is produced, please complete this question for one of them, specifying in the comment box below which document you are referring to, and – in the same comment box – which other Citizens Budget is produced and which budget document it simplifies.

Answer:

Source:
"Polgárok Költségvetése" (Citizens' Budget)
URL: https://www.parlament.hu/irom42/00152/adatok/fejezetek/00szemleltetes.pdf

Comment:
The document was published as a supplement for the EBP for FY 2023 and was referring to that document.
The document can also be found through the supplements of the EBP by clicking on "Fejezeti indokolások" and then on "Polgárok Költségvetése" at the bottom of the page:
https://www.parlament.hu/irom42/00152/00152.html

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

Researcher Response

The government did not publish a Citizens' Budget for the budget that the government started executing in the budget year. There was a Citizens' Budget for the originally submitted EBP but the government overhauled that budget with a decree in December 2022 and made the CB outdated. The government decree or the budget modification submitted to the legislature in January 2023 did not have any simplified version, hence no CB was published by the government. We revised the original answer because it referred to the originally submitted (now outdated) EBP.

IYRs-1. What is the fiscal year of the IYRs evaluated in this Open Budget Survey questionnaire?

Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

Answer:
FY 2022

Source:
n/a

Comment:
The latest In-Year Reports until 31 December 2022 were for FY 2022.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

IYRs-2. When are the IYRs made available to the public?

Publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified in the OBS methodology and that all citizens are able to obtain free of charge. (See the Open Budget Survey Guidelines on Public Availability of Budget Documents.) This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.

The OBS methodology requires that for IYRs to be considered publicly available, IYRs must be made available to the public no later than three months after the reporting period ends. If at least seven of the last 12 monthly IYRs, or at least three of the last four quarterly IYRs are not released to the public at least three months after the reporting period ends, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the IYRs.

Answer:
a. At least every month, and within one month of the period covered

Source:
n/a

Comment:
The In-Year Reports are published monthly and about 20 days after the end of the covered period.

Peer Reviewer
Opinion: Agree

Government Reviewer

Opinion:

IYRs-3a. If the IYRs are published, what are the dates of publication of the IYRs?

Specifically: if quarterly In-Year Reports are published, indicate the dates of publication of at least three of the last four IYRs that were publicly available. If monthly IYRs are published, indicate the dates of publication of at least seven of the last 12 IYRs that were publicly available.

Note that the date of publication is not necessarily the same date that is printed on the document.
Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.

Please enter the date in the following format: "DD Month YYYY." For example, 5 September 2022 should be entered as 05 September 2022. If the document is not published or not produced, please mark this question "n/a."

Answer:
The IYR for November 2022: 21 December 2022
The IYR for October 2022: 22 November 2022
The IYR for September 2022: 21 October 2022
The IYR for August 2022: 23 September 2022
The IYR for July 2022: 23 August 2022
The IYR for June 2022: 22 July 2022
The IYR for May 2022: 22 June 2022
The IYR for April 2022: 23 May 2022
The IYR for March 2022: 25 April 2022

Source:
IYR for November 2022: https://cdn.kormany.hu//uploads/sheets//7/75/756/75695a68b0de25d77e2989b9649e7d6.pdf
IYR for October 2022: https://cdn.kormany.hu//uploads/sheets//e/ef/ef9/ef9351789515f3da145139cfd0664a9.pdf
IYR for September 2022: https://cdn.kormany.hu//uploads/sheets//7/7f/7ff/7ff1f42327e22904d9ceb179995483f.pdf
IYR for August 2022: https://cdn.kormany.hu//uploads/sheets//5/58/58b/58bbcd1a3902e738d8e9d0921769d08.pdf
IYR for July 2022: https://cdn.kormany.hu//uploads/sheets//7/75/75d/75d519046c9dcba1fd42af137732a84.pdf
IYR for June 2022: https://cdn.kormany.hu//uploads/sheets//9/94/945/94591f1631354d79d807ced1bf640d4.pdf
IYR for May 2022: https://cdn.kormany.hu//uploads/sheets//1/1f/1f0/1f0ef852da69a69502fb990170c0352.pdf
IYR for April 2022: https://cdn.kormany.hu//uploads/sheets//7/77/77f/77f0fb5c3577f4afc95b812ca14054d.pdf
IYR for March 2022: https://cdn.kormany.hu//uploads/sheets//8/83/833/8335dd45292fdaf2b8697f7b626a755.pdf

Comment:
The In-Year Reports are published in a drop-down menu on the Ministry of Finance's webpage. The publication date was determined by checking the last modification timestamp of the pdf document by clicking one the "részletes ÁHT mérleget itt" link. The timestamp was checked with the javascript:alert(document.lastModified) command in the browser.
The links for the pdf documents are provided in the source section.

The In-Year Reports are available on the below link:
https://kormany.hu/penzugyminiszterium/aht-jelentesek
The narrative explanation is published under the link in "mellékelt tájékoztató pedig ezen a linken", while the monthly balance sheet in pdf under the link in "részletes ÁHT mérleget itt".
The narrative explanation shows the referenced month and year on the starting page, but not the exact publication date.

The government stopped announcing the In-Year Reports in the news, so the publication dates cannot be confirmed by the announcement dates, only by the upload dates.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

IYRs-3b. In the box below, please explain how you determined the date of publication of the IYRs.

If the document is not published at all, researchers should mark this question "n/a."

Answer:
The publication date was determined by checking the last modification timestamp of the pdf documents by clicking one the "részletes ÁHT mérleget itt" link. The timestamps were checked with the javascript:alert(document.lastModified) command in the browser.

Source:
n/a

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

IYRs-4. If the IYRs are published, what is the URL or weblink of the IYRs?

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.

Researchers should provide the weblink to the most recent In-Year Report in the space below, and – in the comment box underneath – the weblinks to older IYRs.

If the document is not published at all, researchers should leave this question blank.

Answer:
https://kormany.hu/penzugyminiszterium/aht-jelentesek

Source:
n/a

Comment:
The In-Year Reports are published in a drop-down menu on the Ministry of Finance's webpage. The narrative explanation is published under the link in "mellékelt tájékoztató pedig ezen a linken", while the monthly balance sheet in pdf under the link in "részletes ÁHT mérleget itt". The narrative explanation is in docx, the balance sheet is in pdf format.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

IYRs-5. If the IYRs are published, are the numerical data contained in the IYRs available in a machine readable format?

Material (data or content) is machine readable if it is in a format that can be easily processed by a computer, such as .csv, .xls/.xlsx, and .json. Numerical data

found in PDFs, Word (.doc/.docx) and HTML files do not qualify as machine readable. See more at: http://opendatahandbook.org/glossary/en/terms/machine-readable/

Option "d" applies if the IYRs are not publicly available, therefore their machine readability cannot be assessed.

Answer:
b. Yes, some of the numerical data are available in a machine readable format

Source:
Data on the webpage of the Treasury:
https://www.allamkincstar.gov.hu/Koltsegvetes/Kozponti_alrendszer_-_Merlegek/a-kozponti-alrendszer-koltsegvetesi-merlege/Archivum/2022

Data on the webpage of Debt Management Agency:
In Hungarian: https://www.akk.hu/content/path=havi-monitoring
In English: https://www.akk.hu/content/path=monthly-report-debt-transactions-analysis

Comment:
The monthly balance sheets are published in pdf, but the same data is available on the webpage of the Treasury in Excel format. The webpage of the Treasury is referenced generally in the footnotes of the first page of the narrative discussion.
The data related to monthly government debt is available on the webpage of the Debt Management Agency in Excel format. This is not linked in the narrative discussion of the IYR.

Additional data is presented in the narrative explanation that can be copied from the docx but they are not available in a separate machine readable format. For example on page 4 the table "Általános forgalmi adó bevétel alakulása" shows details about VAT, or on page 19 the table "A kamategyenleg összetétele" shows details about the interest expenditures and revenues related to state debt. These tables are not published in separate files.

URL for the narrative explanation of IYR for November 2022:
https://cdn.kormany.hu//uploads/sheets//0/01/012/012c109fefca6a6ba0b0047ef329c3a.docx

Most of the published data are available in Excel files on the webpages of the Treasury and the Debt Management Agency.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

IYRs-6a. If the IYRs are not publicly available, are they still produced?

If the IYRs are not considered publicly available under the OBS methodology (and thus the answer to Question IYRs-2 was "d"), a government may nonetheless produce the document.

Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question IYRs-2).
Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.
Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.
Option "d" applies if the document is not produced at all.
Option "e" applies if the document is publicly available.

If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.

Answer:
e. Not applicable (the document is publicly available)

Source:
n/a

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

IYRs-6b. If you selected option "c" or "d" in question IYRs-6a, please specify how you determined whether the IYRs were produced for internal use only, versus not produced at all.

If option "a,""b," or "e" was selected in question IYRs-6a, researchers should mark this question "n/a."

Answer:

Source:

Comment:

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

IYRs-7. If the IYRs are produced, please write the full title of the IYRs.

For example, a title for the In-Year Report could be "Budget Monitoring Report, Quarter 1" or "Budget Execution Report January-March 2022."

If In-Year Reports are not produced at all, researchers should mark this question "n/a."

Researchers should provide the full title of the most recent In-Year Report in the space below, and – in the comment box underneath – the full titles of older IYRs.

Answer:
Részletes tájékoztató az államháztartás központi alrendszerének 2022. november végi helyzetéről

Source:
The In-Year reports on the webpage of the Ministry of Finance:
https://kormany.hu/penzugyminiszterium/aht-jelentesek

Comment:
The title follows the format „Report on State of the Central Budget at the end of [month] 2022"
IYR for November 2022: "Részletes tájékoztató az államháztartás központi alrendszerének 2022. november végi helyzetéről"
IYR for October 2022: "Részletes tájékoztató az államháztartás központi alrendszerének 2022. október végi helyzetéről"
IYR for September 2022: "Részletes tájékoztató az államháztartás központi alrendszerének 2022. szeptember végi helyzetéről"

IYR for August 2022: “Részletes tájékoztató az államháztartás központi alrendszerének 2022. augusztus végi helyzetéről”
IYR for July 2022: “Részletes tájékoztató az államháztartás központi alrendszerének 2022. július végi helyzetéről”
IYR for June 2022: “Részletes tájékoztató az államháztartás központi alrendszerének 2022. június végi helyzetéről”
IYR for May 2022: “Részletes tájékoztató az államháztartás központi alrendszerének 2022. május végi helyzetéről”
IYR for April 2022: “Részletes tájékoztató az államháztartás központi alrendszerének 2022. április végi helyzetéről”
IYR for March 2022: “Részletes tájékoztató az államháztartás központi alrendszerének 2022. március végi helyzetéről”

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

IYRs-8. Is there a “citizens version” of the IYRs?

While the Citizens Budget was initially conceived as a simplified version of the Executive’s Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a “citizens” version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle. While it is recognized that it may be unreasonable to expect that a citizens version is produced for each and every one of those key documents, it seems acceptable to expect that according to good practice, the executive releases a citizens version of key budget documents for each of the four stages of the budget process to allow citizens to be aware of what is happening, in terms of public financial management, throughout the entire budget cycle. For more information on Citizens Budget see: https://www.internationalbudget.org/publications/citizens-budgets/.

Answer:
b. No

Source:
Flash Report for IYR of November 2022:
https://kormany.hu/hirek/a-kormany-tartja-a-koltsegvetesi-hianycelt

Flash Report for IYR of October 2022:
https://kormany.hu/hirek/eredmenyes-a-takarekos-koltsegvetesi-gazdalkodas

Flash Report for IYR of September 2022:
https://kormany.hu/hirek/felelos-gazdalkodassal-vedekezik-a-kormany-a-szankcios-valsag-hatasai-ellen

Comment:
The Ministry of Finance publishes flash reports as announcements about the monthly reports. These are summaries of the IYRs main numbers, well before the actual publication of the IYRs. These are published about 7-8 days after the end of the covered period, while the IYRs published about 20 days after it. It describes the deficit numbers for each government sector and mentions some of the revenue and expenditures items. However it does not provide a context for these items like what was expected, how the numbers compare to the originally planned numbers or what are the budgetary trends. The headline numbers are useful for media news, but do not provide an easily comprehensible document for the readers.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

MYR-1. What is the fiscal year of the MYR evaluated in this Open Budget Survey questionnaire?

Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

Answer:
FY 2022

Source:
n/a

Comment:
The latest MYR until 31 December 2022 should have been for FY 2022.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

MYR-2. When is the MYR made available to the public?

Publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified in the OBS methodology and that all citizens are able to obtain free of charge. (See the Open Budget Survey Guidelines on Public Availability of Budget Documents.) This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.

The OBS methodology requires that for an MYR to be considered publicly available, it must be made available to the public no later than three months after the reporting period ends (i.e., three months after the midpoint of the fiscal year). If the MYR is not released to the public at least three months after the reporting period ends, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the MYR.

Answer:
d. The MYR is not released to the public, or is released more than three months after the midpoint

Source:
n/a

Comment:
We did not find any document that satisfied the requirements for Mid-Year Review.
The IYR for June is not different from any other IYR, it did not include additional data or review about the macroeconomic and/or budgetary trends.
The State Audit Office and the National Bank of Hungary published similar documents but they are independent from the government, so these documents were not treated as Mid-Year Review. These document were prepared for the Fiscal Council and included the review of macroeconomic assumptions, the detailed presentation of the actual outcomes for certain expenditure and revenue items as well as the updated estimates for the year-end.
The government also prepared a regular document on the expected total outstanding debt at the end of the budget year and sent it to the Budgetary Committee of the Parliament but the document was not published. The document contained information about the total outstanding debt of the different sectors of the government, the assessment of the debt rule and the methodology of the assessment. The document is required by 5. § (1) of act CXCIV of 2011 on the economic stability of Hungary. It did not fulfil the requirement of the Mid-Year Review.
We received information about this second document from the Chairman of the Budgetary Committee as the addressee of this document. The details are provided in his reply published on the webpage of the Committee. The contents of the document are described in the first paragraph in the section "A dokumentum tartalmazza többek között…"

"Válaszlevél a Költségvetési Felelősségi Intézet megkeresésére" (Reply to the inquiry from Fiscal Responsibility Institute)
URL: https://www.parlament.hu/documents/129373/1562331/V%C3%A1laszlev%C3%A9l.pdf/650468f0-5162-3ee8-a7fe-56b29bab4dd9?t=1684739731191

"Elemzés a Költségvetési Tanács részére a 2022. I. félévi költségvetési folyamatokról" (Analysis for the Fiscal Council on the budgetary trends in the first half of 2022)

URL: https://www.asz.hu/dokumentumok/E2246__2022_I_felevi_KT_elemzes_.pdf

"Költségvetési jelentés" (Public Finance Report)
In Hungarian: https://www.mnb.hu/letoltes/koltsegvetesi-jelentes-feleves-jelentes-2022.pdf
In English: https://www.mnb.hu/letoltes/mnb-public-finance-report-2022-october.pdf

IYR for June 2022
URL: https://cdn.kormany.hu//uploads/sheets//4/4f/4f2/4f2bf61a710e394d1cd5252be1e6605.docx

In Hungarian: 2011. évi CXCIV. törvény Magyarország gazdasági stabilitásáról
In English: Act CXCIV of 2011 on the economic stability of Hungary
URL: https://net.jogtar.hu/jogszabaly?docid=a1100194.tv

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

MYR-3a. If the MYR is published, what is the date of publication of the MYR?

Note that the date of publication is not necessarily the same date that is printed on the document.

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2022 should be entered as 05/09/2022. If the document is not published or not produced, leave this question blank.

Answer:

Source:
n/a

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

MYR-3b. In the box below, please explain how you determined the date of publication of the MYR.

If the document is not published at all, researchers should mark this question "n/a."

Answer:
n/a

Source:
n/a

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

MYR-4. If the MYR is published, what is the URL or weblink of the MYR?

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should leave this question blank.

Answer:

Source:
n/a

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

MYR-5. If the MYR is published, are the numerical data contained in the MYR available in a machine readable format?

Material (data or content) is machine readable if it is in a format that can be easily processed by a computer, such as .csv, .xls/.xlsx, and .json. Numerical data found in PDFs, Word (.doc/.docx) and HTML files do not qualify as machine readable. See more at: http://opendatahandbook.org/glossary/en/terms/machine-readable/.

Option "d" applies if the MYR is not publicly available, therefore its machine readability cannot be assessed.

Answer:
d. Not applicable

Source:
n/a

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer

Opinion:

MYR-6a. If the MYR is not publicly available, is it still produced?

If the MYR is not considered publicly available under the OBS methodology (and thus the answer to Question MYR-2 was "d"), a government may nonetheless produce the document.

Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question MYR-2).
Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.
Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.
Option "d" applies if the document is not produced at all.
Option "e" applies if the document is publicly available.

If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.

Answer:
c. Produced for internal purposes/use only

Source:
In Hungarian: 2011. évi CXCIV. törvény Magyarország gazdasági stabilitásáról
In English: Act CXCIV of 2011 on the economic stability of Hungary
URL: https://net.jogtar.hu/jogszabaly?docid=a1100194.tv
5. § (1)

Comment:
The government has a legal obligation to review the state of government debt based on the half-year data and inform the Fiscal Council and the Budgetary Committee of the Parliament about the results. If necessary the government has to submit a proposal to modify the central budget. The government prepared the required document but it only contained information on the expected total debt of the different sectors of the government, the assessment of the debt rule and the methodology of the assessment.
To fulfil this obligation and prepare the assessment of the debt rule the government must create a review of the macroeconomic and budgetary trends after mid-year.
We received information about the contents of the document from the Chairman of the Budgetary Committee. The contents of the document are described in the first paragraph in the section "A dokumentum tartalmazza többek között…"

"Válaszlevél a Költségvetési Felelősségi Intézet megkeresésére" (Reply to the inquiry from Fiscal Responsibility Institute)
URL: https://www.parlament.hu/documents/129373/1562331/V%C3%A1laszlev%C3%A9l.pdf/650468f0-5162-3ee8-a7fe-56b29bab4dd9?t=1684739731191

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

MYR-6b. If you selected option "c" or "d" in question MYR-6a, please specify how you determined whether the MYR was produced for internal use only, versus not produced at all.

If option "a,""b," or "e" was selected in question MYR-6a, researchers should mark this question "n/a."

Answer:
The government has a legal obligation to review the state of government debt based on the half-year data and inform the Fiscal Council and the Budgetary Committee of the Parliament about the results. If necessary the government has to submit a proposal to modify the central budget. The government prepared the required document but it only contained information on the expected total debt of the different sectors of the government, the assessment of the debt rule and the methodology of the assessment.
To fulfill this obligation and prepare the assessment of the debt rule the government must create a review of the macroeconomic and budgetary trends after mid-year.
The legal obligation is in the Act CXCIV of 2011 on the economic stability of Hungary in 5. § (1).

Source:
In Hungarian: 2011. évi CXCIV törvény Magyarország gazdasági stabilitárásól
In English: Act CXCIV of 2011 on the economic stability of Hungary
URL: https://net.jogtar.hu/jogszabaly?docid=a1100194.tv
5. § (1)

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

MYR-7. If the MYR is produced, please write the full title of the MYR.

For example, a title for the Mid-Year Review could be "Semi-annual Budget Performance Report, FY 2021/22" or "Mid-Year Report on the 2022 National Budget."

If the document is not produced at all, researchers should mark this question "n/a."

Answer:
n/a

Source:
n/a

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

MYR-8. Is there a "citizens version" of the MYR?

While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle. While it is recognized that it may be unreasonable to expect that a citizens version is produced for each and every one of those key documents, it seems acceptable to expect that according to good practice, the executive releases a citizens version of key budget documents for each of the four stages of the budget process to allow citizens to be aware of what is happening, in terms of public financial management, throughout the entire budget cycle. For more information on Citizens Budget see:

https://www.internationalbudget.org/publications/citizens-budgets/.

Answer:
b. No

Source:
n/a

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

YER-1. What is the fiscal year of the YER evaluated in this Open Budget Survey questionnaire?

Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

Answer:
FY 2021

Source:
n/a

Comment:
The latest Year-End Report until 31 December 2022 was for FY 2021

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

YER-2. When is the YER made available to the public?

Publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified in the OBS methodology and that all citizens are able to obtain free of charge. (See the Open Budget Survey Guidelines on Public Availability of Budget Documents.) This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.

The OBS methodology requires that for an YER to be considered publicly available, it must be made available to the public no later than one year after the fiscal year to which it corresponds. If the YER is not released to the public within one year after the end of the fiscal year to which it corresponds, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the YER.

Answer:
c. More than nine months, but within 12 months, after the end of the budget year

Source:
In Hungarian: 2011. évi CXCV törvény az államháztartásról
In English: Act CXCV on the State Budget
URL: https://net.jogtar.hu/jogszabaly?docid=A1100195.TV

The submitted YER for FY 2021 on the webpage of the Parliament: https://www.parlament.hu/web/guest/iromanyok-lekerdezese?p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_auth=H84yV2j1&_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_irom.irom_adat%3Fp_ckl%3D42%26p_izon%3D1877

The submitted YER for FY 2020 on the webpage of the Parliament:
https://www.parlament.hu/web/guest/iromanyok-elozo-ciklusbeli-adatai?p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_auth=H84yV2j1&_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_irom.irom_adat%3Fp_ckl%3D41%26p_izon%3D17188

Comment:
The legal rules (in 90. § of the cited act) oblige the Government to submit the YER to the Parliament until 30 September (or until 10 November in election years) in the year after the fiscal year. The deadline for the election years was introduced in another act in 2022.
On the webpage of the Parliament the row „Benyújtva" shows that the YER was submitted to the Parliament on 8 November 2022. For the previous year it was submitted on 30 September 2021.
While the government generally publishes the YER in nine months after the budget year, it is not ensured after the modification in election years and the November publication is significantly over the nine months period, so we selected answer 'C' to be consistent with international scorings.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

YER-3a. If the YER is published, what is the date of publication of the YER?

Note that the date of publication is not necessarily the same date that is printed on the document.
Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2022 should be entered as 05/09/2022. If the document is not published or not produced, leave this question blank.

Answer:
8/11/2022

Source:
The submitted YER for FY 2021 on the webpage of the Parliament:
https://www.parlament.hu/web/guest/iromanyok-lekerdezese?p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_auth=H84yV2j1&_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_irom.irom_adat%3Fp_ckl%3D42%26p_izon%3D1877

Comment:
The date of publication is shown in the row „Benyújtva" on the webpage of the Parliament. It was verified by the last modification timestamp of the uploaded pdf documents using the javascript:alert(document.lastModified) command in the browser. The uploaded html page shows one day earlier date.
The Parliament has a legal obligation to publish all documents immediately after they are submitted, so the date of submission and publication are

the same.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

YER-3b. In the box below, please explain how you determined the date of publication of the YER.

If the document is not published at all, researchers should mark this question "n/a."

Answer:
We used the date on the webpage of the Parliament, because there was no announcement from the government or any other news articles about the submission. It was also verified by the last modification timestamp of the uploaded pdf documents using the javascript:alert(document.lastModified) command in the browser. The uploaded html page shows one day earlier date.

Source:
The submitted YER for FY 2021 on the webpage of the Parliament:
https://www.parlament.hu/web/guest/iromanyok-lekerdezese?p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_auth=H84yV2j1&_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_irom.irom_adat%3Fp_ckl%3D42%26p_izon%3D1877

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

YER-4. If the YER is published, what is the URL or weblink of the YER?

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should leave this question blank.

Answer:
https://www.parlament.hu/irom42/01877/01877.html

Source:
The YER on the webpage of the Parliament:
https://www.parlament.hu/irom42/01877/01877.html

Comment:
The link presents the YER in two versions: the first group of links leads to each document individually while the second group leads to the document edited into nine volumes. Their content is the same.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

YER-5. If the YER is published, are the numerical data contained in the YER available in a machine readable format?

Material (data or content) is machine readable if it is in a format that can be easily processed by a computer, such as .csv, .xls/.xlsx, and .json. Numerical data found in PDFs, Word (.doc/.docx) and HTML files do not qualify as machine readable. See more at: http://opendatahandbook.org/glossary/en/terms/machine-readable/

Option "d" applies if the YER is not publicly available, therefore its machine readability cannot be assessed.

Answer:
c. No

Source:
The YER on the webpage of the Parliament:
https://www.parlament.hu/irom42/01877/01877.html

Comment:
All the documents are in pdf format.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

YER-6a. If the YER is not publicly available, is it still produced?

If the YER is not considered publicly available under the OBS methodology (and thus the answer to Question YER-2 was "d"), a government may nonetheless produce the document.

Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question YER-2)
Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.
Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.
Option "d" applies if the document is not produced at all.
Option "e" applies if the document is publicly available.

If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.

Answer:
e. Not applicable (the document is publicly available)

Source:

n/a

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

YER-6b. If you selected option "c" or "d" in question YER-6a, please specify how you determined whether the YER was produced for internal use only, versus not produced at all.

If option "a,""b," or "e" was selected in question YER-6a, researchers should mark this question "n/a."

Answer:
n/a

Source:
n/a

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

YER-7. If the YER is produced, please write the full title of the YER.

For example, a title for the Year-End Report could be "Consolidated Financial Statement for the Year Ended 31 March 2022" or "Annual Report 2021 Published by the Ministry of Finance and Planning." If the document is not produced at all, researchers should mark this question "n/a."

Answer:
T/1877. számú törvényjavaslat a Magyarország 2021. évi központi költségvetéséről szóló 2020. évi XC. törvény végrehajtásáról

Source:
The YER on the webpage of the Parliament:
https://www.parlament.hu/irom42/01877/01877.html

Comment:
T/1877. számú törvényjavaslat a Magyarország 2021. évi központi költségvetéséről szóló 2020. évi XC. törvény végrehajtásáról
(Bill No. T/1877 on the Execution of Act XC of 2020 on the Central Budget of Hungary for FY 2021)

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

YER-8. Is there a "citizens version" of the YER?

While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle. While it is recognized that it may be unreasonable to expect that a citizens version is produced for each and every one of those key documents, it seems acceptable to expect that according to good practice, the executive releases a citizens version of key budget documents for each of the four stages of the budget process to allow citizens to be aware of what is happening, in terms of public financial management, throughout the entire budget cycle. For more information on Citizens Budget see: https://www.internationalbudget.org/publications/citizens-budgets/.

Answer:
b. No

Source:
n/a

Comment:
All the documents are in pdf and the government did not publish other version of the YER.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

AR-1. What is the fiscal year of the AR evaluated in this Open Budget Survey questionnaire?

Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

Answer:
FY 2021

Source:
n/a

Comment:
The latest Audit Report until 31 December 2022 was for FY 2021.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

AR-2. When is the AR made available to the public?

Publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified in the OBS methodology and that all citizens are able to obtain free of charge. (See the Open Budget Survey Guidelines on Public Availability of Budget Documents.) This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.

The OBS methodology requires that for an AR to be considered publicly available, it must be made available to the public no later than 18 months after the end of the fiscal year to which it corresponds. If the AR is not released to the public at least 18 months after the end of the fiscal year to which it corresponds, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the AR.

Answer:
b. 12 months or less, but more than six months, after the end of the budget year

Source:
In Hungarian: 2011. évi CXCV törvény az államháztartásról
In English: Act CXCV on the State Budget
URL: https://net.jogtar.hu/jogszabaly?docid=A1100195.TV

The Audit Report on webpage of the State Audit Office:
In Hungarian: https://www.asz.hu/dokumentumok/22061.pdf
In English (only the summary is available): https://www.asz.hu/en/audit-reports
List of reports on the webpage of the State Audit Office (the Audit Report is number 22061 in the "Sorszám" column):
In Hungarian: https://www.asz.hu/jelentesek

The Audit Report on the webpage of the Parliament
URL: https://www.parlament.hu/web/guest/iromanyok-lekerdezese?
p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_auth=4iCEkUqN&
_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_irom.irom_madat%3Fp_ckl%3D42%26
p_izon%3D1877%26p_alsz%3D1

Comment:
According to the legal rules (in 90. § of the cited act) the Audit Report has to be submitted alongside the Year-End Report to the Parliament. The YER shall be submitted until 30 September (10 November in election years) in the year after the period covered.
The date of publication can be checked in the row "Benyújtva" on the webpage of the Parliament or in the list of reports checking the date of document "22061 - 2021. évi zárszámadás – Magyarország 2021. évi központi költségvetése végrehajtásának ellenőrzése".

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

AR-3a. If the AR is published, what is the date of publication of the AR?

Note that the date of publication is not necessarily the same date that is printed on the document.
Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2022 should be entered as 05/09/2022. If the document is not published or not produced, leave this question blank.

Answer:
17/11/2022

Source:
The Audit Report on webpage of the State Audit Office:
In Hungarian: https://www.asz.hu/dokumentumok/22061.pdf
In English: https://www.asz.hu/en/audit-reports
List of reports on the webpage of the State Audit Office (the Audit Report is number 22061 in the "Sorszám" column):
In Hungarian: https://www.asz.hu/jelentesek

Announcement of the Audit Report:
In Hungarian: https://www.asz.hu/szabalyszeru-volt-a-2021-evi-koltsegvetes-vegrehajtasa

The Audit Report on the webpage of the Parliament
URL: https://www.parlament.hu/web/guest/iromanyok-lekerdezese?
p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_auth=4iCEkUqN&
_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_irom.irom_madat%3Fp_ckl%3D42%26
p_izon%3D1877%26p_alsz%3D1

Comment:
On the webpage of the Parliament the row „Benyújtva" shows the date of submission. The Parliament uploads to its webpage and publishes all submitted documents immediately.
In the announcement of the Audit Report the date is shown under the title. Furthermore the date is also shown in the list of reports in the column "Közzététel dátuma" (Publication date). Document "22061 - 2021. évi zárszámadás – Magyarország 2021. évi központi költségvetése végrehajtásának ellenőrzése" is the Audit Report and it has the same date.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

AR-3b. In the box below, please explain how you determined the date of publication of the AR.

If the document is not published at all, researchers should mark this question "n/a."

Answer:
We checked the date on the webpage of the Parliament and the State Audit Office. Both webpage showed the same date.
The timestamp of the pdf document on the webpage of the SAO showed a later date that may have been caused by the new webpage.

Source:
Announcement of the Audit Report:
In Hungarian: https://www.asz.hu/szabalyszeru-volt-a-2021-evi-koltsegvetes-vegrehajtasa

List of reports on the webpage of the State Audit Office (the Audit Report is number 22061 in the "Sorszám" column):
In Hungarian: https://www.asz.hu/jelentesek

The Audit Report on the webpage of the Parliament
URL: https://www.parlament.hu/web/guest/iromanyok-lekerdezese?
p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_auth=4iCEkUqN&
_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_irom.irom_madat%3Fp_ckl%3D42%26
p_izon%3D1877%26p_alsz%3D1

Comment:
On the webpage of the Parliament the row „Benyújtva" shows the date of submission. The Parliament uploads to its webpage and publishes all submitted documents immediately.

In the announcement of the Audit Report the date is shown under the title. Furthermore the date is also shown in the list of reports in the column “Közzététel dátuma” (Publication date). Document “22061 - 2021. évi zárszámadás – Magyarország 2021. évi központi költségvetése végrehajtásának ellenőrzése“ is the Audit Report and it has the same date.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

AR-4. If the AR is published, what is the URL or weblink of the AR?

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should leave this question blank.

Answer:
https://www.parlament.hu/irom42/01877/01877-0001.pdf

Source:
The document on the webpage of the Parliament:
https://www.parlament.hu/irom42/01877/01877-0001.pdf

The document on the webpage of the State Audit Office:
https://www.asz.hu/dokumentumok/22061.pdf

Comment:
The Audit Report is available on the webpage of the Parliament and the State Audit Office. The same document is uploaded to both webpages.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

AR-5. If the AR is published, are the numerical data contained in the AR available in a machine readable format?

Material (data or content) is machine readable if it is in a format that can be easily processed by a computer, such as .csv, .xls/.xlsx, and .json. Numerical data found in PDFs, Word (.doc/.docx) and HTML files do not qualify as machine readable. See more at: http://opendatahandbook.org/glossary/en/terms/machine-readable/

Option “d” applies if the AR is not publicly available, therefore its machine readability cannot be assessed.

Answer:
c. No

Source:
n/a

Comment:
The document is only available in pdf format and no additional supplement or file was published alongside it.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

AR-6a. If the AR is not publicly available, is it still produced?

If the AR is not considered publicly available under the OBS methodology (and thus the answer to Question AR-2 was "d"), a government may nonetheless produce the document.

Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question AR-2).
Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.
Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.
Option "d" applies if the document is not produced at all.
Option "e" applies if the document is publicly available.

If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.

Answer:
e. Not applicable (the document is publicly available)

Source:
n/a

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

AR-6b. If you selected option "c" or "d" in question AR-6a, please specify how you determined whether the AR was produced for internal use only, versus not produced at all.

If option "a,""b," or "e" was selected in question AR-6a, researchers should mark this question "n/a."

Answer:
n/a

Source:
n/a

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

AR-7. If the AR is produced, please write the full title of the AR.

For example, a title for the Audit Report could be "Annual General Reports of the Controller and Auditor General." If the document is not produced at all, researchers should mark this question "n/a."

Answer:
Jelentés - 2021. évi zárszámadás – Magyarország 2021. évi központi költségvetése végrehajtásának ellenőrzése

Source:
The document on the webpage of the Parliament:
https://www.parlament.hu/irom42/01877/01877-0001.pdf

Comment:
Jelentés - 2021. évi zárszámadás – Magyarország 2021. évi központi költségvetése végrehajtásának ellenőrzése (Report - Year-End Report of FY 2021 - Audit of the Execution of the Central Budget for FY 2021)

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

AR-8. Is there a "citizens version" of the AR?

While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle. While it is recognized that it may be unreasonable to expect that a citizens version is produced for each and every one of those key documents, it seems acceptable to expect that according to good practice, the executive releases a citizens version of key budget documents for each of the four stages of the budget process to allow citizens to be aware of what is happening, in terms of public financial management, throughout the entire budget cycle. For more information on Citizens Budget see: https://www.internationalbudget.org/publications/citizens-budgets/.

Answer:
b. No

Source:
Announcement of the Audit Report:
In Hungarian: https://www.asz.hu/szabalyszeru-volt-a-2021-evi-koltsegvetes-vegrehajtasa

Comment:
The State Audit Office did not publish any other version of the document. There was an announcement of the news portal of the SAO but that was a summary of the main findings for the media, not a simplified version of the document.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

GQ-1a. Are there one or more websites or web portals for disseminating government fiscal information? If yes, please provide the necessary links in the comment/citation.

GQ-1a asks the researcher to list any government websites or portals where fiscal information can be found. For example, in New Zealand the Treasury website (http://www.treasury.govt.nz/) hosts important budget-related information, including the Pre-Budget Statement, the Executive's Budget Proposal, the Citizens Budget, In-Year Reports, the Mid-Year Review, and the Year-End Report. In addition, New Zealand's Parliamentary Counsel Office (http://www.legislation.govt.nz/) posts the Enacted Budget while the Controller and Auditor-General website (http://www.oag.govt.nz/) publishes the annual Audit Report. The New Zealand researcher would provide the links to each of these sites. Other countries have developed portals that include fiscal information, though not in the "documents" format. For example, these portals have been created by Mexico (https://www.transparenciapresupuestaria.gob.mx/) and Brazil (http://www.portaltransparencia.gov.br/). Some countries have both a website and a portal. The Brazilian government, for example, apart from the Transparency Portal, has a dedicated website for the federal budget, where all key documents and other information can be found (https://www.gov.br/economia/pt-br/assuntos/planejamento-e-orcamento/orcamento). Researchers should include details about all of the relevant websites and/or portals that can be used to access budget information.

Answer:
a. Yes

Source:
The fiscal information on the webpage of the Treasury:

Balance sheet of the central budget as bilingual excel files: https://www.allamkincstar.gov.hu/Koltsegvetes/Kozponti_alrendszer_-_Merlegek/a-kozponti-alrendszer-koltsegvetesi-merlege

Monthly reports of the expenditures and revenues in the structure of the 1st appendix of the budget:
https://www.allamkincstar.gov.hu/Koltsegvetes/Kozponti_alrendszer_-_Reszletezo_adatok/kozponti-koltsegvetes-vegrehajtasanak-adatai

Balance sheet of the social security funds as bilingual excel files:
https://www.allamkincstar.gov.hu/Koltsegvetes/Kozponti_alrendszer_-_Merlegek/tb-alapok-merlege
Balance sheet of separated state funds as bilingual excel files:
https://www.allamkincstar.gov.hu/Koltsegvetes/Kozponti_alrendszer_-_Merlegek/elkulonitett-penzalapok-merlege
Balance sheet information in functional classification:
https://www.allamkincstar.gov.hu/Koltsegvetes/Kozponti_alrendszer_-_Merlegek/funkcionalis-merlegek

Information related to government debt on the webpage of Debt Management Agency:
Monthly reports on the government debt:
In Hungarian: https://www.akk.hu/content/path=havi-monitoring
In English: https://www.akk.hu/content/path=monthly-report-debt-transactions-analysis
Statistics on the government debt:
In Hungarian: https://www.akk.hu/statisztika/allamadossag-finanszirozas
In English: https://www.akk.hu/statistics/public-debt-finance

The budget documents are available on the webpage of the Parliament, Ministry of Finance and State Audit Office:
Search on the webpage of the Parliament for the budget documents in the current election cycle:
https://www.parlament.hu/web/guest/iromanyok-lekerdezese?
p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=http%3A%2F%2Fwww.parlament.hu%2Finternet%2Fcplsql%2Fogy_irom.irom_lekerd%3FP_TIP%3Dnull%26P_CKL%3D42%26P_PARAM%3DI%26P_CIM%3Dk%25C3%25B6lts%25C3%25A9gvet%25C3%25A9s%26P_FOTIP%3Dnull%26P_FOTIP%3DT&p_auth=xcYodpsP

Reports of the State Audit Office on the EBP and YER (All the reports are shown in one list. The second link points to the reports archive. The documents related to budgetary documents have the title "Vélemény a xxxx. évi központi költségvetésről" or "xxxx. évi zárszámadás" and can be filtered by keywords like "vélemény" or "zárszámadás" in the box "Keresés" (Search)):

https://www.asz.hu/jelentesek
https://www.asz.hu/jelentesek-archivum
Analyses about the budgetary trends can be found among the documents related to the Fiscal Council:
https://www.asz.hu/koltsegvetesi-tanacs

The monthly reports are published on the webpage of Ministry of Finance in one place:
https://kormany.hu/penzugyminiszterium/aht-jelentesek
Other budget documents on the webpage of Ministry of Finance (these are the planning guidelines for the budgetary institutions):
https://ngmszakmaiteruletek.kormany.hu/koltsegvetes

Additional information are available on the webpage of the Fiscal Council:
Webpage of the Fiscal Council:
http://www.parlament.hu/web/koltsegvetesi-tanacs

Comment:
There is no structured, central portal for disseminating government fiscal information. The government publishes the information dispersed among many sites.
The documents on the webpage of the Parliament can be searched under the "Irományok" -> "Irományok lekérdezése" menu by selecting "törvényjavaslat" in the box "Főtípus" (Main category) and typing "költségvetés" (budget) in the "Cím" (Title). This lists all the bills submitted to the Parliament with the budget in its title.

Since the last Survey the Central Statistical Office stopped publishing the revenue and expenditure data and redirects to the webpage to the State Treasury. The notice is shown at the top of the page.
Statistics on the webpage of Central Statistical Office:
Revenues
http://www.ksh.hu/docs/hun/xstadat/xstadat_evkozi/e_qse006j.html
Expenditures
http://www.ksh.hu/docs/hun/xstadat/xstadat_evkozi/e_qse007j.html

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

GQ-1b. On these websites/portals, can revenue and/or expenditure data for the current fiscal year be downloaded as a consolidated, machine readable file (or set of files)? If yes, please provide the necessary links in the comment/citation. For more information on machine readability, see: http://opendatahandbook.org/glossary/en/terms/machine-readable/.

GQ-1b, GQ-1c, and GQ-1d ask about whether governments publish specific types of content on their websites/portals: (a) consolidated files that contain disaggregated revenue and/or expenditure information for the current fiscal year; (b) consolidated files that contain disaggregated revenue and/or expenditure information for multiple years in consistent formats; and (c) infographics/visualizations or other similar tools used to simplify data access and analysis. Researchers should provide the links to relevant webpages and some explanations of what they contain.

Answer:
a. Yes, both revenue and expenditure data can be downloaded as a consolidated file

Source:
Monthly reports of the expenditures and revenues in the structure of the 1st appendix of the budget:
https://www.allamkincstar.gov.hu/Koltsegvetes/Kozponti_alrendszer_-_Reszletezo_adatok/kozponti-koltsegvetes-vegrehajtasanak-adatai
Monthly reports of the expenditures and revenues in the structure of the 1st appendix of the budget for FY 2022:
https://www.allamkincstar.gov.hu/Koltsegvetes/Kozponti_alrendszer_-_Reszletezo_adatok/kozponti-koltsegvetes-vegrehajtasanak-adatai/a-2022.-evi-kozponti-koltsegvetes-vegrehajtasanak-adatai

Balance sheet of the central budget as bilingual excel files:
https://www.allamkincstar.gov.hu/Koltsegvetes/Kozponti_alrendszer_-_Merlegek/a-kozponti-alrendszer-koltsegvetesi-merlege

Comment:

The Treasury publishes monthly the state of the expenditures and revenues in two classifications.

The first two links lead to the files in the structure of Appendix 1 of the enacted budget and the documents list all the expenditure and revenue items individually. As a result this is the most comprehensive source for following the monthly budgetary data. The files are available in both xls and pdf formats, so they also satisfy the requirements of the question. The first link leads to the general list with all the years, the second link leads to the documents for FY 2022 (that can be accessed from the general list too).

The monthly balance sheets are available in bilingual xls files, but the classification is simplified compared to the previous example. The revenues can be followed easier because most of the tax and non-tax items are presented separately, but the aggregation of the expenditures are strange. Some minor items are presented separately, while the majority of the expenditures (like the expenditures of ministries and other budgetary institutions) are aggregated into one line (in "Költségvetési szervek kiadásai" and "Szakmai fejezeti kezelésű előirányzatok kiadásai"). For this latter this is not a totally satisfying source for expenditure data.
On the website the actual year only shows the data for the latest period, the previous months of the actual year and the previous years are stored in the “Archive” section.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

GQ-1c. On these websites/portals, can disaggregated revenue and/or expenditure data in consolidated, machine readable files be downloaded for multiple years in consistent formats? If yes, please provide the necessary links and details in the comment/citation. For more information on machine readability, see: http://opendatahandbook.org/glossary/en/terms/machine-readable/.

Answer:
c. Yes, but only revenue data can be downloaded for multiple years in consistent formats

Source:
Budgetary data in functional classification on the webpage of the Treasury
https://www.allamkincstar.gov.hu/Koltsegvetes/Kozponti_alrendszer_-_Merlegek/funkcionalis-merlegek

Balance sheet of the central budget as bilingual excel files: https://www.allamkincstar.gov.hu/Koltsegvetes/Kozponti_alrendszer_-_Merlegek/a-kozponti-alrendszer-koltsegvetesi-merlege

Comment:
On the webpage of the Treasury the consolidated budgetary data are available for multiple years in functional classification. It is not wholly consistent because the functional classification of the items may change between the years. The consolidation takes into consideration the whole state: central and local budget. The file does not contain the latest available data at the time of research (June 2023): the latest original estimate is for FY 2021 and the latest actual outcome is for FY 2019. This is under the “Összefoglaló adatok” (Summary dta) then “Nominális adatok” (Nominal data) menu where latest data on the worksheet is “2021. évi elfogadott törvény” (Enacted Budget for FY 2021) and “2019. évi zárszámadás” (Year-End Report for FY 2019). The budget for FY 2023 was adopted on 19 July 2022, and the latest actual outcomes (FY 2021) also available from 08 November 2022.

The other data source that is available for multiple years is the monthly balance sheet of the central budget. However this is not always consistent between the years because rows are added and deleted at the start of the year. Also the included data present the gross amounts, not the consolidated. The files always contain the actual and previous year, so longer periods have to be copied from several files.

The functional classification file is very useful, but the data is not available in a timely manner due to the ad hoc updates. For the question we accepted the revenue classification of the monthly balance sheets, because they are fairly consistent through the years. The expenditures were not considered because they are not consolidated and the majority of the expenditures are aggregated into one line „Expenditures of central budgetary institutions".

The file of functional classification is available on the cited link by clicking on "Államháztartási funkcionális bontás szerinti anyagok" (Documents in functional classification, budgetary) -> "Funkcionális mérlegek" (Balances sheets in functional classification).

The balance sheets of the central budget are available on the cited link by clicking on Archive, then clicking on the selected year then on the period.

Peer Reviewer

Opinion: Agree

Comments: The revenues are not available in a disaggregated format for multiple years as it is presented in the table Data on the implementation of the 2022 central budget A 2022. évi központi költségvetés végrehajtásának adatai: https://www.allamkincstar.gov.hu/Koltsegvetes/Kozponti_alrendszer_-_Reszletezo_adatok/kozponti-koltsegvetes-vegrehajtasanak-adatai/a-2022.-evi-kozponti-koltsegvetes-vegrehajtasanak-adatai/$rppid0x1602400x13_pageNumber/1 Only the Budgetary balance of the central subsystem is available for multiple years where the income is not presented in a dissagregated format. A központi alrendszer költségvetési mérlege: https://www.allamkincstar.gov.hu/Koltsegvetes/Kozponti_alrendszer_-_Merlegek/a-kozponti-alrendszer-koltsegvetesi-merlege

Government Reviewer

Opinion:

GQ-1d. On these websites/portals, are infographics/visualizations or other similar tools used to simplify data access and analysis? If yes, please provide the necessary links and details in the comment/citation.

GQ-1d asks the researcher to list any government websites or portals where infographics/visualizations or other similar tools used to simplify data access and analysis are present. For example, in South Africa the Vulekamali portal (https://vulekamali.gov.za) is a project by the National Treasury which contains visualizations of the Consolidated Budget Summary, by departments budget, by division of revenue and by infrastructure budget distribution. (See for example https://vulekamali.gov.za/2022-23/national/departments/basic-education/). Other countries that have developed portals that include fiscal visualization and graphics include: Brazil's Transparency Portal (https://portaldatransparencia.gov.br/), which presents line graphs, bar graphs, pie charts, and visual maps of electronic invoices, public expenditure, public revenue, annual budget, transferred resources, resources transferred by location of beneficiary, among other information. (https://portaldatransparencia.gov.br/orcamento and https://portaldatransparencia.gov.br/transferencias). Additionally, United States Department of the Treasury, Fiscal Data portal (https://fiscaldata.treasury.gov/) is a one-stop shop for federal financial data that uses charts, exhibits, and figures.

Answer:
b. No

Source:
n/a

Comment:
There is no interactive tool or infographics on the government webpages that allows the reader to discover and analyse budgetary data or the trends in it. The monthly reports (In-Year Reports) contain charts to visualize the statements in the narrative discussion but those were not considered as tools to simplify data access. The file for budgetary data in functional classification contains two worksheets where two years can be compared and the time-series of a selected functional category can be visualized on a chart but the data in the file is not updated for years and the tools are quite hidden among the other files on the webpage of the Treasury.

We were looking for tools similar to a previous example: http://web.archive.org/web/20230326111943/https://amipenzunk.hu/#/~/koltsegvetesi-kiadasok

Budgetary data in functional classification on the webpage of the Treasury (the file is under "Államháztartási funkcionális bontás szerinti anyagok" then "Funkcionális mérlegek" and the mentioned worksheets are under "Kiválasztott két év összehasonlítása" and "Idősoros elemzés"): https://www.allamkincstar.gov.hu/Koltsegvetes/Kozponti_alrendszer_-_Merlegek/funkcionalis-merlegek

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

GQ-2. Are there laws in place guiding public financial management and/or auditing? If yes, please provide the necessary details and links in the comment/citation, and specify whether and where the law(s) contains specific provisions for budget transparency and/or participation.

GQ-2 asks about the existence of any national laws governing public financial management and auditing. These may include a public finance act, a section of the constitution, or an organic budget law. In some countries, fiscal responsibility legislation may also be relevant. For example, the Kenya researcher may include the link to its Public Finance Management Act, 2012 (http://kenyalaw.org:8181/exist/kenyalex/actview.xql?actid=No.%2018%20of%202012), and the Macedonian researcher may include a link to its State Audit Law (https://finance.gov.mk/wp-content/uploads/2009/05/Audit-law.pdf). Researchers should provide links to websites where such laws are published, if possible, or an electronic copy of the law itself. They should also indicate if and where (e.g. which article) these laws include specific provisions for budget transparency and citizen participation in budget processes.

Answer:
a. Yes

Source:
In Hungarian: 2011. évi CXCV. törvény az államháztartásról
In English: Act No. CXCV of 2011 on the public finance
URL: https://net.jogtar.hu/jogszabaly?docid=A1100195.TV

In Hungarian: Magyarország Alaptörvénye
In English: Fundamental Law of Hungary
URL for Hungarian version: https://njt.hu/jogszabaly/2011-4301-02-00
URL for English version: https://njt.hu/jogszabaly/en/2011-4301-02-00

In Hungarian: 2011. évi LXVI. törvény az Állami Számvevőszékről
In English: Act No. LXVI of 2011 on the State Audit Office
URL: https://net.jogtar.hu/jogszabaly?docid=A1100066.TV

In Hungarian: 2011. évi CXCIV. törvény Magyarország gazdasági stabilitásáról
In English: Act No. CXCIV on the economic stability of Hungary
URL: https://net.jogtar.hu/jogszabaly?docid=a1100194.tv

Comment:
The cited laws contain the main rules for public finance and auditing.
The first one (Act on public finance) does not include explicit rules for budget transparency and citizen participation except in a few cases. In 13. § (1) it is stated that the timetable for the proposed budget should be published on the Ministry's webpage until 30 June, while in 33. § (6) that the Treasury should publish the factual data monthly on its webpage in the same format as it was in the Enacted Budget. Other rules may affect the budget transparency indirectly: for example 16. § (1) and (2) states that the operational expenditures of the institutions must be presented in two lines ("Wages" and "Other operational expenditures") and the revenues and investment expenditures must be aggregated into one line; 22. § (3) and (4) states the mandatory tables and information that must be presented in the justification and supporting documents.

The articles of the Fundamental Law provide more general guidelines for fiscal transparency, like "the budget shall be presented in identical, transparent and reasonably detailed format" in Article 37 (1).
The Fundamental Law also declares the main rules for State Audit Office in Article 43. The detailed rules of the audit were adopted in a separate law. This regulates the mandate of the SAO and the principles of the audit, rights and obligations related to the audit.

We added another act to the list compared to the previous survey to provide a more comprehensive answer. The act on economic stability contains the fiscal rule for the government debt (in the section "II. fejezet Az államadósság csökkentése") and the detailed rules of the Fiscal Council (in the section "IV. fejezet A Költségvetési Tanács"). These rules are regulating public financial management but only affect the oversight of the budget.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

GQ-3. Is there at least one additional law regulating: (1) access to information; (2) government transparency; or (3) citizens participation? If yes, please provide the necessary details and links in the comment/citation, and specify whether and where these laws contain specific provisions for budget transparency and/or participation.

The third and last question asks researchers to list any additional laws regulating access to information, transparency, or citizens' participation that are relevant for the promotion of budget transparency and citizen participation in budget processes. These might include legislation related to access to information, to planning processes, or to public administration more generally. India's Right to Information Act of 2005 (https://www.ncess.gov.in/facilities/central-public-information-officer/rti-act-details.html) is an example of this type of law. For more information on access to information legislation (constitutional provisions, laws, and regulations), including examples of model laws, see: https://www.rti-rating.org/country-data/ and https://www.constituteproject.org/.

Answer:
a. Yes

Source:
In Hungarian: 2011. évi CXII. törvény az információs önrendelkezési jogról és információszabadságról
In English: Act CXII of 2011 on information self-determination and freedom of information
URL: https://net.jogtar.hu/jogszabaly?docid=A1100112.TV

In Hungarian: Magyarország Alaptörvénye
In English: Fundamental Law of Hungary
URL for Hungarian version: https://njt.hu/jogszabaly/2011-4301-02-00
URL for English version: https://njt.hu/jogszabaly/en/2011-4301-02-00

In Hungarian: 2010. évi CXXXI. törvény a jogszabályok előkészítésében való társadalmi részvételről
In English: Act CXXXI of 2010 on the citizen participation in the preparation of legal rules
URL: https://njt.hu/jogszabaly/2010-131-00-00

Comment:
The first cited act governs access to information, but there is no specific law about budgetary/government transparency.
In Article 37 (1) the Fundamental Law states that the implementation of the central budget shall be „in a lawful and expedient manner with efficient management of public funds and by ensuring transparency".
The Ninth Amendment of the Fundamental Law introduced the definition of public funds. In Article 39 (3) of the Fundamental Law „public funds shall be the revenues, expenditures and claims of the State". This may restrict the data about public funds strictly to budgetary institutions, so the use of public funds cannot be tracked at the non-governmental beneficiaries like state-owned enterprises, foundations or beneficiaries of exempted taxes. At the moment there is no exact definition for the scope of the public funds from the Constitutional Court.
During the state of danger the government extended the deadlines for replying to information requests and it was mentioned in the previous survey. Since then the government abolished this rule, thus the governmental institutions have 15 + 15 days to reply to the requests.
The legislature adopted a new rule for citizen participation in the preparation of legal rules as a response to fulfil the commitments made to the European Committee and dissolve the restrictions on EU funds. In Act CXXXI paragraphs 5/A § and 6/A § were adopted. The government must ensure that the citizen participation step is assured for at least 90% of the bills and a specific governmental institution prepares a report about the results. The EBP and budget related bills are exempted from this citizen participation process. Also the requirement to enable citizens' to provide comments for the bills has been in the legal rules since 2010 but in practice it was left out in most of the cases.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

1. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for the budget year that are classified by administrative unit (that is, by ministry, department, or agency)?

GUIDELINES:

Question 1 addresses the presentation of expenditure by administrative unit. This information indicates which government entity (ministry, department, or agency, or MDAs) will be responsible for spending the funds and, ultimately, held accountable for their use.

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for all administrative units, accounting for all expenditures, in the budget year. To answer "b," the administrative units shown individually, in the Executive's Budget Proposal or its supporting documentation, must account for at least two-thirds of all expenditures in the budget year. In other words, the sum of the expenditures assigned to the individual MDAs (education, health, infrastructure, interior, defense, etc.) must account for at least two-thirds of the total expenditure budgeted for that

particular year. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents administrative units that account for less than two-thirds of expenditures. Answer "d" applies if expenditures are not presented by administrative unit.

Answer:
d. No, expenditures are not presented by administrative unit.

Source:
In Hungarian: A költségvetési törvényjavaslat 1. melléklete
In English: Appendix 1 of the EBP
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
pp. 40-93

In Hungarian: Magyarország Alaptörvénye
URL: https://njt.hu/jogszabaly/2011-4301-02-00
36. cikk (2)
In English: Fundamental Law of Hungary
URL: https://njt.hu/jogszabaly/en/2011-4301-02-00
Article 36 (2)

Comment:
Appendix 1 of the EBP lists all the expenditures and revenues by institutions and chapter-administered appropriations.
The budget of each institutions are separated to "Működési költségvetés" (Operational budget) and "Felhalmozási költségvetés" (Capital expenditures), but presented in a strange way: the operational budget is detailed to „Személyi juttatások" (Personal costs) and „Egyéb működési kiadások" (Other operation costs) are presented in separate lines, while capital expenditures are presented in the column „Felhalmozási kiadások" and not as a clearly understandable, separate line under the institution. The chapter-administered appropriations are collected under "Fejezeti kezelésű előirányzatok" in each chapter.
The appendix contains the expenditures for all the institutions. However not each budgetary institution is shown in a separate line and the level of details is not consistent throughout the appendix. For example the universities and colleges are grouped as "Egyetemek, főiskolák" on page 67. Five institutions are aggregated in this line and they spend around 88 billion HUF, while institutions with smaller budget are shown separately like "Magyarságkutató Intézet" or „Veritas Történetkutató Intézet és Levéltár" on the same page that spend less than 1 billion HUF. The Fundamental Law of Hungary (in Article 36 (2)) requires that the budget shall present the expenditures in reasonable detail and in this case it is not satisfied.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

IBP Comment
Score has been revised from "A" to "D" as the original EBP described above was overhauled and invalidated by an executive decree in late 2022. Please see Question EBP-1a for more details.

2. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for the budget year by functional classification?

GUIDELINES:

Question 2 addresses the presentation of expenditure by functional classification. This classification indicates the programmatic purpose, sector, or objective for which the funds will be used, such as health, education, or defense. Administrative units are not necessarily aligned with functional classifications. For instance, in one country all functions connected with water supply (which fall into the "Housing" function) may be undertaken by a single government agency, while in another country they may be distributed across the Ministries of Environment, Housing, and Industrial Development. In the latter case, three ministries have programs addressing water supply, so three ministries contribute to one function. Similarly, some administrative units may conduct activities that cut across more than one function. For instance, in the example above, some programs of the Ministry of Environment would also be classified in the "environmental protection" function.

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for the budget year organized by functional classification.

Answer:
b. No, expenditures are not presented by functional classification.

Source:
In Hungarian: Az államháztartás funkcionális kiadásai (pénzforgalmi szemléletben)
In English: The functional expenditures of the general government (cash-flow based)
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
page 265
In Hungarian: Az államháztartás konszolidált funkcionális kiadásai (pénzforgalmi szemléletben)
In English: The consolidated functional expenditures of the general government (cash-flow based)
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
page 266
In Hungarian: A központi alrendszer funkcionális kiadásai (pénzforgalmi szemléletben)
In English: The functional expenditures of the central government (cash-flow based)
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
page 281
In Hungarian: A központi alrendszer konszolidált funkcionális kiadásai (pénzforgalmi szemléletben)
In English: The consolidated functional expenditures of the central government (cash-flow based)
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
page 282
In Hungarian: A kormányzati funkciók osztályozásának kategóriái (COFOG)
In English: COFOG – Classification of the Functions of the Government (selecting COFOG in the left side menu)
URL: https://unstats.un.org/unsd/classifications/Econ/Structure
In Hungarian: Államkincstár - Államháztartási funkcionális bontás szerinti anyagok - Funkcionális megfeleltetés
In English: State Treasury - Documents in Hungarian classification of government functions - Bridge between Hungarian and COFOG classification
URL: https://www.allamkincstar.gov.hu/pfile/file?path=/Koltsegvetes/Kozponti_alrendszer_-_Merlegek/funkcionalis-merlegek/Allamhaztartasi_funkcionalis_bontas_szerinti_anyagok/Funkcionalis_megfeleltetes.xls&inline=true

Comment:
The EBP presents the expenditures in functional classification for both the general government and the central government. The tables present both the gross and consolidated numbers. The gross numbers are on pages 265 and 281, the consolidated numbers on pages 266 and 282.
The functional categories are similar but not strictly comparable with the COFOG categories. This can be identified from the bridge file published by the State Treasury. Some of the used functions are the same, others are classified to a lower level in the COFOG and another categories are not present in the COFOG categories. For example in the Hungarian version F04 is the education, that is number 9 in the COFOG classification. In the Hungarian version F09 is the fuel and energy, F10 is agriculture, forestry, fishing and hunting, F11 is mining, F12 is transport, but in the COFOG classification they are subcategories in 4 economic affairs. Even with these differences the Hungarian functional classification more or less can be rearranged to provide an estimate for the COFOG categories.
Another drawback of the classification is that the Hungarian methodology classified the institutions, not their expenditures. As a consequence institutions with expenditures in multiple functions are shown in their main function. For example the universities with medical courses spend on education and healthcare, but in this classification all of their expenditures are categorised as educational expenditure. The classification of the individual expenditures according to the COFOG is created by the Central Statistical Office, but only for the outcomes of the expenditures based on the financial reports of the budgetary institutions. For the appropriations no other functional classification is available.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

IBP Comment
Score has been revised from "A" to "B" as the original EBP described above was overhauled and invalidated by an executive decree in late 2022. Please see Question EBP-1a for more details.

3. If the Executive's Budget Proposal or any supporting budget documentation presents expenditures for the budget year by functional classification, is the functional classification compatible with international standards?

GUIDELINES:

Question 3 asks whether a country's functional classification meets international standards. To answer "a," a country's functional classification must be aligned with the OECD and the UN's Classification of the Functions of Government (COFOG), or provide a cross-walk between the national functional presentation and COFOG.

The OECD Best Practices for Budget Transparency can be viewed at http://www.oecd.org/gov/budgeting/Best%20Practices%20Budget%20Transparency%20-%20complete%20with%20cover%20page.pdf

COFOG can be viewed at https://unstats.un.org/unsd/publication/SeriesM/SeriesM_84E.pdf or at http://www.imf.org/external/pubs/ft/gfs/manual/pdf/ch6ann.pdf.

Answer:
b. No, the functional classification is not compatible with international standards, or expenditures are not presented by functional classification.

Source:
In Hungarian: Az államháztartás funkcionális kiadásai (pénzforgalmi szemléletben)
In English: The functional expenditures of the general government (cash-flow based)
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
page 265
In Hungarian: Az államháztartás konszolidált funkcionális kiadásai (pénzforgalmi szemléletben)
In English: The consolidated functional expenditures of the general government (cash-flow based)
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
page 266
In Hungarian: A központi alrendszer funkcionális kiadásai (pénzforgalmi szemléletben)
In English: The functional expenditures of the central government (cash-flow based)
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
page 281
In Hungarian: A központi alrendszer konszolidált funkcionális kiadásai (pénzforgalmi szemléletben)
In English: The consolidated functional expenditures of the central government (cash-flow based)
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
page 282
In Hungarian: A kormányzati funkciók osztályozásának kategóriái (COFOG)
In English: COFOG – Classification of the Functions of the Government (selecting COFOG in the left side menu)
URL: https://unstats.un.org/unsd/classifications/Econ/Structure
In Hungarian: Államkincstár - Államháztartási funkcionális bontás szerinti anyagok - Funkcionális megfeleltetés
In English: State Treasury - Documents in Hungarian classification of government functions - Bridge between Hungarian and COFOG classification
URL: https://www.allamkincstar.gov.hu/pfile/file?path=/Koltsegvetes/Kozponti_alrendszer_-_Merlegek/funkcionalis-merlegek/Allamhaztartasi_funkcionalis_bontas_szerinti_anyagok/Funkcionalis_megfeleltetes.xls&inline=true

Comment:
The functional classification presented in the EBP is mostly compatible with the COFOG, but achieving it requires serious effort. There was no change in the presentation since the last survey.
First the numbering differs. For example in the EBP the F04 is the Education ("Oktatási tevékenységek és szolgáltatások"), while in the international standard it is F09.
Another problem is that the Economic affairs category is classified diversely in the EBP: the Agriculture; Fuel and energy; Mining, manufacturing and construction functions are shown at the top level with numbers F10 ("Mező-, erdő-, hal- és vadgazdálkodás"); F09 ("Tüzelő- és üzemanyag, valamint energiaellátási feladatok"); F11 ("Bányászat és ipar") respectively, while the others are in the F12 ("Közlekedési és távközlési tevékenységek és szolgáltatások") and F13 ("Egyéb gazdasági tevékenységek és szolgáltatások"). F12 shows the functions of transport and communication, while F13 the functions of other economic affairs. As an extra category the cost of debt management is included in F15 "Államadósság-kezelés, államháztartás" and another category as F16 "Funkcióba nem sorolható tételek" (Unclassified items) is also present.
The top level data can be generated from the presented tables, but the second level only with significant restrictions. The State Treasury published a bridge between the Hungarian classification and the COFOG and that also reinforces the above mentioned issues.
It is important to note that the calculated data will not be comparable with the statistical data due to the different classification methods. The government classifies the institutions into functions, while the Central Statistical Office classifies the expenditures of the institutions and this latter provides more precise functional data.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

IBP Comment

Score has been revised from "A" to "B" as the original EBP described above was overhauled and invalidated by an executive decree in late 2022. Please see Question EBP-1a for more details.

4. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for the budget year by economic classification?

GUIDELINES:

Question 4 asks whether the Executive's Budget Proposal or its supporting documentation presents expenditures for the budget year organized by economic classification. Economic classification provides information on the nature of the expenditure, such as whether funds are being used to pay for wages and salaries, capital projects, or social assistance benefits. Please note that a presentation of expenditures by current and capital expenditures without additional disaggregation or detail will not qualify as an economic classification.

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for the budget year organized by economic classification.

Answer:
b. No, expenditures are not presented by economic classification.

Source:
In Hungarian: Az államháztartás mérlege (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)
In English: Balance sheet of the general government (cash-flow based) (by economic classification)
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
page 262
In Hungarian: Az államháztartás konszolidált kiadásai (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)
In English: Consolidated expenditures of the general government (cash-flow based) (by economic classification)
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
page 263
In Hungarian: A központi alrendszer mérlege (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)
In English: Balance sheet of the central government (cash-flow based) (by economic classification)
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
page 278
In Hungarian: A központi alrendszer konszolidált kiadásai (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)
In English: Consolidated expenditures of the central government (cash-flow based) (by economic classification)
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
page 279

Comment:
The EBP presents the expenditures by economic classification for both the general and central government and both the gross and consolidated numbers.
The expenditures are presented in section "1 Kiadások" of the tables. It divides the expenditures to operational ("Működési költségvetés") and capital ("Felhalmozási költségvetés") expenditures. Below the operational expenditures the wages, the social contributions, use of goods and services, social transfers and other operational expenditures are listed. Under the capital expenditures the investments, refurbishments and other capital expenditures are shown.
The included lines in the economic classification:
Expenditures („Kiadások")
- Wages („Személyi juttatások")
- Social contributions and social tax related to wages („Munkaadókat terhelő járulékok és szociális hozzájárulási adó")
- Use of goods and services („Dologi kiadások")
- Monetary transfers (this consists of monetary social benefits, subsidies and grants to households) („Ellátottak pénzbeli juttatásai")
- Other current expenditures (this includes any other transfers to corporations, international organizations or other budgetary institutions) („Egyéb működési célú kiadások")
- Investments („Beruházások")
- Refurbishments („Felújítások")
- Other capital expenditures (this includes all kinds of transfers for capital expenditures for all sectors) („Egyéb felhalmozási célú kiadások")

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

IBP Comment
Score has been revised from "A" to "B" as the original EBP described above was overhauled and invalidated by an executive decree in late 2022. Please see Question EBP-1a for more details.

5. If the Executive's Budget Proposal or any supporting budget documentation presents expenditures for the budget year by economic classification, is the economic classification compatible with international standards?

GUIDELINES:

Question 5 asks whether a country's economic classification meets international standards. To answer "a," a country's economic classification must be consistent with the International Monetary Fund's (IMF) 2001 Government Finance Statistics (GFS). The GFS economic classification is presented here: http://www.imf.org/external/pubs/ft/gfs/manual/pdf/app4.pdf. To learn more about Government Finance Statistics also refer to the entire IMF 2001 GFS manual (http://www.imf.org/external/pubs/ft/gfs/manual/pdf/all.pdf).

Answer:
b. No, the economic classification is not compatible with international standards, or expenditures are not presented by economic classification.

Source:
In Hungarian: Az államháztartás mérlege (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)
In English: Balance sheet of the general government (cash-flow based) (by economic classification)
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
page 262
In Hungarian: Az államháztartás konszolidált kiadásai (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)
In English: Consolidated expenditures of the general government (cash-flow based) (by economic classification)
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
page 263
In Hungarian: A központi alrendszer mérlege (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)
In English: Balance sheet of the central government (cash-flow based) (by economic classification)
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
page 278
In Hungarian: A központi alrendszer konszolidált kiadásai (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)
In English: Consolidated expenditures of the central government (cash-flow based) (by economic classification)
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
page 279

Comment:
There was no change in the presentation since the previous survey.
The economic classification of the expenditures are cash-flow based, hence the non-monetary transactions for example the consumption of fixed capital cannot be included. The Hungarian version shows separately the investments, refurbishments and other capital expenditures, so the purchases of nonfinancial assets are included this way. Similarly the sales of nonfinancial assets are included in the line capital revenues. The different method also causes differences in the total numbers at the interests and if certain payments are scheduled for the next year or brought forward (like at social benefits, wages).
The presented version is more aggregated than the IMF GFSM structure. As noted above the investments, refurbishments and other capital expenditures include all the expenditures related to capital formation both financial and nonfinancial assets. The interest expenditures, subsidies and grants (as payments to enterprises or other general government units, international organisations) are not separated, but aggregated into the other current expenditures line.
Technically there are traps in the accounting as the transfers provided to other budgetary institutions will be wages, goods and services or capital expenditure in the end, while in this classification they are treated as transfers. Unfortunately the current accounting process cannot handle this, so the categories are not so clear as the IMF GFSM's.
The presentation is similar to the IMF GFSM structure, but neither the method nor the actual output are compatible with it.

The included lines in the economic classification:
Expenditures („Kiadások")
- Wages („Személyi juttatások")
- Social contributions and social tax related to wages („Munkaadókat terhelő járulékok és szociális hozzájárulási adó")
- Use of goods and services („Dologi kiadások")
- Monetary transfers (this consists of monetary social benefits, subsidies and grants to households) („Ellátottak pénzbeli juttatásai")

- Other current expenditures (this includes any other transfers to corporations, international organisations or other budgetary institutions) („Egyéb működési célú kiadások")
- Investments („Beruházások")
- Refurbishments („Felújítások")
- Other capital expenditures (this includes all kinds of transfers for capital expenditures for all sectors) („Egyéb felhalmozási célú kiadások")
Revenues
- Current transfers from other budgetary institutions („Működési célú támogatások államháztartáson belülről")
- Capital transfers from other budgetary institutions („Felhalmozási célú támogatások államháztartáson belülről")
- Current transfers from outside the government („Működési célú átvett pénzeszközök")
- Capital transfers from outside the government („Felhalmozási célú átvett pénzeszközök")
- Income taxes („Jövedelemadók")
- Social contributions and social tax related to wages („Szociális hozzájárulási adó és járulékok")
- Taxes related to wages and employment („Bérhez és foglalkoztatáshoz kapcsolódó adók")
- Taxes on capital structures („Vagyoni típusú adók")
- Taxes on products and services („Termékek és szolgáltatások adói")
- Other taxes („Egyéb közhatalmi bevételek")
- Current revenues (this includes fees for governmental services) („Működési bevételek")
- Capital revenues („Felhalmozási bevételek")

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

IBP Comment
Please note that the original EBP described above was overhauled and invalidated by an executive decree in late 2022. Please see Question EBP-1a for more details.

6. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for individual programs for the budget year?

GUIDELINES:

Question 6 asks whether expenditures are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should treat the term "program" as meaning any level of detail below an administrative unit — that is, any programmatic grouping that is below the ministry, department, or agency level. For example, the Ministry of Health's budget could be broken down into several subgroups, such as "primary health care,""hospitals," or "administration." These subgroups should be considered programs even if they could be, but are not, broken down into smaller, more detailed units.

A note for francophone countries: "Program" level detail is sometimes referred to as le plan comptable or le plan comptable detaille. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for all individual programs, accounting for all expenditures, in the budget year. To answer "b," the programs shown individually in the Executive's Budget Proposal or its supporting documentation must account for at least two-thirds of all expenditures in the budget year. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents programs that account for less than two-thirds of expenditures. Answer "d" applies if expenditures are not presented by program.

Budget decisions for the upcoming year can also affect the parameters of future budgets. It is therefore useful to estimate revenues and expenditures for multi-year periods, understanding that these estimates might be revised as circumstances change. Sometimes referred to as a Medium Term Expenditure Framework (MTEF), a three-year period — that is, the budget year plus two more years — is generally considered an appropriate horizon for budgeting and planning.

Answer:
d. No, expenditures are not presented by program.

Source:
In Hungarian: A költségvetési törvényjavaslat 1. melléklete

In English: Appendix 1 of the EBP
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
pp. 40-93

In Hungarian: 2011. évi CXCV törvény az államháztartásról
In English: Act CXCV on the State Budget
URL: https://net.jogtar.hu/jogszabaly?docid=A1100195.TV
6/A. § (3)

Comment:
The Hungarian budget is primarily institution-based, but has elements similar to program-based approach.
At the top level the budget is divided to chapters (which in most cases are the equivalent of Ministries). The chapter is indicated in the header with Roman numbers before „Fejezet".
Below that the institutions administered by that Ministry and chapter-administered appropriations are listed. The budgets of the institutions are further broken into personal costs („Személyi juttatások") and other operational expenditures („Egyéb működési kiadások"). The chapter-administered appropriations and their narrative discussions generally do not clarify the aim of the line item, its performance targets and other requirements that would qualify this line item as a program. According to the act on the state budget (in article 6/A § (3)) the aim of chapter-administered appropriations is to ensure a separate account for special expenditures and revenues related to the professional area of the Ministry or one of its institutions.
To preserve consistency across the surveys we interpreted the definition of "program" as details below ministries. Consequently we treated all the detailed institutions and chapter-administered appropriations as "programs" because the aim of these items are more or less can be defined.
In this interpretation all the expenditures are presented at program-level in Appendix 1 of the EBP.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

IBP Comment
Score has been revised from "A" to "D" as the original EBP described above was overhauled and invalidated by an executive decree in late 2022. Please see Question EBP-1a for more details.

7. Does the Executive's Budget Proposal or any supporting budget documentation present expenditure estimates for a multi-year period (at least two-years beyond the budget year) by any of the three expenditure classifications (by administrative, economic, or functional classification)?

GUIDELINES:

Question 7 asks if multi-year expenditure estimates are presented by any one of the three expenditure classifications — by administrative, economic, and functional classifications — which were addressed in Questions 1-5 above. Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on.

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditure estimates by all three of the expenditure classifications for at least two years beyond the budget year. To answer "b," multi-year expenditure estimates must be presented by two of these three classifications. A "c" answer applies if multi-year expenditure estimates are presented by one of the three classifications. Answer "d" applies if multi-year expenditure estimates are not presented by any of the three classifications.

Answer:
d. No, multi-year expenditure estimates are not presented by any expenditure classification.

Source:
In Hungarian: Az államháztartás mérlege (2022-2026)
In English: Balance sheet of the general government (2022-2026)
URL: https://www.parlament.hu/irom42/00152/T_152_II_fejezeti.pdf
page 1308

Comment:

Only one table presents the expenditures for multiple years in a coherent and complete manner, but that cannot be treated as any of the classifications.
The right hand side of the table under the title "Kiadások" shows the expenditures in a special classification. A handful of appropriations are shown individually like „Közszolgálati műsorszolgáltatás támogatása" (Support for public media) or „Családi támogatások" (Family supports), but most of the institutions (for example all the Ministries) are aggregated to one row called "Költségvetési szervek kiadásai".
The table is not detailed enough to classify as administrative, because the Ministries or other larger groups who spend the funds cannot be identified.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

IBP Comment
Please note that original EBP described above was overhauled and invalidated by an executive decree in late 2022. Please see Question EBP-1a for more details.

7b. Based on the response to Question 7, check the box(es) to identify which expenditure classifications have estimates for a multi-year period in the Executive's Budget Proposal?

Answer:
None of the above

Source:
In Hungarian: Az államháztartás mérlege (2022-2026)
In English: Balance sheet of the general government (2022-2026)
URL: https://www.parlament.hu/irom42/00152/T_152_II_fejezeti.pdf
page 1308

Comment:
Only one table presents the expenditures for multiple years in a coherent and complete manner, but that cannot be treated as any of the classifications.
The right hand side of the table under the title "Kiadások" shows the expenditures in a special classification. A handful of appropriations are shown individually like „Közszolgálati műsorszolgáltatás támogatása" (Support for public media) or „Családi támogatások" (Family supports), but most of the institutions (for example all the Ministries) are aggregated to one row called "Költségvetési szervek kiadásai".
The table is not detailed enough to classify as administrative, because the Ministries or other larger groups who spend the funds cannot be identified.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

IBP Comment
Please note that the original EBP described above was overhauled and invalidated by an executive decree in late 2022. Please see Question EBP-1a for more details.

8. Does the Executive's Budget Proposal or any supporting budget documentation present expenditure estimates for a multi-year period (at least two-years beyond the budget year) by program?

GUIDELINES:
Question 8 asks if multi-year expenditure estimates are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department. For example, the Ministry of Health's budget could be broken down into several subgroups, such as "primary health care,""hospitals," or "administration." These subgroups should be considered programs even if they could be, but are not, broken down into smaller, more detailed units.

A note for francophone countries: *"Program" level detail is sometimes referred to as le plan comptable or le plan comptable detaille. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)*

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for all individual programs, accounting for all expenditures, for at least two years beyond the budget year. To answer "b," the programs shown individually in the Executive's Budget Proposal or its supporting documentation must account for at least two-thirds of all expenditures over the multi-year period. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents multi-year estimates for programs that account for less than two-thirds of expenditures. Answer "d" applies if multi-year estimates are not presented by program.

Revenues generally are separated into two major categories: "tax" and "non-tax" revenues. Taxes are compulsory transfers that result from government exercising its sovereign power. The largest sources of tax revenue in some countries are taxes on personal and business income and taxes on goods and services, such as sales or value-added taxes. The category of non-tax revenues is more diverse, ranging from grants from international institutions and foreign governments to funds raised through the sale of government-provided goods and services. Note that some forms of revenue, such as contributions to social security funds, can be considered either a tax or non-tax revenue depending on the nature of the approach to these contributions. Particularly because different revenues have different characteristics, including who bears the burden of paying the tax and how collections are affected by economic conditions, it is helpful when estimates for revenues are disaggregated and displayed based on their sources.

For more information, please refer to the 2001 GFS manual, in particular Appendix 4 (http://www.imf.org/external/pubs/ft/gfs/manual/pdf/app4.pdf).

Answer:
d. No, multi-year estimates for programs are not presented.

Source:
In Hungarian: Az államháztartás mérlege (2022-2026)
In English: Balance sheet of the general government (2022-2026)
URL: https://www.parlament.hu/irom42/00152/T_152_II_fejezeti.pdf
page 1308

Comment:
We considered as program all the detailed budgetary institutions and appropriations that are below the ministries. In this sense some of the items presented in the cited table can be treated as programs, for example Subsidy for public media ("Közszolgálati műsorszolgáltatás támogatása"), Subsidy for transport fares ("Szociálpolitikai menetdíj támogatás"), Subsidy for public transport („Helyközi személyszállítás támogatása") or Housing subsidies ("Lakásépítési támogatások"). Some of the social benefits listed under "Nemzeti Család- és Szociálpolitikai Alap" (National Family and Social Policy Fund), and other areas can be identified in broad categories like Expenditures related to state assets ("Állami vagyonnal kapcsolatos kiadások"), Pandemic related expenditures ("Járványügyi kiadások") or Interest payments on state debt ("Adósságszolgálati kamatkiadások").
However all the budgetary institutions and many of the other appropriations are aggregated to a handful of lines. The line "Költségvetési szervek kiadásai" contains all the budgetary institutions, while the lines "Szakmai fejezeti kezelésű előirányzatok kiadásai" and "Uniós programból támogatott kiadások" aggregate the expenditures of the chapter-administered appropriations.
The individually presented line items are clearly less than two-thirds of the total expenditures.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

IBP Comment
Score has been revised from "C" to "D" as the original EBP described above was overhauled and invalidated by an executive decree in late 2022. Please see Question EBP-1a for more details.

9. Does the Executive's Budget Proposal or any supporting budget documentation present the individual sources of tax revenue (such as income tax or VAT) for the budget year?

GUIDELINES:
Question 9 assesses the degree to which the individual sources of "tax" revenue are disaggregated in the budget. The largest sources of tax revenue in some countries are taxes on personal and business income and taxes on goods and services, such as sales or value-added taxes.

To answer "a," the Executive's Budget Proposal or its supporting documentation must present all individual sources of tax revenue for the budget year, and "other" or "miscellaneous" revenue must account for three percent or less of all tax revenue. To answer "b," the Executive's Budget Proposal or its supporting documentation must present individual sources of tax revenue that when combined account for at least two-thirds of all tax revenue, but not all revenue. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents individual sources of tax revenue that account for less than two-thirds of tax revenues. Answer "d" applies if individual sources of tax revenue are not presented.

Answer:
d. No, individual sources of tax revenue are not presented.

Source:
In Hungarian: A központi alrendszer mérlege
In English: Balance sheet of the central government
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
pp. 274-275

In Hungarian: A költségvetési törvényjavaslat 1. melléklete
In English: Appendix 1 of the EBP
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
pp. 40-93

Comment:
The individual tax revenues are presented in two main tables.
In the balance sheet (on page 274) the revenues are shown by types, like revenues from corporations ("Gazdálkodó szervek befizetései"), taxes on consumption ("Fogyasztáshoz kapcsolt adók"), revenues from households ("Lakosság befizetései"). In some cases non-tax revenues are also included in these groups, for example fees for certain services („Illeték befizetések"). Some taxes are shown at other parts of the table, like social contribution tax ("Szociális hozzájárulási adó") is included in the Pension Insurance Fund ("Nyugdíjbiztosítási Alap") but the fat tax ("Népegészségügyi termékadó") in the Health Insurance Fund ("Egészségbiztosítási Alap") is under the line other revenues ("Egyéb bevételek"). The list is not complete because minor taxes like part of the gambling tax is tied to the National Cultural Fund („Nemzeti Kulturális Alap") or the above mentioned fat tax are not listed separately.
The same logic applies to appendix 1 of the EBP. The bulk of the tax revenues are included in chapter XLII Direct revenues and expenditures of the budget ("XLII. A költségvetés közvetlen bevételei és kiadásai") on page 78, but the other mentioned taxes (the taxes directed to Pension Insurance Fund and Health Insurance Fund) are on pages 91 and 92. The tax revenues of the National Cultural Fund („Játékadó NKA-t megillető része") is shown on page 90. In the balance sheet each relevant tax revenue is listed individually, but in minor cases the individual source is hidden and can only be discovered by looking through appendix 1.
There is a difference in the classification between the balance sheet and appendix 1 and the revenue sources have been rearranged. In the last survey the tax on retails sector („Kiskereskedelmi adó") and tax on vehicles („Gépjárműadó") were categorised in the Health Insurance Fund („Egészségbiztosítási Alap") but in the balance sheet they are listed as part of revenues from corporations and revenues from households, while now they are among the direct revenues. There are two newly created funds Energy Tariff Protection Fund ("L. Rezsivédelmi Alap") and National Defense Fund ("LI. Honvédelmi Alap") where certain tax revenues were allocated. The first one received the revenues from energy sector and mining, the second one the revenues from the financial sector. Previously these were in the direct revenues group. As a side note these new funds are not listed in the balance sheet table like other separated funds under "Elkülönített Állami Pénzalapok".
The balance sheet presents nearly all the tax sources individually and only minor taxes (less than 0.5% ot the total revenues) are not listed separately. A complete list can only be obtained by looking through Appendix 1.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

IBP Comment
Score has been revised from "A" to "D" as the original EBP described above was overhauled and invalidated by an executive decree in late 2022. Please see Question EBP-1a for more details.

10. Does the Executive's Budget Proposal or any supporting budget documentation present the individual sources of non-tax revenue (such as grants, property income, and sales of government-produced goods and services) for the budget year?

GUIDELINES:
Question 10 assesses the degree to which the individual sources of "non-tax" revenue are disaggregated in the budget. The category of non-tax revenues is diverse, and can include revenue ranging from grants from international institutions and foreign governments to funds raised through the sale of government-provided goods and services.

To answer "a," the Executive's Budget Proposal or its supporting documentation must present all individual sources of non-tax revenue for the budget year, and "other" or "miscellaneous" revenue must account for three percent or less of all non-tax revenue. To answer "b," the Executive's Budget Proposal or its supporting documentation must present individual sources of non-tax revenue that when combined account for at least two-thirds of all non-tax revenue, but not all revenue. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents individual sources of non-tax revenue that account for less than two-thirds of non-tax revenues. Answer "d" applies if individual sources of non-tax revenue are not presented.

Answer:
d. No, individual sources of non-tax revenue are not presented.

Source:
In Hungarian: A központi alrendszer mérlege
In English: Balance sheet of the central government
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
pp. 274-275

In Hungarian: A költségvetési törvényjavaslat 1. melléklete
In English: Appendix 1 of the EBP
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
pp. 40-93

Comment:
The balance sheet of the central budget categorises the revenues by their sources and mainly concentrates on tax revenues, hence the type of the revenues are more difficult to identify. The revenues are presented on page 274.
The main non-tax revenues in the table are revenues of the budgetary institutions ("Költségvetési szervek és fejezeti kezelésű előirányzatok bevételei"), revenues related to public assets ("Állami vagyonnal kapcsolatos bevételek"), interests received ("Kamatbevételek"), transfers from the European Union ("Uniós programok bevételei"). The table shows the gross revenues, for example the revenue of „Bethlen Gábor Alap" is 33,6 billion HUF, but on page 88 the same amount is support from the budget („Eseti támogatás") meaning it is not a revenue from outside the government.
Appendix 1 contains all the revenue lines individually, but in some cases the revenue lines are still aggregated. For example the institutions can have revenue from several sources, but they are still presented as the total revenue of the institution irrespectively to its sources. Using Appendix 1 also means the reader has to classify all the revenue sources individually and that is not a transparent presentation.
The listed categories can be too broad in some cases. For example the revenues related to public assets can be dividends, rents or sale of assets. These details can only be known from the narrative discussion of the appropriate chapters in varying quality. The 516,846 billion HUF amount in the line "Állami vagyonnal kapcsolatos befizetések" is aggregated from several sources in different chapters: 300 billions from agricultural land sale ("Ingatlan értékesítéséből származó bevételek" in chapter "XLIV. A Nemzeti Földalappal kapcsolatos bevételek és kiadások" on page 82), 160 billion HUF from selling emission quotas ("Ipari tevékenységhez kapcsolódó kibocsátási egységek értékesítéséből származó bevételek" in chapter "XVII. Technológiai és Ipari Minisztérium" on page 63), 16 billion HUF from dividends ("Osztalékbevétel" in chapter "XXI. Miniszterelnöki Kabinetiroda" on page 69) and further items in chapter "XLIII. Az állami vagyonnal kapcsolatos bevételek és kiadások". By its name the last one should contain all the revenues and expenditures related to public assets but in practice these revenue items are dispersed among several chapters, ministries.
The revenues of the budgetary institutions are varying and not detailed by types. Some of the institutions handle the collected fines and fees, while other institutions receive rather market-based fees like the tuition fees of the universities. These categories cannot be distinguished based on the published summary tables and in most cases neither based on the narrative discussion.
Compared to the previous survey the revenue sources from public assets were shifted between chapters, ministries, so it became more difficult to gather further details about them.
In the balance sheet table all the non-tax revenues are presented, but in many cases they cannot be classified easily, thus the answer stayed on "b".

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

IBP Comment

Score has been revised from "B" to "D" as the original EBP described above was overhauled and invalidated by an executive decree in late 2022. Please see Question EBP-1a for more details.

11. Does the Executive's Budget Proposal or any supporting budget documentation present revenue estimates by category (such as tax and non-tax) for a multi-year period (at least two-years beyond the budget year)?

GUIDELINES:
Question 11 evaluates whether revenue estimates are presented for a multi-year period (at least two years beyond the budget year) by "category;" that is, whether tax and non-tax sources of revenue are shown separately.

To answer "a," the Executive's Budget Proposal or its supporting documentation must present multi-year estimates of revenues classified by category for at least two years following the budget year in question.

Answer:
b. No, multi-year estimates of revenue are not presented by category.

Source:
Source:
In Hungarian: Az államháztartás mérlege (2022-2026)
In English: Balance sheet of the general government (2022-2026)
URL: https://www.parlament.hu/irom42/00152/T_152_II_fejezeti.pdf
page 1308

Comment:
In the cited table the column "Bevételek" lists the revenues.
The table uses special categories like the revenues from corporations ("Gazdálkodó szervezetek befizetései"), taxes on consumption ("Fogyasztáshoz kapcsolt adók"), revenues from households ("Lakosság befizetései"), and lists other revenue sources individually like interests received ("Kamatbevételek") or social contribution tax and social contributions ("Szociális hozzájárulási adó és járulékok").
The non-tax revenues are not listed separately and can be only estimated as a total, because many of them presented in an aggregated line. For example the revenues related to state assets ("Állami vagyonnal kapcsolatos bevételek") can include dividends, rents and sale of assets as well. Other notable categories are the grants from EU ("Uniós programok bevételei") and the revenues of the budgetary institutions ("Költségvetési szervek bevételei").
Some of the minor revenue sources related to separated funds may be missing because in the block under the central government balance ("Központi költségvetés egyenlege") the balance of the separated funds ("Elkülönített állami pénzalapok egyenlege"), their share of social contribution tax ("Szociális hozzájárulási adó és járulékok") and the expenditures for unemployment social benefits ("Passzív ellátások") and public work programme ("Start munkaprogram") are listed, but these funds have other revenue sources like gambling tax or payment from nuclear power plant. As a whole these omitted items are less than 3% of the total revenues.
The revenues are presented in broad categories, but not classified strictly by tax and non-tax types. However the tax and non-tax categories can be calculated by the rearrangement of the used categories. The table shows the revenues for the budget year in column "2023. évi előirányzat" and three years beyond the budget in the next three columns.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

IBP Comment
Score has been revised from "A" to "B" as the original EBP described above was overhauled and invalidated by an executive decree in late 2022. Please see Question EBP-1a for more details.

12. Does the Executive's Budget Proposal or any supporting budget documentation present estimates for individual sources of revenue presented for a multi-year period (at least two-years beyond the budget year)?

GUIDELINES:
Question 12 evaluates whether revenue estimates for individual sources of revenue are presented for a multi-year period (at least two years beyond the budget year). The question applies to both tax and non-tax revenue.

To answer "a," the Executive's Budget Proposal or its supporting documentation must present multi-year estimates of all sources of revenue individually, accounting for all revenue, and "other" or "miscellaneous" revenue must account for three percent or less of all revenue. To answer "b," the Executive's Budget Proposal or its supporting documentation must present multi-year estimates of individual sources of revenue that when combined account for at least two-thirds of all revenue, but not all revenue. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents multi-year estimates of individual revenue sources that account for less than two-thirds of revenue. Answer "d" applies if individual sources of revenue are not presented for a multi-year period.

Answer:
d. No, multi-year estimates for individual sources of revenue are not presented.

Source:
In Hungarian: Az államháztartás mérlege (2022-2026)
In English: Balance sheet of the general government (2022-2026)
URL: https://www.parlament.hu/irom42/00152/T_152_II_fejezeti.pdf
page 1308

In Hungarian: A költségvetési törvényjavaslat 1. melléklete
In English: Appendix 1 of the EBP
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
page 78

Comment:
The cited table lists individually most of the tax revenues, like VAT ("Általános forgalmi adó"), corporate tax ("Társasági adó") or personal income tax ("Személyi jövedelemadó"). In the first three blocks of the table the most important taxes are presented individually and in the lower part of the table social contribution tax and social contributions ("Szociális hozzájárulási adó és járulékok") is also shown separately.

The main deficiency is that individually significant sources are aggregated in some cases. For example the road tolls attribute for 400 billion HUF are added into the line „Egyéb központosított bevételek" (Other centralised revenues). The individual lines for FY 2023 on page 78 „Megtett úttal arányos útdíj" and „Időalapú útdíj". On the same page the environment protection fees („Környezetvédelmi termékdíjak") has a revenue estimate of 60 billion HUF, more than other individually presented sources in the balance sheet table (for example "Környezetterhelési díj" with 5.4 billion HUF or "Háztartási alkalmazottak regisztrációs díja" with 0.03 billion HUF).

The revenues of the budgetary institutions ("Költségvetési szervek bevételei") consists of various types like fines, administrative fees or market-based services (for example tuition fees of the universities). In this latter case the list of individual sources would be too long, but at least the types could be detailed below the aggregated line. Similarly the revenues related to public assets aggregates different revenue sources like agricultural land sale, sale of emission quotas, dividends, rents and some of these have significant amounts.

The individually presented revenues account for more than two-third of the total revenues. The presentation could be improved by presenting aggregated data for minor revenue sources like revenues from fees, fines or income from services in separate categories.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

IBP Comment
Score has been revised from "B" to "D" as the original EBP described above was overhauled and invalidated by an executive decree in late 2022. Please see Question EBP-1a for more details.

13. Does the Executive's Budget Proposal or any supporting budget documentation present three estimates related to government borrowing and debt: the amount of net new borrowing required during the budget year; the total debt outstanding at the end of the budget year; and interest payments on the debt for the budget year?

GUIDELINES:
Question 13 asks about three key estimates related to borrowing and debt that the budget should include:

- *the amount of net new borrowing required during the entire budget year;*
- *the central government's total debt burden at the end of the budget year; and*
- *the interest payments on the outstanding debt for the entire budget year.*

Debt is the accumulated amount of money that the government borrows. The government can borrow from its citizens and banks and businesses within the country (domestic debt) or from creditors outside the country (external debt). External debt is typically owed to private commercial banks, other governments, or international financial institutions such as the World Bank and the IMF.

Net new borrowing is the additional amount of new borrowing that is required for the budget year to finance expenditures in the budget that exceed available revenues. Net new borrowing adds to the accumulated debt. It is distinct from gross borrowing, which also includes borrowing needed to repay existing debt that matured during the budget year; debt that is replaced (or rolled over) does not add to the total of accumulated debt. For the purposes of this question, the deficit may be accepted as a proxy for net new borrowing.

Interest payments on the debt (or debt service costs) are typically made at regular intervals, and these payments must be made on a timely basis in order to avoid defaulting on the debt obligation. Interest payments are separate from the repayment of principal, which occurs only when the loan has matured and must be paid back in full.

To answer "a," the Executive's Budget Proposal or its supporting documentation must present all three estimates of borrowing and debt. For a "b" answer, the Executive's Budget Proposal or its supporting documentation must present two of those three estimates. For a "c" answer, the Executive's Budget Proposal or its supporting documentation must present one of the three estimates. Answer "d" applies if no information on borrowing and debt is presented for the entire budget year.

Answer:
d. No, none of the three estimates related to government borrowing and debt are not presented.

Source:
In Hungarian: A központi alrendszer mérlege
In English: Balance sheet of the central government
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
pp. 274-275

In Hungarian: A központi költségvetés bruttó adósságának alakulása 2021-2023 között
In English: The evolution of the gross debt of the central government between 2021 and 2023
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
page 297

Comment:
The table about the evolution of the gross debt shows the composition of the debt by currency denomination (under „1. Devizában fennálló adósság" for foreign denomination and „2. Forintban fennálló adósság" for domestic denomination) and type of debt (like loans („Hitelek"), T-bill („Kincstárjegyek"), bonds („Kötvények")). The gross debt is shown in the line called "A központi költségvetés bruttó adóssága mindösszesen". The debt is published for the end of year 2021, 2022 and 2023.
The sum of interests payment is shown in several places. We used the balance sheet of the central budget: the interests paid is in the line "Kamatkiadások", while the interests received in the row "Kamatbevételek".

The net new borrowing requirement is generally published in the Debt Management Agency's Yearly Outlook. It provides a guidance that the net new borrowing requirement is based on the cash-flow based deficit of the central budget plus other items like the balance of EU transfers. (This is in paragraph „1. Net financing requirements in 2023" on page 3 of the Yearly Outook linked below.) For FY 2023 the net financing requirement were 3,400 billion HUF, while in the EBP the fiscal deficit of the central government was 2,352 billion HUF. The difference can be explained by the different publication dates (the EBP was published in June, the Outlook in December). The significant difference prohibits the use of fiscal deficit as a proxy for the net new borrowing requirement because the Debt Management Agency calculated with a fundamentally different requirement in its plan than what could have been derived from the EBP.
As a result we maintained answer 'b'.

The Yearly Outlook of the Debt Management Agency for 2023:
In Hungarian:
https://www.akk.hu/download?path=dc10bca0-9aa9-42a0-9e0b-4d185891bf42.pdf
In English:
https://www.akk.hu/download?path=8e0185bd-4275-489a-85e7-7d4bc720a395.pdf

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

IBP Comment
Score has been revised from "B" to "D" as the original EBP described above was overhauled and invalidated by an executive decree in late 2022. Please see Question EBP-1a for more details.

13b. Based on the response to Question 13, check the box(es) below to identify which estimates of government borrowing and debt are presented in the Executive's Budget Proposal:

Answer:
None of the above

Source:
In Hungarian: A központi alrendszer mérlege
In English: Balance sheet of the central government
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
pp. 274-275

In Hungarian: A központi költségvetés bruttó adósságának alakulása 2021-2023 között
In English: The evolution of the gross debt of the central government between 2021 and 2023
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
page 297

Comment:
The table about the evolution of gross debt shows the central government's total debt burden at the end of the budget year in the line "A központi költségvetés bruttó adóssága mindösszesen".
The sum of interests paid are shown in the balance sheet of the central budget in the line "Kamatkiadások", while the interests received in the row "Kamatbevételek".
The amount of net new borrowing required is not shown explicitly. Previously we used the cash-flow based balance of the central budget as a proxy for it, but for FY 2023 the budget deficit differs too much from the net new borrowing requirement published by the Debt Management Agency's Yearly Outlook that it is not a good proxy for it.

The Yearly Outlook of the Debt Management Agency for 2023:
In Hungarian:
https://www.akk.hu/download?path=dc10bca0-9aa9-42a0-9e0b-4d185891bf42.pdf
In English:
https://www.akk.hu/download?path=8e0185bd-4275-489a-85e7-7d4bc720a395.pdf

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

IBP Comment
Score has been revised to "None of the above" as the original EBP described above was overhauled and invalidated by an executive decree in late 2022. Please see Question EBP-1a for more details.

14. "Does the Executive's Budget Proposal or any supporting budget documentation present information related to the composition of the total debt outstanding at the end of the budget year?

(The core information must include interest rates on the debt instruments; maturity profile of the debt; and whether it is domestic or external debt.)"

GUIDELINES:

Question 14 focuses on the composition of government debt at the end of the budget year, asking whether "core" information related to its composition is presented. These core components include:

- *interest rates on the debt;*
- *maturity profile of the debt; and*
- *whether the debt is domestic or external.*

The interest rates affect the amount of interest that must be paid to creditors. The maturity profile indicates the final payment date of the loan, at which point the principal (and all remaining interest) is due to be paid; government borrowing typically includes a mix of short-term and long-term debt. As discussed in Question 13, domestic debt is held by a country's citizens, banks, and businesses, while external debt is held by foreigners. These factors related to the composition of the debt give an indication of the potential vulnerability of the country's debt position, and ultimately whether the cost of servicing the accumulated debt is affordable.

Beyond these core elements, a government may also provide additional information related to the composition of its debt, including for instance: whether interest rates are fixed or variable; whether debt is callable; the currency of the debt; a profile of the creditors (bilateral institutions, multilateral institutions, commercial banks, Central Bank, etc.); an analysis of the risk associated with the debt; and where appropriate, what the debt is being used to finance.

To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to the composition of government debt at the end of the budget year as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to the composition of government debt is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on the composition of the debt outstanding at the end of the budget year.

Answer:
d. No, information related to composition of total debt outstanding is not presented.

Source:
In Hungarian: A központi alrendszer mérlege
In English: Balance sheet of the central government
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
pp. 274-275

In Hungarian: A központi költségvetés bruttó adósságának alakulása 2021-2023 között
In English: The evolution of the gross debt of the central government between 2021 and 2023
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
page 297

Comment:
The balance sheet of the central budget presents the interest payments in the row "Kamatkiadások", although for the total cost of debt the revenue from interests ("Kamatbevételek") ought to be subtracted. This absolute amount and the total amount of debt can be used to calculate an approximate interest rate for the total debt. The interest rates for each debt element/type or for the total debt are not published explicitly in the EBP.
The table about the evolution of the gross debt divides the debt by currency denomination (under „1. Devizában fennálló adósság" for foreign denomination and „2. Forintban fennálló adósság" for domestic denomination) and type of debt (like loans („Hitelek"), T-bill („Kincstárjegyek"), bonds („Kötvények")). This serves only as an estimate for domestic and external debt because foreign investors can hold bonds in domestic currency that would alter this data.
The maturity profile is not presented completely in the EBP, only the amount of T-bills can provide some information about it. The data for maturity profile is readily available on the webpage of the Debt Management Agency, so they could have been included in the document.
We accepted only the composition of the debt (domestic or external), while the core elements can only be determined by using proxy data or calculation for it. These may provide a broad picture about the debt, but clearly insufficient for detailed analysis.
The Debt Management Agency published more information about the total debt, but this information is omitted from the EBP.
The maturity profile of the debt is available here:
In Hungarian:
https://www.akk.hu/content/path=kozponti-koltsegvetes-adossaganak-lejarati-szerkezete
In English:
https://www.akk.hu/content/path=maturity-profile-debt-annual-quarterly
The ownership of securitized debt by the different sectors:

In Hungarian:
https://www.akk.hu/statisztika/hozamok-indexek-forgalmi-adatok/befektetoi-szektorok-masodpiaci-allampapir-pozicioja
In English:
https://www.akk.hu/statistics/yields-indices-market-turnover/mainvestor-groups-net-buying-position-secondary-market
The ownership structure of government securities in domestic denomination
In Hungarian: https://www.akk.hu/statisztika/allamadossag-finanszirozas/forintban-denominalt-allampapirok-befektetoi-szektoronkenti-megoszlasa
In English: https://www.akk.hu/statistics/public-debt-finance/ownership-structure-huf-government-securities

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

IBP Comment
Score has been revised from "C" to "D" as the original EBP described above was overhauled and invalidated by an executive decree in late 2022. Please see Question EBP-1a for more details.

14b. Based on the response to Question 14, check the box(es) to identify which elements of the composition of the total debt outstanding are are presented in the Executive's Budget Proposal:

Answer:
None of the above

Source:
In Hungarian: A központi alrendszer mérlege
In English: Balance sheet of the central government
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
pp. 274-275

In Hungarian: A központi költségvetés bruttó adósságának alakulása 2021-2023 között
In English: The evolution of the gross debt of the central government between 2021 and 2023
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
page 297

Comment:
The balance sheet of the central budget presents the interest payments in the row "Kamatkiadások", although for the total cost of debt the revenue from interests ("Kamatbevételek") ought to be subtracted. This absolute amount and the total amount of debt can be used to calculate an approximate interest rate for the total debt. The interest rates for each debt element/type or for the total debt are not published explicitly in the EBP.
The table about the evolution of the gross debt divides the debt by currency denomination (under „1. Devizában fennálló adósság" for foreign denomination and „2. Forintban fennálló adósság" for domestic denomination) and type of debt (like loans („Hitelek"), T-bill („Kincstárjegyek"), bonds („Kötvények")). This serves only as an estimate for domestic and external debt because foreign investors can hold bonds in domestic currency that would alter this data.
The maturity profile is not presented completely in the EBP, only the amount of T-bills can provide some information about it. However using only the T-bill may seriously underestimate the expiring amount, resulting in a misleading estimate.
We accepted only the composition of the debt (domestic or external) because it is sufficient to evaluate certain risks of the debt (for example foreign exchange risk or exposure to foreign loans), while the interest rates and maturity profile can only be broadly estimated and that may be misleading.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

IBP Comment

Score has been revised from "Whether the debt is domestic or external" to "None of the above" as the original EBP described above was overhauled and invalidated by an executive decree in late 2022. Please see Question EBP-1a for more details.

15. "Does the Executive's Budget Proposal or any supporting budget documentation present information on the macroeconomic forecast upon which the budget projections are based?

(The core information must include a discussion of the economic outlook with estimates of nominal GDP level, inflation rate, real GDP growth, and interest rates.)"

GUIDELINES:
Question 15 focuses on the macroeconomic forecast that underlies the budget's revenue and expenditure estimates, asking whether "core" information related to the economic assumptions is presented. These core components include a discussion of the economic outlook as well as estimates of the following:

- *nominal GDP level;*
- *inflation rate;*
- *real GDP growth; and*
- *interest rates.*

While the core macroeconomic information should be a standard feature of the Executive's Budget Proposal, the importance of some types of macroeconomic assumptions may vary from country to country. For example, the budget estimates of some countries are particularly affected by changes in the price of oil and other commodities.

Beyond these core elements, some governments also provide additional information related to the economic outlook, including for instance: short and long-term interest rates; rate of employment and unemployment; GDP deflator; price of oil and other commodities; current account; exchange rate; and composition of GDP growth.

To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to the macroeconomic forecast as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to the macroeconomic forecast is presented, but some of the core pieces of information are not included. Answer "d" applies if no information on the macroeconomic forecast is presented.

Answer:
d. No, information related to the macroeconomic forecast is not presented.

Source:
In Hungarian: A gazdasági fejlődés főbb jellemzői
In English: The main characteristics of the economic development
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
page 257

In Hungarian: Az általános indokolás – A kormányzat gazdaságpolitikájának fő vonásai, az államháztartás alakulása – I. A kormányzat gazdaságpolitikája
In English: The General Justification – The Main Features of the Economic Policy of the Government – 1. The economic policy of the government
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
pp. 221-222

In Hungarian: A gazdasági fejlődés főbb jellemzői
In English: The main characteristics of the economic development
URL: https://www.parlament.hu/irom42/00152/T_152_II_fejezeti.pdf
page 1306

In Hungarian: Gazdaság- és költségvetés-politikai kitekintés
In English: Economic and budgetary policy outlook
URL: https://www.parlament.hu/irom42/00152/T_152_II_fejezeti.pdf
pp. 1299-1305

Comment:

The cited table presents all the main macroeconomic assumptions for the budget.
The core elements are shown in the following lines:
Nominal GDP level – “GDP értéke folyó áron”
Inflation rate – “Fogyasztói árindex változása”
Real GDP growth – “GDP növekedése”
Interest rates are shown only as the base rate of the central bank in the line “Jegybanki alapkamat”.
Additionally many other assumptions are presented like investment rate as percent of GDP, consumption, export, import, balance of current account, exchange rate of EURHUF and EURUSD, change in employment and wages.

The document includes a narrative discussion on page 221-222. The discussion provides a broad outlook of the latest year’s economic performance and some of the trends. For FY2023 the narrative discussion presents a short explanation about the real GDP growth, number of employment, wages, household consumption and investment rate. This is starting with the paragraph "2022-ben 4,7%-os GDP bővülés prognosztizálható" at the bottom of page 221.

The supplements of the EBP contains an additional table about the macroeconomic assumptions and a structured narrative discussion. The table presents the same data as the above mentioned one but until 2026 (in mid-term perspective) instead of 2023. The narrative discussion explains all the main areas in a paragraph or two (components of the GDP, foreign trade, investments, consumption, labour market, inflation, external balance) and even compares the government's macroeconomic forecast with the European Commission's forecast.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

IBP Comment
Score has been revised from "A" to "D" as the original EBP described above was overhauled and invalidated by an executive decree in late 2022. Please see Question EBP-1a for more details.

15b. Based on the response to Question 15, check the box(es) to identify which elements of the macroeconomic forecast are included in the Executive’s Budget Proposal:

Answer:
None of the above

Source:
In Hungarian: A gazdasági fejlődés főbb jellemzői
In English: The main characteristics of the economic development
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
page 257

In Hungarian: A gazdasági fejlődés főbb jellemzői
In English: The main characteristics of the economic development
URL: https://www.parlament.hu/irom42/00152/T_152_II_fejezeti.pdf
page 1306

Comment:
The cited tables present all the main macroeconomic assumptions for the budget. The second presents the data until 2026 while the first one only until 2023. There is no other difference between the tables.
Real GDP growth – “GDP növekedése”
Nominal GDP level – “GDP értéke folyó áron”
GDP deflator – „GDP deflátor”
Inflation rate – “Fogyasztói árindex változása”
Increase of labour productivity – „Munkatermelékenység növekedési üteme”
Increase of gross total wages – „Bruttó bér- és keresettömeg”
Investment rate as percent of GDP - "Beruházási hányad (a GDP %-ában)"
Consumption of households - "Háztartások fogyasztása"

Consumption of government – „Közösségi fogyasztás”
Gross capital formation – „Bruttó állóeszköz-felhalmozás”
Domestic consumption - „Belföldi felhasználás”
Export of products and services - "Termékek és szolgáltatások exportja"
Import of products and services - "Termékek és szolgáltatások importja"
Balance of current account (billion EUR and as percent of GDP) - "Folyó fizetési mérleg egyenlege (milliárd euró és a GDP%-ában)"
Change in employment (in %) - "Foglalkoztatottak számának növekedése, %"
Change in gross average wage (in %) - "Bruttó átlagkereset növekedése, %"
Change in net average wage (in %) - "Nettó átlagkereset növekedése, %"
Exchange rate of EURHUF and EURUSD -"HUF/EUR árfolyam" and "HUF/USD árfolyam"
Brent oil price (USD/barrel, yearly average) – „Brent olajár (USD/hordó, éves átlag)”
Interest rates are shown only as the base rate of the central bank in the line “Jegybanki alapkamat”.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

IBP Comment
Score has been revised to "None of the above" as the original EBP described above was overhauled and invalidated by an executive decree in late 2022. Please see Question EBP-1a for more details.

16. "Does the Executive's Budget Proposal or any supporting budget documentation show the impact of different macroeconomic assumptions (i.e., sensitivity analysis) on the budget?

(The core information must include estimates of the impact on expenditures, revenue, and debt of different assumptions for the inflation rate, real GDP growth, and interest rates.)"

GUIDELINES:

Question 16 focuses on the issue of whether the Executive's Budget Proposal shows how different macroeconomic assumptions affect the budget estimates (known as a "sensitivity analysis"). It asks whether "core" information related to a sensitivity analysis is presented, estimating the impact on expenditures, revenue, and debt of different assumptions for:

- *inflation rate;*
- *real GDP growth; and*
- *interest rates.*

A sensitivity analysis shows the effect on the budget of possible changes in some macroeconomic assumptions, and is important for understanding the impact of the economy on the budget; for instance, what would happen to revenue collections if GDP growth were slower than what is assumed in the budget proposal? Or what would happen to expenditure if inflation were higher than estimated? Or how will revenue be affected by a decrease in the price of oil?

As noted for Question 15, changes in certain macroeconomic assumptions, such as the price of oil and other commodities, can have a significant impact on the budget estimates. As a result, some sensitivity analyses may also examine the impact on the budget estimates of changes in assumptions such as the price of oil that are beyond the core elements of the inflation rate, real GDP growth, and interest rates.

For an example of how a sensitivity analysis may be presented in the Executive's Budget Proposal, see the following:

- *The United States in its 2021 Budget Analytical Perspectives includes a section titled Sensitivity of the Budget to Economic Assumptions along with a table that shows the impact of each economic scenario on revenues, spending, and the deficit. (see pages 16 – 17, https://www.govinfo.gov/content/pkg/BUDGET-2021-PER/pdf/BUDGET-2021-PER.pdf).*
- *The Philippines in its 2021 Budget of Expenditures and Sources of Financing (BESF) presents the impact of different macroeconomic assumptions on expenditures, revenue, and debt (see page 131, Table A.6 titled "Budget Sensitivity to Macroeconomic Parameters, 2021," (https://www.dbm.gov.ph/wp-content/uploads/BESF/BESF2021/A6.pdf); pages 12-13, Technical Notes on the 2021 Proposed National Budget (https://www.dbm.gov.ph/images/pdffiles/Technical-Notes-on-the-2021-Proposed-National-Budget.pdf).*

To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to a "sensitivity analysis" as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to a "sensitivity analysis" is presented, but some of the core pieces of information are not included. Answer "d" applies if no information on "sensitivity analysis" is presented.

Answer:
d. No, information related to different macroeconomic assumptions is not presented.

Source:
N/A

Comment:
The EBP did not contain any sensitivity analysis. There was no change since the previous survey, so the answer remained 'd'.
An analysis was published in the Convergence Programme submitted to the European Commission:
In Hungarian: https://cdn.kormany.hu/uploads/document/2/23/232/232a01c58973bda360d1071eaa42804fef1cc1fa.pdf
In English: https://commission.europa.eu/system/files/2022-07/convergence_programme_of_hungary_2022_en.pdf
On page 51 in table 5.1 the effects of the different scenarios were presented for some of the main budgetary items, like major taxes, expenditures and general government balance. The Convergence Programme is not part of the budgetary documents, since it was published on 30 April, well before the submission of the EBP.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

IBP Comment
Please note that the original EBP described above was overhauled and invalidated by an executive decree in late 2022. Please see Question EBP-1a for more details.

17. Does the Executive's Budget Proposal or any supporting budget documentation present information for at least the budget year that shows how new policy proposals, as distinct from existing policies, affect expenditures?

GUIDELINES:
Questions 17 and 18 ask about new policy proposals in the budget. In any given year, most of the expenditures and revenues in the budget reflect the continuation of existing policies. However, much of the attention during the budget debate is focused on new proposals — whether they call for eliminating an existing program, introducing a new one, or changing an existing program at the margins. Typically, these new proposals are accompanied by an increase, a decrease, or a shift in expenditures or revenues. Because these changes may have different impacts on people's lives, the budget proposal should present sufficient detail about new policies and their budgetary impact.

Question 17 asks about new expenditure policies, and Question 18 asks about new revenue policies. To answer "a," the Executive's Budget Proposal or supporting documentation must present both estimates of how all new policy proposals affect expenditures (for Question 17) or revenues (for Question 18) and a narrative discussion of the impact of these new policies. To answer "b" for either question, the Executive's Budget Proposal or supporting documentation must present estimates that show the impact of all new policy proposals, but no narrative discussion is included. A "c" response applies if the presentation includes only a narrative discussion of the impact of the new policies, or if it includes estimates that show the impact of only some, but not all, policy proposals (regardless of whether it also includes a narrative discussion). Answer "d" applies if no information is presented on the impact of new policy proposals.

Answer:
d. No, information that shows how new policy proposals affect expenditure is not presented.

Source:
In Hungarian: Az általános indokolás
In English: The General Justification
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf

pp. 217-229

Comment:
The documents presents the main policies in the General Justification of the EBP, but the ongoing and new policies are mixed together, making difficult their separation.
The presentation of the new policies varies between the Surveys: minimal information was presented in the 2017 and 2021 Survey, but no effect was included in the EBP during the 2019 Survey.
In the actual EBP there was only one new policy affecting the expenditures but the exact amount was not discussed. On page 225 the government mentioned that the expenditures on national defence would reach 2% of the GDP in 2023 as a consequence of the modernisation of the army. The increase was not presented in absolute amount or as percent of GDP, thus it is unknown how much this policy costs. The policy was described in the sentence "A béke megőrzése, Magyarország függetlenségének, területi integritásának, lakosságának és anyagi javainak védelme, valamint a szövetségi és nemzetközi szerződésekből eredő katonai kötelezettségek teljesítése indokolja, hogy a honvédelemre fordítható kiadások már 2023-ban elérik a GDP 2%-át."
The other presented policies are the continuation of existing policies like maintaining the 15% personal income tax rate alongside tax exemptions for families or the family support programs. This is described on page 224 in the point „A családok támogatását szolgálja a munka és a gyermeknevelés megbecsülésére épülő családi adórendszer fenntartása is, mely Európa egyik legalacsonyabb, egykulcsos személyi jövedelemadóját (15%) alkalmazza, a gyermeknevelést pedig családi adó-, illetve járulékkedvezménnyel segíti".
Furthermore the policies are not summarised or separated to the new (proposed in the EBP) policies and the already existing ones.
The last inspected EBP contained minimal information about the effects of new policies, while the current EBP provided no information about any new policy, so the answer is changed to „d", and the presentation remained ad hoc year-by-year.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

IBP Comment
Please note that the original EBP described above was overhauled and invalidated by an executive decree in late 2022. Please see Question EBP-1a for more details.

18. Does the Executive's Budget Proposal or any supporting budget documentation present information for at least the budget year that shows how new policy proposals, as distinct from existing policies, affect revenues?

GUIDELINES:
Questions 17 and 18 ask about new policy proposals in the budget. In any given year, most of the expenditures and revenues in the budget reflect the continuation of existing policies. However, much of the attention during the budget debate is focused on new proposals — whether they call for eliminating an existing program, introducing a new one, or changing an existing program at the margins. Typically, these new proposals are accompanied by an increase, a decrease, or a shift in expenditures or revenues. Because these changes may have different impacts on people's lives, the budget proposal should present sufficient detail about new policies and their budgetary impact.

Question 17 asks about new expenditure policies, and Question 18 asks about new revenue policies. To answer "a," the Executive's Budget Proposal or supporting documentation must present both estimates of how all new policy proposals affect expenditures (for Question 17) or revenues (for Question 18) and a narrative discussion of the impact of these new policies. To answer "b" for either question, the Executive's Budget Proposal or supporting documentation must present estimates that show the impact of all new policy proposals, but no narrative discussion is included. A "c" response applies if the presentation includes only a narrative discussion of the impact of the new policies, or if it includes estimates that show the impact of only some, but not all, policy proposals (regardless of whether it also includes a narrative discussion). Answer "d" applies if no information is presented on the impact of new policy proposals.

Prior-year information constitutes an important benchmark for assessing the proposals for the upcoming budget year. Estimates of prior years should be presented in the same formats (in terms of classification) as the budget year to ensure that year-to-year comparisons are meaningful. For example, if the budget proposes shifting responsibility for a particular program from one administrative unit to another — such as shifting responsibility for the training of nurses from the health department to the education department — the prior-year figures must be adjusted before year-to-year comparisons of administrative budgets can be made.

Typically, when the budget proposal is submitted, the year prior to the budget year (BY-1), also known as the current year, has not ended, so the executive will provide estimates of the anticipated outcome for BY-1. The soundness of these estimates is directly related to the degree to which they have been updated to reflect actual expenditures to date, legislative changes that have occurred, and anticipated changes in macroeconomic, caseload, and other relevant factors for the remainder of the year.

The first year that can reflect actual outcomes, therefore, is generally two years before the budget year (BY-2). Thus the OECD recommends that data covering at least two years before the budget year (along with two years of projections beyond the budget year) are provided in order to assess fully the trends in the budget.

Answer:
d. No, information that shows how new policy proposals affect revenues is not presented.

Source:
In Hungarian: Az általános indokolás
In English: The General Justification
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
pp. 217-229

In Hungarian: Gazdaság- és költségvetés-politikai kitekintés - Az államháztartás helyzete
In English: Economic and budgetary policy outlook - State of the budget
URL: https://www.parlament.hu/irom42/00152/T_152_II_fejezeti.pdf
pp. 1303-1304

Comment:
The general justification did not mention any new policy affecting the revenues, only some of the already existing policies, like the tax expenditure on the income tax for families.
There were tax changes for FY 2023: several of them were already adopted but would become effective from 2023 and others were only planned policies.
The main changes were listed in the budgetary policy outlook on pp. 1303-1304. For example the tax on advertising ("reklámadó") was suspended until the end of 2022 but it would be effective from 2023, hence the EBP included it as a revenue item. This is on page 1303 "A reklámadó korábban a 2022. év végéig került felfüggesztésre. 2023. január 1-jével automatikusan ismét hatályba lép. A bevétellel a teljes időhorizonton számol a költségvetés".
The company car tax ("cégautóadó") would be part of the general vehicle tax ("gépjárműadó") from 2023 and its tax rates would change according to the environment protection goals. This is also described on page 1303 in the sentence "A cégautóadó mértéke 2022-ben emelkedik, majd a 2023. évtől ez az adónem a gépjármű adó része lesz, és az adótábla is átalakul, ezáltal nagyobb hangsúlyt kapnak a környezetvédelmi szempontok".
These were already adopted policies but their effect would appear first in the EBP for FY 2023.
There was a planned policy with a legal change under discussion as mentioned on page 1169 related to the corporate tax ("társasági adó"). The revenue was planned with the stricter OECD transfer pricing guidance that would cause 40 billion increase in the revenue but the legal change was in the preparation stage as described in the sentence "Továbbá a 2023. évi költségvetési előirányzat tervezése során a bevételi tervszám számol az OECD transzferárazási irányelvének megfelelő szabálymódosítással, mely a transzferárazási szabályok szigorítása által várhatóan mintegy 40 000,0 millió forint többletbevételt eredményez. A jogszabályváltozás előkészítés alatt áll."
There were planned policies and policies becoming effective in the budget year that had a revenue effect but the effect on the revenue was not presented in the EBP intentionally, only in an ad hoc way.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

IBP Comment
Please note that the original EBP described above was overhauled and invalidated by an executive decree in late 2022. Please see Question EBP-1a for more details.

19. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for the year preceding the budget year (BY-1) by any of the three expenditure classifications (by administrative, economic, or functional classification)?

GUIDELINES:
Question 19 asks if expenditure estimates for the year prior to the budget year (BY-1) are presented by one of the three expenditure classifications — by administrative, economic, and functional classifications. Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. (See Questions 1-5 above.)

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditure estimates for BY-1 by all three of the expenditure classifications. To answer "b," expenditure estimates for BY-1 must be presented by two of these three classifications. A "c" answer applies if expenditure estimates for BY-1 are presented by one of the three classifications. Answer "d" applies if expenditure estimates for BY-1 are not presented by any of the three classifications.

Answer:
d. No, expenditure estimates for BY-1 are not presented by any expenditure classification.

Source:
In Hungarian: A költségvetési törvényjavaslat 1. melléklete
In English: Appendix 1 of the EBP
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
pp. 40-93
In Hungarian: A központi alrendszer mérlege
In English: Balance sheet of the central government
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
pp. 274-275

Functional classification
In Hungarian: A központi alrendszer funkcionális kiadásai (pénzforgalmi szemléletben)
In English: The functional expenditures of the central government (cash-flow based)
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
page 281
In Hungarian: A központi alrendszer konszolidált funkcionális kiadásai (pénzforgalmi szemléletben)
In English: The consolidated functional expenditures of the central government (cash-flow based)
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
page 282

Economic classification
In Hungarian: A központi alrendszer mérlege (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)
In English: Balance sheet of the central government (cash-flow based) (by economic classification)
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
page 278
In Hungarian: A központi alrendszer konszolidált kiadásai (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)
In English: Consolidated expenditures of the central government (cash-flow based) (by economic classification)
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
page 279

Comment:
The EBP presents the expenditures for the previous year (FY2022) in functional and economic classification for both the gross and consolidated expenditures. They are in the column „2022. évi előirányzat" in the cited tables.
The data presented in administrative classification does not present the expenditures for the previous year. Appendix 1 shows the expenditures in four columns for the budget year detailing the current and capital expenditures and revenues (the header says „2023. évi előirányzat" and under it „Működési kiadás", „Működési bevétel", „Felhalmozási kiadás", „Felhalmozási bevétel").
The balance sheet of the budget presents the data for FY2022 (in the column "2022. évi előirányzat"), but the classification used for the table is not administrative because only some of the programs are presented individually while all the budgetary institutions and majority of chapter-administered appropriations are aggregated.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

IBP Comment
Score has been revised from "B" to "D" as the original EBP described above was overhauled and invalidated by an executive decree in late 2022. Please see Question EBP-1a for more details.

20. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for individual programs for the year preceding the budget year (BY-1)?

GUIDELINES:
Question 20 asks if expenditure estimates for the year before the budget year (BY-1) are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department. For example, the Ministry of Health's budget could be broken down into several subgroups, such as "primary health care,""hospitals," or "administration." These subgroups should be considered programs even if they could be, but are not, broken down into smaller, more detailed units.

A note for francophone countries: *"Program" level detail is sometimes referred to as le plan comptable or le plan comptable detaille. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)*

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for all individual programs, accounting for all expenditures, for BY-1. To answer "b," the programs shown individually in the Executive's Budget Proposal or its supporting documentation must account for at least two-thirds of all expenditures for BY-1. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents programs that account for only less than two-thirds of expenditures. Answer "d" applies if expenditures are not presented by program.

Answer:
d. No, expenditures are not presented by program for BY-1.

Source:
In Hungarian: A költségvetési törvényjavaslat 1. melléklete
In English: Appendix 1 of the EBP
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
pp. 40-93
In Hungarian: A központi alrendszer mérlege
In English: Balance sheet of the central government
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
pp. 274-275

Comment:
Appendix 1 of the EBP presents the data at program level (that is for institutions and appropriations below ministries), but only for FY 2023. The header „2023. évi előirányzat" shows this.
Expenditures data for BY-1 is presented in the balance sheet of the central government in the column „2022. évi előirányzat" on page 275. Some of the expenditures can be treated as programs for example the subsidy for public media ("Közszolgálati műsorszolgáltatás támogatása"), consumer price subsidy ("Szociálpolitikai menetdíj támogatás"), housing subsidies ("Lakásépítési támogatások") or the family social benefits ("Családi támogatások"). All the budgetary institutions (ministries and institutions under them) and other the chapter-administered appropriations are aggregated to the lines „Költségvetési szervek kiadásai" and „Szakmai fejezeti kezelésű előirányzatok kiadásai". (These two items account for nearly half of the expenditures.)
The total amount of the individually listed items is less than two-third of the total expenditures.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

IBP Comment
Score has been revised from "C" to "D" as the original EBP described above was overhauled and invalidated by an executive decree in late 2022. Please see Question EBP-1a for more details.

21. In the Executive's Budget Proposal or any supporting budget documentation, have expenditure estimates of the year prior to the budget year (BY-1) been updated from the original enacted levels to reflect actual expenditures?

GUIDELINES:
Question 21 asks whether the expenditure estimates for the year before the budget year (BY-1) have been updated from the original enacted levels. Updates can reflect actual experience to date; revised estimates due to shifting of funds by the executive, as permitted under the law; enactment of supplemental budgets; and revised assumptions regarding macroeconomic conditions, caseload, and other relevant factors for the remainder of the year.

Answer "a" applies if the estimates have been updated; answer "b" applies if the original estimates are still being used.

Answer:
b. No, expenditure estimates for BY-1 have not been updated from the original enacted levels.

Source:
In Hungarian: A központi alrendszer mérlege
In English: Balance sheet of the central government
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
pp. 274-275

In Hungarian: A központi alrendszer funkcionális kiadásai (pénzforgalmi szemléletben)
In English: The functional expenditures of the central government (cash-flow based)
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
page 281

In Hungarian: A központi alrendszer mérlege (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)
In English: Balance sheet of the central government (cash-flow based) (by economic classification)
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
page 278

Comment:
The data for FY2022 were not updated. It shows the originally enacted numbers.
The main numbers in the cited tables are nearly the same as in the EBP for FY2022. The slight changes are the modifications made by the legislation between the EBP and Enacted Budget for FY2022. In the EBP for FY2023 the numbers refer to the Enacted Budget, but since these supporting tables were not published for the Enacted Budget, it can only be deducted from the main numbers.
The total expenditures ("Kiadások") in the EBP for FY 2022 was 28,505,209.9 million HUF with a -3,152,653 million HUF fiscal deficit ("Egyenleg") and in the Enacted Budget the total expenditures was 28,546,456.1 million HUF with the same fiscal deficit. This latter total expenditure appears in the EBP for FY2023.
The total expenditures in the Enacted Budget is shown in 1.§ (1) a).
URL: http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK21120.pdf#page=2

The data for FY2022 in functional and economic classification was published in the tables of the EBP for FY2022 in the columns „2022. évi előirányzat", however these tables should have been updated with the minor modification made by the legislature.
URL: https://www.parlament.hu/irom41/16118/t_16118_fokotet.pdf
In Hungarian: A központi alrendszer mérlege
In English: Balance sheet of the central government
pp. 270-271
In Hungarian: A központi alrendszer funkcionális kiadásai (pénzforgalmi szemléletben)
In English: The functional expenditures of the central government (cash-flow based)
page 275
In Hungarian: A központi alrendszer mérlege (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)
In English: Balance sheet of the central government (cash-flow based) (by economic classification)
page 272

Another validation source is the balance sheet for the enacted budget for FY 2022 that is published in the monthly reports of the Hungarian State Treasury (this file is linked below).
On the worksheet „HAVI" column C presents the numbers of the enacted budget for FY2022, while on worksheet „MERLEG" column F contains the data. Thel files are bilingual here and the numbers are the same from January to December proving that these are the original enacted numbers. The data in these file exactly matches with the numbers in column "2022. évi előirányzat" in the balance sheet in the EBP for FY2023 on page 275.
URL for the monthly balance sheets: https://www.allamkincstar.gov.hu/Koltsegvetes/Kozponti_alrendszer_-_Merlegek/a-kozponti-alrendszer-koltsegvetesi-merlege/Archivum/2022

Since all the data sources verify that the originally enacted numbers are presented in the tables in the EBP for FY2023, the data for FY2022 were not updated.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

IBP Comment
Please note that the original EBP described above was overhauled and invalidated by an executive decree in late 2022. Please see Question EBP-1a for more details.

22. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of expenditure for more than one year prior to the budget year (that is, BY-2 and prior years) by any of the three expenditure classifications (by administrative, economic, or functional classification)?

GUIDELINES:
Question 22 asks if expenditure estimates for more than one year prior to the budget year (BY-2 and prior years) are presented by any of the three expenditure classifications — by administrative, economic, and functional classifications. Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. (See Questions 1-5 above.)

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditure estimates for BY-2 and prior years by all three of the expenditure classifications. To answer "b," expenditure estimates for BY-2 and prior years must be presented by two of these three classifications. A "c" answer applies if expenditure estimates for BY-2 and prior years are presented by one of the three classifications. Answer "d" applies if expenditure estimates for BY-2 and prior years are not presented by any of the three classifications

Answer:
d. No, expenditure estimates for BY-2 and prior years are not presented by any expenditure classification.

Source:
Administrative classification
In Hungarian: A költségvetési törvényjavaslat 1. melléklete
In English: Appendix 1 of the EBP
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
pp. 40-93

In Hungarian: A központi alrendszer mérlege
In English: Balance sheet of the central government
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
pp. 274-275

Functional classification
In Hungarian: A központi alrendszer funkcionális kiadásai (pénzforgalmi szemléletben)
In English: The functional expenditures of the central government (cash-flow based)
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
page 281

Economic classification
In Hungarian: A központi alrendszer mérlege (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)
In English: Balance sheet of the central government (cash-flow based) (by economic classification)
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
page 278

Comment:
The administrative classification only contains the data for the budget year, while the functional and economic classification starts at BY-1. Earlier years are not included in any of the tables.
The budget year is in the columns „2023. évi előirányzat", the previous year in the column „2022. évi előirányzat".

Peer Reviewer
Opinion: Agree

Government Reviewer

Opinion:

IBP Comment
Please note that the original EBP described above was overhauled and invalidated by an executive decree in late 2022. Please see Question EBP-1a for more details.

22b. Based on the response to Question 22, check the box(es) to identify which expenditure classifications have estimates for more than one year prior to the budget year in the Executive Budget Proposal:

Answer:
None of the above

Source:
N/A

Comment:
No data is presented for BY-2 or earlier years.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

IBP Comment
Please note that the original EBP described above was overhauled and invalidated by an executive decree in late 2022. Please see Question EBP-1a for more details.

23. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for individual programs for more than one year preceding the budget year (that is, BY-2 and prior years)?

GUIDELINES:
Question 23 asks if expenditure estimates for more than one year before the budget year (BY-2 and prior years) are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department. For example, the Ministry of Health's budget could be broken down into several subgroups, such as "primary health care,""hospitals," or "administration." These subgroups should be considered programs even if they could be, but are not, broken down into smaller, more detailed units.

***A note for francophone countries**: "Program" level detail is sometimes referred to as le plan comptable or le plan comptable detaille. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)*

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for all individual programs, accounting for all expenditures, for BY-2 and prior years. To answer "b," the programs shown individually in the Executive's Budget Proposal or its supporting documentation must account for at least two-thirds of all expenditures for BY-2 and prior years. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents programs that account for only less than two-thirds of expenditures. Answer "d" applies if expenditures are not presented by program.

Answer:
d. No, expenditures are not presented by program for BY-2 and prior years.

Source:

In Hungarian: A költségvetési törvényjavaslat 1. melléklete
In English: Appendix 1 of the EBP
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
pp. 40-93

In Hungarian: A központi alrendszer mérlege
In English: Balance sheet of the central government
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
pp. 274-275

Comment:
Appendix 1 of the EBP presents data only for the budget year.
The balance sheet of the central budget contains data for the budget year and the year before it. The budget year is in the columns „2023. évi előirányzat", the previous year in the column „2022. évi előirányzat".
No data is presented for BY-2 at program level.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

IBP Comment
Please note that the original EBP described above was overhauled and invalidated by an executive decree in late 2022. Please see Question EBP-1a for more details.

24. In the Executive's Budget Proposal or any supporting budget documentation, what is the most recent year presented for which all expenditures reflect actual outcomes?

GUIDELINES:
Question 24 asks for which year the actual outcomes for expenditures are shown. In most cases, the most recent year for which budget data on actual outcomes are available will be BY-2, as BY-1 is generally not yet finished when the budget proposal is drafted. So a government that has updated all its expenditure data for BY-2 to reflect what actually occurred, as opposed to estimating the outcome for that year, shows good public financial management practice.

For an "a" answer, a country must meet the good practice of having the figures for BY-2 reflect actual outcomes.

Answer:
d. No actual data for all expenditures are presented in the budget or supporting budget documentation.

Source:
In Hungarian: A költségvetési törvényjavaslat 1. melléklete
In English: Appendix 1 of the EBP
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
pp. 40-93

In Hungarian: A központi alrendszer mérlege
In English: Balance sheet of the central government
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
pp. 274-275

Functional classification
In Hungarian: A központi alrendszer funkcionális kiadásai (pénzforgalmi szemléletben)
In English: The functional expenditures of the central government (cash-flow based)
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
page 281

Economic classification

In Hungarian: A központi alrendszer mérlege (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)
In English: Balance sheet of the central government (cash-flow based) (by economic classification)
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
page 278

Comment:
None of the tables in the EBP contains data for BY-2 (FY 2021) that could reflect actual outcomes for the latest closed year.
At the time of submission of the EBP the actual outcomes for FY 2021 were available in other publications, but were not included in the document.
For example the data for December 2021 was published on 25 February 2022 on the webpage of the State Treasury (as shown in the filename) and these could have been included as actual outcomes.
URL for the webpage of the State Treasury: https://www.allamkincstar.gov.hu/Koltsegvetes/Kozponti_alrendszer_-_Reszletezo_adatok/kozponti-koltsegvetes-vegrehajtasanak-adatai/a-2021.-evi-kozponti-koltsegvetes-vegrehajtasanak-adatai

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

IBP Comment
Please note that the original EBP described above was overhauled and invalidated by an executive decree in late 2022. Please see Question EBP-1a for more details.

25. Does the Executive's Budget Proposal or any supporting budget documentation present revenue by category (such as tax and non-tax) for the year preceding the budget year (BY-1)?

GUIDELINES:
Questions 25 through 30 cover the same topics about prior-year information as the previous six questions, only they ask about information provided for revenues rather than expenditures.

Answer:
b. No, revenue estimates for BY-1 are not presented by category.

Source:
In Hungarian: A központi alrendszer mérlege
In English: Balance sheet of the central government
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
pp. 274-275

In Hungarian: A központi alrendszer mérlege (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)
In English: Balance sheet of the central government (cash-flow based) (by economic classification)
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
page 278

Comment:
There are two tables that present the revenues by broad categories.
The table by economic classification presents the main tax types by categories like income taxes ("Jövedelemadók"), taxes on wages and other taxes related to employment ("Bérhez és foglalkoztatáshoz kapcsolódó adók"), taxes on assets ("Vagyon típusú adók"), but the non-tax revenues are aggregated into the lines other revenues based on power of state ("Egyéb közhatalmi bevételek"), operational revenues („Működési bevételek") and capital revenues („Felhalmozási bevételek"). These are broad categories, but contain all the revenues.
The balance sheet of the central budget presents the revenues in more specialised categories on page 274. It classifies the revenues by revenues from corporations ("Gazdálkodó szervek befizetései"), taxes on consumption ("Fogyasztáshoz kapcsolt adók"), revenues from households ("Lakosság befizetései") and lists other revenues sources individually like social contribution tax and social contributions ("Szociális hozzájárulási adó és járulékok"). These categories include mostly tax revenues. The non-tax revenues are not listed separately and can be only estimated as a total, because many of them are presented in an aggregated line. For example revenues related to state assets ("Állami vagyonnal kapcsolatos bevételek") can include dividends, rents and sale of assets. Other notable categories are the interests received ("Kamatbevételek"), the revenues from the European Union ("Uniós programok bevételei") and the revenues of the budgetary institutions ("Költségvetési szervek bevételei"). While the categories are not readily classified as tax and non-tax revenue sources, most of the used categories include only one type, hence the estimate for

tax and non-tax revenues can be calculated.
Both tables show the estimates for BY-1 in the column “2022. évi előirányzat”.
Appendix 1 contains the estimates of the individual sources, but only for the budget year, thus the estimates for BY-1 have to be looked up in the enacted budget for the previous year.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

IBP Comment
Score has been revised from "A" to "B" as the original EBP described above was overhauled and invalidated by an executive decree in late 2022. Please see Question EBP-1a for more details.

26. Does the Executive's Budget Proposal or any supporting budget documentation present individual sources of revenue for the year preceding the budget year (BY-1)?

GUIDELINES:
Questions 25 through 30 cover the same topics about prior-year information as the previous six questions, only they ask about information provided for revenues rather than expenditures.

Answer:
d. No, individual sources of revenue are not presented for BY-1.

Source:
In Hungarian: A költségvetési törvényjavaslat 1. melléklete
In English: Appendix 1 of the EBP
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
pp. 40-93

In Hungarian: A központi alrendszer mérlege
In English: Balance sheet of the central government
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
pp. 274-275

Comment:
Appendix 1 of the EBP presents all the individual revenue sources, but only for the budget year.
The balance sheet of the central budget contains the main revenue sources for the previous year individually on page 274. The data for BY-1 is in column “2022. évi előirányzat”.
Many of the taxes are presented in separate lines like VAT (“Általános forgalmi adó”), corporate tax (“Társasági adó”), personal income tax (“Személyi jövedelemadó”), social contribution tax and other contributions („Szociális hozzájárulási adó és járulékok”), excise duties („Jövedéki adó”) or even minor taxes like tax for small enterprises (“Kisvállalati adó”).
The non-tax revenues are similar but presented with less details. The estimate for EU grants is shown separately in the row “Uniós programok bevételei”. Other non-revenue sources (like fees, rents or income from property) cannot be identified individually. The fees are aggregated with other incomes in the line “Költségvetési szervek bevételei” that presents all the revenues of the budgetary institutions. The income from public assets is presented in the line “Állami vagyonnal kapcsolatos befizetések” that includes dividends from corporations, income from selling assets and rents. The line "Egyéb központosított bevételek" aggregates road tolls, penalties, environment protection fees and they could have been presented individually as their amounts are significant on their own.
The individually presented revenue sources account for more than two-third of the total revenue.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

IBP Comment
Score has been revised from "B" to "D" as the original EBP described above was overhauled and invalidated by an executive decree in late 2022. Please see Question EBP-1a for more details.

27. In the Executive's Budget Proposal or any supporting budget documentation, have the original estimates of revenue for the year prior to the budget year (BY-1) been updated to reflect actual revenue collections?

GUIDELINES:
Questions 25 through 30 cover the same topics about prior-year information as the previous six questions, only they ask about information provided for revenues rather than expenditures.

Answer:
b. No, revenue estimates for BY-1 have not been updated from the original enacted levels.

Source:
In Hungarian: A központi alrendszer mérlege
In English: Balance sheet of the central government
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
pp. 274-275

Comment:
The data presented in the EBP is the same that was approved by the legislature as the enacted budget, thus they show the original estimates. The main numbers are the same as in the Enacted Budget for FY 2022. The EB did not include this table, but the balance sheet for the enacted budget for FY 2022 is published in the monthly reports by the State Treasury.
The bilingual files are available on the webpage of the State Treasury:
https://www.allamkincstar.gov.hu/Koltsegvetes/Kozponti_alrendszer_-_Merlegek/a-kozponti-alrendszer-koltsegvetesi-merlege/Archivum/2022

The numbers in the column "2022. évi előirányzat" (column C on worksheet "HAVI" in the excel file) are the same during the year. The revenues are shown in the block "Bevételek" and the total for central government ("Központi költségvetés") is the same as on page 274 of the EBP (17,066,813.9 million HUF). The detailed lines are the same in the two tables as well. This confirms that the data in the EBP shows the original estimates, because even the January 2022 monthly report shows these estimates.

Furthermore the total revenues of the central government and other separated funds can be compared with the Enacted Budget for FY 2022. The 25,393,803.1 million HUF amount appears in 1.§ (1) b) in the line "bevételi főösszeg" (total revenues) and at the top of the table in the row "Bevétel" (Revenues).
URL for the Enacted Budget for FY 2022: http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK21120.pdf#page=2

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

IBP Comment
Please note that the original EBP described above was overhauled and invalidated by an executive decree in late 2022. Please see Question EBP-1a for more details.

28. Does the Executive's Budget Proposal or any supporting budget documentation present revenue estimates by category (such as tax and non-tax) for more than one year prior to the budget year (that is, BY-2 and prior years)?

GUIDELINES:
Questions 25 through 30 cover the same topics about prior-year information as the previous six questions, only they ask about information provided for revenues rather than expenditures.

Answer:
b. No, revenue estimates for BY-2 and prior years are not presented by category.

Source:
In Hungarian: A központi alrendszer mérlege
In English: Balance sheet of the central government
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
pp. 274-275

In Hungarian: A központi alrendszer mérlege (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)
In English: Balance sheet of the central government (cash-flow based) (by economic classification)
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
page 278

In Hungarian: A központi alrendszer funkcionális kiadásai (pénzforgalmi szemléletben)
In English: The functional expenditures of the central government (cash-flow based)
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
page 281

Comment:
The summary tables only present the numbers for BY-1 (in column „2022. évi előirányzat").
No data is presented for BY-2 in the EBP.
The audited numbers were not available at the publication date of the EBP, but the preliminary outcomes were available and could have been included as reference.
For example the data for December 2021 was published on 25 February 2022 on the webpage of the State Treasury (as shown in the filename) and these could have been included as actual outcomes.
URL for the webpage of the State Treasury: https://www.allamkincstar.gov.hu/Koltsegvetes/Kozponti_alrendszer_-_Reszletezo_adatok/kozponti-koltsegvetes-vegrehajtasanak-adatai/a-2021.-evi-kozponti-koltsegvetes-vegrehajtasanak-adatai

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

IBP Comment
Please note that the original EBP described above was overhauled and invalidated by an executive decree in late 2022. Please see Question EBP-1a for more details.

29. Does the Executive's Budget Proposal or any supporting budget documentation present individual sources of revenue for more than one year prior to the budget year (that is, BY-2 and prior years)?

GUIDELINES:
Questions 25 through 30 cover the same topics about prior-year information as the previous six questions, only they ask about information provided for revenues rather than expenditures.

Answer:
d. No, individual sources of revenue are not presented for BY-2 and prior years.

Source:
In Hungarian: A költségvetési törvényjavaslat 1. melléklete
In English: Appendix 1 of the EBP
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
pp. 40-93

In Hungarian: A központi alrendszer mérlege

In English: Balance sheet of the central government
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
pp. 274-275

Comment:
The tables in the EBP only contains the data for BY (in column „2023. évi előirányzat") or BY-1 (in column „2022. évi előirányzat").
For previous years neither the actual outcome nor the original/updated estimates were presented.

Appendix 1 presents all the individual sources but only for BY.
The balance sheet presents most of the revenue sources individually but only for BY-1 and BY.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

IBP Comment
Please note that the original EBP described above was overhauled and invalidated by an executive decree in late 2022. Please see Question EBP-1a for more details.

30. In the Executive's Budget Proposal or any supporting budget documentation, what is the most recent year presented for which all revenues reflect actual outcomes?

GUIDELINES:
Questions 25 through 30 cover the same topics about prior-year information as the previous six questions, only they ask about information provided for revenues rather than expenditures.

Answer:
d. No actual data for all revenues are presented in the budget or supporting budget documentation.

Source:
In Hungarian: A költségvetési törvényjavaslat 1. melléklete
In English: Appendix 1 of the EBP
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
pp. 40-93

In Hungarian: A központi alrendszer mérlege
In English: Balance sheet of the central government
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
pp. 274-275

In Hungarian: A központi alrendszer mérlege (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)
In English: Balance sheet of the central government (cash-flow based) (by economic classification)
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
page 278

In Hungarian: A központi alrendszer funkcionális kiadásai (pénzforgalmi szemléletben)
In English: The functional expenditures of the central government (cash-flow based)
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
page 281

Comment:
No table in the EBP presented the actual outcomes for any previous year. The tables in the EBP only present estimates for FY 2022 (that is BY-1) as the earliest data.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

IBP Comment
Please note that the original EBP described above was overhauled and invalidated by an executive decree in late 2022. Please see Question EBP-1a for more details.

31. "Does the Executive's Budget Proposal or any supporting budget documentation present information on government borrowing and debt, including its composition, for the year preceding the budget year (BY-1)?

(The core information must include the total debt outstanding at the end of BY-1; the amount of net new borrowing required during BY-1; interest payments on the debt; interest rates on the debt instruments; maturity profile of the debt; and whether it is domestic or external debt.)"

GUIDELINES:
Question 31 focuses on prior-year debt information, rather than on prior-year expenditures or revenues, asking whether "core" information is provided on government borrowing and debt, including its composition, for the year preceding the budget year (BY-1).

The "core" information includes:

- *total debt outstanding at the end of BY-1;*
- *amount of net new borrowing required during BY-1;*
- *interest payments on the debt;*
- *interest rates on the debt instruments;*
- *maturity profile of the debt; and*
- *whether it is domestic or external debt.*

This core information for BY-1 is consistent with the budget year information for borrowing and debt, which is examined in Questions 13 and 14. Please note that for the purposes of this question, the deficit may be accepted as a proxy for net new borrowing.

In addition, some governments provide information beyond the core elements, such as gross new borrowing required during BY-1; currency of the debt; whether the debt carries a fixed or variable interest rate; whether it is callable; a profile of the creditors (bilateral institutions, multilateral institutions, commercial banks, Central Bank, etc.); where appropriate, what the debt is being used to finance.

To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to government borrowing and debt, including its composition, for BY-1 as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to government borrowing and debt, including its composition, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on government borrowing and debt for BY-1.

Answer:
d. No, information related to government debt is not presented.

Source:
In Hungarian: A központi alrendszer mérlege
In English: Balance sheet of the central government
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
pp. 274-275

In Hungarian: A központi költségvetés bruttó adósságának alakulása 2021-2023 között
In English: The evolution of the gross debt of the central government between 2021 and 2023
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
page 297

In Hungarian: XLI. Adósságszolgálattal kapcsolatos bevételek és kiadások
In English: Chapter XLI Revenues and expenditures related to debt services
URL: https://www.parlament.hu/irom42/00152/T_152_II_fejezeti.pdf

pp. 1157-1165

Comment:
The interest payments on the debt is presented in the balance sheet of the central government in the line „Kamatkiadások" on page 275 in the column „2022. évi előirányzat". The interests received is in the line „Kamatbevételek" on page 274 in the column „2022. évi előirányzat". The net interest payments also mentioned in the narrative discussion on page 1159: in the paragraph „Az adósságkezelés nettó kamatköltsége 2023-ban így 1 762 861,8 millió forintot tesz ki, ami a 2022. évi előirányzathoz képest 498 287,5 millió forint növekedést jelent." means that the net interest cost of debt management will be 1 762 861,8 million HUF in 2023 that is 498 287,5 million HUF higher than the 2022 estimate. The increase is explained by higher nominal debt amount, the higher interest rates and the increasing share of household securities with higher interest rates and longer maturities.
The composition of the debt is presented in the evolution of the gross debt table on page 297. The total debt is in the line „A központi költségvetés bruttó adóssága mindösszesen", and the data for BY-1 is in the column „2022.12.31 állomány". The currency denomination is divided by domestic and foreign currency: the block „Devizában fennálló adósság" contains the data for debt instruments in foreign currency, while the block „Forintban fennálló adósság" contains the debt in domestic currency (HUF). The maturity profile of the debt is only broadly presented by the different instrument types in the table. The loans are shown in the lines „Devizahitelek" and „Forinthitelek", the bonds in the lines „Devizakötvények" and „Államkötvények", the T-bills in the line „Kincstárjegyek". The duration of the different estimates can be guessed, but the exact structure (for example if the bonds will expire in the next year or in 5-10 years) is not presented.
Other core elements (net new borrowing, interest rates) are not presented in the EBP but available in other documents. The net new borrowing requirement for the previous year is in the Yearly Outlook of the Debt Management Agency for 2022 on page 3, while a more detailed maturity profile of the debt or whether the debt is external or domestic are available on the webpage of Debt Management Agency. These are referenced below.
The Yearly Outlook of the Debt Management Agency for 2022:
In Hungarian:
https://www.akk.hu/download?path=f8588d63-3f80-416a-8576-a54d62847f46.pdf
In English:
https://www.akk.hu/download?path=f1eed091-3027-4b78-ba77-75d323a77924.pdf
The maturity profile of the debt is available here:
In Hungarian:
https://www.akk.hu/content/path=kozponti-koltsegvetes-adossaganak-lejarati-szerkezete
In English:
https://www.akk.hu/content/path=maturity-profile-debt-annual-quarterly
The ownership of securitized debt by the different sectors:
In Hungarian:
https://www.akk.hu/statisztika/hozamok-indexek-forgalmi-adatok/befektetoi-szektorok-masodpiaci-allampapir-pozicioja
In English:
https://www.akk.hu/statistics/yields-indices-market-turnover/mainvestor-groups-net-buying-position-secondary-market
The ownership structure of government securities in domestic denomination
In Hungarian: https://www.akk.hu/statisztika/allamadossag-finanszirozas/forintban-denominalt-allampapirok-befektetoi-szektoronkenti-megoszlasa
In English: https://www.akk.hu/statistics/public-debt-finance/ownership-structure-huf-government-securities

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

IBP Comment
Score has been revised from "C" to "D" as the original EBP described above was overhauled and invalidated by an executive decree in late 2022. Please see Question EBP-1a for more details.

32. In the Executive's Budget Proposal or any supporting budget documentation, what is the most recent year presented for which the debt figures reflect actual outcomes?

GUIDELINES:
Question 32 asks for which year the actual outcome for total debt outstanding is shown. In most cases, the most recent year for which budget data on actual outcomes are available will be BY-2, as BY-1 is generally not yet finished when the budget proposal is drafted. So a government that has updated its debt data for BY-2 to reflect what actually occurred, as opposed to estimating the outcome for that year, shows good public financial management practice.

For an "a" answer, a country must meet the good practice of having the figures for BY-2 reflect actual outcomes.

It is essential that all government activities that may have an impact on the budget — in the current budget year or in future budget years — be fully disclosed to the legislature and the public in budget documents. In some countries, for instance, entities outside central government (such as public corporations) undertake fiscal activities that could affect current and future budgets. Similarly, activities that can have a significant impact on the budget, such as payment arrears and contingent liabilities, sometimes are not properly captured by the regular presentations of expenditure, revenue, and debt.

Answer:
d. No actual data for government debt are presented in the budget or supporting budget documentation.

Source:
In Hungarian: A központi költségvetés bruttó adósságának alakulása 2021-2023 között
In English: The evolution of the gross debt of the central government between 2021 and 2023
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
page 297

Comment:
The most recent year is 2021 (BY-2) for which the actual outcome is shown. The data is presented in the column „2021.12.31 állomány" on page 297.
The data is the same as published on the webpage of the Debt Management Agency.
In Hungarian:
https://www.akk.hu/statisztika/allamadossag-finanszirozas/kozponti-koltsegvetes-adossaga
In English:
https://www.akk.hu/statistics/public-debt-finance/central-government-gross-debt
The data is also published on the webpage of National Bank of Hungary that is responsible for monetary statistics. The Excel file the worksheet ÁKK MNB bridge („ÁKK MNB átvezetés") in the row „Total gross debt of the central government maintained by the ÁKK".
In Hungarian:
https://statisztika.mnb.hu/timeseries/adossag_hu.xlsx
In English:
https://statisztika.mnb.hu/timeseries/adossag_en.xlsx

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

IBP Comment
Score has been revised from "A" to "D" as the original EBP described above was overhauled and invalidated by an executive decree in late 2022. Please see Question EBP-1a for more details.

33. "Does the Executive's Budget Proposal or any supporting budget documentation present information on extra-budgetary funds for at least the budget year?

(The core information must include a statement of purpose or policy rationale for the extra-budgetary fund; and complete income, expenditure, and financing data on a gross basis.)"

GUIDELINES:

Question 33 focuses on extra-budgetary funds, asking whether "core" information related to these funds, which exist outside the budget, are presented. These core components include:

- *a statement of purpose or policy rationale for the extra-budgetary fund (i.e., why was a particular fund set up? what is it used for?); and*
- *estimates of its income, expenditure, and financing. (These estimates should be presented on a gross basis so that it is possible to tell how much money flows through each extra-budgetary fund.)*

In most countries, governments engage in certain budgetary activities that are not included in the central government's budget. Known as extra-budgetary funds, they can range in size and scope. For example, countries frequently set up pension and social security programs as extra-budgetary funds, where the revenues collected and the benefits paid are recorded in a separate fund outside the budget. Another example of an extra-budgetary fund can be found in countries dependent on hydrocarbon/mineral resources, where revenues from producing and selling those resources are channeled through systems outside

the annual budget.

In some cases, the separation engendered by an extra-budgetary fund serves a legitimate political purpose, and the finances and activities of these funds are well documented. In other cases, however, this structure is used for obfuscation, and little or nothing is known about a fund's finances and activities.

The availability of information related to extra-budgetary funds is essential for a comprehensive understanding of the government's true fiscal position. In addition to the core information, other information about extra-budgetary funds is also desirable. Such information includes a discussion of the risks associated with the extra-budgetary fund; expenditures classified by economic, functional, or administrative unit; and the rules and procedures that govern the operations and management of the extra-budgetary fund.

For more information about extra-budgetary funds, see the Guide to Transparency in Public Finances: Looking Beyond the Core Budget (http://internationalbudget.org/wp-content/uploads/Looking-Beyond-the-Budget.pdf) and Principle 2.1.1 of the IMF's Fiscal Transparency Handbook (2018) (https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml).

To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to extra-budgetary funds as well as some additional information beyond the core elements . A "b" answer applies if the Executive's Budget Proposal or supporting documentation presents all of the core information. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to extra-budgetary funds is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on extra-budgetary funds.

Please provide in the comments a list of all known extra-budgetary funds.

Answer:
d. No, information related to extra-budgetary funds is not presented.

Source:
In Hungarian: I. Országgyűlés – Társadalmi szervezetek és média támogatása - 11. cím: Közszolgálati médiaszolgáltatás támogatása
In English: Chapter I. National Assembly – Support of social organizations and media – Article 11 Support of public media
URL: https://www.parlament.hu/irom42/00152/T_152_I_fejezeti.pdf
page 345

In Hungarian: LXVI. Központi Nukleáris Pénzügyi Alap
In English: Chapter LXVI Central Nuclear Financial Fund
URL: https://www.parlament.hu/irom42/00152/T_152_II_fejezeti.pdf
pp. 1263-1271

Comment:
In the Hungarian classification the word "alap" is used for funds, but in practice the funds in the EBP are not separate entities with their own rules. For example the Pension Insurance Fund (called "Nyugdíjbiztosítási Alap") or the Health Insurance Fund (called "Egészségbiztosítási Alap") are only separated to their own chapters, but their funds can be reallocated to other ministries or they can receive additional funds if it is needed. Additionally even their revenue sources can change year-by-year, because the social contribution tax has been allocated among the funds in different distributions in the recent years. This means there are no stable rules that define the exact revenues of the funds between years.
Furthermore they are not "extra-budgetary", they are part of the central budget and the same rules apply to them, even if their name contains "elkülönített" ("separated").
Not all the important details are included in the EBP about the separated intra-budgetary funds. The Central Nuclear Financial Fund was created to handle nuclear waste management and collect the funds for the decommission of Paks Nuclear Power Plant. Because this latter task will only be used at the end of the life of the power plant, it is important to present the current amount for this purpose. The narrative discussion on pp. 1263-1271 does not include this information and it is only published in a table on the webpage of State Treasury. In the cited preliminary balance on sheet „KNPA-mérleg" in row 34 (titled „Closing balance" in column A) the closing balance of the fund shows the amount collected for this purpose.
The bilingual file is available on the webpage of the Hungarian State Treasury:
In Hungarian: A Központi Nukleáris Alap költségvetésének előzetes teljesítése
In English: Preliminary balance of central nuclear fund's budget
URL: https://www.allamkincstar.gov.hu/pfile/file?path=/Koltsegvetes/Kozponti_alrendszer_-_Merlegek/elkulonitett-penzalapok-merlege/Archivum/2022/merleg-2022.-12.-ho&inline=true

One extra-budgetary fund is the Media Services and Support Trust („Médiaszolgáltatás-támogatás és Vagyonkezelő Alap"). The trust receives a yearly support from the EBP, but the details of the support or the aim of the trust is not presented in the EBP. The budget of the trust and the National Media and Infocommunications Authority that supervises the trust is also discussed and approved by the legislature, but later in the year. Last year the budget of the trust was submitted to the Parliament on 24 October 2022 and approved by it on 7 December 2022. Even without exact details about the use of the funds the aim and role of the trust and its yearly activities could have been included in the EBP to provide a comprehensive picture.
The budget of the Media Fund is in the following bill:
In Hungarian: T/1698 A Nemzeti Média- és Hírközlési Hatóság 2023. évi egységes költségvetéséről
In English: Bill No. T/1698 on the budget for FY 2023 of the National Media and Infocommunications Authority
URL: https://www.parlament.hu/irom42/01698/01698.pdf

Similar to these are the newly created asset management foundations (in Hungarian „vagyonkezelő alapítvány"). The government funded these institutions to outsource the universities from budgetary institutions with the aim of improving their performance. Though the universities will still receive budgetary funds to finance their activities. The funds received a significant amount of shares as initial assets. The EBP did not provide any information about the foundations because the government handles the institutions as independent entities and not part of the budgetary institutions.
However as their type shows in the act these are foundations serving public interest („közfeladatot ellátó közérdekű vagyonkezelő alapítványok"). The foundations are listed in appendix 1 act IX of 2021 on the asset management foundations serving public interest:
https://njt.hu/jogszabaly/2021-9-00-00
The organisations with mandatory membership and fees are another examples for extra-budgetary funds. One of them is the Hungarian Hydrocarbon Stockholding Alliance („Magyar Szénhidrogén Készletező Szövetség"). All companies that import hydrocarbons are obliged to be a member of the organisation and pay the mandatory fees that are calculated based on the amount of the imported goods. For this reason the Statistical Office treats these fees as tax in its list (in line D214I_08 Hydrocarbons stockholding fee). Logically this could be an extra-budgetary fund because the revenues and membership is assured in an act to provide a public task, namely the safe stockholding of contingency reserves. Though from other perspective this could also be viewed as a sectoral organisation, independent from the government and not using any budgetary funds, so it can be omitted from the EBP, but the use of tax-like revenues weakens this reasoning.
List of taxes on the webpage of Central Statistics Office:
https://www.ksh.hu/stadat_files/gdp/en/gdp0025.html
The mandatory membership is stated in 10.§ (1) of act XLIX of 1993 on the safety stockholding of imported oil and hydrocarbons and the fees are required in 37. § (1).
URL: https://mkogy.jogtar.hu/jogszabaly?docid=99300049.TV
A similar case is the 50% share from the fees on the payments with recreation electronic cards (called "SZÉP-kártya" that may be given to the employees as cafeteria). The payment provider deducts a 3,6% fee after each payment and 50% of the fees must be transferred to the Hungarian Tourism Alliance Foundation ("Magyar Turisztikai Szövetség Alapítvány"). This is essentially a tax-like revenue ensured by the government to an organisation outside the budget. The foundation is not controlled by the government, so the use of funds is not monitored.
The compulsory share is in 12. § (4) b) in government decree 76/2018. (IV. 20.).
URL: https://net.jogtar.hu/jogszabaly?docid=a1800076.kor

There are extra-budgetary funds or elements that can be treated as extra-budgetary funds, but none of these are presented in the EBP.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

c. Yes, information is presented, but it excludes some core elements or some extra-budgetary funds.

Comments: The EBP presents the incomes and expenditures of the budgetary chapters and institutions, but also presents some extra-budgetary funds but not all of them together. The Annex I of the EBP presents the incomes and expenditures of some extra-budgetary funds under chapter 42. Alapok Tamogatasa (Support of Funds) where are listed some extra-budgetary funds such as: - Bethlen Gábor Alap támogatása (Bethlen Gabor Financial Fund) - Központi Nukleáris Pénzügyi Alap támogatása (Central Nuclear Financial Fund) - Nemzeti Kutatási, Fejlesztési és Innovációs Alap támogatása (National Research, Development and Innovation Fund) Under the narrative discussion the mentioned funds are briefly presented that why were they setup, but what is it used for or any furhter details are not mentioned in the document. URL: https://www.parlament.hu/irom42/00152/T_152_II_fejezeti.pdf pp. 1189-1190

Government Reviewer

Opinion:

Researcher Response

We would like to clarify below why we did not treat the chapters mentioned by the peer reviewer as extra-budgetary funds. As far as extrabudgetary funds are concerned, our approach is based on the clear distinction between extrabudgetary funds and intrabudgetary funds. We know that these latter are seldom called by their proper name, but the distinction is of utmost importance especially from the point of view of transparency. Extrabudgetary funds are those, which are NOT (1) controlled by the parliament both on their revenue and expenditure sides and/or (2) decided upon in the frame of the standard annual budget debate, and/or (3) presented in key budget documents. In the Hungarian "traditional" terminology, beside the more "normal" chapters (parliament, judiciary, ministries, autonomous agencies, interests, state property management, general tax revenues and social security funds) there are chapters in the budget documents that are called "separated state funds". In the 1990s there were more than 30 such funds, nowadays there are "only" 7, but the question relevant for the purpose of the Open Budget Index is whether these are EXTRA budgetary funds in any sense. As they are (1) controlled by the parliament on both the revenue and expenditure side as much (little) as other parts of the central budget, (2) decided upon in the frame of the standard annual budget debate and (3) they are presented in the same key budget documents as any other part of the central government budget, we consider them NOT EXTRA, BUT INTRA budgetary funds.

IBP Comment

Please note that the original EBP described above was overhauled and invalidated by an executive decree in late 2022. Please see Question EBP-1a for more details.

34. Does the Executive's Budget Proposal or any supporting budget documentation present central government finances (both budgetary and extra-budgetary) on a consolidated basis for at least the budget year?

GUIDELINES:
Question 34 asks whether the Executive's Budget Proposal or supporting documents present the finances of the central government on a consolidated basis, showing both its budgetary and extra-budgetary activities. Virtually all of the questions in the OBS questionnaire focus on budgetary central government — the activities of the ministries, departments, or agencies of central government. In addition, Question 33 asks about extra-budgetary funds, such as social security funds that are not included in the budget.

Coverage is an important aspect of fiscal reporting. Budget documents should cover the full scope of government's financial activity. In many countries, extra-budgetary activities are substantial, and can represent a sizable share of the central government's activities. To get a full picture of the central government's finances, therefore, it is necessary to examine both activities that are included in the budget and those that are extra-budgetary. This question asks whether such a consolidated presentation of central government finances, including both revenues and expenditures, is provided.

The central government is only one component of the overall public sector. The public sector also includes other levels of government, such as state and local government, and public corporations. (See Box 2.1 under Principle 1.1.1 of the IMF's Fiscal Transparency Handbook (2018): https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml. For the purpose of answering this question, please consider only the central government level.

In order to answer "a," the Executive's Budget Proposal or supporting documentation must present central government finances (both budgetary and extra-budgetary) on a consolidated basis for at least the budget year.

Answer:
b. No, central government finances are not presented on a consolidated basis.

Source:
In Hungarian: A központi alrendszer konszolidált kiadásai (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)
In English: Consolidated expenditures of the central government (cash-flow based) (by economic classification)
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
page 279
In Hungarian: A központi alrendszer konszolidált funkcionális kiadásai (pénzforgalmi szemléletben)
In English: Consolidated functional expenditures of the central government (cash-flow based)
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
page 282
In Hungarian: Az államháztartás konszolidált kiadásai (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)
In English: Consolidated expenditures of the general government (cash-flow based) (by economic classification)
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
page 263
In Hungarian: Az államháztartás konszolidált funkcionális kiadásai (pénzforgalmi szemléletben)
In English: Consolidated functional expenditures of the general government (cash-flow based)
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
page 266

Comment:
The consolidated tables present the figures for the central government and the general government (the central government and the local governments). The extra-budgetary funds or any additional activities (including the public corporations) are not included in the consolidation. The consolidation filters out the transactions inside the central government and between the central and local governments as well. This means the consolidated numbers of the central governments do not include the subsidies of local governments.
Because the question asks about the consolidation of extra-budgetary funds and in question 33 these were not included, we selected answer 'b'.

The rules of the consolidation:
In Hungarian: 4/2013. (I. 11.) Korm. rendelet az államháztartás számviteléről
In English: Decree 4/2013. (I. 11.) on the accounting of public finances
URL: https://net.jogtar.hu/jogszabaly?docid=a1300004.kor
38. §

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

IBP Comment

Please note that the original EBP described above was overhauled and invalidated by an executive decree in late 2022. Please see Question EBP-1a for more details.

35. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of intergovernmental transfers for at least the budget year?

GUIDELINES:
Question 35 asks about intergovernmental transfers. In many cases, the central government supports the provision of a good or service by a lower level of government through an intergovernmental transfer of funds. This is necessary because, independent from the level of administrative decentralization that exists in a given country, the capacity for revenue collection of a local government is unlikely to be sufficient to pay for all its expenses. However, because the activity is not being undertaken by an administrative unit of the central government, it is unlikely to receive the same level of review in the budget. Thus it is important to include in the budget proposal a statement that explicitly indicates the amount and purposes of these transfers.

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year both estimates covering all intergovernmental transfers and a narrative discussing these transfers. If a narrative discussion is not included, but estimates for all intergovernmental transfers are presented, then a "b" answer is appropriate. A "c" response applies if the presentation includes estimates covering only some, but not all, intergovernmental transfers (regardless of whether it also includes a narrative discussion). Answer "d" applies if no estimates of intergovernmental transfers are presented.

Answer:
d. No, estimates of intergovernmental transfers are not presented.

Source:
In Hungarian: 1. melléklet – IX. fejezet Helyi önkormányzatok támogatásai
In English: Appendix 1 - Chapter IX Supports of local governments
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
page 49

In Hungarian: 2. melléklet A települési önkormányzatok általános működésének és ágazati feladatainak támogatása
In English: Appendix 2 The supports for the general operation and sectoral tasks of local governments
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
pp. 94-144
In Hungarian: 3. melléklet A helyi önkormányzatok kiegészítő támogatásai
In English: Appendix 3 Supplemental supports for the local governments
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
pp. 145-159
In Hungarian: IX. Helyi önkormányzatok támogatásai
In English: Chapter IX Supports of the local governments
URL: https://www.parlament.hu/irom42/00152/T_152_I_fejezeti.pdf
pp. 443-452
In Hungarian: Önkormányzati alrendszer mérlege (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)
In English: Balance sheet of the local governments (cash-flow based) (in economic classification)
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
page 301

Comment:
The appropriations for local governments are presented mainly in Chapter IX Support of the local governments in appendix 1 on page 49. The details of the supports are discussed in further appendices. For example appendix 2 contained the detailed rules on how the support is distributed for the different tasks, like support for operating the municipalities' offices, maintaining public lights, parks, kindergartens, nurseries and other social services. Some of them are based on the wages, per employee, number of citizens or usage of the service. Appendix 3 presented similar rules, but for special supports (like about the vis maior supports or funds for county-level local governments). The mentioned ones are dedicated appropriations for the general operation and certain tasks of the local governments, but the local governments may receive other funds from the central budget. For example the expenses of healthcare services provided by the local governments are paid by the Health Insurance Fund that is presented in chapter LXXII on pages 1289-1297 in the EBP, but the amount paid to the local governments are not shown separately. Another notable example is the fund from the European Union that is presented in chapter XIX and part of it gets to the local governments through tenders but the amount paid to the local government is not disclosed. The local governments may receive support for certain tasks from Ministries through tenders or occasional reliefs.
The recurring transfers can be easily identified, but many occasional and hidden supports are mixed into other expenditures of the central budget. Additional information can be derived from the expenditures in economic classification on page 301. The rows "21 Működési célú támogatások államháztartáson belülről" and "22 Felhalmozási célú támogatások államháztartáson belülről" shows the revenues of the local governments

received as support from the central government or other local governments. Their total is about 1932 billion HUF, higher than the 969 billion HUF in chapter IX on page 49. This is not consolidated revenue. Because it also includes the cash movements between local governments this can only be treated as an estimation of the intergovernmental transfers.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

IBP Comment
Score has been revised from "A" to "D" as the original EBP described above was overhauled and invalidated by an executive decree in late 2022. Please see Question EBP-1a for more details.

36. Does the Executive's Budget Proposal or any supporting budget documentation present alternative displays of expenditures (such as by gender, by age, by income, or by region) to illustrate the financial impact of budget policies on different groups of citizens, for at least the budget year?

GUIDELINES:
Question 36 asks about "alternative displays" of expenditures that highlight the financial impact of policies on different groups of citizens. As discussed above, expenditures are typically presented by at least one of three classifications — administrative, functional, and economic classifications (see Questions 1-5) — and by individual program (Question 6). In addition, governments can provide alternative displays to emphasize different aspects of expenditure policies and to show who benefits from these expenditures.

For the purpose of answering this question, the alternative presentation must differ from the presentations (such as administrative, functional, or economic classifications or presentation by program) used to answer other questions. The alternative display can cover all expenditures or only a portion of expenditures. For instance, it can show how all expenditures are distributed according to geographic region or it can show how selected expenditures (such as the health budget or the agriculture budget) are distributed to different regions. But such a geographic display must be something different than the presentation of intergovernmental transfers used to answer question 35. One exception is when a country includes a special presentation of all policies intended to benefit the most impoverished populations (and is used to answer Question 52) then that can be considered an alternative display for purposes of answering this question as well. Finally, brief fact sheets showing how proposals in the budget benefit particular groups would be insufficient; only more detailed presentations would be considered.

The IBP Budget Brief, "How Transparent are Governments When it Comes to Their Budget's Impact on Poverty and Inequality?" (https://www.internationalbudget.org/wp-content/uploads/government-transparency-of-budgets-impact-on-poverty-inequality-ibp-2019.pdf) includes a discussion of the importance of alternative displays of budget information and provides a number of examples. For instance,

- *Bangladesh in its 2017-18 Budget included a detailed supplementary Gender Budgeting Report, which presents the spending dedicated to advancing women across various departments. (https://mof.portal.gov.bd/site/page/3bb14732-b5b1-44df-9921-efedf1496295).*
- *The UK's 2017 budget included a supplementary analysis that provided a distributional analysis of the budget by households in different income groups (see https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/661465/distributional_analysis_autumn_budget_2017.pdf)*
- *South Africa's 2017 Budget Review goes beyond the standard presentation of intergovernmental transfers, discussing the redistribution that results from national revenue flowing to the provinces and municipalities and presenting the allocations on a per capita basis (see chapter 6, http://www.treasury.gov.za/documents/national%20budget/2017/review/FullBR.pdf).*

To answer "a," the Executive's Budget Proposal or supporting documentation must include at least three different presentations that illustrate the financial impact of policies on different groups of citizens for at least the budget year. To answer "b," the Executive's Budget Proposal or supporting documentation must include at least two different alternative displays of expenditures. A "c" applies is only one type of alternative display of expenditure is presented. Answer "d" applies if no alternative display of expenditure is presented.

Answer:
d. No, alternative displays of expenditures are not presented to illustrate the financial impact of policies on different groups of citizens.

Source:
In Hungarian: Családpolitikai célú kiadások, kedvezmények a 2023. évi központi költségvetésben

In English: Expenditures and allowances related to family supports in the central budget for FY 2023
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
pp. 307-311
In Hungarian: A szakpolitikai célú nemzetpolitikai/határon túli feladatok
In English: National policies/supports for Hungarians abroad
URL: https://www.parlament.hu/irom42/00152/T_152_II_fejezeti.pdf
pp. 1309-1312

Comment:
The government included two tables that collected the appropriations related to certain policies.
The first cited table listed all the expenditures and tax reliefs on family-related policies. The aim of the table was to present how much the government spends on families and the table eases its communication. Some of the lines are not strictly related to family policies (like „Nők korhatár alatti nyugellátása" on page 311 that is the pension of women who have 40 service years and retired before they reached the retirement age).
The second table is the expenditures related to national policies, aimed mostly to Hungarian minorities in the neighbouring countries.
The tables were only a collection of certain expenditures that can be created about most of the topics, but did not provide any additional detail about the expenditures. For example the national policies were not grouped by countries to compare it with the minority population or by function to explain what projects would be supported. Similarly the family policies are not divided by gender or income that would explain who receives the funds. In this format it is not an alternative display that provides additional information.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

IBP Comment
Please note that the original EBP described above was overhauled and invalidated by an executive decree in late 2022. Please see Question EBP-1a for more details.

36b. Based on the response to Question 36, select the box(es) below to identify which types of alternative displays are included in the Executive's Budget Proposal:

Answer:
None of the above

Source:
N/A

Comment:
The government did not include any alternative display in the EBP.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

IBP Comment
Please note that the original EBP described above was overhauled and invalidated by an executive decree in late 2022. Please see Question EBP-1a for more details.

37. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of transfers to public corporations for at least the budget year?

GUIDELINES:

Question 37 asks about transfers to public corporations. It is often the case that governments have a stake in enterprises that manage resources that are particularly relevant for the public good (such as electricity, water, and oil). While these public corporations can operate independently, in some cases the government will provide direct support by making transfers to these corporations, including to subsidize capital investment and operating expenses.

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year both estimates covering all transfers to public corporations and a narrative discussing the purposes of these transfers. If a narrative discussion is not included, but estimates for all transfers to public corporations are presented, then a "b" answer is appropriate. A "c" response applies if the presentation includes estimates covering only some, but not all, transfers to public corporations (regardless of whether it also includes a narrative discussion). Answer "c" also applies if estimates of transfers to public corporations are presented as a single line item. Answer "d" applies if no estimates of transfers to public corporations are presented.

Please provide in the comments a list of all known public corporations.

Answer:
d. No, estimates of transfers to public corporations are not presented.

Source:
In Hungarian: 1. melléklet – XLIII. fejezet Az állami vagyonnal kapcsolatos bevételek és kiadások
In English: Appendix 1 – Chapter XLIII Revenues and expenditures related to public assets
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
pp. 80-81
In Hungarian: XLIII. fejezet Az állami vagyonnal kapcsolatos bevételek és kiadások – 1. cím Az MNV Zrt. rábízott vagyonával kapcsolatos bevételek és kiadások - 1/2/2. jogcímcsoport: Társaságokkal kapcsolatos kiadások
In English: Chapter XLIII Revenues and expenditures related to public assets – Article 1 Expenditures and revenues related to assets entrusted to MNV Zrt. – 1/2/2 Expenditures related to companies
URL: https://www.parlament.hu/irom42/00152/T_152_II_fejezeti.pdf
pp. 1207-1208
In Hungarian: L. Rezsivédelmi Alap - 1. cím: Rezsivédelmi Alap központi kiadása
In English: Chapter L Energy cost protection fund - Article 1 Centralised expenditure of Energy cost protection fund
URL: https://www.parlament.hu/irom42/00152/T_152_II_fejezeti.pdf
on page 1236

Comment:
The EBP presents all the transfers to public corporations as legally required, but these transfers are not easily identifiable or presented in a transparent way, like in a summary table.
Previously direct transfers to public corporations owned directly by the state were presented primarily in Chapter XLIII Revenues and expenditures related to public assets ("XLIII. fejezet Az állami vagyonnal kapcsolatos bevételek és kiadások"). In the EBP for FY2023 only the strategic public corporations were presented in this chapter and many other transfers were shown in other chapters. The transfers to these corporations were detailed on pp. 1207-1208, like which public corporations receive capital transfers. For example on page 1207 it is stated that „Nemzeti Filmintézet Közhasznú Nonprofit Zrt." received 21 billion HUF and "MNV Zrt." received 7,9 billion HUF. The details for the former transfer were listed in the table on page 1208.
Numerous other transfers with higher amounts were dispersed through other chapters. For example the transfer to Paks II Nuclear Power Plant Constructing company ("Paks II Zrt. tőkemelése") is under Ministry of Foreign Affairs and Foreign Economy on page 65. The Paks II nuclear power plant is a governmental investment, but executed through a public corporation and the funds are provided through capital transfers. The support for the Eximbank for interest rate subsidy ("Eximbank Zrt. kamatkiegyenlítése") is presented on page 70 under the Government Office of the Prime Minister. Nearly all of the ministries have an expenditure item as "...tulajdonosi joggyakorlásával kapcsolatos kiadások" that contains all the transfers to public corporations governed by that ministry.
Another case is the subsidy to the public railway company that receives funds from two appropriations that are in two separate chapters: once as a revenue for the discounted railway tickets for certain social groups ("Szociálpolitikai menetdíj kedvezmények") on page 79 in the chapter of direct revenues and expenditures and as a support for its operational costs ("Vasúti személyszállítási közszolgáltatások költségtérítése") on page 63 under the Ministry of Technology and Innovation.
Most of the above items were shifted since the previous survey and there is a loosely defined expenditure item in the newly created Energy tariff protection fund ("Rezsivédelmi Alap"). On page 1236 it is described that 600 billion HUF is allocated to provide support for the low energy tariffs for the households and the appropriation can be overspent with the approval of the government. Technically the low energy tariffs are maintained through the state energy company MVM Zrt., so the expenditure item is mostly a transfer to this public corporation as a compensation for its loss, but this is not explained in the narrative discussion.
The contents of each transfer are briefly described in the narrative discussion of the relevant chapter.
While all the transfers to public corporations are presented in the EBP as legally required, these have to be collected one-by-one and in many cases even the title of the appropriation can be misleading, hence the narrative discussion also has to be inspected for identifying the transfers. Because of these omissions we selected answer 'c' as some of the transfers can be found, but the total amount is not presented in a transparent way.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

IBP Comment
Score has been revised from "C" to "D" as the original EBP described above was overhauled and invalidated by an executive decree in late 2022. Please see Question EBP-1a for more details.

38. Does the Executive's Budget Proposal or any supporting budget documentation present information on quasi-fiscal activities for at least the budget year?

(The core information must include a statement of purpose or policy rationale for the quasi-fiscal activity and the intended beneficiaries.)

GUIDELINES:
Question 38 focuses on quasi-fiscal activities, asking whether "core" information related to such activities is presented. These core components include:

- *A statement of purpose or policy rationale for the quasi-fiscal activity (i.e., what is the reason for engaging in this activity?);*
- *The identification of intended beneficiaries of the quasi-fiscal activity.*

The term "quasi-fiscal activities" refers to a broad range of activities that are fiscal in character and could be carried out through the regular budget process but are not. For example, a quasi-fiscal activity could take place if, instead of providing a direct subsidy through the budget for a particular activity, a public financial institution provides an indirect subsidy by offering loans at below-market rates for that activity. Similarly, it is a quasi-fiscal activity when an enterprise provides goods or services at prices below commercial rates to certain individuals or groups to support the government's policy goals.

The above examples are policy choices that may be approved by the government and legislature. However, quasi-fiscal activities can also involve activities that violate or circumvent a country's budget process laws or are not subject to the regular legislative approval process for expenditures. For example, the executive may issue an informal order to a government entity, such as a public commercial enterprise, to provide the executive with goods and services that normally would have to be purchased with funding authorized by the legislature. All quasi-fiscal activities should be disclosed to the public and subject to public scrutiny.

Beyond the core information, some governments may also provide other information about quasi-fiscal activities, including for example: the anticipated duration of the quasi-fiscal activity; a quantification of the activity and the assumptions that support these estimates; and a discussion of the fiscal significance and potential risks associated with the activity, including the impact on the entity carrying out the activity. Principle 3.3.2 of the IMF's Fiscal Transparency Handbook (2018) (https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml) provides examples of quasi-fiscal activities that can be consulted as needed. And more details on quasi-fiscal activities can be found in the Guide to Transparency in Public Finances: Looking Beyond the Core Budget (http://internationalbudget.org/wp-content/uploads/Looking-Beyond-the-Budget.pdf).

To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to all quasi-fiscal activities for at least the budget year as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to quasi-fiscal activities is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on quasi-fiscal activities.

If quasi-fiscal activities do not represent a significant problem in your country, please mark "e."." However, please exercise caution in answering this question.

Answer:
d. No, information related to quasi-fiscal activities is not presented.

Source:
In Hungarian: Az általános indokolás – A kormány gazdaságpolitikájának fő vonásai, az államháztartás alakulása a – II. Az államháztartás célja és keretei – 1. Költségvetés-politikai keretek
In English: The General Justification – Main characteristics of the economic policy of the government, the state of the budget – II. Goals and settings of the state finances – 1. Settings of the budgetary policy
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
page 222

In Hungarian: L. Rezsivédelmi Alap - 1. cím A Rezsivédelmi Alap központi kiadása
In English: Chapter L. Energy tariff protection fund - Article 1 Main expenditures of the Energy tariff protection fund
URL: https://www.parlament.hu/irom42/00152/T_152_II_fejezeti.pdf
page 1236

Comment:
The government occasionally engages in quasi-fiscal activities, but these are not always presented in the EBP.
In the EBP for FY 2023 there is an indirect reference for the energy tariff reduction in which case the state energy provider (MVM Zrt.) was ordered to set a lower energy tariff for the households. This policy was kept even during the elevated energy prices and the government was forced to provide compensation for the public corporation to cover the losses. In the previous years it was solved with ad hoc decision but in the EBP for FY 2023 the government created the "Rezsivédelmi Alap" ("Energy tariff protection fund") to present how much were to be spent as compensation for maintaining the low energy tariffs for the households. The narrative discussion only described that the fund protects the low energy tariffs, but not the details behind it, not even the public corporation was mentioned.

Besides the public corporations the government has the authority to introduce quasi-fiscal activities on non-public corporations. Previously there was the suspension of loan repayments and the capping of total cost of loans on the financial institutions. In 2022 the government decided on a food price fixing in which case the prices of selected articles were fixed at a previous date and all companies had to sell the articles at that price. The government stated that the food price inflation had been very high and the basic foods should be affordable for everyone. The companies did not receive any compensation for this policy.
Similarly the price of gasoline was also fixed for a certain period with the same explanation.
This means the government engages in quasi-fiscal activities but those activities are not limited to the public corporations.

Government decrees on price fixing of gasoline and certain products
In Hungarian: 57/2022. (II. 28.) Korm. rendelet a hatósági üzemanyagárral kapcsolatos egyes intézkedésekről
In English: Government decree 57/2022. (II. 28.) on the measures related to the official gasoline prices
URL: https://njt.hu/jogszabaly/2022-57-20-22.8#CI
1. §

In Hungarian: 6/2022. (I. 14.) Korm. rendelet az árak megállapításáról szóló 1990. évi LXXXVII. törvény veszélyhelyzet ideje alatt történő eltérő alkalmazásáról
In English: Government decree 6/2022. (I. 14.) on the different application of Act LXXXVII of 1990 on the determination of prices during the state of danger
URL: https://njt.hu/jogszabaly/2022-6-20-22
1.§ (1) and (2)

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

IBP Comment
Please note that the original EBP described above was overhauled and invalidated by an executive decree in late 2022. Please see Question EBP-1a for more details.

39. Does the Executive's Budget Proposal or any supporting budget documentation present information on financial assets held by the government for at least the budget year?

(The core information must include a listing of the assets, and an estimate of their value.)

GUIDELINES:
Question 39 focuses on financial assets held by the government, asking whether "core" information related to these assets is presented. These core components include:

- *A listing of the financial assets; and*
- *An estimate of their value.*

Governments own financial assets such as cash, bonds, or equities. Unlike private sector businesses, however, few governments maintain balance sheets that show the value of their assets and liabilities.

Beyond the core information, some governments may also provide other information about financial assets, including for example: a discussion of their purpose; historical information on defaults; differences between reported values and market values; and a summary of financial assets as part of the government's balance sheet.

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year all of the core information related to all financial assets held by the government as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to financial assets is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on financial assets held by the government.

Answer:
d. No, information related to financial assets is not presented.

Source:
N/A

Comment:
The amount, composition or any other information about the financial assets held by the government is not included in the EBP. Contrary to the previous survey we did not even find any reference to the financial assets held by the government.
For statistical purposes the National Bank of Hungary published the total value of different financial assets held by the government. The publication is available here: https://statisztika.mnb.hu/timeseries/ahtszla_en.xlsx

As a sidenote the list of public corporations and the value of their shares are listed on a separate webpage called National Inventory ("Országleltár"). This only lists the state-owned shares where the state exercises the owner's rights and the latest year is 2020. The state may have shares in other corporations, bonds or other financial assets and those are not included in this list.
In Hungarian: https://orszagleltar.gov.hu/hu/adatok/tarsasagok/attekintes
In English: https://orszagleltar.gov.hu/en/adatok/tarsasagok/attekintes

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

IBP Comment
Please note that the original EBP described above was overhauled and invalidated by an executive decree in late 2022. Please see Question EBP-1a for more details.

40. Does the Executive's Budget Proposal or any supporting budget documentation present information on nonfinancial assets held by the government for at least the budget year?

(The core information must include a listing of the assets by category.)

GUIDELINES:
Question 40 focuses on nonfinancial assets held by the government, asking whether "core" information related to these assets is presented. The core information is a listing of nonfinancial assets, grouped by the type (or category) of asset.

Nonfinancial assets are things of value that the government owns or controls (excluding financial assets) such as land, buildings, and machinery. The valuation of public nonfinancial assets can be problematic, particularly in cases where the asset is not typically available on the open market (such as a government monument). In these cases, it is considered acceptable to provide summary information in budget documents from a country's register of assets. But, in some cases, governments are able to value their nonfinancial assets; some present a summary of nonfinancial assets as part of their balance sheets. For an example of how nonfinancial assets are presented in one of the many supporting documents to the New Zealand Executive's Budget Proposal, see the Forecast Financial Statement 2011, Notes to the Financial Statements (Continued), Note 14, accessible here: https://treasury.govt.nz/sites/default/files/2011-05/befu11-pt6of8.pdf.

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year a listing by category of all nonfinancial assets held by the government as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting

documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to nonfinancial assets is presented, but some nonfinancial assets are not included. Answer "d" applies if no information is presented on nonfinancial assets held by the government.

Answer:
d. No, information related to nonfinancial assets is not presented.

Source:
In Hungarian: XLIII. fejezet Az állami vagyonnal kapcsolatos bevételek és kiadások – 1. cím Az MNV Zrt. rábízott vagyonával kapcsolatos bevételek és kiadások - 1/1/1. jogcímcsoport: Ingatlanokkal és ingóságokkal kapcsolatos bevételek
In English: Chapter XLIII Revenues and expenditures related to public assets – Article 1 Expenditures and revenues related to assets entrusted to MNV Zrt. – 1/1/1 Revenues related to real estates and goods
URL: https://www.parlament.hu/irom42/00152/T_152_II_fejezeti.pdf
pp. 1203-1204

In Hungarian: XLIV. A Nemzeti Földalappal kapcsolatos bevételek és kiadások – 1. cím: A Nemzeti Földalappal kapcsolatos bevételek – 1. alcím: Ingatlan értékesítéséből származó bevételek
In English: Chapter XLIV. Revenues and expenditures related to National Land Fund – Article 1 Revenues related to National Land Fund – Subarticle 1 Revenues from selling real estates
URL: https://www.parlament.hu/irom42/00152/T_152_II_fejezeti.pdf
page 1219

Comment:
The EBP contains only information about the changes in the nonfinancial assets held by the government.
On page 1203 in the narrative discussion of chapter XLIII Revenues and expenditures related to public assets the government describes the revenues related to selling of real estates and other goods, when states that 7,5 billion HUF is expected from selling real estates (in the sentence "Az Ingatlan értékesítéséből származó bevételek 7500,0 millió forintra tervezett előirányzata"). Besides the amounts no physical information is provided.
On page 1219 in the chapter of National Land Fund similar information is presented about the selling of agricultural land. 300 billion HUF revenue is planned from selling 187 500 hectares at an average price of 1,6 million HUF per hectare. This in the paragraphs "Az Ingatlan értékesítéséből származó bevételek alcím 2023. évi előirányzata 300 000,0 millió forint. Az ingatlan értékesítési bevételek tervezett összege – átlagosan 1 600 000 forint/hektár vételár alapul vételével – összesen 187 500 hektár terület tulajdonjogának átruházásával számol, figyelemmel arra is, hogy folyamatosan zajlik a Nemzeti Földalapba tartozó portfólió tisztítása."
The stock of nonfinancial assets is not included in the EBP and only available in other sources.
One is the appendix of act CXCVI on National Assets, the other is the National Inventory. The latter presents the data for real estates and other assets (machines, vehicles, works of fine art, etc.) but only up to 2020.
Since the listing of the assets is a core information and that is not included (only transactions are presented in a minimal form), we maintained answer 'd' from the previous survey.
In Hungarian: 2011. évi CXCVI törvény a nemzeti vagyonról
In English: Act CXCVI of 2011 on National Assets
URL: https://net.jogtar.hu/jogszabaly?docid=A1100196.TV
In Hungarian: Országleltár
In English: National Inventory
Real estates
In Hungarian: https://orszagleltar.gov.hu/hu/adatok/ingatlanok/attekintes
In English: https://orszagleltar.gov.hu/en/adatok/ingatlanok/attekintes
Other assets:
In Hungarian: https://orszagleltar.gov.hu/hu/adatok/eszkozok/attekintes
In English: https://orszagleltar.gov.hu/en/adatok/eszkozok/attekintes

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

IBP Comment
Please note that the original EBP described above was overhauled and invalidated by an executive decree in late 2022. Please see Question EBP-1a for more details.

41. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of expenditure arrears for at least the budget year?

GUIDELINES:
Question 41 asks about estimates of expenditure arrears, which arise when government has entered into a commitment to spend funds but has not made the payment when it is due. (For more information see sections 3.49-3.50 of the IMF's GFS Manual 2001, http://www.imf.org/external/pubs/ft/gfs/manual/pdf/all.pdf (page 29)). Though equivalent to borrowing, this liability is often not recorded in the budget, making it difficult to assess fully a government's financial position. Moreover, the obligation to repay this debt affects the government's ability to pay for other activities.

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year both estimates covering all expenditure arrears and a narrative discussing the arrears. If a narrative discussion is not included, but estimates for all expenditure arrears are presented, then a "b" answer is appropriate. A "c" response applies if the presentation includes estimates covering only some, but not all, expenditure arrears (regardless of whether it also includes a narrative discussion). Answer "d" applies if no estimates of expenditure arrears are presented. Answer "d" also applies if information is only available for the changes in arrears, and not the stock or balance of arrears.

If expenditure arrears do not represent a significant problem in your country, please mark "e." However, please exercise caution in answering this question. Public expenditure management laws and regulations often will allow for reasonable delays, perhaps 30 or 60 days, in the routine payment of invoices due. Expenditure arrears impacting a small percentage of expenditure that are due to contractual disputes should not be considered a significant problem for the purpose of answering this question.

Answer:
d. No, estimates of expenditure arrears are not presented.

Source:
N/A

Comment:
The EBP did not disclose any information about arrears.
The Hungarian State Treasury publishes a monthly report about arrears by institutions and composition on its website:
Arrears by type:
https://www.allamkincstar.gov.hu/Koltsegvetes/Kozponti_alrendszer_-_Reszletezo_adatok/koltsegvetesi-szervek-tartozasai/tartozasallomany-a-tartozas-tipusa-szerint

Arrears by institution:
https://www.allamkincstar.gov.hu/Koltsegvetes/Kozponti_alrendszer_-_Reszletezo_adatok/koltsegvetesi-szervek-tartozasai/tartozassal-rendelkezo-intezmenyek

The liabilities of budgetary institutions to actors outside the general government is shown in the rightmost column of the line "Egyéb tart. állomány összesen" in the pdf file by type. The arrears by institution shows the data for each budgetary institution, meaning this data is also produced by teh government.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

IBP Comment
Please note that the original EBP described above was overhauled and invalidated by an executive decree in late 2022. Please see Question EBP-1a for more details.

42. Does the Executive's Budget Proposal or any supporting budget documentation present information on contingent liabilities, such as government loan guarantees or insurance programs, for at least the budget year?

(The core information must include a statement of purpose or policy rationale for each contingent liability; the new guarantees or insurance commitments proposed for the budget year; and the total amount of outstanding guarantees or insurance commitments (the gross exposure) at the end of the budget year.)

GUIDELINES:

Question 42 focuses on contingent liabilities, asking whether "core" information related to these liabilities is presented. These core components include:

- *a statement of purpose or policy rationale for each contingent liability;*
- *the new contingent liabilities for the budget year, such as new guarantees or insurance commitments proposed for the budget year; and*
- *the total amount of outstanding guarantees or insurance commitments at the end of the budget year. This reflects the gross exposure of the government in the case that all guarantees or commitments come due (even though that may be unlikely to occur).*

Contingent liabilities are recognized under a cash accounting method only when the contingent event occurs and the payment is made. An example of such liabilities is the case of loans guaranteed by the central government, which can include loans to state-owned banks and other state-owned commercial enterprises, subnational governments, or private enterprises. Under such guarantees, government will only make a payment if the borrower defaults. Thus a key issue for making quantitative estimates of these liabilities is assessing the likelihood of the contingency occurring.

In the budget, according to the OECD, "[w]here feasible, the total amount of contingent liabilities should be disclosed and classified by major category reflecting their nature; historical information on defaults for each category should be disclosed where available. In cases where contingent liabilities cannot be quantified, they should be listed and described."

Beyond the core information, some governments may also provide other information about contingent liabilities, including for example: historical default rates for each program, and likely default rates in the future; the maximum guarantee that is authorized by law; any special financing associated with the guarantee (e.g., whether fees are charged, whether a reserve fund exists for the purpose of paying off guarantees, etc.); the duration of each guarantee; and an estimate of the fiscal significance and potential risks associated with the guarantees.

For more details on contingent liabilities, see Guide to Transparency in Public Finances: Looking Beyond the Core Budget (http://internationalbudget.org/wp-content/uploads/Looking-Beyond-the-Budget.pdf) and page 59 (Box 11) and Principle 3.2.3 of the IMF's Fiscal Transparency Handbook (2018) (https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml).

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year all of the core information related to contingent liabilities as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to contingent liabilities is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on contingent liabilities.

Answer:
d. No, information related to contingent liabilities is not presented.

Source:
In Hungarian: XLII. fejezet A költségvetés közvetlen bevételei és kiadásai – 33. cím Állam által vállalt kezesség és viszontgarancia érvényesítése
In English: Chapter XLII Direct revenues and expenditures of the budget – Title 33 Warrants and guarantees taken by the state
URL: https://www.parlament.hu/irom42/00152/T_152_II_fejezeti.pdf
pp. 1183-1186

Comment:
In the cited section of the EBP the government discusses the standard guarantee programs and the estimated expenditures for each of them.
The aim of the guarantees are described or can be guessed from the name of the program.
For example in the section „33/3. alcím: Eximbank Zrt. által vállalt garanciaügyletekből eredő fizetési kötelezettség" it is described that the guarantee is for export loans or other export related transactions (in the sentence „...amely tartalmazza mind az export-hitel, mind az egyéb exportcélú garanciaügyletekhez kötődő kifizetéseket").
Similarly the section „33/5. alcím: Garantiqa Hitelgarancia Zrt. garanciaügyleteiből eredő fizetési kötelezettség" presents that the guarantee is mainly for bank loans of small- and medium enterprises (in the sentence „alapfeladatként a bankok finanszírozási ügyleteihez vállalt készfizető kezesség vállalásával segíti elő a kis- és középvállalati szektor hitelhez jutását"). Other information are not presented in the narrative discussion.
The expenditure estimates are the payment obligations after the transactions, but the total liabilities are not discussed, therefore the default rate cannot even be calculated.
The total amount is mentioned only for one program on page 1184: „A GH Zrt. által állami viszontgarancia mellett vállalható kezesség volumene 2022. év végére meghatározott korlátja 2500 milliárd forint, ami az állomány további növekedését jelzi." means the limit for the amount of the state-backed guarantees for GH Zrt. in 2022 is 2500 billion HUF which forecasts an increase in the amount of the guarantees. The new amounts were not mentioned for any of the programs.
The expenditure items are included based on whether redemption can be expected. The first paragraph states that no redemption is expected at the bond issues of state-owned banks (Diákhitel Központ Zrt., MFB Zrt. Eximbank Zrt.) and at the unique warrants provided by the government in 2023. No further information is presented about these contingent liabilities in the narrative discussion.
Since the guarantees for loans of state-owned corporations are not presented in the EBP and the presentation does not include all the core information for all the guarantee programs we chose answer 'c'.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

IBP Comment
Score has been revised from "C" to "D" as the original EBP described above was overhauled and invalidated by an executive decree in late 2022. Please see Question EBP-1a for more details.

43. Does the Executive's Budget Proposal or any supporting budget documentation present projections that assess the government's future liabilities and the sustainability of its finances over the longer term?

(The core information must cover a period of at least 10 years and include the macroeconomic and demographic assumptions used and a discussion of the fiscal implications and risks highlighted by the projections.)

GUIDELINES:

Question 43 focuses on government's future liabilities and the sustainability of its finances over the longer-term, asking whether "core" information related to these issues is presented. These core components must include:

- *Projections that cover a period of at least 10 years.*
- *The macroeconomic and demographic assumptions used in making the projections.*
- *A discussion of the fiscal implications and risks highlighted by the projections.Good public financial management calls for budgets to include fiscal sustainability analyses.*

The IMF's Fiscal Transparency Handbook (2018) (https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml) recommends that governments regularly publish the projected evolution of the public finances over the longer term (see Principle 3.1.3.). Future liabilities are a particularly important element when assessing the sustainability of public finances over the long term. Future liabilities are the result of government commitments that, unlike contingent liabilities, are virtually certain to occur at some future point and result in an expenditure. A typical example consists of government obligations to pay pension benefits or cover health care costs of future retirees. Under a cash accounting system, only current payments associated with such obligations are recognized in the budget. To capture the future impact on the budget of these liabilities, a separate statement is required.

Beyond the core information, some governments may also provide other information about the sustainability of their finances, including for example: projections that cover 20 or 30 years; multiple scenarios with different sets of assumptions; assumptions about other factors (such as the depletion of natural resources) that go beyond just the core macroeconomic and demographic data; and a detailed presentation of particular programs that have long time horizons, such as civil service pensions.

For more details on future liabilities, see Guide to Transparency in Public Finances: Looking Beyond the Core Budget (http://internationalbudget.org/wp-content/uploads/Looking-Beyond-the-Budget.pdf).

To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to future liabilities and the sustainability of government finances over the longer term as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to future liabilities is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on future liabilities and the sustainability of government's finances

Answer:
d. No, information related to future liabilities and the sustainability of finances over the longer term is not presented.

Source:
In Hungarian: A költségvetés hosszú távú fenntarthatósága
In English: Long-term sustainability of the budget
URL: https://www.parlament.hu/irom42/00152/T_152_II_fejezeti.pdf
page 1323

In Hungarian: LXXI. fejezet Nyugdíjbiztosítási Alap – 1. számú táblázat 50 éves demográfiai előrejelzés

In English: Chapter LXXI Pension Insurance Fund – Table 2 50-year demographic projection
URL: https://www.parlament.hu/irom42/00152/T_152_II_fejezeti.pdf
pp. 1287-1288

Comment:
The government included a long-term projection about the sustainability of the budget for the 2020-2070 period on page 1323. This is a baseline projection based on certain assumptions that are not discussed in the narrative section. The table present the results for the pension expenditures („Állami nyugdíjkiadások") and selected expenditures: health expenditures („Egészségügyi kiadások"), social care for elder people („Hosszú távú ápolási kiadások") and education („Oktatási kiadások") as percent of GDP. The exact assumptions are not detailed behind the projections, only certain elements. For example the government calculated with a fertility ratio of 2,1, and a dynamic GDP and wage growth during the period. Other assumptions were that the expenditures are based on the relevant population and the per capita expenditures will increase by the GDP growth rate, along with the already adopted policies like increasing the retirement age to 65 years and introducing the 13th month pension.
At the end the results are described as the changes in the expenditures as percent of GDP. The EBP certainly included a long-term projection that covers more than 10 years, but the demographic and macroeconomic assumptions are vague because it is unknown what the "dynamic GDP and wage growth" means. Also the narrative discussion does not highlight the fiscal implications and risks of the projection, so it misses core elements (discussion of fiscal implications and risks, macroeconomic assumptions).
Another long-term projection in the EBP is the 50-year demographic projection used by the Pension Insurance Fund on pages 1287-1288. The projection is based on the projection of the Central Statistical Office and the projection in the EBP uses a higher fertility rate (1,85) than the baseline scenario (1,65) as discussed in the below publication. The table in the EBP used the higher fertility rate ("magas termékenység") scenario. The demographic projection is only available in Hungarian at the time of research.
The longest macroeconomic projection is on page 1307 of the EBP, but that only presents the data until FY 2026 (BY+3).
In Hungarian:
Obádovics Csilla, Tóth G. Csaba: A népesség szerkezete és jövője
https://www.demografia.hu/kiadvanyokonline/index.php/demografiaiportre/article/view/2836/2726
Table 2 on page 259

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

IBP Comment
Score has been revised from "C" to "D" as the original EBP described above was overhauled and invalidated by an executive decree in late 2022. Please see Question EBP-1a for more details.

44. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of the sources of donor assistance, both financial and in-kind, for at least the budget year?

GUIDELINES:
Question 44 asks about estimates of donor assistance, both financial and in-kind assistance. Such assistance is considered non-tax revenue, and the sources of this assistance should be explicitly identified. In terms of in-kind assistance, the concern is primarily with the provision of goods (particularly those for which there is a market that would allow goods received as in-kind aid to be sold, thereby converting them into cash) rather than with in-kind aid like advisors from a donor country providing technical assistance.

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year both estimates covering all donor assistance and a narrative discussing the assistance. If a narrative discussion is not included, but estimates for all donor assistance are presented, then a "b" answer is appropriate. A "c" response applies if the presentation includes estimates covering only some, but not all, donor assistance (regardless of whether it also includes a narrative discussion). Answer "c" also applies if the sources of donor assistance are not presented, but the total amount of donor assistance is presented as a single line item. Answer "d" applies if no estimates of donor assistance are presented. Select answer "e" if your country does not receive donor assistance.

Answer:
d. No, estimates of the sources of donor assistance are not presented.

Source:
In Hungarian: Európai uniós költségvetési kapcsolatok
In English: Budgetary relations with the European Union

URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
pp. 285-293

In Hungarian: XIX. Uniós fejlesztések
In English: Chapter XIX Developments financed from EU funds
URL: https://www.parlament.hu/irom42/00152/T_152_II_fejezeti.pdf
pp. 869-926

In Hungarian: XLII. A költségvetés közvetlen bevételei és kiadásai – 6. cím: Uniós programok bevételei
In English: Chapter XLII Direct revenues and expenditures of the budget – Article 6 Revenues of EU programmes
URL: https://www.parlament.hu/irom42/00152/T_152_II_fejezeti.pdf
pages 1175-1179

Comment:
The donor assistance mainly consists of the development funds received from the European Union. These are summarised in the table on page 287 where both the funds going through the budget (in table „Költségvetésben megjelenő EU támogatások") and outside the budget (in the table „Költségvetésen kívüli EU támogatások"). In the tables the column „Kiadások" shows the expenditures financed by the funds, the column „Bevétel" shows the donor funds received from the EU. (In the previous survey the non-EU funds, the part financed from other sources of the budget, were also presented in this table.) The row „EU források mindösszesen" shows the total of donor funds including funds in the budget and outside of it. The remaining tables on pages 288-293 list the exact appropriations where the donor funds appear in the budget.
The revenues are described on pages 1175-1179 that state what programs will be financed from the received funds. For example „Kohéziós Operatív Programok" (Operation Programmes financed by Cohesion Funds) finances most of the operative programmes like "Gazdaságfejlesztési és Innovációs Operatív Program" (Economic Development and Innovation Programmes), "Emberi Erőforrás Fejlesztési Operatív Program" (Human Resource Development), "Versenyképes Közép-Magyarország Operatív Program" (Competitiveness of Central Hungary), while „Vidékfejlesztési Program" finances agricultural development. The expenditures related to operative programmes are described in a more detailed way on pages 869-926 in Chapter XIX Developments financed from EU funds. This chapter explains the goals of the programmes but no performance indicator is attached for these goals.
There is no other significant donor assistance besides the EU funds.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

IBP Comment
Score has been revised from "A" to "D" as the original EBP described above was overhauled and invalidated by an executive decree in late 2022. Please see Question EBP-1a for more details.

45. Does the Executive's Budget Proposal or any supporting budget documentation present information on tax expenditures for at least the budget year?

(The core information must include a statement of purpose or policy rationale for each tax expenditure, the intended beneficiaries, and an estimate of the revenue foregone.)

GUIDELINES:
Question 45 focuses on tax expenditures, asking whether "core" information related to these tax preferences is presented. These core components must include for both new and existing tax expenditures:

- *a statement of purpose or policy rationale;*
- *a listing of the intended beneficiaries; and*
- *an estimate of the revenue foregone.*

Tax expenditures arise as a result of exceptions or other preferences in the tax code provided for specified entities, individuals, or activities. Tax expenditures often have the same impact on public policy and budgets as providing direct subsidies, benefits, or goods and services. For example, encouraging a company to engage in more research through a special tax break can have the same effect as subsidizing it directly through the expenditure side of the budget, as it still constitutes a cost in terms of foregone revenues. However, expenditure items that require annual authorization are likely to receive more scrutiny than tax breaks that are a permanent feature of the tax code.

Beyond the core information, some governments may also provide other information about tax expenditures, including for example: the intended beneficiaries by sector and income class (distributional impact); a statement of the estimating assumptions, including the definition of the benchmark against which the

foregone revenue is measured; and a discussion of tax expenditures as part of a general discussion of expenditures for those program areas that receive both types of government support (in order to better inform policy choices). For more details on tax expenditures, see Guide to Transparency in Public Finances: Looking Beyond the Core Budget (http://internationalbudget.org/wp-content/uploads/Looking-Beyond-the-Budget.pdf) and Principle 1.1.4 of the IMF's Fiscal Transparency Handbook (2018) (https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml).

To answer "a," the Executive's Budget Proposal or supporting documentation must present, for at least the budget year, all of the core information related to tax expenditures as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to tax expenditures is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on tax expenditures.

Answer:
d. No, information related to tax expenditures is not presented.

Source:
In Hungarian: Főbb adó- és járulékkedvezmények
In English: Main tax and contribution exemptions
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
page 298

In Hungarian: XLII. fejezet A költségvetés közvetlen bevételei és kiadásai
In English: Chapter XLII Direct revenues and expenditures of the budget
URL: https://www.parlament.hu/irom42/00152/T_152_II_fejezeti.pdf
pp. 1169-1173

Comment:
The EBP presents the foregone revenues for many tax exemptions in the cited summary table on page 298. The first column presents the lower estimate ("alsó becslés"), the second the upper bound ("felső becslés") of the estimate. Apart from the summary table no further information is included about tax exemptions.
The narrative discussion only references the tax expenditure in one case. On page 1170 a 50% exemption is provided from the environmental pollution tax ("Környezetterhelési díj") for the environmentally friendly investments. This is in the sentence "50%-os díjkedvezményt vehetnek igénybe a környezetkímélő beruházást végzők". Essentially no information is presented in the narrative discussion about the policy rationale or the intended beneficiaries.
This additional information is mainly defined in other documents like the appropriate law or governmental press releases.
Because only the estimates of the revenue foregone is included in the EBP, the answer 'c' was maintained.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

IBP Comment
Score has been revised from "C" to "D" as the original EBP described above was overhauled and invalidated by an executive decree in late 2022. Please see Question EBP-1a for more details.

46. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of earmarked revenues for at least the budget year?

GUIDELINES:
Question 46 asks about estimates of earmarked revenues, which are revenues that may only be used for a specific purpose (for example, revenues from a tax on fuel that can only be used for building roads). This information is important in determining which revenues are available to fund the government's general expenses, and which revenues are reserved for particular purposes.

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year both estimates covering all individual earmarked revenues and a narrative discussing the earmarks. If a narrative discussion is not included, but estimates for all individual earmarked revenues are presented, then a "b" answer is appropriate. A "c" response applies if the presentation includes estimates covering only some, but not all, earmarked revenues (regardless of whether it also includes a narrative discussion). Answer "d" applies if no estimates of earmarked revenues are presented. An "e" response applies if revenue is not earmarked or the practice is disallowed by law or regulation.

Answer:
d. No, estimates of earmarked revenues are not presented.

Source:
In Hungarian: 1. melléklet
In English: Appendix 1
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
pages 63 and 91-93
In Hungarian: XVII. Technológiai és Ipari Minisztérium - 20/35/4 jogcímcsoport Energia- és klímapolitikai modernizációs rendszer
In English: Chapter XVII Ministry of Technology and Industry – 20/35/4 Energy and climate policy modernisation
URL: https://www.parlament.hu/irom42/00152/T_152_I_fejezeti.pdf
pp. 810-812

Comment:
Generally the budget is globally financed, that means any revenue can be used to finance any expenditure. There are revenue sources that were levied for financing other related activities while reducing unwanted or detrimental effects.
In practice the authority responsible for planning makes an estimate for the revenue and similar expenditure items, but in case the revenue falls short it is not sure the expenditure will not be financed by some other source or in case the revenue surpasses the estimate it may be spent on a different expenditure. For example the social contribution tax has the purpose of financing pensions, but the extra revenues may be taken by the central government to finance other expenditures.
The rules of earmarked revenues are not very strong.
One example is the revenue from selling CO2 quotas that has to be spent on „green goals". On page 811 of the EBP the first table presents how much should be allocated to „green goals" and the below list presents the allocated projects. The list is not very detailed, more like general guides, for example „közlekedés zöldítési programok folytatása" means maintaining green and energy-efficient public transport programs, „energiahatékonysági fejlesztések támogatása" means support for energy efficiency projects, while „fásítási program folytatása" means maintaining afforestation programs. The presentation of this connection cannot be determined from Appendix 1: the expenditure item „Energia- és klímapolitikai modernizációs rendszer" is at the middle of page 63 while the revenue item „Ipari tevékenységekhez kapcsolódó kibocsátási egységek értékesítéséből származó bevételek" is at the bottom of the same page. Because the connection is not clear from Appendix 1 as main table, only presented in the narrative discussion it is not a fine example for presenting earmarked revenues.

Some of the chapters might be treated as earmarked revenues and their related expenditures. For example the Pension Insurance Fund and the social contribution tax as its revenue source on page 91, the Health Insurance Fund and social contributions as its revenue on pp. 92-93. These revenues finance broadly the linked purposes like pensions and healthcare services. For example the fat tax („népegészségügyi termékadó") was levied to facilitate healthy diet and make unhealthy foods costly and to finance public health programs. However in the budget this link is not clear: the revenue is added with other sources and is not linked to specific expenditures.
The justification for fat tax is in the first paragraph below the title of act CIII of 2011 on the fat tax:
https://net.jogtar.hu/jogszabaly?docid=a1100103.tv
For similar purpose the government created two new funds: the Energy tariff protection fund ("Rezsivédelmi Alap") and the National Defence Fund ("Honvédelmi Alap") on pp. 84-85. Certain taxes were allocated to finance these funds. The former receives the taxes on energy, mining and telecommunication sectors, the latter the taxes on financial sector. It is also allowed in the EBP that the expenditures of the Energy tariff protection fund can be overspent, so in that case it needs to be financed from other revenue sources. These are not earmarked revenues because in the previous years these taxes were among the direct revenues of the government and globally finances the expenditures. The funds rather serve as a presentation to highlight the amounts spent on these expenditure items.
There are earmarked revenues in the EBP but these can only be found in the narrative discussion, so minimal information is provided about them.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

IBP Comment
Score has been revised from "C" to "D" as the original EBP described above was overhauled and invalidated by an executive decree in late 2022. Please see Question EBP-1a for more details.

47. Does the Executive's Budget Proposal or any supporting budget documentation present information on how the proposed budget (both new proposals and existing policies) is linked to government's policy goals for the budget year?

GUIDELINES:
Questions 47 and 48 ask about information that shows how the budget (both new proposals and existing policies) is linked to the government's policy goals. The budget is the executive's main policy document, the culmination of the executive's planning and budgeting processes. Therefore, it should include a clear description of the link between policy goals and the budget — that is, an explicit explanation of how the government's policy goals are reflected in its budget choices. For an example of a discussion of a government's policy goals in the budget, see pages 13-18 of New Zealand's 2011 Statement of Intent (http://www.treasury.govt.nz/publications/abouttreasury/soi/2011-16), one of the many documents supporting its budget.

In some countries the government prepares strategic/development plans. These plans include all the policies the government is planning to implement for the budget year and very often cover a multi-year perspective. In some cases, these plans do not match the budget documentation, and it is possible that they are completely disconnected from the Executive's Budget Proposal. So the question is examining whether government policy plans are "translated" into revenue and expenditure figures in the actual budget documents.

Question 47 asks about the information covering the budget year, and Question 48 asks about the period at least two years beyond the budget year. To answer "a," the Executive's Budget Proposal or supporting documentation must present both estimates of how the budget is linked to government's policy goals for the budget year (for Question 47) or for a multi-year period beyond the budget year (for Question 48) and a narrative discussion of how these policy goals are reflected in the budget. To answer "b" for either question, the Executive's Budget Proposal or supporting documentation must present estimates that show how the budget is linked to government's policy goals, but no narrative discussion is included. A "c" response applies if the presentation includes only a narrative discussion, or if it includes estimates that show how the budget is linked to some, but not all, of the government's policy goals (regardless of whether it also includes a narrative discussion). Answer "d" applies if no information is presented on how the budget is linked to government's policy goals.

Answer:
d. No, information on the link between the budget and the government's stated policy goals for the budget year is not presented.

Source:
In Hungarian: Az általános indokolás – A kormány gazdaságpolitikájának fő vonásai, az államháztartás alakulása – II. Az államháztartás célja és keretei
In English: The General Justification – Main characteristics of the economic policy of the government, the state of the budget – II. Goals and settings of the state finances
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
pp. 222-227

Comment:
The narrative discussion mentions goals only for FY 2023.
The budgetary goals presented on page 222 are rather general ones: guaranteeing the protection of families, strengthening national defence, keeping low energy tariffs for households and providing a stable funding for executing government policies. This is stated in the section "a jövő évi költségvetéssel kapcsolatos kormányzati célkitűzés, hogy stabil alapot biztosítson a kormányzati programok megvalósításához, garantálja a családok védelmét, hazánk biztonságának erősítését és a rezsicsökkentés megőrzését". On this same page the government highlights two funds: the Energy tariff protection fund and the National defence fund but does not disclose the specific policies, only describes that these funds contain the expenditures needed for the mentioned areas.
On pp. 224-227 in point 2 Areas prioritised by the government ("A kormány által prioritásként kezelt területek") the government presents the main policies. In the first section ("Továbbra is a család az első") the government lists the policies related to supporting families starting from housing supports to tax expenditures. In the next section ("Fókuszban a nyugdíjasok védelme") the government describes the policies related to pensions like the 13th month pension, the pension premium, the opportunity for women to retire with 40 service years. All of these sections are about an area but it is not explained what goal the government would like to achieve, what the existing policies are and what new policies are planned in the EBP. Also on page 227 the last priority is realising the major investments for economic growth. In this case the government identifies the realisation of ongoing investments as a goal and describes that the budget will provide funds for these investments incrementally.
Since in this part either the specific goals are difficult to identify or the existing and new policies are not linked to them, we found no information for the question.

Goals are also mentioned at chapter level, that is for each ministry. In many cases these are general goals like modernising the capabilities of the army ("legyen képes az MH teljes megújítására, a haderő XXI. századi színvonalra emelésére" on page 574 in volume I in case of the Ministry of National Defence), maintaining order and public safety ("a BM és az irányítása alá tartozó rendvédelmi szervek alapvető feladata a rend- és közbiztonság megerősítése" on page 621 in volume I in case of the Ministry of Interior) or the reduction of the emission of greenhouse gases and adapting to the climate change ("Az egyik a hazai üvegházhatású gázkibocsátások csökkentése, a gazdaság működésének zöldítése, a másik pedig az éghajlatváltozás elkerülhetetlen hatásaihoz való alkalmazkodás." on page 784 in volume I in case of the Ministry of Technology and Innovation). In some cases the goals are specific or can be quantified.
On page 783 in volume I the Ministry of Technology and Innovation declared that the industry should have the largest share in the GDP. For this the Ministry provides funds for investments and identifies the prioritised sectors as vehicle manufacturing, electronics, digital technology and health industry. This is presented in the section "Iparági stratégiák, digitalizáció".
On page 469 in volume I the Office of the Prime Minister described the Hungarian Village program ("Magyar Falu program"). The goal is to increase the population living in villages with less than 5000 residents and their living standards. To achieve this the government finances road construction, improves the public services in these villages and the housing conditions. This is in the paragraph beginning with "A Magyar Falu Program célja".
There are also goals that are relevant for several ministries but not identified as governmental goal. For example supporting Hungarian minorities living in neighbouring countries appears in the chapter of Office of Prime Minister (on page 468 in Volume I under "Nemzetpolitikáért felelős szakterület"), in the Ministry for Foreign Trade and Affairs ("A Diaszpóra Felsőoktatási Ösztöndíjprogram keretében a diaszpórában élő, magyar

gyökerekkel rendelkező fiatalok magyarországi felsőfokú tanulmányait támogatjuk, hazánk nemzetpolitikai célkitűzéseivel összhangban." on page 843 in Volume II) and in the Gábor Bethlen Fund (on page 1259 in Volume II under "I. A célok meghatározása").

The government does not present clearly the goals and the policies linked to it either because the goals are very general or broad or the relevant policies are not explained for the goals. At ministry-level in very rare cases a goal and the related policies, expenditures can be found but the information is minimal and all the supporting documents need to be looked through for them.

Links for the supporting documents
In Hungarian: A 2023-as költségvetési törvényjavaslat I. fejezeti kötete
In English: Volume I of the supporting documents for the EBP for FY 2023
URL: https://www.parlament.hu/irom42/00152/T_152_I_fejezeti.pdf

In Hungarian: A 2023-as költségvetési törvényjavaslat II. fejezeti kötete
In English: Volume II of the supporting documents for the EBP for FY 2023
URL: https://www.parlament.hu/irom42/00152/T_152_II_fejezeti.pdf

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

IBP Comment
Please note that the original EBP described above was overhauled and invalidated by an executive decree in late 2022. Please see Question EBP-1a for more details.

48. Does the Executive's Budget Proposal or any supporting budget documentation present information on how the proposed budget (both new proposals and existing policies) is linked to government's policy goals for a multi-year period (for at least two years beyond the budget year)?

GUIDELINES:
Questions 47 and 48 ask about information that shows how the budget (both new proposals and existing policies) is linked to the government's policy goals. The budget is the executive's main policy document, the culmination of the executive's planning and budgeting processes. Therefore, it should include a clear description of the link between policy goals and the budget — that is, an explicit explanation of how the government's policy goals are reflected in its budget choices. For an example of a discussion of a government's policy goals in the budget, see pages 13-18 of New Zealand's 2011 Statement of Intent (http://www.treasury.govt.nz/publications/abouttreasury/soi/2011-16), one of the many documents supporting its budget.

In some countries the government prepares strategic/development plans. These plans include all the policies the government is planning to implement for the budget year and very often cover a multi-year perspective. In some cases, these plans do not match the budget documentation, and it is possible that they are completely disconnected from the Executive's Budget Proposal. So the question is examining whether government policy plans are "translated" into revenue and expenditure figures in the actual budget documents.

Question 47 asks about the information covering the budget year, and Question 48 asks about the period at least two years beyond the budget year. To answer "a," the Executive's Budget Proposal or supporting documentation must present both estimates of how the budget is linked to government's policy goals for the budget year (for Question 47) or for a multi-year period beyond the budget year (for Question 48) and a narrative discussion of how these policy goals are reflected in the budget. To answer "b" for either question, the Executive's Budget Proposal or supporting documentation must present estimates that show how the budget is linked to government's policy goals, but no narrative discussion is included. A "c" response applies if the presentation includes only a narrative discussion, or if it includes estimates that show how the budget is linked to some, but not all, of the government's policy goals (regardless of whether it also includes a narrative discussion). Answer "d" applies if no information is presented on how the budget is linked to government's policy goals.

Answer:
d. No, information on the link between the budget and the government's stated policy goals for a multi-year period is not presented.

Source:
In Hungarian: Az általános indokolás – A kormány gazdaságpolitikájának fő vonásai, az államháztartás alakulása – II. Az államháztartás célja és keretei
In English: The General Justification – Main characteristics of the economic policy of the government, the state of the budget – II. Goals and settings of the state finances
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf

pp. 222-227

Comment:
The narrative discussion mentions goals only for FY 2023.
The budgetary goals presented on page 222 are rather general ones: guaranteeing the protection of families, strengthening national defence, keeping low energy tariffs for households and providing a stable funding for executing government policies. This is stated in the section "a jövő évi költségvetéssel kapcsolatos kormányzati célkitűzés, hogy stabil alapot biztosítson a kormányzati programok megvalósításához, garantálja a családok védelmét, hazánk biztonságának erősítését és a rezsicsökkentés megőrzését". On this same page the government highlights two funds: the Energy tariff protection fund and the National defence fund but does not disclose the specific policies, only describes that these funds contain the expenditures needed for the mentioned areas.
On pp. 224-227 in point 2 Areas prioritised by the government ("A kormány által prioritásként kezelt területek") the government presents the main policies. In the first section ("Továbbra is a család az első") the government lists the policies related to supporting families starting from housing supports to tax expenditures. In the next section ("Fókuszban a nyugdíjasok védelme") the government describes the policies related to pensions like the 13th month pension, the pension premium, the opportunity for women to retire with 40 service years. All of these sections are about an area but it is not explained what goal the government would like to achieve, what the existing policies are and what new policies are planned in the EBP.

Based on the instructions the above mentioned statements can be treated as goals, but only the two funds (as a group of expenditures) are linked explicitly to the related goals, in the other cases only the policies are listed and the related expenditures may appear in different parts of the budget. The goals do not have a target date and might be interpreted for a longer period, so they might be treated as multi-year goals, but this is not stated in the narrative discussion. However from a logical perspective these are not true goals because they are too general to justify the new policy proposals and why these policies were selected instead of other ones. Also these goals are hard to measure, hence it cannot be identified how the government progressed in the implementation of the goals and whether the government achieved its target.
Because it cannot be determined if the government intends to maintain these priorities we did not evaluate these goals as multi-year goals.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

IBP Comment
Please note that the original EBP described above was overhauled and invalidated by an executive decree in late 2022. Please see Question EBP-1a for more details.

49. Does the Executive's Budget Proposal or any supporting budget documentation present nonfinancial data on inputs to be acquired for at least the budget year?

GUIDELINES:
Question 49 asks about the availability of nonfinancial data on inputs for the budget year. (Nonfinancial data on outputs and outcomes are addressed in Question 50.)

The budget should disclose not only the amount of money that is being allocated on a program but also any information needed to analyze that expenditure. Nonfinancial data and performance targets associated with budget proposals are used to assess the success of a given policy. For example, even when allocated funds are spent according to plan, there remains the question of whether the policy delivered the results that it aimed to achieve.

Nonfinancial data can include information on:

Inputs - These are the resources assigned to achieve results. For example, in regards to education, nonfinancial data on inputs could include the number of books to be provided to each school or the materials to be used to build or refurbish a school.
Outputs - These are products and services delivered as a result of inputs. For example, the number of pupils taught every year; the number of children that received vaccines; or the number of beneficiaries of a social security program.
Outcomes - These are the intended impact or policy goals achieved. For example, an increase in literacy rates among children under 10, or a reduction in rates of maternal mortality.

In addition, governments that set performance targets must use nonfinancial data for outputs and outcomes to determine if these targets have been met.

To answer "a," the Executive's Budget Proposal or supporting documentation must present, for at least the budget year, nonfinancial data on inputs for each individual program within all administrative units (ministries, departments, and agencies). It is also acceptable if nonfinancial data on inputs for each individual program is organized by functions. To answer "b," the Executive's Budget Proposal or supporting documentation must present nonfinancial data on inputs for all administrative units or all functions, but not for each individual program (or even for any programs) within those administrative units or

functions. A "c" response applies if nonfinancial data on inputs are presented only for some programs and/or some administrative units or some functions. Answer "d" applies if no nonfinancial data on inputs is presented.

Answer:
d. No, nonfinancial data on inputs are not presented.

Source:
In Hungarian: XX. Kulturális és Innovációs Minisztérium – 6. cím Szakképzési Centrumok
In English: Chapter XX Ministry for Culture and Innovation – Title 6 Centers of technical vocational training
URL: https://www.parlament.hu/irom42/00152/T_152_II_fejezeti.pdf
pp. 947-950

In Hungarian: XXXIV. Magyar Művészeti Akadémia – 1. cím MMA Titkársága - 1. alcím MMA Titkárság Igazgatása, köztestületi feladatok
In English: Chapter XXXIV Hungarian Academy of Arts – Title 1 Secretariat of the Academy - Subtitle 1 Administration of the secretariat, tasks as public institution
URL: https://www.parlament.hu/irom42/00152/T_152_II_fejezeti.pdf
page 1122

Comment:
The chapter-level narrative discussions generally present the allowed number of employees for each institution. For example in the case of the centers of technical vocational training the allowed number of employees is 25.831 persons as shown in the column "Átlagos statisztikai állományi létszám (fő)" on page 950. This mainly explains the expenditure of compensation of employees and social contributions.
For other cases there is sporadic information about nonfinancial data on inputs. Compared to the previous Survey we only found one case where the nonfinancial data can be interpreted as input.
The Hungarian Academy of Arts included a calculation table for the increase of annuities ("Életjáradék") of the members. In the table on page 1122 the number of members are shown in the first column (250 for ordinary members and 50 for corresponding members) and the following columns show the annuity per month per person for 2023 and the total amount of expenditures. The annuity per person also includes the social contribution tax.
The number of employees is the only input that presented systematically for all the institutions, while for other cases minimal information is provided.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

IBP Comment
Score has been revised from "B" to "D" as the original EBP described above was overhauled and invalidated by an executive decree in late 2022. Please see Question EBP-1a for more details.

50. Does the Executive's Budget Proposal or any supporting budget documentation present nonfinancial data on results (in terms of outputs or outcomes) for at least the budget year?

GUIDELINES:
Question 50 asks about the availability of nonfinancial data on results for the budget year. Nonfinancial data on results can include data on both outputs and outcomes, but not on inputs (which are addressed in Question 49).

To answer "a," the Executive's Budget Proposal or supporting documentation must present, for at least the budget year, nonfinancial data on results for each individual program within all administrative units (ministries, departments, and agencies). It is also acceptable if nonfinancial data on results for each individual program is organized by functional classification. To answer "b," the Executive's Budget Proposal or supporting documentation must present nonfinancial data on results for all administrative units or all functional classifications, but not for each individual program (or even for any programs) within those administrative units or functions. A "c" response applies if nonfinancial data on results are presented only for some programs and/or some administrative units or some functions. Answer "d" applies if no nonfinancial data on results is presented.

Answer:
d. No, nonfinancial data on results are not presented.

Source:
In Hungarian: XX. Kulturális és Innovációs Minisztérium – 6. cím Szakképzési Centrumok
In English: Chapter XX Ministry for Culture and Innovation – Title 6 Centers of technical vocational training
URL: https://www.parlament.hu/irom42/00152/T_152_II_fejezeti.pdf
pp. 947-950

In Hungarian: XII. Agrárminisztérium - 6. cím Mezőgazdasági középfokú szakoktatás intézményei
In English: Chapter XII Ministry for Agriculture – Title 6 Agricultural secondary schools
URL: https://www.parlament.hu/irom42/00152/T_152_I_fejezeti.pdf
pp. 531-534

In Hungarian: XII. Agrárminisztérium - 21/2 Uniós programok kiegészítő támogatása - Igyál tejet program
In English: Chapter XII Ministry for Agriculture – 21/2 Supplementary support of EU programs - "Drink milk" program
URL: https://www.parlament.hu/irom42/00152/T_152_I_fejezeti.pdf
page 565

In Hungarian: XIII. Honvédelmi Minisztérium - 21. Sport feladatokhoz kapcsolódó fejezeti kezeléső előirányzatok cím - 21/4 Sportegészségügy, sporttudomány támogatása
In English: Chapter XIII Ministry for National Defence – 21 Chapter-administered appropriations related to sport tasks - 21/4 Support for sport healthcare, sport science
URL: https://www.parlament.hu/irom42/00152/T_152_I_fejezeti.pdf
page 609

In Hungarian: XIV. Belügyminisztérium - 20. cím Fejezeti kezelésű előirányzatok - 20. cím 32. alcím Szociális, gyermekvédelmi, gyermekjóléti és fogyatékos személyek esélyegyenlőségét elősegítő célelőirányzatok - 20. cím 32. alcím 05. jogcímcsoport Gyermekvédelmi Lakás Alap és 06. jogcímcsoport Fejlesztő foglalkoztatás támogatása
In English: Chapter XIV Ministry of Interior – Title 20 Chapter-administered appropriations - Title 20 Subtitle 32 Supports for social, child protection, child welfare and achieving equal opportunities for disabled persons - Title 20 Subtitle 32 Article 5 Child protection housing fund and Article 6 Developing employment support
URL: https://www.parlament.hu/irom42/00152/T_152_I_fejezeti.pdf
pp. 706-707

Comment:
The narrative discussion describes the aim of the appropriations mostly in legal terms, sometimes in practical terms, but does not attach to it numerical expected results systematically. As cited there are sporadic examples for nonfinancial results but in most of the cases these are only the number of beneficiaries.
In the cases of the Centers of technical vocational training and the Agricultural secondary schools the number of students are presented. The former is in the sentence "A 2021/2022. tanév tanulólétszáma és a képzésben részt vevő személyek száma együttesen meghaladta a 194 ezer főt." (The number of students and the persons involved in the trainings in the 2021/2022 year exceeded the 194 thousand persons.) on page 947, while the latter is in the sentence "Az AM a teljes országot lefedő iskolahálózattal rendelkezik, ahol a 2020/2021-es tanévben megközelítőleg 16 000 diák tanul." (The Ministry has a country-wide school network where approximately 16 thousand students learnt in the 2020/2021 year.) on page 532.
In the case of the "Igyál tejet" program the number of beneficiaries is shown in the sentence "A 2021/2022. tanévben már 2751 oktatási intézmény 442 143 tanulója jut rendszeresen friss tejhez, tejtermékhez." (In the 2021/2022 year 442 143 students from 2751 institution received regularly fresh milk and dairy products) on page 565.
In the case of social supports in the chapter of the Ministry of Interior the number of beneficiaries are described. For the first cited item it is in the sentence "Az előirányzatból az elmúlt években évente közel 1000 szakellátásból kikerült fiatal felnőtt lakhatási támogatása valósult meg, a támogatásra jogosultak száma 2023. évben várhatóan hasonlóan alakul." (In the previous years the appropriation provided support for one thousand young adults leaving the social services and the same number of beneficiaries are expected for 2023.) on page 706. On the same page the output for the other cited support is in "Az előirányzatból finanszírozott nem állami - és az állami fenntartóknál - rendelkezésre álló forrás évente átlagosan mintegy 6.500 fő fogyatékos, pszichiátriai beteg, szenvedélybeteg és hajléktalan személy foglalkoztatását biztosítja." (The funds provided to governmental and non-governmental service providers on average enables the employment of 6.500 disabled, psychiatric patient, addict and homeless persons each year).
There are also outputs where the nonfinancial data cannot be linked with the exact amount. On page 609 it is described that the anti-doping organisation must conduct between 1500-1800 samples a year, but the item covers other expenditure like health checks of athletes, thus the cost efficiency of the anti-doping task cannot be evaluated.
For some programs minimal information about the number of beneficiaries were presented in the EBP but this was not systematic throughout the documents. The presentation is ad hoc but since it provides more information than the documents in the previous Survey we selected answer 'c'.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

IBP Comment

Score has been revised from "C" to "D" as the original EBP described above was overhauled and invalidated by an executive decree in late 2022. Please see Question EBP-1a for more details.

51. Are performance targets assigned to nonfinancial data on results in the Executive's Budget Proposal or any supporting budget documentation?

GUIDELINES:
Question 51 asks about performance targets assigned to nonfinancial data on results for the budget year. The question applies to those nonfinancial results shown in the budget, and that were identified for purposes of Question 50.

To answer "a," the Executive's Budget Proposal or supporting documentation must assign performance targets to all nonfinancial data on results shown in the budget for at least the budget year. To answer "b," the Executive's Budget Proposal or supporting documentation must assign performance targets to a majority (but not all) of the nonfinancial data on results shown in the budget. A "c" response applies performance targets are assigned only to less than half of the nonfinancial data on results. Answer "d" applies if no performance targets are assigned to nonfinancial data on results shown in the budget, or the budget does not present nonfinancial results.

Answer:
d. No, performance targets are not assigned to nonfinancial data on results, or the budget does not present nonfinancial data on results.

Source:
In Hungarian: XIV. Belügyminisztérium - 20. cím Fejezeti kezelésű előirányzatok - 20. cím 33. alcím Egészségügyi ágazati előirányzatok - 20. cím 33. alcím 1. jogcímcsoport Egészségügyi ellátási és fejlesztési feladatok
In English: Chapter XIV Ministry of Interior – Title 20 Chapter-administered appropriations - Title 20 Subtitle 33 Appropriations for healthcare sector - Title 20 Subtitle 33 Article 1 Healthcare and development tasks
URL: https://www.parlament.hu/irom42/00152/T_152_I_fejezeti.pdf
pp. 710-711

In Hungarian: XIV. Belügyminisztérium - III. 5. Az uniós források felhasználásának szerepe a felügyelt ágazatokban - 11. Egészségügyi ágazat
In English: Chapter XIV Ministry of Interior – III. 5. The role of the funds from the European Union in the administered areas - 11. Healthcare
URL: https://www.parlament.hu/irom42/00152/T_152_I_fejezeti.pdf
page 736

Comment:
There are no systemic performance targets since there are no regular performance indicators in the EBP either at chapter or functional level. In some cases there are determined goals, but those are sporadic in the document. The below mentioned examples are either vague or not used to measure the effective use of funds, so we did not evaluate them as performance goals.
On pages 710-711 the government stated that as a result of complex healthcare policies the deaths by chronic diseases would decrease rapidly and would approach the EU-average (in the part "ezen beavatkozások eredményeként a krónikus betegségek okozta halálozás gyorsabb csökkenése és az EU átlagának megközelítése várható").
On page 736 the government described that the National Anti-Cancer Program would decrease the number of deaths caused by cancer by 10% by 2030 (in the sentence "Az NRP általános célja olyan nemzeti méretű szakmai és társadalmi cselekvési program megalkotása, amely 2030-ra a rákhalálozást a várhatóan folyamatosan emelkedő incidencia ellenére is jelentősen, legalább 10%-kal csökkenteni fogja.").

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

IBP Comment
Please note that the original EBP described above was overhauled and invalidated by an executive decree in late 2022. Please see Question EBP-1a for more details.

52. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of policies (both new proposals and existing policies) that are intended to benefit directly the country's most impoverished populations in at least the budget year?

GUIDELINES:
Question 52 asks whether the budget highlight policies, both new and existing, that benefit the poorest segments of society. This question is intended to assess only those programs that directly address the immediate needs of the poor, such as through cash assistance programs or the provision of housing, rather than indirectly, such as through a stronger national defense. This information is of particular interest to those seeking to bolster government's commitment to anti-poverty efforts. For purposes of answering this question, a departmental budget (such for the Department of Social Welfare) would not be considered acceptable. In general, this question is asking whether the EBP includes a special presentation that pulls together estimates of all the relevant policies in one place. However, if the country uses "program budgeting," where programs are presented as expenditure categories with specific and identified objectives, and it identifies anti-poverty programs within each administrative unit, then that is also acceptable for this question.

The IBP Budget Brief, "How Transparent are Governments When it Comes to Their Budget's Impact on Poverty and Inequality?" (https://www.internationalbudget.org/wp-content/uploads/government-transparency-of-budgets-impact-on-poverty-inequality-ibp-2019.pdf) includes a discussion of countries that have provided information on how its policies affect the poor.

For instance, Pakistan provides a detailed breakdown of pro-poor expenditure as part of its 2017-18 budget proposal. In one document, the government sets out policy priorities, expected outputs, and estimates of past and future spending for several programs aimed at poverty alleviation. Another supporting document provides a comprehensive overview of ongoing policies, including a chapter on social safety nets, covering both financial and performance information of poverty alleviation schemes over a period of eight years. (http://www.finance.gov.pk/budget/mtbf_2018_21.pdf and http://www.finance.gov.pk/survey_1718.html).

To answer "a," the Executive's Budget Proposal or supporting documentation must for at least the budget year both present estimates covering all policies that are intended to benefit the most impoverished populations and include a narrative discussion that specifically addresses these policies. (For countries using program budgeting that breaks out individual anti-poverty programs, there should be a separate narrative associated with each such program.) Answer "b" if a narrative discussion is not included, but estimates for all policies that are intended to benefit the most impoverished populations are presented. Answer "c" if the presentation includes estimates covering only some, but not all, policies that are intended to benefit the most impoverished populations (regardless of whether it also includes a narrative discussion). Answer "d" if no estimates of policies that are intended to benefit the most impoverished populations are presented.

Answer:
d. No, estimates of policies that are intended to benefit directly the country's most impoverished populations are not presented.

Source:
In Hungarian: XIV. Belügyminisztérium – 20/5 Társadalmi felzárkózást segítő programok
In English: Chapter XIV Ministry of Interior – 20/5 Programs for social integration
URL: https://www.parlament.hu/irom42/00152/T_152_I_fejezeti.pdf
pp. 683-688

In Hungarian: XIX. Uniós fejlesztések - 03/01 Kohéziós politikai operatív programok 2014-2020 alcím - 03/01/08 Rászoruló Személyeket Támogató OP (RSZTOP) jogcímcsoport
In English: Chapter XIX Union developments – 03/01 Cohesion politics operational programmes 2014-2020 – 03/01/08 Operational programmes for supporting the most impoverished
URL: https://www.parlament.hu/irom42/00152/T_152_II_fejezeti.pdf
pp. 899-900

In Hungarian: XIV. Belügyminisztérium – 20/34 Megváltozott munkaképességű munkavállalók foglalkoztatásának támogatása
In English: Chapter XIV Ministry of Interior – 20/34 Employment programs for disabled persons
URL: https://www.parlament.hu/irom42/00152/T_152_I_fejezeti.pdf
pp. 716-717

In Hungarian: LXIII. Nemzeti Foglalkoztatási Alap - 6. Start-munkaprogram
In English: Chapter LXIII National Employment Fund - 6 Start labour program
URL: https://www.parlament.hu/irom42/00152/T_152_II_fejezeti.pdf
page 1254

In Hungarian: XV. Pénzügyminisztérium - 26/5 Nemzeti Család- és Szociálpolitikai Alap
In English: Chapter XV Ministry of Finance - 26/5 National Family and Social Policy Fund
URL: https://www.parlament.hu/irom42/00152/T_152_I_fejezeti.pdf
pp. 762-765

Comment:
The policies or expenditures intended for the most impoverished population are included fully in the EBP, but the exact amount allocated for this

group cannot be determined.
Similarly to the previous Survey these expenditures were dispersed among several chapters in the EBP. The cited examples are presented separately but there are other expenditures in the EBP that are not shown separately. The programs for social integration include expenditures for social integration, scholarships and educational programs for the most impoverished. The operational programme for the most impoverished (these funds are donations from the European union) provides food and basic goods for the most deprived, like poor families, homeless persons, disabled persons and elder persons with low income. The third cited example is the wage support and related expenditures for the employment of disabled persons. An additional example is the Start labour program, a public labour program for those who have minimal chance for other employments because of lack of skills or other reasons. (The program was launched 10 years ago, just added to the list of examples for the first time.) Nearly all of these supports appear in different chapters.
The most impoverished can also receive support from the subsidies of local governments and the general social benefits. The local governments can apply for subsidy for providing social services to homeless persons, disabled persons or social catering. This subsidy is presented in the EBP aggregated with other subsidies of the local governments as subsidies of social services that also includes funds for maintaining nurseries and kindergartens (on pages 449-450 in the appropriation „A települési önkormányzatok egyes szociális és gyermekjóléti feladatainak támogatása"). The same applies to the general social subsidies because the distribution of the subsidies among different social groups is not presented, hence it is unknown how much of it the most impoverished persons receive. The social subsidies are grouped by legal terms instead (on pp. 762-765).
While all the policies and expenditures are included in the EBP, most of them are aggregated with other expenditures, hence "buried" in the numbers, so not all the policies and expenditures can be assessed exactly.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

IBP Comment
Score has been revised from "C" to "D" as the original EBP described above was overhauled and invalidated by an executive decree in late 2022. Please see Question EBP-1a for more details.

53. Does the executive release to the public its timetable for formulating the Executive's Budget Proposal (that is, a document setting deadlines for submissions from other government entities, such as line ministries or subnational government, to the Ministry of Finance or whatever central government agency is in charge of coordinating the budget's formulation)?

GUIDELINES:
Question 53 asks about the budget timetable. An internal timetable is particularly important for the executive's management of the budget preparation process, in order to ensure that the executive accounts for the views of the different departments and agencies in the proposed budget. The timetable would, for instance, set deadlines for submissions from other government entities, such as line ministries or subnational government, to the Ministry of Finance or whatever central government agency is in charge of coordinating the budget's formulation. So that civil society is aware of the various steps in the budget formulation process, and when opportunities may exist to engage the executive, it is essential that this timetable be made available to the public.

To answer "a," the executive must prepare a detailed budget timetable and release it to the public. A "b" answer applies if the timetable is made public, but some details are not included. A "c" response applies if the timetable is made public, but many important details are excluded, reducing its value for those outside government. Answer "d" applies if no timetable is made available to the public. As long as a timetable for formulating the Executive's Budget Proposal is released, answer "a,""b," or "c" may be selected, even if the Executive's Budget Proposal is not made publicly available.

Answer:
d. No, a timetable is not issued to the public.

Source:
In Hungarian: Tájékoztató a 2023. évi költségvetési törvényjavaslat összeállításához szükséges feltételekről és az érvényesítendő követelményekről – I. A tervezés ütemezése, paraméterei
In English: Informant on the assumptions and requirements for the tabling Executive's Budget Proposal for FY 2023 – I. Timetable and parameters for formulating the budget
URL: https://ngmszakmaiteruletek.kormany.hu/download/d/90/f2000/2023_tervezesi_tajekoztato.pdf
page 2

Comment:
The timetable contains information primarily to the budgetary institutions.
According to the published timetable the ministries were required to prepare their summarised budget plan based on the parameters provided by the

Ministry of Finance and upload the plan until 18 May. Then the Ministry of Finance prepared the main volume of the budget proposal. The government discussed the proposal and forwarded it to the Fiscal Council for review. After the review the government made the recommended modifications (if needed) and submitted the proposal to the National Assembly. The ministries had to send the narrative discussions of their chapters to the Ministry of Finance until 14 June, and the Finance Minister submitted it to the National Assembly in 10 days after the submission of the main volume.
The main dates were published in the timetable. Only the submission dates are important for the public, the other dates are technical deadlines for the institutions.

The timetable for the EBP for FY2023 was assessed in the Survey, but it is notable that the timetable in the next year did not contain any deadline, only the description of the process.
On page 2 the assignments were discussed without any determined date and 2023 was not an election year.
URL: https://ngmszakmaiteruletek.kormany.hu/download/2/05/13000/2024_tervezesi_tajekoztato.pdf

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

IBP Comment
Score has been revised from "A" to "D" as the original EBP described above was overhauled and invalidated by an executive decree in late 2022. Please see Question EBP-1a for more details.

54. Does the Pre-Budget Statement present information on the macroeconomic forecast upon which the budget projections are based?

(The core information must include a discussion of the economic outlook with estimates of nominal GDP level, inflation rate, real GDP growth, and interest rates.)

GUIDELINES:

Question 54 focuses on the macroeconomic forecast that underlies the Pre-Budget Statement, asking whether "core" information related to the economic assumptions is presented. These core components include a discussion of the economic outlook as well as estimates of the following:

- *nominal GDP level;*
- *inflation rate;*
- *real GDP growth; and*
- *interest rates.*

Beyond these core elements, some governments also provide additional information related to the economic outlook, including for instance: short- and long-term interest rates; the rate of employment and unemployment; GDP deflator; price of oil and other commodities; current account; exchange rate; and composition of GDP growth.

To answer "a," the Pre-Budget Statement must present all of the core information related to the macroeconomic forecast as well as some additional information beyond the core elements. To answer "b," the Pre-Budget Statement must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to the macroeconomic forecast is presented, but some of the core pieces of information are not included. Answer "d" applies if no information on the macroeconomic forecast is presented.

Answer:
d. No, information related to the macroeconomic forecast is not presented.

Source:
N/A

Comment:
The government did not publish a Pre-Budget Statement.
The government published a Macroeconomic and Budget Outlook in December 2021 that included a macroeconomic forecast, about 6 months before the submission of the EBP. The document was prepared assuming unchanged policies as stated on page 27 in „A középtávú költségvetési kitekintés az eddig meghozott kormányzati intézkedések figyelembevételével készült" and after this sentence lists these policies. The document is

rather part of the medium-term fiscal package required by the European Commission than a Pre-Budget Statement to present the proposed policies and the related macroeconomic and budgetary assumptions before the submission. The new, proposed policies were not mentioned in the document, hence we did not consider it as a Pre-Budget Statement.
URL to the Macroeconomic and Budget Outlook:
https://cdn.kormany.hu/uploads/document/e/ec/ec9/ec9819f5f7ab970209713e3754475e18924294e8.pdf

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

55. Does the Pre-Budget Statement present information on the government's expenditure policies and priorities that will guide the development of detailed estimates for the upcoming budget?

(The core information must include a discussion of expenditure policies and priorities and an estimate of total expenditures.)

GUIDELINES:

Question 55 focuses on the government's expenditure policies and priorities in the Pre-Budget Statement, asking whether "core" information related to these policies is presented. These core components include:

- *a discussion of expenditure policies and priorities; and*
- *an estimate of total expenditures.*

Although a Pre-Budget Statement is unlikely to include detailed programmatic proposals (such detailed information is typically only presented in the budget itself), it should include a discussion of broad policy priorities and a projection of at least total expenditures associated with these policies for the budget year. The Pre-Budget Statement can include some detail, for instance, estimates provided by any of the three expenditure classifications — by administrative, economic, and functional classifications.

To answer "a," the Pre-Budget Statement must present for the upcoming budget year all of the core information related to the government's expenditure policies and priorities as well as some additional information beyond the core elements. To answer "b," the Pre-Budget Statement must present all of the core components noted above for the upcoming budget year. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to the government's expenditure policies and priorities is presented, but some of the core pieces of information are not included. Answer "d" applies if no information on the government's expenditure policies and priorities is presented.

Answer:
d. No, information related to the government's expenditure policies and priorities is not presented.

Source:
N/A

Comment:
The government did not publish a Pre-Budget Statement.

The government published a Macroeconomic and Budget Outlook in December 2021, but that document did not include any guidance about the new expenditure policies or priorities for the upcoming budget. First on page 27 it is stated that the document assumed unchanged policies and already took into consideration the already adopted policies when said „A középtávú költségvetési kitekintés az eddig meghozott kormányzati intézkedések figyelembevételével készült.". The budgetary policies were described on pages 26-27, but all of them were for FY 2022.

No proposed policy were mentioned that would be included in the EBP for FY 2023. The document included a table about the expenditures on page 31, but based on the no-change policy and the fact that most of the expenditures were aggregated to the line „Költségvetési szervek és szakmai fejezeti kezelésű előirányzatok" (Budgetary institutions and chapter-administered appropriations) it did not presented the new policy proposals or the changes in the expenditures.

URL to the Macroeconomic and Budget Outlook:
https://cdn.kormany.hu/uploads/document/e/ec/ec9/ec9819f5f7ab970209713e3754475e18924294e8.pdf

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

56. Does the Pre-Budget Statement present information on the government's revenue policies and priorities that will guide the development of detailed estimates for the upcoming budget?

(The core information must include a discussion of revenue policies and priorities and an estimate of total revenues.)

GUIDELINES:
Question 56 focuses on the government's revenue policies and priorities in the Pre-Budget Statement, asking whether "core" information related to these policies is presented. These core components include:

- *a discussion of revenue policies and priorities; and*
- *an estimate of total revenue.*

Although a Pre-Budget Statement is unlikely to include detailed revenue proposals, it should include a discussion of broad policy priorities and a projection of at least the total revenue associated with these policies for the budget year. The Pre-Budget Statement can also include more detail, for instance, with estimates provided by revenue category — tax and non-tax — or some of the major individual sources of revenue, such as the Value Added Tax or the income tax.

To answer "a," the Pre-Budget Statement must present for the upcoming budget year all of the core information related to the government's revenue policies and priorities as well as some additional information beyond the core elements. To answer "b," the Pre-Budget Statement must present all of the core components noted above for the upcoming budget year. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to the government's revenue policies and priorities is presented, but some of the core pieces of information are not included. Answer "d" applies if no information on the government's revenue policies and priorities is presented.

Answer:
d. No, information related to the government's revenue policies and priorities is not presented.

Source:
N/A

Comment:
The government did not publish a Pre-Budget Statement.

The government published a Macroeconomic and Budget Outlook in December 2021, but that document did not include any guidance about the new revenue policies or priorities for the upcoming budget. First on page 27 it is stated that the document assumed unchanged policies and already took into consideration the already adopted policies when said „A középtávú költségvetési kitekintés az eddig meghozott kormányzati intézkedések figyelembevételével készült.".

The planned revenue policies were not mentioned in the document, only the already adopted ones on pages 26-27 and these are effective from FY 2022. For example reimbursement of personal income tax for families, decrease of social contributions or personal income tax exemption for employees under 25 years.

Well-defined policy proposals for the planned budget for FY 2023 were not discussed in the document, so we did not consider it a Pre-Budget Statement.

URL to the Macroeconomic and Budget Outlook:
https://cdn.kormany.hu/uploads/document/e/ec/ec9/ec9819f5f7ab970209713e3754475e18924294e8.pdf

Peer Reviewer

Opinion: Agree

Government Reviewer
Opinion:

57. Does Pre-Budget Statement present three estimates related to government borrowing and debt: the amount of net new borrowing required during the budget year; the total debt outstanding at the end of the budget year; and interest payments on the debt for the budget year?

GUIDELINES:

Question 57 asks whether the Pre-Budget Statement includes three key estimates related to borrowing and debt:

- *the amount of net new borrowing needed in the upcoming budget year;*
- *the central government's total debt burden at the end of the upcoming budget year; and*
- *the interest payments on the outstanding debt for the upcoming budget year.*

Debt is the accumulated amount of money that the government borrows. The government can borrow from its citizens, banks, and businesses within the country (domestic debt) or from creditors outside the country (external debt). External debt is typically owed to private commercial banks, other governments, or international financial institutions such as the World Bank and the International Monetary Fund.

Net new borrowing is the additional amount of new borrowing that is required for the budget year to finance expenditures in the budget that exceed available revenues. Net new borrowing adds to the accumulated debt. It is distinct from gross borrowing, which also includes borrowing needed to repay existing debt that matured during the budget year; debt that is replaced (or rolled over) does not add to the total of accumulated debt. For the purposes of this question, the deficit may be accepted as a proxy for net new borrowing.

Interest payments on the debt (or debt service costs) are typically made at regular intervals, and these payments must be made on a timely basis in order to avoid defaulting on the debt obligation. Interest payments are separate from the repayment of principal, which occurs only when the loan has matured and must be paid back in full.

To answer "a," the Pre-Budget Statement must present all three estimates of borrowing and debt for at least the upcoming budget year. For a "b" answer, the Pre-Budget Statement must present two of those three estimates. For a "c" answer, the PBS must present one of the three estimates. Answer "d" applies if no information on borrowing and debt is presented in the PBS.

Answer:
d. No, none of the three estimates related to government borrowing and debt are not presented.

Source:
N/A

Comment:
The government did not publish a Pre-Budget Statement.

The Macroeconomic and Budget Outlook published in December 2021 presented a forecast for the debt-to-GDP ratio on chart 24 on page 23, but not the absolute amount of the total outstanding debt. The interest payments were mentioned in table 2.b on page 31 in the line "Adósságszolgálati kamatkiadások".

The document was not considered a Pre-Budget Statement because the forecast was made with the no-policy change assumption, thus did not assess the effects of the planned policies for FY 2023.

URL to the Macroeconomic and Budget Outlook:
https://cdn.kormany.hu/uploads/document/e/ec/ec9/ec9819f5f7ab970209713e3754475e18924294e8.pdf

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

58. Does the Pre-Budget Statement present estimates of total expenditures for a multi-year period (at least two-years beyond the budget year)?

GUIDELINES:
Question 58 asks about multi-year expenditure estimates in the Pre-Budget Statement.

To answer "a," expenditure estimates for at least two years beyond the upcoming budget year must be presented. The estimates must be for at least total expenditures, but could include more detail than just the aggregate total.

Answer:
b. No, multi-year expenditure estimates are not presented.

Source:
N/A

Comment:
The government did not publish a Pre-Budget Statement.

The government published a Macroeconomic and Budget Outlook in December 2021 that presented a forecast for the total expenditures in table 2.b on page 31 in the line "Kiadási főösszeg". The last year of the forecast was 2025 that is two years beyond the planned budget year (FY 2023).

The document was not considered a Pre-Budget Statement because the forecast was made with the no-policy change assumption, thus did not assess the effects of the planned policies for FY 2023. The assumption was stated on page 27 in the sentence „A középtávú költségvetési kitekintés az eddig meghozott kormányzati intézkedések figyelembevételével készült.".

URL to the Macroeconomic and Budget Outlook:
https://cdn.kormany.hu/uploads/document/e/ec/ec9/ec9819f5f7ab970209713e3754475e18924294e8.pdf

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

59. Does the Enacted Budget present expenditure estimates by any of the three expenditure classifications (by administrative, economic, or functional classification)?

GUIDELINES:
Question 59 asks if expenditure estimates in the Enacted Budget are presented by any one of the three expenditure classifications — by administrative, economic, and functional classifications — which were addressed in Questions 1-5 above. Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. Unlike classification by administrative unit, which tends to be unique to each country, functional and economic classifications for government budgeting have been developed and standardized by international institutions. Cross-country comparisons are facilitated by adherence to these international classification standards.

To answer "a," the Enacted Budget must present expenditure estimates by all three of the expenditure classifications. To answer "b," expenditure estimates must be presented by two of the three classifications. A "c" answer applies if expenditure estimates are presented by one of the three classifications. Answer "d" applies if expenditure estimates are not presented by any of the three classifications.

Answer:

c. Yes, the Enacted Budget presents expenditure estimates by only one of the three expenditure classifications.

Source:
In Hungarian: 1. melléklet a 2022. évi XXV. törvényhez
In English: Appendix 1 of the Act XXV of 2022
URL: http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK22127.pdf
pp. 5120-5173

Comment:
The enacted budget only presents the expenditures by administrative classification. Appendix 1 shows nearly all the institutions separately and the broad categories, like Ministries, can be distinguished.
Appendix 1 presents some of the expenditures in economic classification, but only for the institutions. The current expenditures are shown in two lines as personal costs („Személyi juttatások") and other current expenditures („Egyéb működési kiadások"), while the capital expenditures in the column „Felhalmozási kiadások". The chapter-level appropriations ("Fejezeti kezelésű előirányzatok") are not detailed even at this level, so the presentation is not comprehensive.
Economic or functional classification is not made for the enacted budget.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

Researcher Response
After discussing the status of the Enacted Budget with the IBP team, the government decree published in December 2022 was evaluated as Enacted Budget. Source: In Hungarian: A Kormány 613/2022. (XII. 29.) Korm. rendelete a Magyarország 2023. évi központi költségvetésének a veszélyhelyzettel összefüggő eltérő szabályairól - 1. melléklet In English: Government decree 613/2022. (XII. 29.) on the different rules of the central budget of Hungary for FY 2023 related to the state of danger - Appendix 1 URL: http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK22220.pdf pp. 11026-11082 Comment: We evaluated the government decree published in December 2022 as the Enacted Budget. The Enacted Budget presents the expenditures by administrative classification. Appendix 1 shows nearly all the institutions separately and the broad categories, like Ministries, can be distinguished. Appendix 1 presents some of the expenditures in economic classification, but only for the institutions. The current expenditures are shown in two lines as personal costs („Személyi juttatások") and other current expenditures („Egyéb működési kiadások"), while the capital expenditures in the column „Felhalmozási kiadások". The chapter-level appropriations ("Fejezeti kezelésű előirányzatok") are not detailed even at this level, so the presentation is not comprehensive. Economic or functional classification is not made for the enacted budget.

IBP Comment
In the original answer to this question, the researcher evaluated the budget enacted by the Hungarian parliament in July 2022 as the FY 2023 Enacted Budget. However, this budget was overhauled by a government decree published in December 2022. Following the Open Budget Survey peer review process and further discussion, for consistency across countries, we are now evaluating the government decree as the FY 2023 Enacted Budget, as the researcher notes in his "Researcher Response". Please see Question EB-1a for more details.

59b. Based on the response to Question 59, check the box(es) to identify which expenditure classifications are included in the Enacted Budget:

Answer:
Administrative classification

Source:
In Hungarian: 1. melléklet a 2022. évi XXV. törvényhez
In English: Appendix 1 of the Act XXV of 2022
URL: http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK22127.pdf
pp. 5120-5173

Comment:
The enacted budget only contains administrative classification.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

Researcher Response
Source: In Hungarian: A Kormány 613/2022. (XII. 29.) Korm. rendelete a Magyarország 2023. évi központi költségvetésének a veszélyhelyzettel összefüggő eltérő szabályairól - 1. melléklet In English: Government decree 613/2022. (XII. 29.) on the different rules of the central budget of Hungary for FY 2023 related to the state of danger - Appendix 1 URL: http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK22220.pdf pp. 11026-11082 Comment: The enacted budget only contains administrative classification.

IBP Comment
In the original answer to this question, the researcher evaluated the budget enacted by the Hungarian parliament in July 2022 as the FY 2023 Enacted Budget. However, this budget was overhauled by a government decree published in December 2022. Following the Open Budget Survey peer review process and further discussion, for consistency across countries, we are now evaluating the government decree as the FY 2023 Enacted Budget, as the researcher notes in his "Researcher Response". Please see Question EB-1a for more details.

60. Does the Enacted Budget present expenditure estimates for individual programs?

GUIDELINES:
Question 60 asks if expenditure estimates in the Enacted Budget are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department.

***A note for francophone countries**: "Program" level detail is sometimes referred to as le plan comptable or le plan comptable detaille. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)*

To answer "a," the Enacted Budget must present all programs, which account for all expenditures, in the budget year. To answer "b," the Enacted Budget must present expenditures for individual programs that when combined account for at least two-thirds of expenditures, but not all expenditures. A "c" answer applies if the Enacted Budget presents programs that account for less than two-thirds of expenditures. Answer "d" applies if expenditures are not presented by program in the Enacted Budget.

Answer:
a. Yes, the Enacted Budget presents estimates for programs accounting for all expenditures.

Source:
In Hungarian: 1. melléklet a 2022. évi XXV. törvényhez
In English: Appendix 1 of the Act XXV of 2022
URL: http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK22127.pdf
pp. 5120-5173

Comment:
Appendix 1 of the enacted budget presents all the expenditures.
For assessing the question we treated all the details below ministry-level (budgetary institutions and appropriations alike) as "programs". In this sense all the expenditures are classified to a program and its goal can be derived from the name in nearly all cases.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

Researcher Response
Source: In Hungarian: A Kormány 613/2022. (XII. 29.) Korm. rendelete a Magyarország 2023. évi központi költségvetésének a veszélyhelyzettel összefüggő eltérő szabályairól - 1. melléklet In English: Government decree 613/2022. (XII. 29.) on the different rules of the central budget of Hungary for FY 2023 related to the state of danger - Appendix 1 URL: http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK22220.pdf pp. 11026-

11082 Comment: We evaluated the government decree published in December 2022 as the Enacted Budget. Appendix 1 of the enacted budget presents all the expenditures. For assessing the question we treated all the details below ministry-level (budgetary institutions and appropriations alike) as “programs”. In this sense all the expenditures are classified to a program and its goal can be derived from the name in nearly all cases.

IBP Comment

In the original answer to this question, the researcher evaluated the budget enacted by the Hungarian parliament in July 2022 as the FY 2023 Enacted Budget. However, this budget was overhauled by a government decree published in December 2022. Following the Open Budget Survey peer review process and further discussion, for consistency across countries, we are now evaluating the government decree as the FY 2023 Enacted Budget, as the researcher notes in his "Researcher Response". Please see Question EB-1a for more details.

61. Does the Enacted Budget present revenue estimates by category (such as tax and non-tax)?

GUIDELINES:
Question 61 asks whether revenue estimates in the Enacted Budget are presented by “category”— that is, whether tax and non-tax sources of revenue are shown separately.

To answer “a,” the Enacted Budget must present revenue estimates classified by category.

Answer:
b. No, the Enacted Budget does not present revenue estimates by category.

Source:
In Hungarian: 1. melléklet a 2022. évi XXV. törvényhez
In English: Appendix 1 of the Act XXV of 2022
URL: http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK22127.pdf
pp. 5120-5173

Comment:
The total numbers for the two categories are not presented explicitly in the enacted budget.
The tax and non-tax revenues are presented individually in Appendix 1.
Most of the revenues are presented in chapter XLII Direct revenues and expenditures of the budget (“XLII. A költségvetés közvetlen bevételei és kiadásai”) on page 5158. In this chapter the similar tax revenues are grouped together: revenues from corporations (“Vállalkozások költségvetési befizetései”) contain corporate income tax („Társasági adó”), tax on company cars („Cégautóadó”), tax of small enterprises („Kisadózók tételes adója” and „Kisvállalati adó”) and tax on the retail sector ("Kiskereskedelmi adó") among others, however the tax on financial institutions ("Pénzügyi szervezetek befizetései") and tax on energy sector ("Energia ágazat befizetései") are presented in chapter L Energy tariff protection fund ("L. Rezsivédelmi Alap") and chapter LI National Defence Fund ("LI. Honvédelmi Alap") on pages 5164 and 5165.
In chapter XLII taxes on consumption (“Fogyasztáshoz kapcsolt adók”) list VAT („Általános forgalmi adó”) or excise tax („Jövedéki adó”). Other notable tax revenues appear in the Pension Insurance Fund (“LXXI. Nyugdíjbiztosítási Alap”) and Health Insurance Fund (“LXXII. Egészségbiztosítási Alap”) in the line “Szociális hozzájárulási adó” on pages 5171 and 5172.
Similarly some of the non-tax revenues are presented in the chapter about assets of the state („XLIII. Az állami vagyonnal kapcsolatos bevételek és kiadások”) as dividends („Osztalékbevételek”) or revenues from selling assets („Ingatlan értékesítéséből származó bevételek”) on page 5160. Some of the non-tax revenues are dispersed in other chapters, for example the majority of dividends ("Osztalékbevételek") are presented in chapter XXI Cabinet Office of the Prime Minister ("XXI. Miniszterelnöki Kabinetiroda") on page 5149 and the revenue from CO2 emission quotas ("Ipari tevékenységekhez kapcsolódó kibocsátási egységek értékesítéséből származó bevételek") in chapter XVII Ministry of Technology and Industry ("XVII. Technológiai és Ipari Minisztérium") on page 5143. At the same time another portion of the non-tax revenues are not presented individually, and the revenues of certain institutions (for example universities) can derive from several sources (tuition fees, research grants).
The different revenue categories can only be identified, if someone assesses individually all the revenue sources for the totals of each categories, because many sources cannot be categorised based solely on the data in appendix 1. The revenue sources are scattered throughout the chapters in the budget and all of them need to be investigated to get a summary about the tax and non-tax revenue categories.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

Researcher Response
Source: In Hungarian: A Kormány 613/2022. (XII. 29.) Korm. rendelete a Magyarország 2023. évi központi költségvetésének a veszélyhelyzettel

összefüggő eltérő szabályairól - 1. melléklet In English: Government decree 613/2022. (XII. 29.) on the different rules of the central budget of Hungary for FY 2023 related to the state of danger - Appendix 1 URL: http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK22220.pdf pp. 11026-11082 Comment: We evaluated the government decree published in December 2022 as the Enacted Budget. The total numbers for the two categories are not presented explicitly in the enacted budget. The tax and non-tax revenues are presented individually in Appendix 1. Most of the revenues are presented in chapter XLII Direct revenues and expenditures of the budget ("XLII. A költségvetés közvetlen bevételei és kiadásai") on page 11067. In this chapter the similar tax revenues are grouped together: revenues from corporations ("Vállalkozások költségvetési befizetései") contain corporate income tax („Társasági adó"), tax on company cars („Cégautóadó"), tax of small enterprises („Kisadózók tételes adója" and „Kisvállalati adó") and tax on the retail sector ("Kiskereskedelmi adó") among others, however the tax on financial institutions ("Pénzügyi szervezetek befizetései") and tax on energy sector ("Energia ágazat befizetései") are presented in chapter L Energy tariff protection fund ("L. Rezsivédelmi Alap") and chapter LI National Defence Fund ("LI. Honvédelmi Alap") on pages 11073 and 11074. In chapter XLII taxes on consumption ("Fogyasztáshoz kapcsolt adók") list VAT („Általános forgalmi adó") or excise tax („Jövedéki adó"). Other notable tax revenues appear in the Pension Insurance Fund ("LXXI. Nyugdíjbiztosítási Alap") and Health Insurance Fund ("LXXII. Egészségbiztosítási Alap") in the line "Szociális hozzájárulási adó" on pages 11080 and 11081. Similarly some of the non-tax revenues are presented in the chapter about assets of the state („XLIII. Az állami vagyonnal kapcsolatos bevételek és kiadások") as dividends („Osztalékbevételek") or revenues from selling assets („Ingatlan értékesítéséből származó bevételek") on page 11069. Some of the non-tax revenues are dispersed in other chapters, for example the majority of dividends ("Osztalékbevételek") are presented in chapter XXI Cabinet Office of the Prime Minister ("XXI. Miniszterelnöki Kabinetiroda") on page 11056 and the revenue from CO2 emission quotas ("Ipari tevékenységekhez kapcsolódó kibocsátási egységek értékesítéséből származó bevételek") in chapter XVII Ministry of Technology and Industry ("XVII. Technológiai és Ipari Minisztérium") on page 11050. At the same time another portion of the non-tax revenues are not presented individually, and the revenues of certain institutions (for example universities) can derive from several sources (tuition fees, research grants). The different revenue categories can only be identified, if someone assesses individually all the revenue sources for the totals of each categories, because many sources cannot be categorised based solely on the data in appendix 1. The revenue sources are scattered throughout the chapters in the budget and all of them need to be investigated to get a summary about the tax and non-tax revenue categories.

IBP Comment

In the original answer to this question, the researcher evaluated the budget enacted by the Hungarian parliament in July 2022 as the FY 2023 Enacted Budget. However, this budget was overhauled by a government decree published in December 2022. Following the Open Budget Survey peer review process and further discussion, for consistency across countries, we are now evaluating the government decree as the FY 2023 Enacted Budget, as the researcher notes in his "Researcher Response". Please see Question EB-1a for more details.

62. Does the Enacted Budget present individual sources of revenue?

GUIDELINES:
Question 62 asks whether revenue estimates for individual sources of revenue are presented in the Enacted Budget. The question applies to both tax and non-tax revenue.

To answer "a," the Enacted Budget must present all individual sources of revenue, and "other" or "miscellaneous" revenue must account for three percent or less of all revenue. To answer "b," the Enacted Budget must present individual sources of revenue that when combined account for at least two-thirds of all revenue, but not all revenue. A "c" answer applies if the Enacted Budget presents individual sources of revenue that account for less than two-thirds of revenues. Answer "d" applies if individual sources of revenue are not presented.

Answer:
a. Yes, the Enacted Budget presents individual sources of revenue accounting for all revenue.

Source:
In Hungarian: 1. melléklet a 2022. évi XXV. törvényhez
In English: Appendix 1 of the Act XXV of 2022
URL: http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK22127.pdf
pp. 5120-5173

Comment:
Appendix 1 includes all the revenue sources and its structure is the same as in the EBP.
Because of the institution-based structure the institutions' own revenues are not detailed and sometimes this revenue may include several different sources. For example the revenues of the universities, high schools ("Egyetemek, főiskolák") on page 5147 include tuition fees and research grants as well, but these are not detailed. This means not all the revenue sources can be identified exactly, but all the revenues are included in some form. The revenue sources (especially the tax revenues) are more scattered throughout the chapters than in the previous years, thus the whole appendix needs to be investigated to identify all of the revenue sources.
For example the tax on financial institutions ("Pénzügyi szervezetek befizetései") and tax on energy sector ("Energia ágazat befizetései") previously appeared in chapter XLII Direct revenues and expenditures of the budget ("XLII. A költségvetés közvetlen bevételei és kiadásai") but in the Enacted Budget for FY 2023 they were moved to chapter L Energy tariff protection fund ("L. Rezsivédelmi Alap") and chapter LI National Defence Fund ("LI. Honvédelmi Alap") on pages 5164 and 5165.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

Researcher Response
Source: In Hungarian: A Kormány 613/2022. (XII. 29.) Korm. rendelete a Magyarország 2023. évi központi költségvetésének a veszélyhelyzettel összefüggő eltérő szabályairól - 1. melléklet In English: Government decree 613/2022. (XII. 29.) on the different rules of the central budget of Hungary for FY 2023 related to the state of danger - Appendix 1 URL: http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK22220.pdf pp. 11026-11082 Comment: We evaluated the government decree published in December 2022 as the Enacted Budget. Appendix 1 includes all the revenue sources. Because of the institution-based structure the institutions' own revenues are not detailed and sometimes this revenue may include several different sources. For example the revenues of the universities, high schools ("Egyetemek, főiskolák") on page 11053 include tuition fees and research grants as well, but these are not detailed. This means not all the revenue sources can be identified exactly, but all the revenues are included in some form. The revenue sources (especially the tax revenues) are more scattered throughout the chapters than in the previous years, thus the whole appendix needs to be investigated to identify all of the revenue sources. For example the tax on financial institutions ("Pénzügyi szervezetek befizetései") and tax on energy sector ("Energia ágazat befizetései") previously appeared in chapter XLII Direct revenues and expenditures of the budget ("XLII. A költségvetés közvetlen bevételei és kiadásai") but in the Enacted Budget for FY 2023 they were moved to chapter L Energy tariff protection fund ("L. Rezsivédelmi Alap") and chapter LI National Defence Fund ("LI. Honvédelmi Alap") on pages 11073 and 11074.

IBP Comment
In the original answer to this question, the researcher evaluated the budget enacted by the Hungarian parliament in July 2022 as the FY 2023 Enacted Budget. However, this budget was overhauled by a government decree published in December 2022. Following the Open Budget Survey peer review process and further discussion, for consistency across countries, we are now evaluating the government decree as the FY 2023 Enacted Budget, as the researcher notes in his "Researcher Response". Please see Question EB-1a for more details.

63. Does the Enacted Budget present three estimates related to government borrowing and debt: the amount of net new borrowing required during the budget year; the total debt outstanding at the end of the budget year; and interest payments on the debt for the budget year?

GUIDELINES:

Question 63 asks about three key estimates related to borrowing and debt:

- *the amount of net new borrowing required during the budget year;*
- *the total debt outstanding at the end of the budget year;*
- *the interest payments on the outstanding debt for the budget year.*

Debt is the accumulated amount of money that the government borrows. The government can borrow from its citizens, banks, and businesses within the country (domestic debt) or from creditors outside the country (external debt). External debt is typically owed to private commercial banks, other governments, or international financial institutions such as the World Bank and the International Monetary Fund.

Net new borrowing is the additional amount of new borrowing that is required for the budget year to finance expenditures in the budget that exceed available revenues. Net new borrowing adds to the accumulated debt. It is distinct from gross borrowing, which also includes borrowing needed to repay existing debt that matured during the budget year; debt that is replaced (or rolled over) does not add to the total of accumulated debt. For the purposes of this question, the deficit may be accepted as a proxy for net new borrowing.

Interest payments on the debt (or debt service costs) are typically made at regular intervals, and these payments must be made on a timely basis in order to avoid defaulting on the debt obligation. Interest payments are separate from the repayment of principal, which occurs only when the loan has matured and must be paid back in full.

To answer "a," the Enacted Budget must present all three estimates of borrowing and debt. For a "b" answer, the Enacted Budget must present two of those three estimates. For a "c" answer, the Enacted Budget must present one of the three estimates. Answer "d" applies if no information on borrowing and debt is presented in the Enacted Budget.

Answer:

b. Yes, two of the three estimates related to government borrowing and debt are presented.

Source:
In Hungarian: 1. melléklet a 2022. évi XXV. törvényhez
In English: Appendix 1 of the Act XXV of 2022
URL: http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK22127.pdf
pp. 5120-5173

In Hungarian: I. Fejezet A központi alrendszer kiadásainak és bevételeinek főösszege, a hiány és az államadósság értéke – 2. Az államadósság értéke
In English: Chapter I Main sums of the revenues and expenditures of the central government, the deficit and total debt – 2. The value of total debt
URL: http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK22127.pdf
page 5096

Comment:
The estimated total debt is stated only as debt-to-GDP ratio in part 2 The value of total debt ("2. Az államadósság értéke") in 3. § of the enacted budget. In 3. § (1) the calculated ratio is 73,8% for the end of 2023 described in the sentence "államadósság-mutató 2023. december 31-ére tervezett mértéke 73,8%".
The interest payments are listed in Appendix 1 of the enacted budget in chapter XLI Revenues and expenditures related to debt services ("XLI. Adósságszolgálattal kapcsolatos bevételek és kiadások") on page 5157. The interests received is in the column „Működési bevétel", while the interests paid is in the column „Működési kiadás" (except the block „Adósság és követeléskezelés egyéb kiadásai" that contains the expenditures related to other debt management costs).
The amount of net new borrowing requirement is not stated explicitly. The fiscal deficit is not a good approximation for it because it is 2352 billion HUF (as in 1. § (1) c) point on page 5095) while in the Outlook of the Debt Management Agency the net new borrowing requirement for FY 2023 is 3400 billion HUF (on page 3 of the document linked below). Because of this we did not accept the deficit as a good proxy for the required parameter.
The presentation is not easily available because it is dispersed throughout the document. For the survey we only accepted the interest payments, because the total outstanding debt is only available as debt-to-GDP ratio.

The Yearly Outlook of the Debt Management Agency for 2023:
In Hungarian:
https://www.akk.hu/download?path=dc10bca0-9aa9-42a0-9e0b-4d185891bf42.pdf
In English:
https://www.akk.hu/download?path=8e0185bd-4275-489a-85e7-7d4bc720a395.pdf

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

Researcher Response
We evaluated the government decree published in December 2022 as Enacted Budget. It contained a fiscal deficit that coincided with the net new borrowing requirement published by the Debt Management Agency in December 2022. As a result two of the three estimates were published. Source: In Hungarian: A Kormány 613/2022. (XII. 29.) Korm. rendelete a Magyarország 2023. évi központi költségvetésének a veszélyhelyzettel összefüggő eltérő szabályairól In English: Government decree 613/2022. (XII. 29.) on the different rules of the central budget of Hungary for FY 2023 related to the state of danger URL: http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK22220.pdf pages 11022 and 11066 Comment: We evaluated the government decree published in December 2022 as the Enacted Budget. The estimated total debt is stated only as debt-to-GDP ratio in 5. § of the enacted budget. In 5. § (1) the calculated ratio is 70,2% for the end of 2023 described in the sentence "államadósság-mutató 2023. december 31-ére tervezett mértéke 70,2%". The interest payments are listed in Appendix 1 of the enacted budget in chapter XLI Revenues and expenditures related to debt services ("XLI. Adósságszolgálattal kapcsolatos bevételek és kiadások") on page 11066. The interests received is in the column „Működési bevétel", while the interests paid is in the column „Működési kiadás" (except the block „Adósság és követeléskezelés egyéb kiadásai" that contains the expenditures related to other debt management costs). The amount of net new borrowing requirement is not stated explicitly. The fiscal deficit might be an approximation for it because it is 3400 billion HUF (as in 2. § (1) c) point on page 11022) and the same amount is shown as net new borrowing requirement for FY 2023 in the Outlook of the Debt Management Agency (on page 3 of the document linked below). We used the fiscal deficit as a proxy for the net new borrowing requirement. The presentation is not easily available because it is dispersed throughout the document. For the survey we accepted the interest payments and the fiscal deficit (as net new borrowing requirement), because the total outstanding debt is only available as debt-to-GDP ratio. The Yearly Outlook of the Debt Management Agency for 2023: In Hungarian: https://www.akk.hu/download?path=dc10bca0-9aa9-42a0-9e0b-4d185891bf42.pdf In English: https://www.akk.hu/download?path=8e0185bd-4275-489a-85e7-7d4bc720a395.pdf

IBP Comment
In the original answer to this question, the researcher evaluated the budget enacted by the Hungarian parliament in July 2022 as the FY 2023 Enacted Budget. However, this budget was overhauled by a government decree published in December 2022. Following the Open Budget Survey peer review process and further discussion, for consistency across countries, we are now evaluating the government decree as the FY 2023 Enacted Budget, as

the researcher notes in his "Researcher Response". Please see Question EB-1a for more details.

64. What information is provided in the Citizens Budget?

(The core information must include expenditure and revenue totals, the main policy initiatives in the budget, the macroeconomic forecast upon which the budget is based, and contact information for follow-up by citizens.)

GUIDELINES:

Question 64 focuses on the content of the Citizens Budget, asking whether "core" information is presented. These core components include:

- *expenditure and revenue totals;*
- *the main policy initiatives in the budget;*
- *the macroeconomic forecast upon which the budget is based; and*
- *contact information for follow-up by citizens.*

To answer "a," the Citizens Budget or supporting documentation must present all of the above core information as well as some additional information beyond the core elements. To answer "b," the Citizens Budget must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if the Citizens Budget includes some of the core components above, but other core pieces of information are not included. Answer "d" applies if a Citizens Budget is not published.

Answer:
d. The Citizens Budget is not published.

Source:
In Hungarian: Polgárok költségvetése
In English: Citizens' Budget
URL: https://www.parlament.hu/irom42/00152/T_152_II_fejezeti.pdf
pp. 1313-1320

Comment:
The Citizens' Budget was published as a supplement of the EBP, but also available through its own link:
https://www.parlament.hu/irom42/00152/adatok/fejezetek/00szemleltetes.pdf
The document includes two pie charts about the distribution of expenditures and revenues in the budget on pages 1317 and 1318 respectively. The expenditures are presented by functions, while the revenues are by individual sources.
On page 1319 the family-related policies are presented also on a pie chart. This contains new and already adopted policies alike, but some of them are not strictly related to family policies like the pension for women retired before the retirement age ("nők korhatár alatti nyugellátása") that is grouped into support for helpers in childcare ("Gyermekgondozásban segítők támogatása").
The bar charts on page 1316 presents the revenues and expenditures of Energy tariff protection fund ("Rezsivédelmi Alap") and the National Defence Fund ("Honvédelmi Alap").
On the starting page (page 1315) the government presents the main priorities like protecting energy tariffs ("Rezsivédelem"), national defence ("Honvédelem") and several other goals, policies like prioritising families ("Továbbra is a család az első"), protecting pensioners ("Fókuszban a nyugdíjasok védelme"), high employment rate and increasing wages ("Magas foglalkoztatás, növekvő jövedelmek") and investments in healthcare ("Fejlesztések az egészségügyben") and tertiary education ("Fejlesztések a felsőoktatásban"). These are general areas highlighted by the government, they are too general to be declared as goals and some of them are rather a policy than a goal.
On page 1320 the main investment projects are listed with their allocated funds. For example "Lakástámogatások" means housing supports, "Vidékfejlesztési Program" is Rural Development Program, "Szárazföldi képességek fejlesztése" is enhancing terrestrial capabilities (in national defence).
From the core elements only the expenditure and revenue totals in the header of pages 1317 and 1318 were included, the macroeconomic forecast, the main policy initiatives and the contact information are not included.

Peer Reviewer

Opinion: Agree

Comments: The initial Citizen's Budget, which was published on July 6, 2022 as the part of the part of the original EBP, pp1314-1320, but also available under the following link: https://www.parlament.hu/irom42/00152/adatok/fejezetek/00szemleltetes.pdf presents the expenditures and revenue totals, and also some main policy initiatives as described by the researcher. The graphics illustrates the revenue collection and the spending allocation by main budget chapters, but it does not give a detailed explanation. The document which includes the graphics is not easily accessible by

the public. It does not give a general overview of how public money is managed and allocated, which are the economic assumptions underlined by the Government and who can be contacted for further information. The budget modification submitted to the Parliament as of January 19, 2023, which contains significant changes of the Annex 1 of the EBP which presents the Indicative budget per budgetary chapters of the Central Government, does not include neither the narrative discussion of the chapters of the Ministries, nor the Citizen's Budget. We could not find any indication under the Open Budget Survey guidelines how to handle this situation, as the Citizen's Budget legally was prepared (the same as the EBP) but the original version contains significantly different numbers. Total income of the EBP increased 19,29%, expenditures 17.37%, deficit 44.56% comparing to the original EBP.

Government Reviewer
Opinion:

Researcher Response
We agree with the peer reviewer that the Citizens' Budget was prepared for the originally submitted EBP (on July 6, 2022). After consulting with the IBP we declared the Citizens' Budget as not published because it is referring to an outdated, not relevant document. The originally submitted EBP was enacted on July 19, 2022 but a decree on December 29, 2022 modified it so significantly that it resulted in a new Enacted Budget, hence that decree was evaluated as Enacted Budget. The originally submitted EBP and the Citizens' Budget became outdated. Because the Citizens' Budget does not provide relevant information about the budget that will be executed and no further document could be regarded as Citizens' Budget we modified the answer to 'd'

65. How is the Citizens Budget disseminated to the public?

GUIDELINES:
Question 65 asks how the Citizens Budget is disseminated to the public. Citizens Budgets should be made available to a variety of audiences. Therefore paper versions and an Internet posting of a document might not be sufficient.

To answer "a," the executive must use three or more different types of creative media tools to reach the largest possible share of the population, including those who otherwise would not normally have access to budget documents or information. Dissemination would also be pursued at the very local level, so that the coverage is targeted both by geographic area and population group (e.g., women, elderly, low income, urban, rural, etc.). Option "b" applies if significant dissemination efforts are made through a combination of two means of communications, for instance, both posting the Citizens Budget on the executive's official website and distributing printed copies of it. Option "c" applies if the Citizens Budget is disseminated through only posting on the executive's official website. Option "d" applies when the executive does not publish a Citizens Budget.

Answer:
d. A Citizens Budget is not published.

Source:
In Hungarian: Polgárok költségvetése
In English: Citizens' Budget
URL: https://www.parlament.hu/irom42/00152/T_152_II_fejezeti.pdf
pp. 1313-1320

Comment:
The Citizens' Budget was published as a supplement of the EBP, but also available through its own link:
https://www.parlament.hu/irom42/00152/adatok/fejezetek/00szemleltetes.pdf
We did not find any reference on the webpage of the government for the document or other dissemination methods. The document was only published on the webpage of the Parliament, where it is difficult to find.

As a side note for the EBP for FY 2022 the Finance Ministry published a short video on Facebook to present the main numbers of the EBP, but for FY 2023 we did not find a similar video.
URL for the video: https://www.facebook.com/penzugyminiszterium.official/videos/t%C3%A9nyek-%C3%A9s-sz%C3%A1mok-az-%C3%BAjraind%C3%ADt%C3%A1s-k%C3%B6lts%C3%A9gvet%C3%A9s%C3%A9r%C5%91l/130452475787665/

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

Researcher Response

The government did not publish a Citizens' Budget. A Citizens' Budget was published for the EBP originally submitted to the legislature in June 2022. In December 2022 the government overwrote the enacted budget with a decree and started executing this version in the budget year in January 2023. Later in January 2023 the government submitted the decree version to the legislature for approval. Neither the decree nor the the documents submitted to the legislature had a simplified a version. This is also described in details at question CB-1.

IBP Comment

As noted by the researcher in Question 64, because the original Citizens' Budget described above does not provide relevant information about the budget that will be executed and no further document could be regarded as Citizens' Budget, answer is revised to "D". Please see Question CB-1 for more information.

66. Has the executive established mechanisms to identify the public's requirements for budget information prior to publishing the Citizens Budget?

GUIDELINES:
Question 66 asks whether the executive has established mechanisms to identify the public's requirements for budget information before publishing a Citizens Budget. What the public wants to know about the budget might differ from the information the executive includes in technical documents that comprise the Executive's Budget Proposal or the Enacted Budget; similarly, different perspectives might exist on how the budget should be presented, and this may vary depending on the context. For this reason the executive should consult with the public on the content and presentation of the Citizens Budget.

To answer "a," the executive must have established mechanisms to consult with the public, and these mechanisms for consultation are both accessible and widely used by the public. Such mechanisms can include focus groups, social networks, surveys, hotlines, and meetings/events in universities or other locations where people gather to discuss public issues. In countries where Citizens Budgets are consistently produced and released, it may be sufficient for the government to provide the public with contact information and feedback opportunities, and subsequently use the feedback to improve its management of public resources.

Option "b" applies if the executive has established mechanisms for consultation that are accessible to the public, but that the public nonetheless does not use frequently. That is, the public does not typically engage with the executive on the content of the Citizens Budget, even though the executive has created opportunities for such consultation. Option "c" applies if the executive has established mechanism for consultation with the public, but they are poorly designed and thus not accessible to the public. Option "d" applies if the executive has not created any mechanisms to seek feedback from the public on the content of the Citizens Budget.

Answer:
d. No, the executive has not established any mechanisms to identify the public's requirements for budget information in the Citizen's Budget.

Source:
In Hungarian: Polgárok költségvetése
In English: Citizens' Budget
URL: https://www.parlament.hu/irom42/00152/T_152_II_fejezeti.pdf
pp. 1313-1320

Comment:
There is no established mechanism to identify public requirements for the budget information of the Citizens' Budget. There is neither a contact information in the Citizens' Budget to provide any feedback about the document.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

Researcher Response

The government did not publish a Citizens' Budget for the final version of the budget that was determined by the decree published in December 2022. This did not change the original 'd' answer.

IBP Comment

Please see Question CB-1 for more details.

67. Are "citizens" versions of budget documents published throughout the budget process?

GUIDELINES:
Question 67 asks if "citizens" versions of budget documents are published throughout the budget process. While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle.

To answer "a," a citizens version of at least one budget document is published for each of the four stages of the budget process (budget formulation, enactment, execution, and audit) — for a total of at least four citizens budget documents throughout the process. Option "b" applies if a citizens version of a budget document is published for at least two of the four stages of the budget process. Option "c" applies if a citizens version of a budget document is published for at least one of the four stages of the budget process. Select option "d" if no "citizens" version of budget documents is published.

Answer:
d. No citizens version of budget documents is published.

Source:
In Hungarian: Polgárok költségvetése
In English: Citizens' Budget
URL: https://www.parlament.hu/irom42/00152/T_152_II_fejezeti.pdf
pp. 1313-1320

Comment:
The only Citizens' Budget were published for the EBP, that is one stage of the budget cycle.

We did not evaluate as citizens version the media announcements of the In-Year Reports, because they are not separate documents about the In-Year Reports, only summaries or leads of the reports.

Example for media announcement of the In-Year Report of November 2022:
https://kormany.hu/hirek/a-kormany-tartja-a-koltsegvetesi-hianycelt

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

Researcher Response
The government did not publish citizens version of any of the budget documents. The original EBP submitted to the government in June 2022 included a Citizens' Budget but that budget was overhauled by a government decree in December 2022 and the document became outdated. There was no simplified version of the government decree or the budget modification submitted to the legislature in January 2023 (that is the same as the decree version). In the previous answer we evaluated the Citizens' Budget for the originally submitted EBP but for the above reasons we changed it to 'd'.

68. Do the In-Year Reports present actual expenditures by any of the three expenditure classifications (by administrative, economic, or functional classification)?

GUIDELINES:
Question 68 asks if expenditure estimates in In-Year Reports are presented by any one of the three expenditure classifications — by administrative, economic, and functional classifications — which were addressed in Questions 1-5 above.

Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. Unlike classification by administrative unit, which tends to be unique to each country, functional and economic classifications for government budgeting have been developed and standardized by international institutions. Cross-country comparisons are facilitated by adherence to these international classification standards.

To answer "a," In-Year Reports must present actual expenditures by all three of the expenditure classifications. To answer "b," actual expenditures must be presented by two of these three classifications. A "c" answer applies if actual expenditures are presented by one of the three classifications. Answer "d" applies if actual expenditures are not presented by any of the three classifications in In-Year Reports.

Answer:
c. Yes, the In-Year Reports present actual expenditures by only one of the three expenditure classifications.

Source:
In Hungarian: 1.melléklet a részletes tájékoztatóhoz – Az államháztartás központi alrendszerének előzetes mérlege
In English: Appendix 1 for the In-Year Report for November 2022 – Preliminary balance sheet of the central government
URL: https://cdn.kormany.hu//uploads/sheets//7/75/756/75695a68b0de25d77e2989b9649e7d6.pdf
page 2

In-Year Report for November 2022
In Hungarian: Tájékoztató az államháztartás központi alrendszerének 2022. november végi helyzetéről
In English: Report on the state of central budget at the end of November 2022
URL: https://cdn.kormany.hu//uploads/sheets//0/01/012/012c109fefca6a6ba0b0047ef329c3a.docx
Cover page

Comment:
The In-Year Report's supplement (the cited Appendix 1) uses a special classification to present the expenditures: it highlights some chapter-administered appropriations in the first few lines (for example "Közszolgáltatási műsorszolgáltatás támogatása" means support for public media, "Családi támogatások" is family supports), while aggregates all the others and presents the expenditures of the institutions aggregated to one line item. The sum of the expenditures of the institutions is called "Költségvetési szervek kiadásai", the sum of chapter-administered appropriations (that can be treated as programs) is called "Szakmai fejezeti kezeléső előirányzatok támogatásai".
This balance sheet is also available on the webpage of the Treasury in excel format in Hungarian and in English here:
https://www.allamkincstar.gov.hu/pfile/file?path=/Koltsegvetes/Kozponti_alrendszer_-_Merlegek/a-kozponti-alrendszer-koltsegvetesi-merlege/Archivum/2022/merleg-2022.-11.-ho&inline=true
The excel format is published on the webpage of the Treasury, that is referenced in the asterisk footnote on the first page of the In-Year Report.
Additional monthly reports are available on the webpage of the Treasury and we list them below for the comprehensive answer.
A monthly updated version of appendix 1 of the enacted budget (that presents the expenditures and revenues in detailed administrative classification) is available on the link below both in pdf and excel formats. This is much more detailed than the balance sheet included in the In-Year Reports, and it can be treated as administrative classification. The report also contains a very broad economic classification for the budgetary institutions in the blocks „Működési költségvetés" (current expenditures) and „Felhalmozási költségvetés" (capital expenditures). The chapter-administered appropriations are not detailed in this way, so the presentation is not comprehensive, and the user has to add all the lines to create the report, so we did not consider it as economic classification.
Link:
https://www.allamkincstar.gov.hu/Koltsegvetes/Kozponti_alrendszer_-_Reszletezo_adatok/kozponti-koltsegvetes-vegrehajtasanak-adatai/a-2022.-evi-kozponti-koltsegvetes-vegrehajtasanak-adatai

The monthly updated appendix 1 of the EBP for November 2022 in pdf format:
https://www.allamkincstar.gov.hu/pfile/file?path=/Koltsegvetes/Kozponti_alrendszer_-_Reszletezo_adatok/kozponti-koltsegvetes-vegrehajtasanak-adatai/a-2022.-evi-kozponti-koltsegvetes-vegrehajtasanak-adatai/a-2022.-evi-kozponti-koltsegvetes-vegrehajtasanak-adatai-2022.11.-ho-2023.01.31-_pdf&inline=true

The monthly updated appendix 1 of the EBP for November 2022 in excel format:
https://www.allamkincstar.gov.hu/pfile/file?path=/Koltsegvetes/Kozponti_alrendszer_-_Reszletezo_adatok/kozponti-koltsegvetes-vegrehajtasanak-adatai/a-2022.-evi-kozponti-koltsegvetes-vegrehajtasanak-adatai/a-2022.-evi-kozponti-koltsegvetes-vegrehajtasanak-adatai-2022.11.-ho-2023.01.31-_xlsx&inline=true

Additionally a monthly report presents the total of the revenues and expenditures of the chapters on the webpage of the Treasury. This is also an administrative classification, but contains only the expenditures of the Ministries.
Link for the reports for 2022
https://www.allamkincstar.gov.hu/Koltsegvetes/Kozponti_alrendszer_-_Reszletezo_adatok/fejezeti-bevetelek-es-kiadasok/Archivum/2022
Link for the report for November 2022
https://www.allamkincstar.gov.hu/pfile/file?path=/Koltsegvetes/Kozponti_alrendszer_-_Reszletezo_adatok/fejezeti-bevetelek-es-kiadasok/Archivum/2022/teljesitesi-adatok-2022.-11.-ho&inline=true
For the survey we assessed the document published on the webpage of the Ministry (cited in the sources) and the additional reports on the webpage of the State Treasury. The monthly updated appendix 1 of the EBP presents a complete administrative classification, however the reports were published with a delay compared to the In-Year Reports as shown by the dates in the filenames. The In-Year Reports became available 20 days after the reported period, but the detailed reports about a month after that. For example the IYR for November 2022 was published in December, but the detailed report in January.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

68b. Based on the response to Question 68, check the box(es) to identify which expenditure classifications are included in the In-Year Reports:

Answer:
Administrative classification

Source:
In-Year Report for November 2022
In Hungarian: Tájékoztató az államháztartás központi alrendszerének 2022. november végi helyzetéről
In English: Report on the state of central budget at the end of November 2022
URL: https://cdn.kormany.hu//uploads/sheets//0/01/012/012c109fefca6a6ba0b0047ef329c3a.docx
Cover page

Comment:
The In-Year Reports do not include any complete presentation directly, but the supplemental documents on the webpage of the Treasury contain the expenditures in administrative classification in the structure of appendix 1 of the enacted budget.
A link on the first page of the In-Year Reports' shows that additional data can be found on the webpage of the Treasury, hence we considered these documents as part of the In-Year Reports.
Links to the monthly updated appendix 1 of the enacted budget
In Hungarian: A 2022. évi központi költségvetés végrehajtásának adatai 2022. 11.hó (2023.01.31)
In English: Data of implementation of the central budget for FY 2022 – P11
URL for pdf version:
https://www.allamkincstar.gov.hu/pfile/file?path=/Koltsegvetes/Kozponti_alrendszer_-_Reszletezo_adatok/kozponti-koltsegvetes-vegrehajtasanak-adatai/a-2022.-evi-kozponti-koltsegvetes-vegrehajtasanak-adatai/a-2022.-evi-kozponti-koltsegvetes-vegrehajtasanak-adatai-2022.11.-ho-2023.01.31-_pdf&inline=true
URL for excel version:
https://www.allamkincstar.gov.hu/pfile/file?path=/Koltsegvetes/Kozponti_alrendszer_-_Reszletezo_adatok/kozponti-koltsegvetes-vegrehajtasanak-adatai/a-2022.-evi-kozponti-koltsegvetes-vegrehajtasanak-adatai/a-2022.-evi-kozponti-koltsegvetes-vegrehajtasanak-adatai-2022.11.-ho-2023.01.31-_xlsx&inline=true
Link to the webpage with all the monthly reports:
https://www.allamkincstar.gov.hu/Koltsegvetes/Kozponti_alrendszer_-_Reszletezo_adatok/kozponti-koltsegvetes-vegrehajtasanak-adatai/a-2022.-evi-kozponti-koltsegvetes-vegrehajtasanak-adatai

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

69. Do the In-Year Reports present actual expenditures for individual programs?

GUIDELINES:
Question 69 asks if expenditure estimates in In-Year Reports are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department.

***A note for francophone countries**: "Program" level detail is sometimes referred to as le plan comptable or le plan comptable detaille. (These data are typically*

coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)

To answer "a," In-Year Reports must present actual expenditures for all individual programs, accounting for all expenditures. To answer "b," In-Year Reports must present actual expenditures for individual programs that when combined account for at least two-thirds of expenditures, but not all expenditures. A "c" answer applies if In-Year Reports present actual expenditures for programs that account for less than two-thirds of expenditures. Answer "d" applies if actual expenditures are not presented by program in In-Year Reports.

Answer:
a. Yes, the In-Year Reports present actual expenditures for programs accounting for all expenditures.

Source:
In-Year Report for November 2022
In Hungarian: Tájékoztató az államháztartás központi alrendszerének 2022. november végi helyzetéről
In English: Report on the state of central budget at the end of November 2022
URL: https://cdn.kormany.hu//uploads/sheets//0/01/012/012c109fefca6a6ba0b0047ef329c3a.docx
Cover page

Comment:
A supplemental document for the In-Year Reports presents the expenditures in the structure of appendix 1 of the enacted budget. The table shows the institutions and appropriations below the ministry level in a detailed format. As we evaluated every detail below ministry level as „program" all the expenditures are presented for programs.
A link on the first page of the In-Year Reports' shows that additional data can be found on the webpage of the Treasury, hence we considered the supplemental documents as part of the In-Year Reports.
Links to the monthly updated appendix 1 of the enacted budget
In Hungarian: A 2022. évi központi költségvetés végrehajtásának adatai 2022. 11.hó (2023.01.31)
In English: Data of implementation of the central budget for FY 2022 – P11
URL for pdf version:
https://www.allamkincstar.gov.hu/pfile/file?path=/Koltsegvetes/Kozponti_alrendszer_-_Reszletezo_adatok/kozponti-koltsegvetes-vegrehajtasanak-adatai/a-2022.-evi-kozponti-koltsegvetes-vegrehajtasanak-adatai/a-2022.-evi-kozponti-koltsegvetes-vegrehajtasanak-adatai-2022.11.-ho-2023.01.31-_pdf&inline=true
URL for excel version:
https://www.allamkincstar.gov.hu/pfile/file?path=/Koltsegvetes/Kozponti_alrendszer_-_Reszletezo_adatok/kozponti-koltsegvetes-vegrehajtasanak-adatai/a-2022.-evi-kozponti-koltsegvetes-vegrehajtasanak-adatai/a-2022.-evi-kozponti-koltsegvetes-vegrehajtasanak-adatai-2022.11.-ho-2023.01.31-_xlsx&inline=true
Link to the webpage with all the monthly reports:
https://www.allamkincstar.gov.hu/Koltsegvetes/Kozponti_alrendszer_-_Reszletezo_adatok/kozponti-koltsegvetes-vegrehajtasanak-adatai/a-2022.-evi-kozponti-koltsegvetes-vegrehajtasanak-adatai

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

70. Do the In-Year Reports compare actual year-to-date expenditures with either the original estimate for that period (based on the enacted budget) or the same period in the previous year?

GUIDELINES:
Question 70 asks whether In-Year Reports compare actual expenditures to-date with either the enacted levels or actual expenditures for the same period in the previous year.

The OECD recommends that the reports contain the total year-to-date expenditures in a format that allows for a comparison with the budget's forecast expenditures (based on enacted levels) for the same period.

To answer "a," comparisons must be made for expenditures presented in the In-Year Reports

Answer:
a. Yes, comparisons are made for expenditures presented in the In-Year Reports.

Source:
In Hungarian: 1.melléklet a részletes tájékoztatóhoz – Az államháztartás központi alrendszerének előzetes mérlege
In English: Appendix 1 for the In-Year Report for November 2022 – Preliminary balance sheet of the central government
URL: https://cdn.kormany.hu//uploads/sheets//7/75/756/75695a68b0de25d77e2989b9649e7d6.pdf
page 2

In-Year Report for November 2022
In Hungarian: Tájékoztató az államháztartás központi alrendszerének 2022. november végi helyzetéről
In English: Report on the state of central budget at the end of November 2022
URL: https://cdn.kormany.hu//uploads/sheets//0/01/012/012c109fefca6a6ba0b0047ef329c3a.docx
Cover page

Comment:
The preliminary balance sheet of the In-Year Reports compare the actual expenditures (in column „2022. évi I-XI. hó") to the same period of the previous year („2021. évi I-XI. hó") and the enacted appropriation (in the column „2022. évi előirányzat"). The expenditures are on page 2.

In a supplemental document of the In-Year Reports, the monthly updated appendix 1 of the enacted budget the data is compared only to the original and actual appropriations. The actual expenditures are in column „2022. évi teljesítés", the original estimates are in column „2022. évi eredeti előirányzat", while the modified / updated appropriations are in „2022. évi módosított előirányzat".
The expenditures are in the columns „Működési kiadás" (current expenditures) and „Felhalmozási kiadás" (capital expenditures).
We also evaluated the supplemental document because a link in the footnote of the cover page of the In-Year Report refers to the webpage of the State Treasury and states that additional details can be found there.
Links to the monthly updated appendix 1 of the enacted budget
In Hungarian: A 2022. évi központi költségvetés végrehajtásának adatai 2022. 11.hó (2023.01.31)
In English: Data of implementation of the central budget for FY 2022 – P11
URL for pdf version:
https://www.allamkincstar.gov.hu/pfile/file?path=/Koltsegvetes/Kozponti_alrendszer_-_Reszletezo_adatok/kozponti-koltsegvetes-vegrehajtasanak-adatai/a-2022.-evi-kozponti-koltsegvetes-vegrehajtasanak-adatai/a-2022.-evi-kozponti-koltsegvetes-vegrehajtasanak-adatai-2022.11.-ho-2023.01.31-_pdf&inline=true
URL for excel version:
https://www.allamkincstar.gov.hu/pfile/file?path=/Koltsegvetes/Kozponti_alrendszer_-_Reszletezo_adatok/kozponti-koltsegvetes-vegrehajtasanak-adatai/a-2022.-evi-kozponti-koltsegvetes-vegrehajtasanak-adatai/a-2022.-evi-kozponti-koltsegvetes-vegrehajtasanak-adatai-2022.11.-ho-2023.01.31-_xlsx&inline=true

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

71. Do In-Year Reports present actual revenue by category (such as tax and non-tax)?

GUIDELINES:
Questions 71 asks whether In-Year Reports present actual revenues by "category"— that is, whether tax and non-tax sources of revenue are shown separately.

To answer "a," In-Year Reports must present revenue estimates classified by category.

Answer:
a. Yes, In-Year Reports present actual revenue by category.

Source:
In Hungarian: 1.melléklet a részletes tájékoztatóhoz – Az államháztartás központi alrendszerének előzetes mérlege
In English: Appendix 1 for the In-Year Report for November 2022 – Preliminary balance sheet of the central government

URL: https://cdn.kormany.hu//uploads/sheets//7/75/756/75695a68b0de25d77e2989b9649e7d6.pdf
page 2

Comment:
The classification of the revenues are not structured by tax and non-tax revenues, but the two categories can be broadly separated.
The revenues are grouped by other categories like revenues from corporations („Gazdálkodó szervezetek befizetései"), taxes on consumption („Fogyasztáshoz kapcsolt adók") or revenues from households („Lakosság befizetései"). These groups mainly include tax revenues, or in some minor cases fees, like „Illetékbefizetések" that contains for example the fees payable at house or car buying. Other tax revenues are not categorized, like social contribution tax („Szociális hozzájárulási adó") as it is tied to the Pension Insurance Fund and presented at the bottom of the table.
The non-tax revenues are generally aggregated to one line by types. For example interests received („Kamatbevételek"), revenues related to state property („Állami vagyonnal kapcsolatos befizetések") or donor funds („Uniós programok bevételei" and „Egyéb uniós bevételek").
The line „Költségvetési szervek és fejezeti kezelésű előirányzatok bevételei" presents the own revenues of the institutions that can be fines, penalties (for example at police departments) or revenue from services (for example tuition fees at universities). This latest revenue item is not categorised but includes mostly non-tax revenues.
Many of the individual revenue sources are also shown in the table: the major tax and non-tax revenues can be identified individually, but minor revenue sources are aggregated into one line. For example VAT („Általános forgalmi adó"), personal income tax („Személyi jövedelemadó"), corporate tax („Társasági adó") is presented in its own line, while other centralized revenues („Egyéb központosított bevételek") aggregate several revenue sources.
The table contains enough data to obtain a general view about revenues, but in detail it needs extra efforts to clarify some line items.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

72. Do In-Year Reports present the individual sources of revenue for actual revenues collected?

GUIDELINES:
Question 72 asks whether In-Year Reports present actual collections of individual sources of revenue (such as income taxes, VAT, etc.). The question applies to both tax and non-tax revenue.

To answer "a," In-Year Reports must present actual collections for all individual sources of revenue, and "other" or "miscellaneous" revenue must account for three percent or less of all revenue. To answer "b," In-Year Reports must present actual collections for individual sources of revenue that when combined account for at least two-thirds of all revenue collected, but not all revenue. A "c" answer applies if In-Year Reports present individual sources of actual revenue that account for less than two-thirds of all revenue collected. Answer "d" applies if individual sources of actual revenue are not presented.

Answer:
a. Yes, In-Year Reports present individual sources of actual revenue accounting for all revenue.

Source:
In Hungarian: 1.melléklet a részletes tájékoztatóhoz – Az államháztartás központi alrendszerének előzetes mérlege
In English: Appendix 1 for the In-Year Report for November 2022 – Preliminary balance sheet of the central government
URL: https://cdn.kormany.hu//uploads/sheets//7/75/756/75695a68b0de25d77e2989b9649e7d6.pdf
page 2

In-Year Report for November 2022
In Hungarian: Tájékoztató az államháztartás központi alrendszerének 2022. november végi helyzetéről
In English: Report on the state of central budget at the end of November 2022
URL: https://cdn.kormany.hu//uploads/sheets//0/01/012/012c109fefca6a6ba0b0047ef329c3a.docx
Cover page

Comment:
A supplemental table to the In-Year Report presents all the revenue sources individually and its structure is the same as Appendix 1 of the enacted budget. The revenues are in the columns "Működési bevétel" (current revenues) and "Felhalmozási bevétel" (capital revenues). The actual data is in the column "2022. évi teljesítés", while the previous columns show the original estimate ("2022. évi eredeti előirányzat") and modified estimate ("2022. évi módosított előirányzat").
A link in the footnote of the first page of the In-Year Reports' shows that additional data can be found on the webpage of the Treasury, hence we

considered the supplemental documents as part of the In-Year Reports. The URL for the documents are at the end of the comment.
The direct attachment of the In-Year Reports, the preliminary balance sheet presents fewer revenue items individually. The major tax and non-tax revenues are presented in their own line. For example VAT („Általános forgalmi adó"), personal income tax („Személyi jövedelemadó"), corporate tax („Társasági adó") is presented in its own line, while other centralized revenues („Egyéb központosított bevételek") aggregate several revenue sources. Also the line "Költségvetési szervek bevételei" aggregates all the revenues of budgetary institutions, while "Állami vagyonnal kapcsolatos befizetések" collects the revenues related to assets (like selling assets, dividends, rents, concession fees).

Links to the monthly updated appendix 1 of the enacted budget
In Hungarian: A 2022. évi központi költségvetés végrehajtásának adatai 2022. 11.hó (2023.01.31)
In English: Data of implementation of the central budget for FY 2022 – P11
URL for pdf version:
https://www.allamkincstar.gov.hu/pfile/file?path=/Koltsegvetes/Kozponti_alrendszer_-_Reszletezo_adatok/kozponti-koltsegvetes-vegrehajtasanak-adatai/a-2022.-evi-kozponti-koltsegvetes-vegrehajtasanak-adatai/a-2022.-evi-kozponti-koltsegvetes-vegrehajtasanak-adatai-2022.11.-ho-2023.01.31-_pdf&inline=true
URL for excel version:
https://www.allamkincstar.gov.hu/pfile/file?path=/Koltsegvetes/Kozponti_alrendszer_-_Reszletezo_adatok/kozponti-koltsegvetes-vegrehajtasanak-adatai/a-2022.-evi-kozponti-koltsegvetes-vegrehajtasanak-adatai/a-2022.-evi-kozponti-koltsegvetes-vegrehajtasanak-adatai-2022.11.-ho-2023.01.31-_xlsx&inline=true

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

73. Do the In-Year Reports compare actual year-to-date revenues with either the original estimate for that period (based on the enacted budget) or the same period in the previous year?

GUIDELINES:
Question 73 asks whether In-Year Reports compare actual revenues to-date with either the enacted levels or actual revenues for the same period in the previous year.

The OECD recommends that the reports contain the total year-to-date revenues in a format that allows for a comparison with the budget's forecast revenues (based on enacted levels) for the same period.

To answer "a," comparisons must be made for revenues presented in the In-Year Reports.

Answer:
a. Yes, comparisons are made for revenues presented in the In-Year Reports.

Source:
In Hungarian: 1.melléklet a részletes tájékoztatóhoz – Az államháztartás központi alrendszerének előzetes mérlege
In English: Appendix 1 for the In-Year Report for November 2022 – Preliminary balance sheet of the central government
URL: https://cdn.kormany.hu//uploads/sheets//7/75/756/75695a68b0de25d77e2989b9649e7d6.pdf
page 2

In-Year Report for November 2022
In Hungarian: Tájékoztató az államháztartás központi alrendszerének 2022. november végi helyzetéről
In English: Report on the state of central budget at the end of November 2022
URL: https://cdn.kormany.hu//uploads/sheets//0/01/012/012c109fefca6a6ba0b0047ef329c3a.docx
Cover page

Comment:
The preliminary balance sheet of the In-Year Reports compare the actual revenues (in column „2022. évi I-XI. hó") to the same period of the previous year („2021. évi I-XI. hó") and the actual appropriation (in the column „2022. évi előirányzat"). The revenues are on page 1.
In a supplemental document of the In-Year Reports, the monthly updated appendix 1 of the enacted budget the data is compared only to the original and actual appropriations. The fact is in column „2022. évi teljesítés", the original estimate is in column „2022. évi eredeti előirányzat", while the actual appropriation is in „2022. évi módosított előirányzat". The revenues are in the columns „Működési bevétel" (current revenues) and

„Felhalmozási bevétel" (capital revenues).
A link in the footnote of the first page of the In-Year Reports' shows that additional data can be found on the webpage of the Treasury, hence we considered the supplemental documents as part of the In-Year Reports.

Links to the monthly updated appendix 1 of the enacted budget
In Hungarian: A 2022. évi központi költségvetés végrehajtásának adatai 2022. 11.hó (2023.01.31)
In English: Data of implementation of the central budget for FY 2022 – P11
URL for pdf version:
https://www.allamkincstar.gov.hu/pfile/file?path=/Koltsegvetes/Kozponti_alrendszer_-_Reszletezo_adatok/kozponti-koltsegvetes-vegrehajtasanak-adatai/a-2022.-evi-kozponti-koltsegvetes-vegrehajtasanak-adatai/a-2022.-evi-kozponti-koltsegvetes-vegrehajtasanak-adatai-2022.11.-ho-2023.01.31-_pdf&inline=true
URL for excel version:
https://www.allamkincstar.gov.hu/pfile/file?path=/Koltsegvetes/Kozponti_alrendszer_-_Reszletezo_adatok/kozponti-koltsegvetes-vegrehajtasanak-adatai/a-2022.-evi-kozponti-koltsegvetes-vegrehajtasanak-adatai/a-2022.-evi-kozponti-koltsegvetes-vegrehajtasanak-adatai-2022.11.-ho-2023.01.31-_xlsx&inline=true

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

74. Do In-Year Reports present three estimates related to actual government borrowing and debt: the amount of net new borrowing; the total debt outstanding; and interest payments?

GUIDELINES:
Question 74 asks about three key estimates related to borrowing and debt:

- *the amount of net new borrowing so far during the year;*
- *the central government's total debt burden at that point in the year; and*
- *the interest payments to-date on the outstanding debt.*

Debt is the accumulated amount of money that the government borrows. The government can borrow from its citizens and banks and businesses within the country (domestic debt) or from creditors outside the country (external debt). External debt is typically owed to private commercial banks, other governments, or international financial institutions such as the World Bank and the International Monetary Fund.

Net new borrowing is the additional amount of new borrowing that is required for the budget year to finance expenditures in the budget that exceed available revenues. Net new borrowing adds to the accumulated debt. It is distinct from gross borrowing, which also includes borrowing needed to repay existing debt that matured during the budget year; debt that is replaced (or rolled over) does not add to the total of accumulated debt. For the purposes of this question, the deficit may be accepted as a proxy for net new borrowing.

Interest payments on the debt (or debt service costs) are typically made at regular intervals, and these payments must be made on a timely basis in order to avoid defaulting on the debt obligation. Interest payments are separate from the repayment of principal, which occurs only when the loan has matured and must be paid back in full.

To answer "a," In-Year Reports must present all three estimates of borrowing and debt. For a "b" answer, In-Year Reports must present two of those three estimates. For a "c" answer, IYRs must present one of the three estimates. Answer "d" applies if no information on borrowing and debt is presented in In-Year Reports.

Answer:
a. Yes, all three estimates related to government borrowing and debt are presented.

Source:
In Hungarian: Tájékoztató az államháztartás központi alrendszerének 2022. november végi helyzetéről – II. Az államháztartás központi alrendszerének finanszírozása

In English: Report on the state of central budget at the end of November 2022 – Section II Financing the Central Budget
URL: https://cdn.kormany.hu//uploads/sheets//0/01/012/012c109fefca6a6ba0b0047ef329c3a.docx
pages 17 and 19

In Hungarian: 1.melléklet a részletes tájékoztatóhoz – Az államháztartás központi alrendszerének előzetes mérlege
In English: Appendix 1 for the In-Year Report for November 2022 – Preliminary balance sheet of the central government
URL: https://cdn.kormany.hu//uploads/sheets//7/75/756/75695a68b0de25d77e2989b9649e7d6.pdf
pp. 1-2

Comment:
The interest payments are presented in the line „Kamatkiadások" on page 2 of the preliminary balance sheet, while the interests received in line „Kamatbevételek" on page 1. The numbers do not contain the additional expenditures related to debt service, like fees and communication expenses. The net interest payments are also summarised in the table „A kamategyenleg összetétele" on page 17 of the In-Year Report. In the block „Bevétel" the interests received, in the block „Kiadás" the interests paid are detailed by instrument types and the line "Kamategyenleg" shows the net interest payments for the year-to-date period.
The total government debt at the end of the month is presented on page 19 of the In-Year Report. The total amount is presented in the row „Mindösszesen" in the column „2022. november 30. előzetes állomány".
The amount of net new borrowing is not presented but can be calculated as the difference between gross borrowing and gross repayment. The former is in column „kibocsátás (növekedés)", the latter in column „törlesztés (csökkenés)". As another solution the deficit may also be used for estimating the net new borrowing requirement. The deficit is presented in the In-Year Report in the table on page 2 in the line „Egyenleg összesen" (in the column "2022. I-XI. hó tény") and in the preliminary balance sheet on page 2 in the line „Központi alrendszer összesen" (in the column "2022. évi I-XI. hó").

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

75. Do In-Year Reports present information related to the composition of the total actual debt outstanding?

(The core information must include interest rates on the debt instruments; maturity profile of the debt; and whether it is domestic or external debt.)

GUIDELINES:
Question 75 focuses on the composition of government debt, asking whether "core" information related to its composition is presented. These core components include:

- *interest rates on the debt;*
- *maturity profile of the debt; and*
- *whether the debt is domestic or external.*

The interest rates affect the amount of interest that must be paid to creditors. The maturity profile indicates the final payment date of the loan, at which point the principal (and all remaining interest) is due to be paid; government borrowing typically includes a mix of short-term and long-term debt. As discussed in Question 74, domestic debt is held by a country's citizens and banks and businesses, while external debt is held by foreigners. These factors related to the composition of the debt give an indication of the potential vulnerability of the country's debt position, and ultimately whether the cost of servicing the accumulated debt is affordable.

Beyond these core elements, a government may also provide additional information related to the composition of its debt, including for instance: whether interest rates are fixed or variable; whether debt is callable; the currency of the debt; a profile of the creditors (bilateral institutions, multilateral institutions, commercial banks, Central Bank, etc.); an analysis of the risk associated with the debt; and where appropriate, what the debt is being used to finance.

To answer "a," In-Year Reports must present all of the core information related to the composition of government debt to-date as well as some additional information beyond the core elements. To answer "b," In-Year Reports must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to the composition of government debt is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on the composition of the debt outstanding in In-Year Reports.

Answer:
c. Yes, information is presented, but it excludes some core elements.

Source:
In Hungarian: Tájékoztató az államháztartás központi alrendszerének 2022. november végi helyzetéről – II. Az államháztartás központi alrendszerének finanszírozása
In English: Report on the state of central budget at the end of November 2022 – Section II Financing the Central Budget
URL: https://cdn.kormany.hu//uploads/sheets//0/01/012/012c109fefca6a6ba0b0047ef329c3a.docx
page 19

Comment:
The cited table on page 19 of the In-Year Report includes the total debt by currency denomination („Forint" means domestic currency, „Deviza" means foreign denomination), by type („Hitel" means loans, „Állampapír" means bonds and T-bills) and the loans are further differentiated by external („Külföldi") or domestic („Belföldi") origin. The bonds are further detailed into bonds („Kötvény"), T-bills („Diszkont kincstárjegy") and securities intended to individuals („Lakossági állampapír").
The securitized debt owned by external actors is discussed in the narrative part: on page 20 the paragraph starting with „A külföldi befektetők állampapír állománya" presents the data for the amount held by them. Supplemented with the data for loans in the table ("Külföldi devizahitel") the ownership of the debt can be calculated.
The maturity profile of the debt and the interest rates are not included.
From the core elements only the ownership of the debt can be determined from the In-Year Reports.
As an additional note the maturity profile of the central government debt is available on the webpage of the Debt Management Agency for each quarter.
In Hungarian:
https://www.akk.hu/content/path=kozponti-koltsegvetes-adossaganak-lejarati-szerkezete
In English:
https://www.akk.hu/content/path=maturity-profile-debt-annual-quarterly

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

76. Does the Mid-Year Review of the budget include an updated macroeconomic forecast for the budget year underway?

GUIDELINES:

Question 76 asks whether the Mid-Year Review includes an updated macroeconomic forecast for the budget year underway, and provides an explanation of the update.

Refer to Question 15 for the components of the macroeconomic forecast presented in the Executive's Budget Proposal.

To answer "a," the Mid-Year Review must include an updated macroeconomic forecast and explain all of the differences between the initial forecast presented in the Executive's Budget Proposal and the updated forecast. The explanation must include at least estimates of all differences; a narrative discussion is desirable but not required if estimates of all the differences are provided. To answer "b," the macroeconomic forecast must be updated, but only some of the differences between the initial and updated forecasts are explained. The explanation would be more limited, such as only a narrative discussion of the differences or estimates covering only some of the differences. A "c" response applies if the Mid-Year Review includes an updated macroeconomic forecast, but does not provide an explanation for the revisions. A "d" response applies if the macroeconomic forecast has not been updated.

Answer:
d. No, the estimates for macroeconomic forecast have not been updated.

Source:
N/A

Comment:
The Government did not publish a Mid-Year Review.
The Government prepared a half-year assessment for the Budgetary Committee of the legislature but we did not assess it as a Mid-Year Review and did not include an updated macroeconomic forecast.
Other institutions prepared mid-year reviews about the budgetary trends based on the first half of budget year 2022. The State Audit Office and the

National Bank of Hungary published its documents as members of the Fiscal Council.

Examples of Mid-Year Reviews from other institutions:
State Audit Office
In Hungarian: https://www.asz.hu/dokumentumok/E2246__2022_I_felevi_KT_elemzes_.pdf
National Bank of Hungary
In Hungarian: https://www.mnb.hu/letoltes/koltsegvetesi-jelentes-feleves-jelentes-2022.pdf
In English: https://www.mnb.hu/letoltes/mnb-public-finance-report-2022-october.pdf

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

77. Does the Mid-Year Review of the budget include updated expenditure estimates for the budget year underway?

GUIDELINES:
Question 77 asks whether the Mid-Year Review includes updated estimates of expenditure for the budget year underway, and provides an explanation of the update. Please note that year-to-date expenditures as assessed in Question 70 do not qualify as updated estimates of expenditure for the purposes of this indicator.

To answer "a," the Mid-Year Review must include updated expenditure estimates and explain all of the differences between the initial levels presented in the Executive's Budget Proposal (or the Enacted Budget) and the updated estimates. The explanation must include at least estimates of all differences; a narrative discussion is desirable but not required if estimates of all the differences are provided. The expenditure estimates must be updated, but only some of the differences between the initial and updated estimates are explained. The explanation would be more limited, such as only a narrative discussion of the differences or estimates covering only some of the differences. A "c" response applies if the Mid-Year Review includes updated expenditure estimates, but does not provide an explanation for the revisions. A "d" response applies if the expenditure estimates have not been updated.

Answer:
d. No, expenditure estimates have not been updated.

Source:
N/A

Comment:
The Government did not publish a Mid-Year Review.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

78. Does the Mid-Year Review of the budget present updated expenditure estimates for the budget year underway by any of the three expenditure classifications (by administrative, economic, or functional classification)?

GUIDELINES:

Question 78 asks if expenditure estimates for the budget year underway in the Mid-Year Review are presented by any one of the three expenditure

classifications — by administrative, economic, and functional classifications — which were addressed in Questions 1-5 above. Please note that year-to-date expenditures as assessed in Question 70 do not qualify as updated estimates of expenditure for the purposes of this indicator.

Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. Unlike classification by administrative unit, which tends to be unique to each country, functional and economic classifications for government budgeting have been developed and standardized by international institutions. Cross-country comparisons are facilitated by adherence to these international classification standards.

To answer "a," the Mid-Year Review must present expenditure estimates by all three of the expenditure classifications. To answer "b," expenditure estimates must be presented by two of these three classifications. A "c" answer applies if expenditure estimates are presented by one of the three classifications. Answer "d" applies if expenditure estimates are not presented by any of the three classifications in the Mid-Year Review.

Answer:
d. No, the Mid-Year Review does not present expenditure estimates by any expenditure classification.

Source:
N/A

Comment:
The Government did not publish a Mid-Year Review.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

78b. Based on the response to Question 78, check the box(es) to identify which expenditure classifications are included in the Mid-Year Review:

Answer:
None of the above

Source:
N/A

Comment:
The Government did not publish a Mid-Year Review.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

79. Does the Mid-Year Review of the budget present updated expenditure estimates for the budget year underway for individual programs?

GUIDELINES:

Question 79 asks if expenditure estimates in the Mid-Year Review are presented by program for the budget year underway. Please note that year-to-date expenditures as assessed in Question 70 do not qualify as updated estimates of expenditure for the purposes of this indicator.

***A note for francophone countries**: "Program" level detail is sometimes referred to as le plan comptable or le plan comptable detaille. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)*

To answer "a," the Mid-Year Review must present expenditures for all individual programs, accounting for all expenditures. To answer "b," the Mid-Year Review must present expenditures for individual programs that when combined account for at least two-thirds of expenditures, but not all expenditures. A "c" answer applies if the Mid-Year Review presents programs that account for less than two-thirds of expenditures. Answer "d" applies if expenditures are not presented by program in the Mid-Year Review.

Answer:
d. No, the Mid-Year Review does not present expenditure estimates by program.

Source:
N/A

Comment:
The Government did not publish a Mid-Year Review.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

80. Does the Mid-Year Review of the budget include updated revenue estimates for the budget year underway?

GUIDELINES:

Question 80 asks whether the Mid-Year Review includes updated estimates of revenue for the budget year underway, and provides an explanation of the update. Please note that year-to-date revenues as assessed in Question 73 do not qualify as updated estimates of revenue for the purposes of this indicator.

To answer "a," the Mid-Year Review must include updated revenue estimates and explain all of the differences between the initial levels presented in the Executive's Budget Proposal (or the Enacted Budget) and the updated estimates. The explanation must include at least estimates of all differences; a narrative discussion is desirable but not required if estimates of all the differences are provided. To answer "b," the revenue estimates must be updated, but only some of the differences between the initial and updated estimates are explained. The explanation would be more limited, such as only a narrative discussion of the differences or estimates covering only some of the differences. A "c" response applies if the Mid-Year Review includes updated revenue estimates, but no explanation for the revisions is provided. A "d" response applies if the revenue estimates have not been updated.

Answer:
d. No, revenue estimates have not been updated.

Source:
N/A

Comment:
The Government did not publish a Mid-Year Review.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

81. Does the Mid-Year Review of the budget present updated revenue estimates for the budget year underway by category (such as tax and non-tax)?

GUIDELINES:

Question 81 asks whether revenue estimates for the budget year underway in the Mid-Year Review are presented by "category"— that is, whether tax and non-tax sources of revenue are shown separately. Please note that year-to-date revenues as assessed in Question 73 do not qualify as updated estimates of revenue for the purposes of this indicator.

To answer "a," the Mid-Year Review must present revenue estimates classified by category.

Answer:
b. No, the Mid-Year Review does not present revenue estimates by category.

Source:
N/A

Comment:
The Government did not publish a Mid-Year Review.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

82. Does the Mid-Year Review of the budget present updated individual sources of revenue for the budget year underway?

GUIDELINES:

Question 82 asks whether revenue estimates for individual sources of revenue for the budget year underway are presented in the Mid-Year Review. Please note that year-to-date revenues as assessed in Question 73 do not qualify as updated estimates of revenue for the purposes of this indicator.

To answer "a," the Mid-Year Review must present all sources of revenue individually, accounting for all revenues, and "other" or "miscellaneous" revenue must account for three percent or less of all revenue. To answer "b," the Mid-Year Review must present individual sources of revenue that when combined account for at least two-thirds of all revenue, but not all revenue. A "c" answer applies if the Mid-Year Review presents estimates of individual revenue sources that account for less than two-thirds of revenue. Answer "d" applies if individual sources of revenue are not presented in the Mid-Year Review.

Answer:
d. No, the Mid-Year Review does not present individual sources of revenue.

Source:
N/A

Comment:
The Government did not publish a Mid-Year Review.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

83. Does the Mid-Year Review of the budget include updated estimates of government borrowing and debt, including its composition, for the budget year underway?

GUIDELINES:

Question 83 asks whether the Mid-Year Review includes updated estimates of borrowing and debt, including its composition, for the budget year underway, and provides an explanation of the update.

Refer to Question 13 for details on estimates in the Executive's Budget Proposal of borrowing and debt. Key estimates related to borrowing and debt include:

- *The amount of net new borrowing required during the budget year;*
- *The central government's total debt burden at the end of the budget year; and*
- *The interest payments on the outstanding debt for the budget year.*

Refer to Question 14 for details on estimates in the Executive's Budget Proposal related to the composition of the debt. Core information related to the composition of government debt include:

- *interest rates on the debt;*
- *maturity profile of the debt; and*
- *whether the debt is domestic or external.*

To answer "a," the Mid-Year Review must include an updated estimates of borrowing and debt, including its composition, and explain all of the differences between the initial estimates presented in the Executive's Budget Proposal (or Enacted Budget) and the updated estimates. The explanation must include at least estimates of all differences; a narrative discussion is desirable but not required if estimates of all the differences are provided. To answer "b," the estimates of borrowing and debt must be updated, but only some of the differences between the initial and updated estimates are explained. The explanation would be more limited, such as only a narrative discussion of the differences or estimates covering only some of the differences. A "c" response applies if the Mid-Year Review includes updated estimates, but no explanation for the revisions is provided. A "d" response applies if the estimates of borrowing and debt have not been updated.

Answer:
d. No, estimates of government borrowing and debt have not been updated.

Source:
N/A

Comment:
The Government did not publish a Mid-Year Review.
As stated by the peer reviewer in the previous Survey the Government prepares a document about the compliance with the debt rule for the Budgetary Committee of the legislature after mid-year. For the current Survey we also obtained this document, called "Tájékoztató az adósságszabály teljesüléséről" (In English: Information on the compliance with debt rule). As noted in question MYR-2 the document is not publicly available, so we did not consider it a Mid-Year Review.
The document contains a table with the estimated total government debt at the end of the year and a narrative explanation about it, but no other core element is mentioned.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

84. Does the Year-End Report present the differences between the enacted levels (including in-year changes approved by the legislature) and the actual outcome for expenditures?

GUIDELINES:
Question 84 asks whether the Year-End Report includes estimates of the differences between the enacted levels and actual expenditures for the year, and whether these estimates are accompanied by a narrative discussion.

To answer "a," the Year-End Report must present estimates of the differences between the enacted levels and the actual outcome for all expenditures, along with a narrative discussion. Answer "b" if estimates of the differences for all expenditures are presented, but a narrative discussion is not included. Answer "c" if estimates of the differences are presented for some, but not all expenditures, regardless of whether a narrative discussion is included. Answer "d" if no estimates of the differences are presented in the Year-End Report

Answer:
a. Yes, estimates of the differences between the enacted levels and the actual outcome for all expenditures are presented, along with a narrative discussion.

Source:
In Hungarian: 1. melléklet a zárszámadáshoz
In English: Appendix 1 of the Year-End Report
URL: https://www.parlament.hu/irom42/01877/T_1877_00.pdf
pp. 9-83

In Hungarian: A központi alrendszer részletes mérlege
In English: Detailed balance sheet of the central government
URL: https://www.parlament.hu/irom42/01877/T_1877_00.pdf
pp. 221-310

In Hungarian: A központi alrendszer mérlege
In English: Balance sheet of the central government
URL: https://www.parlament.hu/irom42/01877/T_1877_00.pdf
pp. 219-220

In Hungarian: XVII. Innovációs és Technológiai Minisztérium – 2021. évi zárszámadás (Összesítő)
In English: Chapter XVII Ministry of Innovation and Technology – Year-End Report for 2021 (Summary)
URL: https://www.parlament.hu/irom42/01877/T_1877_04.pdf
pp. 2487-2574

In Hungarian: XVII. Innovációs és Technológiai Minisztérium – 4. cím Országos Atomenergia Hivatal
In English: Chapter XVII Ministry of Innovation and Technology – 4. National Nuclear Energy Office
URL: https://www.parlament.hu/irom42/01877/T_1877_04.pdf
pp. 2367-2371

Comment:
Appendix 1 of the YER includes all the revenue and expenditure items, but the columns present only the actual outcomes (in column „2021. évi teljesítés").
The detailed balance sheet (on pp. 221-310) presents the same lines but it includes the modified level (in column "2021. évi törvényi módosított előirányzat") beside the actual outcome (in column "2021. évi teljesítés") for each line item, hence more useful for this purpose.
The in year-changes presented in the balance sheet of the central government (on pp. 219-220), but in this table many of the expenditure and revenue items are aggregated to a certain level. The actual outcome of the previous year is shown in column „2020. évi teljesítés", followed by the original enacted level „2021. évi előirányzat", then the modification by the legislature in column „Törvényi hatáskör" and the appropriation with the legal modification in column „2021. évi törvényi módosított előirányzat". The next column „Kormány hatáskör" shows the modification by the government, then „Felügyeleti szervi hatáskör" is the modification by the chapter's owner and „Intézményi hatáskör" is the modification by the budgetary institution. The final two columns show the updated appropriation in column „2021. évi módosított előirányzat" and the actual outcome for the year in column „2021. évi teljesítés". At the expenditures (on page 220 under "Kiadás") all the budgetary institutions and chapter-administered appropriations were aggregated into one line ("Költségvetési szervek kiadásai" and "Szakmai fejezeti kezelésű előirányzatok kiadásai").
The supplemental documents contain the narrative discussion for each chapter and institution. At the end of each chapter (like the cited summary of the Ministry of Innovation and Technology) the expenditure and revenue lines are detailed in the same format as the detailed balance sheet of the government. The narrative discussions present the causes of modifications (for example the exact legal change or the aim of modification), the financial numbers and in some cases the performed tasks. For example in the case of National Nuclear Energy Office the document describes the related legal rules and modifications, how the institution performed these (like which institutions it supervised) and the details of the financial

numbers (wages, investments, current expenditures, remittances).

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

85. Does the Year-End Report present expenditure estimates by any of the three expenditure classifications (by administrative, economic, or functional classification)?

GUIDELINES:
Question 85 asks if expenditure estimates in the Year-End Report are presented by any one of the three expenditure classifications — by administrative, economic, and functional classifications — which were addressed in Questions 1-5 above. Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. Unlike classification by administrative unit, which tends to be unique to each country, functional and economic classifications for government budgeting have been developed and standardized by international institutions. Cross-country comparisons are facilitated by adherence to these international classification standards.

To answer "a," the Year-End Report must present expenditure estimates by all three of the expenditure classifications. Answer "b" if expenditure estimates are presented by two of these three classifications. Answer "c" if expenditure estimates are presented by one of the three classifications. Answer "d" if expenditure estimates are not presented by any of the three classifications in the Year-End Report.

Answer:
a. Yes, the Year-End Report presents expenditure estimates by all three expenditure classifications (by administrative, economic, and functional classification).

Source:
In Hungarian: 1. melléklet a zárszámadáshoz
In English: Appendix 1 of the Year-End Report
URL: https://www.parlament.hu/irom42/01877/T_1877_00.pdf
pp. 9-83

In Hungarian: A központi alrendszer részletes mérlege
In English: Detailed balance sheet of the central government
URL: https://www.parlament.hu/irom42/01877/T_1877_00.pdf
pp. 221-310

In Hungarian: A központi alrendszer mérlege (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)
In English: Balance sheet of the central government (cash-flow based) (by economic classification)
URL: https://www.parlament.hu/irom42/01877/T_1877_00.pdf
page 311

In Hungarian: A központi alrendszer funkcionális mérlege (pénzforgalmi szemléletben)
In English: Functional balance sheet of the central government (cash-flow based)
URL: https://www.parlament.hu/irom42/01877/T_1877_00.pdf
page 315

Comment:
The Year-End Report contains all of the three classifications.
The administrative classification is presented in Appendix 1 (pp. 9-83) and in the detailed balance sheet (pp. 221-310) and all the revenue and expenditure items are presented individually.
The economic (on page 311) and functional (on page 315) classifications follow the structure of other budgetary documents and only broadly compatible with international standards.

Peer Reviewer

Opinion: Agree

Government Reviewer
Opinion:

85b. Based on the response to Question 85, check the box(es) to identify which expenditure classifications are included in the Year-End Report:

Answer:
Administrative classification
Economic classification
Functional classification

Source:
In Hungarian: 1. melléklet a zárszámadáshoz
In English: Appendix 1 of the Year-End Report
URL: https://www.parlament.hu/irom42/01877/T_1877_00.pdf
pp. 9-83

In Hungarian: A központi alrendszer részletes mérlege
In English: Detailed balance sheet of the central government
URL: https://www.parlament.hu/irom42/01877/T_1877_00.pdf
pp. 221-310

In Hungarian: A központi alrendszer mérlege (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)
In English: Balance sheet of the central government (cash-flow based) (by economic classification)
URL: https://www.parlament.hu/irom42/01877/T_1877_00.pdf
page 311

In Hungarian: A központi alrendszer funkcionális mérlege (pénzforgalmi szemléletben)
In English: Functional balance sheet of the central government (cash-flow based)
URL: https://www.parlament.hu/irom42/01877/T_1877_00.pdf
page 315

Comment:
The Year-End Report contains all of the three classifications.
The administrative classification is presented in Appendix 1 (pp. 9-83) and in the detailed balance sheet (pp. 221-310) and all the revenue and expenditure items are presented individually.
The economic (on page 311) and functional (on page 315) classifications follow the structure of other budgetary documents and only broadly compatible with international standards.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

86. Does the Year-End Report present expenditure estimates for individual programs?

GUIDELINES:
Question 86 asks if expenditure estimates in the Year-End Report are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department.

***A note for francophone countries**: "Program" level detail is sometimes referred to as le plan comptable or le plan comptable detaille. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)*

To answer "a," the Year-End Report must present expenditure estimates for all individual programs, accounting for all expenditures. Answer "b" if the Year-End Report presents expenditures for individual programs that when combined account for at least two-thirds of expenditures, but not all expenditures. Answer "c" if the Year-End Report presents programs that account for only less than two-thirds of expenditures. Answer "d" if expenditures are not presented by program in the Year-End Report.

Answer:
a. Yes, the Year-End Report presents estimates for programs accounting for all expenditures.

Source:
In Hungarian: A központi alrendszer részletes mérlege
In English: Detailed balance sheet of the central government
URL: https://www.parlament.hu/irom42/01877/T_1877_00.pdf
pp. 221-310

Comment:
The detailed balance sheet of the central government presents all the budgetary institutions and chapter-administered appropriations below the ministries. In the column „2021. évi törvényi módosított előirányzat" the modified estimates, in the column „2021. évi teljesítés" the actual outcomes are presented.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

87. Does the Year-End Report present the differences between the enacted levels (including in-year changes approved by the legislature) and the actual outcome for revenues?

GUIDELINES:
Question 87 asks whether the Year-End Report includes estimates of the differences between the enacted levels and actual revenues for the year, and whether these estimates are accompanied by a narrative discussion.

To answer "a," the Year-End Report must present estimates of the differences between the enacted levels and the actual outcome for all revenues, along with a narrative discussion. Answer "b" if estimates of the differences for all revenues are presented, but a narrative discussion is not included. Answer "c" if estimates of the differences are presented for some, but not all revenues, regardless of whether a narrative discussion is included. Answer "d" if no estimates of the differences are presented in the Year-End Report.

Answer:
a. Yes, estimates of the differences between the enacted levels and the actual outcome for all revenues are presented, along with a narrative discussion.

Source:
In Hungarian: A központi alrendszer mérlege
In English: Balance sheet of the central government
URL: https://www.parlament.hu/irom42/01877/T_1877_00.pdf
pp. 219-220

In Hungarian: XLII. A költségvetés közvetlen bevételei és kiadásai
In English: Chapter XLII Direct revenues and expenditures of the budget
URL: https://www.parlament.hu/irom42/01877/T_1877_07.pdf
pp. 4027-4087

In Hungarian: LXXI. Nyugdíjbiztosítási Alap

In English: Chapter LXXI Pension Insurance Fund
URL: https://www.parlament.hu/irom42/01877/T_1877_08.pdf
pp. 4579-4584

In Hungarian: LXXII. Egészségbiztosítási és Járvány Elleni Védekezési Alap
In English: Chapter LXXII Health Insurance and Anti-Epidemic Protection Fund
URL: https://www.parlament.hu/irom42/01877/T_1877_08.pdf
pp. 4680-4702

Comment:
The balance sheet of the central government presents the outcome for the previous year (in column „2020. évi teljesítés"), the original enacted level (in column „2021. évi előirányzat"), the modified level (in column „2021. évi módosított előirányzat") and the actual outcome (in column „2021. évi teljesítés") for the budget year on page 219. Most of the significant tax revenues are presented individually in this table.
A similar, but more detailed table is also included at the end of each chapter. Most of the revenues are included in chapter XLII, and in that table even the minor taxes are presented. The table is on pp. 4061-4087. For other revenue sources the appropriate chapter includes this information, for example chapter LXXI and LXXII for the social contributions ("szociális hozzájárulási adó") (on pp. 4579-4584 and 4680-4702).
The narrative discussion of the revenues mentions briefly the main causes of the difference between the original enacted level and the actual outcome. For example on page 4034 the higher than expected personal income tax ("Személyi jövedelemadó") was explained as the labour market recovered faster after the pandemic and that resulted in a higher employment rate and higher wage increase and the original appropriation was planned lower during the pandemic. The individual causes are not presented numerically or by macroeconomic effects, only described.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

88. Does the Year-End Report present revenue estimates by category (such as tax and non-tax)?

GUIDELINES:
Question 88 asks whether revenue estimates in the Year-End Report are presented by "category"— that is, whether tax and non-tax sources of revenue are shown separately.

To answer "a," the Year-End Report must present revenue estimates classified by category.

Answer:
a. Yes, the Year-End Report presents revenue estimates by category.

Source:
In Hungarian: A központi alrendszer mérlege
In English: Balance sheet of the central government
URL: https://www.parlament.hu/irom42/01877/T_1877_00.pdf
pp. 219-220

In Hungarian: A központi alrendszer mérlege (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)
In English: Balance sheet of the central government (cash-flow based) (by economic classification)
URL: https://www.parlament.hu/irom42/01877/T_1877_00.pdf
page 311

Comment:
In the table by economic classification the tax revenues are grouped by types like income taxes („Jövedelemadók"), social contribution tax and social contributions („Szociális hozzájárulási adó és járulékok") or taxes on products and services („Termékek és szolgáltatások adói"). The non-tax revenues are grouped into „Other revenues" („Egyéb közhatalmi bevételek"), current revenues („Működési bevételek") and capital revenues („Felhalmozási bevételek"). The table also presents the revenues received from other budgetary institutions and outside the budget (in rows „Működési célú támogatások államháztartáson belülről", „Felhalmozási célú bevételek államháztartáson belülről", „Működési célú átvett pénzeszközök", „Felhalmozási célú átvett pénzeszközök").
The classification of the balance sheet focuses more on grouping the tax revenues. The revenues are presented on page 219 under "Bevételek". It uses categories like revenues from corporations („Gazdálkodó szervezetek befizetései"), taxes on consumption („Fogyasztáshoz kapcsolt adók"),

revenues from households („Lakosság befizetései”) or social contribution tax and social contributions („Szociális hozzájárulási adó és járulékok”). The non-tax revenues are aggregated at various levels. The interests received are shown individually in the line „Kamatbevételek”, while all the revenues related to state property are aggregated in one line („Állami vagyonnal kapcsolatos befizetések”). Other notable categories are the revenues from the EU („Uniós programok bevételei”) and the revenues of the budgetary institutions („Költségvetési szervek bevételei”). The structure of the revenues, the ratio of tax and non-tax revenues can be estimated from these groups in spite of the fact that the groups do not strictly follow the tax-non-tax classification.
The table presents non-consolidated data and transfers between institutions appear, for example in the block "Bevételek az államháztartás alrendszereiből" (Revenues from subsectors of the government).

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

89. Does the Year-End Report present individual sources of revenue?

GUIDELINES:

Question 89 asks whether revenue estimates for individual sources of revenue are presented in the Year-End Report. The question applies to both tax and non-tax revenue.

To answer “a,” the Year-End Report must present all sources of revenue individually, accounting for all revenue, and “other” or “miscellaneous” revenue must account for three percent or less of all revenue. Answer “b” if the Year-End Report presents individual sources of revenue that when combined account for at least two-thirds of all revenue, but not all revenue. Answer “c” if the Year-End Report presents estimates of individual revenue sources that account for less than two-thirds of revenue. Answer “d” if individual sources of revenue are not presented in the Year-End Report.

Answer:
b. Yes, the Year-End Report presents individual sources of revenue accounting for at least two-thirds of, but not all, revenue.

Source:
In Hungarian: 1. melléklet a zárszámadáshoz
In English: Appendix 1 of the Year-End Report
URL: https://www.parlament.hu/irom42/01877/T_1877_00.pdf
pp. 9-83

In Hungarian: A központi alrendszer mérlege
In English: Balance sheet of the central government
URL: https://www.parlament.hu/irom42/01877/T_1877_00.pdf
pp. 219-220

Comment:
The Year-End Report includes all revenue sources individually in Appendix 1. The only exception is if a budgetary institution handles different revenues (like the governmental offices that may collect service fees and fines as well), because all of the institutions own revenue are aggregated to one line. However this is only a minor issue related to the total of the revenues. The drawback of this is that the reader has to go through all the items in the appendix. The revenues are in columns „Működési bevételek” (current revenues) and „Felhamozási bevételek” (capital revenues).
On page 219 the balance sheet of the central government highlights some of the major revenue sources, but still many important revenue sources are presented in an aggregated way. For example in the line „Állami vagyonnal kapcsolatos bevételek” all kind of revenues are presented related to state property from dividend from corporations to selling of assets and utilization of assets, or the line "Költségvetési szervek bevételei" can include all kinds of revenues of the institutions from fees to revenues from market-based services. Similarly the line "Háztartási alkalmazott utáni regisztrációs díj" (Registration fee of household workers) is only 0,018 billion HUF or the „Turizmusfejlesztési hozzájárulás” (Tourism development contribution) is 0,368 billion HUF, while more significant revenue sources are aggregated into the line "Egyéb központosított bevételek". For example the road toll that account for 318 billion HUF on page 67 as „Megtett úttal arányos útdíj” and „Időalapú útdíj”. In our opinion the important revenue sources should be grouped in a reasonable way and only the minor revenue sources should be aggregated.
Because appendix 1 would require a lot of effort from the reader and the balance sheet does not clearly present all kinds of revenue sources, we maintained answer 'b'.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

90. Does the Year-End Report present the differences between the original estimates of government borrowing and debt, including its composition, for the fiscal year and the actual outcome for that year?

GUIDELINES:
Question 90 asks whether the Year-End Report includes estimates of the differences between the original estimates and the actual outcome for the fiscal year for borrowing and debt, including its composition, and whether these estimates are accompanied by a narrative discussion.

Refer to Question 13 for details on estimates in the Executive's Budget Proposal of borrowing and debt. Key estimates related to borrowing and debt include:

- *the amount of net new borrowing required during the budget year;*
- *the central government's total debt burden at the end of the budget year; and*
- *the interest payments on the outstanding debt for the budget year.*

Refer to Question 14 for details on estimates in the Executive's Budget Proposal related to the composition of the debt. Core information related to the composition of government debt include:

- *interest rates on the debt;*
- *maturity profile of the debt; and*
- *whether the debt is domestic or external.*

To answer "a," the Year-End Report must include estimates of the differences between all of the original estimates of borrowing and debt, including its composition, for the fiscal year and the actual outcome for that year, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between all of the original estimates of borrowing and debt for the fiscal year and the actual outcome for that year, but does not include a narrative discussion. Answer "c" if estimates of the differences between some but not all of the original estimates of borrowing and debt for the fiscal year and the actual outcome for that year are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented.

Answer:
c. Yes, estimates of the differences between some but not all of the original estimates of government borrowing and debt for the fiscal year and the actual outcome for that year are presented.

Source:
In Hungarian: A központi költségvetés bruttó adósságának alakulása 2018-2021 között (millió forint)
In English: The evolution of the gross debt of the central government between 2018-2021 (million HUF)
URL: https://www.parlament.hu/irom42/01877/T_1877_00.pdf
page 411

In Hungarian: A központi költségvetés finanszírozási és adósságműveletei 2021-ben, előzetes adatok alapján
In English: The financing and debt operations of the central budget in 2021 (preliminary data)
URL: https://www.parlament.hu/irom42/01877/T_1877_00.pdf
page 413

In Hungarian: XLI. Adósságszolgálattal kapcsolatos bevételek és kiadások
In English: Chapter XLI Revenues and expenditures related to debt services
URL: https://www.parlament.hu/irom42/01877/T_1877_07.pdf
pp. 4007-4025

In Hungarian: Az általános indokolás – II. A központi kormányzat 2021. évi előirányzatai – B. Az államháztartási központi alrendszere hiánya, finanszírozása, az államadósság kezelése
In English: The General Justification – II. Appropriations of the central budget in 2021 – B. Deficit and financing of the central government, management of the debt
URL: https://www.parlament.hu/irom42/01877/T_1877_00.pdf

pp. 142-149

Comment:
For the total debt of the central government only the actual outcomes are presented, the original estimates are not included. The total debt is shown in the line „A központi költségvetés bruttó adóssága mindösszesen” in the table about the evolution of the debt on page 411. The columns present the data for the end of the years from 2018 to 2021. The composition of the debt is shown by denomination and type (loans, bonds). The instruments in foreign currency is in the block „1. Devizában fennálló adósság”, while the instruments in domestic currency in the block „2. Forintban fennálló adósság”. The type is in the below lines: „hitel” means loans, „kötvény” means bonds, „kincstárjegyek” are the T-bills.
The net borrowing requirement is presented in the second cited table on page 413 in the line „Nettó finanszírozási igény”. This is only the outcome for the budget year, the estimated values are not included.
The narrative discussion of chapter XLI explains the difference of interests paid and received between the modified enacted level and the actual outcome. However in many cases the enacted levels are not presented numerically, but can be calculated. On page 4009 the interests paid on foreign-denominated debt was 202 896,8 million HUF that was 54 454,5 million HUF more than the enacted level. („A devizában fennálló adósság kamatkiadásai 54 454,5 millió forinttal lettek magasabbak az előirányzatnál, és 202 896,8 millió forintot tettek ki.”). The next paragraphs describe the causes of the difference, like which instruments caused it, the foreign exchange changes. The detailed table on pp. 4018-4025 includes the original estimates for these items. Column „2020. évi teljesítés” shows the actual outcome for the previous year, „2021. évi előirányzat” is the original enacted level, „2021. évi módosított előirányzat” is the modified level and „2021. évi teljesítés” is the actual outcome for the budget year.
The general justification includes additional information about the debt. For example on page 144 the table called „Nettó kibocsátás 2021-ben” compares the amount of the issued debt instruments to the planned amount. The outcome is in column „2021. tény”, the planned amount is in „Előirányzat tervezésekor (2020.04.30)”. The planned amount cannot be verified because the EBP for FY 2021 did not include this data, although it is close to the budget deficit (1 491,2 billion HUF). On page 148 the narrative discussion mentions that the outcome of the debt was higher than planned, but does not describe the exact amount of the planned amount. It is in the sentence "Az adósság tervezettnél lényegesen magasabb szintje a koronavírus válság okán megnövekedett nettó finanszírozási igény miatt, a tervet meghaladó forint- és devizakötvény-kibocsátásoknak köszönhető, amelyet tovább erősített a forintnak az euróhoz viszonyított képest, vártnál nagyobb mértékű gyengülése."
The maturity profile is only mentioned as average maturity increased but without any numerical value. This is at the bottom of page 143 in the section "...pozitívum viszont, hogy a kedvezőtlen gazdasági környezet ellenére is csökkent az államadósság ráta, tovább emelkedett a lakossági állampapírok állománya, miközben az államadósság futamideje is nőtt" (meaning: "...on the positive side despite the unfavourable economic situation the debt-to-GDP ratio decreased, the stock of government debt held by households increased while the average maturity of the debt increased too").
The YER contains information about the debt but the difference between the original estimates and actual outcomes only presented for the interest payments and net new borrowing requirements.

Reference for the budget deficit in the EBP for FY 2021
In Hungarian: T/10710. számú törvényjavaslat Magyarország 2021. évi központi költségvetéséről
In English: Bill No. T/10710 on the Central budget of Hungary for FY 2021
URL: https://www.parlament.hu/irom41/10710/T_10710_fokotet.pdf
1. § (1) c) on page 1

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

90b. Based on the response to Question 90, check the box(es) to identify which estimates of government borrowing and debt, including its composition, have the differences between the original forecast and the actual outcome for the year presented in the Year-End Report:

Answer:
The amount of net new borrowing required during the budget year
The interest payments on outstanding debt for the budget year

Source:
In Hungarian: XLI. Adósságszolgálattal kapcsolatos bevételek és kiadások
In English: Chapter XLI Revenues and expenditures related to debt services
URL: https://www.parlament.hu/irom42/01877/T_1877_07.pdf
pp. 4007-4025

In Hungarian: Az általános indokolás – II. A központi kormányzat 2021. évi előirányzatai – B. Az államháztartási központi alrendszere hiánya, finanszírozása, az államadósság kezelése
In English: The General Justification – II. Appropriations of the central budget in 2021 – B. Deficit and financing of the central government, management of the debt
URL: https://www.parlament.hu/irom42/01877/T_1877_00.pdf
pp. 142-149

Comment:
The narrative discussion presents the interests paid and received for the actual outcome and the difference from the enacted level. The enacted level is only detailed in the table on pp. 4018-4025. Column „2020. évi teljesítés" shows the actual outcome for the previous year, „2021. évi előirányzat" is the original enacted level, „2021. évi módosított előirányzat" is the modified level and „2021. évi teljesítés" is the actual outcome for the budget year.
The general justification includes additional information about the debt. On page 144 the table called „Nettó kibocsátás 2021-ben" compares the amount of the issued debt instruments to the planned amount. The outcome is in column „2021. tény", the planned amount is in „Előirányzat tervezésekor (2020.04.30)". The planned amount cannot be verified because the EBP for FY 2021 did not include this data, although it is close to the budget deficit. The reference at the end of the comment shows the planned deficit was 1 491,2 billion HUF, while according the table the planned net new borrowing requirement was 1 412,5 billion HUF.
The interest payments and the net new borrowing are presented but the latter cannot be verified from the original EBP for FY 2021.

Reference for the budget deficit in the EBP for FY 2021
In Hungarian: T/10710. számú törvényjavaslat Magyarország 2021. évi központi költségvetéséről
In English: Bill No. T/10710 on the Central budget of Hungary for FY 2021
URL: https://www.parlament.hu/irom41/10710/T_10710_fokotet.pdf
1. § (1) c) on page 1

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

91. Does the Year-End Report present the differences between the original macroeconomic forecast for the fiscal year and the actual outcome for that year?

GUIDELINES:
Question 91 asks whether the Year-End Report includes estimates of the differences between the original macroeconomic forecast for the fiscal year and the actual outcome for that year, and whether these estimates are accompanied by a narrative discussion.

Refer to Question 15 for the components of the macroeconomic forecast in the Executive's Budget Proposal. Core components include estimates of the nominal GDP level, inflation rate, real GDP growth, and interest rates, although the importance of other macroeconomic assumptions, such as the price of oil, can vary from country to country.

To answer "a," the Year-End Report must include estimates of the differences between all of the original macroeconomic assumptions for the fiscal year and the actual outcome for that year, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between all of the original macroeconomic assumptions for the fiscal year and the actual outcome for that year, but does not include a narrative discussion. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. Answer "c" if estimates of the differences between some but not all of the original macroeconomic assumptions for the fiscal year and the actual outcome for that year are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented.

Answer:
d. No, estimates of the differences between the original macroeconomic forecast for the fiscal year and the actual outcome for that year is not presented.

Source:
In Hungarian: Az indokolás mellékletei – A gazdasági fejlődés főbb jellemzői
In English: Appendices of the justification – The main characteristics of the economic development
URL: https://www.parlament.hu/irom42/01877/T_1877_00.pdf
page 205

In Hungarian: Az általános indokolás – I. A kormányzat gazdaságpolitikájának fő vonásai, az államháztartás alakulása a 2021. évben – 1. A kormányzat gazdaságpolitikája
In English: The General Justification – Chapter I. The main characteristics of the economic policy of the government and the evolution of the budget in 2021 – Section 1. The economic policy of the government
URL: https://www.parlament.hu/irom42/01877/T_1877_00.pdf
pp. 91-93

Comment:
The cited table on page 205 presents the actual outcome for macroeconomic assumptions (in the column „2021 előzetes tény") beside the submitted („2021 benyújtott"), the enacted („2021 elfogadott") and the previous year's outcome („2020 tény"). However the data in the table might be misleading. Most of the submitted assumptions were taken from the EBP for FY 2022 (that was submitted in the spring of 2021), not the EBP for FY 2021. The nominal GDP ("GDP értéke folyó áron") is 50 904 billion HUF and it matches the value in the EBP for FY 2021 (in column "2021 előrejelzés"). The other data does not, but those are nearly identical with the data in the EBP for FY 2022. This is most unusual at the technical assumptions ("Technikai feltevések") at the bottom of the page, like EURHUF, USDHUF exchange rates, Brent oil price, because those should not be affected by calculations later. This also means the macroeconomic comparison was made between the actual outcomes and a forecast made during the budget year. The references for the previous forecasts are at the end of the comment.

The narrative discussion compares the differences between the "updated" assumptions and the actual outcomes and describes the main causes of the differences for some of the indicators: real GDP-growth, inflation rate, balance of current account. The inflation rate is explained on page 92 in the paragraph „A kormány a 2021-es évre 3,6%-os inflációt tervezett, amihez képest 1,5 százalékponttal magasabb lett a tényadat", the balance of current account on the same page in the next sentence "míg a külső egyensúlyt tekintve a folyó fizetési mérleg egyenlege (-6,4 milliárd euró) a megemelkedett energiaárak következtében kedvezőtlenebb lett az előrejelzettnél (0,6 milliárd euró)", while the real GDP growth on page 92 in the next paragraph „A kormány által prognosztizált 4,3%-os növekedéssel szemben a gazdaság teljesítménye még dinamikusabban, 7,1%-kal növekedett".

Technically the actual outcomes and a macroeconomic forecast were compared and the differences explained, but not the original (submitted in the EBP for FY 2021) macroeconomic assumptions were used for most of the data. Because not the originally submitted macroeconomic assumptions were used for the comparison, there are no presentation of the differences between the original assumptions and the actual outcomes.

The submitted table is on page 251 in the EBP for FY 2021:
https://www.parlament.hu/irom41/10710/T_10710_fokotet.pdf

The referenced data probably was taken from the EBP for FY 2022 from page 249:
https://www.parlament.hu/irom41/16118/t_16118_fokotet.pdf

Peer Reviewer
Opinion: Agree
Comments: Estimates of the differences between all of the original macroeconomic assumptions for the fiscal year and the actual outcome for that year seems to be presented in the Year-End Report, but indeed the 2021 Year-End Report contains different data regarding the enacted "forecast" then the 2021 Executive Budget Proposal.

Government Reviewer
Opinion:

Researcher Response
As the peer reviewer confirmed that not the original forecast was used for comparison, we maintained the original answer.

91b. Based on the response to Question 91, check the box(es) to identify which elements of the macroeconomic forecast have the differences between the original forecast and the outcome for the year presented in the Year-End Report:

Answer:
None of the above

Source:
In Hungarian: Az indokolás mellékletei – A gazdasági fejlődés főbb jellemzői
In English: Appendices of the justification – The main characteristics of the economic development
URL: https://www.parlament.hu/irom42/01877/T_1877_00.pdf

page 205

In Hungarian: Az általános indokolás – I. A kormányzat gazdaságpolitikájának fő vonásai, az államháztartás alakulása a 2021. évben – 1. A kormányzat gazdaságpolitikája
In English: The General Justification – Chapter I. The main characteristics of the economic policy of the government and the evolution of the budget in 2021 – Section 1. The economic policy of the government
URL: https://www.parlament.hu/irom42/01877/T_1877_00.pdf
pp. 91-93

Comment:
In the comparison not the originally submitted macroeconomic assumptions were used, therefore we did not accept it as a presentation of the differences in question 91. For a comprehensive answer we provide the list of indicators included in the table.

The cited table compares the following indicators:
Real GDP growth rate – GDP növekedése
Nominal GDP level in billion HUF – GDP értéke folyó áron (milliárd forint)
GDP deflator – GDP deflátor
Inflation rate – Fogyasztói árindex változása (éves átlag)
Growth rate of labour productivity – Munkatermelékenység növekedési üteme
Gross total wages – Bruttó bér- és keresettömeg
Investment rate as percent of GDP – Beruházási hányad (a GDP %-ában)
Consumption of households – Háztartások fogyasztása
Consumption of the government – Közösségi fogyasztás
Investments – Bruttó állóeszköz-felhalmozás
Export – Termékek és szolgáltatások exportja
Import – Termékek és szolgáltatások importja
Current account balance (in billion EUR and % of GDP) – Folyó fizetési mérleg egyenlege (milliárd euró és a GDP százalékában)
Change of number of employees as percentage – Foglalkoztatottak számának növekedése, %
Change in average gross wage as percent – Bruttó átlagkereset növekedése, %
Change in average net wage as percent – Nettó átlagkereset növekedése, %
EURHUF exchange rate – HUF/EUR árfolyam, éves átlag
USDHUF exchange rate – HUF/USD árfolyam éves átlag
Brent oil price – Brent olajár (USD/hordó, éves átlag)
Base interest rate of the central bank – Jegybanki alapkamat (Reuters)

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

92. Does the Year-End Report present the differences between the original estimates of nonfinancial data on inputs and the actual outcome?

GUIDELINES:
Question 92 asks whether the Year-End Report includes estimates of the differences between the original estimates of nonfinancial data on inputs and the actual outcome for the year, and whether these estimates are accompanied by a narrative discussion.

Refer to Question 49 for the nonfinancial data on inputs included in the Executive's Budget Proposal.

To answer "a," the Year-End Report must include estimates of the differences between all of the original estimates of nonfinancial data on inputs and the actual outcome, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between all of the original estimates of nonfinancial data on inputs and the actual outcome, but does not include a narrative discussion. Answer "c" if estimates of the differences between some but not all of the original estimates of nonfinancial data on inputs and the actual outcome are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented.

Answer:
c. Yes, estimate of the differences between some but not all of the original estimates of nonfinancial data on inputs and the actual outcome are presented.

Source:
In Hungarian: XX. Emberi Erőforrások Minisztériuma – 14. cím Országos Mentőszolgálat
In English: Chapter XX Ministry for Human Capacities – Title 14 National Ambulance Service
URL: https://www.parlament.hu/irom42/01877/T_1877_05.pdf
pages 2980 and 2983

In Hungarian: LXXII. Egészségbiztosítási és Járvány Elleni Védekezési Alap - 10. Összevont szakellátás – Fekvőbeteg szakellátás - Aktív-fekvőbeteg szakellátás
In English: Chapter LXXII Health Insurance and Anti-Epidemic Protection Fund - 10. Integrated specialised care - Inpatient specialised care - Active inpatient specialised care
URL: https://www.parlament.hu/irom42/01877/T_1877_08.pdf
page 4641

Comment:
The only systematic nonfinancial input in the EBP for 2021 was the number of employees. This data is also included in the year-end report for each institution in a summary table. On page 2980 the row „Létszám (fő)" shows the average number of employees of the institution during the year. The column „2020. évi tény" shows the outcome of the previous year, the column „2021. évi eredeti előirányzat" the originally enacted number, the column „2021. évi törvényi módosított előirányzat" the updated number and „2021. évi tény" the actual outcome for the budget year. The narrative discussion is on page 2983 in the paragraph with the boldfaced „átlagos statisztikai állományi létszáma" expression. The comparison is between the enacted level and actual outcome. The narrative discussion also stated that the actual number of employees had been 8242 persons at the end of the year.
Related to the specific institutions other nonfinancial inputs may be mentioned throughout the document.
As an example on pages 2978-2979 the number of vehicles and number of ambulance stations are mentioned, but only the outcomes are detailed, the planned numbers are not described. This is in the sentences „Az OMSZ a mentési munkát 788 szervezetten futó gépjárművel teljesítette" and "Az OMSZ operatív mentő feladatait 2021. évben 255 mentőállomáson végezte".
Similar nonfinancial data is mentioned on page 4641 where the number of beds in healthcare is shown for several years in the row "Éves átlagos ágyszám" that may be treated as capacity for inpatient care. The data show the outcomes for each year, the planned numbers are not mentioned in the table or in the narrative discussion.
The EBP did not contain these data and the originally intended values were not described, hence we only evaluated the number of employees as nonfinancial data for inputs where the comparison is made.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

93. Does the Year-End Report present the differences between the original estimates of nonfinancial data on results and the actual outcome?

GUIDELINES:
Question 93 asks whether the Year-End Report includes estimates of the differences between the original estimates of nonfinancial data on results and the actual outcome for the year, and whether these estimates are accompanied by a narrative discussion. Nonfinancial data on results can include data on both outputs and outcomes, but not on inputs (which are addressed in Question 92).

Refer to Question 50 for the nonfinancial data on results included in the Executive's Budget Proposal.

To answer "a," the Year-End Report must include estimates of the differences between all of the original estimates of nonfinancial data on results and the actual outcome, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between all of the original estimates of nonfinancial data on results and the actual outcome, but does not include a narrative discussion. Answer "c" if estimates of the differences between some but not all of the original estimates of nonfinancial data on results and the actual outcome are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented.

Answer:
d. No, estimates of the differences between the original estimates of nonfinancial data on results and the actual outcome are not presented.

Source:
In Hungarian: XX. Emberi Erőforrások Minisztériuma – 14. cím Országos Mentőszolgálat

In English: Chapter XX Ministry for Human Capacities – Title 14 National Ambulance Service
URL: https://www.parlament.hu/irom42/01877/T_1877_05.pdf
pages 2978

In Hungarian: XX. Emberi Erőforrások Minisztériuma – 17. cím Országos Vérellátó Szolgálat
In English: Chapter XX Ministry for Human Capacities – Title 17 National Blood Supply Service
URL: https://www.parlament.hu/irom42/01877/T_1877_05.pdf
page 3004

In Hungarian: XX. Emberi Erőforrások Minisztériuma – 2.3. alcím Szociális és gyermekvédelmi, gyermekjóléti feladatellátás és irányítás intézményei
In English: Chapter XX Ministry for Human Capacities – Subtitle 2.3 Institutions of social and child-protection, child-welfare
URL: https://www.parlament.hu/irom42/01877/T_1877_05.pdf
page 3304

In Hungarian: XLII. A költségvetés közvetlen bevételei és kiadásai – 34. cím Pénzbeli kárpótlás
In English: Chapter XLII Direct revenues and expenditures of the budget – Title 34 Financial compensation
URL: https://www.parlament.hu/irom42/01877/T_1877_07.pdf
page 4044

In Hungarian: LXXI. Nyugdíjbiztosítási Alap - II. A Nyugdíjbiztosítási Alap bevételeinek, kiadásainak teljesítése – II. 2. 1. 1. A Nyugdíjbiztosítási Alap 2021. évi nyugdíjkiadása főbb adatok
In English: Chapter LXXI Pension Insurance Fund II. The execution of the revenues and expenditures of the Pension Insurance Fund – II. 2. 1. 1. Main attributes of the pension expenditures in 2021
URL: https://www.parlament.hu/irom42/01877/T_1877_08.pdf
page 4537

Comment:
Performance indicators and outcomes about the activities are presented ad hoc in the Year-End Report. The nonfinancial indicators are mostly mentioned in the narrative discussion to explain the activities of the budgetary institutions, not to evaluate their performances.
The number of beneficiaries mentioned occasionally in case of social supports. On page 4044 the YER stated that 2257 persons had received financial compensation as annuity from former claims against the state and the average monthly support was 15.799 HUF. This is in the sentence "Az év folyamán havonta átlagosan 2257 fő részesült pénzbeli kárpótlási életjáradékban, az egy főre számított havi átlagos ellátás 15 799 forintot, míg a tényleges kiadás 427,9 millió forintot tett ki." Similarly the number of pensioners are presented in the table on page 4537 in the column "Létszám" between the total expenditures in column "Kiadás" and the average pension per person in the column "Egy ellátottra jutó kifizetés".

In other cases the activities are justified by these additional numbers like in the cases of National Ambulance Services and Blood Supply Service. On page 2978 it is stated that 1.222.385 cases were attended in 2021 that is 96.453 more than in the previous year. Further details are provided like the total distance covered and the distribution of activities. This is in the paragraph starting with „Az OMSZ 2021. évben 1 222 385 esetben nyújtott segítséget,”. The Blood Supply Service presented the number of donors (381.806 persons), the donated blood units compared to the previous year (333.019 units that is 4.787 units lower than in the previous year) and the revenue from the manufactured blood products (9,943 billion HUF) in the section starting from "A véradáson megjelent donorok száma 2021-ben 381 086 fő volt," on page 3004.

The number and distribution of the social and child-welfare institutions are presented on page 3304. The columns show the allowed capacity („Engedélyezett férőhelyszám”) and used capacity („Ellátotti létszám összesen”) for social services („Szociális szakellátás”), child-welfare services („Gyermekvédelmi szakellátás”). The different services are listed in the rows.
The performance indicators and outcomes are presented sporadically and even the presented ones are not compared to the originally expected levels, hence the performance of the institutions cannot be evaluated without this context. As a consequence there are no explanations of the differences.

Peer Reviewer

Opinion: Agree

Comments: Performance indicators are not systematically presented in non of the budget documents although in the narrative part of the Year-End Report is often using reference to indicators and outcomes as a justification of the activities and use of resources of different institutions.

Government Reviewer

Opinion:

Researcher Response

The performance indicators are clearly not systematically presented. As the peer reviewer noted the indicators are only used for justifiying the outcomes and it is good description of the role of the indicators. For the question original estimates and comparisons between the two would also be necessary and those are missing in all the cases.

94. Does the Year-End Report present the differences between the enacted level of funds for policies (both new proposals and existing policies) that are intended to benefit directly the country's most impoverished populations and the actual outcome?

GUIDELINES:
Question 94 asks whether the Year-End Report includes estimates of the differences between the enacted level of funds for policies that are intended to benefit directly the country's most impoverished populations and the actual outcome for the year, and whether these estimates are accompanied by a narrative discussion.

Refer to Question 52 for assistance to the most impoverished populations in the Executive's Budget Proposal.

To answer "a," the Year-End Report must present estimates of the differences between the enacted level for all policies that are intended to benefit the country's most impoverished populations and the actual outcome, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between the enacted level for all policies that are intended to benefit the country's most impoverished populations and the actual outcome, but does not include a narrative discussion. Answer "c" if estimates of the differences between the enacted level for some but not all of the policies that are intended to benefit the country's most impoverished populations and the actual outcome are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented.

Answer:
c. Yes, estimates of the differences between the enacted level for some but not all of the policies that are intended to benefit directly the country's most impoverished populations and the actual outcome are presented.

Source:
In Hungarian: XIV. Belügyminisztérium – 386339 Felzárkózást elősegítő szakmapolitikai programok támogatása és 387739 Útravaló és felzárkózást segítő ösztöndíj programok
In English: Chapter XIV Ministry of Interior – 386339 Support for policy programmes to improve the situation of the most impoverished and 387739 "Útravaló" and other scholarships for the most impoverished
URL: https://www.parlament.hu/irom42/01877/T_1877_03.pdf
pages 2081 and 2084-2087

In Hungarian: XX. Emberi Erőforrások Minisztériuma – 2.3. alcím Szociális és gyermekvédelmi, gyermekjóléti feladatellátás és irányítás intézményei
In English: Chapter XX Ministry for Human Capacities – Subtitle 2.3 Institutions of social and child-protection, child-welfare
URL: https://www.parlament.hu/irom42/01877/T_1877_05.pdf
pages 3305-3306 and 3320-3321

In Hungarian: XX. Emberi Erőforrások Minisztériuma – 20/19/2 Egyéb szociális, gyermekjóléti és gyermekvédelmi szolgáltatások sajátos finanszírozása
In English: Chapter XX Ministry for Human Capacities – 20/19/2 Funds for other social, child-welfare and child protection services
URL: https://www.parlament.hu/irom42/01877/T_1877_05.pdf
pp. 3332-3333

In Hungarian: XX. Emberi Erőforrások Minisztériuma – 20/19/12 Egyes szociális, gyermekvédelmi, gyermekjóléti és fogyatékos személyek esélyegyenlőségét elősegítő ágazati szakmai programok támogatása
In English: Chapter XX Ministry for Human Capacities – 20/19/12 Supporting certain social, child protection, child-welfare tasks and promoting equal opportunities for disabled persons
URL: https://www.parlament.hu/irom42/01877/T_1877_05.pdf
page 3339

In Hungarian: XX. Emberi Erőforrások Minisztériuma – XX/21/1 Nemzeti Család- és Szociálpolitikai Alap
In English: Chapter XX Ministry for Human Capacities – XX/21/1 National Family and Social Fund
URL: https://www.parlament.hu/irom42/01877/T_1877_05.pdf
pages 3351-3353

Comment:
The funds intended for the most impoverished populations are not summarized. They can only found by looking through the explanations. The cited examples are only the appropriations that can be easily identified, there are other expenditures with similar goals.
The social benefits are not detailed in this way, sometimes even the individual benefits are not separated. For example many of the social benefits are discussed on pages 3351-3353, but the benefits took over from local governments called „Járási szociális feladatok ellátása" (in the table on page 3352) are not disaggregated, however it contains diverse benefits and some of them is targeted for the most impoverished, while others are general subsidies. Similarly the family support („Családi pótlék" on page 3351) may be a significant income for the most impoverished families but the beneficiaries are not detailed.
The other cited social benefits are targeted ones but they do not mean the total funds for the most impoverished persons. The support for services for homeless persons, child-welfare services, scholarships are mainly well-defined ones and even donor fund from the European Union are used for this purpose: on pages 3305-3306 the programs RSZTOP-1.1.1., RSZTOP-2.1.1. and RSZTOP-4.1.1. are about providing foods for incapacitated or

most impoverished persons, families. The table on pages 3320-3321 presents the total amount for these projects and the amount spent in 2021 in the columns "A teljes támogatás összege" and "2021. évi felhasználás".
The expenditures discussed on pages 3332-3333 are spent on social services for homeless persons, addicts, crisis centres and secret safe houses.
In point 3 on page 3339 some of the tenders aimed for improving the employment of disabled persons are described.
The Year-End Review includes all the subsidies provided to the citizens, but the benefits intended to the most impoverished can only be partially identified. For several but not all examples the actual outcomes, the original and modified appropriations and the outcomes for the previous year are presented.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

95. Does the Year-End Report present the differences between the original estimates of extra-budgetary funds and the actual outcome?

GUIDELINES:
Question 95 asks whether the Year-End Report presents estimates of the differences between the original estimates of extra-budgetary funds and the actual outcome for the year, and whether these estimates are accompanied by a narrative discussion.

Refer to Question 33 for estimates of extra-budgetary funds in the Executive's Budget Proposal.

To answer "a," the Year-End Report must include estimates of the differences between all of the original estimates of extra-budgetary funds and the actual outcome, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between all of the original estimates of extra-budgetary funds and the actual outcome, but does not include a narrative discussion. Answer "c" if estimates of the differences between some but not all of the original estimates of extra-budgetary funds and the actual outcome are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented

Answer:
d. No, estimates of the differences between the original estimates of extra-budgetary funds and the actual outcome is not presented.

Source:
In Hungarian: I. Országgyűlés – 8-11. címek – 11. cím Közszolgálati médiaszolgáltatás támogatása
In English: Chapter I. National Assembly – Titles 8-11 – Title 11 Support of public media
URL: https://www.parlament.hu/irom42/01877/T_1877_01.pdf
page 531

Comment:
In the Hungarian terminology „fund" may refer to some of the chapters in the central budget, like Pension Insurance Fund („Nyugdíjbiztosítási Alap") or Health Insurance Fund („Egészségbiztosítási Alap"). In practice these work like other ministries in the budget: the government can provide extra funds or take the surplus and in this sense they are not separate from the central budget. As they operate similarly to other budgetary institutions we do not consider them extra-budgetary funds.
The only extra-budgetary funds are the Media Service and Support Trust Fund and the foundations of the National Bank of Hungary.
The budget of the media fund is approved in a separate law from the central budget, but it is almost exclusively funded by the central budget, only has minor fees as its own revenues. The details of this fund are omitted from the Year-End Report, only the subsidy provided to it was described on page 531. The Year-End Report of the media fund is cited at the end of the comment.
The foundations of the National Bank of Hungary are not controlled by the government, but as they spend public funds and serve public goals, for a comprehensive report their activities could be included as extra information.
The subsidy for the media fund is only partial revenue information for the fund, because it has other revenue sources. While both the original estimate and actual outcome were included in the YER, the information must be provided for the total gross data.

In Hungarian: T/105 A Nemzeti Média- és Hírközlési Hatóság 2021. évi egységes költségvetésének végrehajtásáról
In English: Bill T/105 on the implementation of the budget of the National Media and Infocommunications Authority in 2021
URL: https://www.parlament.hu/irom42/00105/00105.pdf

Peer Reviewer

Opinion: Agree

Government Reviewer
Opinion:

96. Is a financial statement included as part of the Year-End Report or released as a separate report?

GUIDELINES:
Question 96 asks whether a financial statement is included as part of the Year-End Report, or whether it is released as a separate report. The financial statement can include some or all of the following elements: a cash flow statement, an operating statement, a balance sheet, and notes on accounting. For purposes of responding to this question, the financial statement in question does not need to be audited. For an example of a financial statement, see the document "Financial Statements of the Government of New Zealand 2013" (https://treasury.govt.nz/sites/default/files/2013-10/fsgnz-year-jun13.pdf)

To answer "a," a financial statement must either be included in the Year-End Report or must be released as a separate report. Answer "a" applies if a financial statement is released as a separate report, even if the Year-End Report is not publicly available. Answer "b" applies if no financial statement is released either as part of the Year-End Report or as a separate report.

Answer:
a. Yes, a financial statement is part of the Year-End Report or is released as a separate report.

Source:
In Hungarian: Vagyoni adatok – Központi költségvetési szervek és fejezeti kezelésű előirányzatok könyvviteli mérlege
In English: Data on assets – Balance sheet of national accounts
URL: https://www.parlament.hu/irom42/01877/T_1877_00.pdf
pp. 437-440
In Hungarian: Az államháztartás főbb jellemzői (pénzforgalmi szemléletben)
In English: Main characteristics of the budget of the general government (cash-flow based)
URL: https://www.parlament.hu/irom42/01877/T_1877_00.pdf
page 206
In Hungarian: A központi költségvetés finanszírozási és adósságműveletei 2021-ben, előzetes adatok alapján
In English: The financing and debt transactions of the the central budget in 2021 (preliminary data)
URL: https://www.parlament.hu/irom42/01877/T_1877_00.pdf
page 413

Comment:
Some elements of the financial statement can be found in separate tables of the YER.
The first cited table on pp. 437-440 is the balance sheet of the central government, presenting the assets (until the row „Eszközök összesen") and liabilities (until the row „Források összesen") for the previous (in column „Előző év") and the budget year (in column „Tárgyév").

The second cited table on page 206 is an operating statement presenting revenues and expenditures of the government. The „cash-flow based" type only refers to the method of accounting that all the items are booked when they were received or paid, but because of the treasury system used by the government there is no cash movement for intra-governmental transfers. The presented numbers are not consolidated. This is proved by the table on page 210 that shows the consolidated expenditures and in the row „Kiadások" the amount is different than the „Kiadások" in the block „Államháztartás összesen" (General government total). In the table the rows „bevételek" shows the revenues, the „kiadások" shows the expenditures.

The items are detailed by subsectors (like central government – „központi költségvetés", local governments – „önkormányzatok", pension insurance fund – „Nyugdíjbiztosítási Alap", health insurance fund – „Egészségbiztosítási Alap", separated financial funds – „elkülönített állami pénzalapok") and types (like primary revenues and expenditures – „elsődleges", interest related – „kamat"). The actual outcomes are in the columns „2020. évi teljesítés" and „2021. évi teljesítés", the columns in between show the original and modified estimates.

The closest to the cash flow statement is the summary table of financing and debt transactions on page 413. However the table only presents the cash-flow movements related to debt transactions and omits the received funds from taxes, social contributions and the amount paid for wages, operational costs, investments. It presents only part of the cash flow movements of the cash account of the government. The cash account of the government is called „KESZ", so the rows „KESZ-t érintő devizaadósság felvétel és átvállalás" shows the foreign currency denominated debts affecting the cash account, the row „KESZ likviditásának csökkenése" shows the liquidity decrease of the account, but other movements are not detailed.
The revenues, expenditures and the balance sheet of the government are presented in the document, but these are not linked together to show how the former influenced the changes in assets or debt.

A government decree determines the accounting rules of the financial statements. In point 6. § (2) b) the decree states that the operating statement

and the balance sheet must be prepared according to accrual-based accounting, while the other reports according to cash-flow based accounting. The aggregated balance sheet for the central government is included in the YER, but the operating statement is not, it is only collected and checked by the State Treasury.

The detailed lines of the balance sheet is in appendix 5, the lines of the operating income in appendix 6 of the decree cited below.
In Hungarian: 4/2013. (I. 11.) Korm. rendelet az államháztartás számviteléről
In English: Government decree 4/2013. (I. 11.) on the accounting of public finances
URL: https://net.jogtar.hu/jogszabaly?docid=a1300004.kor
5. and 6. melléklet (Appendix 5 and 6)

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

97. What type of audits (compliance, financial, or performance) has the Supreme Audit Institution (SAI) conducted and made available to the public?

GUIDELINES:

Question 97 asks about the types of audits conducted by the Supreme Audit Institution (SAI). There are three basic types of audits:

- *Financial audits are intended to determine if an entity's financial information is accurate (free from errors or fraud) and presented in accordance with the applicable financial reporting and regulatory framework. See ISSAI 200 (https://www.issai.org/pronouncements/issai-100-fundamental-principles-of-public-sector-auditing/) for more detail.*
- *Compliance audits look at the extent to which the relevant regulations and procedures have been followed. See ISSAI 400 (https://www.issai.org/pronouncements/issai-400-compliance-audit-principles/) for more details.*
- *Performance audits assess whether activities are adhering to the principles of economy, efficiency, and effectiveness. See ISSAI 300 (https://www.issai.org/pronouncements/issai-300-performance-audit-principles/) for more details.*

Financial and compliance audits are more common than performance audits, which usually occur only once a performance framework has been agreed upon. In some countries, the SAI's mandate limits the type of audit it can conduct.

To answer "a," the SAI must have conducted all three types of audit — financial, compliance, and performance — and made all of them available to the public. A "b" response applies if the SAI has conducted two of the three audit types, and a "c" applies if it has conducted only one type of audit. Answers "b" and "c" may be selected even if the Audit Report is not publicly available, as long as the SAI has conducted compliance or performance audits and made them available to the public. A "d" response applies if the SAI has not conducted any of the three types of audits, or has not made them available to the public.

Answer:
a. The SAI has conducted all three types of audits (compliance, financial, or performance) and made them available to the public.

Source:
Compliance audit
In Hungarian: Jelentés - A nemzeti tulajdonú gazdasági társaságoknál a bevételek beszedésének és elszámolásának kockázat alapú ellenőrzése
In English: Report of the Audit of the revenue collection and revenue accounting at state enterprises based on risk assessment
URL: https://www.asz.hu/dokumentumok/22043.pdf

In Hungarian: Jelentés - A Magyar Államkincstár nyilvánosságra hozott adatai, információi és a beszámolók kezelésével kapcsolatos tevékenységének ellenőrzése
In English: Report of the Audit of the data and information published by the State Treasury and the administration of the reports
URL: https://www.asz.hu/dokumentumok/22042.pdf

Financial audit
In Hungarian: Jelentés Magyarország 2021. évi központi költségvetése végrehajtásának ellenőrzéséről
In English: Report of the Audit on the Execution of Central Budget of Hungary for the Year 2021
URL: https://www.asz.hu/dokumentumok/22061.pdf

Performance audit
In Hungarian: Jelentés - A kutatás-fejlesztésre és innovációra biztosított források felhasználása eredményességének ellenőrzése
In English: Report of the Audit of effectiveness of the funds allocated to research, development and innovation
URL: https://www.asz.hu/dokumentumok/22045.pdf

Comment:
The most common type of audits is compliance audit, a very high percentage of the reports fall into this category. In both cited examples the type of audit is noted on page 10 in the line “Ellenőrzés típusa” ("Megfelelőségi ellenőrzés" means compliance audit). These audits check if the institution carried out its tasks according to the relevant legal rules and its own regulation. The examples show minor audit cases like whether the State Treasury checked the validity of the published data and published them on time or how the selected state enterprises handled the outstanding debtor claims.
The recurring financial audit is the Audit Report on the execution of the budget, whose main goal is to ensure all the numbers in the Year-End Report are reliable and reflect the actual state. On page 11 it shows "Megfelelőségi ellenőrzés" (compliance audit) because it also audits if the Year-End Report was compiled according to the rules beside the reliability of the published numbers.
The cited performance audit inspected the effectiveness of the funds allocated to research, development and innovation. The audit not only checked whether the performance indicators in the related strategies had been achieved but also assessed whether the performance indicators were relevant for the desired goals. The type of the audit is shown on page 11 in the line "Ellenőrzés típusa" ("Teljesítmény ellenőrzés" means performance audit).

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

98. What percentage of expenditures within the mandate of the Supreme Audit Institution (SAI) has been audited?

GUIDELINES:
Question 98 focuses on the coverage of audits by the Supreme Audit Institution (SAI), asking what percentage of expenditures within the SAI’s mandate has been audited.

The SAI’s mandate is typically defined in statute. Only expenditures related to budgetary central government (ministries, departments, and agencies) that are within the SAI’s mandate should be considered for this question. (Question 99 addresses audits of extra-budgetary funds.) Further, the question does not apply to “secret programs” (for example, security-related expenditures that are confidential). Further, if the mandate gives the SAI the authority to outsource some audits, then those audits count for purposes of this question.

Only the Audit Report identified in Section 1 should be used to answer this question. Financial audits and compliance audits, or a hybrid of the two, can be taken into account to answer this question. Performance audits should not be considered for this question.

To answer “a,” all expenditures within the SAI’s mandate must be audited. A “b” response applies if at least two-thirds, but not all, expenditures within the SAI’s mandate have been audited. A “c” response is appropriate when less than two-thirds of expenditures within the SAI’s mandate have been audited. A “d” response applies when no expenditures have been audited.

Answer:
a. All expenditures within the SAI’s mandate have been audited.

Source:
In Hungarian: Jelentés - Magyarország 2021. évi központi költségvetése végrehajtásának ellenőrzéséről
In English: Report of the Audit on the Execution of Central Budget of Hungary for the Year 2021
URL: https://www.parlament.hu/irom42/01877/01877-0001.pdf
Appendix IV on pp. 35-37

Comment:
The percent of audited expenditures are not stated explicitly in the document, but according to a former announcement the renewed methodology of the State Audit Office ensures that it audits 100% of the expenditures and revenues. The methodology guidance (linked at the end of the comment) on the webpage of the State Audit Office shows “January 2015” on the cover page and in point 2.1.6 on page 14 the guidance allows the sampling in the audit, so the method is still in effect.
The audited institutions are listed pp. 35-37 in the Audit Report. While the list contains institutions in some cases only certain expenditures were audited. For example on page 37 in the block „Fejezeti kezeléső előirányzatok” all the ministries are listed, but not the ministries were audited, only

certain program-like expenditures.
According to the explanation on pp. 11-12 in the section "Az ellenőrzés módszerei" (Methods of the audit) the samples were taken based on the risk category of the institution and samples were taken by amounts to give higher probability to large expenditures.
There is no sign to question the methodology of the SAO, thus we accepted the statement that the methodology ensured the audit of all the expenditures.

The renewal of the methodology is available in the news articles below. (The SAO updated its webpage and as a consequence these announcements are only available in the internet archives, not on the webpage of the SAO.)
In Hungarian: Zárszámadás 2014: megújult módszertan
URL: https://web.archive.org/web/20160704045049/https://www.aszhirportal.hu/hu/hirek/zarszamadas-2014-megujult-modszertan
In English: Final Accounts 2014: Focus on the central budget
URL: https://web.archive.org/web/20191127183338/https://www.aszhirportal.hu/en/highlighted-news/final-accounts-2014-focus-on-the-central-budget
In Hungarian: Módszertani útmutató a költségvetés végrehajtásának (zárszámadás) ellenőrzéséhez
In English: Methodological guide to the audit of the execution of the budget (final accounts)
URL: https://www.asz.hu/dokumentumok/02_modszertani_utmutato_zarszamadas_ellenorzesehez.pdf

Peer Reviewer

Opinion: Agree

Comments: The Report of the Audit on the Execution of Central Budget of Hungary for the Year 2021, Annex III is publishing a lost of the audited budgetary chapters and institutions, but is not mentioning the percentage of the sample which was taken during the audit. In total 171 budgetary chapters and institutions are listed under Annex III.

Government Reviewer

Opinion:

Researcher Response

We agree with the peer reviewer's note that only the institutions were listed in the Audit Report and the size of the sample was not presented. Thank you also for the correction because Annex III presented the information! It would be great if the SAO had published the size of the sample too in the Audit Report as a confirmation for the scope of the audit.

99. What percentage of extra-budgetary funds within the mandate of the Supreme Audit Institution (SAI) has been audited?

GUIDELINES:

Question 99 focuses on audits of extra-budgetary funds, asking what percentage of extra-budgetary funds within the mandate of the Supreme Audit Institution (SAI) has been audited. These funds, although technically outside the budget, are governmental in nature and thus should be subject to the same audit requirement as other government programs.

The SAI's mandate is typically defined in statute. Only expenditures related to extra-budgetary funds within the SAI's mandate should be considered for this question. (Question 98 addresses audits of budgetary central government.) Further, if the mandate gives the SAI the authority to outsource some audits, then those audits count for purposes of this question.

To answer "a," all extra-budgetary funds within the SAI's mandate must be audited. A "b" response applies if extra-budgetary funds accounting for at least two-thirds of, but not all, expenditures associated with extra-budgetary funds within the SAI's mandate have been audited. A "c" response applies if extra-budgetary funds accounting for less than two-thirds of expenditures associated with extra-budgetary funds within the SAI's mandate have been audited. A "d" response applies if extra-budgetary funds have not been audited.

Answer:
b. Extra-budgetary funds accounting for at least two-thirds of, but not all, expenditures associated with extra-budgetary funds within the SAI's mandate have been audited.

Source:
In Hungarian: Jelentés Magyarország 2021. évi központi költségvetése végrehajtásának ellenőrzéséről
In English: Report of the Audit on the Execution of Central Budget of Hungary for the Year 2021
URL: https://www.parlament.hu/irom42/01877/01877-0001.pdf
Appendix IV on pp. 35-37

Comment:
In the Hungarian context extra-budgetary funds can be the Media Service and Support Trust Fund, the foundations of the National Bank of Hungary or maybe the Hungarian Hydrocarbon Stockholding Alliance.
The separated funds in the central budget (Pension Insurance Fund, Health Insurance Fund, Central Nuclear Financial Fund and similar funds) were audited along the year-end report, but these funds are not extra-budgetary as they are part of the central budget and operate by the same rules. These are listed on page 37 in Appendix IV of the Audit Report in the blocks "Elkülönített állami pénzalapok és kezelő szerveik" (Separated state funds and their managing institutions) and "Társadalombiztosítási alapok" (Social insurance funds).

According to our research the latest published report on the Media Fund was in 2023, but the audit was conducted for 2021. The previous report was published in 2019. The fund is not in the scope of the yearly financial audit of the central budget as the appendix of the audit report does not show the fund as audited institution.
The last published audit report of the Media Fund:
https://www.asz.hu/dokumentumok/23022.pdf

The foundations of the National Bank of Hungary are also audited separately from the financial audit of the central budget. Their last audited year is 2016. The reports were published 21 June 2018 as shown on page 2 of the reports.
The separate reports can be found on the below links:
https://www.asz.hu/dokumentumok/18133.pdf
https://www.asz.hu/dokumentumok/18134.pdf
https://www.asz.hu/dokumentumok/18135.pdf
https://www.asz.hu/dokumentumok/18136.pdf
https://www.asz.hu/dokumentumok/18137.pdf

The extra-budgetary funds were only partially audited and the foundations of the National Bank of Hungary had an aggregated revenue of about 7 billion HUF, opposed to the 116 billion HUF (of which nearly 100 billion is the support from the central budget) of the Media Fund. The Media Fund is audited regularly, the audit of the foundations of the National Bank of Hungary is outdated, while the other possible extra-budgetary funds were not audited at all, so we maintained answer 'b'.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

100. Does the annual Audit Report(s) prepared by the Supreme Audit Institution (SAI) include an executive summary?

GUIDELINES:
Question 100 asks whether the annual Audit Report includes an executive summary. Only the Audit Report identified in Section 1 should be used to answer this question. The Audit Report can be a fairly technical document, and an executive summary of the report's findings can help make it more accessible to the media and the public.

To answer "a," the Audit Report must include at least one executive summary summarizing the report's content. Answer "b" applies if the Audit Report does not include an executive summary, or the Audit Report is not made publicly available.

Answer:
a. Yes, the annual Audit Report(s) includes one or more executive summaries summarizing the report's content.

Source:
In Hungarian: Összegzés
In English: Summary
URL: https://www.parlament.hu/irom42/01877/01877-0001.pdf
pp. 5-6

Comment:
The cited pages are the executive summary with the most important findings of the audit.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

101. Does the executive make available to the public a report on what steps it has taken to address audit recommendations or findings that indicate a need for remedial action?

GUIDELINES:
Question 101 asks whether the executive reports to the public on the steps it has taken to address audit recommendations made by the Supreme Audit Institution (SAI). The ultimate purpose of audits is to verify that the budget was executed in a manner consistent with existing law, and to hold the government accountable for this execution and its future improvement. The extent to which audits achieve the latter depends on whether there is adequate and timely follow-up on the recommendations provided in the SAI's audit reports.

To answer "a," the executive must report publicly on the steps it has taken to address all audit findings. A "b" response applies if the executive reports publicly on the steps it has taken to address most, but not all, audit findings. A "c" response applies if the executive reports publicly on the steps it has taken to address only some audit findings. As long as the executive reports publicly on the steps it has taken to address audit finding, answer "a,""b," or "c" may be selected, even if the Audit Report is not made publicly available. A "d" response applies if the executive does not report at all on its steps to address audit findings.

Answer:
d. No, the executive does not report on steps it has taken to address audit findings.

Source:
N/A

Comment:
The government did not publish any document about the findings of the Audit Report and what measures it took to correct them.

Additional note that there is a joint committee with the State Audit Office and the Government Audit Office (the institution under the Prime Minister responsible for the compliant use of public funds) that has the task of tracking audit recommendations, the utilisation of the findings in the audit reports and making proposals for the government. It is in the section "A Bizottság feladata az Állami Számvevőszékkel történő összehangolt kormányzati kapcsolattartás biztosítása, az Állami Számvevőszék megállapításainak nyomon követése és a javaslatok hasznosulásának figyelemmel kísérése, illetve az ellenőrzési tapasztalatok alapján a Kormány számára javaslatok megfogalmazása" on page 1074 of the EBP. There is no public record about the activity of the committee, hence we could not consider it in answering this question.
In Hungarian: XXI. Miniszterelnöki Kabinetiroda - 23. cím Kormányzati Ellenőrzési Hivatal
In English: Chapter XXI Cabinet Office of the Prime Minister - Article 23 Government Audit Office
URL: https://www.parlament.hu/irom42/00152/T_152_II_fejezeti.pdf
page 1074

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

102. Does either the Supreme Audit Institution (SAI) or legislature release to the public a report that tracks actions taken by the executive to address audit recommendations?

GUIDELINES:
Question 102 asks whether the Supreme Audit Institution (SAI) or the legislature track actions by the executive to address audit recommendations. After audit results and recommendations are discussed and validated by the legislature, the executive is normally asked to take certain actions to address the audit findings. For accountability purposes, the public needs to be informed about the status of those actions, and steps the executive has taken to address audit

recommendations. In addition to the executive reporting on its actions (see Question 101), the SAI and legislature — as the key oversight institutions — have a responsibility to keep the public informed by tracking the executive's progress in addressing audit recommendations.

To answer "a," the SAI or legislature must report publicly on what steps the executive has taken to address all audit findings. A "b" response applies if the SAI or legislature reports publicly on what steps the executive has taken to address most, but not all, audit findings. A "c" response applies if the SAI or legislature reports publicly on what steps the executive has taken to address only some audit findings. As long as the SAI or legislature reports publicly on the steps the executive has taken, answer "a,""b," or "c" may be selected, even if the Audit Report is not made publicly available. A "d" response applies if neither the SAI nor the legislature reports on the executive's steps to address audit findings.

Answer:
d. No, neither the SAI nor legislature reports on steps the executive has taken to address audit recommendations.

Source:
In Hungarian: Jelentés Magyarország 2021. évi központi költségvetése végrehajtásának ellenőrzéséről
In English: Report of the Audit on the Execution of Central Budget of Hungary for the Year 2021
URL: https://www.parlament.hu/irom42/01877/01877-0001.pdf
pages 6 and 39

Comment:
Neither the State Audit Office nor the legislature published a report that tracked the audit recommendations.
The Audit Report did not highlight any recommendation but there were references for minor cases. On page 6 it was noted that the SAO had indicated the identified gaps to the budgetary institutions, however the sum of these errors had not influenced the reliability of the Year-End Report. This is in the section "...feltárt hiányosságokat az ÁSZ az érintett ellenőrzött szervezetek vezetői részére jelezte. Ezen hiányosságok a lényegességi szintet nem érték el, így a zárszámadási törvényjavaslatban szereplő adatok megbízhatóságát, a központi költségvetés egésze végrehajtásának szabályszerűségét nem befolyásolták".
On page 39 the report stated that the draft version of the Audit Report had been sent to the Finance Minister and the audited budgetary institutions, but the budgetary institutions did not comment it.
Based on the above the State Audit Office probably made recommendations but these were not listed in the Audit Report and there was no additional report on the webpage that tracked these recommendations.
The State Audit Office regularly prepares post-audit reports in certain topics but none of them was specifically about the Year-End Report, so it cannot be determined which recommendations were made in the Audit Report and how they were resolved.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

103. Is there an Independent Fiscal Institution (IFI) that conducts budget analyses for the budget formulation and/or approval process?

GUIDELINES:
Question 103 examines whether an Independent Fiscal Institution (IFI) exists that contributes budget analyses to the budget formulation and/or approval process. According to the Principles for Independent Fiscal Institutions, adopted by the OECD Council in 2014, "independent fiscal institutions are publicly funded, independent bodies under the statutory authority of the executive or the legislature which provide non-partisan oversight and analysis of, and in some cases advice on, fiscal policy and performance", and with "a forward-looking ex ante diagnostic task". In practice, they come in two main forms:

- *Parliamentary budget offices (also known as PBOs) such as the Congressional Budget Office in the United States (https://www.cbo.gov/), the Parliamentary Budget Office in South Africa (https://www.parliament.gov.za/parliamentary-budget-office), and the Center for Public Finance Studies in Mexico (Centro de Estudios de las Finanzas Públicas, http://www.cefp.gob.mx/); or*
- *Fiscal councils such as the Office for Budget Responsibility in the United Kingdom (https://obr.uk/) and the High Council for Public Finances in France (Haut Conseil des finances publiques, https://www.hcfp.fr/).*

For more information, see von Trapp et al. 'Principles for Independent Fiscal Institutions and Case Studies', OECD Journal on Budgeting 15:2 (special issue, 2016), https://doi.org/10.1787/budget-15-5jm2795tv625.

To answer "a," there must be an IFI, and its independence must be set in law. In addition, it must have sufficient staffing and resources, including funding, to

carry out its tasks. Answer "b" applies if an IFI exists, but either its independence is not set in law or its staffing and resources are insufficient to carry out its tasks. Answer "c" applies if an IFI exists, but its independence is not set in law and it lacks sufficient staffing and resources. Answer "d" applies if no IFI exists.

If the answer is "a,""b," or "c," please specify in the comments the name and type of IFI that exists (e.g., parliamentary budget office or fiscal council). If the answer is "a" or "b," identify the law that guarantees its independence, and provide evidence in support of the assessment of the adequacy of its staffing and resources. This can include the IFI's total budget allocation over recent years, any press reports that discuss perceived funding shortfalls, assessments by international organizations, and/or information from interviews with staff of the IFI.

Answer:
a. Yes, there is an IFI, its independence is set in law, and it has sufficient staffing and resources, including funding, to carry out its tasks.

Source:
In Hungarian: 2011. évi CXCIV törvény Magyarország gazdasági stabilitásáról
In English: Act CXCIV of 2011 on the economic stability of Hungary
URL: https://net.jogtar.hu/jogszabaly?docid=A1100194.TV

In Hungarian: Magyarország alaptörvénye
In English: Fundamental Law of Hungary
URL: https://njt.hu/jogszabaly/2011-4301-02-00
URL in English: https://njt.hu/jogszabaly/en/2011-4301-02-00

In Hungarian: A Költségvetési Tanács 2023. évi feladatterve
In English: The yearly plan of the Fiscal Council for FY 2023
URL: https://www.parlament.hu/documents/126660/63101038/6-2022.12.08.+A+KT+2023.%C3%A9vi+feladatterve.pdf/258d614a-27f1-5a0b-1687-d96aaa12785c?t=1672141453550

In Hungarian: Beszámoló a Költségvetési Tanács 2022. évi feladattervének teljesítéséről
In English: The report about the execution of the Fiscal Council's yearly plan for FY 2022
URL: https://www.parlament.hu/documents/126660/63101038/5-2022.12.27.+KT+Eln%C3%B6k%C3%A9nek+2022.+%C3%A9vi+besz%C3%A1mol%C3%B3ja.pdf/9558d53d-bdf0-aab7-d4a9-63dbda95c859?t=1672142032333

In Hungarian: Válasz az Európai Bizottság Magyarországi képviseletének a Költségvetési Tanács tevékenységét segítő szakmai háttér megerősítésével kapcsolatos kérdéseire
In English: Reply to the Hungarian Office of the European Commission regarding the recommendations about strengthening the professional capacity of the Fiscal Council
URL:
https://www.parlament.hu/documents/126660/126715/V%C3%A1lasz+az+Eur%C3%B3pai+Bizotts%C3%A1g+Magyarorsz%C3%A1gi+k%C3%A9pviselet%C3%A9nek+a+K%C3%B6lts%C3%A9gvet%C3%A9si+Tan%C3%A1cs+tev%C3%A9kenys%C3%A9g%C3%A9t+seg%C3%ADt%C5%91+szakmai+h%C3%A1tt%C3%A9r+meger%C5%91s%C3%ADt%C3%A9s%C3%A9vel+kapcsolatos+k%C3%A9rd%C3%A9seire.pdf/3238cfec-e9db-4c90-a963-b352d4ed0acb

Comment:
According to the legal rules and the yearly plan of the Fiscal Council the Council fulfilled its tasks.
Based on the stability act (23. § (1)) the Council scrutinizes the proposed fiscal deficit and government debt in the EBP and makes a decision about approving it. The Council evaluates the fiscal deficit from EU's medium-term target perspective, but only compares the proposed value to the one submitted to the EU in the Convergence Programme. There is no proof the Council makes its own calculations for the fiscal deficit and the structural deficit.
Apart from this the Council evaluates and publishes its opinion about mid-year budgetary trends and may publish its opinion about the legal changes related to the EBP. The Fundamental Law (article 36 (4) and (5)) states that the legislature must not approve a budget proposal that would increase the government debt if the debt-to-GDP ratio is above 50% or approve an EBP that would increase the ratio above 50%.
In its yearly report the Fiscal Council describes that it mainly used documents prepared by the Hungarian National Bank, State Audit Office and other research institutions. This is in point 5 (on pp. 19-20) in the report about the execution of the yearly plan.

The exact budget and staffing of the Council cannot be determined. The Council is an advisory institution of the legislature and its budget is aggregated into the Office of the Parliament in the Year-End Report. In a letter about its staffing from 2013 it stated that the Secretary of the Council operates with 5 employees, but the Council heavily relies on external resources. This is on page 2 in the paragraph starting with "A 2013. évi központi költségvetési törvény a Titkárság működési feltételeire 94,9 millió Ft-ot bocsát rendelkezésre". As the leaders of the State Audit Office and National Bank of Hungary are in the Council, they use their own staff to create analysis for the council meetings and the Council orders researches from other institutions as well. The list of ordered documents are available here:
https://www.parlament.hu/web/koltsegvetesi-tanacs/70

We agree that the Council has enough resources to carry out its tasks, but the Council makes it in a minimalistic way. The Council only formulates its opinion in a probabilistic way (the proposed budget is achievable or not) based on other forecasts and researches. The Council does not publish its own forecast, does not formulate its own assessment about budgetary or macroeconomic trends. For example in other countries the Council creates

the macroeconomic projection that provides the basis of the budget. Formally the Council carries out its tasks, however the Council makes minimal effort to formulate its opinion on its own.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

104. Does the Independent Fiscal Institution (IFI) publish macroeconomic and/or fiscal forecasts?

GUIDELINES:
Question 104 assesses whether an Independent Fiscal Institution (IFI) has a role in producing the macroeconomic forecast (e.g., GDP growth, inflation, interest rates, etc.) and/or the fiscal forecast (revenues, expenditure, deficits, and debt), and if so, what kind of role it has. Macroeconomic and/or fiscal forecasting is a typical core function across IFIs, but their role in forecasting takes several forms (von Trapp et al. 2016, p. 17 and Table 2). Some IFIs produce just a macroeconomic forecast, while others produce a complete fiscal forecast (which also typically requires an underlying macroeconomic forecast). In some cases, the fiscal forecast reflects continuation of current budget policies; such forecasts can be used by the legislature, the media, or the public to assess the projections in the executive's budget reflecting the government's policy proposals.

Some IFIs produce the official macroeconomic and fiscal forecasts used in the executive's budget. In other cases, IFIs do not prepare their own independent forecasts, but rather produce an assessment of the official estimates, or provide an opinion on, or endorsement of, the government's forecasts. Some others have no role at all in forecasting.

To answer "a", there must be an IFI that publishes both its own macroeconomic AND fiscal forecasts. Answer "b" applies if an IFI publishes its own macroeconomic OR fiscal forecast (but not both). Answer "c" applies if the IFI does not publish a macroeconomic or fiscal forecast, but rather publishes an assessment of the official forecasts produced by the executive and used in the budget. Choose option "d" if there is no IFI; or if there is an IFI that neither publishes its own macroeconomic and/or fiscal forecasts, nor a commentary on the official forecasts for the budget.

Macroeconomic forecasts may include indicators relating to economic output and economic growth, inflation, and the labor market, amongst others. Fiscal forecasts may include estimates of revenues, expenditures, the budget balance, and debt. If the answer is "a" or "b," please specify which indicators and estimates are included in the forecasts and whether the forecast is used by government as the official forecast. If the answer is "c," please describe the nature and depth of the assessment (e.g., the length of the commentary, or whether it covers both economic and fiscal issues).

Answer:
c, No, the IFI does not publish its own macroeconomic or fiscal forecast, but it does publish an assessment of the official macroeconomic and/or fiscal forecasts produced by the executive.

Source:
In Hungarian: A Költségvetési Tanács véleménye Magyarország 2023. évi központi költségvetéséről szóló törvényjavaslat tervezetéről
In English: The Fiscal Council's opinion about the draft of the EBP for FY 2023
URL: https://www.parlament.hu/documents/126660/63101038/2-2022.06.03.+V%C3%A9lem%C3%A9ny+Magyarorsz%C3%A1g+2023.+%C3%A9vi+k%C3%B6zponti+k%C3%B6lts%C3%A9gvet%C3%A9s%C3%A9r%C5%91l+sz%C3%B3l%C3%B3+t%C3%B6rv%C3%A9nyjavaslat+tervezet%C3%A9r%C5%91l.pdf/ae0e10af-d2e3-ef10-fd12-0537d7614263?t=1654246575358

In Hungarian: A Költségvetési Tanács határozata a Magyarország 2023. évi központi költségvetésének a veszélyhelyzettel összefüggő eltérő szabályairól szóló kormányrendelet tervezetének véleményezéséről és az államadósság-szabály teljesülésével kapcsolatos állásfoglalásáról
In English: The Fiscal Council's resolution on the draft of the government's resolution on the modification of the central budget of Hungary for FY 2023 related to the state of danger and the statement about the fulfilment of the debt rule
URL: https://www.parlament.hu/documents/126660/63101038/7-2022.12.27.+A+K%C3%B6lts%C3%A9gvet%C3%A9si+Tan%C3%A1cs+Hat%C3%A1rozata+a+2023-as+k%C3%B6lts%C3%A9gvet%C3%A9ssel+kapcsolatos+%C3%A1ll%C3%A1sfoglal%C3%A1s%C3%A1r%C3%B3l.pdf/04a72fc5-6ba8-ff48-c376-985af858a1fe?t=1672141977363

In Hungarian: A Költségvetési Tanács honlapján elérhető kutatások
In English: The published researches on the webpage of the Fiscal Council:
URL: https://www.parlament.hu/web/koltsegvetesi-tanacs/70

Comment:

On page 3 of the first cited document, and on page 4 of the second cited document the Fiscal Council describes that the Council formulated its opinion based on the macroeconomic forecasts of international institutions (European Commission, IMF, OECD), the Hungarian National Bank, other domestic research institutions and the government's forecast in the EBP and the Convergence Progamme.

In Hungarian: "...Véleménye kialakítása során - gyakorlatának megfelelően - alapul vette az Állami Számvevőszéknek és a Magyar Nemzeti Banknak a költségvetés folyamatairól készített írásos elemzéseit, megállapításait. Ezen túl áttekintette a KT Titkársága által felkért hazai kutató-elemző intézetek, nemzetközi szervezetek (Európai Bizottság, OECD, IMF, Világbank), valamint más mértékadó piaci elemzők gazdasági előrejelzéseit."

The Council itself did not make its own forecast, only summarized the other forecasts and evaluated if the macroeconomic forecast of the EBP was plausible according to it. The assessment of the government's forecast is quite vague, because only states that the presented macroeconomic forecast is possible or achievable, but does not doubt if it is the most likely scenario, however it mentions some of the risks. This is in point 2 on page 4 of the first cited document: "A Tanács megítélése szerint a várt gazdasági növekedés megvalósulhat, amennyiben a járvány nem tér vissza, a háborús konfliktus hatásai a tervezés készítésekor megismert sávban maradnak, valamint a külkereskedelmi mérleg további romlása elkerülhető lesz". In English: "According to the Council's opinion the expected GDP growth may be realized if the pandemic does not return, the effects of the war stay in the band known at the time of budget formulation and the deficit of the current accounts does not worsen."

The researches published on the Council's webpage are the ordered researches from the economic research institutions.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

105. Does the Independent Fiscal Institution (IFI) publish its own costings of new policy proposals, to assess their impact on the budget?

GUIDELINES:
Question 105 assesses whether an Independent Fiscal Institution (IFI) has a costing function that involves assessing the budgetary implications of new policy proposals for both revenues and expenditures, and if so, what kind of role it has. Many IFIs have a costing role, but with substantial diversity in the nature and extent of this work (von Trapp et al 2016, pp. 17-18 and Table 2). Some assess virtually all new policy proposals, while others cost only a selection of new policy proposals. Others only publish opinions on, or scrutinize the costings of, budget measures produced by the executive.

To answer "a," the IFI must publish its own costings of all (or virtually all) new policy proposals. Answer "b" applies if the IFI publishes its own costings, but only for major new policy proposals – for instance, only those proposals that cost or save above a certain amount. Answer "c" applies if the IFI publishes its own costings, but only on a limited number of proposals. This could occur, for instance, if the IFI lacked the capacity to assess proposals dealing with certain sectors. Instead of producing a cost estimate, it can also publish an assessment of the estimates produced by the executive. Answer "d" applies if there is no IFI; or if the IFI does not publish its own costings of new policy proposals or provide an assessment of the official costings of new policy proposals.

Answer:
d. No, there is no IFI; or the IFI does not publish its own costings of new policy proposals.

Source:
In Hungarian: 2011. évi CXCIV törvény Magyarország gazdasági stabilitásáról
In English: Act CXCIV of 2011 on the economic stability of Hungary
URL: https://net.jogtar.hu/jogszabaly?docid=A1100194.TV

In Hungarian: A Költségvetési Tanács véleménye Magyarország 2023. évi központi költségvetéséről szóló törvényjavaslat tervezetéről
In English: The Fiscal Council's opinion about the draft of the EBP for FY 2023
URL: https://www.parlament.hu/documents/126660/63101038/2-2022.06.03.+V%C3%A9lem%C3%A9ny+Magyarorsz%C3%A1g+2023.+%C3%A9vi+k%C3%B6zponti+k%C3%B6lts%C3%A9gvet%C3%A9s%C3%A9r%C5%91l+sz%C3%B3l%C3%B3+t%C3%B6rv%C3%A9nyjavaslat+tervezet%C3%A9r%C5%91l.pdf/ae0e10af-d2e3-ef10-fd12-0537d7614263?t=1654246575358

In Hungarian: A Költségvetési Tanács határozata a Magyarország 2023. évi központi költségvetésének a veszélyhelyzettel összefüggő eltérő szabályairól szóló kormányrendelet tervezetének véleményezéséről és az államadósság-szabály teljesülésével kapcsolatos állásfoglalásáról
In English: The Fiscal Council's resolution on the draft of the government's resolution on the modification of the central budget of Hungary for FY 2023 related to the state of danger and the statement about the fulfilment of the debt rule
URL: https://www.parlament.hu/documents/126660/63101038/7-2022.12.27.+A+K%C3%B6lts%C3%A9gvet%C3%A9si+Tan%C3%A1cs+Hat%C3%A1rozata+a+2023-

as+k%C3%B6lts%C3%A9gvet%C3%A9ssel+kapcsolatos+%C3%A1ll%C3%A1sfoglal%C3%A1s%C3%A1r%C3%B3l.pdf/04a72fc5-6ba8-ff48-c376-985af858a1fe?t=1672141977363

Comment:
The Fiscal Council has the legal opportunity to formulate an opinion about new policy proposals provided by 23. § (d) in the act of economic stability. The legal obligation (in 23. § (a)) is only about assessing if the proposed fiscal deficit and through it the government debt is in line with the law.

There is no legal prohibition for making its own costings.
The Council did not publish its own costings for the new policy proposals in EBP for FY 2023, but assesses the risks related to the revenue and expenditure numbers. For example in point 7 a) on page 6 of the first cited document the Council stated that the assumed macroeconomic scenario is needed to achieve the revenue targets.. (In Hungarian: "A bevételi előirányzatok teljesüléséhez a tervezés alapját képező makrogazdasági pálya megvalósulása szükséges.")

In the second cited document similar risks mentioned in point 5 on page 6. For example the Council stated that the increase in tax revenues were based on the significant increase of total wages and consumption and in some cases the increases were higher than it had been justified by the increase of the tax base. The Council did not disclose if this assessment was made on its own costings or other calculations. (In Hungarian : "Az adóbevételek emelkedése a bér- és keresettömeg, valamint a nominális fogyasztás jelentős mértékű növekedésén alapulnak, és egyes sorokon meg is haladják az adóalapok várt növekedését.")

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

106. In the past 12 months, how frequently did the head or a senior staff member of the Independent Fiscal Institution (IFI) take part and testify in hearings of a committee of the legislature?

GUIDELINES:
Question 106 concerns the interaction between two important oversight actors and assesses how frequently the Independent Fiscal Institution (IFI) made high-level inputs to the work of legislative committees. Almost all IFIs interact with the legislature in some form (von Trapp et al 2016, p. 18), but the intensity of the interaction varies. This question assesses this aspect by asking, with reference to the past 12 months, how frequently the head or a senior staff member of the IFI took part and testified in hearings of a committee of the legislature. The intent is to assess the extent to which the IFI staff member in question was not only present at a meeting of a legislative committee, but was an active participant (as opposed to a passive observer, serving only as a resource when called upon). As evidence to support your answer, you can refer to official records of legislative committees, websites and annual reports of the IFI, press releases and media coverage, for example. Choose answer "a" if this occurred five times or more; "b" for three times or more, but less than five times; and "c" for once or twice. Answer "d" should be selected if the head or a senior staff member of the IFI never took part and testified in hearings of a committee of the legislature, or if there is no IFI.

Answer:
d. Never, or there is no IFI.

Source:
In Hungarian: Beszámoló a Költségvetési Tanács 2022. évi feladattervének teljesítéséről
In English: The report about the execution of the Fiscal Council's yearly plan for FY 2022
URL: https://www.parlament.hu/documents/126660/63101038/5-2022.12.27.+KT+Eln%C3%B6k%C3%A9nek+2022.+%C3%A9vi+besz%C3%A1mol%C3%B3ja.pdf/9558d53d-bdf0-aab7-d4a9-63dbda95c859?t=1672142032333

In Hungarian: A Költségvetési Bizottság üléseinek jegyzőkönyvei
In English: Minutes of the Meeting of the Budgetary Committee of the Parliament
URL: https://www.parlament.hu/web/koltsegvetesi-bizottsag/a-bizottsag-ulesei

In Hungarian: A Gazdasági Bizottság üléseinek jegyzőkönyvei
In English: Minutes of the Meeting of the Economic Committee of the Parliament
URL: https://www.parlament.hu/web/gazdasagi-bizottsag/a-bizottsag-ulesei

In Hungarian: Kovács Árpád, a Költségvetési Tanács elnökének parlamenti felszólalásai

In English: Speeches of Árpád Kovács, the Chairman of the Fiscal Council in the Parliament
URL: https://www.parlament.hu/web/guest/felszolalasok-keresese?p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=http%3A%2F%2Fwww.parlament.hu%2Finternet%2Fcplsql%2Fogy_naplo.altnaplek%3FP_TECH_SZEREP%3Dnull%26P_DATUM_TOL%3D2022.04.22%26P_CKL%3D42%26P_IFOTIP%3Dnull%26P_SZEREP%3Dnull%26P_KEPV%3Dnull%26P_KEPV%3Dk005%26P_SZEREP_CSOP%3Dnull%26P_FRAK%3Dnull%26P_DATUM_IG%3D2022.12.31%26P_ITIPUS%3Dnull%26P_AKTUS%3Dnull&p_auth=rWM5xpGp

In Hungarian: Megkeresés a Költségvetési Tanács tagjai részére a 2023-as költségvetési törvény rendeleti úton történő módosításával kapcsolatban
In English: Letter to the Members of the Fiscal Council about the government decree modifying the central budget for FY 2023
URL:
https://www.parlament.hu/documents/129373/1562331/a+K%C3%B6lts%C3%A9gvet%C3%A9si+Tan%C3%A1cs+eln%C3%B6ke+%C3%A9s+tagjai+r%C3%A9sz%C3%A9re.pdf/12599593-83f2-0f84-a359-89a14ba45e09?t=1670835711184

In Hungarian: Válaszlevél Dr. Kovács Árpádtól, a Költségvetési Tanács elnökétől a 2023-as költségvetési törvény rendeleti úton történő módosításával kapcsolatban
In English Reply from Árpád Kovács Chairman of the Fiscal Council about the government decree modifying the central budget for FY 2023
URL:
https://www.parlament.hu/documents/129373/1562331/V%C3%A1laszlev%C3%A9l+Kov%C3%A1cs+%C3%81rp%C3%A1d+r%C3%A9sz%C3%A9r%C5%91l.pdf/7ba65634-54da-2ab2-7806-ee6de6047eb1?t=1671023083748

Comment:
In the report about the execution of the yearly plan on pp. 10-18 the President of the Council listed the meetings with domestic and international institutions but they were conferences or meetings with credit rating agencies, international organisations.

We did not find a meeting of the Budgetary or Economic Committee where a member of the Fiscal Council had testified or even had been heard as a council member. The list of participants is shown at the start of the minutes of the meeting, but the Fiscal Council („Költségvetési Tanács") cannot be found in any of them. (The President of the Hungarian National Bank and the Vice President of the State Audit Office testified in the Economic Committee but as representatives of the institutions, not as council members. The minutes of these testimonies are linked at the end of the comment. The budgetary oversight role of the State Audit Office was asked on the testimony of the Vice President of the State Audit Office, but it was replied that the SAO only provided an opinion on the EBP as required by the law but the Fiscal Council should assess the modifications. This is on page 11 of the minutes of the meetings on 7 June 2022 in the paragraph starting with "Mellár Tamás alelnök úrnak pedig a költségvetés véleményezésével kapcsolatban…")

The Chairman of the Fiscal Council spoke twice in the Parliament in 2022. On 22 June he reported the opinion of the Council to the legislation, while on 19 July he spoke about the effects of the modifying proposals of the EBP and that even with the modifications and the strengthened risks the EBP satisfied the fiscal deficit and debt rules. Neither of these were committee hearings and did not provide opportunity for professional debate in budgetary topics. The speeches can be searched in the "Jegyzőkönyvek" - "Felszólalások keresése" menu by selecting "Kovács Árpád Dr." as "Felszólaló" (Speaker) and "2022. 04. 22" and "2022.12.31" as "Dátum" (Date). Because of the general elections in April 2022 the speeches start from 22 April 2022 but the previous years can be searched the same way but selecting "Országgyűlési napló ciklusonkénti adatai" from the "Jegyzőkönyvek" menu.

The Chairman of the Budgetary Committee wrote a letter to the members of the Fiscal Council about the government decree modifying the central budget for FY 2023 in December 2022 asking for the Council's opinion and a meeting about it. The reply of the Chairman of the Fiscal Council did not contain any meaningful information, only inquired about technical details because the Fiscal Council was only responsible to the Committee and can participate in the meetings if the Committee decides so.

Additional sources for the minutes of the meetings
In Hungarian: Jegyzőkönyv az Országgyűlés Gazdasági bizottságának 2022. június 7-én, hétfőn, 10 óra 33 perckor az Országház Tisza Kálmán termében (főemelet 37.) megtartott üléséről
In English: Minutes of the Meeting of the Economic Committee of the Parliament held at 10:33 on 7 June 2022 in the Kálmán Tisza boardroom of the Parliament, pp. 5-11
URL: https://www.parlament.hu/documents/static/biz42/bizjkv42/GAB/2206071.pdf

In Hungarian: Jegyzőkönyv az Országgyűlés Gazdasági bizottságának 2022. december 5-én, hétfőn, 10 óra 03 perckor az Országház Tisza Kálmán termében (főemelet 37.) megtartott üléséről
In English: Minutes of the Meeting of the Economic Committee of the Parliament held at 10:03 on 5 December 2022 in the Kálmán Tisza boardroom of the Parliament, pp. 7-28
URL: https://www.parlament.hu/documents/static/biz42/bizjkv42/GAB/2212051.pdf

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

107. Does the full legislature and/or a legislative committee debate budget policy prior to the tabling of the Executive's Budget Proposal?

GUIDELINES:

Question 107 asks whether the legislature debated budget policies prior to the tabling of the Executive's Budget Proposal for the most recent budget year before the research cut-off date. In general, prior to discussing the Executive's Budget Proposal for the coming year, the legislature should have an opportunity to review the government's broad budget priorities and fiscal parameters. Often times this information is laid out in a Pre-Budget Statement, which the executive presents to the legislature for debate. (See Questions 54-58.)

A number of countries conduct a pre-budget debate in the legislature around six months before the start of the budget year. In some cases, they adopt laws that guide the upcoming budget, for example the Budget Guidelines Law in Brazil and the Spring Fiscal Policy Bill in Sweden. A pre-budget debate can serve two main purposes: 1) to allow the executive to inform the legislature of its fiscal policy intentions by presenting updated reports on its annual and medium-term budget strategy and policy priorities; and 2) to establish "hard" multi-year fiscal targets or spending ceilings, which the government must adhere to when preparing its detailed spending estimates for the upcoming budget year.

To answer "a," the full legislature must debate budget policy prior to the tabling of the Executive's Budget Proposal and approve recommendations for the upcoming budget.

Answer "b" applies if a legislative committee (but not the full legislature) debates budget policy prior to the tabling of the Executive's Budget Proposal, and approves recommendations for the budget. Option "b" also applies if, in addition to the action by the committee, the full legislature also debates budget policy in advance of the budget, but does not approve recommendations.

Answer "c" applies if the full legislature and/or a legislative committee debates budget policy prior to the tabling of the Executive's Budget Proposal, but does not approve recommendations for the budget. Answer "d" applies if neither the full legislature nor any legislative committee debate budget policy prior to the tabling of the Executive's Budget Proposal.

In your comment, please indicate the dates of the budget debate, and if both the full legislature and a legislative committee held a debate. Note that a debate does not need to be open to the public, but a public record of the meeting or a public notice that the meeting occurred is required. In addition, please indicate whether the budget debate was focused on a Pre-Budget Statement published by the Executive. If the Executive did not publish a Pre-Budget Statement, then please indicate what served as the focus of the legislature's debate (for instance, a report released by an IFI or some other institution).

Answer:
d. No, neither the full legislature nor any legislative committee debate budget policy prior to the tabling of the Executive's Budget Proposal.

Source:
In Hungarian: 2011. évi CXCV törvény az államháztartásról
In English: Act CXCV on the State Budget
URL: https://net.jogtar.hu/jogszabaly?docid=A1100195.TV

In Hungarian: Tájékoztató a 2023. évi költségvetési törvényjavaslat összeállításához szükséges feltételekről és az érvényesítendő követelményekről
In English: Handout for the terms and requirements for formulating the budget proposal for FY 2023
URL: https://ngmszakmaiteruletek.kormany.hu/download/d/90/f2000/2023_tervezesi_tajekoztato.pdf

Comment:
The legislature only starts to debate the budget proposal after its submission. Before that no information is provided to the legislature. The government is not required to discuss the upcoming budget with the legislature and does not do so.
The legal rules only orders the government to prepare the timetable and requirements until 30 June and submit the EBP to the Parliament until 15 October or until 31 October in election years. (These are in 13.§ and 22. § (2) in the cited act on the state budget.)

The timetable for tabling of the EBP for FY 2023 did not include any discussion with the legislature, only deadlines and parameters for the budgetary institutions for tabling their own budget. On page 2 in the section "A tervezés ütemezése, paraméterei" (Parameters and schedule of the planning) the dates show that the administrators of the chapters had to upload the main numbers until 18 May, then the Government discussed the plans and submitted it to the legislature. Until 14 June the administrators had to send the narrative discussions and detailed plans to the Ministry of Finance who amend the submitted documents with these.

Peer Reviewer

Opinion: Agree
Comments: On the website of the Parliament is available only the opinion of the Fiscal Committee but before the submission there is not recorded about debate of the EBP.

Government Reviewer
Opinion:

108. How far in advance of the start of the budget year does the legislature receive the Executive's Budget Proposal?

GUIDELINES:

Question 108 examines how far in advance of the start of the most recent budget year the legislature receives the Executive's Budget Proposal. International good practice recommends that the Executive's Budget Proposal should be submitted to the legislature far enough in advance to allow the legislature time to review it properly, or at least three months prior to the start of the fiscal year. (See, for instance, Principle 2.2.2 of the IMF's Fiscal Transparency Handbook (2018) (https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml).

For the purposes of responding to this question, if — and only if — the most recent budget submission occurred later than usual as a result of a particular event, such as an election, please use a more normal year as the basis for the response. If, however, delays have been observed for more than one budget year, and the legislature has not received the Executive's Budget Proposal in a timely manner on more than one occasion in the last three years, then "d" will be the appropriate answer.

To answer "a," the legislature must receive the Executive's Budget Proposal at least three months in advance of the start of the budget year. Answer "b" applies if the legislature receives the Executive's Budget Proposal at least two months, but less than three months, before the start of the budget year. Answer "c" applies if the legislature receives the Executive's Budget Proposal at least one month, but less than two months, before the start of the budget year. Answer "d" applies if the legislature does not receive the Executive's Budget Proposal at least one month prior to the start of the budget year, or does not receive it at all.

Answer:
d. The legislature receives the Executive's Budget Proposal less than one month before the start of the budget year, or does not receive it all.

Source:
The Hungarian government on June 7, 2022 submitted the 2023 EBP to Parliament, which enacted the budget in July 2022.

The EBP on the webpage of the Parliament:
https://www.parlament.hu/web/guest/iromanyok-egyszerusitett-lekerdezese?p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_auth=hGXnUI64&_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_irom.irom_adat%3Fp_ckl%3D42%26p_izon%3D152

Comment:
However, near the end of 2022 the government - citing the powers it gained due to the "state of danger" the country remains in after COVID - issued an executive decree (which had force in law) overhauling the approved 2023 budget.

See executive decree: http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK22220.pdf

Given that there was no budget proposal for the executive decree (effectively the new 2023 budget), we are considering Hungary's 2023 Executive's Budget Proposal to be "not publicly available". And, given that the Enacted Budget is, by definition, enacted by the parliament, we also consider Hungary's 2023 Enacted Budget to be "not publicly available", as the executive decree was not submitted to parliament before the start of the budget year (which happens to be the cut-off date of the OBS as well).

Note: On January 19, 2023, the executive submitted an amended 2023 budget to parliament. (It is unclear if there were any changes between the executive decree and the amended budget - the topline revenue and expenditure figures, at least, are the same). Parliament discussed the amended budget; appears to have made some minor changes; and approved the new budget in March 2023. However, this does not change the fact that the government issued the executive decree effectively overhauling the approved 2023 budget in late 2022. In addition, the executive decree was not submitted to parliament at the time it went into force of law. The State Treasury started executing the decree version as official budget.

See amended 2023 budget: https://www.parlament.hu/web/guest/iromanyok-egyszerusitett-lekerdezese?p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_auth=rMHTx6u6&_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_irom.irom_adat%3Fp_ckl%3D42%26p_izon%3D2667

Hence, option "D" is selected.

Peer Reviewer

Opinion: Disagree

Suggested Answer: e. Not applicable/other (please comment).

Comments: The Executive's Budget Proposal has been submitted to the Parliament as of June 7, 2022, which is 6 month before the start of the budget year. It was released to the public by publishing on the website of the Parliament. The Parliament approved the 2023 Budget in July 2022. We could not find under Open Budget Survey guidelines an example how to deal with similar situation what happened in Hungary as the government published as of December 29, 2022 an executive decree which is overhauling certain chapters of the already accepted 2023 Budget. The corner numbers of the approved 2023 budget are changed, the deficit of the budget is significantly modified from 2 352 145,7 to 3 400 234,8 million HUF. Later in January2023 the modification of the central budget is submitted and published under the website of the Parliament. The Budget modification proposal is containing the same budget lines as the executive decree published on December 29, 2022 but the detailed justification of the budget modification and the narrative discussion of each budgetary chapters and institution is not available. Formally the Executive's Budget Proposal was submitted in time and fulfills the requirements presented under the Open Budget Survey guidelines, but for certain reasons the original Executive's Budget Proposal was not containing the right numbers. The government justifies the changes with the state of emergency due to the war from Ukraine and that the Hungarian households must be protected from the increasing utility costs, but in fact many other budgetary chapters and institutional budgets had been modified. Would recommend revising the questions related to the Executive's Budget Proposal and to treat it as not prepared in case there is enough ground for that based on the international standards or the Open Budget Survey guidelines (which example we could not find or we missed)

Government Reviewer

Opinion:

Researcher Response

The description from the peer reviewer is correct. The government published and submitted an Executive's Budget Proposal about six months before the budget year, the EBP was enacted by the legislature, but right before the start of the budget year the goverment overhauled it with a decree. The government decree overwrote the previous documents and made them obsolete. This means we could not evaluate the EBP submitted in July 2022. The government did not prepare an EBP before it published the decree and did not submit any similar document to the legislature. This means there was no EBP and we revised the answer to 'd'. In our opinion the evaluated documents must be about the final version of the executed budget. Based on the Hungarian situation the government could publish a detailed and comprehensive EBP and EB well before the start of the budget year then later completely overhaul it (without the legislature's approval) and execute a different budget. This practice would be very opaque and based on this logic we looked for the documents that are about the final version.

109. When does the legislature approve the Executive's Budget Proposal?

GUIDELINES:
Question 109 examines when the legislature approves the Executive's Budget Proposal. International good practice recommends that the Executive's Budget Proposal should be approved by the legislature before the start of the fiscal year the budget proposal refers to. This gives the executive time to implement the budget in its entirety, particularly new programs and policies.

In some countries, the expenditure and revenue estimates of the Executive's Budget Proposal are approved separately; for purposes of this question, at least the expenditure estimates must be approved. Further, approval of the budget implies approval of the full-year budget, not just a short-term continuation of spending and revenue authority.

To answer "a," the legislature must approve the Executive's Budget Proposal at least one month before the start of the budget year. Answer "b" applies if the legislature approves the Executive's Budget Proposal less than one month in advance of the start of the budget year, but at least by the start of the budget year. Answer "c" applies if the legislature approves the Executive's Budget Proposal less than one month after the start of the budget year. Answer "d" applies if the legislature approves the Executive's Budget Proposal more than one month after the start of the budget year, or does not approve the budget.

Answer:

d. The legislature approves the budget more than one month after the start of the budget year, or does not approve the budget.

Source:

In Hungarian: A költségvetési törvényjavaslat a Parlament honlapján
In English: The EBP on the webpage of the Parliament:
URL: https://www.parlament.hu/web/guest/iromanyok-egyszerusitett-lekerdezese?p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_auth=3ReGlYBD&

_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_irom.irom_adat%3Fp_ckl%3D42%26p_izon%3D152

Comment:
The EBP for FY 2023 was approved on 19 July 2022 as in the section “Szavazások az irományról” (Votes) the row “önálló indítvány elfogadása” (approval of the bill) shows. According to the new practice the EBP is approved 5-6 months or more in advance of the start of the budget year. The early adoption of the EBP carries the risk that later decisions and policies in the year make the budget deprecated and a modified version of the budget will be executed in the fiscal year.. This happened in 2022.

In Hungary the legislature maintained the state of danger, hence the government has wide authorisation to modify the legal rules and the budget. In December 2022 the government introduced a new tax on pharmaceutical companies and increased the tax rate on insurance companies with a government decree.
In Hungarian: A Kormány 582/2022. (XII. 23.) Korm. rendelete az extraprofit adókról szóló 197/2022. (VI. 4.) Korm. rendelet módosításáról
In English: Decree 582/2022 (XII. 23.) on the modification of decree 197/2022 (VI. 4.) on extra profit tax
http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK22214.pdf
on page 10266

Additionally the government modified the central budget significantly with another decree on 28 December 2022 using its special mandate provided by the state of danger. From a legal point of view it is a supplementary budget that did not have the approval of the legislature before coming into force, but the modifications significantly altered the total revenues and expenditures and contained shifts between institutions. The supplementary budget was justified because the macroeconomic assumptions changed drastically since the adoption of the EBP and it was submitted to the legislature after the start of the budget year.
In Hungarian: A Kormány 613/2022. (XII. 29.) Korm. rendelete a Magyarország 2023. évi központi költségvetésének a veszélyhelyzettel összefüggő eltérő szabályairól
In English: Decree 613/2022 (XII. 29.) on the modified rules of the central budget of Hungary for FY 2023 related to state of danger
URL: http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK22220.pdf
on pp. 11022-11086

Given this decree, option "D" is selected.

Peer Reviewer

Opinion: Disagree
Suggested Answer: e. Not applicable/other (please comment).
Comments: Based on the events described under answer 108, the Executive's Budget Proposal has been approved 19 July, 2022 which is within the time frame of the answer a) The Budget modification has been submitted to the Parliament as of January 19, 2023 and has been approved April 5, 2023, which would correspond to answer d) In the past few years, it become a practice in the legislation, that during the summer and autumn parliamentary sessions the legislator is revising and modifying the tax laws. In 2022 several government decrees entered into force which superseded existing tax laws (or other laws), and sometimes these had retroactive effects. The justification was the state of emergency due to the COVID pandemic then regarding the changes applied trough the executive decree published as of December 29, 2022 which is overhauling certain chapters of the already accepted 2023 Budget, is the state of emergency due to the war from Ukraine.

Government Reviewer

Opinion:

Researcher Response

We revised the answer based on the peer reviewer's comment. The originally submitted and enacted EBP was superceded by the government decree in December 2022. This decree was evaluated as Enacted Budget because this was the version that the government started executing in the budget year. No EBP or other document was published for this version and the document was not submitted to the legislature for approval. It is noted that the modified version of the budget was submitted in January 2023, after the start of the budget year. We did not assess the document as EBP since it was submitted after the start of the budget year (while the government had the chance to submit it earlier) and the same version was already executed by the State Treasury, so it did not mean any change in the actual budget. Based on this logic we revised the answer to 'd' because no EBP was published and submitted to the legislature about the final, executed version of the budget.

110. Does the legislature have the authority in law to amend the Executive's Budget Proposal?

GUIDELINES:

Question 110 examines the legislature's power to amend—as opposed to simply accept or reject—the budget proposal presented by the executive. This question is about legal authority rather than actions the legislature takes in practice. The legislature's powers to amend the budget can vary substantially across countries.

The "a" response is appropriate only if there are no restrictions on the right of the legislature to modify the Executive's Budget Proposal, including its right to change the size of the proposed deficit or surplus. The "b" response would be appropriate if, for instance, the legislature is restricted from changing the deficit or surplus, but it still has the power to increase or decrease funding and revenue levels. The more limited "c" response would apply if, for instance, the legislature can only re-allocate spending within the totals set in the Executive's Budget Proposal or can only decrease funding levels or increase revenues. Finally, response "d" would apply if the legislature may not make any changes (or only small technical changes), or if amendments must first be approved by the executive. In these cases, the legislature is essentially only able to approve or reject the budget as a whole. If the answer is "b" or "c", please indicate the nature of the amendment powers available to the Parliament and how they are limited.

Answer:
a. Yes, the legislature has unlimited authority in law to amend the Executive's Budget Proposal.

Source:
In Hungarian: 2011. évi CXCV törvény az államháztartásról
In English: Act CXCV on the State Budget
URL: https://net.jogtar.hu/jogszabaly?docid=A1100195.TV

In Hungarian: 10/2014. (II. 24.) OGY határozat egyes házszabályi rendelkezésekről
In English: Resolution No. 10/2014 of the Parliament on the rulings of standing orders
URL: https://net.jogtar.hu/jogszabaly?dbnum=1&docid=A14H0010.OGY&mahu=1

Comment:
The Act on State Budget only contains the deadline for submitting the EBP and its mandatory elements in 22. §.
The cited resolution of the Parliament states the legislature's unlimited authority in a reversed way: in 40. § it allows the MPs and committees to propose amendments to the submitted bills but prohibits those amendments that would erase the whole bill. This means the legislature can change anything.
Although the legislature has unlimited authority its members may have less possibility to alter the EBP. For example only the Budgetary Committee can propose amendments that would change the main revenue and expenditure of the EBP (hence change the deficit or surplus), the MPs can only propose amendments that do not change the fiscal balance. This restriction is stated in 91. § (4) in the Parliament's resolution.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

111. During the most recent budget approval process, did the legislature use its authority in law to amend the Executive's Budget Proposal?

GUIDELINES:
Question 111 assesses whether any formal authority of the legislature to amend the Executive's Budget Proposal is used in practice. The responses to this question should be determined based on action by the legislature related to the Enacted Budget used in the OBS. Choose answer "a" if the legislature used its authority in law to amend the Executive's Budget Proposal during the most recent budget approval process, and amendments were adopted (all, or at least some of them). Answer "a" also applies if the legislature used its authority in law to amend the Executive's Budget Proposal, but the amendments were rejected by executive veto. Answer "b" applies if the legislature used its authority in law to propose amendments to the Executive's Budget Proposal, but none of these amendments were adopted. Answer "c" applies if the legislature has the authority in law to amend the budget, but no amendments were proposed during its consideration. Answer "d" applies when the legislature does not have any authority to amend the budget (that is, Question 110 is answered "d").

If the answer is "a" or "b", please specify in the comments the number of amendments introduced by the legislature (and in the case of an "a" response, the number adopted, or if applicable, information about an executive veto) and describe their nature. For example, did the amendments result in an increase or decrease of the deficit? What were the most significant amendments to revenues and to expenditures in terms of the sums involved? How did amendments affect the composition of expenditures? If the answer is "a," please specify which amendments were adopted, and provide evidence for it.

Answer:
c. No, while the legislature has the authority in law to propose amendments to the Executive's Budget Proposal, no amendments were offered.

Source:
Near the end of 2022 the government - citing the powers it gained due to the "state of danger" the country remains in after COVID - issued an

executive decree (which had force in law) overhauling the approved 2023 budget.

See executive decree: http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK22220.pdf

Given that there was no budget proposal for the executive decree (effectively the new 2023 budget), we are considering Hungary's 2023 Executive's Budget Proposal to be "not publicly available". And, given that the Enacted Budget is, by definition, enacted by the parliament, we also consider Hungary's 2023 Enacted Budget to be "not publicly available", as the executive decree was not submitted to parliament before the start of the budget year (which happens to be the cut-off date of the OBS as well).

Note: On January 19, 2023, the executive submitted an amended 2023 budget to parliament. (It is unclear if there were any changes between the executive decree and the amended budget - the topline revenue and expenditure figures, at least, are the same). Parliament discussed the amended budget; appears to have made some minor changes; and approved the new budget in March 2023. However, this does not change the fact that the government issued the executive decree effectively overhauling the approved 2023 budget in late 2022. In addition, the executive decree was not submitted to parliament at the time it went into force of law. The State Treasury started executing the decree version as official budget.

See amended 2023 budget: https://www.parlament.hu/web/guest/iromanyok-egyszerusitett-lekerdezese?p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_auth=rMHTx6u6&_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_irom.irom_adat%3Fp_ckl%3D42%26p_izon%3D2667

Given the fact that the legislature has the authority in law to propose amendments to the Executive's Budget Proposal, but because the executive decree noted above was not submitted to parliament, answer "E" is selected.

Comment:

Peer Reviewer

Opinion: Agree

Comments: The government amended the approved 2023 Budget through the executive decree published December 29, 2022. Later on January 19, 2023, after the start of the Budget Year, the executive submitted a modification of the Enacted Budget to the Parliament. The executive decree is not submitted to the Parliament and in this way none of the answers are applicable except e)

Government Reviewer

Opinion:

Researcher Response

As the peer reviewer noted the government submitted an EBP during the original budget cycle and the legislature had the chance to amend it but in December 2022 the government overhauled this budget in a decree. The government did not provide the opportunity to the legislature to discuss it or amend it. Later, after the start of the budget year and the execution of the decree version of the budget the government submitted it to the legislature. Because the State Treasury started executing the decree version and it was enacted without the legislature, the legislature did even have the chance to use its authority. The government only seeked the legislature's approval after already executing the budget which is not meaningful. According to this we revised the answer to 'd' because the legislature could only amend the budget after its execution was started.

IBP Comment

Many thanks to the peer reviewer and the researcher for the comments. For consistency across countries, answer is revised to "C". While the legislature has the authority in law to propose amendments to the Executive's Budget Proposal (see Question 110), no amendments were offered because the executive decree was not submitted to parliament.

112. During the last budget approval process, did a specialized budget or finance committee in the legislature examine the Executive's Budget Proposal?

GUIDELINES:
Question 112 assesses the role of a specialized budget or finance committee during the budget approval stage. Effective committee involvement is an essential condition for legislative influence in the budget process. Specialized committees provide opportunities for individual legislators to gain relevant expertise, and to examine budgets and policy in depth. Yet, the involvement of committees differs across legislatures. Some legislatures have separate committees to examine spending and tax proposals, while others have a single finance committee. Not all legislatures have a specialized budget or finance committee to examine the budget. In addition, there can be differences in the time available for the committee's analysis of the budget.

A report with the committee's findings and recommendations is intended to inform the debate in the full legislature, therefore it must be published before the legislature has adopted the budget.

Response "a" requires that, in the last budget approval process, a specialized budget or finance committee had one month or more to examine the Executive's

Budget Proposal, and it published a report with findings and recommendations prior to the budget being adopted. Response "b" applies where such a committee examined the draft budget and published a report, but within a shorter timeframe of less than one month. Response "c" applies if a committee examined the budget (without regard to the time period), but did not publish a report prior to the adoption of the budget. Response "d" applies where a specialized budget or finance committee did not examine the Executive's Budget Proposal.

Please specify in your comment the name of the committee and the number of days it had available to examine the budget. For bicameral legislatures where one house or chamber has greater constitutional authority in budgetary matters, the question applies to the house or chamber (usually the upper or second one) that is decisive. For bicameral legislatures with co-equal houses or chambers, the question should be answered with reference to the one that achieves the higher score for this question. In the case of bicameral legislatures, please note the relevant arrangements in each house or chamber. If applicable, provide a copy of the report. Please note also if a report is published, but only after the budget has been adopted.

Answer:
d. No, a specialized budget or finance committee did not examine the Executive's Budget Proposal.

Source:
In Hungarian: A Költségvetési Bizottság jelentése a törvényjavaslat részletes vitájáról
In English: The report of the Budgetary Committee on the debate of the EBP
URL: https://www.parlament.hu/irom42/00152/00152-0457.pdf

In Hungarian: Jegyzőkönyv az Országgyűlés Költségvetési Bizottságának 2022. június 30-án, csütörtökön, 10 óra 04 perckor az Országház Széll Kálmán termében (főemelet 64.) megtartott üléséről
In English: Minutes of the Meeting of the Budgetary Committee of the Parliament held at 10:04 on 30 June 2022 in the Kálmán Széll boardroom of the Parliament, pp. 6-68
URL: https://www.parlament.hu/documents/static/biz42/bizjkv42/KVB/2206301.pdf

In Hungarian: A költségvetési törvényjavaslatról szóló bizottsági jelentések és összegző módosító javaslat vitája a Parlamentben
In English: The debate of the committee's reports and the final amendment of the EBP in the Parliament
URL: https://www.parlament.hu/web/guest/iromanyok-egyszerusitett-lekerdezese?p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_auth=liKGZht7&_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_naplo.naplo_szoveg%3FP_CKL%3D42%26p_uln%3D21%26p_felsz%3D274%26p_szoveg%3D%26p_stilus%3D
From "Felszólalás" (speech) 274-298

In Hungarian: T/152 Magyarország 2023. évi központi költségvetéséről az Országgyűlés honlapján
In English: Bill No. T/152 on the Central Budget of Hungary for FY 2023 (EBP) on the webpage of the legislature
URL: https://www.parlament.hu/web/guest/iromanyok-egyszerusitett-lekerdezese?p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_auth=3ReGlYBD&_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_irom.irom_adat%3Fp_ckl%3D42%26p_izon%3D152

In Hungarian: A költségvetési törvényjavaslat tárgyalásának ütemezése tervezete
In English: Draft of the timetable for debating the EBP for FY 2023
URL: https://www.parlament.hu/documents/10181/63375007/9_ktgv_utemezes_2023_HONLAP.pdf/d285af94-2202-ed7b-2116-35988f8b0229?t=1655724927541

The Budgetary Committee finished its debate on 30 June 2022 as shown in the line "Az ülés időpontja" in the header of its published report and confirmed by the minutes of the meeting. The report mostly reiterates the summary of the EBP as the opinion of the Fiscal Committee. This is on pp. 1-2 of the first cited document. The text essentially repeats the government's points about the budget. The concerns and risks are detailed mainly in the attached minority opinions starting from page 574. These opinions state that the macroeconomic assumptions might be outdated due to the early submission, the EBP is opaque and the distribution of revenues could have been shifted from consumption-based taxes towards company-based taxes and more funds should have been provided for education, healthcare and "green investments". The document also lists each modifying proposal (total of 974) for the EBP and the Budgetary Committee's decision about it if it was approved or rejected.

The deadlines were very tight for scrutinizing the EBP and as a result the Committee did not make any clear, detailed recommendations in its report.

As the dates related to the EBP (Bill No. T/152) on the webpage of the EBP shows the EBP was submitted on 7 June 2022 (in the row "Benyújtva") and the detailed debate ended on 1 July 2022 (in the row "részletesvita-szakasz lezárva" in the section "Irományi események"). There was even less time for meaningful debate because the supplements were added to the EBP on 16 June 2022. There was only two weeks for the MPs to scrutinize and evaluate the EBP. This does not allow any meaningful debate even if it was planned as can be seen in the draft of the timetable of the debate. The timetable of the debate shows the expected dates for the phases of the EBP in the legislature.

The final debate of the EBP was on 11 July 2022 as shown in the row „bizottsági jelentések és az összegző módosító javaslat vitája megkezdve" in the section „Irományi események", but it was a general debate in the legislature, not a discussion by a specialized committee.

Comment:

However, near the end of 2022 the government - citing the powers it gained due to the "state of danger" the country remains in after COVID - issued an executive decree (which had force in law) overhauling the approved 2023 budget.

See executive decree: http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK22220.pdf

Given that there was no budget proposal for the executive decree (effectively the new 2023 budget), we are considering Hungary's 2023 Executive's Budget Proposal to be "not publicly available". And, given that the Enacted Budget is, by definition, enacted by the parliament, we also consider Hungary's 2023 Enacted Budget to be "not publicly available", as the executive decree was not submitted to parliament before the start of the budget year (which happens to be the cut-off date of the OBS as well).

Note: On January 19, 2023, the executive submitted an amended 2023 budget to parliament. (It is unclear if there were any changes between the executive decree and the amended budget - the topline revenue and expenditure figures, at least, are the same). Parliament discussed the amended budget; appears to have made some minor changes; and approved the new budget in March 2023. However, this does not change the fact that the government issued the executive decree effectively overhauling the approved 2023 budget in late 2022. In addition, the executive decree was not submitted to parliament at the time it went into force of law. The State Treasury started executing the decree version as official budget.

See amended 2023 budget: https://www.parlament.hu/web/guest/iromanyok-egyszerusitett-lekerdezese?p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_auth=rMHTx6u6&_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_irom.irom_adat%3Fp_ckl%3D42%26p_izon%3D2667

Hence, option "D" is selected.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

b. Yes, a specialized budget or finance committee had less than one month to examine the Executive's Budget Proposal, and it published a report with findings and recommendations prior to the budget being adopted.

Comments: Among the tasks of the Budgetary Committee is to analyze and give an opinion about the Executive's Budget Proposal which was documented both in case of the Executive's Budget Proposal and also in case of the amendment of the 2023 Enacted Budget: Opinion of the Budget Council on a budget bill (Költségvetési Tanács véleménye költségvetési törvényjavaslatról vagy egységes költségvetési törvényjavaslatról): https://www.parlament.hu/web/guest/iromanyok-egyszerusitett-lekerdezese?p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_auth=xF5hoPPS&_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_irom.irom_mod_mind%3Fp_izon%3D2667%26p_ckl%3D42+%26p_fotipus%3DNULL%26p_kivetel%3DNULL%26p_tipus%3DNULL%26p_tipus%3Dtv%26p_allapot%3DNULL%26P_parlexkiir%3DI The executive decree published December 29, 2022 was not discussed by the Budgetary Committee although it was overhauling the approved 2023 budget in late 2022. The State Treasury started executing the decree version as official budget even before the modification of the Enacted 2023 Budget was approved by the Parliament on April 5, 2023.

Government Reviewer

Opinion:

Researcher Response

It is a good point to mention the Budget Council. We evaluated the activity of the Budget Council (or Fiscal Council, in Hungarian "Költségvetési Tanács") in questions 103-106 because the Council acts as an independent fiscal institution. Legally the Council supports the legislature and works in the legislature's organisation but not a decision maker and we evaluated the legislature's commitees in this question. The first version of the EBP was debated in the Budgetary Commitee of the Parliament during the regular budget cycle as the original comment described it. The government overwrote the enacted budget with a decree in December 2022 and this version of the budget was not discussed by the legislature before it came into effect. The government started executing this new budget in the budget year and submitted it to the legislature in January 2023. The Budgetary Commitee of the Parliament could only debate this budget in March 2023. We evalauted the government decree as Enacted Budget and the legislature or any of its committees did not have the chance to debate it before it came into effect, so we revised our answer to 'd'.

113. During the last approval process, did legislative committees, responsible for particular sectors (e.g., health, education, defense, etc.), examine spending in the Executive's Budget Proposal related to the sector for which they are responsible?

GUIDELINES:
Question 113 assesses the role of committees of the legislature that are responsible for particular sectors (e.g., health, education, defense, etc.) during the budget approval stage. The role of sectoral committees differs across legislatures. Some legislatures do not involve them in the budget approval process, while others do. In addition, the time available for committee analysis differs.

A report with the committee's findings and recommendations is intended to inform the debate in the full legislature, so therefore must be published before the legislature has adopted the budget. Response "a" requires that sector committees had one month or more to examine the Executive's Budget Proposal, and published a report with findings and recommendations prior the budget being adopted. Response "b"" applies where such committees examined the draft budget and published a report, but within a shorter timeframe of less than one month. Response "c" applies if sectoral committees examined the budget (without regard to the time period), but did not publish a report prior to the adoption of the budget. Response "d" applies where sectoral committees did not examine the Executive's Budget Proposal.

Please note that the examination of sectoral budgets by a specialized budget or finance committee is assessed in Question 112 and should not be considered for this question.

Please provide in the comments a brief overview of the committee structure and specify the number of days that sectoral committees had available to examine the budget and to publish their reports. For bicameral legislatures where one house or chamber has greater constitutional authority in budgetary matters, the question applies to the house or chamber (usually the upper or second one) that is decisive. For bicameral legislatures with co-equal houses or chambers, the question should be answered with reference to the one that achieves the higher score for this question. In the case of bicameral legislatures, please note the relevant arrangements in each house or chamber. If applicable, provide a sample copy of at least one of the reports. Please note if a report is published, but only after the budget has been adopted.

For purposes of responding to this question, use those sectoral committees that are best performing – that is, the ones that examine the budget the longest and that publish reports.

Answer:
d. No, sector committees did not examine the Executive's Budget Proposal.

Source:
In Hungarian: A Költségvetési Bizottság vitája a költségvetési törvényjavaslatról
In English: The debate on the EBP for FY 2023 in the Fiscal Committee (pp. 6-68)
URL: https://www.parlament.hu/documents/static/biz42/bizjkv42/KVB/2206301.pdf

In Hungarian: A Kulturális Bizottság vitája a költségvetési törvényjavaslatról
In English: The debate on the EBP for FY 2023 in the Cultural Committee (pp. 5-8)
URL: https://www.parlament.hu/documents/static/biz42/bizjkv42/KOB/2206281.pdf

In Hungarian: A Gazdasági Bizottság vitája a költségvetési törvényjavaslatról
In English: The debate on the EBP for FY 2023 in the Economic Committee (pp.21-33)
URL: https://www.parlament.hu/documents/static/biz42/bizjkv42/GAB/2206291.pdf

In Hungarian: A Népjóléti Bizottság vitája a költségvetési törvényjavaslatról
In English: The debate on the EBP for FY 2023 in the Committee for Social Welfare (pp. 5-18)
URL: https://www.parlament.hu/documents/static/biz42/bizjkv42/NJB/2206291.pdf

In Hungarian: Az Igazságügyi Bizottság vitája a költségvetési törvényjavaslatról
In English: The debate on the EBP for FY 2023 in the Committee for Justice (pp. 5-7)
URL: https://www.parlament.hu/documents/static/biz42/bizjkv42/IUB/2206281.pdf

In Hungarian: A Külügyi Bizottság vitája a költségvetési törvényjavaslatról
In English: The debate on the EBP for FY 2023 in the Committee for Foreign Affairs (pp. 6-7)
URL: https://www.parlament.hu/documents/static/biz42/bizjkv42/KUB/2207011.pdf

In Hungarian: A Mezőgazdasági Bizottság vitája a költségvetési törvényjavaslatról
In English: The debate on the EBP for FY 2023 in the Agricultural Committee (pp. 5-17)
URL: https://www.parlament.hu/documents/static/biz42/bizjkv42/MGB/2206291.pdf

In Hungarian: A Vállalkozásfejlesztési Bizottság vitája a költségvetési törvényjavaslatról
In English: The debate on the EBP for FY 2023 in the Committee on Business Development (pp. 5-9)
URL: https://www.parlament.hu/documents/static/biz42/bizjkv42/VFB/2206291.pdf

In Hungarian: A Fenntartható Fejlődés Bizottságának vitája a költségvetési törvényjavaslatról
In English: The debate on the EBP for FY 2023 in the Committee for Sustainable Development (pp. 5-28)
URL: https://www.parlament.hu/documents/static/biz42/bizjkv42/FFB/2206291.pdf

In Hungarian: Az Európai ügyek Bizottságának vitája a költségvetési törvényjavaslatról
In English: The debate on the EBP for FY 2023 in the Committee of European Affairs (pp. 5-13)
URL: https://www.parlament.hu/documents/static/biz42/bizjkv42/EUB/2206281.pdf

In Hungarian: A Honvédelmi és rendészeti bizottság vitája a költségvetési törvényjavaslatról

In English: The debate on the EBP for FY 2023 in the Committee on Defence and Law Enforcement (pp. 6-11)
URL: https://www.parlament.hu/documents/static/biz42/bizjkv42/HOB/2206291.pdf

In Hungarian: A Nemzeti összetartozás bizottságának vitája a költségvetési törvényjavaslatról
In English: The debate on the EBP for FY 2023 in the Committee on National Policies Enforcement (pp. 5-9)
URL: https://www.parlament.hu/documents/static/biz42/bizjkv42/NOB/2206291.pdf

In Hungarian: A Nemzetbiztonsági Bizottság vitája a költségvetési törvényjavaslatról
In English: The debate on the EBP for FY 2023 in the Committee of National Security (pp. 5-6)
URL: https://www.parlament.hu/documents/static/biz42/bizjkv42/NBB/2206291.pdf

In Hungarian: A Magyarországi nemzetiségek bizottságának vitája a költségvetési törvényjavaslatról
In English: The debate on the EBP for FY 2023 in the Committee of Minorities in Hungary (pp. 5-15)
URL: https://www.parlament.hu/documents/static/biz42/bizjkv42/NEB/2207011.pdf

In Hungarian: A T/152 Magyarország 2023. évi központi költségvetéséről szóló törvényjavaslathoz kapcsolódó bizottsági jelentések a részletes vitáról
In English: The list of reports of the debates in the Committees related to Bill T/152 on the Central Budget of Hungary for FY 2023
URL: https://www.parlament.hu/web/guest/iromanyok-egyszerusitett-lekerdezese?
p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_auth=KRbHGE6u&
_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_irom.irom_mod_mind%3Fp_izon%3D1
52%26p_ckl%3D42+%26p_fotipus%3DNULL%26p_kivetel%3DNULL%26p_tipus%3DNULL%26p_tipus%3Drv%26p_allapot%3DNULL%26P_parlexkiir%3DI

The listed minutes of the meetings show the debates of the Committees about the EBP for FY 2023.

According to the dates of the meetings they were held between 28 June - 1 July that means the Committees had less than a month to scrutinise the EBP that was submitted on 7 June 2022.

The time for meaningful assessment was even less because the supplements of the EBP were only published on 16 June 2022. Essentially the committees had two weeks to evaluate the budget.

The other source lists the reports of the debates of the Committees. In each document the opinion of the Committee (formulated by the ruling party) is at the beginning of the document and the minority opinions (formulated by other factions) are at the end of the document. The middle section describes the submitted proposals and the committees' decisions about them. In many cases the Committees did not formulate an opinion and even when they did the opinion reiterated the summary of the budget amended with occasional additional details about the Committee's area. The minority opinions were also sporadic, but in case of the Economic and Budgetary Committees the MPs criticised the macroeconomic assumptions, the timing of the submission and the transparency issues.

The narrow timeframe for debate erodes its quality and provides nearly no opportunity for the legislature and the MPs to debate and amend the EBP.

The specific committees debated only the relevant parts of the EBP, while a more comprehensive debate was held in the Budgetary and Economic Committees. The debates consisted of two phases: the first part was about the EBP itself, while the second part was about making a decision about each modifying proposal submitted to the committees. This latter should receive more emphasis because modifying proposals can only be submitted through a committee, but not much time is allowed to formulate effective proposals. Some of the debates in the committees (like Economic, Budgetary and Social Welfare) were meaningful as the MPs asked relevant questions from the representatives of the Ministry of Finance and gained additional details about the budget, but these were sporadic.

Comment:
However, near the end of 2022 the government - citing the powers it gained due to the "state of danger" the country remains in after COVID - issued an executive decree (which had force in law) overhauling the approved 2023 budget.

See executive decree: http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK22220.pdf

Given that there was no budget proposal for the executive decree (effectively the new 2023 budget), we are considering Hungary's 2023 Executive's Budget Proposal to be "not publicly available". And, given that the Enacted Budget is, by definition, enacted by the parliament, we also consider Hungary's 2023 Enacted Budget to be "not publicly available", as the executive decree was not submitted to parliament before the start of the budget year (which happens to be the cut-off date of the OBS as well).

Note: On January 19, 2023, the executive submitted an amended 2023 budget to parliament. (It is unclear if there were any changes between the executive decree and the amended budget - the topline revenue and expenditure figures, at least, are the same). Parliament discussed the amended budget; appears to have made some minor changes; and approved the new budget in March 2023. However, this does not change the fact that the government issued the executive decree effectively overhauling the approved 2023 budget in late 2022. In addition, the executive decree was not submitted to parliament at the time it went into force of law. The State Treasury started executing the decree version as official budget.

See amended 2023 budget: https://www.parlament.hu/web/guest/iromanyok-egyszerusitett-lekerdezese?
p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_auth=rMHTx6u6&
_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_irom.irom_adat%3Fp_ckl%3D42%26p_

izon%3D2667

Hence, option "D" is selected.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

b. Yes, sector committees had less than one month to examine the Executive's Budget Proposal, and they published reports with findings and recommendations prior to the budget being adopted.

Comments: On the website of the Parliament in case of the Executive's Budget Proposal and also in case of the modification of the Enacted 2023 Budget the opinion of the mentioned committees are documented and published. In this way formally the documentation is supporting the answer b). Due to the power of the government due to the "state of emergency" the executive decree published as of December 29, 2022, is overhauling the approved 2023 Budget. Later the modification of the Enacted 2023 Budget (published on the website of the Parliament January 19, 2023) in terms of corner numbers is in line with the executive decree but is containing no narrative description of each budgetary chapters, and also the detailed justification is missing.

Government Reviewer

Opinion:

Researcher Response

Similarly to question 112 the legislature and any of its commitees did not have the chance to debate the new version of the budget before it came into effect and the government started executing it. It is valid that in the original budget cycle the commitees examined the budget proposal but not for the government decree published in December 2022. The government submitted it to the legislature only after the start of the budget year while already executing it. Because we evaluated the government decree as the Enacted Budget and it was not debated by the legislature, we revised the answer to 'd'.

114. In the past 12 months, did a committee of the legislature examine in-year implementation of the Enacted Budget during the relevant budget execution period?

GUIDELINES:
Question 114 is about legislative oversight of budget execution. It assesses whether and how often a committee examined the implementation of the budget during the budget execution period (i.e., financial year) for which it was approved, and whether this resulted in an official report with findings and recommendations. This question does not apply to the ex post review of implementation following the end of the budget year as part of the audit stage, which is assessed separately. Nor does it apply to the legislature's review of the budget that it may undertake as part of the process of considering a supplemental budget during the year. In-year monitoring by the legislature will be affected by the frequency that the executive publishes In-Year Reports.

To answer "a," a committee must have examined in-year implementation of the Enacted Budget at least three times during the course of the relevant budget year and published reports with findings and recommendations. Answer "b" applies where this occurred only once or twice during the year.

Exception: If a legislature is in session only twice during the year, and it examines the implementation of the budget during both sessions, then it would be eligible for an "a" response.

Choose "c" if a committee examined in-year implementation (without regard to frequency), but did not publish any report with findings and recommendations. Answer "d" applies where no committee examined in-year implementation.

If the answer is "a" or "b," please specify the name of the committee and when it reviewed budget implementation, and provide a copy of its report(s). If the answer is "c," please specify the name of the committee and when it reviewed budget implementation.

For purposes of responding to this question, if more than one committee holds in-year reviews of the budget, use the committee that is best performing – that is, the one that examines in-year implementation the most times and that publishes a report.

Answer:

d. No, a committee did not examine in-year implementation.

Source:

Testimonies of Mihály Varga, Finance Minister in the committees of the legislature
In Hungarian: Jegyzőkönyv az Országgyűlés Költségvetési bizottságának 2021. november 16-án, kedden, 10 óra 07 perckor az Országház Széll Kálmán termében (főemelet 64.) megtartott üléséről

In English: Minutes of the Meeting of the Budgetary Committee of the Parliament held at 11:07 on 16 November 2021 in the Kálmán Széll boardroom of the Parliament, pp. 5-33
URL: https://www.parlament.hu/documents/static/biz41/bizjkv41/KVB/2111161.pdf
In Hungarian: Jegyzőkönyv az Országgyűlés Gazdasági bizottságának 2021. november 29-én, hétfőn, 10 órakor az Országház Széll Kálmán termében
(főemelet 64.) megtartott üléséről
In English: Minutes of the Meeting of the Economic Committee of the Parliament held at 10:00 on 29 November 2021 in the Kálmán Széll boardroom of
the Parliament, pp. 26-37
URL: https://www.parlament.hu/documents/static/biz41/bizjkv41/GAB/2111291.pdf

Other efforts to hold a meeting about the implementation of the budget
In Hungarian: Jegyzőkönyv az Országgyűlés Költségvetési bizottságának 2023. január 23-án, hétfőn, 11 óra 02 perckor az Országház Széll Kálmán termébe (főemelet 64.) megtartott üléséről
In English: Minutes of the Meeting of the Budgetary Committee of the Parliament held at 11:02 on 23 January 2023 in the Kálmán Széll boardroom of the Parliament
URL: https://www.parlament.hu/documents/static/biz42/bizjkv42/KVB/2301231.pdf

In Hungarian: Meghívó Varga Mihály pénzügyminiszter részére a Költségvetési Bizottság 2022. október 12-i ülésére, 2022. október 6.
In English: Invitation to Mihály Varga Finance Minister to the meeting of the Budgetary Committee of the Parliament on 12 October 2022
URL:
https://www.parlament.hu/documents/129373/1562331/Megh%C3%ADv%C3%B3+Varga+Mih%C3%A1ly+miniszter+%C3%BAr+r%C3%A9sz%C3%A9re.pdf/e2965d2c-7c0c-32e2-e811-598a8b789449?t=1665039910582

In Hungarian: Meghívó Varga Mihály pénzügyminiszter részére a Költségvetési Bizottság 2022. december 19-i ülésére, 2022. december 14.
In English: Invitation to Mihály Varga Finance Minister to the meeting of the Budgetary Committee of the Parliament on 19 December 2022
URL: https://www.parlament.hu/documents/129373/1562331/Varga+Mih%C3%A1ly+r%C3%A9sz%C3%A9re.pdf/4dc8ede0-6069-01bb-6335-7050c526653a?t=1671442896710

Efforts in 2021
In Hungarian: Jegyzőkönyv az Országgyűlés Költségvetési bizottságának 2021. január 25-én, hétfőn, 11 órára az Országház Apponyi Albert gróf termébe (főemelet 58.) összehívott üléséről
In English: Minutes of the Meeting of the Budgetary Committee of the Parliament announced to 11 on 25 January 2021 to the count Albert Apponyi boardroom of the Parliament
URL: https://www.parlament.hu/documents/static/biz41/bizjkv41/KVB/2101251.pdf

In Hungarian: Jegyzőkönyv az Országgyűlés Költségvetési bizottságának 2021. február 22-én, hétfőn, 10 óra 00 percko raz Országház gróf Apponyi Albert termében (főemelet 58.) megtartott üléséről
In English: Minutes of the Meeting of the Budgetary Committee of the Parliament held at 10:00 on 22 February 2021 in the count Albert Apponyi boardroom of the Parliament
URL: https://www.parlament.hu/documents/static/biz41/bizjkv41/KVB/2102221.pdf
on page 11

Comment:
No committee examined the in-year implementation of the budget. We checked the minutes of the meetings of the Economic and Budgetary Committees as mainly responsible committees for the budget but there was no point in any agenda about the in-year implementation of the budget. The Chairman of the Budgetary Committee made several efforts to invite the Minister of Finance as shown in the cited invitations. The invitations were made upon specific events (like the modification of the budget by a government decree), not based on a regular practice to supervise the budget.
Exceptionally a meeting in January 2023 was cited as the only example when the representative of the Ministry of Finance testified in the Budgetary Committee without any legal requirement to do so (for example during a legislative process). The discussion was about the government decree modifying the budget for FY 2023 and a general briefing about the budget.

As regular events the testimonies of the Finance Minister can be mentioned. These were not held in 2022, so the cited references are for 2021: it was held on 16 November in the Budgetary Committee and on 29 November in the Economic Committee but the testimonies were about general economic and budgetary policies. The testimonies were held late in the year, so they could not affect the implementation of the budget.

Since 2022 was an election year we checked the meetings held in 2021. Similar invitations were sent by the Chairman of the Budgetary Committee but no formal discussion was held. For 25 January 2021 the Chairman invited the Finance Minister and other economists to discuss the budget to be implemented in 2021 but not enough members attended the meeting to be held. In the meeting in February the Chairman proposed several topics to be discussed in the upcoming sessions but these were neglected. This is in the section "Ennek érdekében a 2021. év tavaszi ülésszaka keretében szeretnék szíves figyelmükbe ajánlani néhány olyan témakört, amelyek megtárgyalására álláspontom szerint szükség van, és segítené a Költségvetési bizottság munkáját." (In English: "To achieve this during the spring session of the Parliament in 2021 I would like to recommend several topics that need to be discussed in my opinion and would help the work of the Budgetary Committee.")

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

115. Does the executive seek approval from the legislature prior to shifting funds between administrative units that receive explicit funding in the Enacted Budget, and is it legally required to do so?

GUIDELINES:
Question 115 examines whether the executive seeks approval from the legislature prior to shifting funds between administrative units, and whether it is legally required to do so.

In some countries, the executive has the power in law to adjust funding levels for specific appropriations during the execution of the budget. This question examines rules around shifting funds between administrative units (ministries, departments, or agencies) or whatever funding unit (or "vote") is specified in the Enacted Budget.

The conditions under which the executive may exercise its discretion to shift funds should be clearly defined in publicly available regulations or law. In addition, the amount of funds that the executive is allowed to transfer between administrative units should not be so excessive as to undermine the accountability of the executive to the legislature.

To answer "a," the executive is required by law or regulation to obtain prior legislative approval before shifting funds between administrative units, and it does so in practice. Answer "b" applies if the executive obtains legislative approval before shifting funds between administrative units, but is not legally required to do so. Answer "c" applies if the executive is legally required to receive legislative approval before shifting funds, but does not do so in practice. Answer "d" applies if legislative approval is not legally required for the executive to shift funds between administrative units and the executive does not obtain legislative approval in practice. Answer "d" also applies if the executive is authorized to shift an amount considered so excessive as to undermine accountability (roughly equal to 3 percent of total budgeted expenditures). A "d" response applies if the legislature only approves the shifting of funds after it has already occurred.

In the comments, please indicate any law or regulation that provides the executive with standing authority to shift funds between administrative units and, if so, describe that authority. Similarly, legislative approval for shifting funds between administrative units typically occurs with the adoption of legislation such as a supplemental budget. But if other formal procedures for gaining approval from the legislature exist, then please provide information about that approval process.

Answer:
d. There is no law or regulation requiring the executive to obtain approval from the legislature prior to shifting funds between administrative units, and in practice the executive shifts funds between administrative units before obtaining approval from the legislature.

Source:
In Hungarian: 2011. évi CXCV törvény az államháztartásról
In English: Act CXCV of 2011 on the State Budget
31-33 §,
URL: http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100195.TV

In Hungarian: A 2021-es költségvetésben átcsoportosítást végrehajtó kormányhatározatok
In English: The resolution of the government about shifting funds in the Enacted Budget for FY 2021
URL: http://njt.hu/
Searching for: "Évszám": 2022, "Típus": KORM határozat, "Szavak": átcsoportosítás

In Hungarian: 368/2011. (XII. 31.) Korm. rendelet az államháztartásról szóló törvény végrehajtásáról
In English: Government decree 368/2011. (XII. 31) on the execution of the act on the state budget
URL: http://www.njt.hu/cgi_bin/njt_doc.cgi?docid=143097
Ávr. 150. (4)

Rules about Economic Restart Fund
In Hungarian: 2021. évi XC. törvény Magyarország 2022. évi központi költségvetéséről
In English: Act XC of 2021 on the central budget of Hungary for FY 2022
URL: https://njt.hu/jogszabaly/2021-90-00-00
4.§ (5)

In Hungarian: Kormányrendelet az elfogadott költségvetés szabályainak módosításáról

In English: Government decree on modifying the rules in the enacted budget
URL: https://njt.hu/jogszabaly/2021-814-20-22.10#SZ8@BE3
8.§ (3)

In Hungarian: Kormányrendeletek a Gazdasági Újraindítási Alap előirányzatának túllépéséről
In English: Government decrees allowing the overspending on Economic Restart Fund appropriation
https://njt.hu/jogszabaly/2022-1099-30-22
https://njt.hu/jogszabaly/2022-1588-30-22
https://njt.hu/jogszabaly/2022-1471-30-22
in the sections "az eredeti előirányzaton felül – az eddig jóváhagyott összegen túl további – XX forinttal történő túlteljesülését"

Rewriting the budget for FY 2023
In Hungarian: Kormányrendelet a költségvetés módosításáról szóló felhatalmazásról
In English: Government decree on the authorisation for adopting supplementary budget
URL: https://njt.hu/jogszabaly/2022-504-20-22

In Hungarian: Kormányrendelet a költségvetés módosításáról
In English: Government decree on the supplementary budget
URL: https://njt.hu/jogszabaly/2022-613-20-22

Comment:
In the previous Survey we indicated that the government received wide authorization from the legislature as state of danger was declared due to the pandemic and the government used this to significantly modify the adopted budget. The state of danger has been maintained since then (at the time of research the war in a neighbouring country was cited as cause for it), so FY 2022 was evaluated as current practice.

Paragraphs 31-33 § in the cited act on state budget state the rules of shifting funds in the budget. According to it a supplemental budget (and thus the approval of the legislature) is only needed if the main numbers or the text of the budget law need to be modified. The other case when the shifting of funds affects the chapters administered by the legislature (for example the chapter of the National Assembly), so the legislature has to approve the modification of its own budget. However in this case the legislature is an equal partner to the government to receive or provide funds from its own budget, not an approver of the government's actions.
The „pre-authorization" is granted in specific rules in the enacted budget and 33. § (2) of the act on state budget. The latter allows the government to shift funds between appropriations if the yearly budget or the act on state budget does not dispose otherwise and the appropriations are managed by the government. This gives the government a prior authorization to shift funds without almost any constraints, but at the same time this „pre-authorization" makes the controlling role of the legislature void. The yearly budget and the act on state budget also include several other rules for shifting funds between specific appropriations, giving „pre-authorization" for the government.

Using the authorization stemming from the state of danger the government loosened further the rules. This is shown on the "Economic Restart Fund". In 4. § (5) of the Enacted Budget the legislation allowed the government to use the allocated funds as necessary during the year. After this the government utilised the authorization from the state of danger to make this appropriation "top-open" (meaning the allocated amount can be overspent) with a government decree. This is in 8. § (3) in decree 814/2021. (XII. 28.). The government used this opportunity to spend more during the year, for example in resolutions 1099/2022. (III.2.), 1471/2022. (X. 5.) and 1588/2022. (XI. 30.). The initial amount of the appropriation was 68 billion HUF but only with the three resolutions the government allowed itself about 500 billion HUF overspending.

We searched for "shifting funds" in the government resolutions and found 76 resolutions that reallocated a total amount of 2,943 billion HUF (about 8% of the total expenditures) during the implementation of the budget in FY 2022. The search on the cited webpage lists all the resolutions of the government from 2022 that contain the words "shifting funds". More results are shown but some of them contain the words in other contexts.
There were several types of shifting funds: reallocating unspent appropriations, spending reserves or allocating expenditures that were not specified in details in the budget. Reallocating unspent appropriations means that the funds that were provided to an institution but unspent at the end of the year became a „remain" and the government has the right to reallocate it to other expenditures. To facilitate the administration of these items a modification in 2017 centralised the use of unspent appropriations because the unspent amounts have to be allocated to the line „Központi Maradványelszámolási Alap" (Central Remnant Clearing Fund) and the government can reallocate it from there. This is in the cited government decree 368/2011 in paragraph „Ávr. 150 (4)". Reserves are contingency funds, but the government may spend them if the rules allow it and the reserves are not needed for reaching the deficit goal. The third mentioned expenditure items are loosely defined lines and the government specified the exact expenditures by reallocating them. The Economic Restart Fund falls into this category. The definition allows for any expenditure that helps in economic growth, so which projects are funded in the year is decided by the government when it reallocates the funds to specified projects.

Utilising the state of danger the government showed that it could completely modify the budget. In December 2022 the government issued a supplementary budget for FY 2023 with a government decree (613/2022. (XII.29) after the government authorised itself with decree (504/2022. (XII. 8.))). The government also submitted this supplementary budget to the legislature that adopted it in March, so the decree was in effect until April 2023. From budget transparency perspective it means the government can adopt a budget without any approval from the legislature.

Even the pre-authorization by the legislature was ineffective for providing oversight over the implementation of the budget and undermined the credibility of the budget, but the recent decree about the supplementary budget showed that the legislature can be completely left out from approving the shifting of funds. As a result we maintained the answer from the previous survey as "d".

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

116. Does the executive seek approval from the legislature prior to spending excess revenue (that is, amounts higher than originally anticipated) that may become available during the budget execution period, and is it legally required to do so?

GUIDELINES:
Question 116 examines whether the executive receives approval from the legislature prior to spending excess revenue, and whether it is legally required to do so. Good practice requires the legislature to approve changes in revenue or expenditure relative to the Enacted Budget. For example, if additional revenue is collected unexpectedly during the year, which often happens in oil/mineral-dependent countries, and it was not accounted for in the Enacted Budget, there should be a procedure in place to ensure that the legislature approves any proposed use of these "new" funds. If such requirements are not in place, the executive might deliberately underestimate revenue in the budget proposal it submits to the legislature, in order to have additional resources to spend at the executive's discretion, with no legislative control.

To answer "a," the executive is required by law or regulation to obtain prior legislative approval before spending any funds resulting from higher-than-expected revenues, and it does so in practice. Answer "b" applies if the executive obtains legislative approval before spending excess revenue, but is not legally required to do so. Answer "c" applies if the executive is legally required to receive legislative approval before spending excess revenue, but does not do so in practice. Answer "d" applies if prior legislative approval is not legally required for the executive to spend excess revenue and the executive does not obtain legislative approval in practice. A "d" response applies if the legislature only approves the additional spending after it has already occurred.

Typically, legislative approval of additional spending beyond what was reflected in the Enacted Budget would occur with the adoption of a supplemental budget. But other formal procedures for getting approval from the legislature in advance of it adopting the supplemental budget may exist. If that is the case, then please provide information about that approval process.

Answer:
d. There is no law or regulation requiring the executive to obtain approval from the legislature prior to spending excess revenues, and in practice the executive spends these funds before obtaining approval from the legislature.

Source:
In Hungarian: 2011. évi CXCV törvény az államháztartásról
In English: Act CXCV of 2011 on the State Budget
5. § (2), 30. § (4), 31. §
URL: http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100195.TV

In Hungarian: 368/2011. (XII. 31.) Korm. rendelet az államháztartásról szóló törvény végrehajtásáról
In English: Government decree 368/2011. (XII. 31) on the execution of the act on the state budget
URL: http://www.njt.hu/cgi_bin/njt_doc.cgi?docid=143097
Ávr. 35. §, 36. §

In Hungarian: T/1877. számú törvényjavaslat a Magyarország 2021. évi központi költségvetéséről szóló 2020. évi XC. törvény végrehajtásáról - Az indokolás mellékletei - Az államháztartás mérlege (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint) és A központi alrendszer mérlege (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)
In English: Bill T/1877 on the execution of act XC of 2020 on the central budget of Hungary for FY 2021 - Supplements of the justification - Balance sheet of the general government (cash-flow based) (economic classification) and the Balance sheet of the central government (cash-flow based) (economic classification)
URL: https://www.parlament.hu/irom42/01877/T_1877_00.pdf
pages 209 and 311

Supplemental budget in FY 2021
In Hungarian: T/15974. számú törvényjavaslat a Magyarország 2021. évi központi költségvetéséről szóló 2020. évi XC. törvény módosításáról
In English: Bill T/15974 on the modification of Act XC of 2020 on the central budget of Hungary for FY 2021
URL: https://www.parlament.hu/irom41/15974/15974.pdf
page 57

Comment:
According to 5. § of the act on state budget the Finance Minister decides about the utilization of fiscal surplus. This rule is valid only for the final total balance of the budget, however it was not achieved in the recent years. Other rules apply for excess revenues at item level.

Paragraph 30. § (3) of the same act states that the revenue items may be increased if there is excess revenue, and shall be decreased if the actual revenues are lower than planned. Paragraph 31. § (1) requires that the revenue items of centralised revenues and the social security funds shall be modified if the related laws change during the year. In essence only the latter one is obligatory, the first one is optional. Apart from these there is no requirement for the government to seek the approval of the legislature. Paragraph 30. § (4) even bestows the government to determine the rules for excess revenues in government resolutions.

The related resolution („368/2011. (XII. 31.) Korm. rendelet") in paragraph 35. § (1) states that the excess revenues of a budgetary institution or chapter-administered appropriations (even the centralised taxes) can only be spent after the appropriations have been modified. This modification can be approved by the minister responsible for the institution or chapter, but above certain thresholds the Finance Minister also has to approve the modification and the use of excess revenues.

The act was approved by the legislature, hence these rules mean a very broad prior authorization for the government to decide about the excess revenues in its own competence.

The use of excess revenues can be spent on a modified expenditure of the institution that achieved it or the Finance Minister may collect these revenues and the government may allocate it to other expenditures. There are certain restrictions for the use, for example personal costs can only be increased if the excess revenues are permanent.

In April 2021 the government submitted a supplemental budget to the legislature in which the government proposed higher revenue estimates. The final outcomes were higher than the modified estimates and even with the increased revenue estimates the final balance was much lower than approved by the legislature that means the government spent even more than the increased revenue estimates. Both the balance sheet of the general government (that is the central government and the local governments together) and the balance sheet of the central government show this (the tables are from the Year-End Report for FY 2021). The revenues are shown in section 2 "Bevételek" and the balance at the bottom of the table in the line "Egyenleg". The original estimates are in the column "2021. évi eredeti előirányzat", the estimates modified by the supplemental budget in the column "2021. évi törvényi módosított" while the outcomes are in "2021. évi teljesítés". The line "Közhatalmi bevételek" shows the tax and similar revenues and the line "Működési bevételek" the operational revenues like fees for services. In the aggregated lines (in bold format) the estimates were slightly increased but the actual outcomes turned out higher. Despite the excess revenues the balance was much lower that means the government spent the excess revenues instead of improving the balance.

The government generally uses the "top open" appropriations to spend the excess revenues. In many cases these are driven by external factors (like the pensions or childcare supports by demographic factors or the guarantees and foreign exchange rate variations by unexpected economic causes or the contingency funds for judicial decisions), but some of them can be planned like the appropriations for managing mass migration or measures for preventing terror. In the supplemental budget (in point 18 on page 57) the government received an additional opportunity for spending on "Economy restart programs" ("Gazdasági-újraindítási programok"). The government could spend any amount on these until the projected debt-to-GDP ratio decreases compared to the previous year. Nevertheless the budget is globally financed, thus it cannot be determined exactly and fully what expenditure items were financed by the excess revenues.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

117. Does the executive seek approval from the legislature prior to reducing spending below the levels in the Enacted Budget in response to revenue shortfalls (that is, revenues lower than originally anticipated) or other reasons during the budget execution period, and is it legally required to do so?

GUIDELINES:
Question 117 examines whether the executive receives approval from the legislature prior to cutting spending below the levels in the Enacted Budget in response to revenue shortfalls or for any other reason, and whether it is legally required to do so. Good practice requires the legislature to approve changes in revenue or expenditure relative to the Enacted Budget. For example, if less revenue is collected unexpectedly during the year, the legislature should approve or reject any proposed reductions in expenditures that are implemented as a result. If such requirements are not in place, the executive might substantially change the composition of the budget at the executive's discretion, with no legislative control.

Typically, legislative approval of proposals to reduce spending below the levels reflected in the Enacted Budget would occur as part of the supplemental budget. But other formal procedures for getting approval from the legislature in advance of it adopting the supplemental budget may exist. If that is the case, then please provide information about that approval process.

To answer "a," the executive is required by law or regulation to obtain prior legislative approval before implementing spending cuts in response to revenue shortfalls or for other reasons, and it does so in practice. Answer "b" applies if the executive received legislative approval before implementing such cuts, but is not legally required to do so. Answer "c" applies if the executive is legally required to obtain legislative approval before implementing such cuts, but does

not do so in practice. Answer "d" applies if legislative approval is not legally required for the executive to implement such cuts and the executive does not obtain such approval in practice. A "d" response applies if the legislature only approves the spending cuts after they have already occurred.

Answer:
d. There is no law or regulation requiring the executive to obtain approval from the legislature prior to reducing spending below enacted levels, and in practice the executive implements these spending cuts before seeking prior approval from the legislature.

Source:
In Hungarian: 2011. évi CXCV törvény az államháztartásról
In English: Act CXCV of 2011 on the State Budget
40. §
URL: http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100195.TV

In Hungarian: 1281/2022. (VI. 4.) Korm. határozata a Magyarország szomszédságában zajló háború idején a rezsicsökkentés megvédése és a honvédelmi célok teljesítése érdekében szükséges költségvetési intézkedésekről
In English: Government resolution 1281/2022 (VI. 4.) on the budgetary measures to protect the low energy tariffs and achieve the national defence goals during the was in a neighbouring country
URL: http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK22093.pdf
on page 3813

In Hungarian: 1325/2022. (VII. 11.) Korm. határozata a költségvetési fejezeteket érintő államháztartási stabilizációs intézkedésekről
In English: Government resolution 1325/2022 (VII. 11.) on the chapter-level budgetary stabilisation measures
URL: http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK22112.pdf
on pp. 4332-4334

Comment:
In the Hungarian law the appropriations approved in the budget are only rights to spend that amount, but it is not mandatory to spend wholly that amount. The budget only means an upper constraint on the expenditures, the institutions can spend less than their estimates. (In these cases the unspent appropriations are carried over to the next year or if there are no financial obligations taken against it the government can reallocate it to other expenditure items.) The government has the right to lock some part of the estimates if the current budget deficit is worse than planned. The only exceptions are the appropriations that are controlled by the legislature and not under the execution of the government. After the lockup the government has to decide if the budget deficit improved enough to erase the lock or if it is necessary to retain it to achieve its deficit target. There is no legal rule that obliges the government to seek approval from the legislature for reducing expenditures and does not do so in practice.

The government used this opportunity in 2022.

In the first cited resolution in point 2 the government suspended the state investments to revise them and set a 1150 billion HUF saving target from this.

In the second cited resolution in point 1 the government ordered reductions at certain appropriations according to appendix 1 on page 4333 and locked the amounts at the ministries in appendix 2 on page 4334. The reduction was 150 billion HUF, the lockup is 415 billion HUF and their total is around 1% of the GDP.

As shown in question 115 the government may reduce the spending on certain expenditures with reallocating the unspent appropriations to other expenditure items. Essentially these can also be considered as spending reductions without the approval of the legislature.

There was a special government measure during 2022 when the government ordered the treasury to suspend any payment of the budgetary institutions. It did not have any effect on the fiscal deficit or the budget itself but was very unusual. The decision was made in a secret government resolution and was not published officially.

Article about the payment suspension
In English: Hungarian government orders complete payment freeze at government agencies until end of October, Gergely Brückner, Telex.hu, 29 September 2022
URL: https://telex.hu/english/2022/09/29/hungarian-government-orders-complete-payment-freeze-at-government-agencies-until-end-of-october

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

118. Did a committee of the legislature examine the Audit Report on the annual budget produced by the Supreme Audit Institution (SAI)?

GUIDELINES:
Question 118 is about ex post oversight following the implementation of the budget. It probes whether a committee examined the Audit Report on the annual budget produced by the Supreme Audit Institution (SAI), and whether this resulted in an official report with findings and recommendations. A key issue is how soon after the SAI releases the report does it legislature review it. This question does not apply to the legislative scrutiny of in-year implementation of the Enacted Budget during the relevant budget execution period, which is assessed separately. Also, the question is asking specifically about the SAI's annual report on the execution of the budget, not about other audit reports that the SAI may produce. (This is the Audit Report used for responding to Question 98.)

To answer "a," a legislative committee must have examined the annual Audit Report within three months of it being released by the SAI, and then published a report (or reports) with findings and recommendations. (Note that the three-month period should only take into account time when the legislature is in session.)

Answer "b" applies when the committee examines it within six months of it being released (but more than three months), and then published a report with its findings and recommendations. Choose "c" if a committee examined the annual Audit Report more than six months after it became available or it did not publish any report with findings and recommendations. Answer "d" applies where no committee examined the annual Audit Report.

If the answer is "a" or "b," please specify the name of the committee and when it reviewed the Audit Report, and provide a copy of its report(s). If the answer is "c," please specify the name of the committee and when it reviewed budget implementation. Answers "a,""b," or "c" may be selected if the Audit Report is produced by the SAI but not made publicly available.

Answer:
d. No, a committee did not examine the Audit Report on the annual budget.

Source:
In Hungarian: Jegyzőkönyv az Országgyűlés Költségvetési bizottságának 2022. november 29-én, kedden, 10 óra 04 perckor az Országház Széll Kálmán termében (főemelet 64.) megtartott üléséről
In English: Minutes of the Meeting of the Budgetary Committee of the Parliament held at 10:04 on 29 November 2022 in the Kálmán Széll boardroom of the Parliament
URL: https://www.parlament.hu/documents/static/biz42/bizjkv42/KVB/2211291.pdf
on pp. 5-20

In Hungarian: Windisch László az Állami Számvevőszék elnökének felszólalása a 2021-es zárszámadás vitájában
In English: Speech by László Windisch President of the State Audit Office in the general debate of Year-End Report of FY 2021
URL: https://www.parlament.hu/web/guest/iromanyok-egyszerusitett-lekerdezese?p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_auth=KLNm4ieg&_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_naplo.naplo_fadat%3Fp_ckl%3D42%26p_uln%3D42%26p_felsz%3D30%26p_szoveg%3D%26p_felszig%3D30

Comment:
The Budgetary Committee did not discuss the report in a separate point, but it was indicated in the debate of the Year-End Report that the Audit Report was available on the Parliament's website. This is on page 6 of the cited minutes of the meeting saying „Az Állami Számvevőszék kapcsolódó jelentése a parlament honlapján a törvényjavaslat mellett megtalálható." (The Audit Report is available on the Parliament's website beside the bill.) The Report was not mentioned during the session of the Committee. In technical terms the Audit Report was discussed, but essentially it was only an opportunity that none of the committee members used. No report was published by the committee about the findings.

The Audit Report was not debated in the general debate of the Year-End Report for FY 2021.The President of the State Audit Office stated that the institution only had audited the Year-End Report and validated its numbers as reliable. (In the section "az Állami Számvevőszék ellenőrzése a zárszámadási törvény-javaslattal kapcsolatosan nem egy politikai értékelés, annak egy alapvető, nagyon-nagyon fontos célja van, az pedig az, hogy véleményt mondjon arról, hogy a zárszámadási törvényben szereplő milliónyi adat nézzék meg azt a papírhalmazt Banai államtitkár úr asztalán, az abban szereplő valamennyi adat megbízható és hiteles. És örömmel konstatáltam, hogy a vita alatt egyetlen képviselő sem vonta kétségbe azt, hogy ezek az adatok hitelesek, és a vitának alapjául tudnak szolgálni. Önök le is folytattak egy nagyon hosszú, érdemi vitát erről a törvényről, és soha egyetlenegyszer nem vonták kétségbe azt, hogy a törvényben szereplő számok ne lennének valódiak. Az Állami Számvevőszék hozzáadott értéke ehhez a munkához éppen ez.") Additionally he mentioned that the Audit Report contained indicators to evaluate the economic situation. Apart from this when the SAO was mentioned in the debate it was about the role and function of the institution and how it should fulfil it. The Audit Report or its findings were not utilised in the debate. Also the general debate is not a committee of the legislation.

Peer Reviewer
Opinion: Agree

Government Reviewer Opinion:

119. Was the process of appointing (or re-appointing) the current head of the SAI carried out in a way that ensures his or her independence?

GUIDELINES:
Question 119 concerns the appointment process of the current head of the Supreme Audit Institution (SAI). Appointment procedures vary greatly across countries, as well as across different types of SAIs. Moreover, conventions and informal practices can greatly affect the de facto independence of the head of the SAI. While these factors make it difficult to devise a single metric against which all SAIs can be assessed with regard to this particular aspect, this question focuses on whether the legislature or judiciary must appoint or approve the appointment of the head of the SAI as a way to ensure the SAI's independence from the executive. However, if the appointment is carried out in another way that nonetheless ensures the independence of the SAI head, then that approach could be also considered.

To answer "a," the legislature or judiciary must appoint (or re-appoint) the head of the SAI, or approve the recommendation of the executive, as a way that ensure his or her independence from the executive. (As noted above, alternative approaches may also be acceptable.) Choose "b" if the appointment process does not ensure the independence of the head of the SAI, e.g. the executive may appoint the head of the SAI without the final consent of the legislature or judiciary.

Irrespective of which answer you selected, provide a description of how the head of the SAI is appointed.

Answer:
a. Yes, the head of the SAI may only be appointed by the legislature or judiciary, or the legislature or judiciary must give final consent before the appointment takes effect.

Source:
In Hungarian: 2011. évi LXVI. törvény az Állami Számvevőszékről
In English: Act LXVI of 2011 on the State Audit Office
Hungarian version:
URL: http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100066.TV
9. § and 11. §

In Hungarian: Alaptörvény
43. Cikk
URL: https://njt.hu/jogszabaly/2011-4301-02-00
In English: Fundamental Law of Hungary
Article 43
URL: https://njt.hu/jogszabaly/en/2011-4301-02-00

The appointment of the head of the SAO
In Hungarian: Az Állami Számvevőszék elnökének megválasztásáról (dr. Windisch László)
In English: Decision on the president of the State Audit Office
URL: https://www.parlament.hu/web/guest/szavazasok-elozo-ciklusbeli-adatai?p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_auth=0B6Gwk9h&_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_irom.irom_adat%3Fp_ckl%3D42%26p_izon%3D435

Comment:
According to the law (in article 9 of the act on State Audit Office and article 43 of the Fundamental Law) the current process of appointing the president of the SAO is the following:
- a committee is formed with members of the Parliament that makes recommendations for the persons (the persons who were member of the government or held executive position in any party in the previous four years are excluded from the candidates)
- the committee responsible for the audit holds a hearing of the candidate(s)
- the Parliament elects the president of the SAO with two-thirds of the votes of the members of the legislature
The new law about the State Audit Office has been in effect since 1 July 2011 and the current president was appointed based on this law.
The president was elected for 12 years on 4 July 2022 as the column "Dátum" (Date) shows in the block „Szavazások az irományról" (Votes on the proposal) in the citation about the vote in the legislature.
The Fundamental Law governs the term in Article 43 where it is stated that the president of SAO is elected for 12 years.
The rules are also strict on removing the president of the SAO, only the legislature can initiate it and decide on it. This is in 11. § of the cited law on the State Audit Office. Points (3) and (5) state that the in case of conflict of interest with other mandates, not fulfilling its tasks or serious crime the legislature can initiate and decide about the removal of the president of State Audit Office.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

120. Must a branch of government other than the executive (such as the legislature or the judiciary) give final consent before the head of the Supreme Audit Institution (SAI) can be removed from office?

GUIDELINES:

Question 120 covers the manner in which the head or senior members of the SAI may be removed from office. This question draws on best practices identified in the Lima Declaration of Guidelines on Auditing Precepts (http://internationalbudget.org/wp-content/uploads/LimaDeclaration.pdf), including measures intended to guarantee the office's independence from the executive.

To answer "a," the head of the SAI may only be removed by the legislature or judiciary, or the legislature or judiciary must give final consent before the head of the SAI is removed. For example, the legislature or judiciary may give final consent following a certain external process, such as a criminal proceeding. So while the executive may initiate a criminal proceeding, the final consent of a member of the judiciary — or a judge — is necessary to render a verdict of wrongdoing that may lead to the removal from office of the head of the SAI. Answer "b" applies if the executive may remove the head of the SAI without the final consent of the judiciary or legislature.

Answer:
a. Yes, the head of the SAI may only be removed by the legislature or judiciary, or the legislature or judiciary must give final consent before he or she is removed.

Source:
In Hungarian: 2011. évi LXVI. törvény az Állami Számvevőszékről
In English: Act LXVI of 2011 on the State Audit Office
Hungarian version: http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100066.TV
11. §

Comment:
The president of the State Audit Office can only be removed by the legislature.
There are strict rules in which cases he can be removed as listed in 11.§ (3)-(5) of the cited act. These cases are when the President of the SAO breaches the conflict of interest („összeférhetetlenség") by taking a position at an institution that receives funding from the government, by being member of the Parliament or representative of a local government or other lobby organization, by accepting any remuneration for his work apart from the SAO, or having a relative in the government or in the legislative committee responsible for the audit. Other case when the legislature can initiate the removal is when the president of the SAO is not able to or does not fulfil its duty, or stand convicted. Other automatic cases for the removal is when the term of the commission expires, the president resigns or dies.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

121. Who determines the budget of the Supreme Audit Institution (SAI)?

GUIDELINES:

Question 121 asks who determines the budget of the Supreme Audit Institution (SAI). To ensure objective audits of government budgets, another important

component of the SAI's independence from the executive is the extent to which the SAI's budget is determined by a body other than the executive, and whether the SAI has adequate resources to fulfill its mandate.

Answer "a" applies if the funding level is broadly consistent with the resources the SAI needs to fulfill its mandate, AND either the SAI determines its own budget and then submits it to the executive (which accepts it with little or no change) or directly to the legislature, or the budget of the SAI is determined directly by the legislature or judiciary (or some independent body). Answer "b" applies if the SAI's budget is determined by the executive (absent a recommendation from the SAI), and the funding level is broadly consistent with the resources the SAI needs to fulfill its mandate. Answer "c" applies if the legislature or judiciary (or some independent body) determines the SAI's budget, but the funding level is not consistent with the resources the SAI needs to fulfill its mandate. Answer "d" applies if the executive determines the SAI's budget, and the funding level is not consistent with the resources the SAI needs to fulfill its mandate. Please provide evidence in support of the assessment that the funding level is or is not broadly consistent with the resources the SAI needs to fulfill its mandate.

Answer:
a. The SAI determines its own budget (i.e., submits it to the executive, which accepts it with little or no change, or directly to the legislature), or the budget of the SAI is determined by the legislature or judiciary (or some independent body), and the funding level is broadly consistent with the resources the SAI needs to fulfill its mandate.

Source:
Source:
In Hungarian: 2011. évi LXVI. törvény az Állami Számvevőszékről
In English: Act LXVI of 2011 on the State Audit Office
Hungarian version: http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100066.TV
2. §

Comment:
The fiscal independence of the SAO is secured in article 2 of the act on the State Audit Office. The SAO has its own chapter in the budget and its resources are managed by the president of the SAO. In the budgeting the SAO determines its own budget, sends it to the executive who has to implement it to the budget without any change. The legislature slightly modified the rules for the funding level. It is secured that the allocated operational funds cannot be less than in the previous year. Furthermore the wage expenditures cannot be less than the previous year's expenditure corrected with the official statistical wage increase. The one-time investment funds can be decreased between years. These new rules provide a sufficient funding level for the operation. The previous requirement only prohibited the decrease of the total amount.
The funding level is consistent with the mandates of the SAO because the institution can audit the budgetary institutions, create additional analysis and there is no news about missed tasks.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

122. Does the Supreme Audit Institution (SAI) have the discretion in law to undertake those audits it may wish to?

GUIDELINES:
Question 122 explores the scope of the investigative powers of the Supreme Audit Institution (SAI) as prescribed in law.

Question 97 asks which of the three types of audits — financial, compliance, and performance — the SAI conducts. This question asks if the SAI is constrained by law (rather than by a lack of capacity or an inadequate budget) from undertaking any form of audit or investigating irregularities in any program or activity.

There are numerous examples of limitations. For instance, some SAIs are not permitted by their legal mandate to audit joint ventures or other public-private arrangements. Others are only allowed to undertake financial audits, precluded from conducting performance or value-for-money audits. The SAIs in some countries do not have the legal mandate to review arrangements involving oil or stabilization funds, or other types of special or extra- budgetary funds. The SAI may also not have the ability to audit commercial projects involving the public and private sector.

To answer "a," the SAI must have full discretion in law to decide which audits to undertake. Answer "b" applies if some limitations exist, but the SAI enjoys significant discretion to undertake those audits it wishes to. Answer "c" applies if the SAI has some discretion, but significant legal limitations exist. Answer "d" applies if the SAI has no power at all to choose which audits to undertake

Consulting the Lima Declaration of Guidelines on Auditing Precepts (http://internationalbudget.org/wp-content/uploads/LimaDeclaration.pdf) may be useful in

answering this question as its provisions serve to define the appropriate scope of a SAI's legal mandate and jurisdiction.

Answer:
a. The SAI has full discretion to decide which audits it wishes to undertake.

Source:
In Hungarian: 2011. évi LXVI. törvény az Állami Számvevőszékről
In English: Act LXVI of 2011 on the State Audit Office
URL: http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100066.TV
3. § and 23. § (2)

In Hungarian: 1989. évi XXXIII. törvény a pártok működéséről és gazdálkodásáról
In English: Act XXXIII of 1989 on the operation and management of the parties
URL: http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=98900033.TV
10. §

In Hungarian: Alaptörvény
43. Cikk (1)
URL: https://njt.hu/jogszabaly/2011-4301-02-00
In English: Fundamental Law of Hungary
Article 43 (1)
URL: https://njt.hu/jogszabaly/en/2011-4301-02-00

Comment:
The yearly plan of the SAO is approved by the president of the SAO. According to articles 3 and 23 of the act on State Audit Office the SAO is obliged to conduct audits upon the resolution of the legislature and may conduct audits upon the request of the government or the notifications of the people. This rule was amended and since 2023 the SAO may conduct audits not in the yearly plan and must include these in its yearly report.

In other acts there are additional obligations for the SAO like article 10 in the act on political parties that requires the SAO to audit all the parties that receive funds from the central budget biannually. These are legal obligations and adopted by the legislature, thus does not influence the independence of the SAO.

A more general rule is stated in the Fundamental Law (article 43 (1)). According to it the SAO shall audit not only the implementation of budget or administration of public finances but the use of funds from public finances and the management of national assets. Based on this companies, foundations and other organisations can also be audited how they use the public funds.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

123. Are the audit processes of the Supreme Audit Institution (SAI) reviewed by an independent agency?

GUIDELINES:
Question 123 assesses whether and to what extent the audit processes of the Supreme Audit Institution (SAI) are subject to review by an independent agency. The latter could be a peer SAI, an international organization, an academic institution with relevant expertise, or an independent domestic agency with quality assurance functions in the area of financial reporting.

To answer "a," an independent agency must conduct and publish a review of the audit processes of the SAI on an annual basis. Answer "b" applies if a review was carried out within the past five years, and published, but it is not conducted annually, but. Choose answer "c" if the SAI has an internal unit that reviews the audit processes of the SAI on a regular basis, but an independent agency does not conduct such a review. Answer "d" applies if the audit processes of the SAI are reviewed neither by an independent agency nor by a unit within the SAI.

If the answer is either "a" or "b," please specify the name of the independent agency and when last it conducted such a review, and provide a copy of the published report. If the answer is "c," please specify the name of the unit within the SAI that is tasked with conducting such reviews.

Answer:
c. No, but a unit within the SAI conducts a review of the audit processes of the SAI on a regular basis.

Source:
In Hungarian: Tájékoztató az Állami Számvevőszék 2021. évi szakmai tevékenységéről és beszámoló az intézmény működéséről az Országgyűlés részére
In English: Summary report for the National Assembly on the Professional Activity and Operation of the State Audit Office of Hungary in 2021
URL for Hungarian version: https://www.asz.hu/files/ASZ_orszaggyulesi_beszamolo_2022.pdf
URL for English version: https://www.asz.hu/dokumentumok/Summary-Report_SAO-Hungary.pdf
pp. 95-97 and 125-129 in the Hungarian version, pp. 62-63 in the English version

In Hungarian: 2011. évi LXVI. törvény az Állami Számvevőszékről
In English: Act LXVI of 2011 on the State Audit Office
URL: http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100066.TV
2. § (4) and 24. §

Comment:
We have not found any information whether the audit processes had been reviewed by an independent agency.
The use of funds of the SAO is audited by an independent auditor appointed by the Chairman of the National Assembly as required in 2. § (4).
The report of the audit can be found on pages 125-129 in the Hungarian version of the yearly report of the SAO. However this report does not evaluate the audit processes of the institution, only how the SAO managed the use of public funds.
According to 24. § (2) of the Act on State Audit Office the SAO must operate a quality assurance to fulfil the audit requirements determined in 24. § (1), like the audit must be conducted by the legal, methodological and ethical rules, the auditor must have the required competences and experience, the findings of the audit must be proven, etc. On pages 62-33 of the English version of the yearly report the SAO reported the experiences in the operation of the internal control system of the institution. The operation of the internal control system was at a high level in 2021 as stated in the sentence "the functioning of the internal control system of the SAO in 2021 was at a similarly high level as in previous years". According to the description and points c) the internal control system worked adequately and the "four eyes principle" was applied to real processes as well. This means the SAO conducts checks of its audit activities internally and answer „c" was selected based on this.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

124. In the past 12 months, how frequently did the head or a senior staff member of the Supreme Audit Institution (SAI) take part and testify in hearings of a committee of the legislature?

GUIDELINES:
Question 124 concerns the interaction between two important oversight actors and assesses how frequently the Supreme Audit Institution (SAI) made high-level inputs to the work of legislative committees. Many SAIs interact with the legislature in some form, but the nature and intensity of the interaction varies. This question probes this aspect by asking, with reference to the past 12 months, how frequently the head or a senior staff member of the SAI took part and testified in hearings of a committee of the legislature. The intent is to assess the extent to which the SAI representative in question was not only present at a meeting of a legislative committee, but was an active participant (as opposed to a passive observer, serving only as a resource when called upon). You can refer to official records of legislative committees, websites and annual reports of the SAI, press releases and media coverage, for example. Choose answer "a" if this occurred five times or more; "b" for three times or more, but less than five times; "c" for once or twice, and "d" for never.

Answer:
c. Rarely (i.e., once or twice).

Source:
In Hungarian: Jegyzőkönyv az Országgyűlés Gazdasági bizottságának 2022. június 7-én, hétfőn, 10 óra 33 perckor az Országház Tisza Kálmán termében (főemelet 37.) megtartott üléséről
In English: Minutes of the Meeting of the Economic Committee of the Parliament held at 10:33 on 7 June 2022 in the Kálmán Tisza boardroom of the Parliament
URL: https://www.parlament.hu/documents/static/biz42/bizjkv42/GAB/2206071.pdf

pp- 5-11

In Hungarian: Tájékoztató az Állami Számvevőszék 2021. évi szakmai tevékenységéről és beszámoló az intézmény működéséről az Országgyűlés részére
In English: Summary report for the National Assembly on the Professional Activity and Operation of the State Audit Office of Hungary in 2021
URL for Hungarian version: https://www.parlament.hu/irom42/00024/00024.pdf
URL for English version: https://www.asz.hu/dokumentumok/Summary-Report_SAO-Hungary.pdf
page 22 and pp. 32-33

In Hungarian: Windisch László, az Állami Számvevőszék elnökének felszólalásai az Országgyűlésben 2022-ben
In English: Speeches of László Windisch, President of the State Audit Office in the National Assembly in 2022
URL: https://www.parlament.hu/web/guest/felszolalasok-keresese?p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=http%3A%2F%2Fwww.parlament.hu%2Finternet%2Fcplsql%2Fogy_naplo.altnaplek%3FP_TECH_SZEREP%3Dnull%26P_DATUM_TOL%3D2022.04.22%26P_CKL%3D42%26P_IFOTIP%3Dnull%26P_SZEREP%3Dnull%26P_KEPV%3Dnull%26P_KEPV%3DWINDISCH%26P_KEPV%3Dw007%26P_SZEREP_CSOP%3Dnull%26P_FRAK%3Dnull%26P_DATUM_IG%3D2023.04.17%26P_ITIPUS%3Dnull%26P_AKTUS%3Dnull&p_auth=fAfpIZ6J

In Hungarian: Válaszlevél a Költségvetési Felelősségi Intézet megkeresésére
In English: Reply to the inquiry from Fiscal Responsibility Institute Budapest
URL: https://www.parlament.hu/documents/129373/1562331/V%C3%A1laszlev%C3%A9l.pdf/650468f0-5162-3ee8-a7fe-56b29bab4dd9?t=1684739731191

Comment:
The Vice President of the State Audit Office held its yearly testimony in the Economic Committee of the Parliament on 7 June 2022 as proved by the cited minutes of the meetings. This was the only case where we found evidence that a representative of the SAO actively participated in the public hearings of a committee of the legislature. During the testimony the vice president summarised the activities of the SAO in 2021 and since it is a legal requirement to present the yearly activities to the legislature we did not assess it as a supporting activity.

We also asked the Chairman of the Budgetary Committee how the State Audit Office had supported the tasks of the Committee. The penultimate paragraph of the reply (starting with “Végezetül…”) stated that the testimony of the President of the SAO was conducted by the Economic Committee and the public reports of the SAO supported the activities of all representatives.

The President of the SAO spoke twice in the National Assembly during 2022: both speeches were during the general debate of the Year-End Report of 2021. The first one was a general exposé about the SAO's role in auditing the Year-End Report, while the second one a reply to the MPs comments and reiterating the SAO's role. The general debate in the National Assembly is not a committee of the legislature and provides less opportunity for professional debates.

The yearly report on the operation of the SAO does not provide details how the audits were utilised in the National Assembly. On page 22 the chart shows "5 SAO proposals utilised" but it is not described which ones were adopted. On pp. 32-33 the report states the decision of the National Assembly on strengthening the advisory role of the SAO but later paragraphs only explain how the SAO shared its knowledge and do not mention how the legislation utilised the audit findings.

The question is about active participation in the committee sessions, so we could evaluate only the yearly testimony of the vice president as taking part in a hearing of a committee of the legislature.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

125. Does the executive use participation mechanisms through which the public can provide input during the formulation of the annual budget (prior to the budget being tabled in parliament)?

GUIDELINES:
This question reflects the GIFT principles on “Inclusiveness” and “Timeliness” and assesses the extent to which the participation mechanism(s) used by the executive are truly interactive and involve a two-way conversation between citizens and the executive.

The drafting of this question and its answers are partially drawn from the IAP2 Spectrum of Public Participation, in particular with regards to the concepts of

"involvement" (option "a" in the responses) and "consultation" (option "b"). See: https://cdn.ymaws.com/www.iap2.org/resource/resmgr/foundations_course/IAP2_P2_Spectrum_FINAL.pdf .

Please consider only participation mechanisms that the Ministry of Finance, lead budget agency, or central coordinating agency designated by the government to implement participation mechanisms ("the executive") is currently using to allow the public to participate in the formulation of the annual budget, including annual pre-budget discussions. Participation mechanisms used only by line ministries should not be used to answer this question. If there is more than one mechanism used by the executive, please select the deepest or most interactive mechanism that reflects the government's efforts to incorporate citizens' input into the formulation of the annual budget. The participation mechanisms can involve a range of different issues, such as spending and tax policy, funding and revenue levels, and macro-fiscal planning .

To answer "a," the executive must use open participation mechanisms that involve the public in the formulation of the annual budget. This means that a public process is in place whereby CSOs and/or individual members of the public and government officials interact, and have the opportunity to express their opinions to each other in what can be considered a public dialogue between them (i.e., in-person and online discussion forums). Additionally, the mechanism should be open to any CSO and/or individual members of the public who wish to participate. By selecting this answer, the researcher must present evidence to support the presence of a public dialogue among citizens and government officials. Examples include public meetings and online deliberative exchanges.

Answer "b" applies if an open consultation mechanism is in place whereby members of the public (i.e., individuals and/or CSOs as well as academics, independent experts, policy think tanks, and business organizations) can provide their input in the formulation of the annual budget. This answer applies if the government is using a mechanism that is structured and well established, and not ad-hoc. The researcher must present evidence to support the presence of consultative processes through which the executive seeks out inputs from citizens. Examples include surveys, focus groups, report cards, published policy consultation exercises, and online platforms that government officials actively manage to solicit inputs.

Answer "c" applies if the executive has established a mechanism or mechanisms to allow citizens to participate in the budget formulation phase, but:

1) The mechanisms are not structured and happen only on ad-hoc basis, or not regularly.

and/or

2) The executive consults with and/or interacts with, citizens, but there is discretion in who is allowed to participate, and the executive determines fully or partially such selection process by inviting specific groups (for example by making an open call but just to experts from a particular sector, or naming specific organizations). While it is not possible for all citizens and/or CSOs to participate in this or other phases of the budget process, options "a" and "b" apply if the government does not exercise any discretion in determining who is allowed to participate. While there is likely going to be self-selection, it is important that the selection is not made by the executive.

In cases where there is discretion in who is allowed to participate, to select answer choice "c", there should be some sort of public record (held in public, minutes of meetings released to public) so that all CSOs and individual members of the public can have knowledge of the meeting, who participated, and what was discussed.

Examples of mechanisms that might qualify as a "c" response include hotlines, Facebook announcements, and one-off meetings with NGOs in which there is a public record.

The researcher must present evidence to support selection of a "c" response.

Answer "d" applies if the requirements for a "c" response or above are not met or if the executive does not use public participation mechanisms during the budget formulation stage.

Answer:
d. The requirements for a "c" response or above are not met.

Source:
In Hungarian: A Nemzeti Gazdasági és Társadalmi Tanács közzétett jegyzőkönyvei
In English: Documents of the National Economic and Social Council (NGTT)
URL: http://ngtt.hu/en/osszefoglalok/

In Hungarian: Az MKKSZ javaslatát elfogadta az OKÉT MVO, 2022. június 10.
In English: The employee side of the National Public Service Consultation Council accepted the proposal of the trade union of public sector employees, 10 June 2022
URL: https://www.mkksz.org.hu/rovatok/rovatok1/hirek/840-az-mkksz-javaslatat-elfogadta-az-oket-mvo

Comment:
There are several consultation forums that include the government and other organisations, but no official public records can be found about the meetings of these forums or they do not hold meetings dedicated to budgetary topics. The consultation forums may discuss topics that have budgetary implications like the minimal wage or the decrease of taxes (like social contribution tax), but there was no dedicated meeting to discuss the upcoming budgetary plans or topics before the budget was submitted to the legislature.

We did not identify any of the below forums as a public participation mechanism because no official records were found about the meetings but not even media articles were published if there was a meeting during the budget formulation in 2021 or 2022.

One such forum is the Versenyszféra és Kormány Állandó Konzultációs Fóruma (VKF, Standing Consultative Forum for the Private Sector and the Government) that involves the trade unions and the representatives of the employers beside the government. It generally discusses labour and related tax topics (mainly the minimum wage).

The Nemzeti Gazdasági és Társadalmi Tanács (NGTT, National Economic and Social Council) discussed a topic each quarter, but those were rather long-term strategy discussions (like education, healthcare, social services, rural infrastructure and investments, etc.). The NGTT did not have a dedicated meeting during the budget formulation and the meetings before the submission of the EBP had general topics (like the EU-level minimum wage in May 2021 for the FY 2022 budget cycle, the yearly minimum wage increase in December 2021 and the economic effects of the high energy prices in April 2022 for the FY 2023 budget cycle). Furthermore, it is not assured that the whole budget is discussed each year, so the selection of topics can limit the affected budgetary areas and several issues may not be discussed for years. As a result the participants cannot provide any input for the relevant budgetary items.

Related to other forums (for example Országos Közszolgálati Érdekegyeztető Tanács, involving the government and trade unions of public services) the cited article is about an open letter to the Minister of Technology and Industry in which point 2 requests a discussion on the effects of the budget for FY 2023 on the employees in public services. There is no information if the request was accepted or any discussion held.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

126. With regard to the mechanism identified in question 125, does the executive take concrete steps to include vulnerable and under-represented parts of the population in the formulation of the annual budget?

GUIDELINES:
This question reflects the GIFT principle of "Inclusiveness", and examines the executive's effort to actively reach out to citizens who are from socially vulnerable groups and/or underrepresented in national processes. The emphasis here is on the executive's efforts to seek out the views of members of the public from socially vulnerable groups and/or who are underrepresented in the process.

To answer "a," the executive must actively seek out individuals from at least one vulnerable and underrepresented community and/or civil society organization representing vulnerable and underrepresented individuals and communities. The researcher must provide evidence to show the government's efforts and actions. The researcher must speak with the relevant government official(s), and subsequently double check with an alternative source, such as representatives of vulnerable/underrepresented groups.

Answer "b" applies if the executive does not take concrete steps to incorporate vulnerable/underrepresented individuals, or organizations representing them, into participation mechanisms or if the executive does not use public participation mechanisms during the budget formulation stage.

Answer:
b. The requirements for an "a" response are not met.

Source:

Comment:
We did not find any participation mechanism that took place during the formulation of the budget.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

127. During the budget formulation stage, which of the following key topics does the executive's engagement with citizens cover?

For the purpose of this question, key topics are considered to be:

1. Macroeconomic issues
2. Revenue forecasts, policies, and administration
3. Social spending policies
4. Deficit and debt levels
5. Public investment projects
6. Public services

GUIDELINES:
This question reflects the GIFT principles of "Transparency" and "Timeliness". Please consider all of the mechanisms currently used by the executive to promote public participation during the formulation of the annual budget.

Please note that while the public engagement can/may cover other topics -- and for this reason the other questions assessing the executive's engagement with the public during budget formulation can be answered on the basis of engagement on topics other than the six listed above -- for the purpose of answering this question, "key topics" are considered to be only the ones listed above. If the executive's engagement with the public covers topics other than the six listed above, please specify these topics in the comments.

Note also that this question assesses only the coverage of public engagement (i.e., "what issues is the public invited to engage on?") and issues related to the depth of engagement or selectivity of engaged are not dealt with by this question.

If written materials about the public engagement, such as an invitation, do not specify the coverage of the public engagement, but the researcher has personally participated in the engagement, s/he may respond to this question based on firsthand experience of the coverage of the public engagement.

Answer "d" applies if requirements for a "c" response or above are not met or if the executive does not use public participation mechanisms during the budget formulation stage.

Answer:
d. The requirements for a "c" response or above are not met.

Source:

Comment:
We did not find any participation mechanism that took place during the formulation of the budget.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

128. Does the executive use participation mechanisms through which the public can provide input in monitoring the implementation of the annual budget?

GUIDELINES:
This question reflects the GIFT principles on "Inclusiveness" and "Timeliness" and assesses the extent to which the participation mechanism(s) used by the executive are truly interactive and involve a two-way conversation between citizens and the executive.

The drafting of this question and its answers are partially drawn from the IAP2 Spectrum of Public Participation, in particular with regards to the concepts of "involvement" (option "a" in the responses) and "consultation" (option "b"). See:
https://cdn.ymaws.com/www.iap2.org/resource/resmgr/foundations_course/IAP2_P2_Spectrum_FINAL.pdf.

Please consider only participation mechanisms that the Ministry of Finance, lead budget agency, or central coordinating agency designated by the government to implement participation mechanisms ("the executive") is currently using to allow the public to participate in monitoring the implementation of the annual

budget. If the executive has designated a central coordinating agency to implement participation mechanisms throughout the national budget process, researchers may consider these mechanisms. Participation mechanisms used only by line ministries should not be used to answer this question. If there is more than one mechanism used by the executive, please select the deepest or most interactive mechanism that reflects the government's efforts to incorporate citizens' input into the implementation of the annual budget. The participation mechanisms can involve a range of different issues, such as revenue administration, public service delivery, public investment project implementation, including procurement, and the administration of social transfer schemes.

To answer "a," the executive must use open participation mechanisms that involve the public in the implementation of the annual budget. This means that a public process is in place whereby CSOs and/or individual members of the public and government officials interact, and have the opportunity to express their opinions to each other in what can be considered a public dialogue between them (i.e., in-person and online discussion forums). Additionally, the mechanism should be open to any CSO and/or individual members of the public who wish to participate. By selecting this answer, the researcher must present evidence to support the presence of a public dialogue among citizens and government official. Examples include public meetings, online, deliberative exchanges, procurement complaint mechanisms, and social monitoring and dialogue.

Answer "b" applies if an open consultation mechanism is in place whereby members of the public (i.e., individuals and/or CSOs as well as academics, independent experts, policy think tanks, and business organizations) can provide their input on the implementation of the annual budget. This answer applies if the government is using a mechanism that is structured and well established, and not ad-hoc. The researcher must present evidence to support the presence of consultative processes through which the executive seeks out inputs from citizens. Examples include public hearings, surveys, focus groups, report cards, and online platforms that government officials actively manage to solicit inputs.

Answer "c" applies if the executive has established a mechanism or mechanisms to allow citizens to provide input on budget implementation, but:

1) The mechanisms are not structured, happen only on ad-hoc basis, or not regularly.

and/or

2) The executive consults with and/or interacts with, citizens, but there is discretion in who is allowed to participate, and the executive determines fully or partially such selection process by inviting specific groups (for example by making an open call but just to experts from a particular sector, or naming specific organizations). While it is not possible for all citizens and/or CSOs to participate in this or other phases of the budget process, options "a" and "b" apply if the government does not exercise any discretion in determining who is allowed to participate. While there is likely going to be self-selection, it is important that the selection is not made by the executive.

In cases where there is discretion in who is allowed to participate, to select answer choice "c", the researcher must have evidence that the government is holding participation mechanisms that have some sort of public record (held in public, minutes of meetings released to public) so that all CSOs and members of the public can have knowledge of the meeting, who participated, and what was discussed.

Examples include hotlines, Facebook announcements, one-off meetings with NGOs in which there is a public record.

The researcher must present evidence to support selection of a "c" response.

Answer "d" applies if the requirements for a "c" response or above are not met or if the executive does not use public participation mechanisms during the budget implementation stage.

Answer:
d. The requirements for a "c" response or above are not met.

Source:

Comment:
There is no specific public participation mechanism that actively seeks the citizens' inputs regarding the implementation of the budget.
There are ad-hoc National Consultations but those consultations ask selective topics (like family policies, pandemic strategy or mass migration) and none of them were about budget implementation.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

129. With regard to the mechanism identified in question 128, does the executive take concrete steps to receive input from vulnerable and underrepresented parts of the population on the implementation of the annual budget?

GUIDELINES:
This question reflects the GIFT principle of "Inclusiveness", and examines the executive's effort to actively reach out to citizens who are from socially vulnerable groups and/or underrepresented in national processes. The emphasis here is on national government's efforts to obtain input from members of the public who are from socially vulnerable groups and/or underrepresented in national processes during the implementation of the annual budget.

To answer "a," the executive must actively seek out individuals from at least one vulnerable and underrepresented community and/or civil society organization representing vulnerable and underrepresented individuals and communities. The researcher must provide evidence to show the government's efforts and actions. The researcher must speak with the relevant government official(s), and subsequently double check with an alternative source, such as representatives from vulnerable/underrepresented groups.

Answer "b" applies if the national executive does not take concrete steps to incorporate vulnerable/underrepresented individuals, or organizations representing them, into participation mechanisms or if the executive does not use public participation mechanisms during the budget implementation stage.

Answer:
b. The requirements for an "a" response are not met.

Source:

Comment:
The executive did not use any public participation mechanism.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

130. During the implementation of the annual budget, which of the following topics does the executive's engagement with citizens cover?

For the purpose of this question, key topics are considered to be:

1. Changes in macroeconomic circumstances
2. Delivery of public services
3. Collection of revenue
4. Implementation of social spending
5. Changes in deficit and debt levels
6. Implementation of public investment projects

GUIDELINES:
This question reflects the GIFT principles of "Transparency" and "Timeliness". Please consider all of the mechanisms currently used by the executive to promote public participation during the implementation of the annual budget.

Please note that while the public engagement can/may cover other topics -- and for this reason the other questions assessing the executive's engagement with the public during budget implementation can be answered on the basis of engagement on topics other than the six listed above -- for the purpose of answering this question, "key topics" are considered to be ONLY the ones listed above. If the executive's engagement with the public covers topics other than the six listed above, please specify these topics in the comments.

Note also that this question assesses only the coverage of public engagement (i.e., "what issues is the public invited to engage on?") and issues related to the depth of engagement or selectivity of engaged are not dealt with by this question.

If written materials about the public engagement, such as an invitation, do not specify the coverage of the public engagement, but the researcher has personally participated in the engagement, s/he may respond to this question based on firsthand experience of the coverage of the public engagement.

Answer "d" applies if requirements for a "c" response or above are not met or if the executive does not use public participation mechanisms during the budget implementation stage.

Answer:
d. The requirements for a "c" response or above are not met.

Source:

Comment:
The executive did not use any public participation mechanism regarding the implementation of the budget.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

131. When the executive engages with the public, does it provide comprehensive prior information on the process of the engagement, so that the public can participate in an informed manner?

Comprehensive information must include at least three of the following elements:

1. Purpose
2. Scope
3. Constraints
4. Intended outcomes
5. Process and timeline

GUIDELINES:
This question relates to the GIFT principle of "Openness," and addresses whether the executive provides relevant information on the process of the engagement before public participation takes place, in order to help citizens engage effectively. The question addresses whether the "rules of the public engagement" are clearly spelled out, in advance and in detail, so that those members of the public who want to engage know how to do so, in terms of when they can do so, what they are expected to provide input on, by when, to whom, etc. This question does not cover the substance of the engagement, which is covered by questions 127 and 130.

Non-comprehensive information means that the government provides information that includes at least one but less than three of the elements listed above.

Purpose refers to a brief explanation of why the public engagement is being undertaken, including the executive's objectives for its engagement with the public.

Scope refers to what is within the subject matter of the engagement as well as what is outside the subject matter of the engagement. For example, the scope may include how a current policy is administered but exclude the specifics of the policies themselves.

Constraints refers to whether there are there any explicit limitations on the engagement. An example of a constraint could be that any policy changes must not cost (or forgo revenue) more than a specific amount or have no net fiscal cost.

Intended outcomes refers to what the executive hopes to achieve as a result of the engagement. Examples of intended outcomes could be revising a policy to better reflect citizen or service-user views or to improve the way in which a particular program is administered.

Process refers to the methods by which the public engagement will take place and the discrete steps in the process. For example, the process may simply be a one-off Internet-based consultation, with a summary published of public inputs and the official response. The process may involve simultaneous or overlapping steps, and may be conducted in one round or in two or more rounds of engagement.

Timeline refers to the specific dates on which the discrete steps in the process will take place, or during which they will be completed, and clear start and end dates for the overall engagement.

Answer "d" applies if the executive does not use public participation mechanisms during the budget implementation or formulation stage.

Answer:
d. The requirements for a "c" response or above are not met.

Source:
In Hungarian: Tájékoztató a 2023. évi költségvetési törvényjavaslat összeállításához szükséges feltételekről és az érvényesítendő követelményekről
In English: Handout for the terms and requirements for formulating the budget proposal for FY 2023
URL: https://ngmszakmaiteruletek.kormany.hu/download/d/90/f2000/2023_tervezesi_tajekoztato.pdf

In Hungarian: A Nemzeti Gazdasági és Társadalmi Tanács közzétett jegyzőkönyvei
In English: Documents of the National Economic and Social Council (NGTT)
URL: http://ngtt.hu/en/osszefoglalok/

Comment:
The government did not publish any information about the upcoming budget before it was submitted to the Parliament. The timetable for the budget formulation did not include any deadline for publishing prior information about the budget. On page 2 the government set the deadlines for budgetary institutions to compile and send their budgets to the Ministry of Finance until 18 May and then send the narrative explanations until 14 June.

The government may have provided information or analyses for the meetings of Versenyszféra és Kormány Állandó Konzultációs Fóruma (VKF, Standing Consultative Forum for the Private Sector and the Government), but there is no official written record about these meetings. The Nemzeti Gazdasági és Társadalmi Tanács (NGTT, National Economic and Social Council) published the minutes of its meetings. On the May 2021 meeting, that happened before the submission of the EBP, it was stated that that the government had not provided enough information for the minimum wage negotiations. (This is on page 4 "Ahhoz, hogy tisztán lehessen látni a bérek ügyében, az az információ, amit most nyújtanak, nem elégséges." In English: "To have a clear picture about the wage situation the provided information is not sufficient.") We did not assess this meeting as a public participation mechanism but mentioning this information for the comprehensive evaluation.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

132. With regard to the mechanism identified in question 125, does the executive provide the public with feedback on how citizens' inputs have been used in the formulation of the annual budget?

GUIDELINES:
This question reflects the GIFT principles of "Transparency" and "Sustainability", and examines the extent to which the executive provides information to citizens on which public inputs were received, which ones are used in the formulation of the annual budget, and how/why.

By "written record", we mean a document that is produced and released by the lead budget agency (Ministry of Finance, Treasury) that has set up and holds the participation activity.

Answer "a" applies when the executive provides a written document with:

- *The inputs (e.g., a written transcript) received from the public and*

- *A detailed report on how the inputs were used or not used (such report should include information on which inputs were used or not used, why, and how)*

Answer "b" applies when the executive provides a written document that includes:

- *The inputs (e.g., a written transcript) received from the public and*

- *A not-so-detailed report, such as a document with a few paragraphs, on how public inputs were used or not used. This document only gives a general idea on how those inputs were used or not used.*

Answer "c" applies when the executive provides a written document that includes:

- *The inputs (e.g., a written transcript) received from the public or*

- *A report (being it detailed or not-so-detailed) on how public inputs have been used or not used.*

Answer "d" applies if the requirements for a "c" response or above are not met or if the executive does not use public participation mechanisms during the budget formulation stage.

Answer:
d. The requirements for a "c" response or above are not met.

Source:

Comment:
The government did not publish any report about the meetings or how it utilised the inputs received from the public.
Contrary to the previous survey we did not find any reference or comment about the proposals sent to the government or about the feedback on them.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

133. With regard to the mechanism identified in question 128, does the executive provide the public with information on how citizens' inputs have been used to assist in monitoring the implementation of the annual budget?

GUIDELINES:

This question reflects the GIFT principles of "Transparency" and "Sustainability", and examines the extent to which the executive provides information to citizens on which public inputs were received during the implementation of the annual budget, which ones are take into account to improve budget monitoring, and how/why.

By "written record", we mean a document that is produced and released by the lead budget agency (Ministry of Finance, Treasury) that has set up and holds the participation activity.

Answer "a" applies when the executive provides a written document with:

- *The inputs (e.g., a written transcript) received from the public and*

- *A detailed report on how the inputs were used or not used (such report should include information on which inputs were used or not used, why, and how)*

Answer "b" applies when the executive provides a written document that includes:

- *The inputs received (e.g., a written transcript) from the public and*

- *A not-so-detailed report, such as a document with a few paragraphs, on how public inputs were used or not used. This document only gives a general idea on how those inputs were or were not taken into account by the executive during budget monitoring.*

Answer "c" applies when the executive provides a written document that includes:

- *The inputs (e.g., a written transcript) received from the public or*

- *A report (being it detailed or not-so-detailed) on how public inputs have been used or not used.*

Answer "d" applies if the requirements for a "c" response or above are not met or if the executive does not use public participation mechanisms during the budget implementation stage.

Answer:
d. The requirements for a "c" response or above are not met.

Source:

Comment:
The executive did not use any public participation mechanism regarding the implementation of the budget.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

134. Are participation mechanisms incorporated into the timetable for formulating the Executive's Budget Proposal?

GUIDELINES:
This question reflects the GIFT principles on "Sustainability,""Timeliness" and "Complementarity" and addresses whether the executive is able to link participation mechanisms to the administrative processes that are used to create the annual budget.

Please note that "timetable" refers to a document setting deadlines for submissions from other government entities, such as line ministries or subnational government, to the Ministry of Finance or whatever central government agency is in charge of coordinating the budget's formulation. This document is sometimes referred to as the budget calendar and is the same document referenced in Question 53.

Answer "a" applies if the national executive establishes a clear set of guidelines that enable citizens and civil servants to understand when participation mechanisms should be used to enable citizen inputs to be incorporated into the annual budget. For answer choice "a", the timetable must be available to the public prior to the budget preparation process beginning.

Answer "b" applies if the executive does not establish a clear set of guidelines that enable citizens and civil servants to understand when participation mechanisms should be used to enable citizen inputs to be incorporated into the annual budget or if the executive does not use public participation mechanisms during the budget formulation or implementation stage.

Answer:
b. The requirements for an "a" response are not met.

Source:
In Hungarian: Tájékoztató a 2023. évi költségvetési törvényjavaslat összeállításához szükséges feltételekről és az érvényesítendő követelményekről
In English: Handout for the terms and requirements for formulating the budget proposal for FY 2023
URL: https://ngmszakmaiteruletek.kormany.hu/download/d/90/f2000/2023_tervezesi_tajekoztato.pdf

Comment:
The timetable for the budget formulation did not include any deadline for participation mechanisms about the budget.
On page 2 in the section "I. A tervezés ütemezése, paraméterei" the government set the deadlines for budgetary institutions to compile and send their budgets with the additional calculations to the Ministry of Finance until 18 May. Then the Ministry of Finance prepares the main volume of the EBP, submits it to the government and after that to the Fiscal Council. After the Fiscal Council formulated its opinion about the EBP, the Ministry submits it to the Parliament. The budgetary institutions must send the narrative explanations to the Ministry until 14 June and the Ministry submits the supporting documents to the Parliament a few days after that deadline.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

135. Do one or more line ministries use participation mechanisms through which the public can provide input during the formulation or implementation of the annual budget?

GUIDELINES
While questions 125 – 134 focus only on participation mechanisms that the Ministry of Finance, lead budget agency, or central coordinating agency currently use to allow the public to participate in the national budget process, this question asks about participation mechanisms used by line ministries to allow the public to participate in national budget processes. Thus, participation mechanisms used by the Ministry of Finance, lead budget agency, or central coordinating agency should not be used to answer this question. If there is more than one mechanism used by a line ministry or if multiple line ministries use participation mechanisms, please select the deepest or most interactive mechanism that reflects the government's efforts to incorporate citizens' input into the formulation and/or implementation of the annual budget.

This question reflects the GIFT principles on "Inclusiveness" and "Timeliness" and assesses the extent to which the participation mechanism(s) used by the executive are truly interactive and involve a two-way conversation between citizens and the executive.

The drafting of this question and its answers are partially drawn from the IAP2 Spectrum of Public Participation, in particular with regards to the concepts of "involvement" (option "a" in the responses) and "consultation" (option "b"). See:
https://cdn.ymaws.com/www.iap2.org/resource/resmgr/foundations_course/IAP2_P2_Spectrum_FINAL.pdf

To answer "a," a line ministry must use open participation mechanisms that involve the public in the formulation or implementation of the annual budget. This means that a public process is in place whereby CSOs and/or individual members of the public and government officials interact, and have the opportunity to express their opinions to each other in what can be considered a public dialogue between them (i.e., in-person and online discussion forums). Additionally, the mechanism should be open to any CSO and/or individual members of the public who wish to participate. By selecting this answer, the researcher must present evidence to support the presence of a public dialogue among citizens and government official. Examples include public meetings and online deliberative exchanges.

Answer "b" applies if an open consultation mechanism is in place whereby members of the public (i.e., individuals and/or CSOs as well as academics, independent experts, policy think tanks, and business organizations) can provide their input in the formulation or implementation of the annual budget. This answer applies if the government is using a mechanism that is structured and well established, and not ad-hoc. The researcher must present evidence to support the presence of consultative processes through which a line ministry seeks out inputs from citizens. Examples include surveys, focus groups, report cards, published policy consultation exercises, and online platforms that government officials actively manage to solicit inputs.

Answer "c" applies if a line ministry has established a mechanism or mechanisms to allow citizens to participate in the budget formulation phase, but:

1) The mechanisms are not structured and happen only on ad-hoc basis, or not regularly.

and/or

2) A line ministry consults with and/or interacts with, citizens, but there is discretion in who is allowed to participate, and the line ministry determines fully or partially such selection process by inviting specific groups (for example by making an open call but just to experts from a particular sector, or naming specific organizations). While it is not possible for all citizens and/or CSOs to participate in this or other phases of the budget process, options "a" and "b" apply if the government does not exercise any discretion in determining who is allowed to participate. While there is likely going to be self-selection, it is important that the selection is not made by the executive.

In cases where there is discretion in who is allowed to participate, to select answer choice "c", there should be some sort of public record (held in public, minutes of meetings released to public) so that all CSOs and individual members of the public can have knowledge of the meeting, who participated, and what was discussed.

The researcher must present evidence to support selection of a "c" response.

Examples of mechanisms that might qualify as a "c" response include hotlines, Facebook announcements, and one-off meetings with NGOs in which there is a public record.

Answer:
d. The requirements for a "c" response or above are not met.

Source:

Comment:
We did not find any public participation mechanism where the line ministries actively seeked to receive inputs about the formulation or implementation of the budget.

For the sake of comprehensive answer the ministries started executing the social consultations required by the legal rules. The act on social consultations declares the types of bills and proposals that need to be included in the social consultations (in 5. §, however 5. § (3) c) point exempt the budget) and sets the principles (in 2. §) like the ministries must ensure that the widest audience participate in the consultations especially the marginalised groups. The act has been in effect since 2011 but it was not executed properly until the European Commission obliged the government

to utilise this mechanism as part of the debate on the rules of law in Hungary. The legislature added a few extra rules to the act but they are about measuring the results of social consultations. In practice generally the public has 8 days to formulate and send its opinion to the ministries. That is a quite short timeframe considering that the proposals are published on the webpage of the government without any further notice. The list of proposals can be checked on the webpage of the government among the documents with the “társadalmi egyeztetés” keyword and pressing “Keresés”. Each proposal contains a summary about the inputs (in the document “Társadalmi egyeztetés összefoglaló”) and a summary about the budgetary, social effects of the proposal (in the document “Hatásvizsgálati lap”). The start date is the publication date that is shown under the title, while the end date is shown in the sentence “A társadalmi egyeztetés [date in Hungarian] lezárult”.

Many of the proposals did not have budgetary effect and none of them was specifically about the budget since it is exempt from this process, hence we did not assess this mechanism for the Survey.

The proposals are mainly changes in decrees and resolutions at Ministry-level (for example determining the responsible company for governmental broadband mobile services in "A kormányzati célú hálózatokkal összefüggő kormányrendelet" on 5 June 2023 or enabling automatic decision making systems, regulating the requests from governmental data center and modifying other rules related to electronic administration in "Informatikai tárgyú, elektronikus ügyintézéshez kapcsolódó kormányrendeletek" on 23 May 2023), but there are bills like modifications in the vocational training ("1990. évi XCIII. törvény módosításáról, 1996. évi LXXXV. törvény módosításáról" on 17 March 2023), modifications in the social supports that handles special cases ("Családtámogatási, egészségbiztosítási, ifjúság- és családpolitikai intézkedések" on 12 April 2023) or a bill about maximising the service fees if municipalities request large amount of changes in the real estate register ("Szakképzési törvény módosítása" on 28 March 2023).

In Hungarian: 2010. évi CXXXI. törvény a jogszabályok előkészítésében való társadalmi részvételről
In English: Act CXXXI of 2010 on the social consultations about the preparation of legal rules
URL: https://net.jogtar.hu/jogszabaly?docid=a1000131.tv
2. § and 5. §

In Hungarian: Magyarország Kormányának honlapja - Dokumentumtár - Keresés “társadalmi egyeztetés” kulcsszóra
In English: The webpage of the Government of Hungary - Documents - Search for “társadalmi egyeztetés”
URL: https://kormany.hu/dokumentumtar?search=t%C3%A1rsadalmi%20egyeztet%C3%A9s&limit_rows_on_page=8&limit_page=0

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

136. Does the legislature or the relevant legislative committee(s) hold public hearings and/or use other participation mechanisms through which the public can provide input during its public deliberations on the formulation of the annual budget (pre-budget and/or approval stages)?

GUIDELINES:
This question reflects the GIFT principle on “Sustainability,”“Transparency,” and “Complementarity” and assesses the extent to which the participation mechanism(s) used by the legislative are interactive and involve a two-way conversation between citizens and the legislature, rather than being limited to allowing the public to attend or hear public budget deliberations.

Please consider participation mechanisms that the legislature (both in its whole institution or its relevant budget/public accounts/finance committees) has put in place and is using to allow the public to participate in their deliberations on the annual budget. This includes deliberations during the pre-budget phase (i.e., when the executive is still in the process of formulating the draft budget) and the budget discussions after the budget has been tabled to parliament and before it is approved. In the comment box, please specify during which stage of the budget cycle the legislature has put in place a public participation mechanism.

Mechanisms through which members of the public reach out to individual Members of Parliament as opposed to the legislature (both in its whole institution or its relevant budget/public accounts/finance committees) or unofficial hearings organized by a subset of committee members should not be considered in answering this question.

If there is more than one mechanism, please select a mechanism that best shows/reflects the legislature’s efforts to incorporate citizens into the formulation of the annual budget. The participation mechanisms can involve a range of different issues, such as revenues, policy selection, and macro-fiscal planning (please note that the issue of coverage is covered in a subsequent question).

To answer “a,” the legislature must hold public hearings where citizens are allowed to testify. This answer applies only if the legislature does not exercise discretion in determining which citizens and/or CSOs can testify (for example, participation takes place on a first-come-first-served basis).

Answer "b" should be selected if the following applies:

- *The legislature holds public hearings on the budget;*
- *Testimony is not allowed from members of the public or CSOs; but*
- *There are other means used by the legislature to receive and collect views from citizens and CSOs on the budget, and the legislature does not exercise discretion in determining which citizens and/or CSOs can provide input. The researcher must provide evidence to support the presence of those alternative processes through which the legislature seeks inputs from citizens. For example, there should be a public record indicating that views from citizens and the public were sought.*

Answer "c" should be selected if the following applies:

- *The legislature holds public hearings on the budget;*
- *Testimony is not allowed from members of the public or CSOs;*
- *No other means are used by the legislature to receive and collect views/input from citizens and CSOs on the budget, but*
- *The legislature invites a few individuals/groups to provide input (through public hearings or elsewhere)*
- *The legislature has a provision (via standing orders or in law) through which the public can submit their inputs, and members of the public or CSOs actively use it to submit opinions on the budget.*

Answer "d" applies if the requirements for a "c" response or above are not met or if the legislature does not use public participation mechanisms during its deliberations on the annual budget

Answer:
d. The requirements for a "c" response or above are not met.

Source:
In Hungarian: Jegyzőkönyv az Országgyűlés Költségvetési bizottságának 2022. június 30-án, csütörtökön, 10 óra 04 perckor az Országház Széll Kálmán termében (főemelet 64.) megtartott üléséről
In English: Minutes of the Meeting of the Budgetary Committee of the Parliament held at 10:04 on 30 June 2022 in the Kálmán Széll boardroom of the Parliament
URL: https://www.parlament.hu/documents/static/biz42/bizjkv42/KVB/2206301.pdf
on pp. 6-66

In Hungarian: Jegyzőkönyv az Országgyűlés Költségvetési bizottságának 2021. május 26-án, szerdán, 10 óra 44 perckor az Országház Apponyi Albert gróf termében (főemelet 58.) megtartott üléséről
In English: Minutes of the Meeting of the Budgetary Committee of the Parliament held at 10:44 on 26 May 2021 in the count Albert Apponyi boardroom of the Parliament
URL: https://www.parlament.hu/documents/static/biz41/bizjkv41/KVB/2105261.pdf
on pp. 5-62

Comment:
The Budgetary Committee hold public hearings, but does not invite regularly members of the public or civil society organizations to testify on them in the budget formulation phase.

Both in 2021 and 2022 only the committee members and the representatives of the Ministry of Finance participated in the meetings during the formulation of the budget. The cited minutes of the meetings record the debate on the EBP and the participants are listed at the beginning of the documents.

There was no other participation mechanism that the public could use to provide inputs for the formulation of the budget, thus answer "d" was maintained.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

137. During the legislative deliberations on the annual budget (pre-budget or approval stages), which of the following key topics does the legislature's (or

relevant legislative budget committee) engagement with citizens cover?

For the purpose of this question, key topics are considered to be:

1. Macroeconomic issues
2. Revenue forecasts, policies, and administration
3. Social spending policies
4. Deficit and debt levels
5. Public investment projects
6. Public services

GUIDELINES:
This question reflects the GIFT principles of "Transparency" and "Timeliness". Please consider the range of mechanisms currently used by the legislature to promote public participation during legislative deliberations on the annual budget.

Please note that while the public engagement can/may cover other topics, for the purpose of answering this question, "key topics" are considered to be only the ones listed above. If the legislature's engagement with the public covers topics other than the six listed above, please specify these topics in the comments.

Note also that this question assesses only the coverage of public engagement (i.e., "what issues is the public invited to engage on?") and issues related to the depth of engagement or selectivity of engaged are not dealt with by this question.

If written materials about the public engagement, such as an invitation, do not specify the coverage of the public engagement, but the researcher has personally participated in the engagement, s/he may respond to this question based on firsthand experience of the coverage of the public engagement.

Answer "d" applies if the requirements for a "c" response or above are not met or if the legislature does not use public participation mechanisms during its deliberations on the annual budget.

Answer:
d. The requirements for a "c" response or above are not met.

Source:

Comment:
Because there was no participation mechanism conducted by the legislature the answer remained „d".

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

138. Does the legislature provide feedback to the public on how citizens' inputs have been used during legislative deliberations on the annual budget?

GUIDELINES:
This question reflects the GIFT principles of "Transparency" and "Sustainability", and examines the extent to which the legislature provides information to citizens on which public inputs were received and how inputs were used during legislative deliberations (please note that these deliberations can refer to the pre-budget and approval phases). By "written record" in this question, we mean a document that is produced and released by the legislature.

Answer "a" applies when the legislature provides a written document with:

- *The inputs received from the public (e.g., a written transcript) and*

- *A detailed report on how the inputs were used or not used (such report should include information on which inputs were used or not used, why, and how).*

Answer "b" applies when the legislature provides a written document that includes:

- *The inputs received from the public (e.g., a written transcript) and*

- A not-so-detailed report on how public inputs were used or not used. This document only gives a general idea on how those inputs were used or not used in legislative deliberations on the annual budget (please note that these deliberations refer to the pre-budget and approval phases).

Answer "c" applies when the legislature makes available a video recording of the relevant legislative session or provides a written document that includes:

- The inputs received from the public (e.g., a written transcript) or

- A report (being it detailed or not-so-detailed) on how public inputs have been used or not used.

Answer "d" applies if the requirements for a "c" response or above are not met or if the legislature does not use public participation mechanisms during its deliberations on the annual budget.

Answer:
d. The requirements for a "c" response or above are not met.

Source:

Comment:
The Budgetary Committee did not hold a public participation mechanism, but it may still receive inputs through other non-structured ways (like emails, forums, dialogues). There was no report that disclosed information about the received inputs and how they were used during the legislative deliberations.

The webpage of the Budgetary Committee lists several documents related to budgetary topics, but none of them is a summary report about the received inputs.

The list of documents on the webpage of the Budgetary Committee
URL: https://www.parlament.hu/web/koltsegvetesi-bizottsag/a-bizottsag-dokumentumai

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

139. Does the legislature hold public hearings and/or use other participation mechanisms through which the public can provide input during its public deliberations on the Audit Report?

GUIDELINES:
This question reflects the GIFT principle on "Sustainability,""Transparency," and "Complementarity" and assesses the extent to which the participation mechanism(s) used by the legislative are interactive and involve a two-way conversation between citizens and the legislature, rather than being limited to allowing the public to attend or hear public budget deliberations.

A key constitutional role of the legislature in almost all countries is to oversee the government's management of public resources. While the Supreme Audit Institution is responsible for checking the government's accounts and publishing the outcome of their audits, for accountability purposes it is essential that the legislature reviews and scrutinizes those reports, and checks on whether the executive is taking the appropriate corrective actions based on the Supreme Audit Institution's recommendations.

Holding public hearings to review audit findings allows the public to learn more about how the government has managed its resources for the budget years that have ended, and demand accountability in case of mismanagement and irregularities. Reviewing and discussing those reports in public is therefore a key responsibility of a legislature.

Please note that by "Audit Report" we refer to the same audit report assessed in the transparency section of this Survey, i.e., one of the eight key budget documents that all governments (in this case, the Supreme Audit Institution) must produce, according to best practice.

Please consider participation mechanisms that the legislature (both in its whole institution or its relevant budget/public accounts/finance committees) have put in place and using to allow the public to participate in their deliberations on the Audit Report.

Mechanisms through which members of the public reach out to individual members of parliament as opposed to the legislature (both in its whole institution or its relevant budget/public accounts/finance committees) or unofficial hearings organized by a subset of committee members should not be considered in answering this question.

To answer "a," the national legislature must hold public hearings where citizens are allowed to testify. This answer applies only if the legislature does not exercise discretion in determining which citizens and/or CSOs can testify (for example, participation takes place on a first-come-first-served basis).

Answer "b" should be selected if the following applies:

- *The legislature holds public hearings on the budget;*
- *No testimony is allowed from the public; BUT*
- *There are other means used by the legislature to receive and collect views from citizens and CSOs on the budget, and the legislature does not exercise discretion in determining which citizens and/or CSOs can provide input. The researcher must provide evidence to support the presence of those alternative processes through which the legislature seeks inputs from citizens. For example, there should be a public record indicating that views from citizens and the public were sought.*

Answer "c" should be selected if the following applies:

- *The legislature holds public hearings on the budget;*
- *No testimony is allowed from the public;*
- *No other means are used by the legislature to receive and collect views/input from citizens and CSOs on the budget, BUT*
- *The legislature invites a few individuals/groups to provide input (through public hearings or elsewhere)*

Answer "d" applies if the requirements for a "c" response or above are not met or if the legislature does not use public participation mechanisms during its deliberations on the Audit Report.

Answer:
d. The requirements for a "c" response or above are not met.

Source:
In Hungarian: Jegyzőkönyv az Országgyűlés Költségvetési bizottságának 2022. november 29-én, kedden 10 óra 04 perckor az Országház Széll Kálmán termében (főemelet 64.) megtartott üléséről
In English: Minutes of the Meeting of the Budgetary Committee of the Parliament held at 10:04 on 29 November 2022 in the Kálmán Széll boardroom of the Parliament
URL: https://www.parlament.hu/documents/static/biz42/bizjkv42/KVB/2211291.pdf

Comment:
The Budgetary Committee discussed the Audit Report together with the Year-End Report. This was indicated on page 6 of the cited minutes of meeting: „Az Állami Számvevőszék kapcsolódó jelentése a parlament honlapján a törvényjavaslat mellett megtalálható." (The Audit Report can be found on the Parliament's webpage beside the Year-End Report.)

The contents or the findings of the Audit Report were not mentioned during the meeting. There were no public opinions as only the members of the Committee and the invited guests from the Ministry of Finance spoke as proven by the list of participants on page 4.
There is no regular practice to capture the citizens' inputs about the Audit Report.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

140. Does the Supreme Audit Institution (SAI) maintain formal mechanisms through which the public can suggest issues/topics to include in the SAI's audit program (for example, by bringing ideas on agencies, programs, or projects that could be audited)?

GUIDELINES:
This question assesses whether the Supreme Audit Institution (SAI) has established mechanisms through which the public can provide suggestions on issues/topics to be included in its audit program. When deciding its audit agenda, the SAI may undertake audits for a sample of agencies, projects, and

programs in the country; and such a selection could be based on complaints and suggestions made by members of the public. To receive such suggestions, the SAI may create formal mechanisms, like setting up a website, hotline, or office (or assigning staff to liaise with the public).

Please note that formal mechanisms that do not explicitly seek the public's input in the audit program (such as general comment submission boxes on the SAI's website) should not be considered for this question.

Answer:
a. Yes, the SAI maintains formal mechanisms through which the public can suggest issues/topics to include in its audit program.

Source:
In Hungarian: Közérdekű bejelentés az Állami Számvevőszék honlapján
In English: Notice of public utility function on the webpage of the State Audit Office
URL: https://www.asz.hu/kozerdeku-bejelentes

Comment:
The State Audit Office implemented a form for public inputs on its webpage. In the right top corner the button "Közérdekű bejelentés" leads to the page where anyone can provide inputs or complaints to the SAO.

On the form after the name and email address, the name of the budgetary institution ("Név"), its address ("Cím"), the period ("Bejelentéssel érintett időszak"), the subject ("Bejelentés tárgya"), the financial impact ("Pénzügyi/költségvetési hatás") and the type ("Bejelentés jellege") can be provided and additional details and documents can be added to them in the "Részletes bejelentés" and "Csatolmányok" boxes.

In the FAQ ("Gyakran ismételt kérdések") and guide ("Általános tájékoztató") further details can be found what happens with the inputs.

The SAO incorporates these inputs into its audit plan by assessing the risks of the affected institutions or areas.

Compared to the previous practice (providing only an email and postal address) this is definitely a step forward towards involving the public in determining the audit program.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

141. Does the Supreme Audit Institution (SAI) provide the public with feedback on how citizens' inputs have been used to determine its audit program?

GUIDELINES:

This question reflects the GIFT principles of "Transparency" and "Sustainability", and examines the extent to which the Supreme Audit Institution provides information to citizens on which public inputs were received, which ones are used to determine the Supreme Audit Institution's audit program. By "written record" in this question, we mean a document that is produced and released by the Supreme Audit Institution.

Answer "a" applies when the Supreme Audit Institution provides a written document with:

- *The inputs received from the public and*

- *A detailed report on how the inputs were used or not used (such report should include information on which inputs were used or not used, why, and how).*

Answer "b" applies when the SAI provides a written document that includes:

- *The inputs received from the public and*

- *A not-so-detailed report on how public inputs were used or not used. This document only gives a general idea on how those inputs were used or not used to determine the SAI's annual audit program.*

Answer "c" applies when the SAI provides a written document that includes:

- *The received from the public or*

- *A report (being it detailed or not-so-detailed) on how public inputs have been used or not used.*

Answer "d" applies if requirements for a "c" response or above are not met or if maintain formal mechanisms through which the public can suggests issues/topics to include in the SAI's audit program.

Answer:
d. The requirements for a "c" response or above are not met.

Source:
In Hungarian: Tájékoztató az Állami Számvevőszék 2020. évi szakmai tevékenységéről és beszámoló az intézmény működéséről az Országgyűlés részére
In English: Summary report for the National Assembly on the Professional Activity and Operation of the State Audit Office of Hungary in 2020
URL: https://www.asz.hu/dokumentumok/ASZ_orszaggyulesi_beszamolo_2021_01v_ALL_19_spreed.pdf

In Hungarian: Tájékoztató az Állami Számvevőszék 2021. évi szakmai tevékenységéről és beszámoló az intézmény működéséről az Országgyűlés részére
In English: Summary report for the National Assembly on the Professional Activity and Operation of the State Audit Office of Hungary in 2021
URL: https://www.asz.hu/files/ASZ_orszaggyulesi_beszamolo_2022.pdf

Comment:
In the Summary Report for 2020 and 2021 the State Audit Office did not include the information about the inputs received from the public while in the previous years this information was disclosed. In the report for 2019 it was in the section "Közérdekű panaszok hasznosulása" but this section was omitted from the recent reports.

We did not find any information among the news published by the SAO and did not receive a reply from the SAO to our inquiry about this question.

Compared to the previous Survey this time there was no information at all about the citizens' inputs, so we selected answer 'd'.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

142. Does the Supreme Audit Institution (SAI) maintain formal mechanisms through which the public can contribute to audit investigations (as respondents, witnesses, etc.)?

GUIDELINES:
This question mirrors question 140, but instead of covering public assistance in formulating the SAI's audit program, it focuses on whether the Supreme Audit Institution has established mechanisms through which the public can participate in audit investigations. In addition to seeking public input to determine its audit agenda, the SAI may wish to provide formal opportunities for the public and civil society organizations to participate in the actual audit investigations, as witnesses or respondents.

Answer:
b. The requirements for an "a" response are not met.

Source:
N/A

Comment:
We asked the State Audit Office if there had been any change in asking assistance from the public to audit investigation, but received no reply during the research. Apart from that we did not find any contact point or mechanism where the public could provide input for the ongoing audits.

In the previous Survey we did not identify any formal mechanism and it was confirmed by the SAO that the institution may occasionally ask further information from the respondents in specific matters but not in a formal way. As a result we maintained answer 'b'.

The source from the previous Survey is no longer available due to the change of the webpage of the SAO, thus no further confirmation can be provided.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: