Open Budget Survey 2015

# Hungary

Section 1. Public Availability of Budget Docs. “Section One: The Availability of Budget Documents” contains a series of four tables that allow the researcher to examine and map the public availability and dissemination of its country’s key budget documents (i.e., Pre-Budget Statement, Executive’s Budget Proposal (EBP) and Supporting EBP Documents, Citizens Budget, Enacted Budget, In-Year Reports, Mid-Year Review, Year-End Report, and Audit Report), as well as any national laws regulating budget processes and financial management. Once filled in, these tables will serve as a foundation for the completion of the rest of the questionnaire, as researchers will reference the specific documents cited in the tables to answer the questions contained in Sections 2-5 of the questionnaire.

Table 1. Key Budget Documents

**Hungary**

| BUDGET DOCUMENT | Full Title | Fiscal Year the Budget Document Refers to | Date of Publication |
|---|---|---|---|
| Pre-Budget Statement | N/A | N/A | Not Available |
| Executive's Budget | T/12145 számú törvényjavaslat Magyarország 2014. évi központi | | September 30, 2013 |

| | | | |
|---|---|---|---|
| Proposal (EBP) | költségvetéséről English title: Bill No. 12145 on the Central Budget of Hungary in 2014 | 2014 | |
| Supporting EBP Document | N/A | N/A | N/A |
| Supporting EBP Document | N/A | N/A | N/A |
| Supporting EBP Document | N/A | N/A | N/A |
| Enacted Budget | 2013. évi CCXXX. törvény Magyarország 2014. évi központi költségvetéséről English title: Act CCXXX of 2013 on the Central Budget of Hungary in 2014 | 2014 | December 21, 2013 |
| Citizens Budget (for EBP or Enacted Budget) | N/A | N/A | Not Available |
| In-Year Report | Tájékoztató az államháztartás központi alrendszerének 2014. március havi helyzetéről English title: Report on the state of the Central Budget in March 2014 | 2014 | April 23, 2014 |
| Additional in-year report | Tájékoztató az államháztartás központi alrendszerének 2014. február havi helyzetéről English title: Report on the state of the Central Budget in February 2014 | 2014 | March 20, 2014 |
| Additional in-year report | Tájékoztató az államháztartás központi alrendszerének 2014. január havi helyzetéről English title: Report on the state of the Central Budget in January 2014 | 2014 | February 20, 2014 |

| | | | |
|---|---|---|---|
| Mid-Year Review | N/A | N/A | Not Available |
| Year-End Report | T/12002 törvényjavaslat A Magyarország 2012. évi központi költségvetéséről szóló 2011. évi CLXXXVIII. törvény végrehajtásáról English title: Bill No. 12002 on the implementation of the law CLXXXVIII in 2011 on the Central Budget of Hungary in 2012 | 2012 | August 30, 2013 |
| Audit Report | Jelentés Magyarország 2012. évi központi költségvetése végrehajtásának ellenőrzéséről English title: Report on the audit of the implementation of the Central Budget of Hungary in 2012 | 2012 | August 30, 2013 |

**Sources**: URL for the Executive's Budget Proposal on the Finance Ministry's website: http://2010-2014.kormany.hu/download/a/45/01000/12415.pdf if it is not working, it is also available on the Parliament's website: http://www.parlament.hu/irom39/12415/12415.pdf Additional information: The announcement of the presentation on the Finance Ministry's website: http://2010-2014.kormany.hu/hu/nemzetgazdasagi-miniszterium/hirek/elo-kozvetites-a-2014-es-koltsegvetesi-torvenyjavaslat-sajtotajekoztatoval-egybekotott-unnepelyes-atadasa On the Parliament's website: http://www.parlament.hu/internet/plsql/ogy_irom.irom_adat?p_ckl=39&p_izon=12415 URL for the Enacted Budget: http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK13216.pdf pages 85610-85768 Additional information for the dates on the Parliament's website: http://www.parlament.hu/internet/plsql/ogy_irom.irom_adat?p_ckl=39&p_izon=12415 URL for the In-Year reports: Month 3, 2014 http://2010-2014.kormany.hu/download/4/d2/41000/T%C3%A1j%C3%A9koztat%C3%B3%20az%20%C3%A1llamh%C3%A1ztart%C3%A1s%20helyzet%C3%A9r%C5%91l%202014%20m%C3%A1rcius.pdf Month 2, 2014 http://2010-2014.kormany.hu/download/5/aa/31000/T%C3%A1j%C3%A9koztat%C3%B3%20az%20%C3%A1llamh%C3%A1ztart%C3%A1s%20helyzet%C3%A9r%C5%91l%202014%20febru%C3%A1r.pdf Month 1, 2014 http://2010-2014.kormany.hu/download/3/41/31000/T%C3%A1j%C3%A9koztat%C3%B3%20az%20%C3%A1llamh%C3%A1ztart%C3%A1s%20helyzet%C3%A9r%C5%91l%202014%20janu%C3%A1r.pdf Month 12, 2013 http://2010-2014.kormany.hu/download/a/f7/21000/T%C3%A1j%C3%A9koztat%C3%B3%20az%20%C3%A1llamh%C3%A1ztart%C3%A1s%20helyzet%C3%A9r%C5%91l%202013%20%C3%A9vi%20el%C5%91zetes.pdf Month 11, 2013 http://2010-2014.kormany.hu/download/a/92/21000/T%C3%A1j%C3%A9koztat%C3%B3%20az%20%C3%A1llamh%C3%A1ztart%C3%A1s%20helyzet%C3%A9r%C5%91l%202013%20november.pdf Month 10, 2013 http://2010-2014.kormany.hu/download/c/e6/11000/T%C3%A1j%C3%A9koztat%C3%B3%20az%20%C3%A1llamh%C3%A1ztart%C3%A1s%20helyzet%C3%A9r%C5%91l%202013%20okt%C3%B3ber.pdf Month 9, 2013 http://2010-2014.kormany.hu/download/f/6d/01000/T%C3%A1j%C3%A9koztat%C3%B3%20az%20%C3%A1llamh%C3%A1ztart%C3%A1

s%20helyzet%C3%A9r%C5%91l%202013%20szeptember.pdf Month 8, 2013 http://2010-2014.kormany.hu/download/9/13/01000/T%C3%A1j%C3%A9koztat%C3%B3%20az%20%C3%A1llamh%C3%A1ztart%C3%A1s%20helyzet%C3%A9r%C5%91l%202013augusztus.pdf Additional information for the dates of publication (noted below the headline): Month 3, 2014 (published 23 April 2014) http://2010-2014.kormany.hu/hu/nemzetgazdasagi-miniszterium/allamhaztartasert-felelos-allamtitkarsag/hirek/tajekoztato-az-allamhaztartas-kozponti-alrendszerenek-2014-marcius-havi-helyzeterol Month 2, 2014 (published 20 March 2014) http://2010-2014.kormany.hu/hu/nemzetgazdasagi-miniszterium/allamhaztartasert-felelos-allamtitkarsag/hirek/tajekoztato-az-allamhaztartas-kozponti-alrendszerenek-2014-februar-havi-helyzeterol Month 1, 2014 (published 20 February 2014) http://2010-2014.kormany.hu/hu/nemzetgazdasagi-miniszterium/allamhaztartasert-felelos-allamtitkarsag/hirek/tajekoztato-az-allamhaztartas-kozponti-alrendszerenek-2014-januar-havi-helyzeterol Month 12, 2013 (published 22 January 2014) http://2010-2014.kormany.hu/hu/nemzetgazdasagi-miniszterium/allamhaztartasert-felelos-allamtitkarsag/hirek/tajekoztato-az-allamhaztartas-kozponti-alrendszerenek-2013-evi-elozetes-helyzeterol Month 11, 2013 (published 19 December 2013) http://2010-2014.kormany.hu/hu/nemzetgazdasagi-miniszterium/allamhaztartasert-felelos-allamtitkarsag/hirek/tajekoztato-az-allamhaztartas-kozponti-alrendszerenek-2013-november-havi-helyzeterol Month 10, 2013 (published 21 November 2013) http://2010-2014.kormany.hu/hu/nemzetgazdasagi-miniszterium/allamhaztartasert-felelos-allamtitkarsag/hirek/tajekoztato-az-allamhaztartas-kozponti-alrendszerenek-2013-oktober-havi-helyzeterol Month 9, 2013 (published 21 October 2013) http://2010-2014.kormany.hu/hu/nemzetgazdasagi-miniszterium/allamhaztartasert-felelos-allamtitkarsag/hirek/tajekoztato-az-allamhaztartas-kozponti-alrendszerenek-2013-szeptember-havi-helyzeterol Month 8, 2013 (published 23 September 2013) http://2010-2014.kormany.hu/hu/nemzetgazdasagi-miniszterium/allamhaztartasert-felelos-allamtitkarsag/hirek/tajekoztato-az-allamhaztartas-kozponti-alrendszerenek-2013-augusztus-havi-helyzeterol URL for the Year-End Report: http://www.parlament.hu/irom39/12002/adatok/norma.pdf URL for the Year-End Report's Supplements: http://www.parlament.hu/irom39/12002/12002.htm Additional information for the date of publication: http://www.parlament.hu/internet/plsql/ogy_irom.irom_adat?p_ckl=39&p_izon=12002 URL for the Audit Report on the SAO's website: http://www.asz.hu/jelentes/13080/jelentes-magyarorszag-2012-evi-kozponti-koltsegvetese-vegrehajtasanak-ellenorzeserol/13080j000.pdf If it is not working it is also available on the Parliament's website: http://www.parlament.hu/irom39/12002/12002-0001.pdf Additional information for the Audit Report: The announcement of the publication of the Audit Report in Hungarian: http://www.aszhirportal.hu/hu/jelentesek/zarszamadas-tovabb-javult-a-koltsegvetes-vegrehajtasanak-szabalyszerusege In English: http://www.aszhirportal.hu/en/news/final-accounts-further-improvement-in-the-regularity-of-the-execution-of-the-budget Or if they not working on the Parliament's website: http://www.parlament.hu/internet/plsql/ogy_irom.irom_mod_mind?p_izon=12002&p_ckl=39%20&p_fotipus=NULL&p_kivetel=NULL&p_tipus=NULL&p_tipus=%E1&p_allapot=NULL

**Comments**: The Executive's Budget Proposal contains the proposal itself and the supporting documents in one file. The Enacted Budget was made publicly available in the Official Gazette (in Hungary it is called Magyar Közlöny). The documents are only available in Hungarian. The EBP is also available by following the link for the presentation of the document and clicking on the right hand side on the document starting with "Törvényjavaslat...". The monthly IYRs are available directly through the given URLs or by following the additional URL given for the dates and clicking on the right hand side on the document starting with ("Tájékoztató az államháztartás..."). The date of publication can be found below the headline on the Finance Ministry's or the SAO's website in Hungarian format (yyyy.mm.dd). As a secondary source we also provided the links for the documents on the Parliament's website (where available), if the primary source does not work. On the Parliament's website the row "Benyújtva" shows the date of presentation, which is also the date when the document was uploaded and made publicly available. The Year-End Report and the Audit Report were uploaded at the same time. The date for the Audit Report can be confirmed by following the provided link or clicking on the row "ÁSZ-vélemény" on the provided webpage for the Year-End Report (the two are leading to the same page) and then the date in the column "Benyújtva" shows the date of presentation.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score but wish to add a comment, clarification, or suggest another reference.

**Comments**: The draft budget for 2015 will be submitted for the Parliament on 31st October 2014. The additional in-year reports are published monthly. The year-end report on the budget execution (bill on the execution of the budget 2013) has not been approved yet.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

## Table 2a. Details about Availability

**Hungary**

| | Budget Documents<br>Tick box if answer to the questions is "yes" | | | |
|---|---|---|---|---|
| | Pre-Budget Statement | Executive's Budget Proposal | Enacted Budget | Citizens Budget |
| Is it produced at all? | ○ Yes<br>◉ No | ◉ Yes<br>○ No | ◉ Yes<br>○ No | ○ Yes<br>◉ No |
| Is it produced for internal purposes only? | ○ Yes<br>◉ No | ○ Yes<br>◉ No | ○ Yes<br>◉ No | ○ Yes<br>◉ No |
| Is it published too late compared to the accepted timeframe? | ○ Yes<br>◉ No | ○ Yes<br>◉ No | ○ Yes<br>◉ No | ○ Yes<br>◉ No |
| Is it available to the public in hard copy, with charge? | ○ Yes<br>◉ No | ◉ Yes<br>○ No | ◉ Yes<br>○ No | ○ Yes<br>◉ No |
| Is it available to the public in hard copy, NO charge? | ○ Yes<br>◉ No | ○ Yes<br>◉ No | ○ Yes<br>◉ No | ○ Yes<br>◉ No |
| Is it available to the public in soft copy, with charge? | ○ Yes<br>◉ No | ○ Yes<br>◉ No | ○ Yes<br>◉ No | ○ Yes<br>◉ No |
| Is it available to the public in soft copy, NO charge? | ○ Yes<br>◉ No | ◉ Yes<br>○ No | ◉ Yes<br>○ No | ○ Yes<br>◉ No |
| Is it available to the public online? | ○ Yes<br>◉ No | ◉ Yes<br>○ No | ◉ Yes<br>○ No | ○ Yes<br>◉ No |
| If available online, provide internet/URL address | N/A | http://2010-2014.kormany.hu/download/a/45/01000/12415.pdf | http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK13216.pdf | N/A |

| | | | | |
|---|---|---|---|---|
| Is it machine readable? [only for electronic copies] | ○ Yes ◉ No | ○ Yes ◉ No | ○ Yes ◉ No | ○ Yes ◉ No |
| Is there a "citizens version" of the budget document? | ○ Yes ◉ No | ○ Yes ◉ No | ○ Yes ◉ No | N/A |

**Sources**: 2011. évi CXCV törvény az államháztartásról (kihirdetéskori változat) In English: Act CXCV of 2011 on the Public Finance (original version) - 13§ (1) on page 40435 URL: http://www.magyarkozlony.hu/hivatalos-lapok/8626f0a434e313583139002a4d42df357e6fe084/dokumentumok/89e949c676c4d6e8519ca52ca0375173cbb3c0f2/letoltes

**Comments**: The original version of the Act CXCV of 2011 on the Public Finance (in the cited paragraph) stated that the Minister for National Economy had to prepare a planning document until 31 March in the year before the fiscal year and that document had to accepted by the Government. According to this regulation the Government only made a Pre-Budget Statement for internal purposes only, as this document was not made publicly available. At present there is no such obligation for the Minister in the current version of the Act. The hard copies of the budget documents can be purchased as it is published in the Magyar Közlöny. This print version is not available free of charge as they are not collected by libraries, but instead this in the libraries the soft copy version is always available online through the Internet. Having asked the Ministry for National Economy we were informed that the Pre-Budget Statement was not prepared even for only internal purposes.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score but wish to add a comment, clarification, or suggest another reference.

**Comments**: According to the midium term budgetary planning, new components were added to the budgetary framework in December 2013, because the Council Directive 2011/85/EU on the requirements for budgetary frameworks of the Member States has been transposed into national law. Pursuant to the effective regulation, the transparency and predictability of budgetary planning has strengthened. The revamped rules of budgetary planning are contained in Act CXCV of 2011 on Public Finance and Government Decree No. 368/2011. (XII. 31.) on its execution. The former mentioned decree prescribes in 18./A § (1) that the minister responsible for the state budget must prepare and publish on the homepage of the Ministry the prediction (based on the 13./B § in the Act of Public Finances) with the methods, basic assumptions and relevant parameters until 30th of April and until the submission of the bill on the central budget for the Parliament. Based on this regulation, the Government has already published the so called Dinamo-model, with which the macro parameters are predicted and the methodology and the basic assumptions of the budget outlook in the Convergence Programme. By now the Government's resolution on budget chapter frame numbers, which establish the medium term planning, hasn't been published yet this year. Expectedly the Government's resolution will be published this year.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**RESEARCHER'S RESPONSE**

We agree that the medium-term budgetary framework was enhanced and hopeful that it will increase the transparency. Although in the narrow time frame between the introduction of it in January 2014 and the end of the surveyed period (June 2014) it produced no document that would qualify as one of the key budget documents. The mentioned medium-term budget plan may serve as a Pre-Budget Statement in the future.

Table 2b. Details about Availability

**Hungary**

| | Budget Documents<br>Tick box if answer to the questions is “yes” | | | |
|---|---|---|---|---|
| | In-Year Report | Mid-Year Review | Year-End Report | Audit Report |
| Is it produced at all? | ◉ Yes<br>○ No | ○ Yes<br>◉ No | ◉ Yes<br>○ No | ◉ Yes<br>○ No |
| Is it produced for internal purposes only? | ○ Yes<br>◉ No | ○ Yes<br>◉ No | ○ Yes<br>◉ No | ○ Yes<br>◉ No |
| Is it published too late compared to the accepted timeframe? | ○ Yes<br>◉ No | ○ Yes<br>◉ No | ○ Yes<br>◉ No | ○ Yes<br>◉ No |
| Is it available to the public in hard copy, with charge? | ○ Yes<br>◉ No | ○ Yes<br>◉ No | ◉ Yes<br>○ No | ○ Yes<br>◉ No |
| Is it available to the public in hard copy, NO charge? | ○ Yes<br>◉ No | ○ Yes<br>◉ No | ○ Yes<br>◉ No | ○ Yes<br>◉ No |
| Is it available to the public in soft copy, with charge? | ○ Yes<br>◉ No | ○ Yes<br>◉ No | ○ Yes<br>◉ No | ○ Yes<br>◉ No |
| Is it available to the public in soft copy, NO charge? | ◉ Yes<br>○ No | ○ Yes<br>◉ No | ◉ Yes<br>○ No | ◉ Yes<br>○ No |
| Is it available to the public online? | ◉ Yes<br>○ No | ○ Yes<br>◉ No | ◉ Yes<br>○ No | ◉ Yes<br>○ No |
| If available online, provide internet/URL address | http://2010-2014.kormany.hu/download/4/d2/41000/T%C3%A1j%C3%A9koztat%C3%B3%20az%20%C3%A1llamh%C3%A1ztart%C3%A1s%20helyzet%C3%A9r%C5%91l%202014%20m%C3%A1rcius.pdf | N/A | http://www.parlament.hu/irom39/12002/adatok/norma.pdf | http://www.asz.hu/jelentes/13080/jelentes-magyarorszag-2012-evi-kozponti-koltsegvetese-vegrehajtasanak-ellenorzeserol/13080j000.pdf |
| | ◉ Yes | ○ Yes | ○ Yes | ○ Yes |

| | | | | |
|---|---|---|---|---|
| Is it machine readable? [only for electronic copies] | ○ No | ◉ No | ◉ No | ◉ No |
| Is there a "citizens version" of the budget document? | ○ Yes<br>◉ No | ○ Yes<br>◉ No | ○ Yes<br>◉ No | ○ Yes<br>◉ No |

**Sources**: The In-Year Report is available in machine readable format at the following link: http://www.allamkincstar.gov.hu/files/M%C3%A9rlegek/2014/k%C3%B6zponti%20ktgvet%C3%A9si%20m%C3%A9rlegek/kpiktv_merleg_1403.xls

**Comments**: The hard copies of the budget documents can be purchased at the publisher of the Magyar Közlöny, the Magyar Közlöny Lap- és Könyvkiadó. This print version is not available free of charge as they are not collected by libraries, but instead this in the libraries the soft copy version is always available online through the Internet.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

## Table 3. When Are the Key Budget Documents Made Available to the Public?

**Hungary**

Pre-Budget Statement: When is the Pre-Budget Statement made available to the public?

- ○ 100. At least four months in advance of the budget year, and at least one month before the executive's budget proposal is introduced in the legislature
- ○ 67. At least two months, but less than four months, in advance of the budget year, and at least one month before the executive's budget proposal is introduced in the legislature
- ○ 33. Less than two months in advance of the budget year, but at least one month before the executive's budget proposal is introduced in the legislature
- ◉ 0. Does not release to the public, or is released less than one month before the executive's budget proposal is introduced to the legislature

Executive Budget Proposal: When is the Executive Budget Proposal made available to the public?

- ◉ 100. At least three months in advance of the budget year, and in advance of the budget being approved by the legislature
- ○ 67. At least two months, but less than three months, in advance of the budget year, and in advance of the budget being approved by the legislature
- ○ 33. Less than two months in advance of the budget year, but at least in advance of the budget being approved by the legislature
- ○ 0. Does not release to the public, or is released after the budget has been approved by the legislature

Enacted Budget: When is the Enacted Budget made available to the public?

- (●) 100. Two weeks or less after the budget has been enacted
- ( ) 67. Between two weeks and six weeks after the budget has been enacted
- ( ) 33. More than six weeks, but less than three months, after the budget has been enacted
- ( ) 0. Does not release to the public, or is released more than three months after the budget has been enacted

In-Year Report: When are In-Year Reports made available to the public?

- (●) 100. At least every month, and within one month of the period covered
- ( ) 67. At least every quarter, and within three months of the period covered
- ( ) 33. At least semi-annually, and within three months of the period covered
- ( ) 0. Does not release to the public

Mid-Year Review: How long after the mid-point in the fiscal year
(i.e., six months into the fiscal year) is the Mid-Year Review made available to the public?

- ( ) 100. Six weeks or less after the mid-point
- ( ) 67. Nine weeks or less, but more than six weeks, after the mid-point
- ( ) 33. More than nine weeks, but less than three months, after the mid-point
- (●) 0. Does not release to the public, or is released more than three months after the mid-point

Year-End Report: How long after the end of the budget year is the Year-End Report made available to the public?

- ( ) 100. Six months or less after the end of the budget year
- (●) 67. Nine months or less, but more than 6 months, after the end of the budget year
- ( ) 33. More than nine months, but within 12 months, after the end of the budget year
- ( ) 0. Does not release to the public, or is released more than 12 months after the end of the budget year

Audit Report: How long after the end of the fiscal year are the final annual
expenditures of national departments audited and released (except for secret programs)?

- ( ) 100. Six months or less after the end of the budget year
- (●) 67. 12 months or less, but more than 6 months, after the end of the budget year
- ( ) 33. More than 12 months, but within 18 months, after the end of the budget year
- ( ) 0. Does not release to the public, or is released more than 18 months after the end of the budget year

**Sources**: 2011. évi CXCV. törvény az államháztartásról English title: Act CXCV of 2011 on the Public Finance URL: http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100195.TV 368/2011. (XII.31.) kormányrendelet az államháztartásról szóló törvény végrehajtásáról English title: 368/2011. (XII.31.) Executive Regulation on the implementation of the act on Public Finance URL: http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100368.KOR Additional information for the voting the Executive's Budget Proposal: Link for the Budget Proposal's information: http://www.parlament.hu/internet/plsql/ogy_irom.irom_adat?p_ckl=39&p_izon=12415 Link for the vote on the Budget Proposal: http://www.parlament.hu/internet/plsql/ogy_szav.szav_lap_egy?p_szavdatum=2013.12.17.10:16:17&p_szavkepv=I&p_szavkpvcsop=I&p_ckl=39

**Comments**: The act on Public Finance states the deadlines for the Executive Budget Proposal (EBP), the Year-End Report

and the Audit Report. It is 15 October before the fiscal year (22 § (2) in the cited act) for the EBP, and 30 August after the fiscal year (90 § (1) in the cited act) for the other two documents. The cited Executive Regulation only states deadlines for the In-Year Reports made for the government (156 § (3)), but there is no deadline for the publicly available report. Although the report is regularly published around 20 days after the end of the reported month. The deadline for the EBP was 30 September before (except the election year when 31 October) and it changed for the fiscal year 2015, so the selected answer is for the previous publications when it was made publicly available at least 3 months before the fiscal year while the current regulation states that it can be published a bit later than that. The other answers follow this logic as well, as the effects of the implementation of the adopted EU-wide regulations are not known yet, thus we based our answers on the regulation operative in 2014. The EU-wide regulation specifies a more detailed planning document but it has to published only until the 30 June before the fiscal year. The Executive's Budget Proposal was enacted on the 17 December 2013 and published in the official gazette on the 21 December 2013. The first provided link (about all the information related to the EBP) shows at the bottom of the page all the votes ("Szavazások") on that proposal. The last one in the column "Dátum" (in the format yyyy.mm.dd hh:mm:ss) is when the EBP was enacted. The other link shows the information for that particular vote when the EBP was enacted, its date (above the first table in the same format) and the detailed votes.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

## Table 4. General Questions

**Hungary**

| | YES/NO | If yes, additional information;<br>If no, please note N/A in the text box. |
|---|---|---|
| Is there a website or web portal for government fiscal information? | (•) Yes<br>( ) No | State Secretary responsible for the Public Finance URL: http://2010-2014.kormany.hu/hu/nemzetgazdasagi-miniszterium/allamhaztartasert-felelos-allamtitkarsag All the Bills presented to the Parliament: http://www.parlament.hu/iromanyok-elozo-ciklusbeli-adatai?p_auth=smc4LDa1&p_p_id=pairproxy_WAR_pairproxyportlet_INSTANCE_9xd2Wc9jP4z8&p_p_l |

| | | |
|---|---|---|
| | | ifecycle=1&p_p_state=normal&p_p_mode=view&p_p_col_id=column-1&p_p_col_count=1 |
| Is there a law (or laws) guiding public financial management? | ◉ Yes<br>○ No | 2011. évi CXCV. törvény az államháztartásról English title: Act CXCV of 2011 on the Public Finance URL: http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100195.TV Az Alaptörvény 36-44. cikkei In English: Articles 36-44 of the Constitution http://www.njt.hu/cgi_bin/njt_doc.cgi?docid=140968 |
| Are there additional laws regulating:<br>• Access to information?<br>• Transparency?<br>• Citizens participation? | ◉ Yes<br>○ No | 2011. évi CXII. törvény az információs önrendelkezési jogról és az információszabadságról English title: Act CXII of 2011 on information self-determination and freedom of information URL: http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100112.TV |

**Sources**: Budgetary information on the webpage of the Hungarian Treasury: http://www.allamkincstar.gov.hu/en/main/budgetary_information Additional sources for specialized government fiscal data: Nemzeti Adó- és Vámhivatal / National Tax and Customs Administration (for additional tax data) URL: http://en.nav.gov.hu/ Állami Számvevőszék / State Audit Office of Hungary (for additional audits of the budget) URL: http://www.asz.hu/en/home Központi Statisztikai Hivatal / Hungarian Central Statistical Office (for the EU-regulated budget information) URL: http://www.ksh.hu/?lang=en Államadósság Kezelő Központ / Government Debt Management Agency (for the government debt data) URL: http://www.akk.hu/index.ivy?public.lang=en-US Magyar Nemzeti Bank / National Bank of Hungary (for the EU-regulated debt data) URL: http://english.mnb.hu/ Additional Executive Regulations for the guiding of public financial management: 368/2011. (XII.31.) kormányrendelet az államháztartásról szóló törvény végrehajtásáról English title: 368/2011. (XII.31.) Executive Regulation on the implementation of the act on Public Finances URL: http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100368.KOR 4/2013 (I.11.) kormányrendelet az államháztartás számviteléről English title: 4/2013 (I.11.) Executive Regulation on the accountancy of public finance URL: http://njt.hu/cgi_bin/njt_doc.cgi?docid=158295.258262

**Comments**: The Executive's Budget Proposal, the Enacted Budget, the Year-End Report and the Audit Report are made publicly available primarily on the webpage of the Parliament. Beside that the Enacted Budget is officially published in the Magyar Közlöny (the Official Gazette in Hungary). The In-Year Reports are published in the webpage of the Ministry for National Economy. For easier access we linked the webpage of State Secretary Responsible for Public Finance as it is harder to find the In-Year Reports among all the news from the Ministry. The reports at the Ministry only available in text format, while the Treasury published them in Excel format, the link for it is in the sources. In the table only those websites are listed where the key budget documents are published. Other sites publishing specialized government fiscal information are listed in the sources section. For the guidelines about public financial management only the main acts are listed in the table, the two executive regulation in the sources are just examples of the lower level, more practical regulations. It is also worth mentioning that the the Constitution states principles on both the public finance management and the citizens' right for public data in article N and VI.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

## Section 2. Comprehensiveness of the Executive's Budget Proposal

### 001. 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)?

**A.** Yes, administrative units accounting for all expenditures are presented.

**B.** Yes, administrative units accounting for at least two-thirds of, but not all, expenditures are presented.

**C.** Yes, administrative units accounting for less than two-thirds of expenditures are presented.

**D.** No, expenditures are not presented by administrative unit.

**E.** Not applicable/other (please comment).

**Hungary**

A.

**Score**: 100

**Sources**: Citations from EBP: I. fejezet Országgyűlés - Chapter I Budget of the Parliament; pp. 44-46 X. Fejezet Közigazgatási és Igazságügyi Minisztérium - Chapter X Budget of Ministry of Public Administration and Justice; pp. 48-51 Expenditures for example institutions on page 71 List for universities and high schools on pp. 777-778 Example of Institutions for governing public education on page 74

**Comments**: The EBP consists of chapters that contains the Ministries, other institutions at chapter levels and other funding purposes like central revenues and expenditures, cost of debt management or social funds. Below the chapter level the administrative units are shown separately, for example chapter X shows the revenues and expenditures for Ministry of Public Administration and Justice ("Közigazgatási és Igazságügyi Minisztérium"), and it contains the expenditures for the Ministry itself and its administrative units. It is important to note that not all chapters are governmental, as for example chapter I shows the budget for the Parliament which is not part of the government. There are some expenditures that are spent by a ministry but this cannot be determined from the budget. For example in chapter XLII the title Housing subsidies ("Lakástámogatások") on page 87 is presented as a central expenditure and allocated to none of the administrative units. The title consists of several different subsidies and these are handled by several ministries, thus the amount of expenditures presented at those ministries are less than what they really handle. The same could apply to chapter IX as the subsidies of the municipalities are managed by the Ministry of Interior or chapter XLIII as the expenditures related to state property are managed by different ministries. Additional issues: The level of detail are inconsistent throughout the budget, there are institutions that are shown separately and spend an insignificant amount from the budget while other more significant institutions are presented at an aggregated level. For example on page 71 the expenditures of National Institute for Family and Social Policy ("Nemzeti Család- és Szociálpolitikai Intézet") is shown as an individual title, while it spends less than 1 billion HUF and on this same page the expenditures for universities and high schools ("Egyetemek, főiskolák") are shown at an aggregated level and they spend more than 400 billion HUF (~1,3% of GDP). As 28 institution spend this amount it is sure that each of them spend more individually than the National Institute for Family and Social Policy and these are not shown separately. Also there are institutions that are not shown with its own name but their objective. An example for this is the title Institutions for governing public education ("Köznevelési feladatellátás és irányítás intézményei") which is equal to the institution known to the public as Klebelsberg Institution Maintenance Centre ("Klebelsberg Intézményfenntartó Központ"). In this case the main problem is not the ommission of the title but the title's name as it is misleading if someone does not know what institution is under the given title. Assessing these concerns we do not consider the presentation of the administrative units as a best practice because it omits administrative units with significant expenditures.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: No, I do not agree with the score.

**Suggested Answer**: a.

**Comments**: The EBP consists of chapters that contains of budgetary institutions and appropriations. The Annex I of the EBP presents in a table format (unfortunately available only in pdf) the main headings for each institution and appropriation. Those headings which show a consolidated amount are detailed in further annexes. Ex: universities and colleges: the main titles are detailed on pg. 794, the list of educational institutions is presented on pg. 777-778 (although the exact amount for each educational institution is not detailed)

**RESEARCHER'S RESPONSE**

We agree that the list of the universities was included in the annex, thus at a higher, summarized level all administrative units were present. In this regard we deem it important that the budget line for each of the universities should be presented individually as they each spend a significant amount. Not presenting them makes the budget inconsistent, since minor institutions are presented individually, while other, more significant ones are only at an aggregated level.

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

**A.** Yes, expenditures are presented by functional classification.

**B.** No, expenditures are not presented by functional classification.

**C.** Not applicable/other (please comment).

**Hungary**

A.

**Score**: 100

**Sources**: Table of funcational classification: In Hungarian: "Az államháztartás funkcionális kiadásai (pénzforgalmi szemléletben)" In English: The functional expenditures of the general government (cash-flow based) on page 249 of the EBP COFOG - Classification of the Functions of Government URL: http://unstats.un.org/unsd/cr/registry/regcst.asp?Cl=4

**Comments**: The functional classification presented in the EBP follows the COFOG classification, but not strictly as there are changes and amendments to the version available at the UNSTATS webpage.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

003. 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?

**A.** Yes, the functional classification is compatible with international standards.

**B.** No, the functional classification is not compatible with international standards, or expenditures are not presented by functional classification.

**C.** Not applicable/other (please comment).

**Hungary**

A.

**Score**: 100

**Sources**: Table of functional classification: In Hungarian: "Az államháztartás funkcionális kiadásai (pénzforgalmi szemléletben)" In English: The functional expenditures of the general government (cash-flow based) on page 249 of the EBP

**Comments**: The functional classification presented in the EBP differs from the COFOG international standard. For example in the EBP the F04 is the Education ("Oktatási tevékenységek és szolgáltatások") while in the international standard it is the 9th. 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 other ones 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 an other category as F16 "Funkcióba nem sorolható tételek". These changes in the presentation makes it hard to compare the functional expenditures with other countries, although with serious efforts the table can be rearranged to be compatible with the COFOG at top-level categories.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

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

**A.** Yes, expenditures are presented by economic classification.

**B.** No, expenditures are not presented by economic classification.

**C.** Not applicable/other (please comment).

**Hungary**

A.

**Score**: 100

**Sources**: Table in the EBP In Hungarian: "Az államháztartás mérlege (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)" in English: Balance sheet of the general government (cash-flow based) (by economic classification) on page 246

**Comments**: The EBP presents the expenditures in economic classification in the table in the section "1 Kiadások". 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, maintenance and other capital expenditures are shown.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

005. 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?

**A.** Yes, the economic classification is compatible with international standards.

**B.** No, the economic classification is not compatible with international standards, or expenditures are not presented by economic classification.

**C.** Not applicable/other (please comment).

**Hungary**

B.

**Score**: 0

**Sources**: Table in the EBP In Hungarian: "Az államháztartás mérlege (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)" In English: Balance sheet of the general government (cash-flow based) (by economic classification) on page 246

**Comments**: The economic classification is not compatible with the international standards as the table presented in the EBP does not show separately the consumption of fixed capital, the interests or the grants presented in the GFS methodology. The economic classification of the EBP 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, maintenance and other capital expenditures are shown.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

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

**A.** Yes, programs accounting for all expenditures are presented.

**B.** Yes, programs accounting for at least two-thirds of, but not all, expenditures are presented.

**C.** Yes, programs accounting for less than two-thirds of expenditures are presented.

**D.** No, expenditures are not presented by program.

**E.** Not applicable/other (please comment).

**Hungary**

C.

**Score**: 33

**Sources**: In Hungarian: 1. melléklet a törvényjavaslathoz In English: 1st Appendix for the EBP pp. 44-97

**Comments**: The Hungarian budget is an institution-based budget, not a program-based budget, but has minor elements that resembles to programs. The general layout of the budget is the following: At the top level the budget is based on chapters (which are in most cases are equivalent of Ministries). Below that the institutions administered by that Ministry and Chapter-managed appropriations are included. The budget of the institutions are further broken into economic-classified expenditures. The Chapter-managed appropriations and their narrative discussions generally does not clarify the aim of the line item, its performance targets and other requirements that would qualify this line item as a program. However a tiny fraction of this Chapter-managed appropriations are well-defined in name or in another way to treat them as program. The aim of these line items can be guessed from their names, but their other attributes are missing, so we can only treat them as "program" in a permissive term. Chapter-managed appropriations can in particular cases and in broad terms be defined as "program", but these definitely account for less than two-thirds of all the expenditures, thus we opted answer choice "c".

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

007. 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)?

**A.** Yes, multi-year expenditure estimates are presented by all three expenditure classifications (by administrative, economic, and functional classification).

**B.** Yes, multi-year expenditure estimates are presented by two of the three expenditure classifications.

**C.** Yes, multi-year expenditure estimates are presented by only one of the three expenditure classifications.

**D.** No, multi-year expenditure estimates are not presented by any expenditure classification.

**E.** Not applicable/other (please comment).

**Hungary**

D.

**Score**: 0

**Sources**: Table in EBP In Hungarian: "Az államháztartás mérlege (2013-2017)" In English: Balance sheet of the general government (2013-2017) on page 245

**Comments**: The expenditures of the government are presented in a multi-year period but it is not compatible with any of the classifications (economic, functional or by administrative units). In the cited table all the expenditures spent by the administrative units are shown under one title "Költségvetési szervek kiadásai". The other titles are mainly specified subsidies (all the title with the word "Támogatás" in it), for example "Lakásépítési támogatások" is Subsidies for home construction. The table does not show any administrative unit as they are aggregated in on title, for the economic classification it does not show the personnel expenditures or investments, only some of the subsidies are shown separately. It also cannot be regarded as functional classification as the shown titles are not grouped by functions.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

## 008. 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?

**A.** Yes, multi-year estimates for programs accounting for all expenditures are presented.

**B.** Yes, multi-year estimates for programs accounting for at least two-thirds of, but not all, expenditures are presented.

**C.** Yes, multi-year estimates for programs accounting for less than two-thirds of expenditures are presented.

**D.** No, multi-year estimates for programs are not presented.

**E.** Not applicable/other (please comment).

**Hungary**

C.

**Score**: 33

**Sources**: Table in EBP: In Hungarian: "Az államháztartás mérlege (2013-2017)" In English: Balance sheet of the general government (2013-2017) on page 245

**Comments**: The cited table shows the expenditure estimates for multi-year period. The table shows the estimates for the whole budget in a special classification where some of the Chapter-managed appropriations are presented individually while all the other ones are aggregated in one line item. From the cited table the examples below can only be considered "programs" in broad terms. These examples are an individual line item in the detailed budget as well, have a distinct narrative discussion, but the discussion is not too informative as it lacks the requirements of a proper program (like performance inputs and outputs, performance targets, affected area and people, other relevant non-financial information). For example the Subsidy for public media ("Közszolgálati műsorszolgáltatás támogatása"), Subsidy for transport fares ("Szociálpolitikai menetdíj támogatás") and maybe Housing subsidies ("Lakásépítési támogatások") can be considered as "programs" in broad terms. Other Chapter-managed appropriations (that were considered as "programs" in question 6) are aggregated in the title "Szakmai fejezeti kezelésű előirányzatok kiadásai" and are not shown individually in this table. The programs presented individually account for less than two-third of the expenditures, so we chose answer "C".

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: No, I do not agree with the score.

**Suggested Answer**: a.

**Comments**: On pg. 249 are presented the expenditures by the main functions of the state (operation of the state, welfare function, economic function, public debt management) Under line "Cannot be classified items" (Funkcióba nem sorolható tételek) are only 0,87% of the expenditures. Functions of the state are divided into groups. Ex: Education (F04 - Oktatási tevékenységek és szolgáltatások), Law Enforcement and Public Safety (F03 - Rendvédelem és közbiztonság) ect. These groups are divided into subgroups. Ex. the group Education consists of: Preparation to school and elementary education (Iskolai előkészítés és alapfokú oktatás), Secondary Education (Középfokú oktatás), higher education (Felsőfokú oktatás), Other education (Egyéb oktatás) These subgroups might be considered programs.

## 009. 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?

**A.** Yes, individual sources of tax revenue accounting for all tax revenue are presented.

**B.** Yes, individual sources of tax revenue accounting for at least two-thirds of, but not all, tax revenues are presented.

**C.** Yes, individual sources of tax revenue accounting for less than two-thirds of all tax revenues are presented.

**D.** No, individual sources of tax revenue are not presented.

**E.** Not applicable/other (please comment).

**Hungary**

A.

**Score**: 100

**Sources**: Tables in the EBP In Hungarian: 1. melléklet a törvényjavaslathoz In English: 1st Appendix of the Proposal pp. 44-97 In Hungarian: "Az államháztartás mérlege (2013-2017)" In English: Balance Sheet of the General Government (2013-2017) on page 245

**Comments**: In the EBP nearly all the revenue sources can be identified individually, only a minor portion of it is aggregated. Throughout the EBP (in the 1st Appendix of the proposal) the revenues are shown individually in the column "Bevételek", but most of the tax revenues are in Chapter XLII Direct revenues and expenditures of the budget ("XLII. fejezet A költségvetés közvetlen kiadásai és bevételei") and Chapter XLIII Revenues and expenditures related to public assets ("XLIII. fejezet Az állami vagyonnal kapcsolatos bevételek és kiadások"). There are also revenue sources that are not shown individually but in the narrative part of the proposal it is mentioned what taxes aggregated there. For example the title "Egyéb központosított bevételek" on page 86 aggregates some of the minor centralized revenues, and in the narrative part on page 999 it is mentioned that contributions related to water and soil are aggregated in it. It is worth noting that in the former years these aggregated titles were also detailed in a separate document while in the recent years only a brief narration mentioned what they contain. The Balance sheet of the general government lists the main revenue sources individually but it aggregates more titles than the 1st appendix of the proposal. For example in the balance sheet the revenues related to public assets are shown in one title, while in the 1st appendix they are presented in detail in a separate chapter. In our opinion very high percent of the revenue sources can be identified individually, only minor titles are aggregated in the proposal.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

## 010. 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?

**A.** Yes, individual sources of non-tax revenue accounting for all non-tax revenue are presented.

**B.** Yes, individual sources of non-tax revenue accounting for at least two-thirds of, but not all, non-tax revenues are

presented.

**C.** Yes, individual sources of non-tax revenue accounting for less than two-thirds of all non-tax revenues are presented.

**D.** No, individual sources of non-tax revenue are not presented.

**E.** Not applicable/other (please comment).

**Hungary**

B.

**Score**: 67

**Sources**: Table in EBP In Hungarian: "Az államháztartás mérlege (2013-2017)" In English: Balance sheet of the general government (2013-2017) on page 245 Description in EBP In Hungarian: XLIII. fejezet Az állami vagyonnal kapcsolatos bevételek és kiadások - 1. cím Az állami vagyonnal kapcsolatos bevételek In English: Chapter XLIII Revenues and expenditures related to public assets - Title 1 Revenues related to public assets pp. 1016-1019

**Comments**: Some of the non-tax revenue sources can be identified from the cited table as in the column "Bevételek" the title "Szakmai fejezeti kezelésű előirányzatok EU támogatása" shows the grants received from EU funds, the title "Állami vagyonnal kapcsolatos bevételek" equals to the revenue related to public assets or the title "Kamatbevételek" shows the received interests. This kind of categorization can be misleading as the revenue related to public assets can mean dividends, utilization of an asset or selling assets like shares, concession rights. From the table only broad categories can be assessed, for the details someone has to thoroughly check the titles in the 1st appendix to see what sources are included in the table. The cited section in the narrative part presents the various revenue sources that are included in the revenues related to public assets. It consists of revenues from selling rights in section "Értékesítési bevételek", revenues from utilization in section "Hasznosítási bevételek" and other revenues in section "Egyéb bevételek". In the cited table some of the titles can be treated as non-tax revenues (the line item itself is a type), but there is no table that systematically summarizes the non-tax revenues by their types.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: No, I do not agree with the score.

**Suggested Answer**: a.

**Comments**: The balance sheet of the central government (pg. 254) contains most of the non-tax revenues. The "Other revenue" lines are included under main balance lines and in this way the source of the income can be identified.

**RESEARCHER'S RESPONSE**

We revised the answer to "B" upon the reviewer's opinion, as from the two tables more than two-thirds of the non-tax revenues can be identified, but there are still significant sources that are presented only at an aggregated level; for example the road toll for trucks (that is categorized as a fee for a provided service).

011. 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)?

**A.** Yes, multi-year estimates of revenue are presented by category.

**B.** No, multi-year estimates of revenue are not presented by category.

**C.** Not applicable/other (please

**Hungary**

A.

**Score**: 100

**Sources**: Table in EBP In Hungarian: "Az államháztartás mérlege (2013-2017)" In English: Balance sheet of the general government (2013-2017) on page 245

**Comments**: In the cited table in the revenue ("Bevételek") column the tax and non-tax revenues can be identified separately. The tax revenues can be considered more detailed, as more tax revenue sources are presented separately, the non-tax revenues are in most cases aggregated. For example the revenues related to public assets ("Állami vagyonnal kapcsolatos bevételek") contains revenues from selling assets, dividends and rents. The mutli-year period estimates for each category (categories as tax revenues and non-tax revenues) can be calculated from the table, but not presented as an individual row in the table. In some cases the line items itself are a tax category (like "Általános forgalmi adó" is VAT, or "Társasági adó és társas vállalkozások különadója" is the corporate tax), but other sources of revenue are not summarized in an individual row. These latter mainly affects the non-tax revenues as they are less detailed, the tax revenues are generally presented in individual rows, and their aggregates can be calculated. It is important to note that accurate calculations for tax and non-tax categories cannot be made, as there is a deficiency related to "Other centralized revenues" ("Egyéb központosított bevételek"). The line item presents both tax and non-tax revenues at an aggregated level, thus only approximate numbers can be calculated for the summaries of the two categories. The line item accounts for revenues amounting to around 1% of GDP. Basically the revenues are presented by categories, but the categories not strictly grouping the revenues by tax and non-tax.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

012. 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)?

**A.** Yes, multi-year estimates for individual sources of revenue accounting for all revenue are presented.

**B.** Yes, multi-year estimates for individual sources of revenue accounting for at least two-thirds of, but not all, revenue are presented.

**C.** Yes, multi-year estimates for individual sources of revenue accounting for less than two-thirds of revenue are presented.

**D.** No, multi-year estimates for individual sources of revenue are not presented.

**E.** Not applicable/other (please comment).

**Hungary**

B.

**Score**: 67

**Sources**: Table in EBP In Hungarian: "Az államháztartás mérlege (2013-2017)" In English: Balance sheet of the general government (2013-2017) on page 245

**Comments**: In the cited table in the revenue ("Bevételek") column the main revenue sources are presented individually for a multi-year period. Even if we omit the titles that aggregate some revenue sources (for example "Egyéb központosított bevételek" that aggregates the electronic road toll, rehablilitation contributions, waste management contribution and other minor revenues or the "Állami vagyonnal kapcsolatos bevételek" that aggregates the revenues related to public assets) more than two-thirds of the revenues can be identified individually for a multi-year period. The first 3 block in the column mainly consists of individual taxes with the aforementioned exception. The types of the revenue sources are not presented in aggregate. This can be calculated for tax-revenues as these mainly presented individually and some are in itself a type (like "Általános forgalmi adó" is VAT). The non-tax revenues are presented in an aggregated way, so even their types (like grants, dividends, etc) cannot be identified. The amount of the revenues that are a category in itself (VAT, personal income tax, corporate tax) are more than two-third of all the expenditures.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

013. 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?

**A.** Yes, all three estimates related to government borrowing and debt are presented.

**B.** Yes, two of the three estimates related to government borrowing and debt are presented.

**C.** Yes, one of the three estimates related to government borrowing and debt are presented.

**D.** No, none of the three estimates related to government borrowing and debt are not presented.

**E.** Not applicable/other (please comment).

**Hungary**

B.

**Score**: 67

**Sources**: Tables in EBP In Hungarian: "A központi költségvetés bruttó adósságának alakulása 2012-2014 között" In English: The evolution of the gross debt of the central government between 2012-2014 on page 281 In Hungarian : "Az államháztartás főbb jellemzői (pénzforgalmi szemléletben)" In English: The main characteristics of the general government (cash-flow based) on page 244

**Comments**: The table on page 281 presents the evolution of the gross debt of the central government between 2012-2014 detailed by domestic and foreign currency and type of debt instruments (loan, bond, T-bill). The summary of the debt is shown in the line "A központi költségvetés bruttó adóssága mindösszesen". The net interest paid on debt is presented on several places thorughout the EBP, in the cited table the "Központi költségvetés" block shows the data for the central government and the lines "Kamatkiadások", "Kamatbevételek" show the Paid interest and the Interest revenues respectively. Unfortunately the net new borrowing requirement is not presented in the EBP, it is published in a separate document prepared by the Debt Management Agency. The latest publication is available at the following link: http://www.akk.hu//kepek/upload/2014/Debt%20Management%20Outlook%202014_ENG.pdf The net financing requirement is presented on page 3.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score but wish to add a comment, clarification, or suggest another reference.

**Comments**: Incomes and expenditures related to Service of debt - pg 987

014. 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.)

**A.** Yes, information beyond the core elements is presented for the composition of the total debt outstanding.

**B.** Yes, the core information is presented for the composition of the total debt outstanding.

**C.** Yes, information is presented, but it excludes some core elements.

**D.** No, information related to composition of total debt outstanding is not presented.

**E.** Not applicable/other (please comment).

**Hungary**

C.

**Score**: 33

**Sources**: Table in EBP In Hungarian: "A központi költségvetés bruttó adósságának alakulása 2012-2014 között" In English: The evolution of the gross debt of the central government between 2012 and 2014 on page 281

**Comments**: In the cited table the composition of the gross debt is presented by denomination (domestic or foreign currency), the type of instrument (loan, bond or T-bill) and whether it is debt financing liability or other liability. Other core elements, like the interest rates of the debt or its maturity profile are not presented. In the narrative part of the proposal the interests paid on some of the items are detailed, but the rate of interest not. Some of the information mentioned in the question is available on the webpage of the Debt Management Agency, but in the EBP these are not included. For example the maturity profile of the existing debt is downloadable at the following link: http://www.akk.hu/object.dd85be24-d1d4-4ff9-b6a7-1d29d3f72c3b.ivy The data for domestic and foreign debt also available on the webpage of the Debt Management Agency. The composition of the loans can be calulated from the table at the link: http://www.akk.hu/object.ec5b874e-f167-41a1-a025-965e25485e72.ivy while the composition for securitized debt at the following link: http://www.akk.hu/object.22f56590-a33a-49e1-aa1d-2354ca868b42.ivy

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

015. 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.)

**A.** Yes, information beyond the core elements is presented for the macroeconomic forecast.

**B.** Yes, the core information is presented for the macroeconomic forecast.

**C.** Yes, information is presented, but it excludes some core elements.

**D.** No, information related to the macroeconomic forecast is not presented.

**E.** Not applicable/other (please comment).

**Hungary**

B.

**Score**: 67

**Sources**: Table in EBP In Hungarian: "A gazdasági fejlődés főbb jellemzői" In English: The main characteristics of the economic development on page 242 Narrative discussion in EBP In Hungarian: Az általános indokolás - I. A kormányzat gazdaságpolitikájának fő vonásai, az államháztartás alakulása a 2014. évben - 1. A kormányzat gazdaságpolitikája In English: The General Justification - I. The Main Features of the Economic Policy of the Government - 1. The economic policy of the government on page 171 from the paragraph starting with "2014-től kezdve..."

**Comments**: In the cited table 3 core elements are presented: Nominal GDP level - "GDP értéke folyó áron" Inflation rate - "Fogyasztói árindex változása (éves átlag)" Real GDP growth - "GDP növekedése, %" The assumption for interest rates is omitted, while other assumption are included in the table like Investments as percent of GDP, Consumption of households, Public consumption, Export, Import, Balance of current account or the EURHUF exchange rate. As only one core element is missing and there additional information (both quantitative and in narration) we chose answer "B".

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

016. 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.)

**A.** Yes, information beyond the core elements is presented to show the impact of different macroeconomic assumptions on the budget.

**B.** Yes, the core information is presented to show the impact of different macroeconomic assumptions on the budget.

**C.** Yes, information is presented, but it excludes some core elements.

**D.** No, information related to different macroeconomic assumptions is not presented.

**E.** Not applicable/other (please comment).

**Hungary**

D.

**Score**: 0

**Sources**: N/A

**Comments**: The EBP does not contain sensitivity analysis for the core macroeconomic assumptions. The sensitivity analysis mentioned in the question only presented in the Convergence Program, so the Ministry clearly has the tools to make the analysis, but it only does so for the EU as the sensitivity analysis is required in the Convergence Programme. The Programme is available at the following link on the right hand side: http://2010-2014.kormany.hu/en/ministry-for-national-economy/news/convergence-programme-was-presented-by-minister-mihaly-varga On pp. 45-47 the sensitivity analysis shows the impact on some of the revenue sources and the general government balance.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score but wish to add a comment, clarification, or suggest another reference.

**Comments**: The EBP contains some main macroeconomic indicators in table "The main features of economic development" (A gazdasági fejlődés főbb jellemzői - pg 242) but there is no analyses of these indicators. Only the introduction of the narrative part enumerates some directives of the program of the government.

017. 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?

**A.** Yes, estimates that show how all new policy proposals affect expenditures are presented, along with a narrative discussion.

**B.** Yes, estimates that show how all new policy proposals affect expenditures are presented, but a narrative discussion is not included.

**C.** Yes, information that shows how some but not all new policy proposals affect expenditure is presented.

**D.** No, information that shows how new policy proposals affect expenditure is not presented.

**E.** Not applicable/other (please comment).

**Hungary**

C.

**Score**: 33

**Sources**: Table in EBP In Hungarian: "Az általános indokolás" In English: The General Justification pp. 173-182

**Comments**: The numerical effect of the new policy proposals are not presented in a separate table. The General Justification mentions some policy proposals, and in their narrative discussion mentions how much the government would spend on that particular program. For example the first policy proposal is the amendment of the fostered workers program ("Start-munkaprogram" in Hungarian) where the government employ 250-300 thousand people and spend 184 billion HUF on this program. Contrary to this at point 3 the policy proposal describes that the government will maintain the tools for helping those with foreign-currency denominated debts, but the description does not mention how much money will be spent for this target. Mainly the policy proposals discussed in this part are not always new policies, but the government states these as important areas that determine the budget.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score but wish to add a comment, clarification, or suggest another reference.

**Comments**: The draft budget contains the fiscal effects of the new policies. Details can be found in the Justification by Chapters.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

018. 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?

**A.** Yes, estimates that show how all new policy proposals affect revenues are presented, along with a narrative discussion.

**B.** Yes, estimates that show how all new policy proposals affect revenues are presented, but a narrative discussion is not included.

**C.** Yes, information that shows how some but not all new policy proposals affect revenues are presented.

**D.** No, information that shows how new policy proposals affect revenues is not presented.

**E.** Not applicable/other (please comment).

**Hungary**

D.

**Score**: 0

**Sources**: Discussion in EBP In Hungarian: "Az általános indokolás - 3. Adó- és járulékpolitikai célkitűzések" In English: The General Justification - Section 3. Tax and contribution policies page. 180 Table in EBP In Hungarian: "Főbb adó- és járulékkedvezmények" In English: Main tax and social contribution exemptions page 282

**Comments**: The effect of new policy proposals are not presented in a separate table. The General Justification discusses the changes in taxes (like the change that allows the taxpayer to deduct its tax exemption from social contributions if he/she cannot deduct it totally from his/her personal income tax), but does not describe what will be its effect on revenues. In the cited table the government presents the effects of this change in the titles "Családi kedvezmény kiszélesítése", but does not mentions the numbers when discusses the policy proposal itself. It is also to be noted that this is only a coincidence that the numerical effect can be identified as other proposals effect are not presented in a similar way. The mentioned example nearly an exception as the effects of other proposals for increasing the revenues (like the introduction of on-line cash registers) are not mentioned numerically.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score but wish to add a comment, clarification, or suggest another reference.

**Comments**: The draft budget contains the fiscal effects of the new policies. Details can be found in the Justification by Chapters.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

## 019. 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)?

**A.** Yes, expenditure estimates for BY-1 are presented by all three expenditure classifications (by administrative, economic, and functional classification).

**B.** Yes, expenditure estimates for BY-1 are presented by two of the three expenditure classifications.

**C.** Yes, expenditure estimates for BY-1 are presented by only one of the three expenditure classifications.

**D.** No, expenditure estimates for BY-1 are not presented by any expenditure classification.

**E.** Not applicable/other (please comment).

**Hungary**

B.

**Score**: 67

**Sources**: Tables in EBP In Hungarian: "Az államháztartás mérlege (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)" In English: Balance sheet of the general government (cash-flow based) (by economic classification) on page 246 In Hungarian: "Az államháztartás funkcionális kiadásai (pénzforgalmi szemléletben)" In English: The expenditures of the general government by functions (cash-flow based) on page 249

**Comments**: The EBP only presents the expenditures for the previous year by the economic and functional classification. They are presented in the same table with the BY data in the column "2013. évi törvényi előirányzat". The expenditures by administrative units are not included in the EBP for BY-1.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

## 020. 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)?

**A.** Yes, programs accounting for all expenditures are presented for BY-1.

**B.** Yes, programs accounting for at least two-thirds of, but not all, expenditures are presented for BY-1.

**C.** Yes, programs accounting for less than two-thirds of expenditures are presented for BY-1.

**D.** No, expenditures are not presented by program for BY-1.

**E.** Not applicable/other (please comment).

**Hungary**

C.

**Score**: 33

**Sources**: Table in EBP In Hungarian: "Az államháztartás mérlege (2013-2017)" In English: Balance sheet of the general government (2013-2017) on page 245

**Comments**: The cited table presents the expenditures in a special classification where some of the Chapter-managed appropriations are presented individually while others are aggregated in one row. From the individually presented appropriations we only treated those as "programs" that are also individual line items in the 1st Appendix of the EBP. This does not mean these items are "programs" in every interpretation as in their narrative discussion many elements are missing that would be required for a program. These elements are for example the performance indicators, non-financial inputs and outputs, other non-financial information, affected area. We only consider these items as programs as from their name their target is easily deductible and their goal can be guessed. In the cited table on the expenditure side (in the column "Kiadások") some of the chapter-managed appropriations are presented individually. The table contains the Consumer price subsidy ("Szociálpolitikai menetdíj támogatás"), the Support to the public media ("Közszolgálati műsorszolgáltatás támogatása") and maybe the Housing subsidy ("Lakásépítési támogatások") that can be treated as "program" in broad terms. The former two are more similar to programs, as they are targeted, well-defined, individual expenditures, while the last consists of different subsidies related to home ownership, and because of this it can only be considered as a program in a more broader category (like grouping some of the similar titles for summary purposes). The scope of appropriations treated as programs are the same as in question 8. For some of the programs the expenditures are presented for the previous year, but they are clearly less than two-third of expenditures. It is also to be noted that the Hungarian budget is not program based and the mentioned line items are only to be considered as "programs" in a permissive definition.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

## 021. 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?

**A.** Yes, expenditure estimates for BY-1 have been updated from the original enacted levels.

**B.** No, expenditure estimates for BY-1 have not been updated from the original enacted levels.

**C.** Not applicable/other (please comment).

**Hungary**

A.

**Score**: 100

**Sources**: Tables in EBP In Hungarian: "Az államháztartás mérlege (2013-2017)" In English: Balance sheet of the general government (2013-2017) on page 245 In Hungarian: "Az államháztartás mérlege (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)" In English: Balance sheet of the general government (cash-flow based) (by economic classification) on page 246

**Comments**: The first cited table shows the multi-year presentation for some of the expenditures. In the column of expenditures ("Kiadások") the original enacted levels for the Budget Year 2013 are presented in the column "2013. évi előirányzat", while the modified enacted levels in the column "2013. évi törv. mód. előirányzat". It is important to highlight that the modified column presents the data after the in-year modifications of the budget, thus it does not reflect an update based on the actual expenditures. In the subsequent tables that presents the data by economic or functional classification the latest year for which the actual expenditures are presented is BY-2. The data is presented in the column "2012. évi teljesítés".

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

## 022. 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)?

**A.** Yes, expenditure estimates for BY-2 and prior years are presented by all three expenditure classifications (by administrative, economic, and functional classification).

**B.** Yes, expenditure estimates for BY-2 and prior years are presented by two of the three expenditure classifications.

**C.** Yes, expenditure estimates for BY-2 and prior years are presented by only one of the three expenditure classifications.

**D.** No, expenditure estimates for BY-2 and prior years are not presented by any expenditure classification.

**E.** Not applicable/other (please comment).

**Hungary**

B.

**Score**: 67

**Sources**: Tables in EBP In Hungarian: "Az államháztartás mérlege (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)" In English: Balance sheet of the general government (cash-flow based) (by economic classification) on page 246 In Hungarian: "Az államháztartás funkcionális kiadásai (pénzforgalmi szemléletben)" In English: The functional expenditures of the general government (cash-flow based) on page 249

**Comments**: Both tables show the data for BY-2 in the column "2012. évi teljesítés". The data presented in the tables are actual expenditures, not estimates for that year. Also BY-2 is the earliest year for which the data is presented in the EBP. The first cited table shows the data by economic classification, the second by functional classification. The expenditures by administrative units or programs are not presented in the EBP.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

## 023. 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)?

**A.** Yes, programs accounting for all expenditures are presented for BY-2 and prior years.

**B.** Yes, programs accounting for at least two-thirds of, but not all, expenditures are presented for BY-2 and prior years.

**C.** Yes, programs accounting for less than two-thirds of expenditures are presented for BY-2 and prior years.

**D.** No, expenditures are not presented by program for BY-2 and prior years.

**E.** Not applicable/other (please

**Hungary**

C.

**Score**: 33

**Sources**: Table in EBP In Hungarian: "A központi alrendszer mérlege" In English: Balance sheet of the central government on page 255

**Comments**: The cited table shows the actual expenditures for some of the programs in the column "2012. évi teljesítés".

The title "Költségvetési szervek és fejezeti kezelésű előirányzatok" shows the expenditure for the administrative units and some of the programs in an aggregated way, while many other title are also aggregated by some classification, for example "Családi támogatások" presents the data for all the subsidies given as part of the family policy. As a clear program only 3 title could be identified: "Közszolgálati műsorszolgáltatás támogatás" which is expenditures for public media, "Szociálpolitikai menetdíj támogatás" which is subsidies of transport fees and "Lakásépítési támogatások" which is subsidies for home construction.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score but wish to add a comment, clarification, or suggest another reference.

**Comments**: It must be taken into account that the Hungarian budget is not a programme-based one.

**PEER REVIEWER**

## 024. 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?

**A.** Two years prior to the budget year (BY-2).

**B.** Three years prior to the budget year (BY-3).

**C.** Before BY-3.

**D.** No actual data for all expenditures are presented in the budget or supporting budget documentation.

**E.** Not applicable/other (please comment).

**Hungary**

A.

**Score**: 100

**Sources**: Tables in EBP In Hungarian: "Az államháztartás mérlege (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)" In English: Balance sheet of the general government (cash-flow based) (by economic classification) on page 246 In Hungarian: "Az államháztartás funkcionális kiadásai (pénzforgalmi szemléletben)" In English: The functional expenditures of the general government (cash-flow based) on page 249

**Comments**: In the first cited table the expenditures are presented by economic classification in the section "1 Kiadások", while in the second table by functional classification. The latest year for which the actual outcomes are presented are 2012, or BY-2 and the data is shown in the column "2012. évi teljesítés".

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

025. 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)?

**A.** Yes, revenue estimates for BY-1 are presented by category.

**B.** No, revenue estimates for BY-1 are not presented by category.

**C.** Not applicable/other (please comment).

**Hungary**

A.

**Score**: 100

**Sources**: Tables in EBP In Hungarian: "A központi alrendszer mérlege" In English: Balance sheet of the central government on page 254 In Hungarian: "Az államháztartás mérlege (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)" In English: Balance sheet of the general government (cash-flow based) (by economic classification) on page 246

**Comments**: In the first cited table the column "2013. évi törvényi előirányzat" presents the data for BY-1. The data shows the original levels enacted in that year's budget, not the actual, updated data. The table is not classified by tax or non-tax revenues, but the main revenue sources are shown individually and only the minor titles are aggregated. The table presents the revenues in a special classification that categorizes mostly the tax revenues, while the non-tax revenues are included at an aggregated level, in some cases by types. We would also like to note that exact summaries cannot be calculated for tax and non-tax revenues as the line item called "Other centralised revenues" ("Egyéb központosított bevételek") contains tax and non-tax revenues at an aggregated level that cannot be separated. The line item accounts for around 1% of GDP in 2014. The second table shows the revenues by economic classification starting from the row "2 Bevételek". The tax revenues are classified by type like income taxes, social contributions, wealth taxes, while the non-tax revenues are mainly aggregated in one title called "Egyéb közhatalmi bevételek" as Other revenue. Basically the revenues are presented by categories, but the categories not strictly grouping the revenues by tax and non-tax.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score but wish to add a comment, clarification, or suggest another reference.

**Comments**: Table: Balance sheet of the central government (pp 254-255) In Hungarian: "A központi alrendszer mérlege" Presents the revenues by different main categories like the "Revenues of the central government", "Extra-budgetary funds" and "Social security funds" The main categories presents the sources of the incomes ex: business entities, population, revenues related to consumption etc. The table shows the taxes or other non-taxes type of revenues one by one and n this way can be easily distinguished. The same in Table "Balance sheet of the general government (cash-flow based) (by economic classification)" on page 246 the shows the revenues in an economic classification. Even though the name of the

main categories does not contain the name "tax" the subcategories shows the income of the Central Government by main type of tax (ex: income taxes, social contribution taxes and other contributions; taxes related to employment; taxes related to assets; taxes of products and services)

## 026. 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)?

**A.** Yes, individual sources of revenue accounting for all revenue are presented for BY-1.

**B.** Yes, individual sources of revenue accounting for at least two-thirds of, but not all, revenue for BY-1 are presented.

**C.** Yes, individual sources of revenue accounting for less than two-thirds of all revenues for BY-1 are presented.

**D.** No, individual sources of revenue are not presented for BY-1.

**E.** Not applicable/other (please comment).

**Hungary**

B.

**Score**: 67

**Sources**: Table in EBP In Hungarian: "A központi alrendszer mérlege" In English: Balance sheet of the central government on page 254

**Comments**: In the cited table the column "2013. évi törvényi előirányzat" presents the data for revenue estimates for BY-1. The data is not updated with actual expenditures. The main revenues are shown individually while some important revenue sources are not. For example the electronic road toll accounts for nearly 0,25% of the GDP and thus an important revenue source and not shows separately in the table. The title is shown in the 1st appendix of the EBP on page 86 as "Megtett úttal arányos útdíj". although it is for the actual budget year that is twice of the previous year. In 2013 the estimate for electronic road toll was 75 billion HUF and it was more significant than some other titles that are presented individually in the cited table. For the non-tax revenues no classification is made, they are only shown in aggregated way and the title can refer to the type of the non-tax type. For example all the grants are EU grants and shown in one line-item, but other revenues like fees for services, fines or revenues from state property are hard to identify. The non-tax revenues are not classified by major types or these types are hard to identify, thus this presentation cannot be considered as a best practice.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

027. 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?

**A.** Yes, revenue estimates for BY-1 have been updated from the original enacted levels.

**B.** No, revenue estimates for BY-1 have not been updated from the original enacted levels.

**C.** Not applicable/other (please comment).

**Hungary**

A.

**Score**: 100

**Sources**: Tables in EBP In Hungarian: "A központi alrendszer mérlege" In English: Balance sheet of the central government on page 254 In Hungarian: "Az államháztartás mérlege (2013-2017)" In English: Balance sheet of the general government (2013-2017) on page 245

**Comments**: The latest version of the revenues is the modified levels in the enacted budget but it reflects whether the title was modified in the law on the budget, not a systemic update with the actual revenue data. The data are shown in the second cited table in the column "2013. évi törv. mód. előirányzat". All the other supporting table present the data for the original enacted budget for BY-1.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

028. 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)?

**A.** Yes, revenue estimates for BY-2 and prior years are presented by category.

**B.** No, revenue estimates for BY-2 and prior years are not presented by category.

**C.** Not applicable/other (please comment).

**Hungary**

A.

**Score**: 100

**Sources**: Tables in EBP In Hungarian: "A központi alrendszer mérlege" In English: Balance sheet of the central government on page 254 In Hungarian: "Az államháztartás mérlege (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)" In English: Balance sheet of the general government (cash-flow based) (by economic classification) on page 246

**Comments**: The first cited table presents the data in the column "2012. évi teljesítés". The data is the actual expenditure outcomes, not the estimates for that budget year. The main revenue sources are presented individually while other sources are aggregated. The table uses a special classification that details the tax revenues while the non-tax revenues are generally presented at an aggregated level. Based on the table only approximate calculations for tax and non-tax revenues can be made, as the line item called "Other centralized revenues" ("Egyéb központosított bevételek") aggregates both tax and non-tax revenues, thus it prohibits the exact calculations. The line item accounts for around 1% of GDP. The second cited table presents the data by economic classification starting from the row "2 Bevételek". The tax revenues are grouped by types like income tax, social contribution, wealth taxes, while the non-tax revenues aggregated as other revenues in the row "Egyéb közhatalmi bevételek". Basically the revenues are presented by categories, but the categories not strictly grouping the revenues by tax and non-tax.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

## 029. 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)?

**A.** Yes, individual sources of revenue accounting for all revenue are presented for BY-2 and prior years.

**B.** Yes, individual sources of revenue accounting for at least two-thirds of, but not all, revenue are presented for BY-2 and prior years.

**C.** Yes, individual sources of revenue accounting for less than two-thirds of all revenues are presented for BY-2 and prior years.

**D.** No, individual sources of revenue are not presented for BY-2 and prior years.

**E.** Not applicable/other (please comment).

**Hungary**

B.

**Score**: 67

**Sources**: Table in EBP In Hungarian: "A központi alrendszer mérlege" In Englsih: Balance sheet of the central government on page 254

**Comments**: In the cited table the main revenue sources are presented individually for the BY-2 in the column "2012. évi teljesítés". Unfortunately not all the significant sources are presented individually, for example the title "Rehabilitációs hozzájárulás" shows the Rehabilitation contributions on page 86 and it is 65 billion HUF or 0,2% of the GDP in 2014, but it was nearly the same in earlier years as well. Contrary to this the table presents individually revenue sources that account for less than the mentioned example. Considering the inconsistent aggregation not all the revenue sources can be identified individually for the BY-2, but more than two-third of the revenues can be. The main tax types (like VAT, income tax, corporate tax) can be identified, but the non-tax revenues are not classified or it is hard to identify the type of the non-tax revenue. Because of this latter we do not consider the presentation as best practice.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

## 030. 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?

**A.** Two years prior to the budget year (BY-2).

**B.** Three years prior to the budget year (BY-3).

**C.** Before BY-3.

**D.** No actual data for all revenues are presented in the budget or supporting budget documentation.

**E.** Not applicable/other (please comment).

**Hungary**

A.

**Score**: 100

**Sources**: Tables in EBP In Hungarian: "A központi alrendszer mérlege" In English: Balance sheet of the central government on page 254 In Hungarian: "Az államháztartás mérlege (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)" In English: Balance sheet of the general government (cash-flow based) (by economic classification) on page 246

**Comments**: In the cited table the column "2012. évi teljesítés" presents the data of actual outcomes for 2012 or BY-2. Not all the main revenue sources are presented individually, some of them are aggregated in one title. The actual outcomes for BY-2 are also presented by economic classification in the other cited table in the column "2012. évi teljesítés" in the section "2 Bevételek".

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

031. Does the Executive's Budget Proposal or any supporting budget documentation present information on government borrowing and debt, including its composition, for the year proceeding 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.)

**A.** Yes, information beyond the core elements is presented for government debt.

**B.** Yes, the core information is presented for government debt.

**C.** Yes, information is presented, but it excludes some core elements.

**D.** No, information related to government debt is not presented.

**E.** Not applicable/other (please comment).

**Hungary**

C.

**Score**: 33

**Sources**: Tables in EBP In Hungarian: "A központi költségvetés bruttó adósságának alakulása 2012-2014 között" In English: The evolution of the gross debt of the general government between 2012 and 2014 on page 281 In Hungarian: "A központi alrendszer mérlege" In English: Balance sheet of the central government on page 255

**Comments**: The gross debt at the end of BY-1 is presented in the table in the column "2012. XII. 31-i állomány" in the line "A központi költségvetés bruttó adóssága mindösszesen". Other core elements are omitted from the EBP as the information included in the table details the composition of the gross debt by denomination, type (loan, bond, T-bill) and objective (deficit financinf or other liability). The aggregated amount of interest payments for BY-1 is presented in the second cited table in the title "Kamatkiadások" for the BY-2 in the column "2012. évi teljesítés". Other core elements for the evaluation of the gross debt of the government is not included in the EBP. Some of the missing core elements are available on the webpage of the Debt Management Agency: The Debt Management Outlook publications contain the net financing requirement for the given year: http://www.akk.hu/object.421aa65f-6753-4b6f-bd1c-dc93b5b985c1.ivy The maturity profile for a given quarter is available here: http://www.akk.hu/object.dd85be24-d1d4-4ff9-b6a7-1d29d3f72c3b.ivy The data for domestic and foreign loans can be obtained here: http://www.akk.hu/object.ec5b874e-f167-41a1-a025-965e25485e72.ivy

The data for the ownership of securitized debt here: http://www.akk.hu/adosszektor.ivy?public.cat-sys-D197F08B-2F19-484F-83C8-CDB53EC75B65-filtergroup=Datum-flt

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

## 032. 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?

**A.** Two years prior to the budget year (BY-2).

**B.** Three years prior to the budget year (BY-3).

**C.** Before BY-3.

**D.** No actual data for government debt are presented in the budget or supporting budget documentation.

**E.** Not applicable/other (please comment).

**Hungary**

A.

**Score**: 100

**Sources**: Tables in EBP In Hungarian: "A központi költségvetés bruttó adósságának alakulása 2012-2014 között" In English: The evolution of the gross debt of the central government between 2012 and 2014 on page 281 Additional information outside the EBP Central government gross debt - Statistics from the Hungarian Debt Management Agency; URL: http://www.akk.hu/ktgvetesadossag_en.ivy?public.lang=en-US

**Comments**: The cited table shows the actual gross debt for BY-2 in the column "2012. XII. 31-i állomány". It is the same amount that is published by the Debt Management Agency (at the end of December 2012) which is responsible for the activities related to the gross debt of the central government. Thus the data presented in the EBP is the factual data for the end of 2012, that is BY-2.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

033. 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.)

**A.** Yes, information beyond the core elements is presented for all extra-budgetary funds.

**B.** Yes, the core information is presented for all extra-budgetary funds.

**C.** Yes, information is presented, but it excludes some core elements or some extra-budgetary funds.

**D.** No, information related to extra-budgetary funds is not presented.

**E.** Not applicable/other (please comment).

**Hungary**

B.

**Score**: 67

**Sources**: In Hungarian: XLIV-LXXII. fejezetek az Elkülönített állami pénzalapok előirányzataik tartalmazzák a törvényjavaslat 1. mellékletében a 90-97. oldalakon In English: Chapters XLIV-LXXII detailing the financial information of the funds in the 1st Appendix of the EBP from page 90 to page 97 In Hungarian: A kapcsolódó fejezeti indokolások a törvényjavaslat 1026-1091 oldalain találhatóak meg In English: Narrative part in EBP from pages 1026-1091 List of the pages for each fund, the purpose can be found in the section with the term "célok meghatározása": National Soil Fund ("Nemzeti Földalap") on page 1027 National Labour Fund ("Nemzeti Foglalkoztatási Alap") on page 1035 Bethlen Gábor Fund ("Bethlen Gábor Alap") on page 1044 Central Nuclear Financial Fund ("Központi Nukleáris Pénzügyi Alap") on page 1049 National Cultural Fund ("Nemzeti Kulturális Alap") on page 1060 (this one is not too informative about the purpose of the fund) Wesselényi Miklós Flood and Inland Waters Compensation Fund ("Wesselényi Miklós Ár- és Belvízvédelmi Kártalanítási Alap") on page 1064 Research and Technology Innovation Fund ("Kutatási és Technológiai Innovációs Alap") on page 1067 Pension Insurance Fund ("Nyugdíjbiztosítási Alap") on page 1072 Health Insurance Fund ("Egészségbiztosítási Alap") not included

**Comments**: In the 1st Appendix of the EBP all the extra-budgetary funds are presented in a separate chapter listing all of its income and expenditure estimates in the column "Bevételek" and "Kiadások" respectively. The purpose of each extra-budgetary fund is presented in it own part in the narrative section under the part "célok meghatározása". While the purposes are clearly defined for the minor funds (except one), for the two biggest funds (the Pension Insurance Fund and the Health Insurance Fund) the purpose of the fund is not mentioned explicitly. Explicit statements are not presented for the Pension Insurance Fund and the Health Insurance Fund, but from their names and their detailed expenditures their purpose can be deducted easily.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score but wish to add a comment, clarification, or suggest another reference.

**Comments**: The purpose of the extra budgetary funds are presented from pp. 1026 (even Healthcare contribution pp 1083 - 1091). The core information is presented at all extra budgetary funds.

## 034. 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?

**A.** Yes, central government finances are presented on a consolidated basis.

**B.** No, central government finances are not presented on a consolidated basis.

**C.** Not applicable/other (please comment).

**Hungary**

A.

**Score**: 100

**Sources**: Tables in EBP 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) on page 257 In Hungarian: "A központi alrendszer konszolidált funkcionális kiadásai (pénzforgalmi szemléletben)" In English: Consolidated expenditures of the central government by functional classification (cash-flow based) on page 260 In Hungarian: "Az államháztartás főbb jellemzői (pénzforgalmi szemléletben)" In English: The main characteristics of the general government (cash-flow based) on page 244 In Hungarian: "Az államháztartás mérlege (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)" In English: "Balance sheet of the general government (cash-flow based) (by economic classification)" on page 246 In Hungarian: "A központi alrendszer mérlege" In English: Balance sheet of the central government pp. 254-255

**Comments**: The consolidated tables for the central government (the first 2 cited tables) presents the expenditures of the central government in a consolidated basis by economic and functional classification. The tables consolidate the central government and the extra-budgetary funds. Although they are not noted, the the table presenting the "Balance sheet of the central government" includes the extra-budgetary funds (in the section "Elkülönített állami pénzalapok") beside the central government, so logically the consolidated tables should amend the central government with the extra-budgetary funds. The revenues are not presented in a separate table, but it can be constructed easily. The table on page 246 individually presents the supports received from inside the government in lines 21 and 22 ("Működési célú támogatások államháztartáson belülről" and "Felhalmozási célú támogatások államháztartáson belülről"). Leaving out these two lines one gets the revenues on consolidated basis as these are the inner flows that inflate the total revenue. The table called "Main characteristics of the general government" presents the revenue and expenditure data for all the parts of the general government individually, so only the flows inside one sub-sector are not consolidated.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score but wish to add a comment, clarification, or suggest another reference.

**Comments**: The consolidation of the revenues are missing. It is possible to identify but is misleading that it is not presented separately between the Consolidated expenditures of the central government. The consolidated expenditures are fully traceable.

**RESEARCHER'S RESPONSE**

We agree that the consolidated revenues should be also presented beside the consolidated expenditures. This is to be emphasized, and the answer should be treated as barely "A".

035. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of intergovernmental transfers for at least the budget year?

**A.** Yes, estimates of all intergovernmental transfers are presented, along with a narrative discussion.

**B.** Yes, estimates of all intergovernmental transfers are presented, but a narrative discussion is not included.

**C.** Yes, estimates of some but not all intergovernmental transfers are presented.

**D.** No, estimates of intergovernmental transfers are not presented.

**E.** Not applicable/other (please comment).

**Hungary**

A.

**Score**: 100

**Sources**: Descriptions in the EBP In Hungarian: 1. melléklet IX. Fejezet Helyi önkormányzatok támogatásai In English: 1st Appendix of the EBP Chapter IX Supports for local governments on page 48 In Hungarian: 2. melléklet A helyi önkormányzatok általános működésének és ágazati feladatainak támogatása In English: 2nd Appendix The supports for the general operation and sectoral tasks of the local governments pp. 98-136 In Hungarian: 3. melléklet A helyi önkormányzatok által felhasználható központosított előirányzatok In English: 3rd Appendix Expenditure titles in the central budget provided for the local governments pp. 137-146 In Hungarian: 4. melléklet A helyi önkormányzatok kiegészítő támogatásai In English: 4th Appendix Supplemental supports for the local governments pp. 147-148 Supports for local governments in the narrative part In Hungarian: IX. Helyi önkormányzatok támogatásai In English: Chapter IX Supports for the local governments pp. 372-381

**Comments**: In the 1st appendix of the EBP the titles in Chapter IX lists the estimates about what supports the central government provides for the local governments. Some of these supports and on what basis they are divided among the local governments are detailed in appendices 2-4. Additionally to this the narrative part also describes the supports for local governments in a more plain way. The narrative discussion only describes the supports, they do not state their goals. In our opinion both the numerical and narrative part is plain, thus we chose answer "A".

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

036. 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 policies on different groups of citizens, for at least the budget year?

**A.** Yes, at least three alternative displays of expenditures are presented to illustrate the financial impact of policies on different groups of citizens.

**B.** Yes, two alternative displays of expenditures are presented to illustrate the financial impact of policies on different groups of citizens.

**C.** Yes, one alternative display of expenditures is presented to illustrate the financial impact of policies on different groups of citizens.

**D.** No, alternative displays of expenditures are not presented to illustrate the financial impact of policies on different groups of citizens.

**E.** Not applicable/other (please comment).

**Hungary**

D.

**Score**: 0

**Sources**: Description of the policies in the EBP In Hungarian: "Az általános indokolás - 2.2. A Kormány által prioritásként kezelt területek" In English: The General Justification - 2.2 Prioritized areas of the Government pp. 173-180

**Comments**: The EBP only describes the policies taken by the government, and the description lacks any numerical or narrative part where the impacts of the policies are presented. As any detailed analysis of the policies are missing from the EBP we chose answer "D".

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score but wish to add a comment, clarification, or suggest another reference.

**Comments**: The EBP describes only the budgetary aspects of the public tasks which tangentially presents the financial impact of policies on ethnic minorities. These are under chapter XX. Ministry of Human Capacities (XX. Emberi Erőforrások

Minisztériuma) pp. 762. Any other alternative displays are missing.

## 037. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of transfers to public corporations for at least the budget year?

**A.** Yes, estimates of all transfers to public corporations are presented, along with a narrative discussion.

**B.** Yes, estimates of all transfers to public corporations are presented, but a narrative discussion is not included.

**C.** Yes, estimates of some but not all transfers to public corporations are presented.

**D.** No, estimates of transfers to public corporations are not presented.

**E.** Not applicable/other (please comment).

**Hungary**

C.

**Score**: 33

**Sources**: Description in the EBP In Hungarian: XLIII. fejezet Az állami vagyonnal kapcsolatos bevételek és kiadások - 2. cím Az állami vagyonnal kapcsolatos kiadások In English: Chapter XLIII Revenues and expenditures related to public assets - Article 2 Expenditures related to public assets pp. 1019-1024

**Comments**: The cited article of the EBP summarizes the expenditures related to public corporations. The listed expenditures do not cover all the transfers to these corporations as for example on page 64 the title "Eximbank Zrt tőkejuttatása" means capital injection to Eximbank (a bank owned by the state with the purpose of financing export-import trades) from the Ministry for National Economy, a transfer to public corporation but it is omitted from the description about expenditures related to public assets. While the transfers presented cover a wide-range, not all the transfers to public corporation are stated there (like the ones provided by Ministries). Although the data is not collected in one place, all the transfers to public corporations can be collected by exhaustively reviewing the whole budget.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: No, I do not agree with the score.

**Suggested Answer**: c.

**Comments**: The 2nd Annex of the Law on National Assets (Nemzeti vagyonról szóló 2011. CXCVI. trv. - 2. melléklet) presents the range of the national wealth with a special importance in the national economy. Among others this 2nd Annex contains the enumeration of the state owned enterprises and the share of the Hungarian state. The EBP does not present all the transfers to these public corporations. Those transfers which are presented are not collected in one place and is very difficult to identify.

**RESEARCHER'S RESPONSE**

We accepted the peer reviewer's comment and based on that and the fact that it is not sure every transfer to the public corporations are presented separately we revised the answer to "C".

038. 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.)

**A.** Yes, information beyond the core elements is presented for all quasi-fiscal activities.

**B.** Yes, the core information is presented for all quasi-fiscal activities.

**C.** Yes, information is presented, but it excludes some core elements or some quasi-fiscal activities.

**D.** No, information related to quasi-fiscal activities is not presented.

**E.** Not applicable/other (please comment).

**Hungary**

C.

**Score**: 33

**Sources**: Descriptions in the EBP In Hungarian: XLII. fejezet A költségvetés közvetlen bevételei és kiadásai - 31. cím Szociálpolitikai menetdíj-támogatás In English: Chapter XLII Direct revenues and expenditures of the budget - Title 31 Social travel fare support on page 1003 In Hungarian: XLII. fejezet A költségvetés közvetlen bevételei és kiadásai - 29. cím Lakástámogatások In English: Chapter XLII Direct revenues and expenditures of the budget - Title 29 Supports for home construction on page 1001

**Comments**: The government engages in quasi-fiscal activities, but a summary (either in tabular or narrative format) is not included in the EBP. The cited titles are examples for the quasi-fiscal activities but its chapter or other titles around them are not quasi-fiscal activities, so one only could overview these titles if thoroughly checks the whole budget for such activities. A summary for this type of activities is not included, but there is still some information throughout the EBP about quasi-fiscal activities.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

039. Does the Executive's Budget Proposal or any supporting budget documentation present information on financial assets held by the government? (The core information must include a listing of the assets, and an estimate of their value.)

**A.** Yes, information beyond the core elements is presented for all financial assets.

**B.** Yes, the core information is presented for all financial assets.

**C.** Yes, information is presented, but it excludes some core elements or some financial assets.

**D.** No, information related to financial assets is not presented.

**E.** Not applicable/other (please comment).

**Hungary**

D.

**Score**: 0

**Sources**: N/A

**Comments**: The financial assets (shares, bank accounts, other assets) held by the government are not presented in the EBP. The Hungarian government owns many corporations through the Magyar Nemzeti Vagyonkezelő Zrt, but neither these nor the directly controlled corporations are detailed in the EBP. Statistical information about the financial assets of the government is available on the webpage of the National Bank of Hungary at the following link: http://english.mnb.hu/Root/Dokumentumtar/ENMNB/Statisztika/mnben_statisztikai_idosorok/mnben_0602_nemz_modsz_idosorok090107/ahtszla_en.xls Up to 2014 the government also had financial assets in the Pension Reform and Debt Reducing Fund, but by 2014 all the assets had been sold. The evolution of the assets is available on the webpage of the Debt Management Agency (as the fund was a subsidiary of the Agency, not a budgetary item): http://akk.hu//kepek/upload/2014/NYRA_pf_honlapra_20140331.pdf

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

040. Does the Executive's Budget Proposal or any supporting budget documentation present information on nonfinancial assets held by the government? (The core information must include a listing of the assets by category.)

**A.** Yes, information beyond the core elements is presented for all nonfinancial assets.

**B.** Yes, the core information is presented for all nonfinancial assets.

**C.** Yes, information is presented, but it excludes some nonfinancial assets.

**D.** No, information related to nonfinancial assets is not presented.

**E.** Not applicable/other (please comment).

**Hungary**

C.

**Score**: 33

**Sources**: N/A

**Comments**: The government does not disclose any information about its non-financial assets.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score but wish to add a comment, clarification, or suggest another reference.

**Comments**: An enumeration on non financial assets held by the government is presented in "The Law on National Assets" (2011. évi CXCVI. törvény a nemzeti vagyonról) The EBP refers sporadically to "The Law on National Assets" (ex. Directives related to national assets - 5. Az állam vagyonával kapcsolatos rendelkezések pp: 3-8) but its not possible to follow and to evolve a clear picture on them. The change of value of these assets is not presented traceable neither in EBP nor on any other place where it could be found.

**RESEARCHER'S RESPONSE**

Upon further review some of the line items in the budget (in chapter XLIII Rvenues and expenditures related to State Property) can be considered as acquiring or selling non-financial assets. For example selling unused properties, mobile frequency rights or buying real estates. This is minimal information regarding the amount of nonfinancial assets owned by the government, but may qualify as answer "C". For example the line item "Ingatlan értékesítéséből származó bevételek" covers the revenues from selling real estates, or "Frekvencia használati jog értékesítéséből származó bevételek" means revenues from selling rights for mobile frequency usage. Sources: Line items in the EBP In Hungarian: XLIII. Az állami vagyonnal kapcsolatos bevételek és kiadások In English: Chapter XLIII Revenues and expenditures related to State Property pp. 88-90 Narrative discussion: In Hungarian: XLIII. Az állami vagyonnal kapcsolatos bevételek és kiadások In English: Chapter XLIII Revenues and expenditures related to State Property pp. 1015-1025

## 041. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of expenditure arrears for at least the budget year?

**A.** Yes, estimates of all expenditure arrears are presented, along with a narrative discussion.

**B.** Yes, estimates of all expenditure arrears are presented, but a narrative discussion is not included.

**C.** Yes, estimates of some but not all expenditure arrears are presented.

**D.** No, estimates of expenditure arrears are not presented.

**E.** Not applicable/other (please comment).

**Hungary**

D.

**Score**: 0

**Sources**: N/A

**Comments**: The EBP does not disclose information about the arrears. The information is available in a separate document published by the Hungarian State Treasury every month. The latest can be accessed at the following link, the document is only available in Hungarian: http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok/tartozasallomany-fejezetenkent/3447/ This document covers the administrative units and institutions that belong to the budget. At the end of April the sum of arrears were about 0,3% of the GDP, but it is an important information as the government heavily engages in techniques to avoid piling up the statistical numbers about gross debt.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

042. Does the Executive's Budget Proposal or any supporting budget documentation present information on contingent liabilities, such as government loan guarantees or insurance programs? (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.)

**A.** Yes, information beyond the core elements is presented for all contingent liabilities.

**B.** Yes, the core information is presented for all contingent liabilities.

**C.** Yes, information is presented, but it excludes some core elements or some contingent liabilities.

**D.** No, information related to contingent liabilities is not presented.

**E.** Not applicable/other (please comment).

**Hungary**

C.

**Score**: 33

**Sources**: Description in EBP 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 pp. 1004-1005

**Comments**: For the contingent liabilities the estimated redemption is presented in the EBP while the full amount of the contingent liabilities are not. Additional information consists of the purpose of the liabilities, as in some cases they can be deducted from the name of the contingent liability.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

043. 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.)

**A.** Yes, information beyond the core elements is presented to assess the government's future liabilities and the sustainability of its finances over the longer term.

**B.** Yes, the core information is presented to assess the government's future liabilities and the sustainability of its finances over the longer term.

**C.** Yes, information is presented, but it excludes some core elements.

**D.** No, information related to future liabilities and the sustainability of finances over the longer term is not presented.

**E.** Not applicable/other (please comment).

**Hungary**

C.

**Score**: 33

**Sources**: Tables in the EBP In Hungarian: LXXI. fejezet Nyugdíjbiztosítási Alap - 1. számú táblázat A Nyugdíjbiztosítási Alap bevételeinek és kiadásainak várható alakulása In English: Chapter LXXI. Pension Insurance Fund - Table 2 Estimated revenues and expenditures of the Pension Insurance Fund on page 1080 In Hungarian: LXXI. fejezet Nyugdíjbiztosítási Alap - 2. számú táblázat 50 éves demográfiai előrejelzés In English: Chapter LXXI. Pension Insurance Fund - Table 2 50-year demographic projection on page 1081

**Comments**: Longer term projections are only presented in relation to the Pension Insurance Fund. The first cited table presents the projected revenues and expenditures up to 2017, while the second the demographic projection up to 2060. Financial information is only included in the first one, the latter only projects the population and the number of old-age people. Other longer-term projections are not included. As the projected population implies some of the aspects of the liabilities (mainly pensions), some limited information is included in the EBP.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

## 044. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of the sources of donor assistance, both financial and in-kind?

**A.** Yes, estimates of all sources of donor assistance are presented, along with a narrative discussion.

**B.** Yes, estimates of all sources of donor assistance are presented, but a narrative discussion is not included.

**C.** Yes, estimates of some but not all sources of donor assistance are presented.

**D.** No, estimates of the sources of donor assistance are not presented.

**E.** Not applicable/other (please comment).

**Hungary**

A.

**Score**: 100

**Sources**: Description in the EBP In Hungarian: XIX. fejezet Uniós fejlesztések In English: Chapter XIX Development financed from EU Funds pp. 721-761

**Comments**: The donor assistance mainly consists of funds from the European Union. The financial data for each of the Operational Programmes are presented in a separate chapter. The cited section of the EBP presents the numerical values

and the description of the use of the funds. The narrative part focuses on the Operational Programmes and their sub-level programs, and state their goals but no further evaluation is made, like what main projects were financed or what results were achieved. Outside of the EU funds there is no significant revenue from other donor assistance.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

045. 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.)

**A.** Yes, information beyond the core elements is presented for all tax expenditures.

**B.** Yes, the core information is presented for all tax expenditures.

**C.** Yes, information is presented, but it excludes some core elements or some tax expenditures.

**D.** No, information related to tax expenditures is not presented.

**E.** Not applicable/other (please comment).

**Hungary**

C.

**Score**: 33

**Sources**: Table in the EBP In Hungarian: "Főbb adó- és járulékkedvezmények" In English: Main tax and social contribution exemptions on page 282

**Comments**: The EBP summarizes the estimates for the tax and social contribution exemption in a tabular format in the cited table. The table presents the main exemptions, thus some minor tax expenditures are not listed. The EBP does not present any further analysis related to the exemptions, their goals, their intended effects or other information. For example the effects of the personal income tax expenditures were only assessed in separate researches (the research made by the Ministry for National Economy's economists is available at the following link: http://www.asz.hu/penzugyi-szemle-cikkek/2013/foglalkoztatasosztonzo-adokedvezmenyek-a-magyar-munkaeropiacon, while the civil research available at the following link: http://www.asz.hu/penzugyi-szemle-cikkek/2013/nyertesek-es-vesztesek-a-magyar-egykulcsos-adoreform-vizsgalata-mikroszimulacios-modszerrel).

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

## 046. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of earmarked revenues?

**A.** Yes, estimates of all earmarked revenues are presented, along with a narrative discussion.

**B.** Yes, estimates of all earmarked revenues are presented, but a narrative discussion is not included.

**C.** Yes, estimates of some but not all earmarked revenues are presented.

**D.** No, estimates of earmarked revenues are not presented.

**E.** Not applicable/other (please comment).

**Hungary**

A.

**Score**: 100

**Sources**: Table in EBP In Hungarian: 10. melléklet a törvényjavaslathoz - Beruházási Alap In English: 10th Appendix of the EBP - Investment Fund pp. 167-168 Description in the EBP In Hungarian: Az általános indokolás - I. A Kormányzat gazdaságpolitikájának fő vonásai, az államháztartás alakulása a 2014. évben - 2. Az államháztartás céljai és keretei - 2.2.7. A Beruházási Alap In English: The General Justification - I. The Main Features of the Economic Policy of the Government - 2. Goals and Framework for the General Government - 2.2.7 The Investment Fund on page 177

**Comments**: According to the chapter logic of the budget, the government uses the extra-budgetary funds for earmarked revenues. In practice the revenues of the extra-budgetary funds are not strictly earmarked as for example if a fund has a surplus at the end of the year the government can take those funds to reduce the deficit of the central budget as a whole. Also there is a distinction between the enacted law introducing a given tax and the use of the funds, as the stated goals in the law does not always appear in the budget. For example the electronic road toll originally was introduced to fund the maintenance of the roads and highways but now it is part of the centralized budget and can be spent on any item. This is also true for the "chips"-tax, a tax on unhealthy foods as it is a revenue of the Health insurance fund but can be spent on anything that is funded by that fund, not only on the activities for healthy foods. Outside of the mentioned problems there is a table about the Investment Fund. It is a grouping of some of the expenditure and revenue titles as the intention of the government is to finance the former from the latter. The description only states that the government is using the revenues from selling public assets to start investments as those create public assets, trading one-time revenues for one-time expenditures.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

047. 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?

**A.** Yes, estimates that show how the proposed budget is linked to all the government's policy goals for the budget year are presented, along with a narrative discussion.

**B.** Yes, estimates that show how the proposed budget is linked to all the government's policy goals for the budget year are presented, but a narrative discussion is not included.

**C.** Yes, information that shows how the proposed budget is linked to some but not all of the government's policy goals for the budget year is presented.

**D.** No, information on the link between the budget and the government's stated policy goals for the budget year is not presented.

**E.** Not applicable/other (please comment).

**Hungary**

C.

**Score**: 33

**Sources**: Description in the EBP In Hungarian: Az általános indokolás - 2. Az államháztartás céljai és keretei In English: The general justification - 2 The goals and framework of the general government pp. 172-178

**Comments**: The cited section briefly describes some of the policies taken by the government and states its purpose. On page 172 the EBP highlights the main policies proposed in the EBP but does not present their desired achievements or goals. The section only lists the policies but does not compile them into a structured vision. For example on page 173 the Government describes its intention to increase the number of employed workers by enhancing the program for fostered workers. In this case the government describes what purpose its policy serves, but fails to include how this policy supplement the other labour policies or in what sense it is new to the other programs. On the other side it fails to mention how the proposed budget serves its other goals (like keeping the budget deficit under 3% of the GDP, decreasing the gross debt/GDP ratio or maintaining the reduced energy prices for households). The policy goals described in the cited part includes references about how much the government intends to spend on them. For example the policy goal of increasing the employment is linked to the Start Labour Program, that is a program for employing fosters workers. It is also highlighted that the government spend 184 billion HUF on this estimate. What is missing from the description is how these individual policies translate into a structured economic policy and achieve its goals like higher GDP-growth or lower gross debt. This type of discussion only describes some of the estimates and states these would achieve the policy goals, while does not put them into a structure. For example does not mention how the Start program supplement the other labour programs or what else the government does to increase the employment.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score but wish to add a comment, clarification, or suggest another reference.

**Comments**: The EBP presents the "Convergence program" which is the policy of the Government. The goals are for example to keep the deficit under 3% of the GDP, to increase the employment, to spur trade, increase GDP and so on. The actions are not clearly linked to the vision draw up in the economical policy. For example "The Goals of tax and contribution policy" (Adó- és járulékpolitikai célkitűzések) pg: 180. - presents in a few words that the aims are to decrease the taxes related to employment, to improve entrepreneurship and promoting economic prudence. The section in two paragraphs presents how is it related to VAT and personnel income tax but it is not concrete and complete and its not presented which would be the effect on other goals.

048. 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)?

**A.** Yes, estimates that show how the proposed budget is linked to all the government's policy goals for a multi-year period are presented, along with a narrative discussion.

**B.** Yes, estimates that show how the proposed budget is linked to all the government's policy goals for a multi-year period are presented, but a narrative discussion is not included.

**C.** Yes, information that shows how the proposed budget is linked to some but not all of the government's policy goals for a multi-year period is presented.

**D.** No, information on the link between the budget and the government's stated policy goals for a multi-year period is not presented.

**E.** Not applicable/other (please comment).

**Hungary**

D.

**Score**: 0

**Sources**: Description in the EBP In Hungarian: Az általános indokolás - 2. Az államháztartás céljai és keretei In English: The general justification - 2 The goals and framework of the general government pp. 172-178

**Comments**: The presentation of the policy proposals only describe the policies and their effects for the actual budget year and does not mention their multi-year effect or the multi-year objectives of the government.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

## 049. 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?

**A.** Yes, nonfinancial data on inputs to be acquired are provided for each program within all administrative units (or functions).

**B.** Yes, nonfinancial data on inputs to be acquired are presented for all administrative units (or functions) but not for all (or any) programs.

**C.** Yes, nonfinancial data on inputs to be acquired are presented for some programs and/or some administrative units (or functions).

**D.** No, nonfinancial data on inputs to be acquired are not presented.

**E.** Not applicable/other (please comment).

**Hungary**

C.

**Score**: 33

**Sources**: Description in the EBP In Hungarian: XVII. fejezet Nemzeti Fejlesztési Minisztérium - 4. cím Országos Atomenergia Hivatal In English: Chapter XVII Ministry of National Development - Title 4 Hungarian Atomic Energy Authority pp. 666-667

**Comments**: The presentation of non-financial inputs are sporadic in the narrative part of the EBP. In some cases a data is mentioned to justify the given expenditure but there is no chapter where the use of non-financial data would be consistent. In the cited example on page 667 in the sentence "A 2014. január 1-én tárolt kazetták száma 7687 db lesz." the Atomic Energy Authority mentions the number of used radioactive heating elements that are to be stored and drives the cost of storing. In the narrative part of the EBP there is only a handful of similar non-financial data that "drives" or determines the estimates for expenditures. The answer "C" is chosen, but it is to be noted that the percentage of programs for which non-financial data is presented is really low, maximum a few percent. More often the allowed number of employees is also presented for given institutions. If those count as non-financial data, then the answer "C" is justified.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

050. 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?

**A.** Yes, nonfinancial data on results are provided for each program within all administrative units (or functions).

**B.** Yes, nonfinancial data on results are presented for all administrative units (or functions) but not for all (or any) programs.

**C.** Yes, nonfinancial data on results are presented for some programs and/or some administrative units (or functions).

**D.** No, nonfinancial data on results are not presented.

**E.** Not applicable/other (please comment).

**Hungary**

C.

**Score**: 33

**Sources**: Description in the EBP In Hungarian: XIV. fejezet Belügyminisztérium In English: Chapter XIV. Ministry of Interior on page 565

**Comments**: The presentation of non-financial outputs are very sporadic in the EBP. The cited example describes some of the outputs for the granted additional funds for the Ministry of Interior in the budget year. For example the third point on the page mentions that related to the electronic road toll the police set up 93 checking points and in the budget year an additional 1152 person will be needed for the 24/7 operation for those points. In other sections of the narrative part of the EBP results of investments are mentioned (for example creating "X" new offices for an institution) but clear outputs that were achieved by implementing a program is very rare in the document. In percent of all the programs it is at most a few percent where additional data is mentioned.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

051. Are performance targets assigned to nonfinancial data on results in the Executive's Budget Proposal or any supporting budget documentation?

**A.** Yes, performance targets are assigned to all nonfinancial data on results.

**B.** Yes, performance targets are assigned to most nonfinancial data on results.

**C.** Yes, performance targets are assigned to some nonfinancial data on results.

**D.** No, performance targets are not assigned to nonfinancial data on results, or the budget does not present nonfinancial data on results.

**E.** Not applicable/other (please comment).

**Hungary**

D.

**Score**: 0

**Sources**: Description in the EBP In Hungarian: XIV. fejezet Belügyminisztérium In English: Chapter XIV. Ministry of Interior on page 564

**Comments**: In its general introduction the Ministry of Interior presents some of its targets for the budget year. Most of them are general one without any performance target (like increasing the efficiency of investigations), while some of them are more precise (like setting up 365 fixed speed limit checking points and 160 mobile speed limit checking points). The use of performance targets is sporadic throughout the EBP and even the presented data are not intended as performance target, more like presentation of the desired output as the evaluation of the targets are not included in the budget. As there are no clearly communicated performance indicators for any of the programs presented in the EBP we chose answer "D".

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score but wish to add a comment, clarification, or suggest another reference.

**Comments**: Although the introduction of the EBP is very general but the structure of the narrative part for each institution starts with an introduction which also presents the aim/scope of it. There are no concrete, identifiable performance targets at any institution or as the structure is not unified it is very difficult to identify them.

## 052. 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?

**A.** Yes, estimates of all policies that are intended to benefit directly the country's most impoverished populations are presented, along with a narrative discussion.

**B.** Yes, estimates of all policies that are intended to benefit directly the country's most impoverished populations are presented, but a narrative discussion is not included.

**C.** Yes, estimates of some but not all policies that are intended to benefit directly the country's most impoverished

populations are presented.

**D.** No, estimates of policies that are intended to benefit directly the country's most impoverished populations are not presented.

**E.** Not applicable/other (please comment).

**Hungary**

C.

**Score**: 33

**Sources**: EBP

**Comments**: There are line items among the expenditures for the most impoverished of the country, but these expenditures are not summarized in a coherent way, for example in a list presenting how much the government spends on the programs that directly affects the most impoverished. Some of these line items can only be identified with prior knowledge about the supported program as they are not always described precisely. Another problem is that the grants for the most impoverished are aggregated with other social benefits and their exact amount cannot be identified. Considering the mentioned problems there are estimates for these programs, but these convey very minimal information. An example for the misleading line items is "Roma ösztöndíj programok" (Scholarship for gypsies) on page 919 of the EBP. The narrative discussion mentions that it supports impoverished, mainly gypsy students in their education. An example for aggregated estimates is the social support for homeless people, which is presented along other supports paid by municipalities. On page 109 under "Egyes szociális és gyermekjóléti feladatok támogatása" (Support for tasks in social areas and children well-being) the whole estimate of 53 394 million HUF is presented, and below that the tasks financed from it. At point i) the normative for homeless care is presented as it is paid per person. Unfortunately no information is given on the proportion of each task.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: No, I do not agree with the score.

**Suggested Answer**: b.

**Comments**: The subvention are not presented consistently but they are listed under the chapter to which it belongs. The annex 1. of the EBP (pp: 44-97) presents under each chapter among many other items, also the extraordinary transfers. For example under the chapter of the Ministry of National Resources (XX . Emberi erőforrások minisztériuma) pp: 763 - 920) are presented all the institutions coordinated by this ministry and their goals. Among other goals are presented also those transfers from which benefit the most poorest segments of the society but it can be find only sporadically. Other examples are Job search care (Álláskeresési ellátások) pp 1037. Have to mention that their are several subventions which is available by somebody who is unemployed or homeless but those are included in the respective laws.

**RESEARCHER'S RESPONSE**

I agree that all the expenditures are presented through the institutions and other programs, but many of them are presented at an aggregated level or aggregated with other policies. It is also to be noted that many of these policies are carried out by municipalities, and the contributions for these policies are presented in a few line items, thus they include the contributions for caring homeless people, social catering or caring of elder people at once. It is unknown how much of

the funds are spent on each of these groups, as the lower level estimates are not presented. In our opinion this should be improved to reach answer "B", as it should be clear how much is spent on each of the groups among the most impoverished.

053. 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)?

**A.** Yes, a detailed timetable is released to the public.

**B.** Yes, a timetable is released, but some details are excluded.

**C.** Yes, a timetable is released, but it lacks important details.

**D.** No, a timetable is not issued to the public.

**E.** Not applicable/other (please comment).

**Hungary**

A.

**Score**: 100

**Sources**: Section in the document containing the timetable In Hungarian: I. A tervezés ütemezése, paraméterei In English: I. Timetable and parameters for formulating the budget for 2014 in the timetable published by Ministry for National Economy The document is available on the webpage of the Ministry for National Economy by clicking on "Tervezési tájékoztató a 2014. évi költségvetési törvényjavaslat összeállításához szükséges feltételekről és az érvényesítendő követelményekről": http://2010-2014.kormany.hu/hu/nemzetgazdasagi-miniszterium/allamhaztartasert-felelos-allamtitkarsag/hirek/koltsegvetes

**Comments**: On page 2 of the cited document the Ministry states its timetable for formulating the budget proposal. It describes that by 23 July the preliminary budget will be done and then from 24 July to 30 August the Ministry will agree with other ministries about their budget numbers and by that deadline the ministries will send the detailed numbers to the Ministry for National Economy. By 12 September the draft will be sent to the Fiscal Council, by 18 September the chapter level justifications are to be sent to the Ministry for National Economy by the Ministries. Finally by 30 September the EBP will be presented to the Parliament.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score but wish to add a comment, clarification, or suggest another reference.

**Comments**: The related deadlines for the budget draft for 2015 were modified: the draft must be submitted to the parliament by 31st of October due to the elections.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

## Section 3. Comprehensiveness of Other Key Budget Documents

054. 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.)

**A.** Yes, information beyond the core elements is presented for the macroeconomic forecast.

**B.** Yes, the core information is presented for the macroeconomic forecast.

**C.** Yes, information is presented, but it excludes some core elements.

**D.** No, information related to the macroeconomic forecast is not presented.

**E.** Not applicable/other (please comment).

**Hungary**

D.

**Score**: 0

**Sources**: N/A

**Comments**: PBS is not published by the Government.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

055. 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.)

**A.** Yes, information beyond the core elements is presented for the government's expenditure policies and priorities.

**B.** Yes, the core information is presented for the government's expenditure policies and priorities.

**C.** Yes, information is presented, but it excludes some core elements.

**D.** No, information related to the government's expenditure policies and priorities is not presented.

**E.** Not applicable/other (please comment).

**Hungary**

D.

**Score**: 0

**Sources**: N/A

**Comments**: PBS is not published by the Government.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

056. 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.)

**A.** Yes, information beyond the core elements is presented for the government's revenue policies and priorities.

**B.** Yes, the core information is presented for the government's revenue policies and priorities.

**C.** Yes, information is presented, but it excludes some core elements.

**D.** No, information related to the government's revenue policies and priorities is not presented.

**E.** Not applicable/other (please comment).

**Hungary**

D.

**Score**: 0

**Sources**: N/A

**Comments**: PBS is not published by the Government.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

057. 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?

**A.** Yes, all three estimates related to government borrowing and debt are presented.

**B.** Yes, two of the three estimates related to government borrowing and debt are presented.

**C.** Yes, one of the three estimates related to government borrowing and debt are presented.

**D.** No, none of the three estimates related to government borrowing and debt are not presented.

**E.** Not applicable/other (please comment).

**Hungary**

D.

**Score**: 0

**Sources**: N/A

**Comments**: PBS is not published by the Government.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

058. Does the Pre-Budget Statement present estimates of total expenditures for a multi-year period (at least two-years beyond the budget year)?

**A.** Yes, multi-year expenditure estimates are presented.

**B.** No, multi-year expenditure estimates are not presented.

**C.** Not applicable/other (please comment).

**Hungary**

B.

**Score**: 0

**Sources**: N/A

**Comments**: PBS is not published by the Government.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

059. Does the Enacted Budget present expenditure estimates by any of the three expenditure classifications (by administrative, economic, or functional classification)?

**A.** Yes, the Enacted Budget presents expenditure estimates by all three expenditure classifications (by administrative, economic, and functional classification).

**B.** Yes, the Enacted Budget presents expenditure estimates by two of the three expenditure classifications.

**C.** Yes, the Enacted Budget presents expenditure estimates by only one of the three expenditure classifications.

**D.** No, the Enacted Budget does not present expenditure estimates by any expenditure classification.

**E.** Not applicable/other (please comment).

**Hungary**

C.

**Score**: 33

**Sources**: Table in the EB In Hungarian: 1. melléklet a 2013. évi CCXXX. törvényhez In English: 1st Appendix for the law CCXXX. of 2013 pp. 85640 - 85693

**Comments**: The Enacted Budget is a law approved by the Parliament and it only contains the expenditures by administrative units in the same classification as the Executive's Budget Proposal in the 1st Appendix of the document. No additional supporting table is presented in the Enacted Budget that summarizes the expenditures by another classification. The administrative classification at the top level presents the chapters (they are in most cases Ministries). Below that the institutions that are managed by that particular Ministry and chapter-managed appropriations that are in some cases can be considered as "programs".

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score but wish to add a comment, clarification, or suggest another reference.

**Comments**: From the Enacted Budget the presentation of the expenditure by economic classification is excluded at all not as in the Executive's Budget Proposal where all the expenditures were presented both on administrative and economical classification. Some parts of the 1st Annex of the Elected Budget presents the purpose of the expenditures but only because the given institution had been established for a special purpose or the resource can be used only for a specified reason. For example Chapter XIX. EU developments

## 060. Does the Enacted Budget present expenditure estimates for individual programs?

**A.** Yes, the Enacted Budget presents estimates for programs accounting for all expenditures.

**B.** Yes, the Enacted Budget presents estimates for programs accounting for at least two-thirds of, but not all, expenditures.

**C.** Yes, the Enacted Budget presents estimates for programs accounting for less than two-thirds of expenditures.

**D.** No, the Enacted Budget does not present expenditure estimates by program.

**E.** Not applicable/other (please comment).

**Hungary**

C.

**Score**: 33

**Sources**: In Hungarian: 1. melléklet a 2013. évi CCXXX. törvényhez In English: 1st Appendix for Law No. CCXXX of 2013 pp.

85640-85693 in the Enacted Budget

**Comments**: Each chapter in the 1st Appendix contain Chapter-managed appropriations Fejezeti kezelésű előirányzatok”), that in some cases can be considered as "programs" in broad terms. These titles are targeted expenditures, like support for different organizations, programs or investments, but their narrative discussion (that is only included in the EBP) mainly does not disclose important additional information like the input/output of the program, the performance indicators or the affected area. It is also to be noted that the narrative discussion of the line items is not included in the Enacted Budget, they are only accessible in the Executive's Budget Proposal.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

## 061. Does the Enacted Budget present revenue estimates by category (such as tax and non-tax)?

**A.** Yes, the Enacted Budget presents revenue estimates by category.

**B.** No, the Enacted Budget does not present revenue estimates by category.

**C.** Not applicable/other (please comment).

**Hungary**

B.

**Score**: 0

**Sources**: In Hungarian: 1. melléklet a 2013. évi CCXXX. törvényhez In English: 1st Appendix for the law CCXXX. of 2013 pp. 85640 - 85693

**Comments**: The Enacted Budget does not have any supporting table for summarizing the main characteristics of the document. The revenue titles are presented in the 1st Appendix of the Enacted Budget, most of them individually. The summary tables by alternative classifications are only included in the Executive's Budget Proposal. Some of the types can be calculated because it is an individual line item (for example VAT or Personal income tax) or they can be summed when its components are presented individually (for example revenue from interests or EU grants). The summaries for tax and non-tax revenues can only be calculated if one thoroughly summarizes them from the presented individual line items from the 1st Appendix. As the summaries by tax and non-tax or other categories are not presented in a compact, already understandable way, we do not think the Enacted Budget contains information about the revenues by any classification.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

## 062. Does the Enacted Budget present individual sources of revenue?

**A.** Yes, the Enacted Budget presents individual sources of revenue accounting for all revenue.

**B.** Yes, the Enacted Budget presents individual sources of revenue accounting for at least two-thirds of, but not all, revenue.

**C.** Yes, the Enacted Budget presents individual sources of revenue accounting for less than two-thirds of all revenues.

**D.** No, the Enacted Budget does not present individual sources of revenue.

**E.** Not applicable/other (please comment).

**Hungary**

A.

**Score**: 100

**Sources**: In Hungarian: 1. melléklet a törvényhez - XLII. A költségvetés közvetlen bevételei és kiadásai In English: 1st Appendix of the Law - Chapter XLII Direct revenues and expenditures of the central budget pp. 85682-85685

**Comments**: In the 1st Appendix of the document the revenues are shown in the column „Bevételek". The most important revenues (the major tax types) are listed in Chapter XLII Direct revenues and expenditures of the budget („XLII. A költségvetés közvetlen bevételei és kiadásai"). Generally all the revenue sources can be identified individually, only some of the minor ones are aggregated like the revenue from fines or other mixed revenues. The examples for aggregated revenues can be found on page 85683 in the rows „Bírságbevételek" (Fines) and „Egyéb vegyes bevételek" (Other mixed revenues). The title „Központosított bevételek" (Centralised revenues) are presented at a more detailed level than in the supporting tables of the EBP, the electronic road toll („Megtett úttal arányos útdíj") and ecologic fees („Termékdíjak") is shown separately. The sources of revenues by types sometimes can be identified easily if it is presented as one line item (like in the case of VAT or Personal income tax) while in other cases it has to summed from several line items that are its components.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

063. 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?

**A.** Yes, all three estimates related to government borrowing and debt are presented.

**B.** Yes, two of the three estimates related to government borrowing and debt are presented.

**C.** Yes, one of the three estimates related to government borrowing and debt are presented.

**D.** No, none of the three estimates related to government borrowing and debt are not presented.

**E.** Not applicable/other (please comment).

**Hungary**

C.

**Score**: 33

**Sources**: N/A

**Comments**: These additional information only presented in the EBP, but not in the EB.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score but wish to add a comment, clarification, or suggest another reference.

**Comments**: Only the total of the estimates related to government borrowing and debt level of the government's borrowing and debt are presented. This information is available on a different website of the "Államadósság Kezelő Központ Zrt." (State-debt Management Ltd.) http://www.akk.hu/

**RESEARCHER'S RESPONSE**

Based on additional check the total debt outstanding is presented in the text of the Enacted Budget in paragraph 3. As one element is indicated we revised our initial answer to "C". Source: In Hungarian: Elfogadott költségvetés - I. Fejezet A központi alrendszer kiadásainak és bevételeinek főösszege, a hiány és az államadósság értéke - 2. Az államadósság értéke - 3. § (1) In English: Enacted Budget - Chapter I Main sums of the revenues and expenditures of the central government, the deficit and the total debt - 2. The value of total debt - Paragraph 3 Section 1 page 85610

064. 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.)

**A.** The Citizens Budget provides information beyond the core elements.

**B.** The Citizens Budget provides the core information.

**C.** The Citizens Budget provides information, but it excludes some core elements.

**D.** The Citizens Budget is not published.

**E.** Not applicable/other (please comment).

**Hungary**

D.

**Score**: 0

**Sources**: N/A

**Comments**: The government does not publish the Citizens Budget.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

065. How is the Citizens Budget disseminated to the public?

**A.** A Citizens Budget is disseminated widely through a combination of at least three different appropriate tools and media (such as the Internet, billboards, radio programs, newspapers, etc.).

**B.** A Citizens Budget is published by using at least two, but less than three, means of dissemination, but no other dissemination efforts are undertaken by the executive.

**C.** A Citizens Budget is disseminated only by using one means of dissemination.

**D.** A Citizens Budget is not published.

**E.** Not applicable/other (please comment).

**Hungary**

D.

**Score**: 0

**Sources**: N/A

**Comments**: The government does not publish the Citizens Budget.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

066. Has the executive established mechanisms to identify the public's requirements for budget information prior to publishing the Citizens Budget?

**A.** Yes, the executive has established mechanisms to identify the public's requirements for budget information in the Citizen's Budget, and these mechanisms are accessible and widely used by the public.

**B.** Yes, the executive has established mechanisms to identify the public's requirements for budget information in the Citizen's Budget; while these mechanisms are accessible they are not widely used by the public.

**C.** Yes, the executive has established mechanisms to identify the public's requirements for budget information in the Citizen's Budget, but these mechanisms are not accessible.

**D.** No, the executive has not established any mechanisms to identify the public's requirements for budget information in the Citizen's Budget.

**E.** Not applicable/other (please comment).

**Hungary**

D.

**Score**: 0

**Sources**: N/A

**Comments**: The government does not publish the Citizens Budget.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score but wish to add a comment, clarification, or suggest another reference.

**Comments**: There is a platform where citizens are able to send their feedback about the draft laws but the the government has no any commitment regarding the deadline or to take it into consideration. The Budget Proposal even in its original very complicated pdf format is not available on this website.

## 067. Are “citizens” versions of budget documents published throughout the budget process?

**A.** A citizens version of budget documents is published for each of the four stages of the budget process (budget formulation, enactment, execution, and audit).

**B.** A citizens version of budget documents is published for at least two of the four stages of the budget process.

**C.** A citizens version of budget documents is published for at least one stage of the budget process.

**D.** No citizens version of budget documents is published.

**E.** Not applicable/other (please comment).

**Hungary**

D.

**Score**: 0

**Sources**: N/A

**Comments**: According to the response received from the Ministry for National Economy the government uses the justification of the EBP and its supporting tables to inform the citizens about hte main characteristics of the budget. Additional, simplified versions are not published from the budget documents.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

## 068. Do the In-Year Reports present actual expenditures by any of the three expenditure classifications (by administrative, economic, or functional classification)?

**A.** Yes, the In-Year Reports present actual expenditures by all three expenditure classifications (by administrative, economic, and functional classification).

**B.** Yes, the In-Year Reports present actual expenditures by two of the three expenditure classifications.

**C.** Yes, the In-Year Reports present actual expenditures by only one of the three expenditure classifications.

**D.** No, the In-Year Reports do not present actual expenditures by any expenditure classification.

**E.** Not applicable/other (please comment).

**Hungary**

D.

**Score**: 0

**Sources**: In Hungarian: A központi kormányzat előzetes mérlege In English: Preliminary balance sheet of the central government URL: http://2010-2014.kormany.hu/download/3/d2/41000/%C3%81HT%20m%C3%A9rleg.pdf It is accessible from the announcement on the webpage of the Ministry for National Economy on the right hand side clickon on "ÁHT mérleg" URL: http://2010-2014.kormany.hu/hu/nemzetgazdasagi-miniszterium/allamhaztartasert-felelos-allamtitkarsag/hirek/tajekoztato-az-allamhaztartas-kozponti-alrendszerenek-2014-marcius-havi-helyzeterol

**Comments**: The In-Year Report uses a special version of the administrative classification. The expenditure titles in English can be checked in the Excel published by the Hungarian State Treasury (it is the same as the cited document): http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok/koltsegvetes_merleg_1/222/ The classification presents some of the Chapter-managed appropriations individually, others at an aggregated level and all the institutions (Ministries and institutions managed by them) in one line item. A summary table with the expenditures classified by at least Ministries is not included in the In-Year reports. The Hungarian State Treasury publishes monthly another document which presents the expenditures by chapters that is a level higher classification of administrative units than the one presented in the 1st Appendix of the EBP or EB. The document in Hungarian and English is available here, the Expenditures are presented on the worksheet „Kiadások”:http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok/koltsegvetes_merleg_3/224/ This latter document is published monthly, but not part of the documents uploaded to the webpage of the Ministry for National Economy as In-Year Reports.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

## 069. Do the In-Year Reports present actual expenditures for individual programs?

**A.** Yes, the In-Year Reports present actual expenditures for programs accounting for all expenditures.

**B.** Yes, the In-Year Reports present actual expenditures for programs accounting for at least two-thirds of, but not all, expenditures.

**C.** Yes, the In-Year Reports present actual expenditures for programs accounting for less than two-thirds of expenditures.

**D.** No, the In-Year Reports do not present actual expenditures by program.

**E.** Not applicable/other (please comment).

**Hungary**

C.

**Score**: 33

**Sources**: In Hungarian: A központi kormányzat előzetes mérlege In English: Preliminary balance sheet of the central government URL: http://2010-2014.kormany.hu/download/3/d2/41000/%C3%81HT%20m%C3%A9rleg.pdf

**Comments**: The In-Year Reports classification presents some of the individual programs individually while other ones are aggregated in on row. Many of the programs presented in the chapters are aggregated in the row „Expenditures of professional chapter-administered appropriations" ("Szakmai fejezeti kezelésű előirányzatok kiadásai"), but other rows also contains more than one program. Those that are presented individually account for less then two-third of all the expenditures. It is also to be noted that the "programs" are not satisfy all the requirements of the term program in the sense of program-based budgets. From the cited table only 3 rows could be highlighted as very close to programs ("Közszolgálati műsorszolgáltatás támogatása", "Szociálpolitikai menetdíj támogatás", "Lakástámogatások"), as they are well-defined enough that their objectives are clear, but many other elements of a program (performance indicators, input/output data) is not attached to them.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

## 070. 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?

**A.** Yes, comparisons are made for expenditures presented in the In-Year Reports.

**B.** No, comparisons are not made for expenditures presented in the In-Year Reports.

**C.** Not applicable/other (please comment).

**Hungary**

A.

**Score**: 100

**Sources**: In Hungarian: „A központi kormányzat előzetes mérlege” In English: Preliminary balance sheet of the central government on page 2 in the IYR for April http://2010-2014.kormany.hu/download/b/e7/41000/%C3%81HT%20m%C3%A9rleg.pdf

**Comments**: The supporting table of the In-Year Report compares the actual expenditures to the same period of the previous year and the original estimate as well in the columns „2013. évi” and „eredeti előirányzat” respectively.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

## 071. Do In-Year Reports present actual revenue by category (such as tax and non-tax)?

**A.** Yes, In-Year Reports present actual revenue by category.

**B.** No, In-Year Reports do not present actual revenue by category.

**C.** Not applicable/other (please comment).

**Hungary**

A.

**Score**: 100

**Sources**: Supplement of the IYR In Hungarian: „A központi kormányzat előzetes mérlege” In English: Preliminary balance sheet of the central government on page 1 in the IYR for April http://2010-2014.kormany.hu/download/b/e7/41000/%C3%81HT%20m%C3%A9rleg.pdf The full IYR on the Finance Ministry's webpage (the documents are on the right hand side in the box "Kapcsolódó anyagok"): http://2010-2014.kormany.hu/hu/nemzetgazdasagi-miniszterium/allamhaztartasert-felelos-allamtitkarsag/hirek/tajekoztato-az-allamhaztartas-kozponti-alrendszerenek-2014-aprilis-havi-helyzeterol The English translation of the titles can be found in the document published by the Hungarian State Treasury: http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok/koltsegvetes_merleg_1/222/

**Comments**: A clear classification of tax and non-tax revenues (like summary rows for each of them) is not presented in the In-Year Reports. Although the classification enables to identify the tax and non-tax revenues as the titles are grouped by Taxes on consumption („Fogyasztáshoz kapcsolt adók”), Payments of households („Lakosság befizetései”), Payments of economic units („Gazdálkodó szervezetek befizetései”) or Payments related to State Property („Állami vagyonnal kapcsolatos befizetések”). Some of the individual titles are a type of revenue in itself, for example the VAT is presented in the line "Általános forgalmi adó", while Personal income tax as "Személyi jövedelemadó". Other types can be calculated by summarizing the proper line items. While the main revenue sources are presented individually and the tax revenues also grouped, summary rows for tax and non-tax revenues are not included in the table. From the presented table only an approximate estimate can be calculated for tax and non-tax revenues, as the line item called "Other centralized revenues"

("Egyéb központosított bevételek") aggregates both kind of revenues. Consequently revenue amounting to 1% of GDP cannot be classified into tax and non-tax categories. To summarize it the revenues are presented by categories in the cited table, but the categories not strictly reflecting the tax - non-tax classification.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

## 072. Do In-Year Reports present the individual sources of revenue for actual revenues collected?

**A.** Yes, In-Year Reports present individual sources of actual revenue accounting for all revenue.

**B.** Yes, In-Year Reports present individual sources of actual revenue accounting for at least two-thirds of, but not all, revenue.

**C.** Yes, In-Year Reports present individual sources of actual revenue accounting for less than two-thirds of all revenue.

**D.** No, In-Year Reports do not present individual sources of actual revenue.

**E.** Not applicable/other (please comment).

**Hungary**

A.

**Score**: 100

**Sources**: In Hungarian: „A központi kormányzat előzetes mérlege” In English: Preliminary balance sheet of the central government on page 1 in the IYR for April http://2010-2014.kormany.hu/download/b/e7/41000/%C3%81HT%20m%C3%A9rleg.pdf The English translation of the titles can be found in the document published by the Hungarian State Treasury: http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok/koltsegvetes_merleg_1/222/

**Comments**: The cited supporting table of the In-Year Report presents most of the revenues individually. Some of the revenue titles (that are presented individually in the EBP or EB) are aggregated and among these there are significant revenue titles. For example the title „Other centralized revenue” aggregates - among others - the electronic road toll, the rehabilitation contribution which are more significant titles than some of those presented individually. The estimate for eletronic road toll („Megtett úttal arányos útdíj”) is 150 billion HUF (0,5% of the GDP) and is much more significant than for example the Environmental protection fee („Környezetterhelési díj”) that only accounts for 7,5 billion HUF. The types of the revenues can be identified in some cases. For example the VAT is presented in one line item as "Általános forgalmi adó" or Personal income tax as "Személyi jövedelemadó". Other types of tax revenues can be calculated by summing up the proper line items.For the types of non-tax revenues this cannot be done as they are aggregated in different line items and are not separable.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score but wish to add a comment, clarification, or suggest another reference.

**Comments**: Other revenues are only 2% of the total revenue of the period.

**RESEARCHER'S RESPONSE**

While we agree that the Other revenues are only 2% of the revenues, they include significant revenue sources that could be presented separately. An example for this is the road toll of trucks that amounts to 150 billion HUF (0,5% of the GDP), but other sources with less revenues are presented in a separate line.

**IBP COMMENT**

While the researcher's point is well noted, for cross-country consistency, IBP would accept answer choice "a" for this question.

073. 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?

**A.** Yes, comparisons are made for revenues presented in the In-Year Reports.

**B.** No, comparisons are not made for revenues presented in the In-Year Reports.

**C.** Not applicable/other (please comment).

**Hungary**

A.

**Score**: 100

**Sources**: In Hungarian: „A központi kormányzat előzetes mérlege” In English: Preliminary balance sheet of the central government on page 1 in the IYR for April http://2010-2014.kormany.hu/download/b/e7/41000/%C3%81HT%20m%C3%A9rleg.pdf

**Comments**: Yes, the actual year-to-date revenues are compare to both original estimates and the same period in the previous year in the columns „eredeti előirányzat” and „2013. évi” respectively.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

074. 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?

**A.** Yes, all three estimates related to government borrowing and debt are presented.

**B.** Yes, two of the three estimates related to government borrowing and debt are presented.

**C.** Yes, one of the three estimates related to government borrowing and debt are presented.

**D.** No, none of the three estimates related to government borrowing and debt are not presented.

**E.** Not applicable/other (please comment).

**Hungary**

B.

**Score**: 67

**Sources**: In Hungarian: Tájékoztató az államháztartás központi alrendszerének 2014. április végi helyzetéről – IV. Az államháztartás központi alrendszerének finanszírozása In English: Report on the state of the Central Budget in April 2014 – Section IV. Financing the Central Budget on page 17 http://2010-2014.kormany.hu/download/c/e7/41000/T%C3%A1j%C3%A9koztat%C3%B3%20az%20%C3%A1llamh%C3%A1ztart%C3%A1s%20helyzet%C3%A9r%C5%91l%202014%20%C3%A1prilis.pdf In Hungarian: „A központi kormányzat előzetes mérlege" In English: Preliminary balance sheet of the central government on page 1 in the IYR for April http://2010-2014.kormany.hu/download/b/e7/41000/%C3%81HT%20m%C3%A9rleg.pdf An English version of the IYR is available on the webpage of the Hungarian State Treasury: http://www.allamkincstar.gov.hu/kincstar/koltsegvetes_merleg_1/2

**Comments**: On page 17 the end of month data is presented for the total of the gross debt of the central government in the table. The row „Mindösszesen" presents the summary for the gross debt of the central government, while the rows before it the details about the denomination and the type of the debt. The data for interests are presented in the balance sheet of the central government in the row „Interest expenditures" („Kamatkiadások"). The amount of net new borrowing up to that point of the year is not presented in the In-Year report.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

075. 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.)

**A.** Yes, information beyond the core elements is presented for the composition of the total actual debt outstanding.

**B.** Yes, the core information is presented for the composition of the total actual debt outstanding.

**C.** Yes, information is presented, but it excludes some core elements.

**D.** No, information related to composition of total actual debt outstanding is not presented.

**E.** Not applicable/other (please comment).

**Hungary**

C.

**Score**: 33

**Sources**: In Hungarian: Tájékoztató az államháztartás központi alrendszerének 2014. április végi helyzetéről – IV. Az államháztartás központi alrendszerének finanszírozása In English: Report on the state of the Central Budget in April 2014 – Section IV. Financing the Central Budget on page 17 http://2010-2014.kormany.hu/download/c/e7/41000/T%C3%A1j%C3%A9koztat%C3%B3%20az%20%C3%A1llamh%C3%A1ztart%C3%A1s%20helyzet%C3%A9r%C5%91l%202014%20%C3%A1prilis.pdf In Hungarian: „A központi kormányzat előzetes mérlege" In English: Preliminary balance sheet of the central government on page 1 in the IYR for April http://2010-2014.kormany.hu/download/b/e7/41000/%C3%81HT%20m%C3%A9rleg.pdf An English version of the IYR is available on the webpage of the Hungarian State Treasury: http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok/koltsegvetes_merleg_1/222/

**Comments**: The data for gross debt of the central government is presented on page 17 of the IYR. The classification shows the debt by denomination (it is in domestic or foreign currency) and by type of debt (loan or securitized debt). Other core elements are not presented in the In-Year Report. Some of the missing core elements are available on the homepage of the Debt Management Agency. The maturity profile for a given quarter is available here: http://www.akk.hu/object.dd85be24-d1d4-4ff9-b6a7-1d29d3f72c3b.ivy The ownership of the securitized debt here: http://www.akk.hu/object.22f56590-a33a-49e1-aa1d-2354ca868b42.ivy The ownership of the loans here: http://www.akk.hu/object.ec5b874e-f167-41a1-a025-965e25485e72.ivy The interest rates on the debt are not presented even as an effective interest rate for the whole debt.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

## 076. Does the Mid-Year Review of the budget include an updated macroeconomic forecast for the budget year underway?

**A.** Yes, the estimates for the macroeconomic forecast have been updated, and an explanation of all of the differences between the original and updated forecasts is presented.

**B.** Yes, the estimates for macroeconomic forecast have been updated, and an explanation of some of the differences between the original and updated forecasts is presented.

**C.** Yes, the estimates for macroeconomic forecast have been updated, but an explanation of the differences between the original and updated forecast is not presented.

**D.** No, the estimates for macroeconomic forecast have not been updated.

**E.** Not applicable/other (please comment).

**Hungary**

D.

**Score**: 0

**Sources**: N/A

**Comments**: The Government does not publish the Mid-Year Review.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

## 077. Does the Mid-Year Review of the budget include updated expenditure estimates for the budget year underway?

**A.** Yes, expenditure estimates have been updated, and an explanation of all of the differences between the original and updated expenditure estimates is presented.

**B.** Yes, expenditure estimates have been updated, and an explanation of some of the differences between the original and updated expenditure estimates is presented.

**C.** Yes, expenditure estimates have been updated, but an explanation of the differences between the original and updated expenditure estimates is not presented.

**D.** No, expenditure estimates have not been updated.

**E.** Not applicable/other (please comment).

**Hungary**

D.

**Score**: 0

**Sources**: N/A

**Comments**: The Government does not publish the Mid-Year Review.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

078. Does the Mid-Year Review of the budget present expenditure estimates by any of the three expenditure classifications (by administrative, economic, or functional classification)?

**A.** Yes, the Mid-Year Review presents expenditure estimates by all three expenditure classifications (by administrative, economic, and functional classification).

**B.** Yes, the Mid-Year Review presents expenditure estimates by two of the three expenditure classifications.

**C.** Yes, the Mid-Year Review presents expenditure estimates by only one of the three expenditure classifications.

**D.** No, the Mid-Year Review does not present expenditure estimates by any expenditure classification.

**E.** Not applicable/other (please comment).

**Hungary**

D.

**Score**: 0

**Sources**: N/A

**Comments**: The Government does not publish the Mid-Year Review.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

## 079. Does the Mid-Year Review of the budget present expenditure estimates for individual programs?

**A.** Yes, the Mid-Year Review presents estimates for programs accounting for all expenditures.

**B.** Yes, the Mid-Year Review presents estimates for programs accounting for at least two-thirds of, but not all, expenditures.

**C.** Yes, the Mid-Year Review presents estimates for programs accounting for less than two-thirds of expenditures.

**D.** No, the Mid-Year Review does not present expenditure estimates by program.

**E.** Not applicable/other (please comment).

**Hungary**

D.

**Score**: 0

**Sources**: N/A

**Comments**: The Government does not publish the Mid-Year Review.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

## 080. Does the Mid-Year Review of the budget include updated revenue estimates for the budget year underway?

**A.** Yes, revenue estimates have been updated, and an explanation of all of the differences between the original and updated revenue estimates is presented.

**B.** Yes, revenue estimates have been updated, and an explanation of some of the differences between the original and updated revenue estimates is presented.

**C.** Yes, revenue estimates have been updated, but an explanation of the differences between the original and updated revenue estimates is not presented.

**D.** No, revenue estimates have not been updated.

**E.** Not applicable/other (please comment).

**Hungary**

D.

**Score**: 0

**Sources**: N/A

**Comments**: The Government does not publish the Mid-Year Review.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

## 081. Does the Mid-Year Review of the budget present revenue estimates by category (such as tax and non-tax)?

**A.** Yes, the Mid-Year Review presents revenue estimates by category.

**B.** No, the Mid-Year Review does not present revenue estimates by category.

**C.** Not applicable/other (please comment).

**Hungary**

B.

**Score**: 0

**Sources**: N/A

**Comments**: The Government does not publish the Mid-Year Review.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

## 082. Does the Mid-Year Review of the budget present individual sources of revenue?

**A.** Yes, the Mid-Year Review presents individual sources of revenue accounting for all revenue.

**B.** Yes, the Mid-Year Review presents individual sources of revenue accounting for at least two-thirds of, but not all, revenue.

**C.** Yes, the Mid-Year Review presents individual sources of revenue accounting for less than two-thirds of all revenues.

**D.** No, the Mid-Year Review does not present individual sources of revenue.

**E.** Not applicable/other (please comment).

**Hungary**

D.

**Score**: 0

**Sources**: N/A

**Comments**: The Government does not publish the Mid-Year Review.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

## 083. Does the Mid-Year Review of the budget include updated estimates of government borrowing and debt, including its composition, for the budget year underway?

**A.** Yes, estimates of government borrowing and debt have been updated, and information on all of the differences between the original and updated estimates is presented.

**B.** Yes, estimates of government borrowing and debt have been updated, and information on some of the differences between the original and updated estimates is presented.

**C.** Yes, estimates of government borrowing and debt have been updated, but information on the differences between the original and updated estimates is not presented.

**D.** No, estimates of government borrowing and debt have not been updated.

**E.** Not applicable/other (please comment).

**Hungary**

D.

**Score**: 0

**Sources**: N/A

**Comments**: The Government does not publish the Mid-Year Review.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

## 084. 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?

**A.** Yes, estimates of the differences between the enacted levels and the actual outcome for all expenditures are presented, along with a narrative discussion.

**B.** Yes, estimates of the differences between the enacted levels and the actual outcome for all expenditures are presented, but a narrative discussion is not included.

**C.** Yes, estimates of the differences between the enacted levels and the actual outcome for some but not all expenditures are presented.

**D.** No, estimates of the differences between the enacted levels and the actual outcome for expenditures are not presented.

**E.** Not applicable/other (please comment).

**Hungary**

B.

**Score**: 67

**Sources**: In Hungarian: 1. számú melléklet: A központi alrendszer kiadásai és bevételei In English: 1st Appendix The expenditures and revenues of the central government pp. 1-104; URL: http://www.parlament.hu/irom39/12002/adatok/01_mell.pdf In Hungarian: 2. számú melléklet: A központi alrendszer végrehajtásának mérlege In English: 2nd Appendix: Balance sheet on the execution of the budget of the central government on page 2; URL: http://www.parlament.hu/irom39/12002/adatok/02_mell.pdf URL for the narrative discussion of each chapter („Fejezeti kötetek”): http://www.parlament.hu/irom39/12002/adatok/fejezetek/fejezetek.htm

**Comments**: In the 1st Appendix of the Year-End Report the actual outcomes (in the column „2012. évi teljesítés”) are presented with the latest modified enacted version of the titles in the column „2012. évi törvényi módosított előirányzat”. The original enacted levels are not presented in this table. The same data is also presented in the summary table „A központi alrendszer mérlege” but in this case many titles are aggregated. For example all the expenditures of the administrative units are aggregated in the row „Expenditures of governmental units”(„Költségvetési szervek kiadásai”). The narrative discussion is mainly a description of the outcomes and its changes from the previous year. It is presented in the appendix called „Fejezeti kötetek” for each chapter. The main deficiency of the discussion is that it does not explain and quantify the reasons for the difference between the enacted levels and actual outcomes, but only mentions the reasons that caused the difference. While we acknowledge that a narrative discussion is presented, its contents are descriptive instead of explanatory and does not make understandable the differences between the numbers. In our opinion this solution cannot be regarded as "best practice".

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

## 085. Does the Year-End Report present expenditure estimates by any of the three expenditure classifications (by administrative, economic, or functional classification)?

**A.** Yes, the Year-End Report presents expenditure estimates by all three expenditure classifications (by administrative, economic, and functional classification).

**B.** Yes, the Year-End Report presents expenditure estimates by two of the three expenditure classifications.

**C.** Yes, the Year-End Report presents expenditure estimates by only one of the three expenditure classifications.

**D.** No, the Year-End Report does not present expenditure estimates by any expenditure classification.

**E.** Not applicable/other (please comment).

**Hungary**

A.

**Score**: 100

**Sources**: In Hungarian: 1. számú melléklet: A központi alrendszer kiadásai és bevételei In English: 1st Appendix The expenditures and revenues of the central government pp. 1-104 URL: http://www.parlament.hu/irom39/12002/adatok/01_mell.pdf In Hungarian: Az indokolás mellékletei – Az államháztartás funkcionális mérlege (pénzforgalmi szemléletben) In English: Appendices of the justification – The functional balance sheet of the general government (cash-flow based) URL: http://www.parlament.hu/irom39/12002/adatok/altindmell/fu__bru.pdf In Hungarian: Az indokolás mellékletei – Az államháztartás mérlege (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint) In English: Appendices of the justification – Balance sheet of the general government (cash-flow based) (by economic classification) URL: http://www.parlament.hu/irom39/12002/adatok/altindmell/im__bru.pdf

**Comments**: The 1st Appendix of the EYR presents the actual outcomes by administrative units in each chapter, while additional appendices presents the expenditures by economic and functional classification.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

## 086. Does the Year-End Report present expenditure estimates for individual programs?

**A.** Yes, the Year-End Report presents estimates for programs accounting for all expenditures.

**B.** Yes, the Year-End Report presents estimates for programs accounting for at least two-thirds of, but not all, expenditures.

**C.** Yes, the Year-End Report presents estimates for programs accounting for less than two-thirds of expenditures.

**D.** No, the Year-End Report does not present expenditure estimates by program.

**E.** Not applicable/other (please comment).

**Hungary**

C.

**Score**: 33

**Sources**: In Hungarian: 1. számú melléklet: A központi alrendszer kiadásai és bevételei In English: 1st Appendix The expenditures and revenues of the central government pp. 1-104 URL: http://www.parlament.hu/irom39/12002/adatok/01_mell.pdf In Hungarian: 2. számú melléklet: A központi alrendszer végrehajtásának mérlege In English: 2nd Appendix: Balance sheet on the execution of the budget of the central government on page 2 URL: http://www.parlament.hu/irom39/12002/adatok/02_mell.pdf

**Comments**: In the Hungarian budget some of the Chapter-managed appropriations can be treated as "programs" in broad terms, as in a few cases the name of the appropriations is well-defined enough to be descriptive. In most of the cases the appropriations are not stating the clear objective of the appropriation and other program elements (like the performance indicators, input/output data, affected area) also missing from the narrative discussion. The appropriations are presented in each chapter in the block Chapter-managed appropriations („Fejezeti kezelésű előirányzatok") in the 1st Appendix of the Year-End Report. At this level they are generally presented individually, each as a separate line item. In the cited summary table only some of the major programs are presented individually while many others are aggregated in one row, for example the Housing subsidies („Lakásépítési támogatások") consists of several different subsidies related to housing. Taken into account only the clearly individual programs like the Support to the public media („Közszolgálati műsorszolgáltatás támogatása") or Consumer price subsidy („Szociálpolitikai menetdíj támogatás") the presented programs account for less than two-third of all the expenditures.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

## 087. 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?

**A.** Yes, estimates of the differences between the enacted levels and the actual outcome for all revenues are presented, along with a narrative discussion.

**B.** Yes, estimates of the differences between the enacted levels and the actual outcome for all revenues are presented, but a narrative discussion is not included.

**C.** Yes, estimates of the differences between the enacted levels and the actual outcome for some but not all revenues are presented.

**D.** No, estimates of the differences between the enacted levels and the actual outcome for revenues are not presented.

**E.** Not applicable/other (please comment).

**Hungary**

B.

**Score**: 67

**Sources**: In Hungarian: 2. számú melléklet: A központi alrendszer végrehajtásának mérlege In English: 2nd Appendix: Balance sheet on the execution of the budget of the central government on page1; URL: http://www.parlament.hu/irom39/12002/adatok/02_mell.pdf In Hungarian: 1. számú melléklet: A központi alrendszer kiadásai és bevételei In English: 1st Appendix The expenditures and revenues of the central government pp. 1-104; URL: http://www.parlament.hu/irom39/12002/adatok/01_mell.pdf In Hungarian: Fejezeti kötetek – XLII. A költségvetés közvetlen bevételei és kiadásai – 1. cím Vállalkozások költségvetési befizetései – 1/1. alcím Társasági adó In English: Explanation of the Chapters – Chapter XLII Direct revenues and expenditures of the budget – Title 1 Payments of economic units – Subtitle 1/1 Corporate taxes on page 3

**Comments**: In the 1st Appendix of the YER the modified level of the enacted revenues and the actual outcomes are presented in columns "2012. évi törvényi módosított előirányzat" and "2012. évi teljesítés" respectively. In the supporting table called Balance sheet of the central government („A központi alrendszer mérlege”) some of the revenue titles are aggregated like the Other centralised revenues („Egyéb központosított bevételek”) and the Surtax on specific sectors („Egyes ágazatokat terhelő különadók”). The narrative discussion is presented for each chapter, the most important from them are Chapter XLII that includes most of the revenues. The narrative discussion in many cases only states the difference between the original enacted levels and the actual outcomes with referencing the outcome of the previous year. The causes of the difference are rarely mentioned, and in case they are mentioned, the discussion is very brief, like in the case of the corporate tax where the higher than estimated revenue was caused partly by the higher amount of tax

exemptions related to sport activities. In this example the exact amount of the exemptions or the deduction of the actual outcomes are not discussed. While the Year-End Report contains narrative discussion, it is rather descriptive than explanatory, and does not make understandable the differences between the presented numbers. We acknowledge it, but due to its inexpressive nature, we did not regard it as "best practice".

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score but wish to add a comment, clarification, or suggest another reference.

**Comments**: We have to mention that based on regulation 4/2013. (I.11.) of the Government the Hungarian State Treasury is managing the financing, accounting and reporting tasks related to the central management appropriations. The Hungarian State Treasury even describes on their website which are the main elements of the report (Balance, P&L statement, narrative report) but it is not available. Only an excel report can be downloaded which presents clearly the revenues and the expenditures in economic classification but for an inquiring layman its absolutely not clear. http://www.allamkincstar.gov.hu/kincstar/koltsegvetes_merleg_2

## 088. Does the Year-End Report present revenue estimates by category (such as tax and non-tax)?

**A.** Yes, the Year-End Report presents revenue estimates by category.

**B.** No, the Year-End Report does not present revenue estimates by category.

**C.** Not applicable/other (please comment).

**Hungary**

A.

**Score**: 100

**Sources**: In Hungarian: 2. számú melléklet: A központi alrendszer végrehajtásának mérlege In English: 2nd Appendix: Balance sheet on the execution of the budget of the central government on page1 URL: http://www.parlament.hu/irom39/12002/adatok/02_mell.pdf

**Comments**: The revenue categories are not presented explicitly in summary rows but the revenues are presented by major tax types (like Taxes on consumption, Payments of economic units, Revenues related to state property). Some of the titles are aggregated like the Other centralised revenues („Egyéb központosított bevételek”) or the Sectoral taxes („Egyes ágazatokat terhelő különadó”). The source of tax revenues sometimes can be identified easily as the type is presented in one line, for example in the case of VAT that is presented as "Általános forgalmi adó". Other tax types also can be calculated by summarizing the appropriate line items. The types of non-tax revenues are harder to assess, as these are aggregated irrelevanlty to their types and for these aggregates the components are not presented in the table. Based on the presented line items an approximate estimate can be calculated for tax and non-tax revenues. The main deficiency in calculating it is the line item called "Other centralized revenues" ("Egyéb központosított bevételek") that aggregates both tax and non-tax revenues. This line item accounted for around 0,5% of GDP in 2012. Basically the table presents the

revenues by categories, but these categories do not strictly follow the tax - non-tax logic.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

## 089. Does the Year-End Report present individual sources of revenue?

**A.** Yes, the Year-End Report presents individual sources of revenue accounting for all revenue.

**B.** Yes, the Year-End Report presents individual sources of revenue accounting for at least two-thirds of, but not all, revenue.

**C.** Yes, the Year-End Report presents individual sources of revenue accounting for less than two-thirds of all revenues.

**D.** No, the Year-End Report does not present individual sources of revenue.

**E.** Not applicable/other (please comment).

**Hungary**

B.

**Score**: 67

**Sources**: In Hungarian: 2. számú melléklet: A központi alrendszer végrehajtásának mérlege In English: 2nd Appendix: Balance sheet on the execution of the budget of the central government on page1 URL: http://www.parlament.hu/irom39/12002/adatok/02_mell.pdf In Hungarian: Fejezeti kötetek – XLII. A költségvetés közvetlen bevételei és kiadásai – 1. cím Vállalkozások költségvetési befizetései – 1/13. alcím Egyes ágazatokat terhelő különadó In English: Explanation of the Chapters – Chapter XLII Direct revenues and expenditures of the budget – Title 1 Payments of economic units – Subtitle 1/13 Surtax on specific sectors on page 5 URL: http://www.parlament.hu/irom39/12002/adatok/fejezetek/42.pdf

**Comments**: The table called Balance sheet of the central government („A központi alrendszer mérlege”) presents most of the revenues individually, but some of the major taxes are aggregated in one row, for example the Surtax on specific sectors („Egyes ágazatokat terhelő különadó”). The taxes consist of many sectoral taxes (infocommunication tax, retail tax, energy tax). These individual revenues not even discussed in the narrative part. The cited section from the Explanation of the chapters states that the revenue was about 7% higher than the original estimate and mentioned some of the causes that contributed to the higher revenues. The individual revenues from each source is not detailed. As many taxes are presented individually in the table, the summary of the tax types also can be calculated. In some cases an individual line item equals to a tax type, in other cases several rows has to be summarized to get the revenue from a tax type. For the non-tax revenues these calculations cannot be done, because these are mainly presented in an aggregated way and the components are not included. For example the revenues related to the state property ("Állami vagyonnal kapcsolatos befizetések") are consists of dividends, sales and revenue from utilizing the properties and these components cannot be

identified. This is also true for revenue from provided services, fees and fines.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

090. 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?

**A.** Yes, estimates of the differences between all of the original estimates of government borrowing and debt for the fiscal year and the actual outcome for that year are presented, along with a narrative discussion.

**B.** Yes, estimates of the differences between all the original estimates of government borrowing and debt for the fiscal year and the actual outcome for that year are presented, but a narrative discussion is not included.

**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.

**D.** No, estimates of the differences between the original estimates of government borrowing and debt for the fiscal year and the actual outcome for that year is not presented.

**E.** Not applicable/other (please comment).

**Hungary**

C.

**Score**: 33

**Sources**: In Hungarian: Az indokolás mellékletei - A központi költségvetés bruttó adósságának alakulása 2012-ben In English: Appendices of the explanation - The evolution of the gross debt of the central government in 2012 URL: http://www.parlament.hu/irom39/12002/adatok/altindmell/bruttoadossag.pdf In Hungarian: Az indokolás mellékletei - A központi költségvetés finanszírozási és adósságműveletei 2012-ben In English: Appendices of the explanation - The financing and debt operations of the central budget in 2012 URL: http://www.parlament.hu/irom39/12002/adatok/altindmell/finmerleg.pdf In Hungarian: Az indokolás mellékletei - A központi költségvetés bruttó adósságának alakulása (millió forint) In English: Appendices of the explanation – The evolution of the gross debt of the central government (million HUF) URL: http://www.parlament.hu/irom39/12002/adatok/altindmell/bruttoadossag_allomany.pdf

**Comments**: The original estimates of the debt levels are not presented, but very detailed tables are included in the supporting documents about the composition of the debt at the end of the year and financing operations taken related to the gross debt. The tables present the composition of the gross debt by denomination, type of debt, whether it is domestic or foreign and maturity (longer or shorter than 1 year). In the first table even the source of the debt is presented and the

change of the debt by issuance, repayment, change of EURHUF. In the second cited table the net borrowing requirement is presented and the operations taken to finance it. In the third table the evolution of the gross debt in the past 4 years is presented by denomination, maturity of the debt (longer or shorter than 1 year), whether it is domestic or foreign and the type of the debt (loan or securitized debt).

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**IBP COMMENT**

As the original estimate and actual outcome for interest payments are shown, IBP would accept answer choice "c" for this question.

## 091. Does the Year-End Report present the differences between the original macroeconomic forecast for the fiscal year and the actual outcome for that year?

**A.** Yes, estimates of the differences between all of the original macroeconomic assumptions for the fiscal year and the actual outcome for that year are presented, along with a narrative discussion.

**B.** Yes, estimates of the differences between all the original macroeconomic assumptions for the fiscal year and the actual outcome for that year are presented, but a narrative discussion is not included.

**C.** Yes, 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.

**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.

**E.** Not applicable/other (please comment).

**Hungary**

A.

**Score**: 100

**Sources**: In Hungarian: Az indokolás mellékletei – A gazdasági fejlődés főbb jellemzői In English: Appendices of the explanation – The main characteristics of the economic development URL: http://www.parlament.hu/irom39/12002/adatok/altindmell/makro.pdf In Hungarian: Az általános indokolás – I. A kormányzat gazdaságpolitikájának fő vonásai, az államháztartás alakulása 2012. 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 2012 – Section 1 The economic policy of the government on pp. 1-2 URL: http://www.parlament.hu/irom39/12002/adatok/altind.pdf

**Comments**: The assumptions for interest rates are missing from the first cited table that presents the original and actual levels for the macroeconomic indicators. A narrative discussion is also included in the YER, although some of its conclusions is debatable as it states the weakness of the export markets as one of the reasons of the weak growth while later it states that the export sector supported the growth heavily.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

## 092. Does the Year-End Report present the differences between the original estimates of nonfinancial data on inputs and the actual outcome?

**A.** Yes, estimates of the differences between all of the original estimates of nonfinancial data on inputs and the actual outcome are presented, along with a narrative discussion.

**B.** Yes, estimates of the differences between all of the original estimates of nonfinancial data on inputs and the actual outcome are presented, but a narrative discussion is not included.

**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.

**D.** No, estimates of the differences between the original estimates of nonfinancial data on inputs and the actual outcome are not presented.

**E.** Not applicable/other (please comment).

**Hungary**

C.

**Score**: 33

**Sources**: In Hungarian: Fejezeti Kötetek - XII. Vidékfejlesztési Minisztérium - Iskolagyümölcs Program in English: Explanation of the Chapters - Chapter XII Ministry of Agriculture - Fruit for Students Program pp. 106-107

**Comments**: The Hungarian budget is not program-based, and as a consequence does not present non-financial inputs related to certain governmental activities. The standard discussion describes the changes of the financial estimates and their output. Alongside this the number of employed persons and its change is included in the discussion. In the latter case the allowed number of employed persons, its in-year change and the year-end number is presented. Other non-financial data is only mentioned sporadically, and even in those case the original estimates are not presented, only the actual outcomes. The presented example describes the "Fruit for Students-Program", and in it the Ministry mentions the amount of distributed fruits. It does not state how much the Ministry wanted to distribute, only the outcome. The non-financial data is not used systematically in the Hungarian budget, thus the comparison of the estimates and the actual outcomes are also missing. Considering these the differences for the original estimates and the actual outcomes are only presented

for some of the non-financial data.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

093. Does the Year-End Report present the differences between the original estimates of nonfinancial data on results and the actual outcome?

**A.** Yes, estimates of the differences between all of the original estimates of nonfinancial data on results and the actual outcome are presented, along with a narrative discussion.

**B.** Yes, estimates of the differences between all of the original estimates of nonfinancial data on results and the actual outcome are presented, but a narrative discussion is not included.

**C.** Yes, estimate of the differences between some but not all of the original estimates of nonfinancial data on results and the actual outcome are presented.

**D.** No, estimates of the differences between the original estimates of nonfinancial data on results and the actual outcome are not presented.

**E.** Not applicable/other (please comment).

**Hungary**

D.

**Score**: 0

**Sources**: In Hungarian: Fejezeti kötetek – XIV. Belügyminisztérium - 7. cím Rendőrség In English: Explanation of the chapters – Chapter XIV Ministry of Interior – Title 7 Police department - pp. 51-56

**Comments**: The non-financial data on results can be regarded more common than the non-financial data on inputs (in question 92) through the narrative discussion, but cannot be regarded as systemic or used intentionally as an indicator of performance. Consequently the original estimates for the expected results are not mentioned in the narrative discussion, only the results that the institution or program achieved. This is in line with the fact that the performance indicators and the measurement of the effectiveness of the spent money is omitted from the budget. In the cited example the activities of the police department are detailed. In most cases the indicators are compared to the previous year and many additional data is mentioned, but it cannot be decided if the achieved results are in line with the expectations of the Ministry. The main conclusion is only that in many cases the results are better than the previous year, but no effort is made to present the causes driving the results or to present if the results are very good or only acceptable in term of quality.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

094. 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?

**A.** Yes, estimates of the differences between the enacted level for all policies that are intended to benefit directly the country's most impoverished populations and the actual outcome are presented, along with a narrative discussion.

**B.** Yes, estimates of the differences between the enacted level for all policies that are intended to benefit directly the country's most impoverished populations and the actual outcome are presented, but a narrative discussion is not included.

**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.

**D.** No, estimates of the differences between the enacted level for policies that are intended to benefit directly the country's most impoverished populations and the actual outcome are not presented.

**E.** Not applicable/other (please comment).

**Hungary**

C.

**Score**: 33

**Sources**: Sources: Detailed functional table in the YER (Main volume): In Hungarian: Költségvetési szervek, szakmai fejezeti kezelésű sorok előirányzatai - F06 Társadalombiztosítási és jóléti szolgáltatások In English: Estimates of administrative units and professional chapter-administered appropriations pp. 325-329 Narrative discussion of line items of transfers to municipalities (1. fejezeti kötet - First volume) In Hungarian: 7. cím Normatív, kötött felhasználású támogatások - 2. alcím Az egyes szociális feladatok támogatása In English: Article 7 Normative, targeted subsidies - Subarticle 2 Subsidies for certain social tasks pp. 843-844

**Comments**: There are line items among the expenditures for the most impoverished of the country, but these expenditures are not summarized in a coherent way, for example in a list presenting how much the government spends on the programs that directly affects the most impoverished. These line items can only be assessed with prior knowledge about the purpose of the given line item, as its name is not always descriptive. Another problem is that some expenditures are aggregated with other social grants, thus the exact amount aimed for the most impoverished cannot be identified. In a summary there is very minimal information on the expenditures targeted for the most impoverished.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score but wish to add a comment, clarification, or suggest another reference.

**Comments**: Policies are presented only under the expenditures of the institutions to which they belong to but not in a coherent way. 1st Appendix of the Year-End report.

**RESEARCHER'S RESPONSE**

Sources: Detailed functional table in the YER (Main volume): In Hungarian: Költségvetési szervek, szakmai fejezeti kezelésű sorok előirányzatai - F06 Társadalombiztosítási és jóléti szolgáltatások In English: Estimates of administrative units and professional chapter-administered appropriations pp. 325-329 Narrative discussion of line items of transfers to municipalities (1. fejezeti kötet - First volume) In Hungarian: 7. cím Normatív, kötött felhasználású támogatások - 2. alcím Az egyes szociális feladatok támogatása In English: Article 7 Normative, targeted subsidies - Subarticle 2 Subsidies for certain social tasks pp. 843-844

## 095. Does the Year-End Report present the differences between the original estimates of extra-budgetary funds and the actual outcome?

**A.** Yes, estimates of the differences between all of the original estimates of extra-budgetary funds and the actual outcome are presented, along with a narrative discussion.

**B.** Yes, estimates of the differences between all of the original estimates of extra-budgetary funds and the actual outcome are presented, but a narrative discussion is not included.

**C.** Yes, estimates of the differences between some but not all of the original estimates of extra-budgetary funds and the actual outcome are presented.

**D.** No, estimates of the differences between the original estimates of extra-budgetary funds and the actual outcome is not presented.

**E.** Not applicable/other (please comment).

**Hungary**

A.

**Score**: 100

**Sources**: In Hungarian: 2. számú melléklet: A központi alrendszer végrehajtásának mérlege In English: 2nd Appendix: Balance sheet on the execution of the budget of the central government URL: http://www.parlament.hu/irom39/12002/adatok/02_mell.pdf In Hungarian: 1. számú melléklet: A központi alrendszer kiadásai és bevételei – XLIV – LXII. fejezetek In English: 1st Appendix The expenditures and revenues of the central government – Chapters XLIV-LXII pp. 93-104 URL: http://www.parlament.hu/irom39/12002/adatok/01_mell.pdf In Hungarian: Fejezeti kötetek – XLIV-LXII. fejezetek In English: Explanation of the Chapters – Chapters XLIV-LXII. URL: http://www.parlament.hu/irom39/12002/adatok/fejezetek/fejezetek.htm#71

**Comments**: The original estimates and the actual outcomes for both the expenditures and revenues are presented in the cited tables. In the first table from the row „Elkülönített állami pénzalapok" are listed with the two most important the Pensions Fund („Nyugdíjbiztosítási Alap") and the Healthcare Fund („Egészségbiztosítási Alap") are presented at a detailed level. In the 1st Appendix of the Year-End Report the expenditures and revenues of the funds are presented individually. For the proper narrative discussion the collective website is linked, not the documents for each chapter as there are many extra-budgetary funds. The quality of the narrative discussion is better than the other parts of the budget, as the revenues and expenditures are explained more clearly and more data is presented to confirm the explanation. For example in chapter LXXI. Pension Fund („LXXI. Nyugdíjbiztosítási Alap") on page 21 a table is presented how the number of pensioners changed compared to the previous years, while on page 18 it is also presented numerically what causes (like indexing the pensions, change in the number of pensioners, change in the composition of the pensioners) contributed to the change in expenditures on pensions. It can be said generally that the analysis about the expenditures and revenues of the extra-budgetary funds are more substantial than the brief descriptions presented in other chapters.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

## 096. Is a financial statement included as part of the Year-End Report or released as a separate report?

**A.** Yes, a financial statement is part of the Year-End Report or is released as a separate report.

**B.** No, a financial statement is neither part of the Year-End Report nor released as a separate report.

**C.** Not applicable/other (please comment).

**Hungary**

B.

**Score**: 0

**Sources**: In Hungarian: 2. számú melléklet: A központi alrendszer végrehajtásának mérlege In English: 2nd Appendix: Balance sheet on the execution of the budget of the central government URL: http://www.parlament.hu/irom39/12002/adatok/02_mell.pdf

**Comments**: A financial statement similar to the cited example in the question (in a logic following the accounting of the corporate sector) is not published by the government. Among the supporting documents of the Year-End Report similar tables can be found, for example the balance sheet of the central government is presented, but its composition differs from the logic presented in the example.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

097. What type of audits (compliance, financial, or performance) has the Supreme Audit Institution (SAI) conducted and made available to the public?

**A.** The SAI has conducted all three types of audits (compliance, financial, or performance) and made them available to the public.

**B.** The SAI has conducted two of the three types of audits, and made them available to the public.

**C.** The SAI has conducted one of the three types of audits, and made them available to the public.

**D.** The SAI has not conducted any of the three types of audits, or has not made them available to the public.

**E.** Not applicable/other (please comment).

**Hungary**

A.

**Score**: 100

**Sources**: Compliance audit In Hungarian: Jelentés a Gazdasági Versenyhivatal működésének és gazdálkodásának ellenőrzéséről URL: http://www.asz.hu/jelentes/14001/jelentes-a-gazdasagi-versenyhivatal-mukodesenek-es-gazdalkodasanak-ellenorzeserol/14001j000.pdf In English: Summary of the Audit on the Operation And Financial Management of the Hungarian Competition Authority URL: http://www.asz.hu/report-summary/2014/summary-of-the-audit-on-the-operation-and-financial-management-of-the-hungarian-competition-authority/14001-gvh.pdf Financial audit In Hungarian: Jelentés Magyarország 2012. évi központi költségvetése végrehajtásának ellenőrzéséről In English: Report of the Audit on the Execution of the Budget of Hungary for the Year 2012 URL: http://www.asz.hu/jelentes/13080/jelentes-magyarorszag-2012-evi-kozponti-koltsegvetese-vegrehajtasanak-ellenorzeserol/13080j000.pdf (only available in Hungarian) Performance audit In Hungarian: Jelentés a kerékpárút hálózat fejlesztésére fordított pénzeszközök felhasználásának ellenőrzéséről (párhuzamos ellenőrzés a Szlovák Számvevőszékkel) URL: http://www.asz.hu/jelentes/13006/jelentes-a-kerekparut-halozat-fejlesztesere-forditott-penzeszkozok-fel-hasznalasanak-ellenorzeserol-parhuzamos-ellenorzes-a-szlovak-szamvevoszekkel/13006j000.pdf In English: Summary of the Audit on the Utilisation of Fund Allocated for the Development of the Cycle Path Network (parallel audit with the SAI of Slovakia) URL: http://www.asz.hu/report-summary/2013/summary-of-the-audit-on-the-utilisation-of-funds-allocated-for-the-development-of-the-cycle-path-network/13006-cycle-paths.pdf

**Comments**: In Hungary the most common audit of the SAI is the compliance audit, more than 90% of the published reports are audits on whether the audited institutions utilized the funds according to the relevant laws, rules and internal compliances. The financial audit is mainly applicable to the Year-End Report, in which the SAI audits the numbers of the central budget. The performance audits are rare, but not without precedent: several ones were published in 2013. In the second paragraph of the compliance audit the SAI states that the audit's objective is to assess whether the operations and financial management are appropriate according to the laws and regulations, while on the 5th page of the financial audit it is stated that the objective of the audit is to make sure that the Year-End Report does not present significant error and is

reliable. The performance audit on the Development of the cycle path network contains some performance indicators (like the cost of building 1 km cycle path or the increase in the traffic of cycle paths), but only those were evaluated that were presented in some of the planning documents, new metrics were not constructed. These performance indicators are discussed on pp. 35-36 of the Hungarian version.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

## 098. What percentage of expenditures within the mandate of the Supreme Audit Institution (SAI) has been audited?

**A.** All expenditures within the SAI's mandate have been audited.

**B.** Expenditures representing at least two-thirds of, but not all, expenditures within the SAI's mandate have been audited.

**C.** Expenditures representing less than two-thirds of expenditures within the SAI's mandate have been audited.

**D.** No expenditures have been audited.

**E.** Not applicable/other (please comment).

**Hungary**

B.

**Score**: 67

**Sources**: In Hungarian: Jelentés Magyarország 2012. évi központi költségvetése végrehajtásának ellenőrzéséről In English: Report of the Audit on the Execution of the Budget of Hungary for the Year 2012 on page 7, URL: http://www.asz.hu/jelentes/13080/jelentes-magyarorszag-2012-evi-kozponti-koltsegvetese-vegrehajtasanak-ellenorzeserol/13080j000.pdf

**Comments**: The Audit Report of the SAI states (in the first paragraph on page 7) that 97% of the revenues and 91% of the expenditures were audited. It means not all the expenditures, but all the important ones and nearly the full budget was audited, as it is a very high percentage. The cited report is only available in Hungarian.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

## 099. What percentage of extra-budgetary funds within the mandate of the Supreme Audit Institution (SAI) has been audited?

**A.** All extra-budgetary funds within the SAI's mandate have been audited.

**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.

**C.** Extra-budgetary funds accounting for less than two-thirds of expenditures associated with extra-budgetary funds within the SAI's mandate have been audited.

**D.** No extra-budgetary funds have been audited.

**E.** Not applicable/other (please comment).

**Hungary**

A.

**Score**: 100

**Sources**: In Hungarian: Jelentés Magyarország 2012. évi központi költségvetése végrehajtásának ellenőrzéséről In English: Report of the Audit on the Execution of the Budget of Hungary for the Year 2012 on pages 87, 90 and 94, URL: http://www.asz.hu/jelentes/13080/jelentes-magyarorszag-2012-evi-kozponti-koltsegvetese-vegrehajtasanak-ellenorzeserol/13080j000.pdf

**Comments**: All the extra-budgetary funds have been audited according to the Audit Report of the SAI. On page 87 in the first paragraph of section 8 the report states that the financial statements of the extra-budgetary funds were audited, on page 90 in the first paragraph of section 9.1 the same is confirmed for the Pension Fund, and on page 94 in the first paragraph of section 9.3 for the Healthcare Fund.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

## 100. Does the annual Audit Report(s) prepared by the Supreme Audit Institution (SAI) include an executive summary?

**A.** Yes, the annual Audit Report(s) includes one or more executive summaries summarizing the report's content.

**B.** No, the annual Audit Report(s) does not include an executive summary.

**C.** Not applicable/other (please comment).

**Hungary**

A.

**Score**: 100

**Sources**: In Hungarian: Jelentés Magyarország 2012. évi központi költségvetése végrehajtásának ellenőrzéséről In English: Report of the Audit on the Execution of the Budget of Hungary for the Year 2012 pp. 8-20, URL: http://www.asz.hu/jelentes/13080/jelentes-magyarorszag-2012-evi-kozponti-koltsegvetese-vegrehajtasanak-ellenorzeserol/13080j000.pdf

**Comments**: Yes, the Audit Report starts with the executive summary from page 8 to page 20.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

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?

**A.** Yes, the executive reports publicly on what steps it has taken to address audit findings.

**B.** Yes, the executive reports publicly on most audit findings.

**C.** Yes, the executive reports publicly on some audit findings.

**D.** No, the executive does not report on steps it has taken to address audit findings.

**E.** Not applicable/other (please comment).

**Hungary**

D.

**Score**: 0

**Sources**: In Hungarian: Jelentés Magyarország 2012. évi központi költségvetése végrehajtásának ellenőrzéséről – 12. számú melléklet Utóellenőrzés In English: Report of the Audit on the Execution of the Budget of Hungary for the Year 2012 – Appendix 12 Post-audit (pp. 149-158 of the document in a PDF viewer); URL: http://www.asz.hu/jelentes/13080/jelentes-magyarorszag-2012-evi-kozponti-koltsegvetese-vegrehajtasanak-ellenorzeserol/13080j000.pdf

**Comments**: The executive itself does not publish any document for summarizing the steps it has taken to address the audit findings. The audit report of the SAI publishes what actions were taken regarding the former audit recommendations in appendix 12.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

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?

**A.** Yes, the SAI or legislature reports publicly on what steps the executive has taken to address all audit recommendations.

**B.** Yes, the SAI or legislature reports publicly on most audit recommendations.

**C.** Yes, the SAI or legislature reports publicly on some audit recommendations.

**D.** No, neither the SAI nor legislature reports on steps the executive has taken to address audit recommendations.

**E.** Not applicable/other (please comment).

**Hungary**

A.

**Score**: 100

**Sources**: In Hungarian: Jelentés Magyarország 2012. évi központi költségvetése végrehajtásának ellenőrzéséről – 12. számú melléklet Utóellenőrzés In English: Report of the Audit on the Execution of the Budget of Hungary for the Year 2012 – Appendix 12 Post-audit (pp. 149-158 of the document in a PDF viewer); URL: http://www.asz.hu/jelentes/13080/jelentes-magyarorszag-2012-evi-kozponti-koltsegvetese-vegrehajtasanak-ellenorzeserol/13080j000.pdf

**Comments**: Yes, in appendix 12 of the Audit Report the SAI presents what actions were taken regarding the recommendations of former audits.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

## Section 4. Strength of Oversight Institutions

## 103. Does the legislature have internal capacity to conduct budget analyses or use independent research capacity for such analyses?

**A.** Yes, there is a specialized budget research office/unit attached to the legislature, and it has sufficient staffing, resources, and analytical capacity to carry out its tasks.

**B.** Yes, there is a specialized budget research office, but its staffing and other resources, including adequate funding, are insufficient to carry out its tasks.

**C.** Yes, there are independent researchers outside the legislature that can perform budget analyses and the legislature takes advantage of this capacity, but there is no specialized office attached to the legislature.

**D.** No, the legislature has neither internal capacity nor access to independent research capacity for budget analyses.

**E.** Not applicable/other (please comment).

**Hungary**

B.

**Score**: 67

**Sources**: In Hungarian: A Költségvetési Tanács 2014. évi feladatterve URL: http://www-archiv.parlament.hu/kt/dok/2014/kvt_26_3_2014.pdf In English: Resolution No.1 Fiscal Council Action Plan (6th February 2014) URL: http://www-archiv.parlament.hu/kt/dok/2014/kvt_26_3_2014_en.pdf

**Comments**: The legislature does not have the capacity to conduct internal analysis. The main institution supporting the work of the legislature in issues related to budget is the Fiscal Council. Its main task is to formulate an opinion about the Executive's Budget Proposal and the Bill presented to modify the enacted budget. As the Action Plan of the Fiscal Council shows in 2014 the institution does not have the internal capacity to carry out several researches, thus the members have to use the capacity of their own institution (National Bank of Hungary, SAI) to conduct the necessary researches. These researches (that have to be carried out by the National Bank of Hungary or the SAI) are listed on pp. 6-7 under "Supporting activities of the council". Summarizing it a specialized unit exists, but it does not have the resources to carry out its tasks on its own. The budget also grants money for the parties to employ experts, but it is not transparent on what that money is spent.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

## 104. Does the legislature debate budget policy prior to the tabling of the Executive's Budget Proposal?

**A.** Yes, the legislature both debates budget policy prior to the tabling of the Executive's Budget Proposal and approves recommendations for the budget, and the executive is obliged to reflect the legislature's recommendations in the budget.

**B.** Yes, the legislature both debates budget policy prior to the tabling of the Executive's Budget Proposal and approves recommendations for the budget, but the executive is not obliged to reflect the legislature's recommendations in the budget.

**C.** Yes, the legislature debates budget policy prior to the tabling of the Executive's Budget Proposal, but the legislature does not approve recommendations for the budget.

**D.** No, neither the full legislature nor any legislative committee debate budget policy prior to the tabling of the Executive's Budget Proposal.

**E.** Not applicable/other (please comment).

**Hungary**

D.

**Score**: 0

**Sources**: N/A

**Comments**: No debate is held in the legislature about the budget policy prior to presenting the Executive's Budget Proposal. In the Hungarian practice the presentation of the EBP to the legislature starts the debate on budget policy.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

105. Does the executive hold consultations with members of the legislature as part of its process of determining budget priorities?

**A.** Yes, the executive holds consultations with a wide range of legislators.

**B.** Yes, the executive holds consultations with a range of legislators, but some key members are excluded.

**C.** Yes, the executive holds consultations with only a limited number of legislators.

**D.** No, the executive does not consult with members of the legislature as part of the budget preparation process.

**E.** Not applicable/other (please comment).

**Hungary**

D.

**Score**: 0

**Sources**: In Hungarian: I. A tervezés ütemezése, paraméterei In English: I. Timetable and parameters for formulating the budget for 2014 in the timetable published by Ministry for National Economy The document is available on the webpage of the Ministry for National Economy by clicking on "Tervezési tájékoztató a 2014. évi költségvetési törvényjavaslat összeállításához szükséges feltételekről és az érvényesítendő követelményekről": http://2010-2014.kormany.hu/hu/nemzetgazdasagi-miniszterium/allamhaztartasert-felelos-allamtitkarsag/hirek/koltsegvetes

**Comments**: There is no confirmed information whether the executive consult with member from the legislature. According to the timetable, the planning is based on the medium-term projection and the Ministries have to allocate their funds between their own institutions. The legislature can propose bills that affect the budget (like introducing a new tax) but the executive maintains a view that these decisions are independent from the government, they only formulate an opinion about them and accept the proposal if the legislature enact it.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: No, I do not agree with the score.

**Suggested Answer**: c.

**Comments**: Based on the time line and parameters for formulating the budget for 2014 published by Ministry for National Economy: The Ministry for National Economy receive the input of each Chapter which is followed by a separate conciliation with all of them. Later the Ministry for National Economy consult with the other actors who are concerned: state owned enterprises, other funds. They send their budget details by 30. August. By 12 of September the Ministry submits the budget plan to the Council for Budget.

**RESEARCHER'S RESPONSE**

It is true that according to the timetable the government meets with various organizations (mainly these are part of the state), but we have not found any documented case where the government and legislators discussed the upcoming budget.

## 106. How far in advance of the start of the budget year does the legislature receive the Executive's Budget Proposal?

**A.** The legislature receives the Executive's Budget Proposal at least three months before the start of the budget year.

**B.** The legislature receives the Executive's Budget Proposal at least six weeks, but less than three months, before the start of the budget year.

**C.** The legislature receives the Executive's Budget Proposal less than six weeks before the start of the budget year.

**D.** The legislature does not receive the Executive's Budget Proposal before the start of the budget year.

**E.** Not applicable/other (please comment).

**Hungary**

A.

**Score**: 100

**Sources**: The information on the presented EBP on the Parliament's website http://www.parlament.hu/iromanyok-elozo-ciklusbeli-adatai?p_auth=0U99cacA&p_p_id=pairproxy_WAR_pairproxyportlet_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_p_col_id=column-1&p_p_col_count=1&_pairproxy_WAR_pairproxyportlet_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_irom.irom_adat%3Fp_ckl%3D39%26p_izon%3D12415 The law on the Public Finance In Hungarian: 2011. évi CXCV törvény az államháztartásról In English: Act CXCV of 2011 on the Public Finance URL: http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100195.TV

**Comments**: In 2013 the government presented the Executive's Budget Proposal on the 30 September. This can be seen on the Parliament's website in the row „Benyújtva". According to the law the government had to present the budget up to 30 September, while this year after the modifications the deadline is 15 October. The cited law states this in paragraph 22 section 2 (22 § (2)) As last year the EBP was presented 3 months before the start of the budget year (that is 1 January), answer „A" applies to the practice at the evaluated year.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

## 107. When does the legislature approve the Executive's Budget Proposal?

**A.** The legislature approves the budget at least one month in advance of the start of the budget year.

**B.** The legislature approves the budget less than one month in advance of the start of the budget year, but at least by the start of the budget year.

**C.** The legislature approves the budget less than one month after the start of the budget year.

**D.** The legislature approves the budget more than one month after the start of the budget year, or does not approve the budget.

**E.** Not applicable/other (please comment).

**Hungary**

B.

**Score**: 67

**Sources**: Information about the EBP on the Parliament's website URL: http://www.parlament.hu/iromanyok-elozo-ciklusbeli-adatai?p_auth=0U99cacA&p_p_id=pairproxy_WAR_pairproxyportlet_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_p_col_id=column-1&p_p_col_count=1&_pairproxy_WAR_pairproxyportlet_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_irom.irom_adat%3Fp_ckl%3D39%26p_izon%3D12415

**Comments**: In 2013 the Executive's Budget Proposal was approved on 17 December. This can be seen on the cited link that contains the information about the EBP. Under the menu Votes („Szavazások") the last one („önálló indítvány elfogadása") declares the date of the vote when the EBP was approved. Generally the budget is enacted within one month to the start of the budget year.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

## 108. Does the legislature have the authority in law to amend the Executive's Budget Proposal?

**A.** Yes, the legislature has unlimited authority in law to amend the Executive's Budget Proposal.

**B.** Yes, the legislature has authority in law to amend the Executive's Budget Proposal, with some limitations.

**C.** Yes, the legislature has authority in law to amend the Executive's Budget Proposal, but its authority is very limited.

**D.** No, the legislature does not have any authority in law to amend the Executive's Budget Proposal.

**E.** Not applicable/other (please comment).

**Hungary**

A.

**Score**: 100

**Sources**: The law on the Public Finance In Hungarian: 2011. évi CXCV törvény az államháztartásról In English: Act CXCV of 2011 on the Public Finance URL: http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100195.TV Additional rules for enacting the budget proposal: In Hungarian: 10/2014 (II.24.) OGY határozat egyes házszabályi rendelkezésekről In English: Resolution No. 10/2014 of the Parliament on rulings of standing orders URL: http://njt.hu/cgi_bin/njt_doc.cgi?docid=167220.265336

**Comments**: In the cited law paragraph 22 contains the rules about the approval of the EBP. The previous version divided the approval of the EBP to two stages: in the first one the legislature approved a resolution on the main numbers of the EBP (like total revenues, total expenditures and the deficit) and in the second stage the titles could only be modified that way that they do not modify the main numbers. Through a presented individual proposal the legislature could modify the budget in an unlimited manner. According to the current rules defined in the rulings of standing orders of the Parliament the process of enacting the budget proposal is the following: - The executive submits the EBP to the Parliament, - The committees evaluate the EBP and forms their proposals (the MPs can also submit individual proposals, but only to a committee), after this the committees send their proposals to the committee responsible for the budget, - The proposals are evaluated by the committee responsible for the budget and summarized in one modifying proposal (this means all the accepted proposal is included in one document, thus the legislature will vote on all of the proposals with one vote) - The Parliament vote on the proposal. The main distinction from the former rulings are that the Parliament vote on the proposal on one vote instead of individual votes. But in both cases the MPs or the committees had or have the chance to amend the budget in an unlimited manner. According to the former rules changing the numbers were harder after accepting the main numbers (this was the first stage), as those were unchangeable after the first stage. The current version allows more as the main numbers can change even before the final vote.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

## 109. Does the executive seek input 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?

**A.** The executive is required by law or regulation to obtain approval or input from the legislature prior to shifting funds between administrative units, and it does so in practice.

**B.** The executive obtains approval or input from the legislature prior to shifting funds between administrative units, but is not required to do so by law or regulation.

**C.** The executive is required by law or regulation to obtain approval or input from the legislature prior to shifting funds between administrative units, but in practice the executive shifts funds without seeking prior approval or input from the legislature.

**D.** The executive shifts funds between administrative units without seeking prior approval or input from the legislature, and there is no law or regulation requiring it to obtain such prior approval or input from the legislature.

**E.** Not applicable/other (please comment).

**Hungary**

A.

**Score**: 100

**Sources**: The law on the Public Finance In Hungarian: 2011. évi CXCV törvény az államháztartásról In English: Act CXCV of 2011 on the Public Finance paragraphs 31-33, URL: http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100195.TV Enacted Budget In Hungarian: 2013. évi CCXXX. törvény Magyarország 2014. évi központi költségvetéséről In English: Law CCXXX. of 2013 on the Central Budget of Hungary in 2014 paragraph 7, on page 85613

**Comments**: The chapter-based logic of the Hungarian budget divides the modifications into two group: the shifting of funds between chapters and within chapter. To carry out the former, the government has to modify the budget and seek approval of the legislature, while in the latter case the government or in minor cases the Minister responsible for that chapter can shift the funds without any approval of the legislature. The logic of the regulation is that the legislature approved the shifting of funds in advance, thus the minor cases can be carried out without further approval. The Enacted Budget also contains cases when the government can shift funds between given, concrete titles if not all the funds were spent (an example can be found in paragraph 7 of the Enacted Budget). As a main rule the government has to seek approval from the legislature to shift funds between administrative units and does so in practice. The rules for shifting funds are regulated in the law on the Public Finance, the relevant paragraphs are cited in the sources.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

## 110. Does the executive seek input from the legislature prior to shifting funds within administrative units that receive explicit funding in the Enacted Budget, and is it legally required to do so?

**A.** The executive is required by law or regulation to obtain approval or input from the legislature prior to shifting funds within administrative units, and it does so in practice.

**B.** The executive obtains approval or input from the legislature prior to shifting funds within administrative units, but is not required to do so by law or regulation.

**C.** The executive is required by law or regulation to obtain approval or input from the legislature prior to shifting funds within administrative units, but in practice the executive shifts funds without seeking prior approval or input from the legislature.

**D.** The executive shifts funds within administrative units without seeking prior approval or input from the legislature, and there is no law or regulation requiring it to obtain such prior approval or input from the legislature.

**E.** Not applicable/other (please comment).

**Hungary**

D.

**Score**: 0

**Sources**: The law on the Public Finance In Hungarian: 2011. évi CXCV törvény az államháztartásról In English: Act CXCV of 2011 on the Public Finance paragraphs 31-33, URL: http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100195.TV

**Comments**: As there are many line items in the budget, not all shifting within administrative units has to be approved by the legislature. In answering this question we treat shifting funds within administrative units as shifting funds within chapters (nearly a synonym to Ministries), as the shifting funds within administrative units like individual institutions is very rare and it would mean one institution spends less on material costs but more on personnel costs. As a general rule if a change in law requires it or saving is achieved at an institution below the Ministry the Ministry is allowed to allocate that fund. Also there are cases when the Ministry is not allowed to shift the funds, but the government itself can allocate the funds in a resolution. The rules for these changes also stated in the law, and the cases does not include shifting funds between chapters (Ministries), but for example adding a new line item into the chapter as a law obliged that Ministry to carry out that program. In major cases (like changes that affect the centralized titles) the government is obliged to seek approval from the legislature and does so in practice. To summarize the answer, as due to the high number of minor in-year changes the legislature delegated some of its powers to the executive, for the majority of the shifts the executive does not need to and does not seek approval from the legislature. As a consequence of this we chose answer "d". It is also to be noted that for the major shifts the executive has to seek approval and does so in practice.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

111. Does the executive seek input 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?

**A.** The executive is required by law or regulation to obtain approval or input from the legislature prior to spending excess revenues, and it does so in practice.

**B.** The executive obtains approval or input from the legislature prior to spending excess revenue, but is not required to do so by law or regulation.

**C.** The executive is required by law or regulation to obtain approval or input from the legislature prior to spending excess revenue, but in practice the executive spends these funds without seeking prior approval or input from the legislature.

**D.** The executive spends excess revenues without seeking prior approval or input from the legislature, and there is no law or regulation requiring it to obtain such prior approval or input from the legislature.

**E.** Not applicable/other (please comment).

**Hungary**

A.

**Score**: 100

**Sources**: The law on the Public Finance In Hungarian: 2011. évi CXCV törvény az államháztartásról In English: Act CXCV of 2011 on the Public Finance paragraph 30, URL: http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100195.TV

**Comments**: The law is distinctive in cases of excess revenues. In minor cases (when a budgetary institution provides excess revenue) the spending of these revenues could be tied to the approval of the government, and these cases are accepted by a resolution from the government. The major cases are the centralized items (these contains tax revenues and other major revenues). If there is excess revenue, the government has to change the estimate of that revenue by proposing a supplemental budget and seeking approval of the legislature. Generally these funds improves the budget balance, and if the government wants to spend these funds it has to change the main estimates of expenditures and thus seeking approval of the legislature. In practice there is not much example for excess revenues that were foreseen and justified the modification of the budget. As a result of it the excess revenues are established at the end of the year and improve the budget deficit.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

## 112. When was the most recent supplemental budget approved?

**A.** The most recent supplemental budget was approved before the funds were expended.

**B.** The most recent supplemental budget was approved after the funds were expended, or the executive implemented the supplemental budget without ever receiving approval from the legislature (please specify).

**C.** Not applicable/other (please comment).

**Hungary**

A.

**Score**: 100

**Sources**: In Hungarian: T/12974 A Magyarország 2013. évi központi költségvetéséről szóló 2012. évi CCIV. törvény módosításáról In English: Bill No. 12974 on the Amendment of the Law CCIV of 2012 on the Central Budget of Hungary in 2013 URl: http://www.parlament.hu/iromanyok-elozo-ciklusbeli-adatai?p_auth=OLQLvkFg&p_p_id=pairproxy_WAR_pairproxyportlet_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_p_col_id=column-1&p_p_col_count=1&_pairproxy_WAR_pairproxyportlet_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_irom.irom_adat%3Fp_ckl%3D39%26p_izon%3D12974

**Comments**: In all cases the supplemental budget has to be approved before the government can spend the funds. The last supplemental budget was approved on 12 December 2013 which allowed the Minister of National Development to

spend 135 billion HUF on the Integration Fund of the Credit Unions. In the cited example the date in the row „Kihirdetve" shows when the approved modifications came into effect. There is no additional information beside the practice to confirm that no funds were spent on this title before accepting the approval of the amendment of the budget.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

## 113. Does the executive seek input from the legislature prior to spending contingency funds or other funds for which no specific purpose was identified in the Enacted Budget, and is it legally required to do so?

**A.** The executive is required by law or regulation to obtain approval or input from the legislature prior to spending contingency funds, and it does so in practice.

**B.** The executive obtains approval or input from the legislature prior to spending contingency funds, but is not required to do so by law or regulation.

**C.** The executive is required by law or regulation to obtain approval or input from the legislature prior to spending contingency funds, but in practice the executive spends these funds without seeking prior approval or input from the legislature.

**D.** The executive spends contingency funds without seeking prior approval or input from the legislature, and there is no law or regulation requiring it to obtain such prior approval or input from the legislature.

**E.** Not applicable/other (please comment).

**Hungary**

D.

**Score**: 0

**Sources**: In the Enacted Budget In Hungarian: 2013. évi CCXXX. törvény Magyarország 2014. évi központi költségvetéséről - 11. A Kormány, az államháztartásért felelős miniszter és a fejezetet irányító szervek vezetőinek különleges jogosítványai - 23. § In English: Law CCXXX of 2013 on the Central Budget of Hungary in 2014 - Section 11 The special rights of the Government, the Minister responsible for the budget and the directors of the instititutions responsible for the chapter - 23. § pp. 85618-85619

**Comments**: The main contingency fund is planned in the budget under the line item „Országvédelmi Alap". The only rule that applies to it is that it cannot be used before the 30 September (stated in paragraph 23 section 5 on page 85618 in the Enacted Budget). After that point the government can spend those funds at its will. Other chapter level contingency funds also exist in the budget and the spending of those funds are more restricted. They are mainly targeted contingency funds and consequently they can only be used if the related line items are overspent.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

## 114. Does a committee of the legislature hold public hearings to review and scrutinize Audit Reports?

**A.** Yes, a committee holds public hearings to review and scrutinize a wide range of Audit Reports.

**B.** Yes, a committee holds public hearings to review and scrutinize the main Audit Reports.

**C.** Yes, a committee holds public hearings to review and scrutinize a small number of Audit Reports.

**D.** No, a committee does not hold public hearings to review and scrutinize Audit Reports.

**E.** Not applicable/other (please comment).

**Hungary**

A.

**Score**: 100

**Sources**: In Hungarian: Tájékoztató az Állami Számvevőszék 2013. évi szakmai tevékenységéről és beszámoló az intézmény működéséről – 2.1 A jelentések hasznosulása – 2.1.1 Hasznosulás az országgyűlési munkában In English: Report on the activities of the State Audit Office of Hungary and on the functioning of the organization in 2013 – 2.1 Utilizing the reports – 2.1.1 Utilizing the reports in the Committees pp. 9-10, URL: http://www.asz.hu/jelentes/tajekoztato-az-allami-szamvevoszek-2013-evi-szakmai-tevekenysegerol-es-beszamolo-az-intezmeny-mukodeserol/125j000.pdf

**Comments**: There is no dedicated committee that scrutinizes the Audit Reports, but some of the Audit Reports are used in the public hearings of the committees. The SAI published nearly 200 reports in 2013, but most of them was compliance audit about municipalities that understandably were not discussed by any committee. As the SAI states in its report, 47 document were scrutinized and that covers a wide-range of audits like the compliance audit of the political parties, the financial audit of the Year-End Report for Fiscal Year 2012.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

## 115. Does the Supreme Audit Institution (SAI) have the discretion in law to undertake those audits it may wish to?

**A.** The SAI has full discretion to decide which audits it wishes to undertake.

**B.** The SAI has significant discretion, but faces some limitations.

**C.** The SAI has some discretion, but faces considerable limitations.

**D.** The SAI has no discretion to decide which audits it wishes to undertake.

**E.** Not applicable/other (please comment).

**Hungary**

A.

**Score**: 100

**Sources**: In Hungarian: 2011. évi LXVI. törvény az Állami Számvevőszékről In English: Act LXVI of 2011 on the State Audit Office of Hungary URL: http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100066.TV

**Comments**: The law on the State Audit Office of Hungary declares the audits that the SAI has to undertake (these are listed in paragraphs 3-5 in the cited law) but beside that the SAI also has the freedom to make audits upon information sent to it. This latter is mentioned in paragraph 23 section 2. In general the SAI undertakes its audits according to its yearly plan, but there were cases when it has undertook exceptional audits.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

## 116. Has the Supreme Audit Institution (SAI) established a monitoring system to provide on-going, independent evaluations of its audit processes (a quality assurance system)?

**A.** Yes, the SAI has established a quality assurance system, and both a sample of completed audits are reviewed annually and the findings of these reviews are made available to the public.

**B.** Yes, the SAI has established a quality assurance system, but either a sample of completed audits are not reviewed annually or the findings of these reviews are not made available to the public.

**C.** Yes, the SAI has established a quality assurance system, but neither a sample of completed audits are reviewed annually nor are the findings of these reviews made available to the public.

**D.** No, the SAI has not established a quality assurance system.

**E.** Not applicable/other (please comment).

**Hungary**

C.

**Score**: 33

**Sources**: In Hungarian: Az ÁSZ elfogadta a számvevőszéki munka hasznosulására vonatkozó alapelveit URL: http://www.aszhirportal.hu/hu/hirek/az-asz-elfogadta-a-szamvevoszeki-munka-hasznosulasara-vonatkozo-alapelveit In English: The State Audit Office of Hungary has adopted principles concerning the utilization of its work URL: http://www.aszhirportal.hu/en/news/the-state-audit-office-of-hungary-has-adopted-principles-concerning-the-utilization-of-its-work

**Comments**: According to the published news the SAI adopted the referenced quality control standards but no reports has been published on the reviews of former audits.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

117. 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?

**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.

**B.** No, the executive may remove the head of the SAI without the final consent of the judiciary or legislature.

**C.** Not applicable/other (please comment).

**Hungary**

A.

**Score**: 100

**Sources**: In Hungarian: 2011. évi LXVI. törvény az Állami Számvevőszékről In English: Act LXVI of 2011 on the State Audit Office of Hungary URL: http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100066.TV

**Comments**: Yes, the head of the SAI can only be removed by the consent of the Parliament. The cases under which the head of the SAI can be removed are listed in the cited law in paragraph 11 section 3-5.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

### 118. Who determines the budget of the Supreme Audit Institution (SAI)?

**A.** 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.

**B.** The budget of the SAI is determined by the executive, and the funding level is broadly consistent with the resources the SAI needs to fulfill its mandate.

**C.** The budget of the SAI is determined by the legislature or judiciary (or some independent body), but the funding level is not consistent with the resources the SAI needs to fulfill its mandate.

**D.** The budget of the SAI is determined by the executive, and the funding level is not consistent with the resources the SAI needs to fulfill its mandate.

**E.** Not applicable/other (please comment).

**Hungary**

A.

**Score**: 100

**Sources**: In Hungarian: 2011. évi LXVI. törvény az Állami Számvevőszékről In English: Act LXVI of 2011 on the State Audit Office of Hungary URL: http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100066.TV

**Comments**: According to the law the budget of the SAI is determined by the SAI in the budget, and the executive cannot change that funding level in the EBP. In paragraph 2 section 1 it is declared the SAI is an individual chapter in the budget, in section 2 it is stated that the proposal for its own budget is prepared by the SAI and the executive implements it to the budget unchanged. It is also required that the funding level be at least equal to the funding level of the previous year.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

## Section 5. Public Engagement in the Budget Process

119. Does the executive make available to the public clear (accessible, nontechnical) definitions of terms used in the budget and other budget-related documents (for instance, in a glossary)?

**A.** Yes, clear definitions of all key budget terms are provided.

**B.** Yes, definitions are provided for all key budget terms, but they are not always clear.

**C.** Yes, definitions are provided for some but not all key budget terms.

**D.** No, definitions are not provided.

**E.** Not applicable/other (please comment).

**Hungary**

D.

**Score**: 0

**Sources**: N/A

**Comments**: The government does not publish a glossary.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score but wish to add a comment, clarification, or suggest another reference.

**Comments**: No, and the budget documentation is completely not understandable for lay citizen. Information is available on-line but spread between institutions and mostly on a not easily handleable pdf document. Inquiry is possible mostly by email.

120. Is the executive formally required to engage with the public during the formulation and execution phases of the budget process?

**A.** A law, a regulation, or a formal procedural obligation requires the executive to engage with the public during both the formulation and execution phases of the budget process.

**B.** A law, a regulation, or a formal procedural obligation requires the executive to engage with the public during either the formulation or the execution phase of the budget process but not both.

**C.** There is no formal requirement for the executive to engage with the public during either the formulation or the

execution phase of the budget process, but informal procedures exist to enable the public to engage with the executive during the formulation or execution phase of the budget process or during both phases.

**D.** There is no formal requirement and the executive does not engage with the public during the budget process.

**E.** Not applicable/other (please comment).

**Hungary**

D.

**Score**: 0

**Sources**: N/A

**Comments**: There was no effort made to engage with the public in budgetary questions in 2013.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

121. When the executive engages with the public during the budget formulation process, does it articulate what it hopes to achieve from the engagement and provide other information far enough in advance so that the public can participate in an informed manner?

**A.** The executive provides sufficient information (including what it hopes to achieve from its engagement with the public) in advance of the engagement.

**B.** The executive provides information to the public, but it is either insufficient or is not provided in advance of the engagement.

**C.** The executive provides information to the public, but it is neither sufficient nor provided in advance of the engagement.

**D.** The executive does not provide information, or does not engage with the public during the budget process.

**E.** Not applicable/other (please comment).

**Hungary**

D.

**Score**: 0

**Sources**: N/A

**Comments**: The government does not engage with the public in budgetary questions.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

122. When the executive engages with the public during the budget execution process, does it articulate what it hopes to achieve from the engagement and provide other information far enough in advance so that the public can participate in an informed manner?

**A.** The executive provides sufficient information (including what it hopes to achieve from its engagement with the public) in advance of the engagement.

**B.** The executive provides information to the public, but it is either insufficient or is not provided in advance of the engagement.

**C.** The executive provides information to the public, but it is neither sufficient nor provided in advance of the engagement.

**D.** The executive does not provide information, or does not engage with the public during the budget process.

**E.** Not applicable/other (please comment).

**Hungary**

D.

**Score**: 0

**Sources**: N/A

**Comments**: The government does not engage with the public in budgetary questions.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

123. Has the executive established mechanisms to identify the public's perspective on budget priorities?

**A.** Yes, the executive has established mechanisms to identify the public's perspective on budget priorities, and these mechanisms are accessible and widely used by the public.

**B.** Yes, the executive has established mechanisms to identify the public's perspective on budget priorities; while these mechanisms are accessible they are not widely used by the public.

**C.** Yes, the executive has established mechanisms to identify the public's perspective on budget priorities, but these mechanisms are not accessible.

**D.** No, the executive has not established any mechanisms to identify the public's perspective on budget priorities.

**E.** Not applicable/other (please comment).

**Hungary**

D.

**Score**: 0

**Sources**: N/A

**Comments**: No mechanism has been established that identify the public's perspectives on budgetary questions, but there were surveys called National Consultation that covered a wide range of topics (mostly moral or legal questions). The surveys were ad hoc and occasional, thus they cannot be regarded as well-established mechanisms.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

124. Has the executive established mechanisms to identify the public's perspective on budget execution?

**A.** Yes, the executive has established mechanisms to identify the public's perspective on budget execution, and these mechanisms are accessible and widely used by the public.

**B.** Yes, the executive has established mechanisms to identify the public's perspective on budget execution; while these mechanisms are accessible they are not widely used by the public.

**C.** Yes, the executive has established mechanisms to identify the public's perspective on budget execution, but these mechanisms are not accessible.

**D.** No, the executive has not established any mechanisms to identify the public's perspective on budget execution.

**E.** Not applicable/other (please comment).

**Hungary**

D.

**Score**: 0

**Sources**: N/A

**Comments**: No mechanism was established.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

125. Does the executive provide formal, detailed feedback to the public on how its inputs have been used to develop budget plans and improve budget execution?

**A.** Yes, the executive issues reports on the inputs it received from the public and provides detailed feedback on how these inputs have been used.

**B.** Yes, the executive issues reports on the inputs it received from the public, but provides only limited feedback on how these inputs have been used.

**C.** Yes, the executive issues reports on the inputs it received from the public, but provides no feedback on how these inputs have been used.

**D.** No, the executive does not issue reports on the inputs it received from the public or provide feedback on how these inputs have been used.

**E.** Not applicable/other (please comment).

**Hungary**

D.

**Score**: 0

**Sources**: N/A

**Comments**: As no mechanism is established for identifying the public's view, no formal feedback is made on the public's

opinion.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

126. Does a legislative committee (or committees) hold public hearings on the macroeconomic and fiscal framework presented in the budget in which testimony from the executive branch and the public is heard?

**A.** Yes, public hearings are held on the macroeconomic and fiscal framework in which testimony is heard from the executive branch and a wide range of constituencies.

**B.** Yes, public hearings are held on the macroeconomic and fiscal framework in which testimony is heard from the executive branch and some constituencies.

**C.** Yes, public hearings are held on the macroeconomic and fiscal framework in which testimony from the executive branch is heard, but no testimony from the public is heard.

**D.** No, public hearings are not held on the macroeconomic and fiscal framework in which testimony from the executive branch and the public is heard.

**E.** Not applicable/other (please comment).

**Hungary**

C.

**Score**: 33

**Sources**: In Hungarian: Jegyzőkönyv az Országgyűlés Számvevőszéki és költségvetési bizottságának 2013. október 21-én, hétfőn 9 óra 13 perckor az Országház főemelet 64. számú tanácstermében megtartott üléséről In English: Minutes of the Meeting of the Audit and Fiscal Committee of the Parliament held on 21 October 2013 at 9:13 in boardroom No. 64 of the Parliament pp. 6-35, URL: http://www.parlament.hu/documents/static/biz39/bizjkv39/KTB/1310211.pdf Information on the public hearings of the committees: In Hungarian: http://www.parlament.hu/bevezetes3 In English: http://www.parlament.hu/en/web/house-of-the-national-assembly/the-operation-and-sitting-of-committees

**Comments**: The macroeconomic and fiscal framework was debated in the Audit and Fiscal Committee of the Parliament. The committee held a public debate but it was not broadcast by the media in live. The exact transcription of the debate is published on the website of the Parliament. Only representatives from the public sector were invited to the debate, beside the Ministry for National Economy the representative of the Fiscal Council and the State Audit Office were present. No other independent analyst were invited, like analysts from NGOs or banks. Although the latter ones were cited as the representative of the Ministry for National Economy told in the debate that there were even more optimistic macroeconomic forecasts for 2014 than the government's. This is described on page 8 in the paragraph mentioning Bank

of America Merrill Lynch.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

127. Do legislative committees hold public hearings on the individual budgets of central government administrative units (i.e., ministries, departments, and agencies) in which testimony from the executive branch is heard?

**A.** Yes, public hearings in which testimony from the executive branch is heard are held on the budgets of a wide range of administrative units.

**B.** Yes, public hearings in which testimony from the executive branch is heard are held on the budgets of the main administrative units.

**C.** Yes, public hearings in which testimony from the executive branch is heard are held on the budgets of a small number of administrative units.

**D.** No, public hearings in which testimony from the executive branch is heard are not held on the budgets of administrative units.

**E.** Not applicable/other (please comment).

**Hungary**

B.

**Score**: 67

**Sources**: List of each minutes of the meeting where the budget proposal was debated in the individual committees Audit and Fiscal Commitee (pp. 6-35): http://www.parlament.hu/documents/static/biz39/bizjkv39/KTB/1310211.pdf Agriculture Committee (pp. 5-23): http://www.parlament.hu/documents/static/biz39/bizjkv39/MB/1310211.pdf Healthcare Committee (pp. 6-32): http://www.parlament.hu/documents/static/biz39/bizjkv39/EGB/1310211.pdf Municipalities and Development Committee (pp. 8-23): http://www.parlament.hu/documents/static/biz39/bizjkv39/OKB/1310211.pdf Education, Scientific and Research Committee (pp. 10-30): http://www.parlament.hu/documents/static/biz39/bizjkv39/OTB/1310141.pdf Sport and Tourism Committee (pp. 5-19): http://www.parlament.hu/documents/static/biz39/bizjkv39/IFB/1310141.pdf Economic and Information Technology Committee (pp. 8-23): http://www.parlament.hu/documents/static/biz39/bizjkv39/GB/1310211.pdf Military and Police Committee (pp. 8-21): http://www.parlament.hu/documents/static/biz39/bizjkv39/HOB/1310211.pdf Youth, Social, Family and Housing Committee (pp. 8-25): http://www.parlament.hu/documents/static/biz39/bizjkv39/ISB/1310211.pdf Cultural and Media Committee (pp.8-12): http://www.parlament.hu/documents/static/biz39/bizjkv39/KSB/1310211.pdf Foreign Policy Committee (pp. 5-12): http://www.parlament.hu/documents/static/biz39/bizjkv39/KUB/1310211.pdf National Security Committee (pp. 5-9): http://www.parlament.hu/documents/static/biz39/bizjkv39/NBB/1310151.pdf Employment and

Labour Committee (pp. 10-22): http://www.parlament.hu/documents/static/biz39/bizjkv39/FMB/1310141.pdf Information on the public hearings of the committees: In Hungarian: http://www.parlament.hu/bevezetes3 In English: http://www.parlament.hu/en/web/house-of-the-national-assembly/the-operation-and-sitting-of-committees

**Comments**: The appropriate committees debated the main areas of the budget for 2014. In the individual debates the representative of the Ministry for National Economy and the State Audit Office presented the main characteristics of the budget with information related to the area debated and after that the members of the committee had the opportunity to ask questions about the details of the line items.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

## 128. Do legislative committees hold public hearings on the individual budgets of central government administrative units (i.e., ministries, departments, and agencies) in which testimony from the public is heard?

**A.** Yes, public hearings in which testimony from the public is heard are held on the budgets of a wide range of administrative units.

**B.** Yes, public hearings in which testimony from the public is heard are held on the budgets of some administrative units.

**C.** Yes, public hearings in which testimony from the public is heard are held on the budgets of a small number of administrative units.

**D.** No, public hearings in which testimony from the public is heard are not held on the budgets of administrative units.

**E.** Not applicable/other (please comment).

**Hungary**

D.

**Score**: 0

**Sources**: In Hungarian: Jegyzőkönyv az Országgyűlés Számvevőszéki és költségvetési bizottságának 2013. október 21-én, hétfőn 9 óra 13 perckor az Országház főemelet 64. számú tanácstermében megtartott üléséről In English: Minutes of the Meeting of the Audit and Fiscal Comittee of the Parliament held on 21 October 2013 at 9:13 in boardroom No. 64 of the Parliament pp. 6-35, URL: http://www.parlament.hu/documents/static/biz39/bizjkv39/KTB/1310211.pdf

**Comments**: At the debate only the representatives of the Ministry for National Economy, the State Audit Office and the Fiscal Council were invited. Representatives from NGOs or civil organizations were not present as invited guests.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

## 129. Do the legislative committees that hold public hearings on the budget release reports to the public on these hearings?

**A.** Yes, the committees release reports, which include all written and spoken testimony presented at the hearings.

**B.** Yes, the committees release reports, which include most testimony presented at the hearings.

**C.** Yes, the committees release reports, but they include only some testimony presented at the hearings.

**D.** No, the committees do not release reports, or do not hold public hearings.

**E.** Not applicable/other (please comment).

**Hungary**

A.

**Score**: 100

**Sources**: List of each minutes of the meeting where the budget proposal was debated in the individual committees Audit and Fiscal Commitee (pp. 6-35): http://www.parlament.hu/documents/static/biz39/bizjkv39/KTB/1310211.pdf Agriculture Committee (pp. 5-23): http://www.parlament.hu/documents/static/biz39/bizjkv39/MB/1310211.pdf Healthcare Committee (pp. 6-32): http://www.parlament.hu/documents/static/biz39/bizjkv39/EGB/1310211.pdf Municipalities and Development Committee (pp. 8-23): http://www.parlament.hu/documents/static/biz39/bizjkv39/OKB/1310211.pdf Education, Scientific and Research Committee (pp. 10-30): http://www.parlament.hu/documents/static/biz39/bizjkv39/OTB/1310141.pdf Sport and Tourism Committee (pp. 5-19): http://www.parlament.hu/documents/static/biz39/bizjkv39/IFB/1310141.pdf Economic and Information Technology Committee (pp. 8-23): http://www.parlament.hu/documents/static/biz39/bizjkv39/GB/1310211.pdf Military and Police Committee (pp. 8-21): http://www.parlament.hu/documents/static/biz39/bizjkv39/HOB/1310211.pdf Youth, Social, Family and Housing Committee (pp. 8-25): http://www.parlament.hu/documents/static/biz39/bizjkv39/ISB/1310211.pdf Cultural and Media Committee (pp.8-12): http://www.parlament.hu/documents/static/biz39/bizjkv39/KSB/1310211.pdf Foreign Policy Committee (pp. 5-12): http://www.parlament.hu/documents/static/biz39/bizjkv39/KUB/1310211.pdf National Security Committee (pp. 5-9): http://www.parlament.hu/documents/static/biz39/bizjkv39/NBB/1310151.pdf Employment and Labour Committee (pp. 10-22): http://www.parlament.hu/documents/static/biz39/bizjkv39/FMB/1310141.pdf

**Comments**: In the minutes of the meetings all the spoken testimonies are transcribed exactly.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

130. Does the Supreme Audit Institution (SAI) maintain formal mechanisms through which the public can assist in formulating its audit program (by identifying the agencies, programs, or projects that should be audited)?

**A.** Yes, the SAI maintains formal mechanisms through which the public can assist in formulating its audit program, and these mechanisms are accessible and widely used by the public.

**B.** Yes, the SAI maintains formal mechanisms through which the public can assist in formulating its audit program; while these mechanisms are accessible, they are not widely used by the public.

**C.** Yes, the SAI maintains formal mechanisms through which the public can assist in formulating its audit program, but these mechanisms are not accessible.

**D.** No, the SAI does not have formal mechanisms through which the public can assist in formulating its audit program.

**E.** Not applicable/other (please comment).

**Hungary**

B.

**Score**: 67

**Sources**: Contacts of the State Audit Office available for the public: http://www.asz.hu/en/contacts In Hungarian: Tájékoztató az Állami Számvevőszék 2013. évi szakmai tevékenységéről és beszámoló az intézmény működéséről – 2.1 A jelentések hasznosulása – 2.1.4 Nyilvánosság és társadalmi szintű hasznosulás - Közérdekű bejelentések kezelése In English: Report on the activities of the State Audit Office of Hungary and on the functioning of the organization in 2013 – 2.1 Utilizing the reports – 2.1.4 Publicity and social utility - Managing public complaints pp. 19-20, URL: http://www.asz.hu/jelentes/tajekoztato-az-allami-szamvevoszek-2013-evi-szakmai-tevekenysegerol-es-beszamolo-az-intezmeny-mukodeserol/125j000.pdf

**Comments**: The State Audit Office published its contacts on its website and in 2013 318 complaints or proposals were made by the public.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

131. Does the Supreme Audit Institution (SAI) maintain formal mechanisms through which the public can participate in audit investigations (as respondents, witnesses, etc.)?

**A.** Yes, the SAI maintains formal mechanisms through which the public can participate in audit investigations, and these mechanisms are accessible and widely used by the public.

**B.** Yes, the SAI maintains formal mechanisms through which the public can participate in audit investigations; while these mechanisms are accessible, they are not widely used by the public.

**C.** Yes, the SAI maintains formal mechanisms through which the public can participate in audit investigations, but these mechanisms are not accessible.

**D.** No, the SAI does not have formal mechanisms through which the public can participate in audit investigations.

**E.** Not applicable/other (please comment).

**Hungary**

D.

**Score**: 0

**Sources**: N/A

**Comments**: Based on the response received from the State Audit Office of Hungary the SAO does not maintain any formal mechanism that allow the public to participate actively in the investigation. This is due to the legal constraints as the SAO does not have the mandate to undertake actions such as debriefing witnesses. The main form of public participation is sending notifications to the SAO that decides if the notification is established enought for further investigation.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

132. Does the Supreme Audit Institution (SAI) maintain any communication with the public regarding its Audit Reports beyond simply making these reports publicly available?

**A.** Yes, in addition to publishing Audit Reports, the SAI maintains other mechanisms of communication to make the public aware of audit findings (such as maintaining an office that regularly conducts outreach activities to publicize previously released audit findings).

**B.** No, the SAI does not maintain any formal mechanisms of communication with the public beyond publishing Audit

Reports.

**C.** Not applicable/other (please comment).

**Hungary**

A.

**Score**: 100

**Sources**: In Hungarian: Tájékoztató az Állami Számvevőszék 2013. évi szakmai tevékenységéről és beszámoló az intézmény működéséről – 2.1 A jelentések hasznosulása – 2.1.4 Nyilvánosság és társadalmi szintű hasznosulás In English: Report on the activities of the State Audit Office of Hungary and on the functioning of the organization in 2013 – 2.1 Utilizing the reports – 2.1.4 Publicity and social utility pp. 17-18, URL: http://www.asz.hu/jelentes/tajekoztato-az-allami-szamvevoszek-2013-evi-szakmai-tevekenysegerol-es-beszamolo-az-intezmeny-mukodeserol/125j000.pdf

**Comments**: The State Audit Office maintains a news portal and regularly published videos on how the audited institutions utilized the proposals made in their audit. The SAO also holds press conferences with a wide-range of media participants to allow making questions about the audits of municipalities. The cited pages of the document details the efforts the SAO made to publicize its reports. This mainly involves the use of its own newsportal called "aszhirportal.hu", but other activities include electronic press conferences or video interviews about the use of the results of a report. Beside the media activities the SAO is also present at various places, like professional conferences, universities (through trainee programs).

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

## 133. Does the Supreme Audit Institution (SAI) provide formal, detailed feedback to the public on how their inputs have been used to determine its audit program or in Audit Reports?

**A.** Yes, the SAI issues reports on the inputs it received from the public and provides detailed feedback on how these inputs have been used.

**B.** Yes, the SAI issues reports on the inputs it received from the public but provides only limited feedback on how these inputs have been used.

**C.** Yes, the SAI issues reports on the inputs it received from the public but provides no feedback on how these inputs have been used.

**D.** No, the SAI does not issue reports on the inputs it received from the public through public consultations.

**E.** Not applicable/other (please comment).

**Hungary**

C.

**Score**: 33

**Sources**: In Hungarian: Tájékoztató az Állami Számvevőszék 2013. évi szakmai tevékenységéről és beszámoló az intézmény működéséről – 2.1 A jelentések hasznosulása – 2.1.4 Nyilvánosság és társadalmi szintű hasznosulás – Közérdekű bejelentések kezelése In English: Report on the activities of the State Audit Office of Hungary and on the functioning of the organization in 2013 – 2.1 Utilizing the reports – 2.1.4 Publicity and social utility – Managing public complaints pp. 19-20, URL: http://www.asz.hu/jelentes/tajekoztato-az-allami-szamvevoszek-2013-evi-szakmai-tevekenysegerol-es-beszamolo-az-intezmeny-mukodeserol/125j000.pdf

**Comments**: In its yearly report the State Audit Office states that 318 complaints were taken from the public and that the SAO evaluated these according to its risk analysis. No further information is given if these complaints really affected the yearly audit plan of the SAO.

**GOVERNMENT REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion**: Yes, I agree with the score and have no comments to add.