

Open Budget Survey 2017

Questionnaire

Hungary

January 2018

COUNTRY QUESTIONNAIRE: HUNGARY

PBS-1: What is the fiscal year of the PBS evaluated in this Open Budget Survey questionnaire? Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

Answer: FY 2017

Sources: n/a

Comments: Researcher: The government did not publish a Pre-Budget Statement. The closest document to it was the Government's resolution that decided the mid-term budgetary framework for 2016-2018, but that did not include any narrative on the macroeconomic assumption or fiscal policy. The resolution is available at page 27913 on the link: <http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK15207.pdf> (<http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK15207.pdf>)

Peer Reviewer

Opinion: Agree with Comments

Comments: Mostly technical descriptions, but partly revenue and expenditure policies are presented in the document: "Information on the necessary conditions for compiling the 2017 Budget Bill and the requirements of the enforcement" (25th March 2016)

<http://ngmszakmaiteruletek.kormany.hu/download/9/e9/51000/20...> (http://ngmszakmaiteruletek.kormany.hu/download/9/e9/51000/2017_TT.pdf)

Government Reviewer

Opinion: Disagree

Suggested answer: This is the most recent year available. At the end of the year 2016, the Ministry for National Economy published a document, which contains the following: - fiscal policy plans for the forthcoming budget year - the total amount of expenditures and revenues, the deficit and debt for upcoming year - also contains the medium term frameworks, expenditures, and revenues - macroeconomic forecast for multi years - major revenues and expenditures policies and priorities - projections for multi years The link for years 2016-2020:

<http://www.kormany.hu/download/a/93/f0000/Macroeconomic%20an...>

(<http://www.kormany.hu/download/a/93/f0000/Macroeconomic%20and%20budget%20forecast%202016%20december.pdf>) The resolution is available at page 83890 on the link: <http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/mk16216.pdf>

(<http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/mk16216.pdf>)

Comments: FY 2018

Researcher response: We acknowledge the additional information. We did not treat the recommended documents as Pre-Budget Statement because they were missing some information (the intended new policies and their estimated costing) and were published in two separate places (on the Ministry's webpage and as a resolution in the Official Journal) without any reference to the other document. It is also not assured that the documents will always be published 4-5 months before the submission of the EBP if the EBP were published later in the year. Because the Outlook was published the first time, while even the resolution in only the second year we did not consider it as established practice.

IBP comment: IBP notes that the researcher has also indicated that the documents do not include information on planned policy priorities, and the documents are not being used as a Pre-Budget Statement. The first one is part of the EU mid-term budgetary framework that requires the governments to publish two macroeconomic forecasts a year. The second document is a resolution by the government, and more like a baseline for the ministries for planning their budget. Therefore, IBP agrees with the researcher's assessment.

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

- a. (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
- b. (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
- c. (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
- d. (0) The PBS is not released to the public, or is released less than one month before the Executive's Budget Proposal is introduced to the legislature

Answer: d.

Sources: n/a

Comments: Researcher: The government did not publish a Pre-Budget Statement.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested answer: a.

Comments: In our view a new type of document fulfils the criteria of PBS. It was published at the end of December 2016.

<http://www.kormany.hu/download/a/93/f0000/Macroeconomic%20an...>

(<http://www.kormany.hu/download/a/93/f0000/Macroeconomic%20and%20budget%20forecast%202016%20december.pdf>)

https://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A16H1827.KO... (https://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A16H1827.KOR&txtreferer=00000001.txt)

docid=A16H1827.KOR&txtreferer=00000001.txt)

Researcher response: We acknowledge the additional information. We did not treat the recommended documents as Pre-Budget Statement because they were missing some information (the intended new policies and their estimated costing) and were published in two separate places (on the Ministry's webpage and as a resolution in the Official Journal) without any reference to the other document. It is also not assured that the documents will always be published 4-5 months before the submission of the EBP if the EBP were published later in the year. Because the Outlook was published the first time, while even the resolution in only the second year we did not consider it as established practice. In (http://practice.In) case the set of documents were classified as PBS they were really published more than a year before the budget year and about half a year before the submission of the EBP.

IBP comment: IBP notes that the researcher has also indicated that the the documents do not include information on planned policy priorities, and the documents are not being used as a Pre-Budget Statement. The first one is part of the EU mid-term budgetary framework that requires the governments to publish two macroeconomic forecasts a year. The second document is a resolution by the government, and more like a baseline for the ministries for planning their budget. Therefore, IBP agrees with the researcher's assessment.

PBS-3a: If the PBS is published, what is the date of publication of the PBS? Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. Please enter the date in the following format: "DD Month YYYY." For example, 5 September 2016 should be entered as 05 September 2016. If the document is not published or not produced, please mark this question "n/a."

Answer: n/a

Sources: n/a

Comments: Researcher: The government did not publish a Pre-Budget Statement.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested answer: The Government made the Pre-Budget Statement. The outlook was published on December 2016.

Comments: The outlook was published on December 2016.

Researcher response: We did not treat the recommended documents as Pre-Budget Statement because they were missing some information (the intended new policies and their estimated costing) and were published in two separate places (on the Ministry's webpage and as a resolution in the Official Journal) without any reference to the other document. It is also not assured that the documents will always be published 4-5 months before the submission of the EBP if the EBP were published later in the year. Because the Outlook was published the first time, while even the resolution in only the second year we did not consider it as established practice. In (http://practice.In) case the set of documents classified as Pre-Budget Statement we would confirm that they were published December 2016. The resolution on 23 December 2016, the forecast on 20 December 2016.

IBP comment: Please see IBP's comment to PBS-1.

PBS-3b: In the box below, please explain how you determined the date of publication of the PBS. If the document is not published at all, researchers should mark this question "n/a."

Answer: n/a

Sources: n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested answer: Besides these documents the convergence program also contains macroeconomic and budgetary forecasts, which meet the requirements of the Pre-Budget Statement.

Comments: The minister responsible for public finances makes regular macroeconomic and budgetary forecasts two times a year for the given year and for the next four years. The december outlook is underpinned by a government resolution (23 of december), The Government shall publish a resolution on medium term revenues and expenditure of central budgetary chapters till the end of every year. This medium term framework strengthens longer term budget planning.

Researcher response: We did not treat the recommended documents as Pre-Budget Statement because they were missing some information (the intended new policies and their estimated costing) and were published in two separate places (on the Ministry's webpage and as a resolution in the Official Journal) without any reference to the other document. It is also not assured that the documents will always be published 4-5 months before the

submission of the EBP if the EBP were published later in the year. Because the Outlook was published the first time, while even the resolution in only the second year we did not consider it as established practice. The publication date of the outlook is confirmed by the relevant article on the Ministry's webpage (below the headline): <http://www.kormany.hu/hu/nemzetgazdasagi-miniszterium/penzug...> (<http://www.kormany.hu/hu/nemzetgazdasagi-miniszterium/penzugyekert-felelos-allamtitkarsag/hirek/jovore-tovabb-erosodik-magyarorszag>) The resolution is confirmed by the publication date of the Official Journal it was published in (below the headline): <http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK16216.pdf> (<http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK16216.pdf>)

IBP comment: Please see IBP's comment to PBS-1.

PBS-4: If the PBS is published, what is the URL or weblink of the PBS? Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should mark this question "n/a."

Answer: n/a

Sources: n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested answer: The link for years 2016-2020: <http://www.kormany.hu/download/a/93/f0000/Macroeconomic%20an...> (<http://www.kormany.hu/download/a/93/f0000/Macroeconomic%20and%20budget%20forecast%202016%20december.pdf>) The resolution is available at page 83890 on the link: <http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/mk16216.pdf> (<http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/mk16216.pdf>) Convergence programme: http://ec.europa.eu/europe2020/pdf/csr2016/cp2016_hungary_en... (http://ec.europa.eu/europe2020/pdf/csr2016/cp2016_hungary_en.pdf)

Comments: The link for years 2016-2020: <http://www.kormany.hu/download/a/93/f0000/Macroeconomic%20an...> (<http://www.kormany.hu/download/a/93/f0000/Macroeconomic%20and%20budget%20forecast%202016%20december.pdf>) The resolution is available at page 83890 on the link: <http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/mk16216.pdf> (<http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/mk16216.pdf>)

Researcher response: We did not treat the recommended documents as Pre-Budget Statement because they were missing some information (the intended new policies and their estimated costing) and were published in two separate places (on the Ministry's webpage and as a resolution in the Official Journal) without any reference to the other document. It is also not assured that the documents will always be published 4-5 months before the submission of the EBP if the EBP were published later in the year. Because the Outlook was published the first time, while even the resolution in only the second year we did not consider it as established practice. We confirm that the suggested links are correct.

IBP comment: Please see IBP's comment to PBS-1.

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

- a. Yes, all of the numerical data are available in a machine readable format
- b. Yes, some of the numerical data are available in a machine readable format
- c. No
- d. Not applicable

Answer: d.

Sources: n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested answer: c.

Comments: We do not agree with the score because we published the Macroeconomic and budget outlook, which serves as a PBS, giving data on budget but not in a machine readable format. It is available as PDF. <http://www.kormany.hu/download/a/93/f0000/Macroeconomic%20an...> (<http://www.kormany.hu/download/a/93/f0000/Macroeconomic%20and%20budget%20forecast%202016%20december.pdf>)

Researcher response: We did not treat the recommended documents as Pre-Budget Statement because they were missing some information (the intended new policies and their estimated costing) and were published in two separate places (on the Ministry's webpage and as a resolution in the Official Journal) without any reference to the other document. It is also not assured that the documents will always be published 4-5 months before the submission of the EBP if the EBP were published later in the year. Because the Outlook was published the first time, while even the resolution in only the second year we did not consider it as established practice. We confirm that the numerical data of the cited documents are not available readily in machine readable format, only in PDF documents.

IBP comment: Please see IBP's comment to PBS-1.

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

- a. Produced but made available online to the public too late (published after the acceptable time frame)
- b. Produced but made available only in hard copy or soft copy (not available online)
- c. Produced for internal purposes/use only
- d. Not produced at all
- e. Not applicable (the document is publicly available)

Answer: c.

Sources: n/a

Comments: Researcher: We based our answers on the information received from the Ministry as an answer to our inquiring letter

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested answer: e.

Comments: The document is available for the public.

Researcher response: Sorry for the error, but our original comment was from the previous version. We inferred the existence of a document for internal use from the published documents (the resolution related to the mid-term framework and the planning informative). Although the documents were published in our opinion they were used mainly for easing the negotiations with the line ministries.

IBP comment: Please see IBP's comment to PBS-1.

PBS-6b: If you selected option "c" or "d" in question PBS-6a above, please specify how you determined whether the PBS was produced for internal use only, versus not produced at all. If option "a," "b," or "e" was selected in question PBS-6a, researchers should mark this question "n/a."

Answer: We wrote an inquiring letter to the Ministry for National Economy regarding this question and user their answer.

Sources: n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested answer: N/A

Comments: N/A

Researcher response: We did treat find the documents recommended in the previous questions as Pre-Budget Statement. We would like to correct an error. Sorry for the mistake, but our original comment was from the previous survey as a base case. This time we inferred the existence of a document for internal use from the published documents (the resolution related to the mid-term framework and the planning informative). Although the documents were published in our opinion they were used mainly for easing the negotiations with the line ministries.

IBP comment: Please see IBP's comment to PBS-1.

PBS-7: If the PBS is produced, please write the full title of the PBS. If the document is not produced at all, researchers should mark this question "n/a."

Answer: n/a

Sources: n/a

Comments: Researcher: The government did not publish a Pre-Budget Statement.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested answer: The Government published these documents.

Comments: Macroeconomic and Budget Outlook 2016-2020 The link for years 2016-2020:

<http://www.kormany.hu/download/a/93/f0000/Macroeconomic%20an...>

(<http://www.kormany.hu/download/a/93/f0000/Macroeconomic%20and%20budget%20forecast%202016%20december.pdf>) The resolution is

Ministry and the macroeconomic outlook. Besides that there are a lot of individual (mostly one-page) documents that are published separately, for example "Általános indokolás" - General Explanation or General Justification "Részletes indokolás" - Detailed Explanation or Detailed Justification "Az indokolás mellékletei" - Annexes for the Explanation, this can be further detailed as "A gazdasági fejlődés fő jellemzői" - Main table for macroeconomic details "Az államháztartás főbb jellemzői (pénzforgalmi szemléletben)" - Main characteristics of the General Government (cash-flow based) "Az államháztartás közgazdaság mérlege" - Balance sheet of the General Government by economic view "Az államháztartás konszolidált kiadásai" - Consolidated expenditures of the General Government "Az államháztartás konszolidált kiadásainak megoszlása" - Distribution of the consolidated expenditures of the General Government "Az államháztartás funkcionális mérlege" - Balance sheet of the General Government by functions "Az államháztartás konszolidált funkcionális kiadásai" - Consolidated expenditures of the General Government by functions "Az államháztartás konszolidált funkcionális kiadásainak megoszlása" - Distribution of the consolidated expenditures of the General Government by functions There are similar tables for the Central Government and the Local Governments' sector. The annexes also include "A központi költségvetés bruttó adósságának alakulása" - The evolution of the gross debt of the central government "Főbb adó- és járulékkedvezmények" - Main tax and social contribution allowances "A 2017. évi költségvetésben szereplő hazai beruházások" - Investments in the Budget for FY 2017 financed from domestic funds "Európai uniós költségvetési kapcsolatok" - Funds in the Budget provided by the EU "A kormányzati szektor hiánya és adóssága az Európai Unió módszertana szerint" - The deficit and debt of the Central Government calculated by the European Union's methodology "A Költségvetési Tanácsnak Magyarország 2017. évi központi költségvetéséről szóló törvény tervezetéről alkotott véleménye" - The opinion of the Fiscal Council on the Bill for the Central Budget for FY 2017

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

- a. Yes, all of the numerical data are available in a machine readable format
- b. Yes, some of the numerical data are available in a machine readable format
- c. No
- d. Not applicable

Answer: c.

Sources: n/a

Comments: Researcher: All the documents are in pdf format.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

- a. Produced but made available online to the public too late (published after the acceptable time frame)
- b. Produced but made available only in hard copy or soft copy (not available online)
- c. Produced for internal purposes/use only
- d. Not produced at all
- e. Not applicable (the document is publicly available)

Answer: e.

Sources: n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

EBP-6b: If you selected option "c" or "d" in question EBP-6a above, please specify how you determined whether the EBP was produced for internal use only, versus not produced at all. If option "a," "b," or "e" was selected in question EBP-6a, researchers should mark this question "n/a."

Answer: n/a

Sources: n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

EBP-7: If the EBP is produced, please write the full title of the EBP. If the document is not produced at all, researchers should mark this question "n/a." If there are any supporting documents to the EBP, please enter their full titles in the comment box below.

Answer: "T/10377. számú törvényjavaslat Magyarország 2017. évi központi költségvetéséről" (Bill on the Central Budget of Hungary for FY 2017)

Sources: <http://www.parlament.hu/irom40/10377/adatok/norma.pdf> (<http://www.parlament.hu/irom40/10377/adatok/norma.pdf>)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

a. Yes

b. No

Answer: b.

Sources: n/a

Comments: Researcher: The Ministry included two graphs on the distribution of revenues and expenditures, but they cannot be considered as simplified version of the EBP. The graphs are available here: <http://www.parlament.hu/irom40/10377/adatok/fejzetek/00szem...> (<http://www.parlament.hu/irom40/10377/adatok/fejzetek/00szemleltetes.pdf>)

Peer Reviewer

Opinion: Agree with Comments

Comments: The graphics illustrates a revenue collection and a spending allocation but it does not give a detailed explanation about this process. The document which includes the graphics is not easily accessible by the public. It does not give a general overview of how public money is managed, which are the economic assumptions underlined by the Government and who can be contacted for further information.

Government Reviewer

Opinion: Disagree

Suggested answer: a.

Comments: The Government published citizens budget which document: - objective and technical - not a political tract - it is written with using everyday language - it contains simple and effective diagrams - the charts showing revenues, spendings, and the central government balance - the distribution of spendings by function and revenues by source - the readers do not need to know to contents of other documents in order to make sense of it - it focuses on objectives and content of the budget - this is objective, reliable, relevant and easy to understand - it is published together with the annual budget The link is the follow: <http://www.parlament.hu/irom40/10377/adatok/fejzetek/00szem...> (<http://www.parlament.hu/irom40/10377/adatok/fejzetek/00szemleltetes.pdf>)

Researcher response: The published document may satisfy the requirements listed by the Government, but in our opinion the most important element was missing: the active dissemination of the document. There were several occasions for this, but the "Polgárok Költségvetése" was not mentioned by the Government. A notable occasion could have been the press conference where the EBP was submitted: <http://www.kormany.hu/hu/nemzetgazdasagi-miniszterium/hirek/...> (<http://www.kormany.hu/hu/nemzetgazdasagi-miniszterium/hirek/a-kormany-benyujtotta-a-munkabol-elok-koltsegvetesetIn>) our opinion the goal of the Citizens' Budget is to inform the citizens and it can only serve its purpose if the citizens know that it exists and can obtain easily. Only attaching it to the end of a thousand-page long document does not satisfy this.

IBP comment: IBP acknowledges the government reviewer's comment but agrees with the researcher's decision to retain answer choice "b" as information attached to or included in the main EBP document does not qualify as a Citizens Budget.

EB-1a: What is the fiscal year of the EB evaluated in this Open Budget Survey questionnaire? Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

Answer: FY 2017

Sources: The publicly available version of the EB: <http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK16091.pdf>
(<http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK16091.pdf>)

Comments: Researcher: The latest Enacted Budget is for FY 2017.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

EB-1b: When was the EB approved (enacted) by the legislature? Please enter the date in the following format: "DD Month YYYY." For example, 5 September 2016 should be entered as 05 September 2016.

Answer: 13 June 2016

Sources: The EBP on the webpage of the Parliament: <http://www.parlament.hu/folyamatban-levo-torvenyjavaslatok?p...>
([http://www.parlament.hu/folyamatban-levo-torvenyjavaslatok?](http://www.parlament.hu/folyamatban-levo-torvenyjavaslatok?p...)

[p_auth=B79BJNN8&p_p_id=pairproxy_WAR_pairproxyportlet_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_p_col_id=colum1&p_p_col_count=1&pairproxy_WAR_pairproxyportlet_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcpls%2Fogy_irom.irom_adat%3Fp_ckl%3D40%](http://www.parlament.hu/folyamatban-levo-torvenyjavaslatok?p_auth=B79BJNN8&p_p_id=pairproxy_WAR_pairproxyportlet_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_p_col_id=colum1&p_p_col_count=1&pairproxy_WAR_pairproxyportlet_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcpls%2Fogy_irom.irom_adat%3Fp_ckl%3D40%2F)

Comments: Researcher: The date of approval is shown on the tab "Szavazások" (Voting results) and on the table in the last row, called "önálló indítvány elfogadása" which is the approval of the bill by the Parliament.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

- a. (100) Two weeks or less after the budget has been enacted
- b. (67) Between two weeks and six weeks after the budget has been enacted
- c. (33) More than six weeks, but less than three months, after the budget has been enacted
- d. (0) The EB is not released to the public, or is released more than three months after the budget has been enacted

Answer: a. (100)

Sources: The EB in the Hungarian Journal: <http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK16091.pdf>
(<http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK16091.pdf>)

Comments: Researcher: The EB was published on 24 June 2016 in the Hungarian Journal, Official Gazette of Hungary under the title "2016. évi XC. törvény Magyarország 2017. évi központi költségvetéséről". It was published less than two weeks after the approval of the EBP on 13 June 2016.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

EB-3a: If the EB is published, what is the date of publication of the EB? Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. Please enter the date in the following format: "DD Month YYYY." For example, 5 September 2016 should be entered as 05 September 2016. If the document is not published or not produced, please mark this question "n/a." Note that the date of publication is not necessarily the same date that is printed on the document.

Answer: 24 June 2016

Sources: The EB in the Hungarian Journal: <http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK16091.pdf>
(<http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK16091.pdf>)

Comments: Researcher: The date is shown at the top of the page.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

EB-3b: In the box below, please explain how you determined the date of publication of the EB. If the document is not published at all, researchers should mark this question "n/a."

Answer: We used the date of publication of the Hungarian Journal in which the EB was published.

Sources: The URL of the Hungarian Journal <http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK16091.pdf>
(<http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK16091.pdf>)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

EB-4: If the EB is published, what is the URL or weblink of the EB? Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should mark this question "n/a."

Answer: The URL of the published EB: <http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK16091.pdf>
(<http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK16091.pdf>)

Sources: n/a

Comments: Researcher: The EB is under the title "2016. évi XC. törvény Magyarország 2017. évi központi költségvetéséről".

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

- a. Yes, all of the numerical data are available in a machine readable format
- b. Yes, some of the numerical data are available in a machine readable format
- c. No
- d. Not applicable

Answer: c.

Sources: n/a

Comments: Researcher: The EB is only available in pdf format and no supplemental data files are published alongside it.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

- a. Produced but made available online to the public too late (published after the acceptable time frame)
- b. Produced but made available only in hard copy or soft copy (not available online)
- c. Produced for internal purposes/use only
- d. Not produced at all
- e. Not applicable (the document is publicly available)

Answer: e.

Sources: n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

EB-6b: If you selected option “c” or “d” in question EB-6a above, please specify how you determined whether the EB was produced for internal use only, versus not produced at all. If option “a,” “b,” or “e” was selected in question EB-6a, researchers should mark this question “n/a.”

Answer: n/a

Sources: n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

EB-7: If the EB is produced, please write the full title of the EB. If the document is not produced at all, researchers should mark this question “n/a.”

Answer: "2016. évi XC. törvény Magyarország 2017. évi központi költségvetéséről" (Act XC in 2016 on the Central Budget of Hungary for FY 2017)

Sources: The published EB: <http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK16091.pdf>
(<http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK16091.pdf>)

Comments: Researcher: It is the first chapter in the cited Hungarian Journal.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

EB-8: Is there a “citizens version” of the EB?

a. Yes

b. No

Answer: b.

Sources: n/a

Comments: Researcher: There in no other version of the EB than the one published in the Hungarian Journal.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

CB-1: What is the fiscal year of the CB evaluated in this Open Budget Survey questionnaire? Please enter the fiscal year in the following format: “FY YYYY” or “FY YYYY-YY.” If more than one Citizens Budget is produced, for each CB please indicate the document the CB simplifies/refers to, and the fiscal year.

Answer: FY 2017

Sources: n/a

Comments: Researcher: The government did not publish a Citizens' Budget.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested answer: The Government published citizens budget.

Comments: The Government published citizens budget which document: - objective and technical - not a political tract - it is written with using everyday language - it contains simple and effective diagrams - the charts showing revenues, spendings, and the central government balance - the distribution of spendings by function and revenues by source - the readers do not need to know to contents of other documents in order to make sense of it - it focuses on objectives and content of the budget - this is objective, reliable, relevant and easy to understand - it is published together with the annual budget The link is the follow: <http://www.parlament.hu/irom40/10377/adatok/fejezetek/00szem...> (<http://www.parlament.hu/irom40/10377/adatok/fejezetek/00szemleltetes.pdf>)

Researcher response: We did not consider the recommended document as Citizens' Budget mainly because the Government had not disseminated it widely and actively to provide basic budgetary information to the wider audience. The recommended document was for FY 2017.

IBP comment: IBP acknowledges the government reviewer's comment. However, from a cross-country consistency perspective, IBP also determined that the pages referenced by the government reviewer did not qualify as a Citizens Budget based on their content.

CB-2a: For the fiscal year indicated above, what is the public availability status of the CB. If more than one Citizens Budget is produced, please complete this questions for one of them, specifying in the comment box below which document you are referring to, and – in the same comment box – which other Citizens Budgets are produced and their public availability status.

- a. Produced but made available online to the public too late (published after the acceptable time frame)
- b. Produced but made available only in hard copy or soft copy (not available online)
- c. Produced for internal purposes/use only
- d. Not produced at all
- e. Not applicable (the document is publicly available)

Answer: d.

Sources: n/a

Comments: Researcher: The EBP contained two graphs visualizing the expenditures and revenues, but that cannot be treated as Citizens' Budget because many other elements are missing from it. The document is available here: <http://www.parlament.hu/irom40/10377/adatok/fejezetek/00szem...> (<http://www.parlament.hu/irom40/10377/adatok/fejezetek/00szemleltetes.pdf>)

Peer Reviewer

Opinion: Agree with Comments

Comments: The graphics illustrates the revenue collection and the spending allocation by main budget chapters, but it does not give a detailed explanation. The document which includes the graphics is not easily accessible by the public. It does not give a general overview of how public money is managed, which are the economic assumptions underlined by the Government and who can be contacted for further information.

Government Reviewer

Opinion: Disagree

Suggested answer: e.

Comments: The document is publicly available.

Researcher response: We did not consider the recommended document as Citizens' Budget, mainly because the lack of active dissemination that would have brought the document to a wider audience, partly because the content deficiencies and difficult accessibility mentioned by the Peer Reviewer.

IBP comment: IBP acknowledges the government reviewer's comment. However, from a cross-country consistency perspective, IBP also determined that the pages referenced by the government reviewer did not qualify as a Citizens Budget based on their content.

CB-2b: If you selected option "c" or "d" in question CB-2a above, please specify how you determined whether the CB was produced for internal use only, versus not produced at all. If option "a," "b," or "e" was selected in question CB-2a, researchers should mark this question "n/a."

Answer: We assumed there is no point in producing a Citizens' Budget for internal use only and evaluated the document that the Ministry intended to be a Citizens' Budget.

Sources: n/a

Peer Reviewer**Opinion:** Agree**Government Reviewer****Opinion:** Disagree**Suggested answer:** The Government published the citizen budget.**Comments:** The answer is N/A.

Researcher response: We did not consider the recommended document as Citizens' Budget mainly because the lack of active dissemination that would have brought the document to a wider audience. In our opinion attaching it to the end of a thousand-page long document was not the best method while press conference and several interviews, media appearances were available to mention the document.

IBP comment: IBP acknowledges the government reviewer's comment. However, from a cross-country consistency perspective, IBP also determined that the pages referenced by the government reviewer did not qualify as a Citizens Budget based on their content.

CB-3a: If the CB is published, what is the date of publication of the CB? Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. Please enter the date in the following format: "DD Month YYYY." For example, 5 September 2016 should be entered as 05 September 2016. If the document is not published or not produced, please mark this question "n/a." If more than one Citizens Budget is published, please complete this question for one of them, specifying in the comment box below which document you are referring to, and – in the same comment box – which other Citizens Budgets are produced and their dates of publication.

Answer: n/a**Sources:** n/a**Comments:** Researcher: The Government did not publish a Citizens' Budget.**Peer Reviewer****Opinion:** Agree**Government Reviewer****Opinion:** Disagree**Suggested answer:** The Government published the citizen budget with the same time of Executive's Budget Proposal.**Comments:** The Government published the citizen budget with the same time of Executive's Budget Proposal. The date was : 26.04.2016http://www.parlament.hu/nyitolap?p_auth=0LXwjuXw&p_p_id=pair... (http://www.parlament.hu/nyitolap?p_auth=0LXwjuXw&p_p_id=pairproxy_WAR_pairproxyportlet_INSTANCE_iBWcfkbPabw9&p_p_lifecycle=1&p_p_state=maximized&p_p_mode=view&_pairproxy_WAR_

Researcher response: We did not consider the recommended document as Citizens' Budget mainly because the lack of active dissemination that would have brought the document to a wider audience. In (<http://audience.In>) our opinion the mentioned document was published with the supporting documents of the EBP (along the detailed explanations), not the initially submitted document the date of which is shown on the Parliament's webpage. We did not document this exactly, but it is at most a 10-day delay to the initial submission.

IBP comment: IBP acknowledges the government reviewer's comment. However, from a cross-country consistency perspective, IBP also determined that the pages referenced by the government reviewer did not qualify as a Citizens Budget based on their content.

CB-3b: In the box below, please explain how you determined the date of publication of the CB. If the document is not published at all, researchers should mark this question "n/a."

Answer: n/a**Sources:** n/a**Peer Reviewer****Opinion:** Agree**Government Reviewer****Opinion:** Disagree**Suggested answer:** he Government published as a part of the Executive Budget Proposal in the same time 26.04.2016.**Comments:** The Government published as a part of the Executive Budget Proposal in the same time 26.04.2016.

Researcher response: We did not consider the document recommended in the previous question as Citizens' Budget mainly because the lack of active dissemination that would have brought the document to a wider audience. We agree that the document was published as an attachment of the supporting documents of the EBP.

IBP comment: IBP acknowledges the government reviewer's comment. However, from a cross-country consistency perspective, IBP also determined that the pages referenced by the government reviewer did not qualify as a Citizens Budget based on their content.

CB-4: If the CB is published, what is the URL or weblink of the CB? Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should mark this question "n/a." If more than one Citizens Budget is published, please complete this question for one of them, specifying in the comment box below which document you are referring to, and – in the same comment box – which other Citizens Budgets are produced and their URL or weblink.

Answer: n/a

Sources: n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested answer: The Government published the citizen budget.

Comments: The link is the follow: <http://www.parlament.hu/irom40/10377/adatok/fejezetek/00szem...>
(<http://www.parlament.hu/irom40/10377/adatok/fejezetek/00szemleltetes.pdf>)

Researcher response: The link to the mentioned document is correct. However we did not consider the document as Citizens' Budget because it was not actively disseminated or even mentioned in the several media appearances and lacked the narrative information about the new policies and the priorities of the budget.

IBP comment: IBP acknowledges the government reviewer's comment. However, from a cross-country consistency perspective, IBP also determined that the pages referenced by the government reviewer did not qualify as a Citizens Budget based on their content.

CB-5: If the CB is produced, please write the full title of the CB. If the document is not produced at all, researchers should mark this question "n/a." If more than one Citizens Budget is produced, for each CB, indicate the document the CB refers to and, next to it, its full title.

Answer: n/a

Sources: n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested answer: The nave is: "A KÖLTSÉGVETÉSI KIADÁSOK ÉS BEVÉTELEK SZEMLÉLTETÉSE" This document made for the public with charts and simple explanations.

Comments: The Government published the document. The nave is: "A KÖLTSÉGVETÉSI KIADÁSOK ÉS BEVÉTELEK SZEMLÉLTETÉSE" This document made for the public with charts and simple explanations.

IBP comment: IBP acknowledges the government reviewer's comment. However, from a cross-country consistency perspective, IBP also determined that the pages referenced by the government reviewer did not qualify as a Citizens Budget based on their content.

CB-6: If the CB is produced, please indicate which budget document it corresponds to. If more than one Citizens Budget is produced, please complete this question for one of them, specifying in the comment box below which document you are referring to, and – in the same comment box – which other Citizens Budgets are produced and which budget documents they simplify.

Answer: n/a

Sources: n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested answer: The citizen budget based on the Executives Budget Proposal, the document contains the expenditures and revenues by functions and by sources.

Comments: The citizen budget based on the Executives Budget Proposal, the document contains the expenditures and revenues by functions and by sources.

Researcher response: We agree that the recommended document is for the EBP .However we did not consider the document as Citizens' Budget because it was not actively disseminated or even mentioned in the several media appearances and lacked the narrative information about the new policies and the priorities of the budget.

IBP comment: IBP acknowledges the government reviewer's comment. However, from a cross-country consistency perspective, IBP also determined that the pages referenced by the government reviewer did not qualify as a Citizens Budget based on their content.

IYRs-1: What is the fiscal year of the IYRs evaluated in this Open Budget Survey questionnaire? Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

Answer: FY 2016

Sources: n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree with Comments

Comments: There are publications can be considered as Mid-Year Review available to show the executive's progress in implementing the budget in the fiscal year of 2017 as well. In this regard the answer could be FY 2017.

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

- a. (100) At least every month, and within one month of the period covered
- b. (67) At least every quarter, and within one month of the period covered
- c. (33) At least every quarter, and within three months of the period covered
- d. (0) The IYRs are not released to the public, or are released more than three months after the period covered

Answer: a. (100)

Sources: n/a

Comments: Researcher: The IYR is published monthly and around 20 days after the end of the period covered.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree with Comments

Comments: Besides this report the Treasury and the Government Debt Management Agency publishes all information related to balance sheet and to government debt and interest respectively. In Treasury website: http://www.allamkincstar.gov.hu/en/main/central_government_balance/295/) Monthly, quarterly and yearly reports:

[\(http://www.allamkincstar.gov.hu/en/main/central_government_balance/295/\)](http://www.allamkincstar.gov.hu/en/main/central_government_balance/295/) Monthly, quarterly and yearly reports:

<http://www.akk.hu/en/page/publications> (<http://www.akk.hu/en/page/publications>) Extensive debt database:

<http://www.akk.hu/en/page/statistics#central-government-debt...> (<http://www.akk.hu/en/page/statistics#central-government-debt-deficit-financing>)

Researcher response: Thank you for the additional information.We agree that on other sites additional monthly information is available about the budget and debt.We amended the IYRs with the reports published monthly by the Treasury and the monthly report of Debt Management Agency on government securities market.Both documents are published monthly and within three months of the end of the reported period.

IYRs-3a: If the IYRs are published, what are the dates of publication of the IYRs? Specifically: if quarterly In-Year Reports are published, indicate the dates of publication of at least three of the last four IYRs that were publicly available. If monthly IYRs are published, indicate the dates of publication of at least seven of the last 12 IYRs that were publicly available. Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. Please enter the date in the following format: "DD Month YYYY." For example, 5 September 2016 should be entered as 05 September 2016. If the document is not published or not produced, please mark this question "n/a."

Answer: IYR for August 2016: 21 September 2016 IYR for July 2016: 22 August 2016 IYR for June 2016: 21 July 2016 IYR for May 2016: 21 June 2016 IYR for April 2016: 19 May 2016 IYR for March 2016: 21 April 2016 IYR for February 2016: 21 March 2016

Sources: IYR for August 2016: <http://www.kormany.hu/hu/nemzetgazdasagi-miniszterium/allamh...> (<http://www.kormany.hu/hu/nemzetgazdasagi-miniszterium/allamhaztartasert-felelos-allamtitkarsag/hirek/reszletes-tajekoztato-az-allamhaztartas-kozponti-alrendszerenek-2016-augusztus-vegi-helyzeterol>) IYR for July 2016: <http://www.kormany.hu/hu/nemzetgazdasagi-miniszterium/allamh...> (<http://www.kormany.hu/hu/nemzetgazdasagi-miniszterium/allamhaztartasert-felelos-allamtitkarsag/hirek/reszletes-tajekoztato-az-allamhaztartas-kozponti-alrendszerenek-2016-julius-vegi-helyzeterol>) IYR for June 2016: <http://www.kormany.hu/hu/nemzetgazdasagi-miniszterium/allamh...> (<http://www.kormany.hu/hu/nemzetgazdasagi-miniszterium/allamhaztartasert-felelos-allamtitkarsag/hirek/reszletes-tajekoztato-az-allamhaztartas-kozponti-alrendszerenek-2016-junius-vegi-helyzeterol>)

miniszterium/allamhaztartasert-felelos-allamtitkarsag/hirek/reszletes-tajekoztato-az-allamhaztartas-kozponti-alrendszerenek-2016-junius-vegi-helyzeterol) IYR for May 2016: <http://www.kormany.hu/hu/nemzetgazdasagi-miniszterium/allamh...> (<http://www.kormany.hu/hu/nemzetgazdasagi-miniszterium/allamhaztartasert-felelos-allamtitkarsag/hirek/reszletes-tajekoztato-az-allamhaztartas-kozponti-alrendszerenek-2016-majus-vegi-helyzeterol>) IYR for April 2016: <http://www.kormany.hu/hu/nemzetgazdasagi-miniszterium/allamh...> (<http://www.kormany.hu/hu/nemzetgazdasagi-miniszterium/allamhaztartasert-felelos-allamtitkarsag/hirek/reszletes-tajekoztato-az-allamhaztartas-kozponti-alrendszerenek-2016-aprilis-vegi-helyzeterol>) IYR for March 2016: <http://www.kormany.hu/hu/nemzetgazdasagi-miniszterium/allamh...> (<http://www.kormany.hu/hu/nemzetgazdasagi-miniszterium/allamhaztartasert-felelos-allamtitkarsag/hirek/reszletes-tajekoztato-az-allamhaztartas-kozponti-alrendszerenek-2016-marcius-vegi-helyzeterol>) IYR for February 2016: <http://www.kormany.hu/hu/nemzetgazdasagi-miniszterium/allamh...> (<http://www.kormany.hu/hu/nemzetgazdasagi-miniszterium/allamhaztartasert-felelos-allamtitkarsag/hirek/reszletes-tajekoztato-az-allamhaztartas-kozponti-alrendszerenek-2016-februar-vegi-helyzeterol>)

Comments: Researcher: The date of publications are indicated in the announcements of the monthly In-Year Reports on the webpage of the Ministry for National Economy.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree with Comments

Comments: IYR for January 2016: 22 February 2016 <http://www.kormany.hu/hu/nemzetgazdasagi-miniszterium/allamh...>

(<http://www.kormany.hu/hu/nemzetgazdasagi-miniszterium/allamhaztartasert-felelos-allamtitkarsag/hirek/reszletes-tajekoztato-az-allamhaztartas-kozponti-alrendszerenek-2016-januar-vegi-helyzeterol>) IYR for September 2016: 20 October 2016 <http://www.kormany.hu/hu/nemzetgazdasagi-miniszterium/allamh...>

(<http://www.kormany.hu/hu/nemzetgazdasagi-miniszterium/allamhaztartasert-felelos-allamtitkarsag/hirek/reszletes-tajekoztato-az-allamhaztartas-kozponti-alrendszerenek-2016-szeptember-vegi-helyzeterol>) IYR for October 2016: 21 November 2016

<http://www.kormany.hu/hu/nemzetgazdasagi-miniszterium/allamh...> (<http://www.kormany.hu/hu/nemzetgazdasagi-miniszterium/allamhaztartasert-felelos-allamtitkarsag/hirek/reszletes-tajekoztato-az-allamhaztartas-kozponti-alrendszerenek-2016-oktober-vegi-helyzeterol>) IYR for November 2016: 21 December 2016

<http://www.kormany.hu/hu/nemzetgazdasagi-miniszterium/allamh...> (<http://www.kormany.hu/hu/nemzetgazdasagi-miniszterium/allamhaztartasert-felelos-allamtitkarsag/hirek/reszletes-tajekoztato-az-allamhaztartas-kozponti-alrendszerenek-2016-november-vegi-helyzeterol>) IYR for December and the whole year 2016: 23 January 2017

<http://www.kormany.hu/hu/nemzetgazdasagi-miniszterium/allamh...> (<http://www.kormany.hu/hu/nemzetgazdasagi-miniszterium/allamhaztartasert-felelos-allamtitkarsag/hirek/reszletes-tajekoztato-az-allamhaztartas-kozponti-alrendszerenek-2016-evi-elozetes-fobb-penzugyi-folyamatairol>) IYR for January 2017: 21 February 2017

<http://www.kormany.hu/hu/nemzetgazdasagi-miniszterium/allamh...> (<http://www.kormany.hu/hu/nemzetgazdasagi-miniszterium/allamhaztartasert-felelos-allamtitkarsag/hirek/reszletes-tajekoztato-az-allamhaztartas-kozponti-alrendszerenek-2017-januar-vegi-helyzeterol>) IYR for February 2017: 21 March 2017

<http://www.kormany.hu/hu/nemzetgazdasagi-miniszterium/allamh...> (<http://www.kormany.hu/hu/nemzetgazdasagi-miniszterium/allamhaztartasert-felelos-allamtitkarsag/hirek/reszletes-tajekoztato-az-allamhaztartas-kozponti-alrendszerenek-2017-februar-vegi-helyzeterol>) IYR for March 2017: 20 April 2017

<http://www.kormany.hu/hu/nemzetgazdasagi-miniszterium/allamh...> (<http://www.kormany.hu/hu/nemzetgazdasagi-miniszterium/allamhaztartasert-felelos-allamtitkarsag/hirek/reszletes-tajekoztato-az-allamhaztartas-kozponti-alrendszerenek-2017-marcius-vegi-helyzeterol>) Reports issued monthly by the Hungarian State Treasury: -balance sheet of the central government

<http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok...> (http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok/koltsegvetes_merleg_1/222/) -balance sheet of social security funds

http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok/koltsegvetes_merleg_4/225/) -functional balance sheets

<http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok...> (http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok/funkcionalis_merleg/2630/) -balance sheet of extra-budgetary funds

http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok/koltsegvetes_merleg_5/226/) Government Debt Management Agency publications: Monthly, quarterly and yearly reports: <http://www.akk.hu/en/page/publications> (<http://www.akk.hu/en/page/publications>) Extensive debt database: <http://www.akk.hu/en/page/statistics#central-government-debt...> (<http://www.akk.hu/en/page/statistics#central-government-debt-deficit-financing>)

IYRs-3b: In the box below, please explain how you determined the date of publication of the IYRs. If the document is not published at all, researchers should mark this question “n/a.”

Answer: We used the dates of the official announcements of the Ministry for National Economy about the publication of the reports.

Sources: n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree with Comments

Comments: At the same date around 20th day of the month.

IYRs-4: If the IYRs are published, what is the URL or weblink of the IYRs? Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should mark this question “n/a.” Researchers should provide the weblink to the most recent In-Year Report in the space below, and – in the comment box underneath – the weblinks to older IYRs.

Answer: IYR for August 2016: <http://www.kormany.hu/download/7/d2/d0000/T%C3%A1j%C3%A9kozt...>

(<http://www.kormany.hu/download/7/d2/d0000/T%C3%A1j%C3%A9koztat%C3%B3.pdf>) IYR for July 2016:

<http://www.kormany.hu/download/7/59/c0000/T%C3%A1j%C3%A9kozt...>
(<http://www.kormany.hu/download/7/59/c0000/T%C3%A1j%C3%A9koztat%C3%B3%20az%20%C3%A1llamh%C3%A1ztart%C3%A1s%20helyzet%C3%A9>
IYR for June 2016: <http://www.kormany.hu/download/0/75/c0000/T%C3%A1j%C3%A9kozt...>
(<http://www.kormany.hu/download/0/75/c0000/T%C3%A1j%C3%A9koztat%C3%B3%20az%20%C3%A1llamh%C3%A1ztart%C3%A1s%20helyzet%C3%A9>
IYR for May 2016: <http://www.kormany.hu/download/5/7f/b0000/T%C3%A1j%C3%A9kozt...>
(<http://www.kormany.hu/download/5/7f/b0000/T%C3%A1j%C3%A9koztat%C3%B3%20az%20%C3%A1llamh%C3%A1ztart%C3%A1s%20helyzet%C3%A9>
IYR for April 2016: http://www.kormany.hu/download/9/36/b0000/%C3%9Ajmonitoring_...
(http://www.kormany.hu/download/9/36/b0000/%C3%9Ajmonitoring_aprvege20160512b%C3%A1.pdf) IYR for March 2016:
<http://www.kormany.hu/download/8/6f/a0000/T%C3%A1j%C3%A9kozt...>
(<http://www.kormany.hu/download/8/6f/a0000/T%C3%A1j%C3%A9koztat%C3%B3.pdf>) IYR for February 2016:
http://www.kormany.hu/download/1/67/a0000/%C3%9Ajmonitoring_...
(http://www.kormany.hu/download/1/67/a0000/%C3%9Ajmonitoring_febrvege%202016ar.pdf)

Sources: n/a

Comments: Researcher: The given URLs lead to the documents themselves.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree with Comments

Comments: IYR for March 2017: <http://www.kormany.hu/download/c/d7/01000/T%C3%A1j%C3%A9kozt...>
(<http://www.kormany.hu/download/c/d7/01000/T%C3%A1j%C3%A9koztat%C3%B3.pdf>)
http://www.kormany.hu/download/d/d7/01000/mrg2017_03.pdf (http://www.kormany.hu/download/d/d7/01000/mrg2017_03.pdf) IYR for February 2017: http://www.kormany.hu/download/9/ff/f0000/Monitoring_02_febr...
(http://www.kormany.hu/download/9/ff/f0000/Monitoring_02_febru%C3%A1r_20170314b%C3%A1.pdf)
http://www.kormany.hu/download/a/ff/f0000/mrg2017_02.pdf (http://www.kormany.hu/download/a/ff/f0000/mrg2017_02.pdf) IYR for January 2017: http://www.kormany.hu/download/0/58/f0000/Monitoring_01_jan...
(http://www.kormany.hu/download/0/58/f0000/Monitoring_01_janu%C3%A1r%2020170216.pdf)
http://www.kormany.hu/download/1/58/f0000/mrg2017_01_kt.pdf (http://www.kormany.hu/download/1/58/f0000/mrg2017_01_kt.pdf) IYR for September 2016: <http://www.kormany.hu/download/8/da/d0000/T%C3%A1j%C3%A9kozt...>
(<http://www.kormany.hu/download/8/da/d0000/T%C3%A1j%C3%A9koztat%C3%B3.pdf>) IYR for October 2016:
http://www.kormany.hu/download/1/f2/e0000/%C3%9Ajmonitoring_...
(http://www.kormany.hu/download/1/f2/e0000/%C3%9Ajmonitoring_okt%20vege20161116.pdf) IYR for November 2016:
http://www.kormany.hu/download/8/bb/e0000/%C3%9Ajmonitoring_...
(http://www.kormany.hu/download/8/bb/e0000/%C3%9Ajmonitoring_novvege20161221.pdf) IYR for December 2016:
http://www.kormany.hu/download/6/31/f0000/%C3%9Ajmonitoring_...
(http://www.kormany.hu/download/6/31/f0000/%C3%9Ajmonitoring_2016_0119.pdf) Reports issued monthly by the Hungarian State Treasury: - balance sheet of the central government <http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok...>
(http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok/koltsegvetes_merleg_1/222/) -balance sheet of social security funds <http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok...> (http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok/koltsegvetes_merleg_4/225/) -functional balance sheets <http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok...> (http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok/funkcionalis_merlegek/2630/) -balance sheet of extra-budgetary funds <http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok...> (http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok/koltsegvetes_merleg_5/226/) Government Debt Management Agency publications: Monthly, quarterly and yearly reports: <http://www.akk.hu/en/page/publications> (<http://www.akk.hu/en/page/publications>) Extensive debt database: <http://www.akk.hu/en/page/statistics#central-government-debt...> (<http://www.akk.hu/en/page/statistics#central-government-debt-deficit-financing>)

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

- a. Yes, all of the numerical data are available in a machine readable format
- b. Yes, some of the numerical data are available in a machine readable format
- c. No
- d. Not applicable

Answer: b.

Sources: The data on the webpage of the Treasury: <http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok...>
(http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok/koltsegvetes_merleg_1/222/)

Comments: Researcher: The files containing the numerical data are only available on the Treasury's webpage, but the Ministry's webpage do not show any link or reference leading to it. The files only present the main balance sheet of the central government, no additional tables are published.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree with Comments

Comments: The Hungarian State Treasury provides the monthly government balance-sheet in a machine readable format (xls). -balance sheet of the central government <http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok...> (http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok/koltsegvetes_merleg_1/222/) -balance sheet of social security funds <http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok...> (http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok/koltsegvetes_merleg_4/225/) -functional balance sheets <http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok...> (http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok/funkcionalis_merlegek/2630/) -balance sheet of extra-budgetary funds <http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok...> (http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok/koltsegvetes_merleg_5/226/) Government Debt Management Agency publications: Monthly, quarterly and yearly reports: <http://www.akk.hu/en/page/publications> (<http://www.akk.hu/en/page/publications>) Extensive debt database: <http://www.akk.hu/en/page/statistics#central-government-debt...> (<http://www.akk.hu/en/page/statistics#central-government-debt-deficit-financing>)

informaciok/funkcionalis_merleg/2630/) -balance sheet of extra-budgetary funds <http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok...>
(http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok/koltsegvetes_merleg_5/226/) Government Debt Management Agency publications:
Monthly, quarterly and yearly reports: <http://www.akk.hu/en/page/publications> (<http://www.akk.hu/en/page/publications>) Extensive debt database:
<http://www.akk.hu/en/page/statistics#central-government-debt...> (<http://www.akk.hu/en/page/statistics#central-government-debt-deficit-financing>)

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

- a. Produced but made available online to the public too late (published after the acceptable time frame)
- b. Produced but made available only in hard copy or soft copy (not available online)
- c. Produced for internal purposes/use only
- d. Not produced at all
- e. Not applicable (the document is publicly available)

Answer: e.

Sources: n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IYRs-6b: If you selected option “c” or “d” in question IYRs-6a above, please specify how you determined whether the IYRs were produced for internal use only, versus not produced at all. If option “a,” “b,” or “e” was selected in question IYRs-6a, researchers should mark this question “n/a.”

Answer: n/a

Sources: n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IYRs-7: If the IYRs are produced, please write the full title of the IYRs. If In-Year Reports are not produced at all, researchers should mark this question “n/a.” Researchers should provide the full title of the most recent In-Year Report in the space below, and – in the comment box underneath – the full titles of older IYRs.

Answer: The title follows the format "Report on State of the Central Budget at the end of [month] 2016" IYR for August 2016: "Tájékoztató az államháztartás központi alrendszerének 2016. augusztus végi helyzetéről" IYR for July 2016: "Tájékoztató az államháztartás központi alrendszerének 2016. július végi helyzetéről" IYR for June 2016: "Tájékoztató az államháztartás központi alrendszerének 2016. június végi helyzetéről" IYR for May 2016: "Tájékoztató az államháztartás központi alrendszerének 2016. május végi helyzetéről" IYR for April 2016: "Tájékoztató az államháztartás központi alrendszerének 2016. április végi helyzetéről" IYR for March 2016: "Tájékoztató az államháztartás központi alrendszerének 2016. március végi helyzetéről" IYR for February 2016: "Tájékoztató az államháztartás központi alrendszerének 2016. február végi helyzetéről"

Sources: IYR for August 2016: <http://www.kormany.hu/download/7/d2/d0000/T%C3%A1j%C3%A9koztat%C3%B3.pdf> IYR for July 2016:

<http://www.kormany.hu/download/7/d2/d0000/T%C3%A1j%C3%A9koztat%C3%B3.pdf>

<http://www.kormany.hu/download/7/59/c0000/T%C3%A1j%C3%A9koztat%C3%B3.pdf>

<http://www.kormany.hu/download/7/59/c0000/T%C3%A1j%C3%A9koztat%C3%B3.pdf>

IYR for June 2016: <http://www.kormany.hu/download/0/75/c0000/T%C3%A1j%C3%A9koztat%C3%B3.pdf>

<http://www.kormany.hu/download/0/75/c0000/T%C3%A1j%C3%A9koztat%C3%B3.pdf>

IYR for May 2016: <http://www.kormany.hu/download/5/7f/b0000/T%C3%A1j%C3%A9koztat%C3%B3.pdf>

<http://www.kormany.hu/download/5/7f/b0000/T%C3%A1j%C3%A9koztat%C3%B3.pdf>

IYR for April 2016: <http://www.kormany.hu/download/9/36/b0000/T%C3%A1j%C3%A9koztat%C3%B3.pdf>

<http://www.kormany.hu/download/9/36/b0000/T%C3%A1j%C3%A9koztat%C3%B3.pdf> IYR for March 2016:

<http://www.kormany.hu/download/8/6f/a0000/T%C3%A1j%C3%A9koztat%C3%B3.pdf>

<http://www.kormany.hu/download/8/6f/a0000/T%C3%A1j%C3%A9koztat%C3%B3.pdf> IYR for February 2016:

<http://www.kormany.hu/download/1/67/a0000/T%C3%A1j%C3%A9koztat%C3%B3.pdf>

<http://www.kormany.hu/download/1/67/a0000/T%C3%A1j%C3%A9koztat%C3%B3.pdf>

Peer Reviewer**Opinion:** Agree**Government Reviewer****Opinion:** Agree with Comments

Comments: The title follows the format "Report on State of the Central Budget at the end of [month] 2017." IYR for March 2017. "Részletes tájékoztató az államháztartás központi alrendszerének 2017. március végi helyzetéről" <http://www.kormany.hu/download/c/d7/01000/T%C3%A1j%C3%A9koztat%C3%B3.pdf>) http://www.kormany.hu/download/d/d7/01000/mrg2017_03.pdf (http://www.kormany.hu/download/d/d7/01000/mrg2017_03.pdf) IYR for February 2017. "Részletes tájékoztató az államháztartás központi alrendszerének 2017. február végi helyzetéről" http://www.kormany.hu/download/9/ff/f0000/Monitoring_02_febr... (http://www.kormany.hu/download/9/ff/f0000/Monitoring_02_febru%C3%A1r_20170314b%C3%A1.pdf) http://www.kormany.hu/download/a/ff/f0000/mrg2017_02.pdf (http://www.kormany.hu/download/a/ff/f0000/mrg2017_02.pdf) IYR for January 2017. "Részletes tájékoztató az államháztartás központi alrendszerének 2017. január végi helyzetéről" http://www.kormany.hu/download/0/58/f0000/Monitoring_01_jan... (http://www.kormany.hu/download/0/58/f0000/Monitoring_01_janu%C3%A1r%2020170216.pdf) http://www.kormany.hu/download/1/58/f0000/mrg2017_01_kt.pdf (http://www.kormany.hu/download/1/58/f0000/mrg2017_01_kt.pdf) IYR for December 2016: "Tájékoztató az államháztartás központi alrendszerének 2016. évi előzetes főbb pénzügyi folyamatairól" http://www.kormany.hu/download/6/31/f0000/%C3%A9ajmonitoring_... (http://www.kormany.hu/download/6/31/f0000/%C3%A9ajmonitoring_2016_0119.pdf) http://www.kormany.hu/download/5/31/f0000/mrg2016_12_kt.pdf (http://www.kormany.hu/download/5/31/f0000/mrg2016_12_kt.pdf) IYR for November 2016: "Részletes tájékoztató az államháztartás központi alrendszerének 2017. november végi helyzetéről" http://www.kormany.hu/download/8/bb/e0000/%C3%A9ajmonitoring_... (http://www.kormany.hu/download/8/bb/e0000/%C3%A9ajmonitoring_novvege20161221.pdf) http://www.kormany.hu/download/9/bb/e0000/mrg2016_11_kt.pdf (http://www.kormany.hu/download/9/bb/e0000/mrg2016_11_kt.pdf) IYR for October 2016: "Részletes tájékoztató az államháztartás központi alrendszerének 2017. október végi helyzetéről" http://www.kormany.hu/download/1/f2/e0000/%C3%A9ajmonitoring_... (http://www.kormany.hu/download/1/f2/e0000/%C3%A9ajmonitoring_okt%20vege20161116.pdf) http://www.kormany.hu/download/0/f2/e0000/mrg2016_10_kt.pdf (http://www.kormany.hu/download/0/f2/e0000/mrg2016_10_kt.pdf) IYR for September 2016: "Részletes tájékoztató az államháztartás központi alrendszerének 2017. szeptember végi helyzetéről" <http://www.kormany.hu/download/8/da/d0000/T%C3%A1j%C3%A9koztat...> (<http://www.kormany.hu/download/8/da/d0000/T%C3%A1j%C3%A9koztat%C3%B3.pdf>) http://www.kormany.hu/download/9/da/d0000/mrg2016_09_kt.pdf (http://www.kormany.hu/download/9/da/d0000/mrg2016_09_kt.pdf) Actual data issued monthly by the Hungarian State Treasury: -balance sheet of the central government "A központi alrendszer költségvetési mérlege" <http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok...> (http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok/koltsegvetes_merleg_1/222/) -balance sheet of social security funds "TB alapok mérlege" <http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok...> (http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok/koltsegvetes_merleg_4/225/) -functional balance sheets "Funkcionális mérlegek" <http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok...> (http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok/funkcionalis_merlegek/2630/) -balance sheet of extra-budgetary funds "Elkülönített állami pénzalapok mérlege" <http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok...> (http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok/koltsegvetes_merleg_5/226/) Government Debt Management Agency publications: Monthly, quarterly and yearly reports: <http://www.akk.hu/en/page/publications> (<http://www.akk.hu/en/page/publications>) Monthly Report March 2017 Monthly Report February 2017 Monthly Report January 2017 Monthly Report December 2016 Monthly Report November 2016 Monthly Report October 2016 Monthly Report September 2016 Monthly Report August 2016 Monthly Report July 2016 Monthly Report June 2016 Monthly Report May 2016 Monthly Report April 2016 Monthly Report March 2016 Monthly Report February 2016 Monthly Report January 2016

IYRs-8: Is there a "citizens version" of the IYRs?**a.** Yes**b.** No**Answer:** b.**Sources:** n/a**Comments:** Researcher: There are no other versions of the In-Year Reports. Although the Ministry intended to make the current reports more detailed by including more graphs and detailing tables about the main revenues and expenditures.**Peer Reviewer****Opinion:** Agree**Government Reviewer****Opinion:** Disagree**Suggested answer:** a.

Comments: The Reports on State of the Central Budget are designed to the public, contains nontechnical presentation of the evolution of public finances and monetary situation. They also incorporate many visual elements to help non-specialist readers to understand the information. Report on State of the Central Budget at the end of March 2017. <http://www.kormany.hu/download/c/d7/01000/T%C3%A1j%C3%A9koztat%C3%B3.pdf>) Flash Reports are issued during the year as the budget is being executed. It is a quick overview about the evolution of public finances and monetary situation, and designed to present key public finance information to the general audience. Issued: monthly, by the Ministry for National Economy The report is available for the public free of charge, in Hungarian language, no later than ten days after the reporting period ends. It's title: "Gyorsjelentés". <http://www.kormany.hu/hu/nemzetgazdasagi-miniszterium/allamh...> (<http://www.kormany.hu/hu/nemzetgazdasagi-miniszterium/allamhaztartasert-felelos-allamtitkarsag/hirek/egeszevben-stabilitas->)

Researcher response: Thank you for the additional information. The Flash Reports are generally used by the media as a monthly press release on the implementation of the budget and a brief summary of the latest developments. Because of this and the omission of general explanation about the budgetary trends we did not think about it as a "citizens version".

MYR-1: What is the fiscal year of the MYR evaluated in this Open Budget Survey questionnaire? Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

Answer: FY 2016

Sources: n/a

Comments: Researcher: The government did not publish a Mid-Year Review.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested answer: FY 2017

Comments: There are publications can be considered as Mid-Year Review available to show the executive's progress in implementing the budget in the fiscal year of 2016. The monthly report contains cumulated data of which the sixth month report can be considered as a MYR.

Researcher response: In our opinion the In-Year Report for June does not contain additional information related to the other In-Year Reports. The Mid-Year Review has to include an updated macroeconomic forecast, forecast for at least the main expenditure and revenue items and a detailed discussion of the budgetary trends. In this sense the In-Year Report for June is no different than the other ones.

IBP comment: IBP acknowledges the government reviewer's comment and agrees with the researcher's assessment that the six-month implementation report does not qualify as Mid-Year Review. To qualify as a Mid-Year Review, the document should also a revised macroeconomic forecast or revised fiscal estimates for the budget year. Therefore, the researcher's original response is maintained.

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

- a. (100) Six weeks or less after the midpoint
- b. (67) Nine weeks or less, but more than six weeks, after the midpoint
- c. (33) More than nine weeks, but less than three months, after the midpoint
- d. (0) The MYR is not released to the public, or is released more than three months after the midpoint

Answer: d.

Sources: n/a

Comments: Researcher: We did not find any document that could be treated as Mid-Year Review.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested answer: a.

Comments: The following reports are issued during the year as the budget is being executed. These publications meet the requirements set out as Mid-Year Review. They are intended to show the executive's progress in implementing the budget with actual income and expenditure figures. Some monthly issued reviews provide more frequently data about the state of the economy relative to the initial macroeconomic forecast and update the economic projections for the remainder of the year. They also provide updated estimates of expenditure, revenue, and debt, reflecting the impact of actual experience to date and revised projections for the full fiscal year. This reports present the actual income figures regarding the different taxes and contributions and the main numbers on the expenditure side from the beginning of the fiscal year. It also shows, if any, the difference between the actual data and the appropriations in the Enacted Budget in a time-proportional manner. It also analyzes the reasons and the development of the levels of public debt and the volume of interest expenditures. Mid-Year review from the State Audit Office of Hungary: Analysis of the budget processes for the first half of 2016 for the Fiscal Council of Hungary In accordance with the Economic Stability of Hungary Act (Nr. CXCIV. in 2011.) the Fiscal Council (KT) submits an opinion on the state of implementation of the Enacted Budget and the expected evolution of government debt every six months. Report issued monthly by the Ministry for National Economy: State of the Central Budget at the end of [month] 2017. Monthly issued balance sheets (cash accounting) with cumulated numbers by the Hungarian State Treasury: -balance sheet of the central government -balance sheet of centrally administered appropriations -balance sheet of social security funds -functional balance sheets -balance sheet of extra-budgetary funds

Researcher response: Revised macroeconomic estimates only presented in the Convergence Program that was not listed by the Government and published in April, before the half of the year. The Mid-Year Review of the State Audit Office presented revised fiscal estimates for the year. However we rejected it because it was prepared by the SAO, not the Government. Similar report was also prepared by the National Bank of Hungary.

MYR-3a: If the MYR is published, what is the date of publication of the MYR? Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. Please

enter the date in the following format: "DD Month YYYY." For example, 5 September 2016 should be entered as 05 September 2016. If the document is not published or not produced, please mark this question "n/a."

Answer: n/a

Sources: n/a

Comments: Researcher: The government did not publish a Mid-Year Review.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested answer: Publications can be considered as MYR are available for the public no later than twenty days after the reporting period ends except the Mid-Year review from the State Audit Office of Hungary (Analysis of the budget processes for the first half of 2016 for the Fiscal Council of Hungary) available for the public in August.

Comments: The reports listed below are issued during the year as the budget is being executed. These publications meet the requirements set out as Mid-Year Review. They are intended to show the executive's progress in implementing the budget with actual income and expenditure figures. Since they are monthly issued reviews they provide more frequently data about the state of the economy relative to the initial macroeconomic forecast and update the economic projections for the remainder of the year. They also provide updated estimates of expenditure, revenue, and debt, reflecting the impact of actual experience to date and revised projections for the full fiscal year. Mid-Year review from the State Audit Office of Hungary: Analysis of the budget processes for the first half of 2016 for the Fiscal Council of Hungary Reports issued monthly by the Hungarian State Treasury: -balance sheet of the central government -balance sheet of centrally administered appropriations -balance sheet of social security funds -functional balance sheets -balance sheet of extra-budgetary funds Report issued monthly by the Ministry for National Economy: State of the Central Budget at the end of [month] 2017. This report presents the actual income figures regarding the different taxes and contributions and the main numbers on the expenditure side from the beginning of the fiscal year. It also shows, if any, the difference between the actual data and the appropriations in the Enacted Budget in a time-proportional manner. It also analyzes the reasons and the development of the levels of public debt and the volume of interest expenditures.

Researcher response: From the recommended documents only the Mid-Year Review of the SAO included information relevant to a Mid-Year Review. However it was not published by the Government or reflected its views on the budget implementation, so we rejected it. Similar report was prepared by the National Bank of Hungary, but we rejected it for the same reason.

IBP comment: n/a

MYR-3b: In the box below, please explain how you determined the date of publication of the MYR. If the document is not published at all, researchers should mark this question "n/a."

Answer: n/a

Sources: n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested answer: The dates of the official announcements of the Ministry for National Economy, the Hungarian State Treasury and the State Audit Office of Hungary, about the publication of the reports.

Comments: The reports listed below are issued during the year as the budget is being executed. These publications meet the requirements set out as Mid-Year Review. They are intended to show the executive's progress in implementing the budget with actual income and expenditure figures. Since they are monthly issued reviews they provide more frequently data about the state of the economy relative to the initial macroeconomic forecast and update the economic projections for the remainder of the year. They also provide updated estimates of expenditure, revenue, and debt, reflecting the impact of actual experience to date and revised projections for the full fiscal year. Report issued monthly by the Ministry for National Economy: State of the Central Budget at the end of [month] 2017. Mid-Year review from the State Audit Office of Hungary: Analysis of the budget processes for the first half of 2016 for the Fiscal Council of Hungary Reports issued monthly by the Hungarian State Treasury: -balance sheet of the central government -balance sheet of centrally administered appropriations -balance sheet of social security funds -functional balance sheets -balance sheet of extra-budgetary funds This report presents the actual income figures regarding the different taxes and contributions and the main numbers on the expenditure side from the beginning of the fiscal year. It also shows, if any, the difference between the actual data and the appropriations in the Enacted Budget in a time-proportional manner. It also analyzes the reasons and the development of the levels of public debt and the volume of interest expenditures. Publications can be considered as MYR are available for the public no later than twenty days after the reporting period ends except the Mid-Year review from the State Audit Office of Hungary (Analysis of the budget processes for the first half of 2016 for the Fiscal Council of Hungary) available for the public in August.

Researcher response: From the recommended documents only the Mid-Year Review of the SAO included information relevant to a Mid-Year Review. However it was not published by the Government or reflected its views on the budget implementation, so we rejected it. Similar report was prepared by the National Bank of Hungary, but we rejected it for the same reason. The Mid-Year Review of the SAO was published in August 2016.

MYR-4: If the MYR is published, what is the URL or weblink of the MYR? Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should mark this question "n/a."

Answer: n/a

Sources: n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested answer: IYR for March 2017. <http://www.kormany.hu/download/c/d7/01000/T%C3%A1j%C3%A9koztat%C3%B3.pdf>

(<http://www.kormany.hu/download/c/d7/01000/T%C3%A1j%C3%A9koztat%C3%B3.pdf>)

http://www.kormany.hu/download/d/d7/01000/mrg2017_03.pdf (http://www.kormany.hu/download/d/d7/01000/mrg2017_03.pdf) IYR for February 2017. http://www.kormany.hu/download/9/ff/f0000/Monitoring_02_febr...

(http://www.kormany.hu/download/9/ff/f0000/Monitoring_02_febru%C3%A1r_20170314b%C3%A1.pdf)

http://www.kormany.hu/download/a/ff/f0000/mrg2017_02.pdf (http://www.kormany.hu/download/a/ff/f0000/mrg2017_02.pdf) IYR for January 2017. http://www.kormany.hu/download/0/58/f0000/Monitoring_01_jan...

(http://www.kormany.hu/download/0/58/f0000/Monitoring_01_janu%C3%A1r%2020170216.pdf)

http://www.kormany.hu/download/1/58/f0000/mrg2017_01_kt.pdf (http://www.kormany.hu/download/1/58/f0000/mrg2017_01_kt.pdf) IYR for December 2016: <http://www.kormany.hu/download/6/31/f0000/%C3%9Ajmonitoring...>

(http://www.kormany.hu/download/6/31/f0000/%C3%9Ajmonitoring_2016_0119.pdf)

http://www.kormany.hu/download/5/31/f0000/mrg2016_12_kt.pdf (http://www.kormany.hu/download/5/31/f0000/mrg2016_12_kt.pdf) IYR for November 2016: <http://www.kormany.hu/download/8/bb/e0000/%C3%9Ajmonitoring...>

(http://www.kormany.hu/download/8/bb/e0000/%C3%9Ajmonitoring_novvege20161221.pdf)

http://www.kormany.hu/download/9/bb/e0000/mrg2016_11_kt.pdf (http://www.kormany.hu/download/9/bb/e0000/mrg2016_11_kt.pdf) IYR for October 2016: <http://www.kormany.hu/download/1/f2/e0000/%C3%9Ajmonitoring...>

(http://www.kormany.hu/download/1/f2/e0000/%C3%9Ajmonitoring_okt%20vege20161116.pdf)

http://www.kormany.hu/download/0/f2/e0000/mrg2016_10_kt.pdf (http://www.kormany.hu/download/0/f2/e0000/mrg2016_10_kt.pdf) IYR for September 2016: <http://www.kormany.hu/download/8/da/d0000/T%C3%A1j%C3%A9koztat%C3%B3.pdf>

(<http://www.kormany.hu/download/8/da/d0000/T%C3%A1j%C3%A9koztat%C3%B3.pdf>)

http://www.kormany.hu/download/9/da/d0000/mrg2016_09_kt.pdf (http://www.kormany.hu/download/9/da/d0000/mrg2016_09_kt.pdf) Mid-Year review from the State Audit Office of Hungary: Analysis of the budget processes for the first half of 2016 for the Fiscal Council of Hungary

<https://www.asz.hu/storage/files/files/Publikaciok/Elemzesek...>

(https://www.asz.hu/storage/files/files/Publikaciok/Elemzesek_tanulmanyok/2016/kt_I_felev_2016.pdf?download=true) Reports issued monthly by the Hungarian State Treasury: -balance sheet of the central government <http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok...>

(http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok/koltsegvetes_merleg_1/222/) -balance sheet of social security funds

<http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok...> (http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok/koltsegvetes_merleg_4/225/) -functional balance sheets <http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok...>

(http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok/funkcionalis_merlegek/2630/) -balance sheet of extra-budgetary funds

<http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok...> (http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok/koltsegvetes_merleg_5/226/)

Comments: The reports listed below are issued during the year as the budget is being executed. These publications meet the requirements set out as Mid-Year Review. They are intended to show the executive's progress in implementing the budget with actual income and expenditure figures. Since they are monthly issued reviews they provide more frequently data about the state of the economy relative to the initial macroeconomic forecast and update the economic projections for the remainder of the year. They also provide updated estimates of expenditure, revenue, and debt, reflecting the impact of actual experience to date and revised projections for the full fiscal year. Report issued monthly by the Ministry for National Economy: State of the Central Budget at the end of [month] 2017. Mid-Year review from the State Audit Office of Hungary: Analysis of the budget processes for the first half of 2016 for the Fiscal Council of Hungary Reports issued monthly by the Hungarian State Treasury: -balance sheet of the central government -balance sheet of centrally administered appropriations -balance sheet of social security funds -functional balance sheets -balance sheet of extra-budgetary funds This report presents the actual income figures regarding the different taxes and contributions and the main numbers on the expenditure side from the beginning of the fiscal year. It also shows, if any, the difference between the actual data and the appropriations in the Enacted Budget in a time-proportional manner. It also analyzes the reasons and the development of the levels of public debt and the volume of interest expenditures. Publications can be considered as MYR are available for the public no later than twenty days after the reporting period ends except the Mid-Year review from the State Audit Office of Hungary (Analysis of the budget processes for the first half of 2016 for the Fiscal Council of Hungary) available for the public in August.

Researcher response: From the recommended documents only the Mid-Year Review of the SAO included information relevant to a Mid-Year Review. However it was not published by the Government or reflected its views on the budget implementation, so we rejected it. Similar report was prepared by the National Bank of Hungary, but we rejected it for the same reason. We confirm that the suggested links for the documents are correct.

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

- a. Yes, all of the numerical data are available in a machine readable format
- b. Yes, some of the numerical data are available in a machine readable format
- c. No
- d. Not applicable

Answer: d.

Sources: n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested answer: b.

Comments: The Hungarian State Treasury provides the monthly government balance-sheet in a machine readable format (xls). -balance-sheet of the central government <http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok...> (http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok/koltsegvetes_merleg_1/222/) -balance-sheet of social security funds <http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok...> (http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok/koltsegvetes_merleg_4/225/) -functional balance-sheets <http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok...> (http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok/funkcionalis_merlekek/2630/) -balance-sheet of extra-budgetary funds <http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok...> (http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok/koltsegvetes_merleg_5/226/)

Researcher response: Thank you very much for the provided links for the data tables. We answered the question based on our opinion of the lack of Mid-Year Review due to reasons explained at the previous questions. It (<http://questions.It>) is true that data is available in machine readable format on the webpage of the Treasury but we linked the monthly data tables of the central government to the In-Year Reports, not to a Mid-Year Review. The functional balance-sheets include the data annually and we did not mention it at other documents.

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

- a. Produced but made available online to the public too late (published after the acceptable time frame)
- b. Produced but made available only in hard copy or soft copy (not available online)
- c. Produced for internal purposes/use only
- d. Not produced at all
- e. Not applicable (the document is publicly available)

Answer: c.

Sources: We based our answer on the information received from the Ministry for National Economy.

Comments: Researcher: We wrote an inquiring letter to the Ministry about the status of the Mid-Year Review and in their reply they stated that there is a document as Mid-Year Review for internal use.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested answer: e.

Comments: n/a

Researcher response: Sorry for the mistake, the original comment is incorrect. This round we did not write an inquiry letter but monitored the webpage of the Government for the published budgetary documents and checked other institutions' documents to infer what kind of data and report the Ministry might have provided to them. We inferred the internally used report from documents that utilized a report from the Ministry.

MYR-6b: If you selected option "c" or "d" in question MYR-6a above, please specify how you determined whether the MYR was produced for internal use only, versus not produced at all. If option "a," "b," or "e" was selected in question MYR-6a, researchers should mark this question "n/a."

Answer: We based our answer on the information received from the Ministry.

Sources: n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested answer: n/a

Comments: n/a

Researcher response: Sorry for the mistake, the original comment is incorrect. This round we did not write an inquiry letter but monitored the webpage of the Government for the published budgetary documents and checked other institutions' documents to infer what kind of data and report the Ministry might have provided to them. We inferred the internally used report from documents that utilized a report from the Ministry.

MYR-7: If the MYR is produced, please write the full title of the MYR. If the document is not produced at all, researchers should mark this question "n/a."

Answer: n/a

Sources: n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested answer: Report issued monthly by the Ministry for National Economy: State of the Central Budget at the end of [month] 2017. IYR for March 2017. "Részletes tájékoztató az államháztartás központi alrendszerének 2017. március végi helyzetéről"

<http://www.kormany.hu/download/c/d7/01000/T%C3%A1j%C3%A9kozt...>

(<http://www.kormany.hu/download/c/d7/01000/T%C3%A1j%C3%A9koztat%C3%B3.pdf>)

http://www.kormany.hu/download/d/d7/01000/mrg2017_03.pdf (http://www.kormany.hu/download/d/d7/01000/mrg2017_03.pdf) IYR for February

2017. "Részletes tájékoztató az államháztartás központi alrendszerének 2017. február végi helyzetéről"

http://www.kormany.hu/download/9/ff/f0000/Monitoring_02_febr...

(http://www.kormany.hu/download/9/ff/f0000/Monitoring_02_febru%C3%A1r_20170314b%C3%A1.pdf)

http://www.kormany.hu/download/a/ff/f0000/mrg2017_02.pdf (http://www.kormany.hu/download/a/ff/f0000/mrg2017_02.pdf) IYR for January

2017. "Részletes tájékoztató az államháztartás központi alrendszerének 2017. január végi helyzetéről"

http://www.kormany.hu/download/0/58/f0000/Monitoring_01_jan...

(http://www.kormany.hu/download/0/58/f0000/Monitoring_01_janu%C3%A1r%2020170216.pdf)

http://www.kormany.hu/download/1/58/f0000/mrg2017_01_kt.pdf (http://www.kormany.hu/download/1/58/f0000/mrg2017_01_kt.pdf) IYR for

December 2016: "Tájékoztató az államháztartás központi alrendszerének 2016. évi előzetes főbb pénzügyi folyamatairól"

http://www.kormany.hu/download/6/31/f0000/%C3%A9ajmonitoring_...

(http://www.kormany.hu/download/6/31/f0000/%C3%A9ajmonitoring_2016_0119.pdf)

http://www.kormany.hu/download/5/31/f0000/mrg2016_12_kt.pdf (http://www.kormany.hu/download/5/31/f0000/mrg2016_12_kt.pdf) IYR for

November 2016: "Részletes tájékoztató az államháztartás központi alrendszerének 2017. november végi helyzetéről"

http://www.kormany.hu/download/8/bb/e0000/%C3%A9ajmonitoring_...

(http://www.kormany.hu/download/8/bb/e0000/%C3%A9ajmonitoring_novvege20161221.pdf)

http://www.kormany.hu/download/9/bb/e0000/mrg2016_11_kt.pdf (http://www.kormany.hu/download/9/bb/e0000/mrg2016_11_kt.pdf) IYR for

October 2016: "Részletes tájékoztató az államháztartás központi alrendszerének 2017. október végi helyzetéről"

http://www.kormany.hu/download/1/f2/e0000/%C3%A9ajmonitoring_...

(http://www.kormany.hu/download/1/f2/e0000/%C3%A9ajmonitoring_okt%20vege20161116.pdf)

http://www.kormany.hu/download/0/f2/e0000/mrg2016_10_kt.pdf (http://www.kormany.hu/download/0/f2/e0000/mrg2016_10_kt.pdf) IYR for

September 2016: "Részletes tájékoztató az államháztartás központi alrendszerének 2017. szeptember végi helyzetéről"

<http://www.kormany.hu/download/8/da/d0000/T%C3%A1j%C3%A9kozt...>

(<http://www.kormany.hu/download/8/da/d0000/T%C3%A1j%C3%A9koztat%C3%B3.pdf>)

http://www.kormany.hu/download/9/da/d0000/mrg2016_09_kt.pdf (http://www.kormany.hu/download/9/da/d0000/mrg2016_09_kt.pdf) Mid-Year

review from the State Audit Office of Hungary: Analysis of the budget processes for the first half of 2016 for the Fiscal Council of Hungary "Elemzés a

Költségvetési Tanács részére a 2016. 1. félévi költségvetési folyamatokról" Reports issued monthly by the Hungarian State Treasury: -balance sheet of

the central government "A központi alrendszer költségvetési mérlege" <http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok...>

(http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok/koltsegvetes_merleg_1/222/) -balance sheet of social security funds "TB alapok

mérlege" <http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok...> (<http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok...>)

-functional balance sheets "Funkcionális mérlegek" <http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok...>

(http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok/funkcionalis_merlegek/2630/) -balance sheet of extra-budgetary funds

"Elkülönített állami pénzalapok mérlege" <http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok...>

(http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok/koltsegvetes_merleg_5/226/)

Comments: The reports listed below are issued during the year as the budget is being executed. These publications meet the requirements set out as

Mid-Year Review. They are intended to show the executive's progress in implementing the budget with actual income and expenditure figures. Since they

are monthly issued reviews they provide more frequently data about the state of the economy relative to the initial macroeconomic forecast and update

the economic projections for the remainder of the year. They also provide updated estimates of expenditure, revenue, and debt, reflecting the impact of

actual experience to date and revised projections for the full fiscal year. Reports issued monthly by the Hungarian State Treasury: -balance sheet of the

central government -balance sheet of centrally administered appropriations -balance sheet of social security funds -functional balance sheets -balance

sheet of extra-budgetary funds Report issued monthly by the Ministry for National Economy: State of the Central Budget at the end of [month] 2017.

This report presents the actual income figures regarding the different taxes and contributions and the main numbers on the expenditure side from the

beginning of the fiscal year. It also shows, if any, the difference between the actual data and the appropriations in the Enacted Budget in a time-

proportional manner. It also analyzes the reasons and the development of the levels of public debt and the volume of interest expenditures.

Researcher response: The titles of the documents are correct. We did not think the recommended documents qualified as Mid-Year Review. The monthly

report for June did not contain any additional information compared to the other monthly reports (for example revised fiscal or macroeconomic

estimates, more detailed analysis of budgetary trends). The mid-year reviews of the SAO and the National Bank of Hungary were rejected because they

were published by an independent institution from the Government.

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

a. Yes

b. No

Answer: b.

Sources: n/a

Peer Reviewer**Opinion:** Agree**Government Reviewer****Opinion:** Disagree**Suggested answer:** a.

Comments: The Reports on State of the Central Budget are designed to the public, contains nontechnical presentation of the evolution of public finances and monetary situation. They also incorporate many visual elements to help non-specialist readers to understand the information. Report on State of the Central Budget at the end of March 2017. <http://www.kormany.hu/download/c/d7/01000/T%C3%A1j%C3%A9kozt...>

(<http://www.kormany.hu/download/c/d7/01000/T%C3%A1j%C3%A9koztat%C3%B3.pdf>) Flash Reports are issued during the year as the budget is being executed. It is a quick overview about the evolution of public finances and monetary situation, and designed to present key public finance information to the general audience. Issued: monthly, by the Ministry for National Economy The report is available for the public free of charge, in Hungarian language, no later than ten days after the reporting period ends. It's title: "Gyorsjelentés". <http://www.kormany.hu/hu/nemzetgazdasagi-miniszterium/allamh...> (<http://www.kormany.hu/hu/nemzetgazdasagi-miniszterium/allamhaztartasert-felelos-allamtitkarsag/hirek/egesz-evben-stabilitas->)

Researcher response: As the Government mentioned the Flash Reports at the In-Year Reports we considered them at that document (question IYR-8). In our opinion the recommended In-Year Reports lack the revised macroeconomic and fiscal forecasts to be labelled as Mid-Year Review.

IBP comment: IBP also notes that simplified versions of the In-Year Reports are not considered to qualify as citizens versions of the Mid-Year Review, per the OBS methodology.

YER-1: What is the fiscal year of the YER evaluated in this Open Budget Survey questionnaire? Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

Answer: FY 2015**Sources:** n/a**Comments:** Researcher: The most recent YER is detailing FY 2015.**Peer Reviewer****Opinion:** Agree**Government Reviewer****Opinion:** Agree

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

- a. (100) Six months or less after the end of the budget year
- b. (67) Nine months or less, but more than six months, after the end of the budget year
- c. (33) More than nine months, but within 12 months, after the end of the budget year
- d. (0) The YER is not released to the public, or is released more than 12 months after the end of the budget year

Answer: b. (67)**Sources:** Act CXCV of 2011 on the State Budget: http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100195.TV

(http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100195.TV) The submitted YER on the webpage of the Parliament:

<http://www.parlament.hu/folyamatban-levo-torvenyjavaslatok?p...> (http://www.parlament.hu/folyamatban-levo-torvenyjavaslatok?p_auth=xCT1K0bq&p_p_id=pairproxy_WAR_pairproxyportlet_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_p_col_id=column1&p_p_col_count=1&pairproxy_WAR_pairproxyportlet_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcpls%2Fogy_irom.irom_adat%3Fp_ckl%3D40%2F)

Comments: Researcher: The legal rules (in 90 § in the cited law) oblige the government to submit the YER to the Parliament until 30 September of the year after the covered period. This has been changed, because the former deadline was 30 August. On the webpage of the Parliament the row "Benyújtva" shows the date of submission. According to the law the Parliament has to publish every submitted document immediately.

Peer Reviewer**Opinion:** Agree**Government Reviewer****Opinion:** Agree

YER-3a: If the YER is published, what is the date of publication of the YER? Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. Please enter the date in the following format: "DD Month YYYY." For example, 5 September 2016 should be entered as 05 September 2016. If the document is not published or not produced, please mark this question "n/a."

Answer: 30 September 2016

Sources: The YER on the webpage of the Parliament: <http://www.parlament.hu/folyamatban-levo-torvenyjavaslatok?p...>
(<http://www.parlament.hu/folyamatban-levo-torvenyjavaslatok?>

[p_auth=UAqEXAWK&p_p_id=pairproxy_WAR_pairproxyportlet_INSTANCE_9xd2Wc9JP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_p_col_id=column1&p_p_col_count=1&pairproxy_WAR_pairproxyportlet_INSTANCE_9xd2Wc9JP4z8_pairAction=%2Finternet%2Fcplsqli%2Fogy_irom.irom_adat%3Fp_ckl%3D40%](http://www.parlament.hu/folyamatban-levo-torvenyjavaslatok?p_auth=UAqEXAWK&p_p_id=pairproxy_WAR_pairproxyportlet_INSTANCE_9xd2Wc9JP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_p_col_id=column1&p_p_col_count=1&pairproxy_WAR_pairproxyportlet_INSTANCE_9xd2Wc9JP4z8_pairAction=%2Finternet%2Fcplsqli%2Fogy_irom.irom_adat%3Fp_ckl%3D40%2F)

Comments: Researcher: The date of submission can be seen in the row "Benyújtva". We also made a screenshot about the webpage on the day of publication where the actual is date is shown in the upper right corner. It shows that on 30 September 2016 the YER was available on the webpage. As a proof in the attached documents the row "Készült" (in the upper right corner) shows when the page was viewed and saved. According to them on 30 September the YER was available on the webpage of the Parliament.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

YER-3b: In the box below, please explain how you determined the date of publication of the YER. If the document is not published at all, researchers should mark this question "n/a."

Answer: We checked the webpage of the Parliament on the day of submission and also provide an official statement about the submission.

Sources: The announcement of the Ministry for National Economy on the submission of the YER: <http://www.kormany.hu/hu/nemzetgazdasagi-miniszterium/hirek/...> (<http://www.kormany.hu/hu/nemzetgazdasagi-miniszterium/hirek/az-orszagguyules-elott-a-2015-evi-zarszamasadas>)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

YER-4: If the YER is published, what is the URL or weblink of the YER? Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should mark this question "n/a."

Answer: The YER on the webpage of the Parliament: <http://www.parlament.hu/irom40/12284/12284.htm>
(<http://www.parlament.hu/irom40/12284/12284.htm>)

Sources: n/a

Comments: Researcher: The link includes the YER and all of its supporting documents individually.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree with Comments

Comments: In the Hungarian Journal it was published too on 21.11.2016.

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

- a. Yes, all of the numerical data are available in a machine readable
- b. Yes, some of the numerical data are available in a machine readable format
- c. No
- d. Not applicable

Answer: c.

Sources: n/a

Comments: Researcher: All the documents of the YER are in pdf format.

Peer Reviewer

Opinion: Agree

Government Reviewer**Opinion:** Disagree**Suggested answer:** b.

Comments: The Hungarian State Treasury provides monthly government balance-sheet in a machine readable format (xls). -balance-sheet of the central government <http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok...> ([http://www.allamkincstar.gov.hu/hu/koltsegvetes_merleg_1/222/](http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok/koltsegvetes_merleg_1/222/)) -balance-sheet of social security funds <http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok...> (http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok/koltsegvetes_merleg_4/225/) -functional balance-sheets <http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok...> (http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok/funkcionalis_merleg/2630/) -balance-sheet of extra-budgetary funds <http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok...> (http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok/koltsegvetes_merleg_5/226/)

Researcher response: In our opinion the recommended documents are related to the In-Year Reports because they are monthly published data and use the same classification as the IYR. The data of the Year-End Report (for example the detailed actual outcomes listed in Appendix 1 of the YER) were not available publicly on any other webpage. The listed functional balance sheet should include the data of the YER for FY 2015 but it does not.

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

- a. Produced but made available online to the public too late (published after the acceptable time frame)
- b. Produced but made available only in hard copy or soft copy (not available online)
- c. Produced for internal purposes/use only
- d. Not produced at all
- e. Not applicable (the document is publicly available)

Answer: e.**Sources:** n/a**Peer Reviewer****Opinion:** Agree**Government Reviewer****Opinion:** Agree**YER-6b:** If you selected option “c” or “d” in question YER-6a above, please specify how you determined whether the YER was produced for internal use only, versus not produced at all. If option “a,” “b,” or “e” was selected in question YER-6a, researchers should mark this question “n/a.”**Answer:** n/a**Sources:** n/a**Peer Reviewer****Opinion:** Agree**Government Reviewer****Opinion:** Agree**YER-7:** If the YER is produced, please write the full title of the YER. If the document is not produced at all, researchers should mark this question “n/a.”**Answer:** "T/12284. számú törvényjavaslat a Magyarország 2015. évi központi költségvetéséről szóló 2014. évi C. törvény végrehajtásáról" (Bill No. T/12284 on the Execution of the Act C of 2014 on the Central Budget of Hungary for FY 2015)**Sources:** n/a**Peer Reviewer****Opinion:** Agree**Government Reviewer****Opinion:** Agree**YER-8:** Is there a “citizens version” of the YER?

- a. Yes
- b. No

Answer: b.

Sources: n/a

Comments: Researcher: No other version is published from the YER.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested answer: a.

Comments: The Reports on State of the Central Budget are designed to the public, contains nontechnical presentation of the evolution of public finances and monetary situation. They also incorporate many visual elements to help non-specialist readers to understand the information. Report on State of the Central Budget at the end of the year 2016: http://www.kormany.hu/download/6/31/f0000/%C3%9Ajmonitoring_...

(http://www.kormany.hu/download/6/31/f0000/%C3%9Ajmonitoring_2016_0119.pdf) Flash Reports are issued during the year as the budget is being executed. It is a quick overview about the evolution of public finances and monetary situation, and designed to present key public finance information to the general audience.

Researcher response: The recommended document is the In-Year Report for December 2016. It contains the cumulated data for the whole year in the classification used by the monthly reports. We did not consider it as a citizens' version of the Year-End Report because it does not contain the general overview of the Year-End Report like macroeconomic indicators or performance targets.

IBP comment: For cross-country consistency, IBP also notes that an In-Year Report would not qualify as a citizens version of the Year-end Report. Therefore, the researcher's original response of "b" is maintained.

AR-1: What is the fiscal year of the AR evaluated in this Open Budget Survey questionnaire? Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

Answer: FY 2015

Sources: n/a

Comments: Researcher: The most recent Audit Report is for FY 2015.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

Answer: b. (67)

Sources: Act CXCV of 2011 on State Budget: http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100195.TV
(http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100195.TV)

Comments: Researcher: According to the legal rules (in 90. § (1) in the cited law) the Parliament has to debate the Audit Report with the YER, hence the deadline for both documents is 30 September.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree with Comments

Comments: The document can be found: <https://www.asz.hu/storage/files/files/%C3%96sszes%20jelent%...>
(<https://www.asz.hu/storage/files/files/%C3%96sszes%20jelent%C3%A9s/2016/16163.pdf?ctid=268>)

AR-3a: If the AR is published, what is the date of publication of the AR? Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. Please enter the date in the following format: "DD Month YYYY." For example, 5 September 2016 should be entered as 05 September 2016. If the document is not published or not produced, please mark this question "n/a."

Answer: 30 September 2016

Sources: The article on the Hungarian State Audit Office about the publication of the Audit Report:
<http://www.aszhirportal.hu/hu/hirek/sajtotajekoztato-a-zarsz...> (<http://www.aszhirportal.hu/hu/hirek/sajtotajekoztato-a-zarszamadas-ellenorzeserol>)

Comments: Researcher: The State Audit Office published and submitted the Audit Report on 30 September 2016, according both the Parliament's webpage and the Audit Office's own webpage. Although the report was only available on the Audit Office's webpage.

Peer Reviewer

Opinion: Agree with Comments

Comments: On the website of the Central Statistical Office is available the Audit Report as well:

https://www.ksh.hu/docs/bemutakozas/hun/kozerdeku/asz_jelen... (https://www.ksh.hu/docs/bemutakozas/hun/kozerdeku/asz_jelentes_2015.pdf)

Government Reviewer

Opinion: Agree

AR-3b: In the box below, please explain how you determined the date of publication of the AR. If the document is not published at all, researchers should mark this question "n/a."

Answer: We checked the Parliament's and the Audit Office's webpage and documented their state about the uploaded documents.

Sources: n/a

Comments: Researcher: The uploaded pdf includes a timestamp showing on 1 October the Audit Report was available on the SAO's webpage (the first row in the table). We also checked it the previous day, and it was published already, but we did not save the webpage. The png documents the Audit Report on the Parliament's webpage, but the link of the document is not active and is not available. The screenshot was made on 1 October according to the row "Készült" in the upper right corner.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

AR-4: If the AR is published, what is the URL or weblink of the AR? Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should mark this question "n/a."

Answer: The Audit Report on the SAO's webpage: <https://www.asz.hu/storage/files/files/%C3%96sszes%20jelent%...>
(<https://www.asz.hu/storage/files/files/%C3%96sszes%20jelent%C3%A9s/2016/16163.pdf?ctid=268>)

Sources: n/a

Comments: Researcher: On 1 October the Audit Report was only available on the SAO's webpage.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

- a. Yes, all of the numerical data are available in a machine readable format
- b. Yes, some of the numerical data are available in a machine readable format
- c. No
- d. Not applicable

Answer: c.

Sources: n/a

Comments: Researcher: The document is only available in pdf format. There is no supplemental machine-readable files with the data.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested answer: b.

Comments: The Hungarian State Treasury provides the monthly government balance-sheet in a machine readable format (xls). -balance-sheet of the central government <http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok...> (http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok/koltsegvetes_merleg_1/222/) -balance-sheet of social security funds <http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok...> (http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok/koltsegvetes_merleg_4/225/) -functional balance-sheets <http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok...> (http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok/funkcionalis_merlegek/2630/) -balance-sheet of extra-budgetary funds <http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok...> (http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok/koltsegvetes_merleg_5/226/)

Researcher response: The recommended documents are monthly published data tables. They are only loosely linked to the Audit Report, because they contain some of the data used for the Audit Report, but they do not contain the data tables published in the Audit Report.

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

- a. Produced but made available online to the public too late (published after the acceptable time frame)
- b. Produced but made available only in hard copy or soft copy (not available online)
- c. Produced for internal purposes/use only
- d. Not produced at all
- e. Not applicable (the document is publicly available)

Answer: e.

Sources: n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

AR-6b: If you selected option "c" or "d" in question AR-6a above, please specify how you determined whether the AR was produced for internal use only, versus not produced at all. If option "a," "b," or "e" was selected in question AR-6a, researchers should mark this question "n/a."

Answer: n/a

Sources: n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

AR-7: If the AR is produced, please write the full title of the AR. If the document is not produced at all, researchers should mark this question "n/a."

Answer: "Jelentés Magyarország 2015. évi központi költségvetése végrehajtásának ellenőrzéséről" (Report on the Audit of the Execution of the Central Budget for FY 2015)

Sources: n/a

Peer Reviewer**Opinion:** Agree**Government Reviewer****Opinion:** Agree**AR-8: Is there a "citizens version" of the AR?****a.** Yes**b.** No**Answer:** b.**Sources:** n/a**Comments:** Researcher: The SAO does not publish a separate, simplified version from the Audit Report. Based on our meetings with the SAO it intends to use simple and easily comprehensible language in its reports to make them easier to understand.**Peer Reviewer****Opinion:** Agree**Government Reviewer****Opinion:** Disagree**Suggested answer:** a.**Comments:** This reports made for the public, easy to understand and readable for everyday people. It can be considered as a citizen version.**Researcher response:** The Audit Report may be written in simple language but we looked for a separate document that includes the main findings of the report with the intention of informing the wider audience. We only found the summary of the press conference as such:<http://www.aszhirportal.hu/en/news/weekly-newscast-week-39-i...> (<http://www.aszhirportal.hu/en/news/weekly-newscast-week-39-in-2016><http://www.aszhirportal.hu/hu/hirek/sajtotajekoztato-a-zarszamas-ellenorzesrol>)**IBP comment:** IBP notes that from a cross-country consistency perspective, the Audit Report itself would not qualify as a citizens version of the Audit Report. Therefore, the researcher's original response of "b" is maintained.**GQ-1a: Are there one or more websites or web portals for disseminating government fiscal information? If yes, please provide the necessary links in the comment/citation.****a.** Yes**b.** No**Answer:** a.**Sources:** n/a**Comments:** Researcher: There is no governmental portal or webpage where all the fiscal documents are available in one place. There is a similar initiative by the FRIB: <http://kfib.hu/hu/koltsegvetesi-dokumentumok> (<http://kfib.hu/hu/koltsegvetesi-dokumentumok>)**Peer Reviewer****Opinion:** Disagree**Suggested answer:** a.**Comments:** The Government has several websites to disseminate the existing fiscal information as presented in this section hereinbefore (ex: Parliament's website, Government's website, State Treasury, State Audit Office) Though these documents sometimes are not easy to find, and it is almost impossible to a citizen who is not involved in numbers to make any connection or to draw any conclusion of them. The website of the Treasury presents in a most adequate way the budget appropriations and their fulfillment. They summaries and details of the central and local government subsystems of public finances for years back, and they classify the expenditures and revenues based on functions of the government (COFOG). The information is available in Hungarian and in English as well: The balance of the central budget of the central subsystem is available here <http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok...> (http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok/koltsegvetes_merleg_1/222/) Functional balances by public finance functional and by COFOG breakdown: <http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok...> (http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok/funkcionalis_merleg/2630/)**Government Reviewer****Opinion:** Disagree**Suggested answer:** a.**Comments:** The governmental fiscal information can be found on the following webpages which provide access to these information for the public: Website of the Hungarian Government <http://www.kormany.hu/en> (<http://www.kormany.hu/en>) The Office of the National Assembly www.parlament.hu (<http://www.parlament.hu>) Fiscal Council <http://www.parlament.hu/web/koltsegvetesi-tanacs> (<http://www.parlament.hu/web/koltsegvetesi-tanacs>) State Audit Office of Hungary <https://asz.hu/> (<https://asz.hu/>) Hungarian State Treasury <http://www.allamkincstar.gov.hu/en/> (<http://www.allamkincstar.gov.hu/en/>) Hungarian Journal <http://www.kozlonyok.hu/nkonline/index.php> (<http://www.kozlonyok.hu/nkonline/index.php>) Hungarian Statistical Office <https://www.ksh.hu/?lang=en> (<https://www.ksh.hu/?lang=en>)**Researcher response:** We accepted the reviewers' opinions about the websites where fiscal information can be found. This practice only meets the minimum criteria, therefore we revised our answer to "a". However publishing the information dispersed among many sites and sometimes in

unstructured format is still a problem.

GQ-1b: On these websites/portals, can revenue and expenditure data for the current fiscal year be downloaded as a consolidated file (or set of files)? If yes, please provide the necessary links in the comment/citation.

- a. Yes
- b. No

Answer: b.

Sources: The detailed numerical tables on the webpage of the Treasury: <http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok...> (<http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok/a-2016-evi-kozponti-koltsegvetes-vegrehajtasanak-adatai/3714/>) The balance sheets of the Central Budget: <http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok...> (http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok/koltsegvetes_merleg_1/222/) The data files for expenditures classified by functions: <http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok...> (http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok/funkcionalis_merleg/2630/)

Comments: Researcher: The fiscal information is not available on one dedicated webpage, but some information is available on the webpage of the Treasury. There is one set of files that contains the detailed expenditure and revenue data, but those files are only available in pdf format publicly. These tables are detailed at the same level as the Executive's Budget Proposal and can be regarded as the most useful for fiscal analysis. The files contain each month separately and not in a consolidated format, someone has to match the rows to create a time-series from the data tables. The balance sheets of the Central Budget are the data tables for the In-Year Reports. They are less detailed than the previous data files, but more or less consistent among the years and readily available as time series throughout the year. The functional data file (the file size of 44 Mbs) contains the approved and factual expenditures in functional classification but the functions are not fully compatible with the COFOG. We answered the question based on that the information is distributed among many webpages sporadically and those are hard to find without prior knowledge.

Peer Reviewer

Opinion: Disagree

Suggested answer: a.

Comments: On the websites/portals of the State Treasury revenue and expenditure data for the current fiscal year can be downloaded as a consolidated file and they present the revenues and expenditures: The data files for expenditures classified by function:

<http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok...> (http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok/funkcionalis_merleg/2630/) The balance sheets of the Central Budget: <http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok...> (http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok/koltsegvetes_merleg_1/222/)

Government Reviewer

Opinion: Disagree

Suggested answer: a.

Comments: Detailed budgetary information (revenue, expenditures, balance) is published on the webpage of Hungarian Government every month on the last monthly data : http://www.kormany.hu/download/d/d7/01000/mrg2017_03.pdf (http://www.kormany.hu/download/d/d7/01000/mrg2017_03.pdf) These monthly data also available on the Treasury webpage in readable (excel) format: <http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok...> (<http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok/>)

Researcher response: Thank you for the additional information. We agree with the reviewers that monthly expenditure and revenue data were available on the webpage of the Treasury. The monthly data files are not always compatible through years due to added or removed lines between years, so they cannot be treated as data for multiple years. The simplification of data analysis were only available for the functional data as a comparison tool in the 44MB file, but the data tables cannot be copied from that file. In (<http://file.in>) our opinion only the data for the current fiscal year is available in a machine readable format.

IBP comment: IBP agrees with the researcher's response as this question is asking for consolidated open format data.

GQ-1c: On these websites/portals, can consolidated revenue and expenditure data be downloaded for multiple years in consistent formats? If yes, please provide the necessary links and details in the comment/citation.

- a. Yes
- b. No

Answer: b.

Sources: The data files for expenditures classified by functions: <http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok...> (http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok/funkcionalis_merleg/2630/) The balance sheets of the Central Budget: <http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok...> (http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok/koltsegvetes_merleg_1/222/)

Comments: Researcher: The only data file that includes data for multiple years is the functional table (from the cited webpage the file size with 44 Mbs). Note that it is not fully consistent because there can be expenditures that are classified differently (to different functions) throughout the years. The balance sheets of the Central Budget are also only partly consistent, because new titles can be introduced or unused ones deleted between the years. Because we answered there was no website for disseminating fiscal information we also chose "No" for this question, but provided examples for the available data tables.

Peer Reviewer

Opinion: Disagree

Suggested answer: a.

Comments: On the websites/portals of the State Treasury the data file of revenue and expenditure is presented also in a consolidated way. For example the Balance of the Central Subsystem is presented in an excel file where the first datable shows the appropriation for the current year in total and by month (part A). The second table (B) presents the cumulated fulfillment. Part C presents the fulfillment by month.

Government Reviewer

Opinion: Disagree

Suggested answer: a.

Comments: On the website of the Treasury balance sheet available expenditures by functions and revenues by sources. The data can be also found on the website of the Parliament in the End Year Report and the Executive Budget proposal. <http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok...> (http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok/koltsegvetes_merleg_1/222/) <http://www.parlament.hu/irom40/10377/adatok/altindmell/altin...> (http://www.parlament.hu/irom40/10377/adatok/altindmell/altind_mell.html)

Researcher response: In our assessment the recommended data files were only useful for the current years because there can be extra or removed lines between years and as a consequence of that it requires extra effort to make it consistent between years.

IBP comment: IBP agrees with the researcher's response as this question is asking for consolidated open format data.

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

a. Yes

b. No

Answer: b.

Sources: n/a

Comments: Researcher: There is no infographics or visualization about the budgetary data. Although the Government made a resolution about visualizing up-to-date data, but the deadline for that is 31 May 2017. The resolution is available here, on page 17457 in point 4: <http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK15100.pdf> (<http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK15100.pdf>)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested answer: a.

Comments: The monthly reports contain charts and tables for better understanding of revenues and expenditures and provide detailed data on the budget. <http://www.kormany.hu/download/c/d7/01000/T%C3%A1j%C3%A9kozt...> (<http://www.kormany.hu/download/c/d7/01000/T%C3%A1j%C3%A9koztat%C3%B3.pdf>)

Researcher response: The recommended charts and tables are part of the In-Year Reports, not a distinct set of charts presented directly on a website/portal. Because of this we did not consider it as infographics or visualization.

IBP comment: IBP agrees with the researcher's assessment.

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

a. Yes

b. No

Answer: a.

Sources: 2011. évi CXCV. törvény az államháztartásról English title: Act CXCV of 2011 on the State Budget: URL:

http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100195.TV (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 (http://www.njt.hu/cgi_bin/njt_doc.cgi?docid=140968)

Comments: Researcher: The cited law contains the rules of public financial management and auditing. The law does not include explicit rules for budget transparency and citizen participation, except in two cases. In 13. § (1) it is stated that the timetable for the proposed budget should be published on the Ministry's webpage until 30 June, while in 33. § (6) that the Treasury should publish the factual data monthly on its webpage in the same format as it was in the Enacted Budget. The articles of the Constitution provide more general guidelines for fiscal transparency, like "the budget shall be presented in an identical, transparent and reasonably detailed format".

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

- a. Yes
- b. No

Answer: a.

Sources: 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 (http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100112.TV)

Comments: Researcher: There is no specific laws on citizens participation or budgetary/government transparency. The cited act is about the access to information.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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

- a. (100) Yes, administrative units accounting for all expenditures are presented.
- b. (67) Yes, administrative units accounting for at least two-thirds of, but not all, expenditures are presented.
- c. (33) Yes, administrative units accounting for less than two-thirds of expenditures are presented.
- d. (0) No, expenditures are not presented by administrative unit.
- e. Not applicable/other (please comment).

Answer: a. (100)

Sources: In Hungarian: A költségvetési törvényjavaslat 1. melléklete In English: Appendix 1 of the Executive's Budget Proposal URL: http://www.parlament.hu/irom40/10377/adatok/01_mell.pdf (http://www.parlament.hu/irom40/10377/adatok/01_mell.pdf) pp. 38-110 of the EBP In Hungarian: Magyarország Alaptörvénye URL: http://www.njt.hu/cgi_bin/njt_doc.cgi?docid=140968 (http://www.njt.hu/cgi_bin/njt_doc.cgi?docid=140968) 36. cikk (2) In English: Fundamental Law of Hungary URL: <http://www.kormany.hu/download/e/02/00000/The%20New%20Fundam...> (<http://www.kormany.hu/download/e/02/00000/The%20New%20Fundamental%20Law%20of%20Hungary.pdf>) Article 36 (2)

Comments: Researcher: Appendix 1 lists all the expenditure and revenue items of the EBP by institutions and chapter-administered appropriations for the expenditures and by revenue titles for the revenues. The budget of the institutions are separated for "Működési költségvetés" (Operational budget) and "Felhalmozási költségvetés" (Capital expenditures), while the chapter-administered appropriations are collected under "Fejezeti kezelésű előirányzatok". The appendix contains the expenditures for all the budgetary institutions. The level of details is not consistent throughout the appendix because sometimes rather large institutions are presented in a summarized way, while other, smaller institutions individually. For example on page 78 the Universities and high schools ("Egyetemek, főiskolák") are presented on one line item, showing that the 29 institutions spend about 500 billion HUF (1,6% of the GDP). On the same page the National Institute of Pharmacy and Nutrition ("Országos Gyógyszerészeti és Élelmezés-egészségügyi Intézet") is presented individually while it spends 3 billion HUF, less than any university or high school. The Fundamental Law of Hungary orders that the central budget shall present the expenditures in reasonably detailed way. In this case this is not fulfilled.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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

- a. (100) Yes, expenditures are presented by functional classification.
- b. (0) No, expenditures are not presented by functional classification.
- c. Not applicable/other (please comment).

Answer: a. (100)

Sources: Table of functional classifications: In Hungarian: "Az államháztartás funkcionális kiadásai (pénzforgalmi szemléletben)" In English: The functional expenditures of the general government (cash-flow based) on page 267 of the EBP In Hungarian: "Az államháztartás konszolidált funkcionális kiadásai (pénzforgalmi szemléletben)" In English: The consolidated functional expenditures of the general government (cash-flow based) on page 268 of the EBP In Hungarian: "A központi alrendszer funkcionális kiadásai (pénzforgalmi szemléletben)" In English: The functional

expenditures of the central government (cash-flow based) on page 283 of the EBP In Hungarian: "A központi alrendszer konszolidált funkcionális kiadásai (pénzforgalmi szemléletben)" In English: The consolidated functional expenditures of the central government (cash-flow based) on page 284 of the EBP COFOG - Classification of the Functions of Government URL: <http://unstats.un.org/unsd/cr/registry/regcst.asp?Cl=4> (<http://unstats.un.org/unsd/cr/registry/regcst.asp?Cl=4>)

Comments: Researcher: The EBP presents the expenditures in functional classification for both the general government and the central government. The consolidated expenditures are also available. The functional categories are similar but not strictly comparable with the COFOG categories. Some of the used functions are the same, others are classified to a lower level in the COFOG and another categories are not present in the COFOG categories. The Hungarian functional classification more or less can be rearranged to provide an estimate for the COFOG categories. Another drawback of the classification is that the Hungarian methodology classifies the institutions, not their expenditures. As a consequence institutions with expenditures in multiple functions are shown in their main function. For example the universities with medical courses spend on education and healthcare, but in this classification all of their expenditures are categorized as educational expenditure. The classification of individual expenditures according to the COFOG is generated by the Central Statistical Office, but only for the outcomes of the expenditures based on the financial reports of the budgetary institutions. For the appropriations no other functional classification is available.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

- a. (100) Yes, the functional classification is compatible with international standards.
- b. (0) No, the functional classification is not compatible with international standards, or expenditures are not presented by functional classification.
- c. Not applicable/other (please comment).

Answer: a. (100)

Sources: Table of functional classifications: In Hungarian: "Az államháztartás funkcionális kiadásai (pénzforgalmi szemléletben)" In English: The functional expenditures of the general government (cash-flow based) on page 267 of the EBP In Hungarian: "Az államháztartás konszolidált funkcionális kiadásai (pénzforgalmi szemléletben)" In English: The consolidated functional expenditures of the general government (cash-flow based) on page 268 of the EBP In Hungarian: "A központi alrendszer funkcionális kiadásai (pénzforgalmi szemléletben)" In English: The functional expenditures of the central government (cash-flow based) on page 283 of the EBP In Hungarian: "A központi alrendszer konszolidált funkcionális kiadásai (pénzforgalmi szemléletben)" In English: The consolidated functional expenditures of the central government (cash-flow based) on page 284 of the EBP

Comments: Researcher: The functional classification presented in the EBP are mostly compatible with the COFOG, but achieving it requires serious effort. First the numbering differs, for example in the EBP the F04 is the Education ("Oktatási tevékenységek és szolgáltatások") while in the international standard it is 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". The top level data can be generated from the presented tables but the second level only with significant restrictions. It is important that the calculated data will not be comparable with the statistical data due to the different classification methods. The government classifies the institutions to the functions, while the Central Statistical Office classifies the expenditures of the institutions, and this latter provides more precise data.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

- a. (100) Yes, expenditures are presented by economic classification.
- b. (0) No, expenditures are not presented by economic classification.
- c. Not applicable/other (please comment).

Answer: a. (100)

Sources: Tables 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 264 In Hungarian: "Az államháztartás konszolidált kiadásai (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)" in English: Consolidated expenditures of the general government (cash-flow based) (by economic classification) on page 265 In Hungarian: "A központi alrendszer mérlege (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)" in English: Balance sheet of the central government (cash-flow based) (by economic classification) on page 280 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 281

Comments: Researcher: The EBP presents the expenditures in economic classification in several tables. The tables present the expenditures for both the general and central government and in a consolidated manner as well. The expenditures are presented in section "1 Kiadások" of the tables. It divides the expenditures to operational ("Működési költségvetés") and capital ("Felhalmozási költségvetés") expenditures. Below the operational expenditures the wages, the social contributions, use of goods and services, social transfers and other operational expenditures are listed. Under the capital expenditures the investments, maintenance and other capital expenditures are shown.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

a. (100) Yes, the economic classification is compatible with international standards.

b. (0) No, the economic classification is not compatible with international standards, or expenditures are not presented by economic classification.

c. Not applicable/other (please comment).

Answer: b.

Sources: Tables 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 264 In Hungarian: "Az államháztartás konszolidált kiadásai (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)" in English: Consolidated expenditures of the general government (cash-flow based) (by economic classification) on page 265 In Hungarian: "A központi alrendszer mérlege (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)" in English: Balance sheet of the central government (cash-flow based) (by economic classification) on page 280 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 281

Comments: Researcher: The economic classification of the expenditures are cash-flow based, hence for example the consumption of fixed capital cannot be included. The Hungarian version shows separately the investments and refurbishments, but merges the grants, subsidies and social benefits to current and capital expenditures. This means the row of current subsidies ("Egyéb működési célú kiadások") includes among other items the pensions, subsidies to corporations and grants to other budgetary institutions on one line item. The presentation is similar to the GFS, but neither the method nor the actual output are compatible with it.

Peer Reviewer

Opinion: Agree with Comments

Comments: The Classification of Functions of Government (COFOG) is available on the State Treasuries website back for several. Although the source of the tables is the EUROSTAT which brings to the conclusion that the statements are not prepared locally. Materials based on COFOG breakdown (COFOG bontás szerinti anyagok): <http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok...> (http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok/funkcionalis_merlegek/2630/)

Government Reviewer

Opinion: Disagree

Suggested answer: a.

Comments: The economic classification of the revenues and expenditures corresponds to IMF GFSM structure with some deviations. As the budgetary economic classification covers cash-flow based data, hence consumption of fixed capital is not included, but capital expenditures related non-financial assets (capital formation including renewals) are included in the expenditure side and receipts from sale of non-financial assets on the revenue side. These are definite subjects of budgeting process, and not the consumption of fixed capital. Nevertheless budgetary units calculate consumption of fixed capital in their double-entry book-keeping system. Groups of revenues and expenditures are compatible with GFSM classification

Researcher response: The included lines in the economic classification: Expenditures- Wages- Social contributions and social tax related to wages- Use of goods and services- Monetary transfers (this consists of monetary social benefits, subsidies and grants to households)- Other current expenditures (this includes any other transfers to corporations, international organizations or other budgetary institutions)- Investments- Refurbishments- Other capital expenditures (this includes all kinds of transfers for capital expenditures for all sectors) Revenues- Current transfers from other budgetary institutions- Capital transfers from other budgetary institutions- Current transfers from outside the government- Capital transfers from outside the government- Income taxes- Social contributions and social tax related to wages- Taxes related to wages and employment- Taxes on capital structures- Taxes on products and services- Other taxes- Current revenues (this includes fees for governmental services)- Capital revenues The presented version is more aggregated than the IMF GFSM structure. Technically there are traps in the accounting as the transfers provided to other budgetary institutions will be wages, goods and services or capital expenditure in the end, while in this classification they are treated as transfers. Unfortunately the current accounting process cannot handle this, so the categories are not so clear as the IMF GFSM's.

IBP comment: From a cross-country consistency perspective, IBP agrees with the researcher's response.

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

a. (100) Yes, programs accounting for all expenditures are presented.

b. (67) Yes, programs accounting for at least two-thirds of, but not all, expenditures are presented.

- c. (33) Yes, programs accounting for less than two-thirds of expenditures are presented.
d. (0) No, expenditures are not presented by program.
e. Not applicable/other (please comment).

Answer: a. (100)

Sources: In Hungarian: 1. melléklet a törvényjavaslatához In English: Appendix 1 of the EBP pp. 38–110 In Hungarian: 2011. évi CXCV. törvény az államháztartásról In English: Act CXCV of 2011 on the state budget URL: http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100195.TV (http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100195.TV) paragraph 6/A. (3)

Comments: Researcher: The Hungarian budget is primarily institution-based, but has elements resembling a program-based approach. At the top level the budget is divided into chapters (which in most cases are the equivalent of Ministries). Below that the institutions administered by that Ministry and Chapter-administered appropriations are listed. The budget of the institutions are further broken into economic-classified expenditures. The Chapter-administered appropriations and their narrative discussions generally do not clarify the aim of the line item, its performance targets and other requirements that would qualify this line item as a program. However a tiny fraction of this Chapter-administered 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. According to the law the aim of Chapter-administered appropriations is to ensure a separate account for special expenditures and revenues related to the professional area of the Ministry or one its institutions. In this sense it could be a program, but in practice these are more similar to individual measures, not part of programs. Chapter-administered 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".

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested answer: b.

Comments: In the sense of the afore mentioned definition (" for the purposes of answering the questionnaire, researchers should treat the term "program" as meaning any level of detail below an administrative unit — that is, any programmatic grouping that is below the ministry, department, or agency level") we must say that it is well above 2/3 of expenditures are program-like. E.g. we present below administrative level the details of health and pension, or social expenditures.

Researcher response: In our original assessment we evaluated this question using a more strict definition of "program" and considered only chapter-administered appropriations as programs. Upon the reviewer's comment we clarified that a looser definition of "program" would also be acceptable. As Appendix 1 of the EBP presented the appropriations for the institutions below the ministries we accepted those as "programs". Many of the institutions can be described as programs (for example hospitals, universities, police departments, etc.), but the purpose of some minor institutions is difficult to summarize as program (for example Ministry of Interior Directorate for Education, Training and Science Organization or National Information Infrastructure Development Institute). The latter only covers at most 1% percent of the budget, meaning essentially all the expenditures below the ministries were detailed by institutions or chapter-administered appropriations, hence we revised our original answer to "a".

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

- a. (100) Yes, multi-year expenditure estimates are presented by all three expenditure classifications (by administrative, economic, and functional classification).
b. (67) Yes, multi-year expenditure estimates are presented by two of the three expenditure classifications.
c. (33) Yes, multi-year expenditure estimates are presented by only one of the three expenditure classifications.
d. (0) No, multi-year expenditure estimates are not presented by any expenditure classification.
e. Not applicable/other (please comment).

Answer: d.

Sources: In Hungarian: Az államháztartás mérlege (2016-2020) In English: Balance sheet of the general government (2016-2020) page 1346 of the EBP In Hungarian: III.3. Tájékoztató a több év előirányzatait terhelő programok, beruházások és más fejlesztések későbbi évekre vonatkozó hatásairól In English: III.3. Information on the effects of programs, investments and other developments with multi-year expenditures page 603 of the EBP

Comments: Researcher: Only one table presents the expenditures for multiple years in a coherent and complete manner, but that cannot be treated as any of the classifications. On the right hand side of the table under the title "Kiadások" only a handful of appropriations are shown individually, most of the institutions (for example all the Ministries) are aggregated to one row called "Költségvetési szervek kiadásai". Occasionally the narrative discussion presents appropriations with consequences for further years, but these are only a fraction of the total expenditures. In the cited example the relevant appropriations of the Ministry of Defence are presented, but these only account for 10% of the total budget of the Ministry.

Peer Reviewer

Opinion: Agree with Comments

Comments: The EBP presents the expenditures estimates for two year (the current year and the one before that) It is presented in economic and functional classification at sections: - Az államháztartás kiadásai/konzolidált kiadásai (General government expenditure / consolidated expenditure) pp: 264-266; http://www.parlament.hu/irom40/10377/T_10377_fokotet.pdf (http://www.parlament.hu/irom40/10377/T_10377_fokotet.pdf) - Az államháztartás funkcionális kiadásai (Functional expenditures of the General government); pp:267-269; http://www.parlament.hu/irom40/10377/T_10377_fokotet.pdf (http://www.parlament.hu/irom40/10377/T_10377_fokotet.pdf)

Government Reviewer

Opinion: Disagree

not complete because minor taxes like part of the gambling tax and cultural tax are tied to the National Cultural Fund and these revenues are not listed separately. The same logic applies to appendix 1 of the EBP. The bulk of the tax revenues are included in chapter XLII Direct revenues and expenditures of the budget ("XLII. A költségvetés közvetlen bevételei és kiadásai") on page 96, but the other mentioned taxes are on pages 107 and 108. The tax revenues of the National Cultural Fund is shown on page 106. In the first cited table each relevant tax revenue is listed individually, but in minor cases the individual source is hidden and can only be discovered by looking through appendix 1.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

- a. (100) Yes, individual sources of non-tax revenue accounting for all non-tax revenue are presented.
- b. (67) Yes, individual sources of non-tax revenue accounting for at least two-thirds of, but not all, non-tax revenues are presented.
- c. (33) Yes, individual sources of non-tax revenue accounting for less than two-thirds of all non-tax revenues are presented.
- d. (0) No, individual sources of non-tax revenue are not presented.
- e. Not applicable/other (please comment).

Answer: b. (67)

Sources: In Hungarian: A központi alrendszer mérlege In English: Balance sheet of the central budget page 276 of the EBP In Hungarian: 1. melléklet a törvényjavaslathoz In English: Appendix 1 of the EBP pp. 38-110 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. 1239-1241

Comments: Researcher: Some of the non-tax revenue sources can be identified from the first cited table as in the column "Bevételek". The title "Fejezeti kezelésű előirányzatok EU támogatása" shows the grants received from EU funds, the title "Állami vagyonnal kapcsolatos befizetések" 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 look through the titles in Appendix 1 to see what sources are included in the table. In rare cases even appendix 1 does not present the exact source of the revenue. For example the revenue of the National Food Chain Safety Office ("Nemzeti Élelmiszerlánc-biztonsági Hivatal" on page 54) totals to 9 billion HUF and mainly comes from the fee levied to supermarkets and other food product retailers. This information can only be known from the narrative discussion on pages 522-523. Other similar case is the governmental offices ("Fővárosi, megyei kormányhivatalok és járási kormányhivatalok" on page 51) with a revenue of 37 billion HUF that consists of mainly fees and fines. 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". From the cited table the main non-tax revenue sources can be identified but due to the institution-based logic the own revenues of the institutions are not categorized.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested answer: a.

Comments: In the convergence program all non tax revenues are presented. Page 73 Table 2

http://ec.europa.eu/europe2020/pdf/csr2016/cp2016_hungary_hu... (http://ec.europa.eu/europe2020/pdf/csr2016/cp2016_hungary_hu.pdf)

Researcher response: We did not consider the Convergence Program a supporting document for the EBP because it was not part of the budget proposal package submitted to the legislature. The cited table of the Convergence Program divides the non-tax revenues into social contributions, revenues from ownership and other. This classification is based on the European system of accounts, and the revenues are presented in a more aggregated way than in the EBP. We think the table in the EBP could be improved as the non-tax revenues of the institutions are not categorized at least by types like revenues from service fees and revenues from fines or other categories that would tell a little insight about the nature and distribution of the revenues. This is about 4% of the GDP and it could be interesting if they are market-based revenues or mainly from revenues related to public power. The example is significant enough and includes multiple revenue sources, hence we think not all the revenue sources presented individually.

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

- a. (100) Yes, multi-year estimates of revenue are presented by category.
- b. (0) No, multi-year estimates of revenue are not presented by category.
- c. Not applicable/other (please comment).

Answer: a. (100)

Sources: In Hungarian: Az államháztartás mérlege (2016-2020) In English: Balance sheet of the general government (2016-2020) page 1346 of the EBP

Comments: Researcher: In the cited table the column "Bevételek" lists the revenues. The table uses special categories like the revenues from corporations ("Gazdálkodó szervezetek befizetései"), taxes on consumption ("Fogyasztáshoz kapcsolt adók"), revenues from households ("Lakosság befizetései") and lists other revenue sources individually like interests received ("Kamatbevételek") or social contribution tax and social contributions ("Szociális hozzájárulási adó és járulékok"). The non-tax revenues are not listed separately and can be only estimated as a total, because many of them are presented in an aggregated line. For example the revenues related to state assets ("Állami vagyonnal kapcsolatos bevételek") can include dividends, rents and sale of assets as well. Other notable categories are the revenues from the EU ("Szakmai fejezeti kezelésű előirányzatok EU támogatása") and the revenues of the budgetary institutions ("Költségvetési szervezetek bevételei"). The revenues are presented in broad categories, but not classified strictly by tax and non-tax types. However the tax and non-tax categories can be calculated by the rearrangement of the used categories. Many of the Hungarian categories contain only tax revenues, that eases the calculation of tax and non-tax categories.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

- a. (100) Yes, multi-year estimates for individual sources of revenue accounting for all revenue are presented.
- b. (67) Yes, multi-year estimates for individual sources of revenue accounting for at least two-thirds of, but not all, revenue are presented.
- c. (33) Yes, multi-year estimates for individual sources of revenue accounting for less than two-thirds of revenue are presented.
- d. (0) No, multi-year estimates for individual sources of revenue are not presented.
- e. Not applicable/other (please comment).

Answer: b. (67)

Sources: In Hungarian: Az államháztartás mérlege (2016-2020) In English: Balance sheet of the general government (2016-2020) page 1346 of the EBP

Comments: Researcher: The cited table lists individually most of the tax revenues, like VAT ("Általános forgalmi adó"), corporate tax and special tax of corporations ("Társasági adó és társas vállalkozások különadója") or personal income tax ("Személyi jövedelemadó"). In the first three blocks of the table the most important taxes are presented individually and in the lower part of the table social contribution tax ("Szociális hozzájárulási adó") is also shown separately. These account for more than two-third of the total revenues, but only presents the most important revenues sources. It could be enhanced by presenting aggregated data for minor revenue sources like revenues from fees, fines or income from services.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested answer: a.

Comments: The referred table (In Hungarian: Az államháztartás mérlege (2016-2020), English: Balance sheet of the general government (2016-2020) page 1346 of the EBP) does in fact present all revenues, e.g. fees, fines or income from services are presented in an aggregated way in line called "egyeb központosított bevétel".

Researcher response: We agree that the fines, fees and income from services are presented in the line "Egyéb központosított bevétel", but in our opinion these non-tax revenues should be presented at least by categories to count as individual sources. In this case the "Egyéb központosított bevétel" includes both tax and non-tax revenues, so they can only be separated if the components are individually classified. Some level of aggregation is inevitable, but it would be more useful if revenues of the same kind were aggregated.

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

- a. (100) Yes, all three estimates related to government borrowing and debt are presented.
- b. (67) Yes, two of the three estimates related to government borrowing and debt are presented.
- c. (33) Yes, one of the three estimates related to government borrowing and debt are presented.
- d. (0) No, none of the three estimates related to government borrowing and debt are not presented.
- e. Not applicable/other (please comment).

Answer: a. (100)

Sources: Tables in the EBP In Hungarian: "A központi alrendszer mérlege" In English: Balance sheet of the central budget pp. 276-277 of the EBP In Hungarian: "A központi költségvetés bruttó adósságának alakulása 2015-2017 között" In English: The evolution of the gross debt of the central government between 2015-2017 on page 299 The narrative discussion of the debt In Hungarian: "XLI. Adósságszolgálattal kapcsolatos bevételek és kiadások" In English: Revenues and expenditures related to debt services pp. 1199-1207

Comments: Researcher: On page 299 the table shows the composition of the gross debt of the central government by currency denomination and type of debt (like loans, T-bill, bonds). The gross debt is shown in the line called "A központi költségvetés bruttó adóssága mindösszesen". The sum of interest payments is presented on page 277 in the row "Kamatkiadások", while the revenue from interests on page 276 in the row "Kamatbevételek". The net new borrowing requirement is stated explicitly only in the Debt Management Agency's Yearly Outlook, but the EBP does not present it. We used the cash-flow based budget deficit as an estimate for the net new borrowing requirement. The difference between the two is mostly the net EU transfers. The deficit is presented on bottom of page 275. The Debt Management Outlook for 2016 is available here in Hungarian: <http://www.akk.hu/uploads/17bPO2wM.pdf> (<http://www.akk.hu/uploads/17bPO2wM.pdf>) and here in English: <http://www.akk.hu/uploads/5wexZDr0.pdf> (<http://www.akk.hu/uploads/5wexZDr0.pdf>) On page 3 the net new borrowing requirement is presented in the row "Teljes nettó finanszírozási igény".

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

14: Does the Executive's Budget Proposal or any supporting budget documentation present information related to the composition of the total debt outstanding at the end of the budget year? (The core information must include interest rates on the debt instruments; maturity profile of the debt; and whether it is domestic or external debt.)

- a. (100) Yes, information beyond the core elements is presented for the composition of the total debt outstanding.
- b. (67) Yes, the core information is presented for the composition of the total debt outstanding.
- c. (33) Yes, information is presented, but it excludes some core elements.
- d. (0) No, information related to composition of total debt outstanding is not presented.
- e. Not applicable/other (please comment).

Answer: b. (67)

Sources: In Hungarian: "A központi alrendszer mérlege" In English: Balance sheet of the central budget pp. 276-277 of the EBP In Hungarian: "A központi költségvetés bruttó adósságának alakulása 2015-2017 között" In English: The evolution of the gross debt of the central government between 2015-2017 on page 299 The narrative discussion of the debt In Hungarian: "XLI. Adósságszolgálattal kapcsolatos bevételek és kiadások" In English: Revenues and expenditures related to debt services pp. 1199-1207

Comments: Researcher: The balance sheet of the central budget explicitly presents the interest payments in the row "Kamatkiadások", although for the total cost of debt the revenue from interests ("Kamatbevételek") ought to be subtracted. The composition of the debt divides the debt by currency denomination and type of debt (like loan, T-bill, bond). The maturity profile is not presented completely in the EBP, although the amount of T-bills can provide some information about it. The presented information is minimal, and the government omits available data from the EBP as illustrated below. The missing data is readily available on the webpage of the Debt Management Agency at the following web pages: The maturity profile is published quarterly and can be downloaded here: <http://www.akk.hu/uploads/Y79D6Qn0.xls> (<http://www.akk.hu/uploads/Y79D6Qn0.xls>) in English: <http://www.akk.hu/uploads/BnWPa070.xls> (<http://www.akk.hu/uploads/BnWPa070.xls>) The ownership of the securitized debt by the different sectors is available: <http://www.akk.hu/hu/statisztika/hozamok-indexek-forgalmi-ad...> (<http://www.akk.hu/hu/statisztika/hozamok-indexek-forgalmi-adatok/a-befektetoi-szektorok-masodpiaci-allampapir-pozicioja>) in English: <http://www.akk.hu/en/statistics/central-government-debt-defi...> (<http://www.akk.hu/en/statistics/central-government-debt-defi-ownership-structure-of-huf-government-securities>) The ownership of loans is presented here: [http://www.akk.hu/hu/statisztika/allamadossag-finanszirozasa/...](http://www.akk.hu/hu/statisztika/allamadossag-finanszirozasa/) (<http://www.akk.hu/hu/statisztika/allamadossag-finanszirozasa/a-kozponti-koltsegvetes-adossaga>) in English: <http://www.akk.hu/en/statistics/central-government-debt-defi...> (<http://www.akk.hu/en/statistics/central-government-debt-defi-financing/central-government-gross-debt>)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

15: Does the Executive's Budget Proposal or any supporting budget documentation present information on the macroeconomic forecast upon which the budget projections are based? (The core information must include a discussion of the economic outlook with estimates of nominal GDP level, inflation rate, real GDP growth, and interest rates.)

- a. (100) Yes, information beyond the core elements is presented for the macroeconomic forecast.
- b. (67) Yes, the core information is presented for the macroeconomic forecast.
- c. (33) Yes, information is presented, but it excludes some core elements.
- d. (0) No, information related to the macroeconomic forecast is not presented.
- e. Not applicable/other (please comment).

Answer: a. (100)

Sources: In Hungarian: "A gazdasági fejlődés főbb jellemzői" In English: The main characteristics of the economic development on page 259 Narrative discussion in EBP In Hungarian: Az általános indokolás - I. A kormányzat gazdaságpolitikájának fő vonásai, az államháztartás alakulása a 2017. évben - 1. A kormányzat gazdaságpolitikája In English: The General Justification - I. The Main Features of the Economic Policy of the Government in 2017 -

1. The economic policy of the government on pp. 217-218 from the paragraph starting with "A legfrissebb makrogazdasági adatok arról tanúskodnak,..."

Comments: Researcher: The cited table presents all the main macroeconomic assumptions for the budget. Nominal GDP level - "GDP értéke folyó áron" Inflation rate - Fogyasztói árindex változása Real GDP growth - GDP növekedése Interest rates are shown only as the base rate of the central bank in the line "Jegybanki alapkamat". Additionally many other assumptions are presented like investment rate as percent of GDP, consumption, export, import, balance of current account, exchange rate of EURHUF and EURUSD, change in employment and wages. As all the core elements are published along additional macroeconomic indicators we chose answer "a".

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

16: Does the Executive's Budget Proposal or any supporting budget documentation show the impact of different macroeconomic assumptions (i.e., sensitivity analysis) on the budget? (The core information must include estimates of the impact on expenditures, revenue, and debt of different assumptions for the inflation rate, real GDP growth, and interest rates.)

- a. (100) Yes, information beyond the core elements is presented to show the impact of different macroeconomic assumptions on the budget.
- b. (67) Yes, the core information is presented to show the impact of different macroeconomic assumptions on the budget.
- c. (33) Yes, information is presented, but it excludes some core elements.
- d. (0) No, information related to different macroeconomic assumptions is not presented.
- e. Not applicable/other (please comment).

Answer: d.

Sources: Discussion in the EBP In Hungarian: 1. számú keretes írás: érzékenységvizsgálatok -- pozitív és negatív forgatókönyvek In English: Box 1: Sensitivity analyses -- Positive and negative scenarios on pp. 1332-1334

Comments: Researcher: The EBP contains a brief sensitivity analysis in the discussion of the macroeconomic assumptions at the end of the document. In the cited box the scenarios and their assumptions are discussed, but their effect on the budget deficit or individual revenue/expenditure items are not included. A more detailed analysis is published in the Convergence Programme submitted to the EU Commission. The document in English is available here: http://www.kormany.hu/download/8/e7/b0000/KP%202016_en.pdf (http://www.kormany.hu/download/8/e7/b0000/KP%202016_en.pdf) On pages 50-54 the effects of several scenarios are presented for multiple years beyond the fiscal year. It is important that the EBP and Convergence Programme were published closely to each other (in April and May) and used nearly the same macroeconomic assumptions, but the detailed sensitivity analysis was omitted from the EBP. The sensitivity analysis in the EBP does not disclose any information on the impact of the different scenarios on the budget or other budgetary assumption (like total debt).

Peer Reviewer

Opinion: Disagree

Suggested answer: c.

Comments: On the website of the Parliament (<http://www.parlament.hu/irom40/10377/adatok/fejezetek/fejeze...> (<http://www.parlament.hu/irom40/10377/adatok/fejezetek/fejezetek.html>)) is presented the macro economical trends and the mid-term forecast but it mostly a narrative description and does not take into consideration too many negative impacts. The document contains a short summary of the sensibility analysis but the link to the original study is not working. The negative scenarios are very tight: the government counts as a negative scenario only with the slower growth of the external demand.

Government Reviewer

Opinion: Disagree

Suggested answer: a.

Comments: The convergence program contains a sensitivity analysis: Page 50 http://ec.europa.eu/europe2020/pdf/csr2016/cp2016_hungary_hu... (http://ec.europa.eu/europe2020/pdf/csr2016/cp2016_hungary_hu.pdf) In Hungarian case convergence program can be considered as a "supporting document", for the budget bill is submitted to the parliament in parallel with the COP, and the content is the same.

Researcher response: We agree that the macroeconomic scenarios and their narrative discussion were included, but in our opinion in a sensitivity analysis for the budget it is indispensable that budgetary effects are presented numerically. Without it they are only possible macroeconomic scenarios. At the moment we did not find any indication that the Convergence Program is treated as a supporting document to the EBP, as the Convergence Program was not part of the budget proposal package submitted to the legislature or referenced in the EBP in any way. The EBP contained a summary based on the Convergence Program: <http://www.parlament.hu/irom40/10377/adatok/fejezetek/00makr...> (<http://www.parlament.hu/irom40/10377/adatok/fejezetek/00makroind.pdf>) The two were published close to each other only because the submission of the EBP was brought forward to May, but that can change without any legal modification as the legal deadline is 30 September. If we see strong evidence about any established practice in this question we will accept that they are each other's supporting documents.

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

- a. (100) Yes, estimates that show how all new policy proposals affect expenditures are presented, along with a narrative discussion.
- b. (67) Yes, estimates that show how all new policy proposals affect expenditures are presented, but a narrative discussion is not included.
- c. (33) Yes, information that shows how some but not all new policy proposals affect expenditure is presented.

- d. (0) No, information that shows how new policy proposals affect expenditure is not presented.
e. Not applicable/other (please comment).

Answer: c. (33)

Sources: In Hungarian: "Az általános indokolás" In English: The General Justification pp. 209-231

Comments: Researcher: The new policy proposals are highlighted on pages 213-216 and discussed again on pages 221-225. The government describes the new policy proposals along the existing ones related to the same goal, but generally does not disclose any of their effects. The best description is the elevation of the income tax exemption for the families with two children, where the EBP presents the policy proposal (increasing the exemption from 10 thousand HUF per children per month to 15 thousand), the exempted revenues (15 billion HUF) and size of the targeted population (380-390 thousand taxpayers). This is shown in the second paragraph in the point "a. Családok helyzetének javítása". The example above is presenting the effect on revenues (discussed in Question 18), but for the expenditures we have not found any policy proposal that had been presented in such a detailed way. In all of the cases the numerical effects on the expenditures are missing, and the details of the new policy proposals are only presented partially. In the EBP for FY 2017 very influential and complex proposals were made like increasing the wages of teachers, soldiers, policemen and employees of the Tax Authority or providing lump sum subsidies for buyers of newly-built houses. The new policy proposals are only presented in the narrative discussion, they are not summarised in a separate table.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested answer: a.

Comments: The budget proposal contains explanation for these policies. The convergence programme also shows the impact of new measures on budget balance: Page 27 http://ec.europa.eu/europe2020/pdf/csr2016/cp2016_hungary_hu...
(http://ec.europa.eu/europe2020/pdf/csr2016/cp2016_hungary_hu.pdf)

Researcher response: The Convergence Program provides a good example for the presentation of the main new policies, although only their effects on the budget balance are presented. The narrative discussion of the EBP only summarizes the policies, their costings are missing. We did not consider the Convergence Program as a supporting document of the EBP. In the recent years the Convergence Program and the EBP was published closely, because the submission of the EBP had been brought forward to May. There is no legal obligation for so early submission and if the submission were later in the year, the Convergence Program would be published months before the EBP. We did not find any strong relationship between the two, as the Convergence Program was not part of the budget proposal package submitted to the legislature or referenced in the EBP in any way.

IBP comment: For cross-country consistency, IBP would accept answer choice "c" based on the information presented by the researcher in the original citation. Therefore, the researcher's response is revised from "d" to "c".

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

- a. (100) Yes, estimates that show how all new policy proposals affect revenues are presented, along with a narrative discussion.
b. (67) Yes, estimates that show how all new policy proposals affect revenues are presented, but a narrative discussion is not included.
c. (33) Yes, information that shows how some but not all new policy proposals affect revenues are presented.
d. (0) No, information that shows how new policy proposals affect revenues is not presented.
e. Not applicable/other (please comment).

Answer: c. (33)

Sources: Discussion in EBP In Hungarian: "Az általános indokolás - 4. Adó- és járulékpolitikai célkitűzések" In English: The General Justification - Section 4. Tax and contribution policies pp. 224-225 In Hungarian: "XLII. A költségvetés közvetlen bevételei és kiadásai" In English: Chapter XLII Direct revenues and expenditures of the budget pp. 1209-1228 Table in EBP In Hungarian: "Főbb adó- és járulékkedvezmények" In English: Main tax and social contribution exemptions pp. 300-301

Comments: Researcher: The effect for revenues can only be found in the case of one new policy proposal. On page 221 the elevation income tax exemption for the families with two children is described, where the EBP presents the policy proposal (increasing the exemption from 10 thousand HUF per children per month to 15 thousand), the exempted revenues (15 billion HUF) and size of the targeted population (380-390 thousand taxpayers). This is shown in the second paragraph in the point "a. Családok helyzetének javítása". The effects of other policy proposals are not discussed even on the narrative discussion of the revenues. For example the government intended to decrease the VAT on some products and services, but the effect of the proposal is not presented. On page 1215 under the title "2/1. alcím: Általános forgalmi adó" the estimate of VAT is presented, and the description mentions that the effects of the new policy proposals are incorporated into it, but their separate effects cannot be found anywhere.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested answer: a.

Comments: Both convergence program and budget contain the effect of new policies on revenues. Convergence program page 27 http://ec.europa.eu/europe2020/pdf/csr2016/cp2016_hungary_hu... (http://ec.europa.eu/europe2020/pdf/csr2016/cp2016_hungary_hu.pdf)

Researcher response: We do not doubt that the cited documents took into account the new policies and the numbers were calculated accordingly. However they are not presented and quantified explicitly and individually in a list or table that would enable the legislature to see which decision has major impact on the budget. In our opinion the representatives and the public cannot judge how much revenue would be lost by decreasing the VAT on the food products or the effect of increasing tax exemptions. We did not consider the Convergence Program as a supporting document of the EBP. In the

recent years the Convergence Program and the EBP was published closely, because the submission of the EBP had been brought forward to May. There is no legal obligation for so early submission and if the submission were later in the year, the Convergence Program would be published months before the EBP. We did not find any strong relationship between the two, as the Convergence Program was not part of the budget proposal package submitted to the legislature or referenced in the EBP in any way.

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

- a. (100) Yes, expenditure estimates for BY-1 are presented by all three expenditure classifications (by administrative, economic, and functional classification).
- b. (67) Yes, expenditure estimates for BY-1 are presented by two of the three expenditure classifications.
- c. (33) Yes, expenditure estimates for BY-1 are presented by only one of the three expenditure classifications.
- d. (0) No, expenditure estimates for BY-1 are not presented by any expenditure classification.
- e. Not applicable/other (please comment).

Answer: b. (67)

Sources: In Hungarian: "A központi alrendszer funkcionális kiadásai (pénzforgalmi szemléletben)" In English: The functional expenditures of the central government (cash-flow based) on page 283 of the EBP In Hungarian: "A központi alrendszer mérlege (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)" in English: Balance sheet of the central government (cash-flow based) (by economic classification) on page 280 In Hungarian: "A költségvetési törvényjavaslat 1. melléklete" In English: Appendix 1 of the Executive's Budget Proposal pp. 38-110 of the EBP
Comments: Researcher: The tables of economic and functional classification presents the data for the previous year in every case. The administrative classification does not present the data for the previous year, because the four columns are for the current and capital expenditures and revenues.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

- a. (100) Yes, programs accounting for all expenditures are presented for BY-1.
- b. (67) Yes, programs accounting for at least two-thirds of, but not all, expenditures are presented for BY-1.
- c. (33) Yes, programs accounting for less than two-thirds of expenditures are presented for BY-1.
- d. (0) No, expenditures are not presented by program for BY-1.
- e. Not applicable/other (please comment).

Answer: c. (33)

Sources: In Hungarian: 1. melléklet a törvényjavaslatához In English: Appendix 1 of the EBP pp. 38-110 In Hungarian: A központi alrendszer mérlege In English: Balance sheet of the central budget page 277

Comments: Researcher: Appendix 1 does not contain any information about the previous year due to the changed presentation of the individual line items (instead of three columns for 2017 the expenditures and revenues are presented in four columns). The data for the previous year can only be found in the balance sheet of the central budget. In the table some of the line items can be treated as "programs" in broad terms. For example subsidy for public media ("Közszolgálati műsorszolgáltatás támogatása"), consumer price subsidy ("Szociálpolitikai menedj támogatás"), housing subsidies ("Lakásépítési támogatások") can be mentioned in this sense. But many other similar line items are aggregated under the other chapter-administered appropriations ("Egyéb szakmai fejezeti kezelésű előirányzatok kiadásai"). Comparing their expenditure appropriations clearly less than two-third of the programs are presented for the previous year. Because the budget is institution-based the chapter-administered appropriations can be treated as "programs" only in a permissive terminology, because strictly they would not qualify since they lack the output target, performance indicators and other non-financial indicators related to it.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree with Comments

Comments: Budgetary presentation for BY-1 are more aggregated than for budget year.

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

- a. (100) Yes, expenditure estimates for BY-1 have been updated from the original enacted levels.

- b. (0) No, expenditure estimates for BY-1 have not been updated from the original enacted levels.
c. Not applicable/other (please comment).

Answer: b.

Sources: In Hungarian: A központi alrendszer mérlege In English: Balance sheet of the central budget page 277 In Hungarian: 2015. évi C. törvény Magyarország 2016. évi központi költségvetéséről - I. Fejezet A központi alrendszer kiadásainak és bevételeinek főösszege, a hiány és az államadósság értéke - 1. Az államháztartás központi alrendszerének egyenlege és főösszegei In English: Act C on the Central Budget of Hungary for 2016 - Chapter I The main numbers of the revenues and expenditures of the central budget, the value of the deficit and debt - 1. The main numbers of the revenues and expenditures of the central budget URL: <http://www.parlament.hu/irom40/04730/04730-0609.pdf> 1. § a-b

Comments: Researcher: The data for FY 2016 in the cited table were not updated. The main numbers are the same as in the Enacted Budget for FY 2016. The reason of the unchanged numbers is that since the EBP was submitted early in the fiscal year (in May) the legislature had not approved any change in the budget for FY 2016 up to that time of the year.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

- a. (100) Yes, expenditure estimates for BY-2 and prior years are presented by all three expenditure classifications (by administrative, economic, and functional classification).
b. (67) Yes, expenditure estimates for BY-2 and prior years are presented by two of the three expenditure classifications.
c. (33) Yes, expenditure estimates for BY-2 and prior years are presented by only one of the three expenditure classifications.
d. (0) No, expenditure estimates for BY-2 and prior years are not presented by any expenditure classification.
e. Not applicable/other (please comment).

Answer: d.

Sources: Tables in the EBP In Hungarian: "A központi alrendszer funkcionális kiadásai (pénzforgalmi szemléletben)" In English: The functional expenditures of the central government (cash-flow based) on page 283 of the EBP In Hungarian: "A központi alrendszer mérlege (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)" in English: Balance sheet of the central government (cash-flow based) (by economic classification) on page 280 In Hungarian: "A költségvetési törvényjavaslat 1. melléklete" In English: Appendix 1 of the Executive's Budget Proposal pp. 38-110 of the EBP

Comments: Researcher: In the tables of economic and functional classification only the data for the fiscal year and previous year are presented. Earlier years (that is 2015 and earlier) are not included. The administrative classification only presents the data for the fiscal year, even the previous year is omitted.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

- a. (100) Yes, programs accounting for all expenditures are presented for BY-2 and prior years.
b. (67) Yes, programs accounting for at Least two-Thirds of, but not all, expenditures are presented for BY-2 and prior years.
c. (33) Yes, programs accounting for less than two-Thirds of expenditures are presented for BY-2 and prior years.
d. (0) No, not expenditures are presented by program for BY-2 and prior years.
e. Not applicable/other (please comment).

Answer: d.

Sources: In Hungarian: 1. melléklet a törvényjavaslatához In English: Appendix 1 of the EBP pp. 38-110 In Hungarian: A központi alrendszer mérlege In English: Balance sheet of the central budget page 277

Comments: Researcher: The tables that individually present "program"-like line items do not present data for more than one year before the fiscal year. Appendix 1 only contains data for the fiscal year, while the balance sheet for the fiscal year and the previous year.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

24: In the Executive's Budget Proposal or any supporting budget documentation, what is the most recent year presented for which all expenditures reflect actual outcomes?

- a. (100) Two years prior to the budget year (BY-2).
- b. (67) Three years prior to the budget year (BY-3).
- c. (33) Before BY-3.
- d. (0) No actual data for all expenditures are presented in the budget or supporting budget documentation.
- e. Not applicable/other (please comment).

Answer: d.

Sources: In Hungarian: "1. melléklet a törvényjavaslatához" In English: Appendix 1 of the EBP pp. 38-110 In Hungarian: "A központi alrendszer mérlege" In English: Balance sheet of the central budget page 277 In Hungarian: "A központi alrendszer funkcionális kiadásai (pénzforgalmi szemléletben)" In English: The functional expenditures of the central government (cash-flow based) on page 283 of the EBP In Hungarian: "A központi alrendszer mérlege (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)" in English: Balance sheet of the central government (cash-flow based) (by economic classification) on page 280

Comments: Researcher: None of the tables present data that reflects the actual outcome for the expenditures or the revenues. The two exemptions are the macroeconomic assumptions on page 259 and the government debt on page 299.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested answer: a.

Comments: The mid term outlook (as "support document") which provides basis for the EBP gives the actual outcomes for 2015. See page 17 of Macroeconomic and Fiscal Outlook <http://www.kormany.hu/download/6/7b/e0000/Makrogazdas%C3%A1g...>
(<http://www.kormany.hu/download/6/7b/e0000/Makrogazdas%C3%A1g%20%20%C3%A9s%20k%C3%B6lts%C3%A9gvet%C3%A9si%20el%C5%91rejelz%C3%A1s>)

Researcher response: We agree that the outcome for BY-3 in an aggregated form is available in the Macroeconomic and Fiscal Outlook as in several other places, for example the reports made by the Treasury. The Outlook is published about half a year before the submission of the EBP and was not unified with it as an appendix. Because the Outlook was not clearly part of the budget proposal package, we did not consider it as a supporting document. It (<http://document.It>) is true that if someone needed the information one could construct a table that presents the outcomes and the estimates side-by-side. Such table is not readily available for the legislature in the EBP.

25: Does the Executive's Budget Proposal or any supporting budget documentation present revenue by category (such as tax and non-tax) for the year preceding the budget year (BY-1)?

- a. (100) Yes, revenue estimates for BY-1 are presented by category.
- b. (0) No, revenue estimates for BY-1 are not presented by category.
- c. Not applicable/other (please comment).

Answer: a. (100)

Sources: In Hungarian: "A központi alrendszer mérlege" In English: Balance sheet of the central budget page 276 of the EBP In Hungarian: "A központi alrendszer mérlege (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)" In English: Balance sheet of the central government (cash-flow based) (by economic classification) page 280 of the EBP

Comments: Researcher: There are two tables that present the revenues by broad categories. The table by economic classification presents the main tax types by categories like income taxes ("Jövedelemadók"), taxes on wages and other taxes related to employment ("Bérhez és foglalkoztatáshoz kapcsolódó adók"), taxes on assets ("Vagyon típusú adók"), but the non-tax revenues are only aggregated into one line called "Egyéb közhatalmi bevételek". These are broad categories, but contain all the revenues. The balance sheet of the central budget presents the revenues in more special categories. It classifies the revenues by revenues from corporations ("Gazdálkodó szervek befizetései"), taxes on consumption ("Fogyasztáshoz kapcsolt adók"), revenues from households ("Lakosság befizetései") and lists other revenue sources individually like social contribution tax and social contributions ("Szociális hozzájárulási adó és járulékok"). These categories include mostly tax revenues. The non-tax revenues are not listed separately and can be only estimated as a total, because many of them are presented in an aggregated line. For example the revenues related to state assets ("Állami vagyonnal kapcsolatos bevételek") can include dividends, rents and sale of assets as well. Other notable categories are the interests received ("Kamatbevételek"), the revenues from the EU ("Szakmai fejezeti kezelésű előirányzatok EU támogatása") and the revenues of the budgetary institutions ("Költségvetési szervek bevételei"). While the categories are not readily classified as tax and non-tax revenue sources, most of the used categories include only tax revenues. As a consequence an estimate for the tax and non-tax revenues can be calculated. It simplifies the calculation that the components of the categories (the individual revenue sources) are also presented in the table. Unfortunately Appendix 1 does not disclose the estimates for the previous years, thus the estimates has to be looked up in the enacted budget for the previous year.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

26: Does the Executive's Budget Proposal or any supporting budget documentation present individual sources of revenue for the year preceding the budget year (BY-1)?

- a. (100) Yes, individual sources of revenue accounting for all revenue are presented for BY-1.
- b. (67) Yes, individual sources of revenue accounting for at least two-thirds of, but not all, revenue for BY-1 are presented.
- c. (33) Yes, individual sources of revenue accounting for less than two-thirds of all revenues for BY-1 are presented.
- d. (0) No, individual sources of revenue are not presented for BY-1.
- e. Not applicable/other (please comment).

Answer: b. (67)

Sources: In Hungarian: A központi alrendszer mérlege In English: Balance sheet of the central budget page 276 of the EBP In Hungarian: 1. melléklet a törvényjavaslathoz In English: Appendix 1 of the EBP pp. 38-110

Comments: Researcher: Appendix 1 includes nearly all the individual revenue sources but only for the budget year, the estimates for the previous year are not included. The first cited table presents the estimates for the important revenue sources individually in the column labelled "2016. évi előirányzat". The tax revenues are generally presented individually, like VAT ("Általános forgalmi adó"), corporate tax ("Társasági adó"), income tax ("Személyi jövedelemadó") or even taxes with less revenue, for example tax for small enterprises ("Kisvállalati adó"). The non-tax revenues are not detailed similarly. The estimate for EU grants is shown separately in the row "Fejezeti kezelésű előirányzatok EU támogatása". Other non-revenue sources (like fees, rents or incomes from property) cannot be identified individually. The fees are aggregated with other incomes in the line "Költségvetési szervek bevételei", that presents all the income of the budgetary institutions. The income from state property is presented in the line "Állami vagyonnal kapcsolatos befizetések", that presents the dividends from corporations, the income from selling assets and rents. The individually presented revenue sources account for more than two-third of the total revenue.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

27: In the Executive's Budget Proposal or any supporting budget documentation, have the original estimates of revenue for the year prior to the budget year (BY-1) been updated to reflect actual revenue collections?

- a. (100) Yes, revenue estimates for BY-1 have been updated from the original enacted levels.
- b. (0) No, revenue estimates for BY-1 have not been updated from the original enacted levels.
- c. Not applicable/other (please comment).

Answer: b.

Sources: In Hungarian: A központi alrendszer mérlege In English: Balance sheet of the central budget page 276 In Hungarian: 2015. évi C. törvény Magyarország 2016. évi központi költségvetéséről - I. Fejezet A központi alrendszer kiadásainak és bevételeinek főösszege, a hiány és az államadósság értéke - 1. Az államháztartás központi alrendszerének egyenlege és főösszegei In English: Act C on the Central Budget of Hungary for 2016 - Chapter I The main numbers of the revenues and expenditures of the central budget, the value of the deficit and debt - 1. The main numbers of the revenues and expenditures of the central budget URL: <http://www.parlament.hu/irom40/04730/04730-0609.pdf> (<http://www.parlament.hu/irom40/04730/04730-0609.pdf>) 1. § a-b

Comments: Researcher: There is no difference between the total of revenues in the Enacted Budget for 2016 and the estimates presented for 2016 in the Executive's Budget Proposal for 2017. Since the EBP was submitted early (in May) there was not much time for revealing significant changes in the revenue collection but there was at least one known event related to the corporate tax that could have justified the change of its estimate. In 2015 one corporation generated huge revenue by relocating some of its activities to another country and the government allowed it to pay the resulting corporate tax in quarterly instalments.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

28: Does the Executive's Budget Proposal or any supporting budget documentation present revenue estimates by category (such as tax and non-tax) for more than one year prior to the budget year (that is, BY-2 and prior years)?

- a. (100) Yes, revenue estimates for BY-2 and prior years are presented by category.
- b. (0) No, revenue estimates for BY-2 and prior years are not presented by category.
- c. Not applicable/other (please comment).

Answer: b.

Sources: In Hungarian: "A központi alrendszer mérlege" In English: Balance sheet of the central budget page 276 of the EBP In Hungarian: "A központi alrendszer mérlege (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)" In English: Balance sheet of the central government (cash-flow based) (by economic classification) page 280 of the EBP

Comments: Researcher: The data for budget year minus 2 is not shown anywhere in the EBP. The audited numbers for FY 2015 were not available at the time of the EBP's submission, but the preliminary data for the central budget could have been included or substituted by the updated estimates. The summary tables only contain information for BY-1 in the columns named "2016. évi előirányzat".

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

29: Does the Executive's Budget Proposal or any supporting budget documentation present individual sources of revenue for more than one year prior to the budget year (that is, BY-2 and prior years)?

- a. (100) Yes, individual sources of revenue accounting for all revenue are presented for BY-2 and prior years.
- b. (67) 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. (33) Yes, individual sources of revenue accounting for less than two-thirds of all revenues are presented for BY-2 and prior years.
- d. (0) No, individual sources of revenue are not presented for BY-2 and prior years.
- e. Not applicable/other (please comment).

Answer: d.

Sources: In Hungarian: A központi alrendszer mérlege In English: Balance sheet of the central budget page 276 of the EBP In Hungarian: 1. melléklet a törvényjavaslathoz In English: Appendix 1 of the EBP pp. 38-110

Comments: Researcher: The most recent estimates for individual revenue sources are for FY 2016. These are shown in the column named "2016. évi előirányzat". For previous years neither the actual outcomes nor the original or updated estimates were not presented.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

30: In the Executive's Budget Proposal or any supporting budget documentation, what is the most recent year presented for which all revenues reflect actual outcomes?

- a. (100) Two years prior to the budget year (BY-2).
- b. (67) Three years prior to the budget year (BY-3).
- c. (33) Before BY-3.
- d. (0) No actual data for all revenues are presented in the budget or supporting budget documentation.
- e. Not applicable/other (please comment).

Answer: d.

Sources: In Hungarian: "A központi alrendszer mérlege" In English: Balance sheet of the central budget page 276 of the EBP In Hungarian: "A központi alrendszer mérlege (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)" In English: Balance sheet of the central government (cash-flow based) (by economic classification) page 280 of the EBP In Hungarian: "A központi alrendszer funkcionális kiadásai (pénzforgalmi szemléletben)" In English: The functional expenditures of the central government (cash-flow based) on page 283 of the EBP

Comments: Researcher: There is no data for actual outcome for any year in the EBP. The tables for economic and functional classification present the estimates for 2016, that is BY-1, and no earlier data is available anywhere.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested answer: a.

Comments: The convergence program (table 2) provides basis for the EBP gives the actual outcomes for 2015. See page 17 of Macroeconomic and Fiscal Outlook <http://www.kormany.hu/download/6/7b/e0000/Makrogazdas%C3%A1g...>
(<http://www.kormany.hu/download/6/7b/e0000/Makrogazdas%C3%A1g%20k%C3%A9s%20k%C3%B6lts%C3%A9gvet%C3%A9si%20el%C5%91rejelz%C3%91>

Researcher response: We agree that the actual outcomes for the expenditures are available in other documents, like the Macroeconomic and Fiscal Outlook. We treated only the appendices of the EBP as supporting documents because the EBP has to be a concise and comprehensive document. The

Macroeconomic and Fiscal Outlook was not explicitly part of the budget proposal package (for example as an appendix or linked to it) and was published half a year before the submission of the EBP.

31: Does the Executive's Budget Proposal or any supporting budget documentation present information on government borrowing and debt, including its composition, for the year 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. (100) Yes, information beyond the core elements is presented for government debt.
- b. (67) Yes, the core information is presented for government debt.
- c. (33) Yes, information is presented, but it excludes some core elements.
- d. (0) No, information related to government debt is not presented.
- e. Not applicable/other (please comment).

Answer: c. (33)

Sources: In Hungarian: "A központi alrendszer mérlege" In English: Balance sheet of the central budget pp. 276-277 of the EBP In Hungarian: "A központi költségvetés bruttó adósságának alakulása 2015-2017 között" In English: The evolution of the gross debt of the central government between 2015-2017 on page 299 The narrative discussion of the debt In Hungarian: "XLI. Adósságszolgálattal kapcsolatos bevételek és kiadások" In English: Revenues and expenditures related to debt services pp. 1199-1207

Comments: Researcher: The balance sheet of the central budget presents the interest payments on the debt. On page 276 the line "Kamatbevételek" shows the amount of interest received and on page 277 the line "Kamatkiadások" shows the amount of interest paid. The estimates for BY-1 is shown in the column "2016. évi előirányzat". The evolution of gross debt presents the amount and composition of the debt. The column "2015. XII. 31-i állomány" is the factual stock at the end of 2015, while the other two columns are estimations for the end of 2016 and 2017. The amount of total debt is shown in the line "A központi költségvetés bruttó adóssága mindösszesen". The table presents the total debt by currency denomination and type (loans, T-bills, bonds). The narrative discussion does not include any additional information about the core elements. It details the line items individually and sporadically mentions the previous year's estimate for comparison. The EBP does not include some of the core elements that are readily available for the government on the webpage of the Debt Management Agency. Because of the omission they were not taken into account in the Survey. The list below is only an illustrative example what core information could be included in the EBP. The documents are available both in Hungarian and in English. The loans by domestic and external categories are available here: <http://www.akk.hu/hu/statisztika/allamadossag-finanszirozas/...> (<http://www.akk.hu/hu/statisztika/allamadossag-finanszirozas/a-kozponti-koltsegvetes-adossaga>) in English: <http://www.akk.hu/en/statistics/central-government-debt-defi...> (<http://www.akk.hu/en/statistics/central-government-debt-deficit-financing/central-government-gross-debt>) The securitized debt denominated in HUF is presented here by sectors: <http://www.akk.hu/hu/statisztika/allamadossag-finanszirozas/...> (<http://www.akk.hu/hu/statisztika/allamadossag-finanszirozas/a-forintban-denominalt-allampapirok-befektetoi-szektoronkenti-megoszlasa>) in English: <http://www.akk.hu/en/statistics/central-government-debt-defi...> (<http://www.akk.hu/en/statistics/central-government-debt-deficit-financing/ownership-structure-of-huf-government-securities>) The maturity profile of the debt is presented quarterly on the webpage: <http://www.akk.hu/uploads/Y79D6Qn0.xls> (<http://www.akk.hu/uploads/Y79D6Qn0.xls>) in English: <http://www.akk.hu/uploads/BnWPa070.xls> (<http://www.akk.hu/uploads/BnWPa070.xls>) The factual borrowing requirements are presented in the Yearly Report of the Agency on page 17 in the first table: <http://www.akk.hu/uploads/2n8y2E7l.pdf> (<http://www.akk.hu/uploads/2n8y2E7l.pdf>) on pages 15-17 in the English version: <http://www.akk.hu/uploads/W7R4KEwX.pdf> (<http://www.akk.hu/uploads/W7R4KEwX.pdf>) The planned net borrowing requirement for 2016 is presented in the Financial Plan of the Agency on page 3: <http://www.akk.hu/uploads/17bPO2wM.pdf> (<http://www.akk.hu/uploads/17bPO2wM.pdf>) in English: <http://www.akk.hu/uploads/5wexZDr0.pdf> (<http://www.akk.hu/uploads/5wexZDr0.pdf>) The interest rates for the debt instruments are only available for individual instruments (like a defined bond), but those are not complete as the interest rates of loans are not disclosed. Aggregated interest rates are not published.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

32: In the Executive's Budget Proposal or any supporting budget documentation, what is the most recent year presented for which the debt figures reflect actual outcomes?

- a. (100) Two years prior to the budget year (BY-2).
- b. (67) Three years prior to the budget year (BY-3).
- c. (33) Before BY-3.
- d. (0) No actual data for government debt are presented in the budget or supporting budget documentation.
- e. Not applicable/other (please comment).

Answer: a. (100)

Sources: In Hungarian: "A központi költségvetés bruttó adósságának alakulása 2015-2017 között" In English: The evolution of the gross debt of the central government between 2015-2017 on page 299

Comments: Researcher: The most recent data is for 2015, that is BY-2, in the cited table in the column "2015. XII. 31-i állomány". The amount of total debt is the same as in the datasheet published by the Debt Management Agency: <http://www.akk.hu/hu/statisztika/allamadossag-finanszirozas/...> (<http://www.akk.hu/hu/statisztika/allamadossag-finanszirozas/a-kozponti-koltsegvetes-adossaga>) in English: <http://www.akk.hu/en/statistics/central-government-debt-defi...> (<http://www.akk.hu/en/statistics/central-government-debt-deficit-financing/central-government-gross-debt>)

financing/central-government-gross-debt) In the EBP's table the row "A központi költségvetés bruttó adóssága mindösszesen " is equivalent for the row "Mindösszesen" ("Total") in the Agency's excel sheet. This is also the same that is used in the statistics by the National Bank of Hungary (that is responsible for monetary statistics): <https://www.mnb.hu/letoltes/adossag-en-1.xlsx> (<https://www.mnb.hu/letoltes/adossag-en-1.xlsx>) On the sheet "ÁKK MNB bridge" the row "Total gross debt of the central government maintained by the ÁKK" shows the same amount.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

33: Does the Executive's Budget Proposal or any supporting budget documentation present information on extra-budgetary funds for at least the budget year? (The core information must include a statement of purpose or policy rationale for the extra-budgetary fund; and complete income, expenditure, and financing data on a gross basis.)

- a. (100) Yes, information beyond the core elements is presented for all extra-budgetary funds.
- b. (67) Yes, the core information is presented for all extra-budgetary funds.
- c. (33) Yes, information is presented, but it excludes some core elements or some extra-budgetary funds.
- d. (0) No, information related to extra-budgetary funds is not presented.
- e. Not applicable/other (please comment).

Answer: c. (33)

Sources: Narrative discussion of the EBP In Hungarian: LXVI. Központi Nukleáris Pénzügyi Alap In English: Chapter LXVI Central Nuclear Financial Fund pp. 1285-1294 of the EBP

Comments: Researcher: Although the Hungarian terminology uses the word "Alap" (which translates to fund) for some parts of the central budget, these cannot be regarded as separate vehicles for pre-defined purposes. For example the pension insurance fund (called "Nyugdíjbiztosítási Alap") is a chapter in the central budget with allocated revenues for paying the pensions and other social benefits. However the government can complement its revenues in case they are less than estimated or take its surplus revenues. In this sense it is not separate from the central budget, it is only a fund in its name. The examples presented in the recommended documents also reinforce that the extra-budgetary funds are more independent fund was the Pension Reform and Debt Reduction Fund. Its purpose was to manage all the assets taken from private pension funds, but after selling all of them it ceased in 2015. Documents about the operation of the fund are available on the webpage of the Debt Management Agency:

<http://www.akk.hu/en/page/statistics#assets-of-the-pension-r...> (<http://www.akk.hu/en/page/statistics#assets-of-the-pension-reform-and-debt-reduction-fund>)

Most recently the foundations of the National Bank of Hungary operates as separate funds. These conduct educational and research activities from the yield of the assets given to them. As these foundations are not in a direct relationship with the government, no information is disclosed about them in the EBP or other budgetary documents. In a recent announcement the Eurostat declared that it is investigating whether these foundations undertake governmental activities by serving educational functions from public money. It is written in the last sentence in the paragraph about Hungary, although the Eurostat's terms are a bit obscure. Announcement of the Eurostat In Hungarian: Eurostat Európai mutatók című kiadványa - 204/2016, 2016. október 21. In English: Eurostat Euroindicators - 204/2016 21 October 2016 URL:

<http://ec.europa.eu/eurostat/documents/2995521/7704449/2-211...> (<http://ec.europa.eu/eurostat/documents/2995521/7704449/2-21102016-AP-EN.pdf/f113daf6-9f48-4bb1-832d-e3a71e5ef009>) page 2 Another fund-like solution is the sum collected for the decommission of the Paks Nuclear Power Plant. The power plant contributes every year a pre-defined amount to the Central Nuclear Financial Fund, but this payment is not separated from other revenues. Also there is no information on how much money has been collected so far, who manages the assets, what type of assets was purchased from the funds and what yield it bore. The narrative discussion of the fund only describes the actual revenues and expenditures, but does not mention the accumulated funds. This is not an extra-budgetary fund, because there are no special regulations for its transactions or supervision and the fund is part of the central budget. In the 2015 Survey we treated the Pension Insurance Fund and the Health Insurance Fund as extra-budgetary funds. Based on the recommended papers we reassessed them as not extra-budgetary funds. These funds are part of the central budget, follow the same budgetary rules and do not have any attribute that makes them extra-budgetary. The change in the answers reflects this reassessment.

Peer Reviewer

Opinion: Agree with Comments

Comments: The central budget contains several funds: 6. Az elkülönített állami pénzalapokkal összefüggő rendelkezések §10 (in English: Provisions related to extra budgetary funds). The EBP also contains a table on pg 276 where are presented the revenues and the expenditures by funds. The purpose of these funds are presented as a separate chapter of the central budget. There are presented the estimates income, expenditure but the source of the financing from the central budget is not detailed. For example the Bethlen Gábor Fund supports the cooperation between Hungarians living in Hungary and those who live abroad. The required information about the purpose, the estimated income and expenditures are presented in the chapter LXV of the Central Budget, but the source of the budget support is not presented.: <http://www.parlament.hu/irom40/10377/adatok/fejezetek/65.pdf> (<http://www.parlament.hu/irom40/10377/adatok/fejezetek/65.pdf>) As in the central budget are included several "Funds" but off-budget transactions, that are undertaken outside these law are not presented separately we suggest also answer "d"

Government Reviewer

Opinion: Disagree

Suggested answer: a.

Comments: Starting from the year 2010, the Hungarian Parliament votes on a comprehensive set of budgetary central government appropriations in one document, covering the former "extrabudgetary funds" (e.g. Central Nuclear Financial Fund), and the social security funds as normal budgetary chapters in the presentation. What is considered as extra-budgetary funds in Hungarian budget (e.g. Central Nuclear Financial Fund), and it is true for Health and Pension Fund, as well, They are presented with the same details as any other appropriations of budgetary program, all information about them are included. From 2010 these funds can be qualified as "budgetary funds". Pension Reform and Debt Reduction Fund worked as typical „extrabudgetary fund" between 2011-2014 with a specific task: managing all the assets taken from private pension funds, but after selling all of them it was ceased. As for Foundations of National Bank of Hungary, mentioning of them is totally irrelevant. They are not extra budgetary funds, they are non-profit institutions

with legal personality. Investigation of them by the Eurostat does not mean at all that they are part of the comprehensive governmental sector in statistical sense. The relevant information on these Foundations will be part of the central bank's reports, and not of the budgetary documents

Researcher response: We agree that the Government treat the mentioned Funds as "budgetary funds" and classifying the Pension Reform and Debt Reduction Fund as "extra-budgetary" and now ceased. We do not argue that the Foundations of National Bank of Hungary should be included in the budget, only mentioned for the comprehensive picture that they conduct educational activities financed by public money. It is the statistical offices' authority to decide if they are part of the general government sector. One (<http://sector.One>) additional example is the Media Services and Support Trust Fund. The budget of this fund is approved in a separate law, but it is almost exclusively funded by the central budget, only has minor fees as its own revenues. The details about this fund are omitted from the EBP. Regarding these the EBP contains minimal information about extra-budgetary funds, therefore we revised our answer to "c".

34: Does the Executive's Budget Proposal or any supporting budget documentation present central government finances (both budgetary and extra-budgetary) on a consolidated basis for at least the budget year?

- a. (100) Yes, central government finances are presented on a consolidated basis.
- b. (0) No, central government finances are not presented on a consolidated basis.
- c. Not applicable/other (please comment).

Answer: a. (100)

Sources: In Hungarian: "A központi alrendszer konszolidált funkcionális kiadásai (pénzforgalmi szemléletben)" In English: Consolidated functional expenditures of the central government (cash-flow based) on page 283 of the 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 281 of the EBP In Hungarian: "Az államháztartás konszolidált funkcionális kiadásai (pénzforgalmi szemléletben)" In English: Consolidated functional expenditures of the general government (cash-flow based) on page 268 of the EBP In Hungarian: "Az államháztartás konszolidált kiadásai (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)" in English: Consolidated expenditures of the general government (cash-flow based) (by economic classification) on page 265 of the EBP

Comments: Researcher: The consolidated figures present the central government and the general government, where the central and local governments are consolidated. The extra-budgetary funds or any additional activity not presented in the central budget (for example the public corporations) are not included in the consolidation. The consolidation filters out most of the transactions inside the general government. The only non-consolidated part may be some transactions between local governments.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

- a. (100) Yes, estimates of all intergovernmental transfers are presented, along with a narrative discussion.
- b. (67) Yes, estimates of all intergovernmental transfers are presented, but a narrative discussion is not included.
- c. (33) Yes, estimates of some but not all intergovernmental transfers are presented.
- d. (0) No, estimates of intergovernmental transfers are not presented.
- e. Not applicable/other (please comment).

Answer: a. (100)

Sources: Descriptions in the EBP In Hungarian: 1. melléklet - IX. Fejezet Helyi önkormányzatok támogatásai In English: Appendix 1 of the EBP - Chapter IX Supports for local governments on page 47 In Hungarian: 2. melléklet A helyi önkormányzatok általános működésének és ágazati feladatainak támogatása In English: Appendix 2 The supports for the general operation and sectoral tasks of the local governments pp. 111-158 In Hungarian: 3. melléklet A helyi önkormányzatok kiegészítő támogatásai In English: Appendix 3 Supplemental supports for the local governments pp. 159-172 In Hungarian: 8. melléklet Egyes a személyes gondoskodást nyújtó szociális, gyermekvédelmi közfeladatot ellátó intézmény fenntartóját megillető támogatások In English: Appendix 8 Subsidies for maintainers of institutions providing personal care for social, child protection purposes as public tasks pp. 191-202 Narrative discussion of the supports for local governments In Hungarian: IX. Helyi önkormányzatok támogatásai In English: Chapter IX Supports for the local governments pp. 429-441

Comments: Researcher: The appropriations for local governments are presented in chapter IX Support for the local governments in appendix 1. Some of the details of the supports are discussed in further appendices or in the narrative discussion. These appropriations mostly cover the supports for local governments for their operation and their social tasks, but the local governments can get other resources from the central budget. For example the expenses of healthcare services provided by the local governments are paid by the Health Insurance Fund and shown separately in the EBP. The same applies to supports by Ministries that are distributed through tenders and in most cases occasional supports for a particular goal. The recurring transfers are easily identifiable and discussed narratively as well, but occasional or hidden supports are not highlighted separately.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

36: Does the Executive's Budget Proposal or any supporting budget documentation present alternative displays of expenditures (such as by gender, by age, by income, or by region) to illustrate the financial impact of policies on different groups of citizens, for at least the budget year?

- a. (100) Yes, at least three alternative displays of expenditures are presented to illustrate the financial impact of policies on different groups of citizens.
- b. (67) Yes, two alternative displays of expenditures are presented to illustrate the financial impact of policies on different groups of citizens.
- c. (33) Yes, one alternative display of expenditures is presented to illustrate the financial impact of policies on different groups of citizens.
- d. (0) 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).

Answer: d.

Sources: Description of the policies in the EBP In Hungarian: "Az általános indokolás - 3. A Kormány által prioritásként kezelt területek és fontosabb változások" In English: The General Justification - 3 Prioritized areas of the Government and their notable changes pp. 221-224

Comments: Researcher: The government prefers to emphasize the policies in the discussion, hence the affected groups are only mentioned sporadically. The policies are listed and described by different groups, for example point 'a' discusses the policies intended for families, point 'b' the employees and low income groups. The main problem of the discussion is that the amount of the expenditures are not described and the reader do not know how much a policy would cost or how much it could improve the situation of the affected group. Other type of illustration (like by age or by geographic region) is not included in the EBP.

Peer Reviewer

Opinion: Agree with Comments

Comments: The impact of policies on different groups of citizens are not presented in the Executive's Budget Proposal. The Fiscal Responsibility Institute, which is an NGO, had an initiative to present that that some topics (ex: gender, sex equal opportunities, environment protection, prevention of corruption etc.) are not presented at all just sporadically in the central budget.

Government Reviewer

Opinion: Agree

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

- a. (100) Yes, estimates of all transfers to public corporations are presented, along with a narrative discussion.
- b. (67) Yes, estimates of all transfers to public corporations are presented, but a narrative discussion is not included.
- c. (33) Yes, estimates of some but not all transfers to public corporations are presented.
- d. (0) No, estimates of transfers to public corporations are not presented.
- e. Not applicable/other (please comment).

Answer: c. (33)

Sources: Appropriations in the EBP In Hungarian: 1. melléklet a törvényjavaslatához In English: Appendix 1 of the EBP pp. 99-100 Description in the EBP In Hungarian: XLIII. fejezet Az állami vagyonnal kapcsolatos bevételek és kiadások - 2. cím Az állami vagyonnal kapcsolatos kiadások - 2/2. alcím: Társaságokkal kapcsolatos kiadások In English: Chapter XLIII Revenues and expenditures related to public assets - Article 2 Expenditures related to public assets - 2/2 Expenditures related to corporations pp. 1245-1248

Comments: Researcher: Direct transfers to public corporations owned directly by the state are presented primarily in Chapter XLIII Revenues and expenditures related to public assets ("XLIII. fejezet Az állami vagyonnal kapcsolatos bevételek és kiadások"). The corporations under the Ministries or assigned to them are presented in the Ministry's chapter. One of the most important is the Paks II Power Plant Constructing company ("Paks II Atomerőmű Fejlesztő zrt. tőkeemelése") under the Prime Minister's Office on page 53 of the EBP. Below that the support for MFB is another transfer to public corporation. Essentially Paks II is an investment by the state, but the investment is executed through a corporation. For other examples the Ministry of Foreign Affairs and Trade provides support to the Eximbank for interest rate subsidy ("Eximbank Zrt. kamatkiegynlítése" on page 74) or the Ministry of National Development provides support for the operation of the corporation responsible for supervising the concessions of tobacco trade ("A Nemzeti Dohánykereskedelmi Nonprofit Zrt. működtetése" on page 70). It is not assured that the EBP includes all or nearly all the transfers to public corporations, and even the above examples show that these are dispersed throughout Appendix 1 and hard to identify them. It is also important that the transfers can be funds for executing an investment, support for its operation or recovering the losses. The separate goals can make it difficult to separate the recurring transfers and one-time transfers.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested answer: a.

Comments: Hungarian budget must include all transfers to public corporation, only with this legal base it is possible to transfer any support. In general explanation and explanation for the chapters there are narrative discussion for this transfers.

Researcher response: Sorry for the confusing sentence. Clarifying it: All the transfers are presented as legally required, but not all transfers are presented explicitly or can be identified as transfers to public corporations. In most cases the line items describe the goal. For example the transfers to the railway company are divided into providing subsidies to some groups ("Szociálpolitikai menetdíj kedvezmények") and ordering railway services ("Vasúti

személyszállítási közszolgáltatások költségtérítése”). After having examined the best practices the transfers to public corporations should detail how much is given to each corporation, for what purpose and what it will be spent on.

38: Does the Executive’s Budget Proposal or any supporting budget documentation present information on quasi-fiscal activities for at least the budget year? (The core information must include a statement of purpose or policy rationale for the quasi-fiscal activity and the intended beneficiaries.)

- a. (100) Yes, information beyond the core elements is presented for all quasi-fiscal activities.
- b. (67) Yes, the core information is presented for all quasi-fiscal activities.
- c. (33) Yes, information is presented, but it excludes some core elements or some quasi-fiscal activities.
- d. (0) No, information related to quasi-fiscal activities is not presented.
- e. Not applicable/other (please comment).

Answer: d.

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 1221 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 pp. 1220-1221 Announcement of the Eurostat In Hungarian: Eurostat Európai mutatók című kiadványa - 204/2016, 2016. október 21. In English: Eurostat Euroindicators - 204/2016 21 October 2016 URL: <http://ec.europa.eu/eurostat/documents/2995521/7704449/2-211...> (<http://ec.europa.eu/eurostat/documents/2995521/7704449/2-21102016-AP-EN.pdf/f113daf6-9f48-4bb1-832d-e3a71e5ef009>) page 2

Comments: Researcher: The government engages in quasi-fiscal activity, but only in some cases they are discussed in the EBP. For example the railway company provides discounted prices for elders, and the government compensates the company for it through the appropriation called "Szociálpolitikai menetdíj-támogatások". In the narrative discussion only the estimated expense is presented, the affected groups are not mentioned. Other notable example is the Eximbank, a bank owned by the state with the aim of providing credit for export-import activities at a reduced interest rate. By this October the activities of the Eximbank became so widespread that according to the Eurostat the companies debt should be included in the general government debt as the corporation is more similar to a budgetary institution than to an independent company. This is mentioned in the announcement of the Eurostat. The EBP only describes the amount of the interest rate compensation of the Eximbank, its scale is not discussed. This can be found on page 837 of the EBP. Based on the Eurostat announcement the foundations of the National Bank of Hungary can also be mentioned because they serve educational functions and financed by public funds, although not included in the central budget. Only basic information can be found about quasi-fiscal activities in the EBP and even this presentation is not comprehensive.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested answer: b.

Comments: In our view all the quasi-fiscal activities are presented in EBP. As for Eurostat announcement it is not a final view, Hungarian authorities are in debate with Eurostat, as for Eximbank the case is similar. The example of the „Szociálpolitikai menetdíj-támogatások” is absolutely irrelevant in this respect, it cannot be considered as quasi-fiscal activity, as the consumer price subsidies for certain groups of population are financed from the State Budget and not by the railway company itself by generating losses. The same is relevant for the case of Eximbank interest-subsidies export loans, as the State Budget finances this interest component, and not the Eximbank by generating losses. The methodological debate with Eurostat focuses on the question: who is subsidised: the borrowers or the Eximbank itself. Foundations of the National Bank of Hungary finances scholarships and educational capacities with the aim of broadening the existing supply. All other business or non-profit type educational activities serves the same purpose. Financing participation of the Foundations does not result withdrawal of budgetary sources from educational sector.

Researcher response: We agree that some of the recurring discounts and transfers made by the public corporations are refinanced by the budget in some cases. The foundations of the National Bank of Hungary are different from other business and non-profit organizations that they are financed by public money, not based on a profit-motivated decision and should be presented along all the other similar activities financed by public funds for a clear picture. Nonetheless one-time items are not always presented like the acquisition of Budapest Bank that was bought by a public corporation financed by loan from a public-owned bank or earlier the purchase of energy companies by another public corporation called MVM. Different cases when a public corporation subsidizes another public corporation, like Paks Nuclear Power Plant provides a grant to the National Movie Fund (another public corporation). A more transparent approach would be if the power plant pays the money as dividend into the central budget and the legislature approved the subsidy to the Movie Fund. Based on these examples we were not fully convinced that all the public spending was refinanced by the budget and properly presented. The EBP does not include any reference for quasi-fiscal activities (following the reviewer’s argument it must be an expenditure of a public corporation without refinancing from the budget), that leaves only answers ‘d’ and ‘e’ for choice.

IBP comment: IBP acknowledges the government reviewer's comment. However, as the core information of a statement of purpose and identification of intended beneficiaries is not provided for quasi-fiscal activities, IBP accepts the researcher's suggested response of "d".

39: 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. (100) Yes, information beyond the core elements is presented for all financial assets.
- b. (67) Yes, the core information is presented for all financial assets.
- c. (33) Yes, information is presented, but it excludes some core elements or some financial assets.
- d. (0) No, information related to financial assets is not presented.

e. Not applicable/other (please comment).

Answer: d.

Sources: N/A

Comments: Researcher: The amount, composition or any other information about the financial assets held by the government are not included in the EBP. From statistical purposes the National Bank of Hungary publishes the total value of different financial assets owned by the government. The statistics is available here: <https://www.mnb.hu/letoltes/ahtszla-en-1.xlsx> (<https://www.mnb.hu/letoltes/ahtszla-en-1.xlsx>) The list of corporations owned by the state corporations tasked with managing these ownerships and their book value can be found in the Year-End Report for FY 2015 on page 558 and pages 561-566. The EBP does not contain a similar summary.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested answer: b.

Comments: Not EBP but End Year Report does include data on financial assets. In this sense it is a kind of "supporting document".

Researcher response: It is true that the information is available in other documents, like the Year-End Report. Nonetheless we did not consider those documents part of the EBP, because in the Hungarian practice the EBP is a pack of documents submitted to the Parliament that includes all the information that the Government deems relevant for the legislature and the public. In evaluating the question we considered only the documents unified as EBP. The Year-End Report was published nearly a year before the submission of the EBP, that also rules it out to be a supporting document.

40: 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. (100) Yes, information beyond the core elements is presented for all nonfinancial assets.

b. (67) Yes, the core information is presented for all nonfinancial assets.

c. (33) Yes, information is presented, but it excludes some nonfinancial assets.

d. (0) No, information related to nonfinancial assets is not presented.

e. Not applicable/other (please comment).

Answer: c. (33)

Sources: N/A

Comments: Researcher: The act cited below enumerates the non-financial assets held by the state and the corporations that shall be in state ownership. Detailed values are not disclosed in the law. The EBP contains minimal information related to nonfinancial assets. In Chapter XLIII Revenues and expenditures related to state property ("XLIII. Az állami vagyonnal kapcsolatos bevételek és kiadások ") the documents discusses the estimated revenues from selling real estate properties and expenditures related to real estates (on pp. 1239-1240 and pp. 1242-1245 respectively) where some of the properties are mentioned but it is not known how many other properties the state owns and what other assets it holds. The National Inventory publishes the real estates and companies owned by the state, presenting their number and value. The latest figures present the data for 2014. Similar data is not included in the EBP. As the presented information only includes some of the transactions of nonfinancial assets but not information on the stock of the assets, we regarded it only as information related to the nonfinancial assets and chose answer "c". In Hungarian: 2011. évi CXCVI. törvény a nemzeti vagyronról In English: Act CXCVI of 2011 on National Assets URL: <http://mkogy.jogtar.hu/?page=show&docid=a1100196.TV> (<http://mkogy.jogtar.hu/?page=show&docid=a1100196.TV>) Appendices 1 and 2 Other information source about the assets In Hungarian: Országileltár URL: http://www.orszagileltar.gov.hu/faces/UI-intro?_adf.ctrl-stat... (http://www.orszagileltar.gov.hu/faces/UI-intro?_adf.ctrl-stat...) In English: National Inventory URL: http://www.orszagileltar.gov.hu/faces/UI-intro?_adf.ctrl-stat... (http://www.orszagileltar.gov.hu/faces/UI-intro?_adf.ctrl-stat...)

Peer Reviewer

Opinion: Agree with Comments

Comments: The list of the financial assets is not part of the Executive's Budget Proposal, but the 1st and 2nd Annex of the law CXCVI from Y2011 about the national assets presents a list of assets held by the government but the estimate value is not presented. 2011. évi CXCVI. törvény a nemzeti vagyronról http://njt.hu/cgi_bin/njt_doc.cgi?docid=142898.322952 (http://njt.hu/cgi_bin/njt_doc.cgi?docid=142898.322952)

Government Reviewer

Opinion: Disagree

Suggested answer: b.

Comments: It is very important fact that Year End Report documents in Hungary do contain all non financial assets in the following tables: Központi költségvetési szervek és fejezeti kezelésű előirányzatok könyvviteli mérlege Nemzetgazdasági elszámolások könyvviteli mérlege Az MFB Zrt. rábízott vagyonának mérlege Az MFB Zrt. rábízott vagyonába tartozó működő, állami tulajdonú társaságok eredményeinek és kötelezettségeinek alakulása Az MNV Zrt. rábízott vagyonának mérlege Az állam tulajdonában álló, működő gazdasági társaságok állami részesedései, eredményeik és kötelezettség-állományuk alakulása 2014-2015. években Az önkormányzatok tulajdonában álló gazdálkodó szervezetek működéséből származó kötelezettségek és a részesedések alakulása In our view the publicly needed information are transparent even if they are contained not in EBP.

Researcher response: It is true that the information is available in other documents, like the mentioned Year-End Report. In (<http://report.in>) answering the question we used only the documents submitted to the Parliament as EBP, because in the Hungarian practice the EBP is a unified pack of documents and contains the information that the Government wants to share with the legislature for its decision. It is important that the relevant information must be included in this set of documents. Another objection against the Year-End Report was that it had been published nearly a year before the submission of the EBP, so the data in the recommended tables might have not been up-to-date.

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

- a. (100) Yes, estimates of all expenditure arrears are presented, along with a narrative discussion.
- b. (67) Yes, estimates of all expenditure arrears are presented, but a narrative discussion is not included.
- c. (33) Yes, estimates of some but not all expenditure arrears are presented.
- d. (0) No, estimates of expenditure arrears are not presented.
- e. Not applicable/other (please comment).

Answer: d.

Sources: N/A

Comments: Researcher: The EBP does not disclose any information about arrears. The Hungarian State Treasury publishes monthly the arrears by institutions and its composition on its website: <http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok...> (<http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok/tartozasallomany-a-tartozas-tipusa-szerint/3446/>) At the end of September 2016 the total arrear of the budgetary institutions was 70 billion HUF, about 0,2% of the GDP. This is shown in the rightmost column of the line "Egyéb tart. állomány összesen" (summary of other liabilities) that includes only the due liabilities to actors outside the central government.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree with Comments

Comments: Notwithstanding there is data on arrears: <http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok...> (<http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok/aktualis-informaciok>)

42: Does the Executive's Budget Proposal or any supporting budget documentation present information on contingent liabilities, such as government loan guarantees or insurance programs? (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. (100) Yes, information beyond the core elements is presented for all contingent liabilities.
- b. (67) Yes, the core information is presented for all contingent liabilities.
- c. (33) Yes, information is presented, but it excludes some core elements or some contingent liabilities.
- d. (0) No, information related to contingent liabilities is not presented.
- e. Not applicable/other (please comment).

Answer: c. (33)

Sources: Description in EBP in Hungarian: XLII. fejezet A költségvetés közvetlen bevételei és kiadásai - 33. cím Állam által vállalt kezesség és vizontgarancia érvényesítése In English: Chapter XLII Direct revenues and expenditures of the budget - Title 33 Warrants and guarantees taken by the state pp. 1223-1225

Comments: Researcher: In the cited section of the EBP the government presents the standard guarantee programs and the estimated expenditures to each of them. The total amount of guaranteed stock is included only in some cases, but only in vague terms (like the stock might increase from 300 billion HUF in 2014 to about 400 billion HUF by 2017). Similarly the aim of the guarantee is not declared clearly in each case, but can be guessed for most of the programs. Additional, more complex information (like default rate, maximum guarantee and fees) are fully omitted. The EBP only presents the expenditures related to the guarantees, while the webpage of the Ministry for National Economy publishes the list of loans from international institutions with state guarantee: <http://www.kormany.hu/download/8/c4/b0000/%C3%9Cvegzebt%C3%...> (<http://www.kormany.hu/download/8/c4/b0000/%C3%9Cvegzebt%C3%A1bla%20-%202016%2003%2031.xlsx#!DocumentBrowse>) On the second sheet called "Állami garanciával kötött hitel" the documents lists the investment loans taken by state-owned corporations with state guarantee. Similarly to this the state can also guarantee loans taken by bigger local governments for their projects, but those liabilities are not listed anywhere.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested answer: b.

Comments: The laws define in which cases a state guarantee can be issued. Government declarations specify when a special guarantee emerges. The limits for all of these guarantees are set out in the enacted budget with an explanation. The first part (General justification) of the Year-End Report gives an account of the stock and the call of guarantees, but it does not describe the target of each guarantee. The list of Government declarations provide and insight on target of the guarantees, but the presentation of the national and sectoral effects is not included. (The Year-End Report can be read here: (<http://www.parlament.hu/irom40/04730/04730-0609.pdf>) (<http://www.parlament.hu/irom40/04730/04730-0609.pdf>)) A detailed statement (using EU methodology) on the stock of guarantees also available on Treasury webpage (<http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok...> (<http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok/adatok>)) based on EU Directive 2011/85.

Researcher response: It is true that the Year-End Report presents more information about the guarantees, but we did not consider the Year-End Report part of the EBP. Mainly because in the Hungarian practice the EBP is a pack of documents submitted to the Parliament and the Year-End Report is not part of it. The missing core elements from the EBP are the clearly defined purposes and the total amount of outstanding guarantees for some of the

guarantee programs and that is missing from the Year-End Report as well. Additionally the inclusion of the guarantees taken by state-owned enterprises would be strongly recommended for a clearer picture on contingent liabilities. As the Government reviewer noted the detailed statement on the stock of guarantees presents this information on the Treasury's webpage, but the EBP does not.

43: Does the Executive's Budget Proposal or any supporting budget documentation present projections that assess the government's future liabilities and the sustainability of its finances over the longer term? (The core information must cover a period of at least 10 years and include the macroeconomic and demographic assumptions used and a discussion of the fiscal implications and risks highlighted by the projections.)

- a. (100) 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. (67) Yes, the core information is presented to assess the government's future liabilities and the sustainability of its finances over the longer term.
- c. (33) Yes, information is presented, but it excludes some core elements.
- d. (0) No, information related to future liabilities and the sustainability of finances over the longer term is not presented.
- e. Not applicable/other (please comment).

Answer: c. (33)

Sources: 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 1315 In Hungarian: A gazdasági fejlődés főbb jellemzői In English: The evolution of macroeconomic development on page 1344 In Hungarian: Az államháztartás mérlege (2016-2020) In English: Balance sheet of the general government (2016-2020) on page 1346

Comments: Researcher: The demographic projection in the EBP covers 50 years, but other tables (like macroeconomic tables of expenditures and revenues for multi-year period) only present data up to 4 years, hence long-term projections are not included in the EBP.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested answer: c.

Comments: Because the government demographic projection for 50 years we choose the answer c.

Researcher response: The 50-year demographic projection is included in the EBP. In our evaluation we preferred the fiscal projections and regarded the demographic projection as additional information, because in itself it did not say much about the longer-term finances. After clarifying the question with the IBP, we revised the answer to "c" as a fiscal projection was not prerequisite.

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

- a. (100) Yes, estimates of all sources of donor assistance are presented, along with a narrative discussion.
- b. (67) Yes, estimates of all sources of donor assistance are presented, but a narrative discussion is not included.
- c. (33) Yes, estimates of some but not all sources of donor assistance are presented.
- d. (0) No, estimates of the sources of donor assistance are not presented.
- e. Not applicable/other (please comment).

Answer: a. (100)

Sources: In Hungarian: Európai uniós költségvetési kapcsolatok In English: Budgetary relations with European Union pp. 287-295 In Hungarian: XIX. Uniós Fejlesztések In English: Chapter XIX Developments financed from EU Funds pp. 841-888

Comments: Researcher: The donor assistance mainly consists of the development funds received from the European Union. On page 850 the revenues and related expenditures are listed by operation programmes. The received funds are shown in the column "Bevétel." Another summary table can be found on page 289 where the expenditure ("Kiadás"), the funds from the EU ("Bevétel EU") and the Hungarian contribution ("Központi költségvetési forrás") are presented. The narrative discussion also presents the operation programmes and their sub-levels programmes, their goals and the available funds. Other indicators like performance indicators are not included. Besides the EU Funds the budget does not receive any significant donor assistance.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

45: Does the Executive's Budget Proposal or any supporting budget documentation present information on tax expenditures for at least the budget year? (The core information must include a statement of purpose or policy rationale for each tax expenditure, the intended beneficiaries, and an estimate of the revenue foregone.)

- a. (100) Yes, information beyond the core elements is presented for all tax expenditures.
- b. (67) Yes, the core information is presented for all tax expenditures.
- c. (33) Yes, information is presented, but it excludes some core elements or some tax expenditures.
- d. (0) No, information related to tax expenditures is not presented.
- e. Not applicable/other (please comment).

Answer: c. (33)

Sources: In Hungarian: Főbb adókedvezmények In English: Main tax exemptions pp. 300-301 In Hungarian: XLII. A költségvetés közvetlen bevételei és kiadásai In English: Chapter XLII Direct revenues and expenditures of the budget pp. 1213-1217

Comments: Researcher: The EBP presents the foregone revenues for many tax exemptions in the cited summary table. The first column presents the minimum, the second the maximum estimation. Apart from the summary table no further information is included about the tax exemptions. The narrative discussion of the tax revenues only declares the estimate for 2017 in comparison to 2016 and sometimes a few additional details about tax changes or assumptions made for the estimate but detailed information about the tax exemptions (intended beneficiaries or purpose of the tax exemption) are not given.

Peer Reviewer

Opinion: Agree with Comments

Comments: The intended beneficiaries or the purpose of the tax exemption is usually defined not in the EBP but in the given tax law, such as personnel income tax, company tax etc. In case of the local taxes the act C. of 1990 defines the taxes which can be recovered by the local governments but the enforcement of it depends of the local economic policy and so about the decision of the local governments.

Government Reviewer

Opinion: Disagree

Suggested answer: b.

Comments: There are the data in the budget proposal in its attachments.

Researcher response: The estimated foregone expenditure is summarized in a table in the EBP. Other core information is missing as confirmed by the peer reviewer, because they are defined in other documents. The EBP did not contain information about the expected effect of the tax exemptions and the numbers of the intended beneficiaries are only mentioned for some of the changes in the tax exemptions (for example the number of families affected by the increase of tax exemption for families with two children on page 221). The policy rationales for existing tax exemptions or their effects are not discussed in the EBP or its attachments (for example in the narrative discussion of the corporate tax or personal income tax on pages 1213 and 1216-1217).

46: Does the Executive's Budget Proposal or any supporting budget documentation present estimates of earmarked revenues?

- a. (100) Yes, estimates of all earmarked revenues are presented, along with a narrative discussion.
- b. (67) Yes, estimates of all earmarked revenues are presented, but a narrative discussion is not included.
- c. (33) Yes, estimates of some but not all earmarked revenues are presented.
- d. (0) No, estimates of earmarked revenues are not presented.
- e. Not applicable/other (please comment).

Answer: c. (33)

Sources: In Hungarian: 1. melléklet a törvényjavaslathoz In English: Appendix 1 of the EBP pp. 107-110 of the EBP

Comments: Researcher: Generally the budget is globally financed, that means any revenue can be used to finance any expenditure. There are revenue sources that were levied by financing other related activities while reducing unwanted or detrimental effects. In practice the authority responsible for planning makes an estimate for the revenue and a similar expenditure item, but in case the revenue falls short it is not sure the expenditure will not be financed with some other source or in case the revenue surpasses the estimation it may be spent on a different expenditure. For example the social contribution tax has the purpose to finance pensions, but in the recent years the extra revenues were taken by the central government to finance other expenditures. The rules of earmarked revenues are not very strong. Some of the chapters can be treated as earmarked revenues and their expenditures. For example the Pension Insurance Fund and the social contribution tax as its revenue source, the Health Insurance Fund and social contributions as its revenue. These earmarked revenues finance broadly defined purposes like pensions or healthcare services. There are also minor revenue sources that are tied to some activity and collected as a fee but determined by law. For example the supervisory fee for food chain security is payable by retailers and is financing the operation of the related authority. This is the revenue of the Office of National Food Chain Security but mentioned only in the narrative discussion on page 522 in the last sentence before the table. While earmarked revenues exist, the EBP emphasizes the principle of global financing and as a consequence does not present separately the related revenues and expenditures. In the 2015 Survey one form of earmarked revenues was the Investment Fund. It tied the revenues from asset sales to investments and presented it in a table. This time there was no similar approach for any of the earmarked revenues.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested answer: a.

Comments: Az általános indokolás -I. A Kormányzat gazdaságpolitikájának fő vonásai, az államháztartás alakulása -2. Az államháztartás céljai és keretei <http://www.parlament.hu/irom40/10377/adatok/altind.pdf> (<http://www.parlament.hu/irom40/10377/adatok/altind.pdf>) 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.

Researcher response: We agree with the Government's review as there are earmarked revenues or revenues levied with a stated goal but these are not presented in such a way that this information could be easily recognizable or the revenues and the relevant expenditures are linked together (like the former example of the Investment Fund).

IBP comment: For cross-country consistency, IBP accepts the researcher's response of "c".

47: Does the Executive's Budget Proposal or any supporting budget documentation present information on how the proposed budget (both new proposals and existing policies) is linked to government's policy goals for the budget year?

- a. (100) 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. (67) 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. (33) 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. (0) 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).

Answer: c. (33)

Sources: In Hungarian: Az általános indokolás - A kormány gazdaságpolitikájának fő vonásai, az államháztartás alakulása a 2017. évben - II. Az államháztartás céljai és keretei - 1. Költségvetéspolitikai keretek In English: The General Justification - Main characteristics of the economic policy of the government, the state of the budget in 2017 - II. Goals and settings of the state finances - 1. Settings of the budgetary policy pp. 219-220

Comments: Researcher: The government declares its goals that it wants to achieve by executing the budget proposal, although the stated goals are more close to policies. For example the second point declares the government's intention to reduce the VAT on vital food products. In our understanding the real goal is increasing the living standard of the low-income household by making the vital products more affordable. The tool for this is the reduction of VAT on the products. The other points are similar and it is true that by approving and executing the budget the listed goals will be achieved, but it is hard to believe the VAT reduction is the goal of a government. Another example is on page 215 that the goal of the government is achieving full (100%) employment rate in the paragraph called "A cél a teljes foglalkoztatottság". This can be treated as a stated goal but no indicator or estimates are linked to it. The paragraph only mentions the related employment policies. The narrative discussion sporadically contains budgetary targets, but these are confusing and not emphasized in a clear and accountable way.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested answer: b.

Comments: The goals of the Government are included both in the budget law and the convergence program.

Researcher response: We did not treat the Convergence Program as part of the EBP because it was not part of the budget proposal package submitted to the legislature as EBP or referenced in any way in the EBP. We think the goals and tools presented in the EBP are confusable and not distinguished as clearly as in the example in the question.

48: Does the Executive's Budget Proposal or any supporting budget documentation present information on how the proposed budget (both new proposals and existing policies) is linked to government's policy goals for a multi-year period (for at least two years beyond the budget year)?

- a. (100) 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. (67) 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. (33) 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. (0) 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).

Answer: d.

Sources: In Hungarian: Az általános indokolás - A kormány gazdaságpolitikájának fő vonásai, az államháztartás alakulása a 2017. évben - II. Az államháztartás céljai és keretei - 1. Költségvetéspolitikai keretek In English: The General Justification - Main characteristics of the economic policy of the government, the state of the budget in 2017 - II. Goals and settings of the state finances - 1. Settings of the budgetary policy pp. 219-220

Comments: Researcher: The narrative discussion only mentions the goals in relation to the budget year (2017) but some of the goals can be interpreted as long-term goals. For example the point "a nyugdíjkiadások és egyes jövedelempótló ellátások reálértékének megőrzése" means maintaining the real value of pensions and particular social benefits. This could be a long-term commitment, but the legal rules for increasing the pensions already secure this, hence the government do not have much choice in this question. Clearly defined multi-year policy goals are not presented in the EBP.

Peer Reviewer**Opinion:** Agree**Government Reviewer****Opinion:** Disagree**Suggested answer:** a.**Comments:** The convergence program contains the government policy goals for the budget year +3 year.http://ec.europa.eu/europe2020/pdf/csr2016/cp2016_hungary_en... (http://ec.europa.eu/europe2020/pdf/csr2016/cp2016_hungary_en.pdf)

Researcher response: We did not consider the Convergence Program part of the EBP because it was not part of the budget proposal package submitted to the legislature as EBP. It was published nearly at the same time as the EBP, but nothing (a link or reference) indicated that it was part of the EBP or its supporting document. It (<http://document.It>) is true that the Convergence Program describes the economic and fiscal policies for a multi-year period. The stated policy goals are enhancing the performance of the economy, while maintaining a stable budget and decreasing the debt-to-GDP ratio. Other more detailed policy goals are embedded in the measures like improving the efficiency of the employment by transferring fostered workers to the primary labour market. Policy goals of other areas are not so clearly described.

49: Does the Executive's Budget Proposal or any supporting budget documentation present nonfinancial data on inputs to be acquired for at least the budget year?

- a. (100) Yes, nonfinancial data on inputs to be acquired are provided for each program within all administrative units (or functions).
- b. (67) Yes, nonfinancial data on inputs to be acquired are presented for all administrative units (or functions) but not for all (or any) programs.
- c. (33) Yes, nonfinancial data on inputs to be acquired are presented for some programs and/or some administrative units (or functions).
- d. (0) No, nonfinancial data on inputs to be acquired are not presented.
- e. Not applicable/other (please comment).

Answer: c. (33)

Sources: In Hungarian: I. Országgyűlés - Országgyűlés Hivatala In English: Chapter I. National Assembly - Office of the National Assembly page 341 of the EBP In Hungarian: XLIV. A Nemzeti Földalappal kapcsolatos bevételek és kiadások In English: Chapter XLIV Revenues and expenditures related to National Land Fund page 1258 of the EBP In Hungarian: II. Köztársasági Elnökség - 1. jogcímcsoport Állami kitüntetések In English: Chapter II The President's Office - Title 1 State Honours pp. 391-392

Comments: Researcher: The chapter-level narrative discussions generally present the allowed number of employees for each institution. For example the Office of the National Assembly is allowed to employ 1165 person. This input more or less explains the expenditures of compensation of employees and the related social contribution tax. This is shown in the column "Átlagos statisztikai állomány létszám". For the other current expenditures or for the capital expenditures (like investment) the nonfinancial inputs are rare. The National Land Fund is tasked to settle the legal status of agricultural lands owned by the state. In the justification it states the estimated cost of settling one item (in the line "egy földrészletre jutó átlagos költség") and how many items it intends to settle in 2017 (in the subsequent paragraphs). In spite of the information the appropriation is 1,3 billion HUF, that is less than necessary as at least 89 644 items are in doubtful legal status. In other parts of the EBP the nonfinancial inputs are more promiscuous. The appropriation for awarding state honours mentions that the allocated amount will probably finance 31 honours and their remuneration. Further nonfinancial data are similar: they disclose information about the size of the possible affected group, the number of students in particular education institutions or the number of institutions the appropriation is divided among. There is no nonfinancial data that is sufficient to recreate the correct planning of the budgetary appropriations, only rare occurrences of numbers justifying the expenditures for other reason.

Peer Reviewer**Opinion:** Agree with Comments**Comments:** The justification of each chapter is unified and in this way non financial data (the same as financial data) is not presented with the same detail in each chapter.**Government Reviewer****Opinion:** Agree**50: Does the Executive's Budget Proposal or any supporting budget documentation present nonfinancial data on results (in terms of outputs or outcomes) for at least the budget year?**

- a. (100) Yes, nonfinancial data on results are provided for each program within all administrative units (or functions).
- b. (67) Yes, nonfinancial data on results are presented for all administrative units (or functions) but not for all (or any) programs.
- c. (33) Yes, nonfinancial data on results are presented for some programs and/or some administrative units (or functions).
- d. (0) No, nonfinancial data on results are not presented.
- e. Not applicable/other (please comment).

Answer: c. (33)**Sources:** N/A

Comments: Researcher: The narrative discussion does not mention any nonfinancial data as result of the spent funds. The expenditures for investments generally state what will be built and maybe mention some additional technical details. These appropriations can be deceiving because the expenditures (especially of the investments) are divided among several years, so one year's expenditure does not reflect the total costs. For the current expenditures the mentioned data is the size of the affected group(s), but that is rather an input data.

Peer Reviewer**Opinion:** Agree**Government Reviewer****Opinion:** Disagree**Suggested answer:** c.**Comments:** The presentation of non-financial outputs are in the EBP. The EBP describes some of the outputs for the granted additional funds in the budget year.**Researcher response:** We checked again the EBP for nonfinancial data on results. Indicators were only presented for tertiary-level education, for example ratio of persons aged 30-34 with degree, ratio of dropouts or number of foreign students. In our assessment these indicators are rather goals than outcomes of the spending. Even qualifying them as outcomes indicators were only presented for one lower level function.**IBP comment:** For cross-country consistency, IBP would accept answer choice "c" for this indicator based on the researcher's response to the peer reviewer. Therefore, the researcher's response is revised from "d" to "c".**51: Are performance targets assigned to nonfinancial data on results in the Executive's Budget Proposal or any supporting budget documentation?**

- a. (100) Yes, performance targets are assigned to all nonfinancial data on results.
- b. (67) Yes, performance targets are assigned to most nonfinancial data on results.
- c. (33) Yes, performance targets are assigned to some nonfinancial data on results.
- d. (0) 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).

Answer: d.**Sources:** In Hungarian: XIV. Belügyminisztérium - Rendőrség In English: Chapter XIV Ministry of Interior - Police Departments page 620 of the EBP In Hungarian: XX. Emberi Erőforrások Minisztériuma In English: Chapter XX Ministry of Human Resources page 896 of the EBP**Comments:** Researcher: At the beginning of each chapter-level discussion the Ministry defines the goals of its activities. The description in most cases is very general, do not specify quantifiable targets. One exception is the Ministry of Human Resources that mentions the targets of the EU2020 strategy in relation to its higher education function. The table presented on page 896 shows the indicator, its starting value, the target for 2017 and the target for 2020 or later years. Similar table is not presented in other chapters. In another example the police department states its goal of reducing the number of victims of traffic accidents by 50% by 2020. The base of the reduction is not mentioned, only the intended reduction. This is in the line "a halálos áldozatok számára vonatkozóan az Eu által 2020-ra kitűzött 50%-os csökkenés megvalósítása". In a few cases performance targets are mentioned in relation to particular expenditure appropriations or generally to a broader category, but these are not systemic throughout the budget. While performance targets can be found in the EBP, the lack of nonfinancial data on the results prohibits reaching a higher score.**Peer Reviewer****Opinion:** Agree**Government Reviewer****Opinion:** Agree**52: Does the Executive's Budget Proposal or any supporting budget documentation present estimates of policies (both new proposals and existing policies) that are intended to benefit directly the country's most impoverished populations in at least the budget year?**

- a. (100) 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. (67) 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. (33) Yes, estimates of some but not all policies that are intended to benefit directly the country's most impoverished populations are presented.
- d. (0) 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).

Answer: c. (33)**Sources:** In Hungarian: XX. Emberi Erőforrások minisztériuma - 20/20 Társadalmi kohéziót erősítő tárcaközi integrációs szociális programok In English: Chapter XX Ministry of Human Capacities - 20/20 Social programs for strengthening social cohesion pp. 999-1003 In Hungarian: XX. Emberi Erőforrások minisztériuma - 20/39-47 Szociális foglalkoztatás és megváltozott munkaképességűek foglalkoztatása In English: Chapter XX Ministry of Human Capacities - 20/39-47 Employment programs for disabled persons and social employment pp. 1050-1051 In Hungarian: XX. Emberi Erőforrások minisztériuma - 20/59 Társadalmi felzárkózást segítő programok In English: Chapter XX Ministry of Human Capacities - 20/59 Programs for social integration pp. 1074-1076**Comments:** Researcher: The policies or expenditures intended for the most impoverished population are not presented separately or in a consistent way. Most of them are administered by the Ministry of Human Capacities, but there are other expenditures not shown separately. For example the local governments can apply for subsidy for their social institutions for providing services to homeless persons, disabled persons or social catering. These services may require more funds than the cited appropriations in the central budget. The social benefits are also grouped by legal terms and cannot be separated by the benefitted groups.

Peer Reviewer**Opinion:** Agree**Government Reviewer****Opinion:** Disagree**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 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) 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 (Álláskeresői ellátások). 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 response: We agree that all the funds are included in the EBP. Our concern is how easily they can be identified and whether the total funds designated to the most impoverished can be calculated. As noted by the Government the funds are grouped by transfer types or by legal terms, not by benefitted groups. There are subsidies that are available for the most impoverished as well, but their share is not known, hence based on the current presentation it can only be guessed how much is spent on the most impoverished persons through various subventions.

53: Does the executive release to the public its timetable for formulating the Executive's Budget Proposal (that is, a document setting deadlines for submissions from other government entities, such as line ministries or subnational government, to the Ministry of Finance or whatever central government agency is in charge of coordinating the budget's formulation)?

- a. (100) Yes, a detailed timetable is released to the public.
- b. (67) Yes, a timetable is released, but some details are excluded.
- c. (33) Yes, a timetable is released, but it lacks important details.
- d. (0) No, a timetable is not issued to the public.
- e. Not applicable/other (please comment).

Answer: a. (100)

Sources: In Hungarian: Tájékoztató a 2017. évi költségvetési törvényjavaslat összeállításához szükséges feltételekről és az érvényesítendő követelményekről - I. A tervezés ütemezése, paraméterei In English: Informant on the assumptions and requirements for tabling the Executive's Budget Proposal for FY 2017 - I. Timetable and parameters for formulating the budget URL: <http://ngmszakmaiteruletek.kormany.hu/download/9/e9/51000/20...>

(http://ngmszakmaiteruletek.kormany.hu/download/9/e9/51000/2017_TT.pdf) page 2

Comments: Researcher: The published timetable is very brief. According to it the line ministries and other administrative units had to send their planned expenditures to the Ministry for National Economy by April 1. Then the Ministry negotiated the questionable parts with the relevant institutions and after that tabled the EBP and send it to the Fiscal Council. After receiving the Council's opinion the Ministry submitted the EBP to the Parliament by April 26, which is also the date for other ministries to send the narrative discussion to the Ministry for National Economy. Finally the narrative discussions and other supplementary documents were to be published by May 6.

Peer Reviewer**Opinion:** Agree**Government Reviewer****Opinion:** Agree

54: Does the Pre-Budget Statement present information on the macroeconomic forecast upon which the budget projections are based? (The core information must include a discussion of the economic outlook with estimates of nominal GDP level, inflation rate, real GDP growth, and interest rates.)

- a. (100) Yes, information beyond the core elements is presented for the macroeconomic forecast.
- b. (67) Yes, the core information is presented for the macroeconomic forecast.
- c. (33) Yes, information is presented, but it excludes some core elements.
- d. (0) No, information related to the macroeconomic forecast is not presented.
- e. Not applicable/other (please comment).

Answer: d.**Sources:** N/A

Comments: Researcher: The Government did not publish a Pre-Budget Statement.

Peer Reviewer**Opinion:** Agree**Government Reviewer****Opinion:** Disagree**Suggested answer:** a.

Comments: At the end of the year 2016, the Ministry for National Economy published a document, which contains the following: - fiscal policy plans for the forthcoming budget year - the total amount of expenditures and revenues, the deficit and debt for upcoming year - also contains the medium term frameworks, expenditures, and revenues - macroeconomic forecast for multi years - major revenues and expenditures policies and priorities - projections for multi years The link for years 2016-2020: <http://www.kormany.hu/download/a/93/f0000/Macroeconomic%20an...> (<http://www.kormany.hu/download/a/93/f0000/Macroeconomic%20and%20budget%20forecast%202016%20december.pdf>) The resolution is available at page 83890 on the link: <http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/mk16216.pdf> (<http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/mk16216.pdf>)

Researcher response: The intended new policies and their goals/targets, broad sectoral policies were missing from the recommended documents, only the already accepted newly introduced measures were described. It is also problematic that they are published in two separate places: one on the webpage of the Ministry, the other as a resolution. There was also no indication about that they are linked together. Additionally while the timing of the publication was correct it is not assured that these documents will be always published about 4 months before the submission of the EBP, for example if the submission were in September. Based on these we did not consider the documents as Pre-Budget Statement. Nonetheless if they were regarded as Pre-Budget Statement we would confirm that the core elements and additional information is included in the Macroeconomic and Fiscal Outlook.

IBP comment: Please see IBP's comment to PBS-1.

55: Does the Pre-Budget Statement present information on the government's expenditure policies and priorities that will guide the development of detailed estimates for the upcoming budget? (The core information must include a discussion of expenditure policies and priorities and an estimate of total expenditures.)

- a. (100) Yes, information beyond the core elements is presented for the government's expenditure policies and priorities.
- b. (67) Yes, the core information is presented for the government's expenditure policies and priorities.
- c. (33) Yes, information is presented, but it excludes some core elements.
- d. (0) No, information related to the government's expenditure policies and priorities is not presented.
- e. Not applicable/other (please comment).

Answer: d.

Sources: In Hungarian: A Kormány 2019/2015. (XII. 29.) Korm. határozata a központi költségvetés fejezeti szintű 2016–2018. évi bevételi és kiadási középtávú tervszámairól In English: Resolution No. 2019/2015 (XII. 29.) of the Government on the revenue and expenditure targets of the central budget for 2016-2018 URL: <http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK15207.pdf> (<http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK15207.pdf>) pp. 27913-27914 of the cited document

Comments: Researcher: The Government did not publish a Pre-Budget Statement. The cited document is the resolution of the government on the mid-term budgetary targets, but the resolution did not disclose any information about the intended policies of the government or any information about the upcoming budget, so the document is not equal to a Pre-Budget Statement.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested answer: a.

Comments: At the end of the year 2016, the Ministry for National Economy published a document, which contains the following: - fiscal policy plans for the forthcoming budget year - the total amount of expenditures and revenues, the deficit and debt for upcoming year - also contains the medium term frameworks, expenditures, and revenues - macroeconomic forecast for multi years - major revenues and expenditures policies and priorities - projections for multi years The link for years 2016-2020: <http://www.kormany.hu/download/a/93/f0000/Macroeconomic%20an...> (<http://www.kormany.hu/download/a/93/f0000/Macroeconomic%20and%20budget%20forecast%202016%20december.pdf>) The resolution is available at page 83890 on the link: <http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/mk16216.pdf> (<http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/mk16216.pdf>)

IBP comment: Please review and respond to the government reviewer's comment using the blue researcher response box above. Many thanks!

56: Does the Pre-Budget Statement present information on the government's revenue policies and priorities that will guide the development of detailed estimates for the upcoming budget? (The core information must include a discussion of revenue policies and priorities and an estimate of total revenues.)

- a. (100) Yes, information beyond the core elements is presented for the government's revenue policies and priorities.
- b. (67) Yes, the core information is presented for the government's revenue policies and priorities.
- c. (33) Yes, information is presented, but it excludes some core elements.
- d. (0) No, information related to the government's revenue policies and priorities is not presented.
- e. Not applicable/other (please comment).

Answer: d.

Sources: N/A

Comments: Researcher: The Government did not publish a Pre-Budget Statement.

Peer Reviewer

Opinion: Agree

Government Reviewer**Opinion:** Disagree**Suggested answer:** a.

Comments: At the end of the year 2016, the Ministry for National Economy published a document, which contains the following: - fiscal policy plans for the forthcoming budget year - the total amount of expenditures and revenues, the deficit and debt for upcoming year - also contains the medium term frameworks, expenditures, and revenues - macroeconomic forecast for multi years - major revenues and expenditures policies and priorities - projections for multi years The link for years 2016-2020: <http://www.kormany.hu/download/a/93/f0000/Macroeconomic%20an...> (<http://www.kormany.hu/download/a/93/f0000/Macroeconomic%20and%20budget%20forecast%202016%20december.pdf>) The resolution is available at page 83890 on the link: <http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/mk16216.pdf> (<http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/mk16216.pdf>)

Researcher response: We did not consider the recommended documents as Pre-Budget Statement. The Outlook focuses on the macroeconomic developments, while the mid-term resolution only presents the aggregate numbers for chapters but does not describe the broad sectoral policies. It is also problematic that they were published in two separate places and not linked to each other in any way. In our assessment the documents were rather tools for easier tabling of the EBP than initiating budgetary debates about the new policies. Only the major already accepted revenue policies and the estimates for total revenues are included in the recommended documents. The intended new policies (like the ones that are submitted in the tax bill along the EBP) are omitted.

IBP comment: Please see IBP's comment to PBS-1.

57: Does Pre-Budget Statement present three estimates related to government borrowing and debt: the amount of net new borrowing required during the budget year; the total debt outstanding at the end of the budget year; and interest payments on the debt for the budget year?

- a. (100) Yes, all three estimates related to government borrowing and debt are presented.
- b. (67) Yes, two of the three estimates related to government borrowing and debt are presented.
- c. (33) Yes, one of the three estimates related to government borrowing and debt are presented.
- d. (0) No, none of the three estimates related to government borrowing and debt are not presented.
- e. Not applicable/other (please comment).

Answer: d.

Sources: N/A

Comments: Researcher: The Government did not publish a Pre-Budget Statement.

Peer Reviewer**Opinion:** Agree**Government Reviewer****Opinion:** Disagree**Suggested answer:** c.

Comments: At the end of the year 2016, the Ministry for National Economy published a document, which contains the following: Interest payments are included in the document. The link for years 2016-2020: <http://www.kormany.hu/download/a/93/f0000/Macroeconomic%20an...> (<http://www.kormany.hu/download/a/93/f0000/Macroeconomic%20and%20budget%20forecast%202016%20december.pdf>) The resolution is available at page 83890 on the link: <http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/mk16216.pdf> (<http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/mk16216.pdf>)

Researcher response: We did not consider the recommended documents as Pre-Budget Statement because they were published in separate places (one on the webpage of the Ministry, one as a resolution) without any indication about the other document and their main goal was updating the macroeconomic forecast and easing the planning of the budget instead of initiating budgetary discussion by describing broad sectoral strategies and new policies. If the recommended documents were considered as Pre-Budget Statements, we would confirm that only the interest payments had been included from the core elements.

IBP comment: Please see IBP's comment to PBS-1.

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

- a. (100) Yes, multi-year expenditure estimates are presented.
- b. (0) No, multi-year expenditure estimates are not presented.
- c. Not applicable/other (please comment).

Answer: b.

Sources: N/A

Comments: Researcher: The Government did not publish a Pre-Budget Statement.

Peer Reviewer**Opinion:** Agree**Government Reviewer**

Opinion: Disagree

Suggested answer: a.

Comments: At the end of the year 2016, the Ministry for National Economy published a document, which contains the following: - fiscal policy plans for the forthcoming budget year - the total amount of expenditures and revenues, the deficit and debt for upcoming year - also contains the medium term frameworks, expenditures, and revenues - macroeconomic forecast for multi years - major revenues and expenditures policies and priorities - projections for multi years The link for years 2016-2020: <http://www.kormany.hu/download/a/93/f0000/Macroeconomic%20an...> (<http://www.kormany.hu/download/a/93/f0000/Macroeconomic%20and%20budget%20forecast%202016%20december.pdf>) The resolution is available at page 83890 on the link: <http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/mk16216.pdf> (<http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/mk16216.pdf>)

Researcher response: We did not consider the recommended documents as Pre-Budget Statement. The Outlook focuses on macroeconomic developments, while the resolution only contains the expenditures and revenues by chapters (ministries). While they were published 5 months before the submission of the EBP, their places of publication was different: one on the webpage of the Government, one in the Official Journal as a resolution. Because of these we think the main purpose of the documents are updating the macroeconomic forecast and easing the planning of the budget and only secondary goal is initiating budgetary discussion. If the recommended documents were considered Pre-Budget Statements, we would confirm that they had contained the expenditures for multi-year period. The Macroeconomic and Fiscal Outlook up to 2020 (BY + 2). The last year in the resolution is 2019, only one year beyond the budget year (FY2018).

IBP comment: Please see IBP's comment to PBS-1.

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

- a. (100) Yes, the Enacted Budget presents expenditure estimates by all three expenditure classifications (by administrative, economic, and functional classification).
- b. (67) Yes, the Enacted Budget presents expenditure estimates by two of the three expenditure classifications.
- c. (33) Yes, the Enacted Budget presents expenditure estimates by only one of the three expenditure classifications.
- d. (0) No, the Enacted Budget does not present expenditure estimates by any expenditure classification.
- e. Not applicable/other (please comment).

Answer: c. (33)

Sources: In Hungarian: 1. melléklet a Magyarország 2017. évi központi költségvetéséről szóló 2016. évi XC. törvényhez In English: Appendix 1 of the Act XC of 2016 on the Central Budget of Hungary for FY 2017 pp. 7093-7165 of the EB

Comments: Researcher: The enacted budget only presents the expenditures by administrative classification. Appendix 1 shows nearly all the institutions separately, and the broad categories like Ministries can be distinguished. Economic or functional classification is not made for the enacted budget.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

60: Does the Enacted Budget present expenditure estimates for individual programs?

- a. (100) Yes, the Enacted Budget presents estimates for programs accounting for all expenditures.
- b. (67) Yes, the Enacted Budget presents estimates for programs accounting for at least two-thirds of, but not all, expenditures.
- c. (33) Yes, the Enacted Budget presents estimates for programs accounting for less than two-thirds of expenditures.
- d. (0) No, the Enacted Budget does not present expenditure estimates by program.
- e. Not applicable/other (please comment).

Answer: a. (100)

Sources: In Hungarian: 1. melléklet a Magyarország 2017. évi központi költségvetéséről szóló 2016. évi XC. törvényhez In English: Appendix 1 of the Act XC of 2016 on the Central Budget of Hungary for FY 2017 pp. 7093-7165 of the EB

Comments: Researcher: Appendix 1 of the enacted budget presents all the expenditures. The budget is institution-based but there are chapter-administered appropriations ("Fejezeti kezelésű előirányzatok") that are separated expenditures for a defined activity. Only in broad terms can these appropriations be treated as "programs", since they lack the necessary performance targets and indicators. Because the major part of the budgetary funds are spent through institutions the other appropriations account for less than two-third of the expenditures, even if we consider all of them "programs".

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested answer: b.

Comments: In the sense of the afore mentioned definition (" for the purposes of answering the questionnaire, researchers should treat the term "program" as meaning any level of detail below an administrative unit — that is, any programmatic grouping that is below the ministry, department, or

agency level") we must say that it is well above 2/3 of expenditures are program-like. E.g. we present below administrative level the details of health and pension, or social expenditures.

Researcher response: In our original assessment we evaluated this question using a more strict definition of "program" and considered only chapter-administered appropriations as programs. Upon the reviewer's comment we clarified that a looser definition of "program" would also be acceptable. As Appendix 1 of the EBP presented details for the institutions below the ministries we accepted those as "programs". Many of the institutions can be described as programs (for example hospitals, universities, police departments, etc.), but the purpose of some minor institutions is difficult to summarize as program (for example Ministry of Interior Directorate for Education, Training and Science Organization or National Information Infrastructure Development Institute). The latter only covers at most 1% percent of the budget, meaning essentially all the expenditures below the ministries were detailed by institutions or chapter-administered appropriations, hence we revised our original answer to "a".

61: Does the Enacted Budget present revenue estimates by category (such as tax and non-tax)?

- a. (100) Yes, the Enacted Budget presents revenue estimates by category.
- b. (0) No, the Enacted Budget does not present revenue estimates by category.
- c. Not applicable/other (please comment).

Answer: b.

Sources: In Hungarian: 1. melléklet a Magyarország 2017. évi központi költségvetéséről szóló 2016. évi XC. törvényhez In English: Appendix 1 of the Act XC of 2016 on the Central Budget of Hungary for FY 2017 pp. 7093-7165 of the EB

Comments: Researcher: The enacted budget does not include any supplementary table presented in the EBP. As a consequence the tax and non-tax revenues has to be identified individually among all the expenditure and revenue items. Although the bulk of the tax revenues are in chapter XLII Direct revenues and expenditures of the budget ("XLII. A költségvetés közvetlen bevételei és kiadásai" on pp. 7151-7153). The similar tax revenues are grouped together like revenues from corporations ("Vállalkozások költségvetési befizetései") or taxes on consumption ("Fogyasztáshoz kapcsolt adók"). This list is not complete because other important tax revenues are presented in other parts of the Appendix, and non-tax revenues are also dispersed through it. Without a readily available table the revenue categories cannot be presented correctly.

Peer Reviewer

Opinion: Disagree

Suggested answer: a.

Comments: The Enacted Budget in the chapter XLII. presents the direct revenues of the budget (XLII. a Költségvetés közvetlen bevételei és kiadásai) but the non-tax and the tax revenues are not separated the same way as in the Executive's Budget Proposal. Even though it can distinguished because the subchapters presents the expected revenue by each tax categories.

Government Reviewer

Opinion: Disagree

Suggested answer: a.

Comments: The Enacted Budget contains the revenues in administrative category in Appendix 1.

Researcher response: The total numbers (an aggregated sum) for the two categories were not presented explicitly or in a summary table. The tax and non-tax revenues were presented individually in Appendix 1, most of them in chapter XLII as the peer reviewer commented. The total numbers by categories have to be calculated manually. Appendix 1 presented the expenditures and revenues in detailed administrative classification as the Government reviewer noted, that is by institutions below the ministries and by individual revenue sources.

62: Does the Enacted Budget present individual sources of revenue?

- a. (100) Yes, the Enacted Budget presents individual sources of revenue accounting for all revenue.
- b. (67) Yes, the Enacted Budget presents individual sources of revenue accounting for at least two-thirds of, but not all, revenue.
- c. (33) Yes, the Enacted Budget presents individual sources of revenue accounting for less than two-thirds of all revenues.
- d. (0) No, the Enacted Budget does not present individual sources of revenue.
- e. Not applicable/other (please comment).

Answer: a. (100)

Sources: In Hungarian: 1. melléklet a Magyarország 2017. évi központi költségvetéséről szóló 2016. évi XC. törvényhez In English: Appendix 1 of the Act XC of 2016 on the Central Budget of Hungary for FY 2017 pp. 7093-7165 of the EB

Comments: Researcher: Appendix 1 includes all the revenue sources, and its structure is the same as in the EBP. Even when all the revenues are included some of the individual sources can be hidden. Because of the institution-based logic the institutions' own revenues are not detailed and sometimes this revenue includes important fees determined by law. For example the National Food Chain Safety Office ("Nemzeti Élelmiszerlánc-biztonsági Hivatal") collects directly the fee for supervising the retailers and this is presented as its own revenue (on page 7109). This means not all the revenue sources can be identified without prior knowledge, but all the revenues are included in some form.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

63: Does the Enacted Budget present three estimates related to government borrowing and debt: the amount of net new borrowing required during the budget year; the total debt outstanding at the end of the budget year; and interest payments on the debt for the budget year?

- a. (100) Yes, all three estimates related to government borrowing and debt are presented.
- b. (67) Yes, two of the three estimates related to government borrowing and debt are presented.
- c. (33) Yes, one of the three estimates related to government borrowing and debt are presented.
- d. (0) No, none of the three estimates related to government borrowing and debt are not presented.
- e. Not applicable/other (please comment).

Answer: a. (100)

Sources: In Hungarian: Elfogadott költségvetés - I. Fejezet A központi alrendszer kiadásainak és bevételeinek főösszege, a hiány és az államadósság értéke In English: Enacted Budget - Chapter I Main sums of the revenues and expenditures of the central government, the deficit and the total debt page 7070 In Hungarian: 1. melléklet a Magyarország 2017. évi központi költségvetéséről szóló 2016. évi XC. törvényhez In English: Appendix 1 of the Act XC of 2016 on the Central Budget of Hungary for FY 2017 pp. 7093-7165 of the EB

Comments: Researcher: The estimated total debt is stated in part 2 The value of total debt ("2. Az államadósság értéke") paragraph 3 of the enacted budget in the first citation. The interest payments are buried in Appendix 1, they are listed in chapter XLI Revenues and expenditures related to debt services ("XLI. Adósságszolgálattal kapcsolatos bevételek és kiadások" on page 7150). The amount of net new borrowing requirement is not presented explicitly. We used the budget deficit as an estimate for it. The deficit is presented in part 1 The balance and total amount of central government ("1. Az államháztartás központi alrendszerének egyenlege és főösszegei") paragraph 1 section (1) c) in the first citation. The most important difference between the budget deficit and the net new borrowing requirement is the amount of net EU transfers. The presented data serves as information related to government debt and is adequate for answer "a", but the presentation is not coherent or easily available.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

64: What information is provided in the Citizens Budget? (The core information must include expenditure and revenue totals, the main policy initiatives in the budget, the macroeconomic forecast upon which the budget is based, and contact information for follow-up by citizens.)

- a. (100) The Citizens Budget provides information beyond the core elements.
- b. (67) The Citizens Budget provides the core information.
- c. (33) The Citizens Budget provides information, but it excludes some core elements.
- d. (0) The Citizens Budget is not published.
- e. Not applicable/other (please comment).

Answer: d.

Sources: N/A

Comments: Researcher: The Government did not publish a Citizens Budget.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested answer: c.

Comments: The Government published citizens budget which document: - objective and technical - not a political tract - it is written with using everyday language - it contains simple and effective diagrams - the charts showing revenues, spendings, and the central government balance - the distribution of spendings by function and revenues by source - the readers do not need to know to contents of other documents in order to make sense of it - it focuses on objectives and content of the budget - this is objective, reliable, relevant and easy to understand - it is published together with the annual budget The link is the follow: <http://www.parlament.hu/irom40/10377/adatok/fejezetek/00szem...> (<http://www.parlament.hu/irom40/10377/adatok/fejezetek/00szemleltetes.pdf>)

Researcher response: We agree that the recommended document is objective and published along the budget proposal, but in our opinion the key missing element was disseminating it widely and actively in order to get the document to the widest audience. Attaching it to the end of a thousand-page long document was probably not the best-way to promote it. It could have been mentioned in interviews, had a separate news article on the webpage of the Ministry or presented individually at the press conference of the submission of the EBP. Nonetheless the expenditure and revenue totals and their distributions were included in the recommended document.

IBP comment: IBP acknowledges the government reviewer's comment. However, from a cross-country consistency perspective, IBP also determined that the pages referenced by the government reviewer did not qualify as a Citizens Budget based on their content. Per the OBS methodology, the researcher's original response of "d" is appropriate.

65: How is the Citizens Budget disseminated to the public?

- a. (100) 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. (67) 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. (33) A Citizens Budget is disseminated only by using one means of dissemination.
- d. (0) A Citizens Budget is not published.
- e. Not applicable/other (please comment).

Answer: d.

Sources: N/A

Comments: Researcher: The Government did not publish a Citizens Budget.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested answer: a.

Comments: The link is the follow: <http://www.parlament.hu/irom40/10377/adatok/fejezetek/00szem...> (<http://www.parlament.hu/irom40/10377/adatok/fejezetek/00szemleltetes.pdf>). After the budget approval by the Parliament, minister and state secretary give interviews for several medias, TV and radio channels, newspapers.

Researcher response: The submission of the EBP and the approval of the Enacted Budget are well-documented in the media, but we have not found any article, news where the Citizens' Budget (the recommended document) had been mentioned or presented. For example the announcement of the submission of the EBP did not mention it: <http://www.kormany.hu/en/ministry-for-national-economy/news/...> (<http://www.kormany.hu/en/ministry-for-national-economy/news/next-year-s-budget-focuses-on-tax-cuts-and-housing-incentives>)

IBP comment: IBP acknowledges the government reviewer's comment. However, from a cross-country consistency perspective, IBP also determined that the pages referenced by the government reviewer did not qualify as a Citizens Budget based on their content. Per the OBS methodology, the researcher's original response of "d" is appropriate.

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

- a. (100) 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. (67) 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. (33) 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. (0) 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).

Answer: d.

Sources: N/A

Comments: Researcher: The Government did not publish a Citizens Budget.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree with Comments

Comments: There is no established document.

Researcher response: We agree that there is no established, well-known mechanism for identifying public's requirements.

67: Are "citizens" versions of budget documents published throughout the budget process?

- a. (100) 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. (67) A citizens version of budget documents is published for at least two of the four stages of the budget process.
- c. (33) A citizens version of budget documents is published for at least one stage of the budget process.
- d. (0) No citizens version of budget documents is published.
- e. Not applicable/other (please comment).

- d. (0) No, the In-Year Reports do not present actual expenditures by program.
e. Not applicable/other (please comment).

Answer: c. (33)

Sources: In Hungarian: 1. melléklet a részletes tájékoztatóhoz - A központi kormányzat előzetes mérlege In English: Appendix 1 for the In-Year Report for September 2016 - Preliminary balance sheet of the central budget URL: http://www.kormany.hu/download/9/da/d0000/mrg2016_09_kt.pdf (http://www.kormany.hu/download/9/da/d0000/mrg2016_09_kt.pdf) page 2

Comments: Researcher: The In-Year Reports use a special classification that presents individually some of the chapter-administered appropriations. These appropriations can be considered "programs" in broad terms as they are separate expenditures for a defined purpose, but lack other requirements of programs like performance targets and indicators. In the cited table only a few of them is presented individually like the support for public media ("Közszolgálati műsorszolgáltatás támogatása"), subsidy for discounted fares by social purposes ("Szociálpolitikai menetdíj-támogatások") and house-building subsidies ("Lakásépítési támogatások"). The other similar expenditures are aggregated in the line "Szakmai fejezeti kezelésű előirányzatok kiadásai", whose total amount is bigger than that of the mentioned expenditures. In a different document the Treasury published monthly all the actual expenditures of the other appropriations individually. The monthly reports is available here: <http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok...> (http://www.allamkincstar.gov.hu/hu/koltsegvetesi-informaciok/a-2016-evi-kozponti-koltsegvetes-vegrehajtasanak-adatai/3714/)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

70: Do the In-Year Reports compare actual year-to-date expenditures with either the original estimate for that period (based on the enacted budget) or the same period in the previous year?

- a. (100) Yes, comparisons are made for expenditures presented in the In-Year Reports.
b. (0) No, comparisons are not made for expenditures presented in the In-Year Reports.
c. Not applicable/other (please comment).

Answer: a. (100)

Sources: In Hungarian: 1. melléklet a részletes tájékoztatóhoz - A központi kormányzat előzetes mérlege In English: Appendix 1 for the In-Year Report for September 2016 - Preliminary balance sheet of the central budget URL: http://www.kormany.hu/download/9/da/d0000/mrg2016_09_kt.pdf (http://www.kormany.hu/download/9/da/d0000/mrg2016_09_kt.pdf) page 2

Comments: Researcher: The In-Year Reports compare the actual expenditures (in column "2016. évi I- IX. hó") to the same period of the previous year (in column "2015. évi I-IX. hó") and the actual appropriation (in column "2016. évi törvényi módosított előirányzat").

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

71: Do In-Year Reports present actual revenue by category (such as tax and non-tax)?

- a. (100) Yes, In-Year Reports present actual revenue by category.
b. (0) No, In-Year Reports do not present actual revenue by category.
c. Not applicable/other (please comment).

Answer: a. (100)

Sources: In Hungarian: 1. melléklet a részletes tájékoztatóhoz - A központi kormányzat előzetes mérlege In English: Appendix 1 for the In-Year Report for September 2016 - Preliminary balance sheet of the central budget URL: http://www.kormany.hu/download/9/da/d0000/mrg2016_09_kt.pdf (http://www.kormany.hu/download/9/da/d0000/mrg2016_09_kt.pdf) page 1

Comments: Researcher: The classification of the revenues are not structured by tax and non-tax revenues, but the two categories can be separated. The revenues are grouped by other categories like revenues from corporations ("Gazdálkodó szervezetek befizetései"), tax on consumption ("Fogyasztáshoz kapcsolt adók") or revenues from households ("Lakosság befizetései"). These groups are mainly includes tax revenues, in some cases fees like "Illetékbecfizetések" that contains for example the fees payable at house or car-buying. Other tax revenues are not categorized like social contribution tax ("Szociális hozzájárulási adó") as it is tied to the Pension Insurance Fund and presented at the bottom of the table. The non-tax revenues are generally aggregated to one line by types, for example interests received ("Kamatbevételek"), revenues related to state property ("Állami vagyonnal kapcsolatos befizetések"). The individual revenue sources are also shown in the table: all the major tax and non-tax revenues can be identified individually, but minor revenue sources are aggregated into one line. For example VAT ("Általános forgalmi adó"), personal income tax ("Személyi jövedelemadó"), corporate tax ("Társasági adó és osztalékadó") is presented in its own line, while other centralized revenues ("Egyéb központosított bevételek") aggregate several revenue sources. The table contains enough data to obtain a general view about the revenues, but in details it can be misleading and needs extra efforts to clarify some line items.

Peer Reviewer**Opinion:** Agree**Government Reviewer****Opinion:** Agree**72: Do In-Year Reports present the individual sources of revenue for actual revenues collected?**

- a. (100) Yes, In-Year Reports present individual sources of actual revenue accounting for all revenue.
- b. (67) Yes, In-Year Reports present individual sources of actual revenue accounting for at least two-thirds of, but not all, revenue.
- c. (33) Yes, In-Year Reports present individual sources of actual revenue accounting for less than two-thirds of all revenue.
- d. (0) No, In-Year Reports do not present individual sources of actual revenue.
- e. Not applicable/other (please comment).

Answer: a. (100)

Sources: In Hungarian: 1. melléklet a részletes tájékoztatóhoz - A központi kormányzat előzetes mérlege In English: Appendix 1 for the In-Year Report for September 2016 - Preliminary balance sheet of the central budget URL: http://www.kormany.hu/download/9/da/d0000/mrg2016_09_kt.pdf (http://www.kormany.hu/download/9/da/d0000/mrg2016_09_kt.pdf) page 1

Comments: Researcher: The main revenue sources can be identified individually in the table. The minor sources are aggregated in a mixed way: some are presented individually, others aggregated by their type, summarized as revenues of the institutions or categorized as other revenues. Many of the tax revenue sources are listed individually, while the non-tax revenues are in most cases aggregated. For example the revenues related to state property ("Állami vagyonnal kapcsolatos befizetések") includes dividends, rents and sale of assets.

Peer Reviewer**Opinion:** Agree**Government Reviewer****Opinion:** Agree**73: Do the In-Year Reports compare actual year-to-date revenues with either the original estimate for that period (based on the enacted budget) or the same period in the previous year?**

- a. (100) Yes, comparisons are made for revenues presented in the In-Year Reports.
- b. (0) No, comparisons are not made for revenues presented in the In-Year Reports.
- c. Not applicable/other (please comment).

Answer: a. (100)

Sources: In Hungarian: 1. melléklet a részletes tájékoztatóhoz - A központi kormányzat előzetes mérlege In English: Appendix 1 for the In-Year Report for September 2016 - Preliminary balance sheet of the central budget URL: http://www.kormany.hu/download/9/da/d0000/mrg2016_09_kt.pdf (http://www.kormany.hu/download/9/da/d0000/mrg2016_09_kt.pdf) page 1

Comments: Researcher: The In-Year Report compares the actual expenditure (in column "2016. évi I-IX. hó") to the same period of the previous year (in column "2015. évi I-IX. hó") and to the original estimate (in column "2016. évi törvényi módosított előirányzat"). The original estimates are for the full year, but the last column ("előir. %-a") shows the actual expenditure compared to the original estimate as a percentage. The comparison between the year-to-date values of the forecast and the actual outcome is not readily available.

Peer Reviewer**Opinion:** Agree**Government Reviewer****Opinion:** Agree**74: Do In-Year Reports present three estimates related to actual government borrowing and debt: the amount of net new borrowing; the total debt outstanding; and interest payments?**

- a. (100) Yes, all three estimates related to government borrowing and debt are presented.
- b. (67) Yes, two of the three estimates related to government borrowing and debt are presented.
- c. (33) Yes, one of the three estimates related to government borrowing and debt are presented.
- d. (0) No, none of the three estimates related to government borrowing and debt are not presented.
- e. Not applicable/other (please comment).

Answer: a. (100)

Sources: In Hungarian: Tájékoztató az államháztartás központi alrendszerének 2016. szeptember végi helyzetéről – II. Az államháztartás központi alrendszerének finanszírozása In English: Report on the state of the Central Budget in September 2016 – Section II. Financing the Central Budget

URL: <http://www.kormany.hu/download/8/da/d0000/T%C3%A1j%C3%A9kozt...>

(<http://www.kormany.hu/download/8/da/d0000/T%C3%A1j%C3%A9koztat%C3%B3.pdf>) on page 20 In Hungarian: 1. melléklet a részletes tájékoztatóhoz - A központi kormányzat előzetes mérlege In English: Appendix 1 for the In-Year Report for September 2016 - Preliminary balance sheet of the central budget URL: http://www.kormany.hu/download/9/da/d0000/mrg2016_09_kt.pdf (http://www.kormany.hu/download/9/da/d0000/mrg2016_09_kt.pdf) pp. 1-2

Comments: Researcher: The interest payments are presented in the line "Kamatkiadások" on page 2, while the interests received in line "Kamatbevételek" on page 1 of the Appendix. The numbers do not contain the additional expenditures related to debt services, like fees and communication expenses. The total government debt at the end of the month is presented on page 20 of the In-Year Report for September 2016. The total amount is presented in the row "Mindösszesen" in the column "2016. szeptember előzetes állomány". The amount of net new borrowing is not presented but can be calculated as the difference of the gross borrowing and gross repayment. The former is in column "kibocsátás (növekedés)", the latter in column "törlesztés (csökkenés)". As another solution the budget deficit can also be used for net new borrowing requirement. The deficit is presented in the Report in the table on page 2 in the line "Egyenleg összesen" and in the Appendix on page 2 in the line "Központi alrendszer összesen". As all the core elements for the actual government borrowing and debt can be found (or at least estimated) we chose answer "a".

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

75: Do In-Year Reports present information related to the composition of the total actual debt outstanding? (The core information must include interest rates on the debt instruments; maturity profile of the debt; and whether it is domestic or external debt.)

- a. (100) Yes, information beyond the core elements is presented for the composition of the total actual debt outstanding.
- b. (67) Yes, the core information is presented for the composition of the total actual debt outstanding.
- c. (33) Yes, information is presented, but it excludes some core elements.
- d. (0) No, information related to composition of total actual debt outstanding is not presented.
- e. Not applicable/other (please comment).

Answer: c. (33)

Sources: In Hungarian: Tájékoztató az államháztartás központi alrendszerének 2016. szeptember végi helyzetéről – II. Az államháztartás központi alrendszerének finanszírozása In English: Report on the state of the Central Budget in September 2016 – Section II. Financing the Central Budget URL: <http://www.kormany.hu/download/8/da/d0000/T%C3%A1j%C3%A9kozt...> (http://www.kormany.hu/download/8/da/d0000/T%C3%A1j%C3%A9koztat%C3%B3.pdf) on page 20

Comments: Researcher: The cited table includes the total debt by currency denomination, by type and the loans are further differentiated by external or domestic origin. The securitized debt owned by external actors are discussed in the narrative part: on page 21 the paragraph highlighting "külföldi befektetők állampapír állománya" presents the data for the amount held by them. Supplemented with the data for loans in the table the ownership of the debt can be calculated. The maturity profile of the debt is not included, and the interest rates are only mentioned on page 21 in the description of the actual situation of yields, though they are not relevant for the already issued debt. From the core elements only the ownership of the debt can be determined from the In-Year Reports.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested answer: a.

Comments: The homepage of the Government Debt Management Agency contains all information related to government debt and interest. In the statistics subpage several tables are available monthly, quarterly or even weekly that provide information about debt structure, instruments, ownership of the debt, maturity, currency composition, interest type, etc. All tables will not be cited, but can be found here:

<http://www.akk.hu/en/page/statistics#central-government-debt...> (http://www.akk.hu/en/page/statistics#central-government-debt-deficit-financing)

Also there are monthly and quarterly reports produced by the Agency under the "publications" subpage, which contain information about the core elements of the question. 2017 March report: <http://www.akk.hu/uploads/OrEPKm7b.pdf> (http://www.akk.hu/uploads/OrEPKm7b.pdf)

Researcher response: The debt reports are issued monthly, quarterly and annually by the Debt Management Agency and available here: <http://www.akk.hu/en/page/publications> The (http://www.akk.hu/en/page/publications) reports present the composition of the debt and the actual market yields, but not the interest rates for the outstanding debt. The maturity profile of the total debt is published quarterly under the statistics: <http://www.akk.hu/en/page/statistics#maturity-profile-of-the...> (http://www.akk.hu/en/page/statistics#maturity-profile-of-the-central-government-debt-annual-and-quarterly-figures) We considered only the first one as additional document of the IYRs. This did not modify the evaluation as their content is identical to the debt table published in the originally cited IYRs. Additionally the closest to interest rates are the interest payments published on page 18 of the originally cited In-Year Report.

IBP comment: IBP acknowledges the government reviewer's comment and accepts the monthly and quarterly reports issued by the Debt Management Agency as IYRs. However, based on the researcher's assessment, the inclusion of these reports does not change the researcher's response to this question. Thus, answer choice "c" is retained.

76: Does the Mid-Year Review of the budget include an updated macroeconomic forecast for the budget year underway?

- a. (100) 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. (67) 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. (33) 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. (0) No, the estimates for macroeconomic forecast have not been updated.
- e. Not applicable/other (please comment).

Answer: d.

Sources: N/A

Comments: Researcher: The Government did not publish a Mid-Year Review.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree with Comments

Comments: In fact there is a mid-year review, but it is true that it does not contain an updated macroeconomic forecast. Notwithstanding it is important to note that in April the government updates and publish its forecast in the framework of usual convergence program, and in that the estimates for macroeconomic forecast have been updated, and an explanation of some of the differences between the original and updated forecasts is presented.

Researcher response: In the earlier questions the Government suggested the In-Year Report for June as Mid-Year Review. Our main objection against it is that the In-Year Reports do not include estimates for the full-year expenditures, detailed discussion of the budgetary trends or other additional information that would make it special among the other In-Year Reports, so we did not treat it as Mid-Year Review. The Convergence Program was published in April and with this timing it cannot be treated as a Mid-Year Review. The Convergence Program really presents an updated macroeconomic forecast, but the detailed fiscal forecasts based on these projections are not included, and the detailed analysis of the major expenditure and revenue items are also missing.

IBP comment: IBP agrees with the researcher that the six-month In-Year Report and Convergence Report do not qualify as the Mid-Year Review. As such, the researcher's original response of "d" is maintained.

77: Does the Mid-Year Review of the budget include updated expenditure estimates for the budget year underway?

- a. (100) Yes, expenditure estimates have been updated, and an explanation of all of the differences between the original and updated expenditure estimates is presented.
- b. (67) Yes, expenditure estimates have been updated, and an explanation of some of the differences between the original and updated expenditure estimates is presented.
- c. (33) Yes, expenditure estimates have been updated, but an explanation of the differences between the original and updated expenditure estimates is not presented.
- d. (0) No, expenditure estimates have not been updated.
- e. Not applicable/other (please comment).

Answer: d.

Sources: N/A

Comments: Researcher: The Government did not publish a Mid-Year Review.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree with Comments

Comments: In fact there is a mid-year review, but it is true that it does not contain an updated expenditure forecast. Notwithstanding it is important to note that in April the government updates and publish its forecast in the framework of usual convergence program, and in that the estimates for expenditure forecast have been updated, and an explanation of some of the differences between the original and updated forecasts is presented.

Researcher response: We did not treat the Convergence Program as Mid-Year Review because it was published in April (before the end of the first half) and did not present a detailed analysis about budgetary trends and potential differences between the estimates and expected outcomes for major line items. It (<http://items.it>) is true that the Convergence Program presented an updated expenditure forecast, but its methodology and classification was not comparable to the other budget documents. The Convergence Program was prepared by the accrual based European System of Accounts and the expenditure and revenue categories were different from the categories used in the cash-flow based documents. While those estimates were updated, they could not have been compared to the numbers in the Enacted Budget. The In-Year Report for June was not treated as Mid-Year Review either because it did not contain any additional information compared to the other IYRs (for example detailed macroeconomic or fiscal analysis).

IBP comment: IBP agrees with the researcher that the six-month In-Year Report and Convergence Report do not qualify as the Mid-Year Review. As such, the researcher's original response of "d" is maintained.

78: 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. (100) Yes, the Mid-Year Review presents expenditure estimates by all three expenditure classifications (by administrative, economic, and functional classification).
- b. (67) Yes, the Mid-Year Review presents expenditure estimates by two of the three expenditure classifications.
- c. (33) Yes, the Mid-Year Review presents expenditure estimates by only one of the three expenditure classifications.
- d. (0) No, the Mid-Year Review does not present expenditure estimates by any expenditure classification.
- e. Not applicable/other (please comment).

Answer: d.

Sources: N/A

Comments: Researcher: The Government did not publish a Mid-Year Review.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree with Comments

Comments: In fact there is a mid-year review, but it is true that it does not contain an updated expenditure forecast. Notwithstanding it is important to note that in April the government updates and publish its forecast in the framework of usual convergence program, and in that the estimates for expenditure forecast have been updated, and an explanation of some of the differences between the original and updated forecasts is presented in economic classification (in one of three).

Researcher response: We did not treat the Convergence Program as Mid-Year Review because it was published in April (before the end of the first half) and did not present a detailed analysis about budgetary trends and potential differences between the estimates and expected outcomes for major line items. The Convergence Program classifies the expenditures according to the European System of Accounts. These statistical categories are:- Compensation of employees- Intermediate consumption- Social payments- Interest expenditure- Subsidies- Gross fixed capital formation- Capital transfers- Other. The above categories are similar only to the economic classification presented in the EBPA. A significant difference is that this classification uses accrual-based data, not cash-flow based as the other budget documents. This causes differences in the numbers too. The In-Year Report for June was not treated as Mid-Year Review either because it did not contain any additional information compared to the other IYRs (for example detailed macroeconomic or fiscal analysis).

IBP comment: IBP agrees with the researcher that the six-month In-Year Report and Convergence Report do not qualify as the Mid-Year Review. As such, the researcher's original response of "d" is maintained.

79: Does the Mid-Year Review of the budget present expenditure estimates for individual programs?

- a. (100) Yes, the Mid-Year Review presents estimates for programs accounting for all expenditures.
- b. (67) Yes, the Mid-Year Review presents estimates for programs accounting for at least two-thirds of, but not all, expenditures.
- c. (33) Yes, the Mid-Year Review presents estimates for programs accounting for less than two-thirds of expenditures.
- d. (0) No, the Mid-Year Review does not present expenditure estimates by program.
- e. Not applicable/other (please comment).

Answer: d.

Sources: N/A

Comments: Researcher: The Government did not publish a Mid-Year Review.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree with Comments

Comments: There is mid year review but it does not contain estimates for individual programs.

Researcher response: We did not find any Mid-Year Review because the Convergence Program was published too early (in April), while the In-Year Report for June did not contain more detailed explanation on the budgetary trends, updated estimates for the full-year expenditures and revenues or any information that would have made it special among the In-Year Reports. Neither document presented any detailed expenditure estimates below broad categories.

IBP comment: IBP agrees with the researcher that the six-month In-Year Report and Convergence Report do not qualify as the Mid-Year Review. As such, the researcher's original response of "d" is maintained.

80: Does the Mid-Year Review of the budget include updated revenue estimates for the budget year underway?

- a. (100) Yes, revenue estimates have been updated, and an explanation of all of the differences between the original and updated revenue estimates is presented.
- b. (67) Yes, revenue estimates have been updated, and an explanation of some of the differences between the original and updated revenue estimates is presented.

- c. (33) Yes, revenue estimates have been updated, but an explanation of the differences between the original and updated revenue estimates is not presented.
- d. (0) No, revenue estimates have not been updated.
- e. Not applicable/other (please comment).

Answer: d.

Sources: N/A

Comments: Researcher: The Government did not publish a Mid-Year Review.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree with Comments

Comments: In fact there is a mid-year review, but it is true that it does not contain an updated revenue forecasts. Notwithstanding it is important to note that in April the government updates and publish its forecast in the framework of usual convergence program, and in that the estimates for revenues forecast have been updated, and an explanation of some of the differences between the original and updated forecasts is presented.

Researcher response: We did not find any Mid-Year Review because the Convergence Program was published too early (in April), while the In-Year Report for June did not contain more detailed explanation on the budgetary trends, updated estimates for the full-year expenditures and revenues or any information that would have made it special among the In-Year Reports.The In-Year Report did not include updated revenue estimates, while the Convergence Program presented the numbers according to accrual-based methodology that posed a difference from the numbers in the solely cash-flow based budget documents.

IBP comment: IBP agrees with the researcher that the six-month In-Year Report and Convergence Report do not qualify as the Mid-Year Review. As such, the researcher's original response of "d" is maintained.

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

- a. (100) Yes, the Mid-Year Review presents revenue estimates by category.
- b. (0) No, the Mid-Year Review does not present revenue estimates by category.
- c. Not applicable/other (please comment).

Answer: b.

Sources: N/A

Comments: Researcher: The Government did not publish a Mid-Year Review.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree with Comments

Comments: In fact there is a mid-year review, but it is true that it does not contain an updated forecast. Notwithstanding it is important to note that in April the government updates and publish its forecast in the framework of usual convergence program, and in that the estimates for tax and non tax revenue forecast have been updated, and an explanation of some of the differences between the original and updated forecasts is presented.

Researcher response: We did not find any Mid-Year Review because the Convergence Program was published too early (in April), while the In-Year Report for June did not contain more detailed explanation on the budgetary trends, updated estimates for the full-year expenditures and revenues or any information that would have made it special among the In-Year Reports.The In-Year Report presents the revenue sources individually for the major taxes and do not summarize the revenues into tax and non-tax revenues. The Convergence program divides the revenues into broad tax categories and other revenues, but these numbers are based on an accrual-based methodology, not the cash-flow based on used in all the other budget documents.

IBP comment: IBP agrees with the researcher that the six-month In-Year Report and Convergence Report do not qualify as the Mid-Year Review. As such, the researcher's original response of "b" is maintained.

82: Does the Mid-Year Review of the budget present individual sources of revenue?

- a. (100) Yes, the Mid-Year Review presents individual sources of revenue accounting for all revenue.
- b. (67) Yes, the Mid-Year Review presents individual sources of revenue accounting for at least two-thirds of, but not all, revenue.
- c. (33) Yes, the Mid-Year Review presents individual sources of revenue accounting for less than two-thirds of all revenues.
- d. (0) No, the Mid-Year Review does not present individual sources of revenue.
- e. Not applicable/other (please comment).

Answer: d.

Sources: N/A

Comments: Researcher: The Government did not publish a Mid-Year Review.

Peer Reviewer**Opinion:** Agree**Government Reviewer****Opinion:** Agree with Comments**Comments:** There is mid year review but updated individual revenue forecasts are not presented (neither in convergence program).**Researcher response:** We did not find any Mid-Year Review because the Convergence Program was published too early (in April), while the In-Year Report for June did not contain more detailed explanation on the budgetary trends, updated estimates for the full-year expenditures and revenues or any information that would have made it special among the In-Year Reports. The In-Year Report presents the major revenue sources individually. The Convergence Program only presents the revenues in broad, statistical categories like capital taxes or taxes on production.**IBP comment:** IBP agrees with the researcher that the six-month In-Year Report and Convergence Report do not qualify as the Mid-Year Review. As such, the researcher's original response of "d" is maintained.**83: Does the Mid-Year Review of the budget include updated estimates of government borrowing and debt, including its composition, for the budget year underway?**

- a. (100) 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. (67) 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. (33) 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. (0) No, estimates of government borrowing and debt have not been updated.
- e. Not applicable/other (please comment).

Answer: d.**Sources:** N/A**Comments:** Researcher: The Government did not publish a Mid-Year Review.**Peer Reviewer****Opinion:** Agree**Government Reviewer****Opinion:** Agree with Comments**Comments:** There is mid year review but does not include updated estimates of government borrowing and debt,**Researcher response:** We did not find any Mid-Year Review because the Convergence Program was published too early (in April), while the In-Year Report for June did not contain more detailed explanation on the budgetary trends, updated estimates for the full-year expenditures and revenues or any information that would have made it special among the In-Year Reports. The Convergence Program contained information about the gross debt and implicit interest rates on the debt, but these numbers were calculated according to the ESA methodology and covered the whole general government, including some public corporations. This causes a significant difference from the debt figures published in the budget documents, that covers only the central government.**IBP comment:** IBP agrees with the researcher that the six-month In-Year Report and Convergence Report do not qualify as the Mid-Year Review. As such, the researcher's original response of "d" is maintained.**84: Does the Year-End Report present the differences between the enacted levels (including in-year changes approved by the legislature) and the actual outcome for expenditures?**

- a. (100) Yes, estimates of the differences between the enacted levels and the actual outcome for all expenditures are presented, along with a narrative discussion.
- b. (67) 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. (33) Yes, estimates of the differences between the enacted levels and the actual outcome for some but not all expenditures are presented.
- d. (0) No, estimates of the differences between the enacted levels and the actual outcome for expenditures are not presented.
- e. Not applicable/other (please comment).

Answer: a. (100)**Sources:** In Hungarian: 1. melléklet a zárszámadáshoz In English: Appendix 1 of the YER pp. 11-113 of the YER In Hungarian: A központi alrendszer mérlege In English: Balance sheet of the central budget pp. 261-262 of the YER**Comments:** Researcher: Appendix 1 of the YER includes all the revenue and expenditure items, but in the columns only presents the modified appropriations and the actual outcomes. The balance sheet details the in year-changes, but aggregates some of the expenditure and revenue items. In the columns the actual outcome of the previous year is the first one ("2014. évi teljesítés") followed by the original enacted level ("2015. évi előirányzat"), then the change by the legislature and the modified levels ("Törvényi hatáskör" and "Törvényi módosított előirányzat"), then the change by the government, by the minister or the unit responsible for that chapter and the institution ("Kormány hatáskör", "Felügyeleti szervei hatáskör", "Intézményi hatáskör"). The final two columns present the final appropriations and the actual outcomes for the reported year ("2015. évi módosított előirányzat", "2015. évi teljesítés"). It is important that the overcarried appropriations (funds not spent in the previous year) are included in the modification by the institution. The narrative discussion includes a similar table at the end of each chapter, where all the expenditures and revenues

are detailed in this structure. While the presentation is not perfect: the first one could include the enacted levels or the second could detail the line items more, the two tables are useful for evaluating the changes in the budget. The narrative discussion includes the description of the in-year changes and the difference of the modified appropriations and the actual outcome. The in-year changes are documented precisely and even the changes in expenditure types are described. The reason for the difference between the modified appropriation and the actual outcome is not always discussed, but once in a while it is mentioned. Unfortunately for most of the expenditures it is not known that the appropriation was more than needed or simply they could not spend it for other reasons. It is notable that the description of the expenditures became more detailed, for example the main components of the current expenditures are highlighted like the details of material expenditures or the social benefits paid by the institution. In the presentation the only drawback is the lack of clear explanations about the difference of the actual outcome and the enacted level.

Peer Reviewer

Opinion: Agree with Comments

Comments: The Year-End Report which is available on the website of the Parliament presents the differences between the enacted level and the actual outcome in economical and functional classification. The administrative classification is available in the report of each administrative unit, although it is not presented in the same structure. In the narrative report of some administrative units can be slightly noticed some explanation about the differences between the enacted budget and the final outcome but it is not unified. Some other administrative units does not present at all how the enacted budget had been utilized and which is the reason of the variation. For example "Supporting civil organizations and media" presents no details about the usage of the public resources: http://www.parlament.hu/irom40/12284/adatok/fejezetek/01_von... (http://www.parlament.hu/irom40/12284/adatok/fejezetek/01_vonal_alatti.pdf)

Government Reviewer

Opinion: Disagree

Suggested answer: a.

Comments: The above comment states "In the presentation the only drawback is the lack of clear explanations about the difference of the actual outcome and the enacted level." It means that the problem is with the clarity and not with the existence or inclusion of an explanation. Therefore one can argue that Criteria a, could be accepted.

Researcher response: The reviewers' notes are useful and valid, thank you. We decided to accept only substantial explanations about the differences. Explanations that reveal the reasons of the differences and identify what caused it and probably help in understanding the budgetary trends. In our interpretation it is not enough to simply describe the numbers. We found the explanations in the Year-End Report more descriptive than analytic.

IBP comment: For cross-country consistency, IBP would accept answer choice "a" for this indicator as a narrative discussion is presented. Therefore, the researcher's response is revised from "b" to "a".

85: Does the Year-End Report present expenditure estimates by any of the three expenditure classifications (by administrative, economic, or functional classification)?

- a. (100) Yes, the Year-End Report presents expenditure estimates by all three expenditure classifications (by administrative, economic, and functional classification).
- b. (67) Yes, the Year-End Report presents expenditure estimates by two of the three expenditure classifications.
- c. (33) Yes, the Year-End Report presents expenditure estimates by only one of the three expenditure classifications.
- d. (0) No, the Year-End Report does not present expenditure estimates by any expenditure classification.
- e. Not applicable/other (please comment).

Answer: a. (100)

Sources: In Hungarian: "A központi alrendszer funkcionális mérlege (pénzforgalmi szemléletben)" In English: Functional balance sheet of the central government (cash-flow based) on page 266 of the YER In Hungarian: "A központi alrendszer mérlege (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)" in English: Balance sheet of the central government (cash-flow based) (by economic classification) on page 263 of the YER In Hungarian: "A zárszámadási törvényjavaslat 1. melléklete" In English: Appendix 1 of the Year-End Report pp. 11-113 of the YER

Comments: Researcher: The Year-End Report contains all of the three classification. The administrative classification is much more detailed as all the revenue and expenditure items are presented individually. The economic and functional classifications follow the structure of other budgetary documents and only broadly compatible with international standards.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

86: Does the Year-End Report present expenditure estimates for individual programs?

- a. (100) Yes, the Year-End Report presents estimates for programs accounting for all expenditures.
- b. (67) Yes, the Year-End Report presents estimates for programs accounting for at least two-thirds of, but not all, expenditures.
- c. (33) Yes, the Year-End Report presents estimates for programs accounting for less than two-thirds of expenditures.
- d. (0) No, the Year-End Report does not present expenditure estimates by program.
- e. Not applicable/other (please comment).

Answer: a. (100)

Sources: In Hungarian: A zárszámadási törvényjavaslat 1. melléklete In English: Appendix 1 of the Year-End Report pp. 11-113 of the YER In Hungarian: A központi alrendszer mérlege In English: Balance sheet of the central budget pp. 261-262 of the YER

Comments: Researcher: Appendix 1 includes "program"-like appropriations under the titles "Fejezeti kezelésű előirányzatok". These items are expenditure appropriations with a defined purpose, but lack other necessary elements of programs like performance indicators, output targets or clearly defined aims. These are rather separated expenditures for a particular activity of the Ministries and not integrated into the budget of any of its institutions. Because the budget is institution-based the program-like appropriations are rare and account for less than two-third of the expenditures.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested answer: b.

Comments: In the sense of the afore mentioned definition (" for the purposes of answering the questionnaire, researchers should treat the term "program" as meaning any level of detail below an administrative unit — that is, any programmatic grouping that is below the ministry, department, or agency level") we must say that it is well above 2/3 of expenditures are program-like. E.g. we present below administrative level the details of health and pension, or social expenditures.

Researcher response: In our original assessment we evaluated this question using a more strict definition of "program" and considered only chapter-administered appropriations as programs. Upon the reviewer's comment we clarified that a looser definition of "program" would also be acceptable. As Appendix 1 of the EBP presented the appropriations for the institutions below the ministries we accepted those as "programs". Many of the institutions can be described as programs (for example hospitals, universities, police departments, etc.), but the purpose of some minor institutions is difficult to summarize as program (for example Ministry of Interior Directorate for Education, Training and Science Organization or National Information Infrastructure Development Institute). The latter only covers at most 1% percent of the budget, meaning essentially all the expenditures below the ministries were detailed by institutions or chapter-administered appropriations, hence we revised our original answer to "a".

87: Does the Year-End Report present the differences between the enacted levels (including in-year changes approved by the legislature) and the actual outcome for revenues?

- a. (100) Yes, estimates of the differences between the enacted levels and the actual outcome for all revenues are presented, along with a narrative discussion.
- b. (67) 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. (33) Yes, estimates of the differences between the enacted levels and the actual outcome for some but not all revenues are presented.
- d. (0) No, estimates of the differences between the enacted levels and the actual outcome for revenues are not presented.
- e. Not applicable/other (please comment).

Answer: a. (100)

Sources: In Hungarian: A zárszámadási törvényjavaslat 1. melléklete In English: Appendix 1 of the Year-End Report pp. 11-113 of the YER In Hungarian: A központi alrendszer mérlege In English: Balance sheet of the central budget pp. 261 of the YER Narrative discussion in the Year-End Report In Hungarian: XLII. A költségvetés közvetlen bevételei és kiadásai In English: Chapter XLII Direct revenues and expenditures of the budget pp. 4227-4239 of the YER

Comments: Researcher: Appendix 1 includes all the revenue sources individually but omits the original enacted levels, only the modified estimates are presented beside the actual outcomes. The modified estimates are in column "2015. évi törvényi módosított előirányzat - Bevétel", the actual outcomes in column "2015. évi teljesítés - Bevétel". The modified levels only reflects the changes by the legislature. The shifting of funds by the government or the overcarrying is not included. Most of the revenues are presented in chapter XLII Direct revenues and expenditures of the budget ("XLII. A költségvetés közvetlen bevételei és kiadásai" on pp. 96-101), but revenues related to state property are presented in the next chapter ("XLIII. Az állami vagyonnal kapcsolatos bevételek és kiadások" on pp. 101-103) or the received EU grants ("XIX. Uniós fejlesztések" on pp. 65-68). These are only the main groups of revenues, other revenues are dispersed throughout the appendix. The cited balance sheet summarizes the revenues but presents individually most of the tax revenues and aggregates the non-tax revenues. At the same time the table shows the changes of the appropriations in a more detailed way by differentiating changes by the legislature, government or ministries. As the narrative discussion follows the structure of the appendix the description of each revenue source is not collected in one place. The cited description only includes the main tax revenues. The narrative discussion does not explain the reasons of the difference in each case, but where it does, the explanations are understandable, although not quantified. For example on page 4230 in the paragraph "1/16. alcím: Közműadó" the EB describes the tax on the system of public utilities and that the increase in the revenue was caused by the mergers among the taxpayers that led to less tax exemptions.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

88: Does the Year-End Report present revenue estimates by category (such as tax and non-tax)?

- a. (100) Yes, the Year-End Report presents revenue estimates by category.
- b. (0) No, the Year-End Report does not present revenue estimates by category.
- c. Not applicable/other (please comment).

Answer: a. (100)

Sources: In Hungarian: "A központi alrendszer mérlege" In English: Balance sheet of the central budget pp. 261 of the YER In Hungarian: "A központi alrendszer mérlege (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)" in English: Balance sheet of the central government (cash-flow based) (by economic classification) on page 263 of the YER

Comments: Researcher: The Year-End Report uses two different classifications for the revenues. In the table by economic classification the tax revenues are grouped by types like income taxes ("Jövedelemadók"), social contribution tax and social contributions ("Szociális hozzájárulási adó és járulékok") or taxes on products and services ("Termékek és szolgáltatások adói"). The non-tax revenues are grouped into "Other revenues" ("Egyéb közhatalmi bevételek"), current revenues ("Működési bevételek") and capital revenues ("Felhalmozási bevételek"). The table also presents the revenues received from other budgetary institutions or outside the budget. The classification of the balance sheet focuses more on grouping the tax revenues, and uses categories like revenues from corporations ("Gazdálkodó szervezetek befizetései"), taxes on consumption ("Fogyasztáshoz kapcsolódó adók"), revenues from households ("Lakosság befizetései") or social contribution tax and social contributions ("Szociális hozzájárulási adó és járulékok"). The non-tax revenues are aggregated in a mixed way, the interests received are shown individually in the line "Kamatbevételek", while all the revenues related to state property aggregated in one line ("Állami vagyonnal kapcsolatos befizetések"). Other notable categories are the revenues from the EU ("Szakmai fejezeti kezelésű előirányzatok EU támogatása") and the revenues of the budgetary institutions ("Költségvetési szervek bevételei"). The used classification focuses more on the tax revenues, but the structure of the revenues can be broadly assessed. The used categories are not always strictly follow the tax and non-tax classification, but the individual revenue sources are also presented, thus with some effort they can be reclassified to show clearly the tax and non-tax revenues.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

89: Does the Year-End Report present individual sources of revenue?

- a. (100) Yes, the Year-End Report presents individual sources of revenue accounting for all revenue.
- b. (67) Yes, the Year-End Report presents individual sources of revenue accounting for at least two-thirds of, but not all, revenue.
- c. (33) Yes, the Year-End Report presents individual sources of revenue accounting for less than two-thirds of all revenues.
- d. (0) No, the Year-End Report does not present individual sources of revenue.
- e. Not applicable/other (please comment).

Answer: b. (67)

Sources: In Hungarian: A zárszámadási törvényjavaslat 1. melléklete In English: Appendix 1 of the Year-End Report pp. 11-13 of the YER In Hungarian: A központi alrendszer mérlege In English: Balance sheet of the central budget pp. 261 of the YER

Comments: Researcher: Appendix 1 lists all the revenues and expenditures individually, but it is tiresome to look through all the rows for revenue sources. More so, because the institutions' own revenues (like the fees for their services) are only listed as their own revenue, but can be from multiple sources. The balance sheet of the budget lists the main sources individually, but many of the revenues are aggregated. For example the corporation tax ("Társasági adó"), personal income tax ("Személyi jövedelemadó") or the value added tax ("Általános forgalmi adó") are the most notable revenues. The other revenues ("Egyéb befizetések") include the electronic road toll or social contribution of disabled persons, that generate more revenue than some of the individually presented sources. The former one about 150 billion HUF, the latter 65 billion HUF as stated on pages 96-97 under "Rehabilitációs hozzájárulás" and "Megtett úttal arányos útdíj". While the asked information is included in the YER, the presentation hides it or makes it difficult to assess.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested answer: a.

Comments: The Year-End Report presents all sources of revenue, accounting for all revenue. It is true that of some revenues are aggregated but it results not in a significant loss of information because it happens only with a small proportion of revenues, and one can not avoid some kind of aggregation.

Researcher response: We fully agree with the government reviewer that all the revenues were presented and for the sake of simplifying the table some of the line items must have been aggregated. Our concern was that the aggregation of minor sources could have been more organized to recommend it as best practice, for example by aggregating by types (fines, fee, income from service, etc.) or aggregating only revenue sources under a certain threshold. It is very strange that individual sources of 10 billion HUF were presented individually while others with 150 billion HUF were not. The mentioned "other revenues" included fees and tax revenues, so it could have been divided into subgroups.

90: Does the Year-End Report present the differences between the original estimates of government borrowing and debt, including its composition, for the fiscal year and the actual outcome for that year?

- a. (100) 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. (67) 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. (33) 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. (0) 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).

Answer: c. (33)

Sources: In Hungarian: A központi költségvetés bruttó adósságának alakulása 2012-2015 között (millió forint) In English: The evolution of gross debt of the central government between 2012-2015 (million HUF) page 527 of the YER In Hungarian: A központi költségvetés finanszírozási és adósságműveletei 2015-ben, előzetes adatok alapján In English: The financing and debt operations of the central budget in 2015 (preliminary data) page 528 of the YER Narrative discussion In Hungarian: XLI. Adósságszolgálattal kapcsolatos bevételek és kiadások In English: Chapter XLI Revenues and expenditures related to debt services pp. 4207-4213 In Hungarian: Az általános indokolás - II. A központi kormányzat 2015. évi előirányzatai - B. Az államháztartás központi alrendszere hiánya, finanszírozása, az államadósság kezelése In English: The General Justification - II. Appropriations of the central budget in 2015 - B. Deficit and financing of the central government, management of the debt pp. 179-185

Comments: Researcher: Only the actual outcomes of the central government's total debt and its composition are presented, the original estimates are not included. The total debt is shown in the line "A központi költségvetés bruttó adóssága mindösszesen" in the first cited table. The columns present the data for the end of the years. The composition of the debt is only shown by denomination and type (loans, bonds). The net borrowing requirement is presented in the second cited table in the line "Nettó finanszírozási igény". This is also only the actual outcome, the estimated value is not included. The YER presents a table on page 181 about the net issued debt by denomination and type, in which it compares the enacted and planned targets to the actual outcome. This does not present the whole picture because the Debt Management Agency used extensively the received deposits in its operation and it diverted significantly the net issued debt from the net financing requirement. In the narrative discussion both the original estimate and the actual outcome are presented for the interest payments and the received interests. This is written on page 4209 in the first two paragraphs. The narrative discussion does not include other information about the debt like maturity profile or interest rates. The general justification presents additional information to the tables, but the data is not complete. On page 183 the table shows the duration of the instruments at the end of year, but only for the forint-denominated ones. Some of the core elements are presented but usually only the actual outcomes are included. The difference between the original estimate and actual outcome is shown only for the interest payments.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

91: Does the Year-End Report present the differences between the original macroeconomic forecast for the fiscal year and the actual outcome for that year?

- a. (100) 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. (67) 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. (33) 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. (0) 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).

Answer: a. (100)

Sources: Table in the YER In Hungarian: Az indokolás mellékletei – A gazdasági fejlődés főbb jellemzői In English: Appendices of the justification - The main characteristics of the economic development page 247 of the YER Narrative discussion in the YER In Hungarian: Az általános indokolás – I. A kormányzat gazdaságpolitikájának fő vonásai, az államháztartás alakulása 2015. évben – 1. A kormányzat gazdaságpolitikája The General Justification – Chapter I. The main characteristics of the economic policy of the government and the evolution of the budget in 2015 – Section 1 The economic policy of the government pp. 121-123

Comments: Researcher: The cited table presents the actual outcome for macroeconomic assumptions (in column "2015 előzetes tény") beside the submitted ("2015 benyújtott"), the enacted ("2015 elfogadott") and the previous year's outcome ("2014 tény"). The narrative discussion describes the notable macroeconomic indicators and in the last paragraphs briefly explains the difference between the original expected values and the actual outcomes. The discussion focuses on some highlighted surprises like the consumption, trade balance or inflation, not all indicators are described.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

92: Does the Year-End Report present the differences between the original estimates of nonfinancial data on inputs and the actual outcome?

- a. (100) 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. (67) 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. (33) 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. (0) 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).

Answer: c. (33)

Sources: In Hungarian: XIII. Honvédelmi Minisztérium - 6. cím: MH Egészségügyi Központ In English: Chapter XIII Ministry of Defence - Title 6 MH Health Centre pp. 1686-1692

Comments: Researcher: The Year-End Report is structured by institutions, and based on this the YER details the types of expenditures and the changes in appropriations instead of explaining them why they were necessary or why they were that amount. The narrative discussion in the YER became more informative, but concentrates on the changes in appropriations and on the list about which organizations received the supports or what capital expenditures the institution made during the year. This is useful, but far from the program-based logic where the discussion is about the inputs and outputs of the expenditures. Since the EBP did not contain many nonfinancial inputs, the YER also omits them. In some cases relevant inputs can be found for the expenditures. For example on page 1688 the YER describes the healthcare points (called "súlyszám") of the Health Centre of the Hungarian Defence Forces which provides the base of financing. Although the mentioned figure (nearly 10 billion HUF) is less than the total received subsidy (21 billion HUF on page 1689 in the paragraph starting with "Az OEP-bevételekre..."). The only nonfinancial data published consistently in the YER is the number of employees. That is presented along the previous year's fact and the enacted level. For example on page 1642 in the line "Létszám".

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

93: Does the Year-End Report present the differences between the original estimates of nonfinancial data on results and the actual outcome?

- a. (100) 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. (67) 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. (33) 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. (0) 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).

Answer: d.

Sources: Performance targets In Hungarian: XIV. Belügyminisztérium - 7. cím Rendőrség In English: Chapter XIV Ministry of Interior - Title 7 Police departments page 1790 In Hungarian: XX. Emberi Erőforrások Minisztériuma - Egészségpolitika In English: Chapter XX Ministry of Human Capacities - Health Policy on page 2981 Performance results In Hungarian: XIV. Belügyminisztérium - 12. cím Belügyminisztérium Országos Katasztrófavédelmi Főigazgatóság In English: Chapter XIV Ministry of Interior - Title 12 National General Directorate of Disaster Management page 1821 In Hungarian: XX. Emberi Erőforrások Minisztériuma - 14. cím Országos Mentőszolgálat In English: Chapter XX Ministry of Human Capacities - Title 14 Hungarian Ambulance Service on page 3047

Comments: Researcher: The Year-End Report does not include performance indicators consistently, but for some expenditures the relevant Ministry presents performance targets or describes some of the results. The Ministry of Human Capacities specifies general targets for its health policies, like increasing the expected years in good health by 2 years by 2020 or reducing the standardized mortality rate by 10%. These goals can be adequate for an administering institution like a Ministry, but the YER omits the values for the current situation, hence it is not known how the Ministry performs in these indicators. Similar target is specified for the police departments that intend to reduce the mortal victims of traffic accidents from 740 to 370 by 2020. The explanation on page 1790 lacks the current indicator, thus the performance cannot be evaluated. More often the explanations mention the results of the institutions but these are rather the descriptions of the activities. The first paragraph on page 1821 lists the number of incidents handled by the institutions of disaster management like bomb alerts, gas leakages or fire incidents. The presented numbers are not compared to the expected levels or the previous year's levels. These numbers are important but inadequate for evaluating the performance of the institutions. On the contrary the Hungarian Ambulance Service presents indicators that are much more relevant for measuring efficiency. On page 3047 the paragraph starting with "A kiérkezési idő szempontjából..." presents the distribution of time required to arrive on-site and the best and worst counties in this indicator. Unfortunately comparison data is not presented but these indicators are much more useful in evaluating the efficiency of the spent funds. The explanations are more informative in describing the activities of the institutions and in doing so mention several indicators as results, but these are not compared to expected levels or previous year's levels, hence the reader cannot evaluate the performance of the institutions. As there is no any description on the differences or comparison of the actual and expected values, we chose answer "d".

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

94: Does the Year-End Report present the differences between the enacted level of funds for policies (both new proposals and existing policies) that are intended to benefit directly the country's most impoverished populations and the actual outcome?

- a. (100) 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. (67) 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. (33) 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. (0) 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).

Answer: c. (33)

Sources: Explanations in the YER In Hungarian: XX. Emberi Erőforrások Minisztériuma - 20/20/12 Hajléktalanokhoz kapcsolódó közfeladatok ellátása In English: Chapter XX Ministry of Human Capacities - 20/20/12 Public tasks related to homeless persons pp. 3644-3646 In Hungarian: XX. Emberi Erőforrások Minisztériuma - 20/59 Társadalmi felzárkózást segítő programok In English: Chapter XX Ministry of Human Capacities - 20/59 Programs of social cohesion pp. 3687-3700

Comments: Researcher: The funds intended for the most impoverished populations are not summarized, they can be only found by looking through the explanations. The cited examples are only the appropriations that can be easily identified, there are other expenditures with similar goals. The social benefits are not detailed in this way, sometimes even the individual benefits are not separated. For example many of the social benefits are discussed on pages 3701-3703, but the benefits took over from the local governments called "Járási szociális feladatok ellátása" (on the bottom of page 3702) are not disaggregated however it contains diverse benefits. The central budget also provides support to the local governments for maintaining social institutions but these funds are not discussed in the relevant part of the YER, namely in Chapter IX Supports to local governments ("IX. Helyi önkormányzatok támogatásai"). The only appropriation that is mentioned is the funds for providing catering for children during the summer vacation. This is presented on pages 888-889 under the title "1.3. Gyermekszegénység elleni program keretében nyári étkeztetés biztosítása". The presentation of the funds is not complete, because important items are not mentioned in the explanation. It is also difficult to identify the relevant appropriations without looking through all the documents. For the cited appropriations the actual outcomes, the original and modified expenditure levels and the outcome of the previous year are included.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested answer: b.

Comments: 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, a narrative discussion is included in case of the biggest funds. In some cases, however, can be considered, discussion is not focused suitably on the most impoverished. Criteria b. is the right answer.

Researcher response: We totally agree that all the funds intended to the most impoverished are presented in some way. We only stated that these funds were difficult to identify because they had not been explicitly stated in all the cases (for example when a subsidy targets several groups at the same time). We assessed the question by searching for the line items that were primarily intended for the most impoverished and judging what percent of all the funds may have been presented individually and explicitly. We did not take into account the line items which the most impoverished had only partially shared in because we did not know how much they had benefitted from it. The government's approach is also acceptable by stating that all the funds were presented, but the narrative explanations do not mention how the appropriate line items affected the most impoverished population. At the end we still do not know the exact amount.

95: Does the Year-End Report present the differences between the original estimates of extra-budgetary funds and the actual outcome?

- a. (100) 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. (67) 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. (33) 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. (0) 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).

Answer: c. (33)

Sources: N/A

Comments: Researcher: In the Hungarian terminology "fund" may refer to some of the chapters in the central budget, like pension insurance fund ("Nyugdíjbiztosítási Alap") or health insurance fund ("Egészségbiztosítási Alap"). In practice these work like other ministries in the budget, the government can provide extra funds or take the surplus and in this sense they are not separate from the central budget. Their only specialty is that the budget provides them their own revenue sources. As they operate similarly to other budgetary institutions we do not consider them extra-budgetary funds. The existent extra-budgetary funds (for example the foundations of the National Bank of Hungary) are not presented in the Year-End Report and even the legislature do not examine them. In the 2015 Survey we treated the Pension Insurance Fund and the Health Insurance Fund as

extra-budgetary funds. Based on the recommended papers for the Survey they are not extra-budgetary funds because they are part of the budget of the central government, follow the same rules as other budgetary institutions and do not have any attribute that make them extra-budgetary. The change in the answers reflects this reassessment.

Peer Reviewer

Opinion: Agree with Comments

Comments: In the central budget are included several "Funds" with the purpose to cover pension or social security or some other tasks, or funds held by state-owned enterprises but off-budget transactions that are undertaken outside these law are not presented separately.

Government Reviewer

Opinion: Disagree

Suggested answer: a.

Comments: The Starting from the year 2010 , the Hungarian Parliament votes on a comprehensive set of budgetary central government appropriations in one document, covering the former "extrabudgetary funds" (e.g. Central Nuclear Financial Fund), and the social security funds as normal budgetary chapters in the presentation. What is considered as extra-budgetary funds in Hungarian budget (e.g. Central Nuclear Financial Fund), and it is true for Health and Pension Fund, as well, They are presented with the same details as any other appropriations of budgetary program, all information about them are included. From 2010 these funds can be qualified as "budgetary funds". Pension Reform and Debt Reduction Fund worked as typical „extrabudgetary fund" between 2011-2014 with a specific task: managing all the assets taken from private pension funds, but after selling all of them it was ceased. As for Foundations of National Bank of Hungary, mentioning of them is totally irrelevant. They are not extra budgetary funds, they are non-profit institutions with legal personality. Investigation of them by the Eurostat does not mean at all that they are part of the comprehensive governmental sector in statistical sense. The relevant information on these Foundations will be part of the central bank's reports, and not of the budgetary documents.

Researcher response: We agree that the Government treat the mentioned Funds as "budgetary funds", so they are part of the central budget. One (<http://budget.one>) additional example is the Media Services and Support Trust Fund. The budget of this fund is approved in a separate law, but it is almost exclusively funded by the central budget, only has minor fees as its own revenues. The details about this fund are omitted from the Year-End Report, only the subsidy provided to it was described.

IBP comment: For cross-country consistency, IBP would accept answer choice "c" for this question. Therefore, the researcher's response has been revised from "d" to "c".

96: Is a financial statement included as part of the Year-End Report or released as a separate report?

- a. (100) Yes, a financial statement is part of the Year-End Report or is released as a separate report.
- b. (0) No, a financial statement is neither part of the Year-End Report nor released as a separate report.
- c. Not applicable/other (please comment).

Answer: a. (100)

Sources: In Hungarian: Vagyoni adatok - Nemzetgazdasági elszámolások könyvviteli mérlege In English: Data on assets - Balance sheet of national accounts pp. 554-556

Comments: Researcher: A summarizing financial statement is not included in the Year-End Report. Only parts of a financial statement, like the cited example of a balance sheet, can be found in the Year-End Report. A separate document or separate section for a financial statement is not presented.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested answer: a.

Comments: A financial statement is part of the Year-End Report. It contains a cash flow statement (without account on out-of-budget transactions, and on stock of cash liquidity and change of it), and a balance sheet on asset and liability of central government and local governments (applying a common methodology). However it does not present operating statement, and notes on accounting.

Researcher response: We have found the balance sheet on asset and liability, but have not found any cash flow statement, only a document detailing the operations of financing of the total debt (that mentions the change of the cash balance of the Government) and a daily report on the liquidity needs of the Pension Insurance Fund and the Health Insurance Fund.

IBP comment: For cross-country consistency, IBP would accept answer choice "a" for this indicator as the OBS Guidelines note that, "...a financial statement can include some or all of the following elements: a cash flow statement, an operating statement, a balance sheet, and notes on accounting." Therefore, the researcher's response has been revised from "b" to "a".

97: What type of audits (compliance, financial, or performance) has the Supreme Audit Institution (SAI) conducted and made available to the public?

- a. (100) The SAI has conducted all three types of audits (compliance, financial, or performance) and made them available to the public.
- b. (67) The SAI has conducted two of the three types of audits, and made them available to the public.
- c. (33) The SAI has conducted one of the three types of audits, and made them available to the public.
- d. (0) 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).

Answer: a. (100)

Sources: Compliance audit: In Hungarian: Jelentés az állami vagyon feletti tulajdonosi joggyakorlással kapcsolatos tevékenységek ellenőrzése In English: Report on the audit of the activities related to managing ownership rights of state assets URL:

<https://www.asz.hu/storage/files/files/%C3%96sszes%20jelent%...>

(<https://www.asz.hu/storage/files/files/%C3%96sszes%20jelent%C3%A9s/2015/15215j000.pdf?ctid=830>) Financial audit: In Hungarian: Jelentés Magyarország 2014. évi központi költségvetése végrehajtásának ellenőrzéséről In English: Report of the Audit on the Execution of the Budget of Hungary for the Year 2014 URL: <https://www.asz.hu/storage/files/files/%C3%96sszes%20jelent%...>

(<https://www.asz.hu/storage/files/files/%C3%96sszes%20jelent%C3%A9s/2015/15167j000.pdf?ctid=830>) Performance audit: In Hungarian: Közös ellenőrzéssel a versenyképes tudás jobb hasznosulásáért - a diplomás pályakövetés jó gyakorlatainak feltárása In English: Joint audit for the better utilization of competitive knowledge - discovering best practices in the follow-up of carriers of graduated students URL:

<https://www.asz.hu/storage/files/files/%C3%96sszes%20jelent%...>

(<https://www.asz.hu/storage/files/files/%C3%96sszes%20jelent%C3%A9s/2016/16154.pdf?ctid=985>)

Comments: Researcher: The most common type of audits is compliance audits, very high percentage of the reports fall into this category. In the cited example the type of the audit is noted on page 7 in the line "Ellenőrzés típusa". These audits check if the institution carried out its tasks according to the relevant legal rules and its own regulation. The recurring financial audit is the Audit Report on the executed budget, whose main goal is to ensure all the numbers in the Year-End Report are reliable and reflect the actual state. The cited performance audit inspects the system created to collect data on the job career of graduated students. The report mentions some performance targets assumed by the universities, but the main purpose of the audit is to highlight best practices in the area.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

98: What percentage of expenditures within the mandate of the Supreme Audit Institution (SAI) has been audited?

- a. (100) All expenditures within the SAI's mandate have been audited.
- b. (67) Expenditures representing at least two-thirds of, but not all, expenditures within the SAI's mandate have been audited.
- c. (33) Expenditures representing less than two-thirds of expenditures within the SAI's mandate have been audited.
- d. (0) No expenditures have been audited.
- e. Not applicable/other (please comment).

Answer: a. (100)

Sources: In Hungarian: Az ellenőrzés területe In English: Scope of the audit pp. 10-11 of the AR In Hungarian: VI. számú melléklet A helyszíni ellenőrzésbe bevont fejezetek és szervezetek listája In English: Appendix VI List of chapters and institutions that were audited on-site pp. 51-52 of the AR

Comments: Researcher: The State Audit Office modified its former methodology on the audit of the Year-End Report. This only means that it improved its statistical techniques and updated them according to the new accounting methods introduced at the budgetary institutions. As a result the SAO can now achieve to audit 100% of the expenditures and revenues, while formerly a few percent was not audited. The cited sections of the Audit Report list the audited institutions and appropriations for FY 2015. The change enabled to audit all the expenditures and revenues of the central budget. This is stated in the cited article on the SAO's news portal. The Audit Report does not disclose this information. Article on the news portal of the State Audit Office In Hungarian: Zárszámadás 2014: megújult módszertan URL: <http://www.aszhirportal.hu/hu/hirek/zarszamadas-2014-megujul...> (<http://www.aszhirportal.hu/hu/hirek/zarszamadas-2014-megujult-modszertan>) In English: Final Accounts 2014: Focus on the central budget URL: <http://www.aszhirportal.hu/en/highlighted-news/final-account...> (<http://www.aszhirportal.hu/en/highlighted-news/final-accounts-2014-focus-on-the-central-budget>)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

99: What percentage of extra-budgetary funds within the mandate of the Supreme Audit Institution (SAI) has been audited?

- a. (100) All extra-budgetary funds within the SAI's mandate have been audited.
- b. (67) 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. (33) 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. (0) No extra-budgetary funds have been audited.
- e. Not applicable/other (please comment).

Answer: c. (33)

Sources: N/A

Comments: Researcher: The State Audit Office audits all the revenues and expenditures in the central budget including the chapter that are "extra-budgetary funds" in their names. The only institutions that can be treated as true "extra-budgetary funds" are the foundations of the National Bank of Hungary, but the State Audit Office audited only the National Bank and omitted its foundations. This is stated in the first paragraph on page 8 of the cited document. According to the news the SAO did not have the legal right to audit the foundations of the NBH. After the modification of the relevant act the SAO received this right, and now can audit the foundations. We presume even before the modification the SAO had the right to audit the foundations, because it had a general authorisation to audit the use of public funds and the assets managed by institutions and corporations owned by the state. Furthermore in a relevant verdict the judiciary strengthened the opinion that the foundations manage public funds. Based on this the SAO could have started an audit on the foundations. In Hungarian: A Magyar Nemzeti Bank működése szabályszerűségének ellenőrzése In English: Compliance audit on the operation of the National Bank of Hungary URL: <https://www.asz.hu/storage/files/files/%C3%96sszes%20jelent%C3%A9s/2016/16116.pdf> page 8 In Hungarian: Az ÁSZ felkészült az MNB alapítványinak ellenőrzésére In English: The SAO is prepared to audit the foundations of the NBH URL: <https://www.asz.hu/hu/sajtokozlomenyek/az-asz-felkeszult-az-mnb-alapitvanyainak-ellenorzesere> In the 2015 Survey we treated the Pension Insurance Fund and Health Insurance Fund as extra-budgetary funds. Based on the recommended papers for this Survey this was false. The funds are part of the central budget, follow the same budgetary rules as other budgetary institutions and do not have any attributes that make them extra-budgetary. Because of this we did not take into account the audit of these funds. Since the only true extra-budgetary funds (the foundations of the National Bank of Hungary) were not audited, we chose answer "d".

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested answer: a.

Comments: Starting from the year 2010, the Hungarian Parliament votes on a comprehensive set of budgetary central government appropriations in one document, covering the former "extrabudgetary funds" (e.g. Central Nuclear Financial Fund), and the social security funds as normal budgetary chapters in the presentation. What is considered as extra-budgetary funds in Hungarian budget (e.g. Central Nuclear Financial Fund), and it is true for Health and Pension Fund, as well, They are presented with the same details as any other appropriations of budgetary program, all information about them are included. From 2010 these funds can be qualified as "budgetary funds". Pension Reform and Debt Reduction Fund worked as typical „extrabudgetary fund" between 2011-2014 with a specific task: managing all the assets taken from private pension funds, but after selling all of them it was ceased. As for Foundations of National Bank of Hungary, mentioning of them is totally irrelevant. They are not extra budgetary funds, they are non-profit institutions with legal personality. Investigation of them by the Eurostat does not mean at all that they are part of the comprehensive governmental sector in statistical sense. The relevant information on these Foundations will be part of the central bank's reports, and not of the budgetary documents.

Researcher response: One additional example is the Media Services and Support Trust Fund. The budget of this fund is approved in a separate law, but it is almost exclusively funded by the central budget, only has minor fees as its own revenues. The Fund's audit is carried out separately and not annually like the audit of the Year-End Report.

IBP comment: For cross-country consistency, IBP would accept answer choice "c" for this question. Therefore, the researcher's response is revised from "d" to "c".

100: Does the annual Audit Report(s) prepared by the Supreme Audit Institution (SAI) include an executive summary?

- a. (100) Yes, the annual Audit Report(s) includes one or more executive summaries summarizing the report's content.
- b. (0) No, the annual Audit Report(s) does not include an executive summary.
- c. Not applicable/other (please comment).

Answer: a. (100)

Sources: In Hungarian: Összegzés In English: Summary pp. 7-8 of the AR

Comments: Researcher: The cited pages are the executive summary with the most important findings of the audit.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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. (100) Yes, the executive reports publicly on what steps it has taken to address audit findings.
- b. (67) Yes, the executive reports publicly on most audit findings.
- c. (33) Yes, the executive reports publicly on some audit findings.
- d. (0) No, the executive does not report on steps it has taken to address audit findings.
- e. Not applicable/other (please comment).

Answer: d.

Sources: N/A

Comments: Researcher: The Government did not publish any document about the findings of the Audit Report and what measures it took to correct them.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree with Comments

Comments: It is important to note that executive must take steps to address SAI's recommendations but these remedial actions are not published in a public document. The sanctions for non-action are very strict: The liability of the controlled organisation to act In case the action plan has not been sent in time by the head of the controlled organisation, or he/she has dispatched an action plan that remains unacceptable, the President of the State Audit Office can: a) initiate a disciplinary or criminal legal procedure against the head of the organisation, b) initiate the suspension of grants or other subsidies due to the controlled organisation deriving from any sub-systems of the general government budget at the authorities in-charge, or else the suspension of the possibility of disbursement of the sum that the organisation was entitled to as 1 percentage of personal income taxes dedicated to this organisation legally by civilians.

Researcher response: We agree with the added information that the sanctions of not carrying out the remedial actions became strict.

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. (100) Yes, the SAI or legislature reports publicly on what steps the executive has taken to address all audit recommendations.
- b. (67) Yes, the SAI or legislature reports publicly on most audit recommendations.
- c. (33) Yes, the SAI or legislature reports publicly on some audit recommendations.
- d. (0) No, neither the SAI nor legislature reports on steps the executive has taken to address audit recommendations.
- e. Not applicable/other (please comment).

Answer: d.

Sources: N/A

Comments: Researcher: The Audit Report omitted its appendix about the results of post-audit that were included in the previous years. The results were not published in a separate report either.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree with Comments

Comments: It is important to note that executive must take steps to address SAI's recommendations but these remedial actions are not published in a public document. The sanctions for non-action are very strict: The liability of the controlled organisation to act In case the action plan has not been sent in time by the head of the controlled organisation, or he/she has dispatched an action plan that remains unacceptable, the President of the State Audit Office can: a) initiate a disciplinary or criminal legal procedure against the head of the organisation, b) initiate the suspension of grants or other subsidies due to the controlled organisation deriving from any sub-systems of the general government budget at the authorities in-charge, or else the suspension of the possibility of disbursement of the sum that the organisation was entitled to as 1 percentage of personal income taxes dedicated to this organisation legally by civilians.

Researcher response: We agree with the added information that the sanction for non-action became strict.

103: Is there an Independent Fiscal Institution (IFI) that conducts budget analyses for the budget formulation and/or approval process?

- a. (100) Yes, there is an IFI, its independence is set in law, and it has sufficient staffing and resources, including funding, to carry out its tasks.
- b. (67) Yes, there is an IFI, but either its independence is not set in law or its staffing and resources, including funding, are insufficient to carry out its tasks.
- c. (33) Yes, there is an IFI, but its independence is not set in law and its staffing and resources, including funding, are insufficient to carry out its tasks.
- d. (0) No, there is no IFI.
- e. Not applicable/other (please comment).

Answer: a. (100)

Sources: In Hungarian: A Költségvetési Tanács 2016. évi feladatterve URL: <http://www.parlament.hu/documents/126660/590850/KT+feladatte...> (<http://www.parlament.hu/documents/126660/590850/KT+feladatterv+2016.pdf/a18bb425-88b6-4840-bd01-fc49eb78fd67>) In English: Action Plan of the Fiscal Council for the year 2016 URL: <http://www.parlament.hu/documents/126660/668300/Action+Plan+...> (<http://www.parlament.hu/documents/126660/668300/Action+Plan+2016.pdf/5565266a-a8d5-46ef-b928-c3e80351813e>) In Hungarian: A Költségvetési Tanács 2/2016.04.21. sz. Véleménye Magyarország 2017. évi központi költségvetéséről szóló törvény tervezetéről URL: <http://www.parlament.hu/documents/126660/590850/2-2016.04.21...> (<http://www.parlament.hu/documents/126660/590850/2-2016.04.21+KT+V%C3%A9lem%C3%A9ny.pdf/1ad2d667-2089-4496-9001-ef239f761e7d>) In English: Opinion of the Council - Resolution No. 2. URL: <http://www.parlament.hu/documents/126660/668300/Resolution+N...> (<http://www.parlament.hu/documents/126660/668300/Resolution+No.+2.+Opinion+of+the+Council.pdf/75ad3028-aa6c-47eb-ab81-95289b5c43d2>) In Hungarian: Válasz az Európai Bizottság Magyarországi képviselőtének a Költségvetési Tanács tevékenységét segítő szakmai háttér

megerősítésével kapcsolatos kérdéseire In English: Answer to the Hungarian Secretary of the European Commission for the questions arised related to reinforcing the professional staff of the Fiscal Council URL: <http://www.parlament.hu/documents/126660/126715/V%C3%A1lasz+...>
(<http://www.parlament.hu/documents/126660/126715/V%C3%A1lasz+az+Eur%C3%B3pai+Bizotts%C3%A1g+Magyarorsz%C3%A1gi+k%C3%A9r%C3%A9sre>)

Comments: Researcher: The legislature has an independent institution for conducting budget analyses, called Fiscal Council but the institution does not have the proper capacity to fully carry out its tasks. In its yearly Action Plan the Fiscal Council does not mention any non-obligatory task or research conducted by itself, only the legally mandatory tasks are listed. For evaluating the budgetary documents the Council relies on ordered researches carried out by other institutes or has the members of the Council to use their own institution's capacity (National Bank of Hungary, SAI) for such researches. These analyses from the National Bank of Hungary and SAI are listed on page 7 of the cited document. In the cited resolution on page 2 the Council says it took into consideration the economic forecasts of other institutions and publishes them on its website, but the Council's own forecast is not available. Based on this we assume the Council does not make a macroeconomic forecast. There is also no evidence for other activities from the Council like the costings of the new policy measures or long-term outlook for government debt. These latter are not required by law, but would help the Council in evaluating the EBP or the policies proposed in it. From this we conclude that the resources of the Council is not adequate to fulfill its tasks properly. Currently the Council only evaluates if the EBP proposes a possible scenario. Meanwhile answering to the concerns of the European Commission the Fiscal Council stated that its resources were available for a staff of 8-10 expert and employed 5 analysts while using the other part of its funding for occasional researches. Generally a staff of this size should be enough for publishing additional analyses beside the obligatory task of commenting the EBP and YER.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested answer: a.

Comments: The statement "The legislature has an independent institution for conducting budget analyses, called Fiscal Council but the institution does not have the proper capacity to fully carry out its tasks." is not correct. It has its own budget that is enough for its mandatory tasks; Hungarian National Bank and State Audit Office also must help its work. Fiscal Council itself did never applied for additional resources because of an alleged "underfinancing".

Researcher response: Either it is underfinancing or institutional independence, the Fiscal Council does not compare the EBP to the Council's own numbers, only claims if the EBP is realizable or not. Checking the methodology and calculation of the EBP is the State Audit Office's task and it prepares a report on it regularly. In our view the Fiscal Council's task is to have a strong, independent opinion about the macroeconomic and fiscal trends in order to fulfill its task and be able to help the legislature in its decision.

IBP comment: IBP acknowledges the researcher's comments, however, for cross-country consistency, the government reviewer's suggested response of "a" is accepted.

104: Does the Independent Fiscal Institution (IFI) publish macroeconomic and/or fiscal forecasts?

- a. (100) Yes, the IFI publishes its own macroeconomic and fiscal forecasts.
- b. (67) Yes, the IFI publishes its own macroeconomic or fiscal forecast.
- c. (33) No, the IFI does not publish its own macroeconomic or fiscal forecast, but it does publish an assessment of the official macroeconomic and/or fiscal forecasts produced by the executive.
- d. (0) No, there is no IFI; or the IFI neither publishes its own macroeconomic and/or fiscal forecasts, nor a commentary on the official forecasts produced by the executive.
- e. Not applicable/other (please comment).

Answer: c. (33)

Sources: In Hungarian: A Költségvetési Tanács 2/2016.04.21. sz. Véleménye Magyarország 2017. évi központi költségvetéséről szóló törvény tervezetéről URL: <http://www.parlament.hu/documents/126660/590850/2-2016.04.21...>
(<http://www.parlament.hu/documents/126660/590850/2-2016.04.21+KT+V%C3%A9lem%C3%A9ny.pdf/1ad2d667-2089-4496-9001-ef239f761e7d>) In English: Opinion of the Council - Resolution No. 2. URL: <http://www.parlament.hu/documents/126660/668300/Resolution+N...>
(<http://www.parlament.hu/documents/126660/668300/Resolution+No.+2.+Opinion+of+the+Council.pdf/75ad3028-aa6c-47eb-ab81-95289b5c43d2>)

Comments: Researcher: On pp. 8-9 the Council comments the executive's macroeconomic forecast presented in the EBP, but its opinion is mostly based on other institution's researches. The Council does not highlight the risks about the forecast, only evaluates if the EBP's macroeconomic scenario is possible, but does not state whether it is the most probable one, that should provide the basis for the budget.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

105: Does the Independent Fiscal Institution (IFI) publish its own costings of new policy proposals, to assess their impact on the budget?

- a. (100) Yes, the IFI publishes its own costings of all new policy proposals.
- b. (67) Yes, the IFI publishes its own costings of major new policy proposals.

- c. (33) Yes, the IFI publishes its own costings of a limited number of new policy proposals.
d. (0) No, there is no IFI; or the IFI does not publish its own costings of new policy proposals.
e. Not applicable/other (please comment).

Answer: d.

Sources: In Hungarian: A Költségvetési Tanács 2/2016.04.21. sz. Véleménye Magyarország 2017. évi központi költségvetéséről szóló törvény tervezetéről URL: <http://www.parlament.hu/documents/126660/590850/2-2016.04.21...>
(<http://www.parlament.hu/documents/126660/590850/2-2016.04.21+KT+V%C3%A9lem%C3%A9ny.pdf/1ad2d667-2089-4496-9001-ef239f761e7d>) In English: Opinion of the Council - Resolution No. 2. URL: <http://www.parlament.hu/documents/126660/668300/Resolution+N...>
(<http://www.parlament.hu/documents/126660/668300/Resolution+No.+2.+Opinion+of+the+Council.pdf/75ad3028-aa6c-47eb-ab81-95289b5c43d2>)

Comments: Researcher: On pp. 9-11 the Council mentions the new policy proposals but does not calculate their costing. The Council only describes the measures and briefly mentions what line items the measures may effect. Detailed or numerical estimations are mostly not included in these descriptions. There is no other document about the EBP or the new policy proposals, hence no publicly available costing is produced by the Council.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

106: In the past 12 months, how frequently did the head or a senior staff member of the Independent Fiscal Institution (IFI) take part and testify in hearings of a committee of the legislature?

- a. (100) Frequently (i.e., five times or more).
b. (67) Sometimes (i.e., three times or more, but less than five times).
c. (33) Rarely (i.e., once or twice).
d. (0) Never.
e. Not applicable/other (please comment).

Answer: d.

Sources: In Hungarian: A Költségvetési Bizottság üléseinek jegyzőkönyvei In English: Minutes of the Meeting of the Budgetary Committee of the Parliament URL: <http://www.parlament.hu/web/koltsegvetesi-bizottsag/a-bizott...> (<http://www.parlament.hu/web/koltsegvetesi-bizottsag/a-bizottsag-ulesei>) In Hungarian: Kovács Árpád, a Költségvetési Tanács elnökének felszólalásai In English: The speeches of Árpád Kovács, Chairman of the Fiscal Council in the Parliament URL: http://www.parlament.hu/felszolalások-keresese?p_auth=2ySf88...
(<http://www.parlament.hu/felszolalások-keresese?>

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Comments: Researcher: According to the Minutes of the Meeting of the Budgetary Committee of the Parliament no one testified from the Fiscal Council since 2014, the latest general election. The Chairman of the Fiscal Council only speaks in the Parliament when he reports the Council's opinion about the EBP to the legislature. It is less useful for the MPs than a hearing because they have no opportunity to ask the Chairman about the EBP.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree with Comments

Comments: It is true that IFI's members did not take part in hearings of committees in the last some years, but the reason for it is not any legal prohibition. If the heads of parliamentary committees (a part of which is from governmental parties, other part of which is from the opposition) had need it, IFI's member of course could have taken part.

Researcher response: We agree with the added information that there are no legal objections.

107: Does the full legislature and/or a legislative committee debate budget policy prior to the tabling of the Executive's Budget Proposal?

- a. (100) Yes, the full legislature debates budget policy prior to the tabling of the Executive's Budget Proposal, and approves recommendations for the upcoming budget.
b. (67) Yes, a legislative committee debates budget policy prior to the tabling of the Executive's Budget Proposal, and approves recommendations for the upcoming budget.
c. (33) Yes, the full legislature and/or a legislative committee debates budget policy prior to the tabling of the Executive's Budget Proposal, but it does not approve recommendations for the upcoming budget.
d. (0) No, neither the full legislature nor any legislative committee debate budget policy prior to the tabling of the Executive's Budget Proposal.
e. (0) Not applicable/other (please comment).

Answer: d.

Sources: The Act on the State Budget In Hungarian: 2011. évi CXCV törvény az államháztartásról In English: Act CXCV of 2011 on the State Budget URL: http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100195.TV (http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100195.TV) paragraph 22 In Hungarian: Tájékoztató a 2017. évi költségvetési törvényjavaslat összeállításához szükséges feltételekről és az érvényesítendő követelményekről In English: Handout for the terms and requirements for formulating the budget proposal for FY 2017 URL: <http://ngmszakmaiteruletek.kormany.hu/download/9/e9/51000/20...> (http://ngmszakmaiteruletek.kormany.hu/download/9/e9/51000/2017_TT.pdf) page 2

Comments: Researcher: The legislature only starts debating the budget after the EBP is submitted. Prior to that only minor information is available about the upcoming budget, but those are not official announcements in most cases but leaked details from the Ministry. The legal rules only state the deadline for submitting the EBP. The government is not required to discuss the upcoming budget with the legislature and does not do so. The timetable of the EBP for FY 2017 does not include any discussion with the legislature either.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

108: How far in advance of the start of the budget year does the legislature receive the Executive's Budget Proposal?

- a. (100) The legislature receives the Executive's Budget Proposal at least three months before the start of the budget year.
- b. (67) The legislature receives the Executive's Budget Proposal at least two months, but less than three months, before the start of the budget year.
- c. (33) The legislature receives the Executive's Budget Proposal at least one month, but less than two months, before the start of the budget year.
- d. (0) The legislature receives the Executive's Budget Proposal less than one month before the start of the budget year, or does not receive it all.
- e. Not applicable/other (please comment).

Answer: a. (100)

Sources: in Hungarian: A 2017-es költségvetési törvényjavaslat a Parlament honlapján In English: The EBP for FY 2017 on the webpage of the Parliament URL: <http://www.parlament.hu/iromanyok-egyszerusitett-lekerdezese...> (<http://www.parlament.hu/iromanyok-egyszerusitett-lekerdezese?>

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The Act on the State Budget In Hungarian: 2011. évi CXCV törvény az államháztartásról In English: Act CXCV of 2011 on the State Budget URL: http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100195.TV (http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100195.TV) paragraph 22 (2)

Comments: Researcher: The legislature receives the EBP about 8 months before the start of the budget year. The EBP for FY 2017 was submitted to the legislature on 26 April 2016, as the row "Benyújtva" shows on the webpage of the Parliament. The legal requirement for submitting the EBP to the Parliament is 15 October or 30 October in the years of general election as shown in the cited act.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

109: When does the legislature approve the Executive's Budget Proposal?

- a. (100) The legislature approves the budget at least one month in advance of the start of the budget year.
- b. (67) 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. (33) The legislature approves the budget less than one month after the start of the budget year.
- d. (0) 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).

Answer: a. (100)

Sources: In Hungarian: T/10377 törvényjavaslat Magyarország 2017. évi központi költségvetéséről In English: Bill No. T/10377 on the Central Budget of Hungary for FY 2017 URL: <http://www.parlament.hu/iromanyok-egyszerusitett-lekerdezese...> (<http://www.parlament.hu/iromanyok-egyszerusitett-lekerdezese?>

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Comments: Researcher: The budget for FY 2017 was approved by the legislature on 13 June 2016 as shown on the tab "Szavazások" in the last row "önálló indítvány elfogadása" (approval of the bill). In the last two occasions the budget was approved in the first half of the year, 5-6 months before than it was customary in the earlier practice.

Peer Reviewer

Opinion: Agree with Comments

Comments: The budget was approved very early for Y2017 (and also for Y2018) but the legislation might bring new decisions during the year which might have an effect on the budget. They usually do it by creating a new law which modifies some others created before (in Hungarian it is called Salátatörvény, which means "Salad Law" because it contains everything what they decide to change. In 2016 in this way the Parliament modified different

decrees in October which had an indirect effect on several taxes: in Hungarian: T/12741. számú törvényjavaslat az egyes adótörvények és más kapcsolódó törvények módosításáról in English: T/12741. The amendment of certain tax laws and other related laws <http://www.parlament.hu/irom40/12741/12741.pdf> (<http://www.parlament.hu/irom40/12741/12741.pdf>)

Government Reviewer

Opinion: Agree

110: Does the legislature have the authority in law to amend the Executive's Budget Proposal?

- a. (100) Yes, the legislature has unlimited authority in law to amend the Executive's Budget Proposal.
- b. (67) Yes, the legislature has authority in law to amend the Executive's Budget Proposal, with some limitations.
- c. (33) Yes, the legislature has authority in law to amend the Executive's Budget Proposal, but its authority is very limited.
- d. (0) No, the legislature does not have any authority in law to amend the Executive's Budget Proposal.
- e. Not applicable/other (please comment).

Answer: a. (100)

Sources: The Act on the State Budget In Hungarian: 2011. évi CXCV törvény az államháztartásról In English: Act CXCV of 2011 on the State Budget URL: http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100195.TV (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 (http://njt.hu/cgi_bin/njt_doc.cgi?docid=167220.265336)

Comments: Researcher: The Act on State Budget only contains the deadline for submitting the EBP and its mandatory elements in paragraph 22. The cited resolution of the Parliament states the legislature's unlimited authority in a reversed way: in paragraph 40 it allows the MPs and the committees to propose amendments to the submitted bills but prohibits those amendments that would erase the whole bill. This means the legislature can change anything. Although the legislature has unlimited authority its members may have less possibility to alter the EBP. For example only the Fiscal Committee can propose amendments that would change the main revenue and expenditure of the EBP (hence change the deficit or surplus), the MPs can only propose amendments that do not change the fiscal balance. This restriction is stated in paragraph 91 (4) in the Parliament's resolution.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

111: During the most recent budget approval process, did the legislature use its authority in law to amend the Executive's Budget Proposal?

- a. (100) Yes, the legislature used its authority in law to amend the Executive's Budget Proposal, and (at least some of) its amendments were adopted.
- b. (67) Yes, the legislature used its authority in law to propose amendments to the Executive's Budget Proposal, but no amendments were adopted.
- c. (33) No, while the legislature has the authority in law to propose amendments to the Executive's Budget Proposal, no amendments were offered.
- d. (0) No, the legislature does not have any such authority.
- e. Not applicable/other (please comment).

Answer: a. (100)

Sources: In Hungarian: 10377/1165 - Összegző módosító javaslat Magyarország 2017. évi központi költségvetéséről In English: 10377/1165 Final proposal for modifying the Bill on the State Budget of Hungary for FY 2017 URL: <http://www.parlament.hu/irom40/10377/10377-1165.pdf> (<http://www.parlament.hu/irom40/10377/10377-1165.pdf>) 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 (http://njt.hu/cgi_bin/njt_doc.cgi?docid=167220.265336) Votes on the EBP for FY 2017 In Hungarian: Szavazások a T/10377 számú Magyarország 2017. évi központi költségvetéséről szóló törvényjavaslatról In English: Votes on the Bill No. T/10377 on the Central Budget of Hungary for FY 2017 URL: <http://www.parlament.hu/iromanyok-egyszerusitett-lekerdezese...> (<http://www.parlament.hu/iromanyok-egyszerusitett-lekerdezese...>)

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Comments: Researcher: According to the rules of the Parliament all the amendments for the budget proposal end up at the Fiscal Committee of the Parliament. These amendments can be proposed by MPs or other committees that debated the relevant part of the budget proposal. The Fiscal Committee collect all the amendments, debate them and summarize them in on final amendment. The legislature only vote on this final amendment either approving all the modifications it contains or refusing all of them. This solution puts the bulk of the work to the committees and the whole legislature only has one chance to decide on the modifications. Despite the aim of minimizing the votes in the legislature there is a chance to put individual amendments up for vote or vote individually on some points of the final amendment. Every faction of the legislature can propose up to three amendments for individual vote and the legislature will vote one by one about them. If one is approved, the Fiscal Committee has to include that amendment in its final proposal. The other possibility is to ask individual vote on one of the amendments in the final proposal. If the amendment is refused, it has to be taken out from the final proposal. These latter rules are detailed in paragraph 48 in the rulings of the Parliament. For the most recent EBP the legislature approved the final amendment. There was several other votes related to the EBP as it is shown on the tab "Szavazások". The vote called "összegző módosító javaslat elfogadva" means the approval of the final amendment, while the votes before it called "Országgyűlés a módosító javaslatot nem tartotta fenn" mean the legislature refused an individual amendment.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

112: During the last budget approval process, did a specialized budget or finance committee in the legislature examine the Executive's Budget Proposal?

- a. (100) Yes, a specialized budget or finance committee had at least one month to examine the Executive's Budget Proposal, and it published a report with findings and recommendations prior to the budget being adopted.
- b. (67) Yes, a specialized budget or finance committee had less than one month to examine the Executive's Budget Proposal, and it published a report with findings and recommendations prior to the budget being adopted.
- c. (33) Yes, a specialized budget or finance committee examined the Executive's Budget Proposal, but it did not publish a report with findings and recommendations prior to the budget being adopted.
- d. (0) No, a specialized budget or finance committee did not examine the Executive's Budget Proposal.
- e. Not applicable/other (please comment).

Answer: b. (67)

Sources: The final report of the Fiscal Committee about its debate In Hungarian: A Költségvetési bizottság jelentése a Magyarország 2017. évi központi költségvetéséről szóló törvényjavaslat (T/10377. szám) részletes vitájáról In English: The report of the Fiscal Committee about the debate on the Bill No. T/10377 on the Central Budget of Hungary for FY 2017 URL: <http://www.parlament.hu/irom40/10377/10377-1153.pdf>

(<http://www.parlament.hu/irom40/10377/10377-1153.pdf>) The EBP on the webpage of the Parliament In Hungarian: T/10377 törvényjavaslat Magyarország 2017. évi központi költségvetéséről in English: Bill No. T/10377 on the Central Budget of Hungary for FY 2017 URL:

<http://www.parlament.hu/iromanyok-egyszerusitett-lekerdezese...> (http://www.parlament.hu/iromanyok-egyszerusitett-lekerdezese?p_auth=VFE4mirT&p_id=pairproxy_WAR_pairproxyportlet_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_p_col_id=column1&p_p_col_count=1&pairproxy_WAR_pairproxyportlet_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_irom.rom_adat%3Fp_ckl%3D40%)

The oral report of the Fiscal Committee In Hungarian: Bizottsági jelentések és az összegző módosító javaslat vitája a T/10377 Magyarország 2017. évi központi költségvetéséről szóló törvényjavaslatról In English: Debating the report and proposed amendment of the Fiscal Committee on the Bill No.

T/10377 on the Central Budget of Hungary for FY 2017 URL: <http://www.parlament.hu/iromanyok-egyszerusitett-lekerdezese...>

(http://www.parlament.hu/iromanyok-egyszerusitett-lekerdezese?p_auth=LI939Pxo&p_id=pairproxy_WAR_pairproxyportlet_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_p_col_id=column1&p_p_col_count=1&pairproxy_WAR_pairproxyportlet_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_naplo.ulnap_felszo%3Fp_lista%3D)

Comments: Researcher: The Fiscal Committee finished its debate on 18 May 2016, as the date on the report shows it. The report is not very detailed: it only mentions the new policy proposals and the main macroeconomic indicators presented in the EBP. In the appendices (starting from page 775) it also includes the opinions of the members of other factions who present other views about the EBP. As the EBP was submitted on 26 April, this means the Committee had less than a month for evaluating the proposed budget. On the first cited webpage the tab "Iromány események" shows the events related to the EBP. For example the first event is the assignment of the EBP to the Fiscal Committee. The next events are the other committees' announcements about their intention to debate the EBP. The last important event is called "bizottsági jelentések és az összegző módosító javaslat vitája lezárva", this is when all the proposed amendments have been summarized and the whole legislature debated the EBP and the proposed amendments. Technically the first date is 27 April 2016 and the last is 6 June 2016, but for the more informed debate there is even less time, because the supplementary documents for the EBP were submitted (and published) in early May. It is sure there was less than a month for meaningful discussion, as for example the Fiscal Committee finished its own debate on 18 May, and after that it only summarized the amendments. The opinions also summarized in the debate in the legislature. In (<http://legislature.in>) the cited transcripts of the members of the Fiscal Committee reported the opinion of the Committee and then the MPs could reply to that. In the end the representative of the government (here Péter Benő Banai, state secretary responsible for state budget) replied to all the comments.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

113: During the last approval process, did legislative committees, responsible for particular sectors (e.g., health, education, defense, etc.), examine spending in the Executive's Budget Proposal related to the sector for which they are responsible?

- a. (100) Yes, sector committees had at least one month to examine the Executive's Budget Proposal, and they published reports with findings and recommendations prior to the budget being adopted.
- b. (67) Yes, sector committees had less than one month to examine the Executive's Budget Proposal, and they published reports with findings and recommendations prior to the budget being adopted.
- c. (33) Yes, sector committees examined the Executive's Budget Proposal, but they did not publish reports with findings and recommendations prior to the budget being adopted.
- d. (0) No, sector committees did not examine the Executive's Budget Proposal.
- e. Not applicable/other (please comment).

Answer: b. (67)

Sources: The report of the Committee on Sustainable Development In Hungarian: A Fenntartható fejlődés bizottságának részletes vitát lezáró jelentése In English: The report after the detailed debate in the Committee for Sustainable Development URL: <http://www.parlament.hu/irom40/10377/10377-1162.pdf> (<http://www.parlament.hu/irom40/10377/10377-1162.pdf>) Other debates and reports from the committees: Committee on the Budget Debate: <http://www.parlament.hu/documents/static/biz40/bizjv40/KVB/...> (<http://www.parlament.hu/documents/static/biz40/bizjv40/KVB/1605181.pdf>) pp. 6-35 Report: <http://www.parlament.hu/irom40/10377/10377-1153.pdf> (<http://www.parlament.hu/irom40/10377/10377-1153.pdf>) Committee on Economics Debate: <http://www.parlament.hu/documents/static/biz40/bizjv40/GAB/...> (<http://www.parlament.hu/documents/static/biz40/bizjv40/GAB/1605191.pdf>) pp. 6-21 Report: <http://www.parlament.hu/irom40/10377/10377-1159.pdf> (<http://www.parlament.hu/irom40/10377/10377-1159.pdf>) Committee on Culture Debate: <http://www.parlament.hu/documents/static/biz40/bizjv40/KOB/...> (<http://www.parlament.hu/documents/static/biz40/bizjv40/KOB/1605191.pdf>) pp. 5-30 Report: <http://www.parlament.hu/irom40/10377/10377-1157.pdf> (<http://www.parlament.hu/irom40/10377/10377-1157.pdf>) Committee on Social Welfare Debate: <http://www.parlament.hu/documents/static/biz40/bizjv40/NJB/...> (<http://www.parlament.hu/documents/static/biz40/bizjv40/NJB/1605181.pdf>) pp. 6-38 Report: <http://www.parlament.hu/irom40/10377/10377-1155.pdf> (<http://www.parlament.hu/irom40/10377/10377-1155.pdf>) Committee on Justice Debate: <http://www.parlament.hu/documents/static/biz40/bizjv40/IUB/...> (<http://www.parlament.hu/documents/static/biz40/bizjv40/IUB/1605181.pdf>) pp. 10-15 Report: <http://www.parlament.hu/irom40/10377/10377-1151.pdf> (<http://www.parlament.hu/irom40/10377/10377-1151.pdf>) Committee on Foreign Affairs Debate: <http://www.parlament.hu/documents/static/biz40/bizjv40/KUB/...> (<http://www.parlament.hu/documents/static/biz40/bizjv40/KUB/1605181.pdf>) pp. 5-7 Report: <http://www.parlament.hu/irom40/10377/10377-1150.pdf> (<http://www.parlament.hu/irom40/10377/10377-1150.pdf>) Committee on Agriculture Debate: <http://www.parlament.hu/documents/static/biz40/bizjv40/MGB/...> (<http://www.parlament.hu/documents/static/biz40/bizjv40/MGB/1605181.pdf>) pp. 5-17 Report: <http://www.parlament.hu/irom40/10377/10377-1145.pdf> (<http://www.parlament.hu/irom40/10377/10377-1145.pdf>) Committee on Business Development Debate: <http://www.parlament.hu/documents/static/biz40/bizjv40/VFB/...> (<http://www.parlament.hu/documents/static/biz40/bizjv40/VFB/1605181.pdf>) pp. 21-26 Report: <http://www.parlament.hu/irom40/10377/10377-1147.pdf> (<http://www.parlament.hu/irom40/10377/10377-1147.pdf>) Committee on European Affairs Debate: <http://www.parlament.hu/documents/static/biz40/bizjv40/EUB/...> (<http://www.parlament.hu/documents/static/biz40/bizjv40/EUB/1605171.pdf>) pp. 5-11 Report: <http://www.parlament.hu/irom40/10377/10377-1139.pdf> (<http://www.parlament.hu/irom40/10377/10377-1139.pdf>) Committee on Defence and Law Enforcement Debate: <http://www.parlament.hu/documents/static/biz40/bizjv40/HOB/...> (<http://www.parlament.hu/documents/static/biz40/bizjv40/HOB/1605181.pdf>) pp. 9-18 Report: <http://www.parlament.hu/irom40/10377/10377-1141.pdf> (<http://www.parlament.hu/irom40/10377/10377-1141.pdf>) Committee for National Policies Debate: <http://www.parlament.hu/documents/static/biz40/bizjv40/NOB/...> (<http://www.parlament.hu/documents/static/biz40/bizjv40/NOB/1605181.pdf>) pp. 5-22 Report: <http://www.parlament.hu/irom40/10377/10377-1143.pdf> (<http://www.parlament.hu/irom40/10377/10377-1143.pdf>) Committee on National Security Debate: <http://www.parlament.hu/documents/static/biz40/bizjv40/NBB/...> (<http://www.parlament.hu/documents/static/biz40/bizjv40/NBB/1605181.pdf>) pp. 5-7 Report: <http://www.parlament.hu/irom40/10377/10377-1140.pdf> (<http://www.parlament.hu/irom40/10377/10377-1140.pdf>)

Comments: Researcher: The Committees have less than a month to debate the budget proposal. In 2016 the Committee for Sustainable Development finished its debate last and published its report on 20 May 2016. As the EBP was submitted on the 26 April, it allowed them less than a month for the debate. Also notable that the supplementary documents were only available on 10 May, and that leaves about two weeks to formulate a detailed opinion about their area. The report consists of the opinion of the committee and the minority opinions. The first can be found on the first two pages of the cited document, while the latter starts from page 14. Note that some committees did not formulate an opinion about the EBP. The committees held their debate on 18-20 May that means they had about 1-2 weeks for scrutinizing the EBP since the supplementary documents of the EBP were published on 10 May. In formulating an opinion the committees are equal, but the Committee on the Budget is responsible for coordinating the budget approval and collecting the amendments.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

114: In the past 12 months, did a committee of the legislature examine in-year implementation of the Enacted Budget during the relevant budget execution period?

- a. (100) Yes, a committee examined in-year implementation on at least three occasions during a fiscal year, and it published reports with findings and recommendations.
- b. (67) Yes, a committee examined in-year implementation on one or more occasion (but less than three times), and it published a report with findings and recommendations.
- c. (33) Yes, a committee examined in-year implementation, but it did not publish any report with findings and recommendations.
- d. (0) No, a committee did not examine in-year implementation.
- e. Not applicable/other (please comment).

Answer: d.

Sources: The hearing of Mihály Varga, Minister for National Economy in the Fiscal Committee of the Parliament In Hungarian: Jegyzőkönyv az Országgyűlés Költségvetési bizottságának 2015. december 10-én, csütörtökön 11 óra 10 perckor az Országház főemelet 64. számú tanácstermében megtartott üléséről In English: Minutes of the Meeting of the Fiscal Committee of the Parliament held on 10 December 2015 at 10:10 in boardroom No. 64 of the Parliament URL: <http://www.parlament.hu/documents/static/biz40/bizjv40/KVB/...> (<http://www.parlament.hu/documents/static/biz40/bizjv40/KVB/1512101.pdf>)

Comments: Researcher: In the last 12 months there was one occasion when the Fiscal Committee held a hearing of the Minister for National Economy. As the Minister was invited to make its yearly report to the Parliament, the hearing was mostly about the state of the economy and the economic policies, no question was asked about the implementation of the current budget or its results. Beside the hearing there was no other effort from the Fiscal Committee to examine the budget implementation, thus no written report was published with its findings.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested answer: c.

Comments: The 5. § (1) paragraph of the 2011. CXCV Act on the economic stability of Hungary states that the Government revises the compliance with the debt rule based on the half-year data and notifies the competent commission of the Parliament and the Fiscal Council of the result of the revision. Based on the result of the revision the Government submits a budgetary amendment to the Parliament if the end-of-year debt-to-GDP ratio of the actual year would increase compared to the debt-to-GDP ratio of the previous year. Therefore budgetary committee ("competent commission of the Parliament") must examine budget implementation. However the committee did not publish any report. Criteria c. would be adequate

Researcher response: The referenced legal task obliges the Government to examine the budgetary trends and submit a budgetary amendment if necessary. The commission of the Parliament does not even have to reflect on the notification. In our opinion examining the budgetary trends means at least discussing the provided report in one of the public meetings, but preferably formulating the commissions' views based on its own research or on an independent report (from the Fiscal Council, State Audit Office, National Bank of Hungary, etc.).

IBP comment: IBP maintains the researcher's response of "d" as the researcher has indicated that the process described by the government reviewer is to determine whether a supplementary budget is needed, and per the Guidelines this review is not considered by question 114.

115: Does the executive seek approval from the legislature prior to shifting funds between administrative units that receive explicit funding in the Enacted Budget, and is it legally required to do so?

- a. (100) The executive is required by law or regulation to obtain approval from the legislature prior to shifting funds between administrative units, and it does so in practice.
- b. (67) The executive obtains approval from the legislature prior to shifting funds between administrative units, but is not required to do so by law or regulation.
- c. (33) The executive is required by law or regulation to obtain approval from the legislature prior to shifting funds between administrative units, but in practice the executive shifts funds before obtaining approval from the legislature.
- d. (0) There is no law or regulation requiring the executive to obtain approval from the legislature prior to shifting funds between administrative units, and in practice the executive shifts funds between administrative units before obtaining approval from the legislature.
- e. Not applicable/other (please comment).

Answer: c. (33)

Sources: The Act on the State Budget In Hungarian: 2011. évi CXCV törvény az államháztartásról In English: Act CXCV of 2011 on the State Budget paragraphs 31-33, URL: http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100195.TV (http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100195.TV) Supplementary budget for the Central Budget for FY 2016 URL: <http://www.parlament.hu/irom40/10534/10534-0014.pdf> (<http://www.parlament.hu/irom40/10534/10534-0014.pdf>) page 50

Comments: Researcher: Generally the government is required to seek approval from the legislature before shifting funds between administrative units, but by today many specific exemptions alleviate this requirement. For example last year the government asked the legislature to amend the current budget with a new administrative unit called Cabinet of the Prime Minister but did not disclose the funds for its operation. Later the government corrected this mistake and asked the legislature to shift funds between administrative units, but for the already approved Central Budget for FY 2016 the government asked for a legal modification to be able to shift funds between administrative units. The rule became very specific: it allows the government to modify the budget if the legislature founded a new administrative unit after the approval of the budget but before the start of the budget year. The rule may be specific but allows uncontrolled shifting of funds between administrative units. There are also other cases that loosen the central budget: the remnants from the previous years, the reserve for unforeseen expenditures and the expenditure items that can be overspent by the consent of the government. The government has the right to reallocate the unspent expenditures from the previous year and through shift funds from one line item to another. The reserve is about 1% of the total budget and its main purpose is to provide funds for unforeseen expenditures. However in the recent years the government always spent it fully and mostly at its will. This is another technique through which the government can spend to expenditures that it may wish to. By approving the budget the legislature also approves expenditures that may be overspent without further consent or overspent with the consent of the government. These expenditures are not always "below the line" items or conditional expenditures, for example the expenditures for fostered workers. This also provides a way to spend the excess revenues, because the government can spend more on these items legally. The government has the legal techniques to undermine the accountability of the approved budget by spending on unauthorized expenditures. For example in 2015 the government spent 190 billion HUF of the reserves and reallocated 130 billion HUF from the remnants, together nearly 2% of the total approved expenditures. From another point of view this the deviation at chapter levels between the last approved budget and the Year-End Report totals to around 6% of the budget indicating the chapter could spend 6% more than approved without further approval from the legislature. This seriously undermines the approved budget, thus we chose answer "D".

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested answer: a.

Comments: Generally the government is required to seek approval from the legislature before shifting funds between administrative units. Reserves can not be taken into account when one calculates the deviation between approved budget and year-end report because the legislator authorized the government for the usage of them without any limit in regard with the administrative units. The mentioned 6% "overspending" is due not necessarily to

any governmental decision because among chapters there are significant transfers (these are within-the-governmental transfers), so the difference is mainly the result of technical issues; and there are some appropriations of the chapters that are exogenous (determined by special laws and not any governmental decision).

Researcher response: From a legal point of view the government complies with the rules. We evaluated the question based on whether these rules are loose enough that they can undermine the legislature's power to control the central budget in practice. In our opinion the yearly increasing amount of reserves, use of remnants, temporary reallocations and other rules created a system where the government can significantly alter the budget without the legislature (see example about creating a new ministry) or make decisions that affect the on-going or upcoming budgets.

IBP comment: For cross-country consistency, IBP revised the researcher's response from "d" to "c".

116: Does the executive seek approval from the legislature prior to spending excess revenue (that is, amounts higher than originally anticipated) that may become available during the budget execution period, and is it legally required to do so?

- a. (100) The executive is required by law or regulation to obtain approval from the legislature prior to spending excess revenues, and it does so in practice.
- b. (67) The executive obtains approval from the legislature prior to spending excess revenue, but is not required to do so by law or regulation.
- c. (33) The executive is required by law or regulation to obtain approval from the legislature prior to spending excess revenues, but in practice the executive spends these funds before obtaining approval from the legislature.
- d. (0) There is no law or regulation requiring the executive to obtain approval from the legislature prior to spending excess revenues, and in practice the executive spends these funds before obtaining approval from the legislature.
- e. Not applicable/other (please comment).

Answer: d.

Sources: The law on the Public Finance In Hungarian: 2011. évi CXCV törvény az államháztartásról In English: Act CXCV of 2011 on the State Budget paragraph 30, URL: http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100195.TV (http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100195.TV)

Comments: Researcher: The legal rules divide the excess revenues: the minor cases (when an institutional budget achieves excess revenue) the government has the right to decide if that revenue can be used for expenditures at that institution. The government decide about it in a governmental resolution. If one of the centralized revenues (like taxes and other major revenues) shows excess revenue the legislature has to modify the budget before it can be spent. In the process the government submits a supplementary budget to modify the revenue estimates and the expenditures for which it intends to spend on, and then the legislature approves it before spending. In case the government does not modify the budget, the excess revenues improve the budget deficit and help decreasing the governmental debt. Beside the general rule the government has other ways to spend the excess revenues. For example the "top open" appropriations pose great risk for spending excess revenues. The government can spend more on these appropriations than the number approved by the legislature and utilizing these appropriations the excess revenues can be spent without notifying the legislature. In its latest opinion the SAO emphasized this risk by stating that 53% of the total expenditures are "top open" and can be exceeded without changin the law. In English the summary of the opinion is available here: <http://www.aszhirportal.hu/en/main-reports/sao-s-opinion-on-...> (<http://www.aszhirportal.hu/en/main-reports/sao-s-opinion-on-the-2017-budget-has-been-completed>) In Hungarian on page 5 of the SAO's opinion: <https://www.asz.hu/storage/files/files/%C3%96sszes%20jelent%C3%A9s/2016/16062.pdf?ctid=98> (<https://www.asz.hu/storage/files/files/%C3%96sszes%20jelent%C3%A9s/2016/16062.pdf?ctid=98>)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested answer: a.

Comments: If one of the centralized revenues (like taxes and other major revenues) shows excess revenue the legislature has to modify the budget before it can be spent. There are, in fact, the "top open" appropriations. However the set of these is defined in budget law and covered by items out of government's reach e.g. pension, interest, social spending. In the last some years when the budget realized significantly more tax revenues (as a result of better macro data) always the parliament decided on them.

Researcher response: We agree with the government about the legal rules, but we evaluated the question based on whether the legal rules undermined the legislature's control over the budget and excess revenues in practice. The bulk of the "top open" appropriations are defined by external factors, but there are ones that can be overspent with the decision of the government (for example the program for fostered workers) and rather discretionary items. Increasing these appropriations means spending excess revenues without the approval of the legislature. Theoretically the government may shift funds from these appropriations and then simply allowing the overspending on it. Another technique is financing similar tasks from these appropriations like spending on police departments from the "top open" line of tasks related to border protection.

117: Does the executive seek approval from the legislature prior to reducing spending below the levels in the Enacted Budget in response to revenue shortfalls (that is, revenues lower than originally anticipated) or other reasons during the budget execution period, and is it legally required to do so?

- a. (100) The executive is required by law or regulation to obtain approval from the legislature prior to reducing spending below the enacted levels in response to revenue shortfalls or other reasons, and it does so in practice.
- b. (67) The executive obtains approval from the legislature prior to reducing spending below enacted levels, but is not required to do so by law or regulation.
- c. (33) The executive is required by law or regulation to obtain approval from the legislature prior to reducing spending below enacted levels, but in practice the executive implements these cuts before seeking approval from the legislature.

- d. (0) There is no law or regulation requiring the executive to obtain approval from the legislature prior to reducing spending below enacted levels, and in practice the executive implements these spending cuts before seeking prior approval from the legislature.
- e. Not applicable/other (please comment).

Answer: d.

Sources: The law on the Public Finance In Hungarian: 2011. évi CXCV törvény az államháztartásról In English: Act CXCV of 2011 on the State Budget paragraph 40, URL: http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100195.TV (http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100195.TV) Resolution on the lock of spending In Hungarian: A Kormány 1381/2014. (VII. 17.) Korm. határozata a 2014. évi hiánycél tartásához szükséges intézkedésekről In English: Resolution 1381/2014 (VII. 17.) on the measures necessary to achieve the deficit target in FY 2014 URL: <http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK14097.pdf> (<http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK14097.pdf>) pp. 11229-11234

Comments: Researcher: In the Hungarian law the estimates approved in the budget are only rights to spend that amount, but it is not mandatory to spend all that amount. The budget only means an upper constraint on the expenditures, the institutions can spend less than their estimates. The government has the right to lock some part of the estimates if the current budget deficit is worse than planned. The only exceptions are the estimates that are controlled by the legislature and not under the execution of the government. After the lockup the government has to decide if the budget deficit improved enough to erase the lock or it is necessary to retain it to achieve its deficit target. There is no legal rule that obliges the government to seek approval from the legislature for reducing expenditures and does not do so in practice. The last lock in practice was in 2014 as shown in the cited resolution. In the document on pages 11230-11231 the table presented the obligations for each Ministry what amount they have to lock. Apart from resolutions there were cases for spending the allocated funds to other expenditure items. The most notable among them is when the Ministry of Agriculture did not spend the earmarked expenditure to the approved programmes against allergic weeds, but shifted them to other purposes. After this misspending became public the Minister recovered the allocated funds. At the moment it cannot be checked if the earmarked expenditures were really spent on the approved goals.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree with Comments

Comments: It is true that in case of certain appropriations the government can reduce spending. However it was not the case that the executive might have changed the composition of the budget, because the size of these appropriation was small in comparison with the overall expenditures.

Researcher response: The added information is correct.

118: Did a committee of the legislature examine the Audit Report on the annual budget produced by the Supreme Audit Institution (SAI)?

- a. (100) Yes, a committee examined the Audit Report on the annual budget within three months of its availability, and it published a report with findings and recommendations
- b. (67) Yes, a committee examined the Audit Report on the annual budget within six months (but more than three months) of its availability, and it published a report with findings and recommendations.
- c. (33) Yes, a committee examined the Audit Report on the annual budget, but it did so after the report had been available for more than six months or it did not publish any report with findings and recommendations.
- d. (0) No, a committee did not examine the Audit Report on the annual budget.
- e. Not applicable/other (please comment).

Answer: c. (33)

Sources: In Hungarian: Jegyzőkönyv az Országgyűlés Költségvetési bizottságának 2015. október 13-án, kedden 9 óra 34 perckor az Országház főemelet 64. számú tanácstermében megtartott üléséről In English: Minutes of the Meeting of the Fiscal Committee of the Parliament held on 13 October 2015 at 9:34 in boardroom No. 64 of the Parliament URL: <http://www.parlament.hu/documents/static/biz40/bizjv40/KVB/...> (<http://www.parlament.hu/documents/static/biz40/bizjv40/KVB/1510131.pdf>) In Hungarian: Domokos László, az Állami Számvevőszék elnökének expozéja a 2015-ös zárszámadás vitájában In English: Opening speech of László Domokos, President of the State Audit Office in the debate of the Year-End Report of FY 2015 URL: http://www.parlament.hu/iromanyok-lekerdezesep_auth=s0gHFhH... (http://www.parlament.hu/iromanyok-lekerdezesep_auth=s0gHFhH...)

[p_auth=s0gHFhH&p_p_id=pairproxy_WAR_pairproxyportlet_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_p_col_id=colum11&p_p_col_count=1&pairproxy_WAR_pairproxyportlet_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcpql%2Fogy_naplo.naplo_fadat%3Fp_ckl%3D4C](http://www.parlament.hu/iromanyok-lekerdezesep_auth=s0gHFhH...)
In Hungarian: Z. Kárpát Dániel felszólalása a 2015-ös zárszámadás vitájában In English: Speech by Dániel Z. Kárpát in the debate of the Year-End Report of FY 2015 URL: http://www.parlament.hu/felszolasok-keresese?p_auth=s0gHFhH... (http://www.parlament.hu/felszolasok-keresese?p_auth=s0gHFhH...)
[p_auth=s0gHFhH&p_p_id=pairproxy_WAR_pairproxyportlet_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_p_col_id=colum11&p_p_col_count=1&pairproxy_WAR_pairproxyportlet_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcpql%2Fogy_naplo.naplo_fadat%3Fp_ckl%3D4C](http://www.parlament.hu/felszolasok-keresese?p_auth=s0gHFhH...)

Comments: Researcher: The Fiscal Committee did not have a separate item for discussing the Audit Report. In the first meeting where the Year-End Report was debated the head of the committee mentioned that the debate included the Audit Report too. This is on page 5 of the first memorandum in the sentence "Természetesen ez magába foglalja az Állami Számvevőszék jelentésének megvitatását is". The Fiscal Committee discussed the Audit Report in a timely manner, because the AR was published on 30 September. The main problem is that the Committee did not publish any indication (report, recommendation or meaningful debate in the hearing of the Committee) that it thoroughly examined it, rather it only noted the AR. The President of the SAO reported the main findings of the Audit Report to the whole legislature in the discussion of the YER. In the debate of the YER there was only one response that critically evaluated the Audit Report and mentioned its deficiencies. There was no detailed discussion about the Audit Report.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

119: Was the process of appointing (or re-appointing) the current head of the SAI carried out in a way that ensures his or her independence?

- a. (100) Yes, the head of the SAI may only be appointed by the legislature or judiciary, or the legislature or judiciary must give final consent before the appointment takes effect.
- b. (0) No, the executive may appoint the head of the SAI without the final consent of the legislature or judiciary.
- c. Not applicable/other (please comment).

Answer: a. (100)

Sources: In Hungarian: 2011. évi LXVI. törvény az Állami Számvevőszékről In English: Act LXVI of 2011 on the State Audit Office URL:

http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100066.TV (http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100066.TV) paragraph 9 and 11 In Hungarian: Alaptörvény 43. cikk URL: http://www.njt.hu/cgi_bin/njt_doc.cgi?docid=140968 (http://www.njt.hu/cgi_bin/njt_doc.cgi?docid=140968) In English: Fundamental Law of Hungary Article 43 URL:

<http://www.kormany.hu/download/e/02/00000/The%20New%20Fundam...>

(<http://www.kormany.hu/download/e/02/00000/The%20New%20Fundamental%20Law%20of%20Hungary.pdf>) The appointment of the head of the SAO In Hungarian: Az Állami Számvevőszék elnökének és alelnökének megválasztásáról (Domokos Lászlót elnökké, Warvasovszky Tihamért alelnökké) In English: Decision on the president and vice president of the State Audit Office URL: <http://www.parlament.hu/orszagguyesi-naplo-elozo-ciklusbeli...> (http://www.parlament.hu/orszagguyesi-naplo-elozo-ciklusbeli-adatai?p_auth=RQX5WFuA&p_id=pairproxy_WAR_pairproxyportlet_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_p_col_id=column1&p_p_col_count=1&pairproxy_WAR_pairproxyportlet_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcpsql%2Fogy_irom.irom_adat%3Fp_ckl%3D39%)

Comments: Researcher: According to the law the current process of appointing the head of the SAI is the following: - a committee is formed with 8 members of the Parliament that makes recommendations for the persons (the persons who were member of the government or held executive position in any party in the previous four years are excluded from the candidates) - the committee responsible for the audit holds a hearing of the candidate(s) - the Parliament elects the Head of the SAO with two-thirds of the votes of the members of the legislature The rules are also strict on removing the head of the SAO, only the legislature can initiate it and decide on it. The rules are in effect since 1 July 2011 and the current head of the SAO was elected according to the previous rules. He was elected on 28 June 2010 as the row "Benyújtva" shows in the last citation.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

120: Must a branch of government other than the executive (such as the legislature or the judiciary) give final consent before the head of the Supreme Audit Institution (SAI) can be removed from office?

- a. (100) 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. (0) 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).

Answer: a. (100)

Sources: In Hungarian: 2011. évi LXVI. törvény az Állami Számvevőszékről In English: Act LXVI of 2011 on the State Audit Office URL:

http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100066.TV (http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100066.TV) paragraph 11

Comments: Researcher: The head of the SAO can only be removed by the legislature. There are also strict rules in which cases he can be removed as listed in paragraph 11 section (3)-(5) of the cited act. These cases are when the President of the SAO breaches the incompatibility by taking a position at an institution that receives funding from the government, by being member of the Parliament or representative of a local government or other lobby organization, by accepting any remuneration for his work apart from the SAO, or having a relative in the government or in the legislative committee responsible for the audit. Other case when the legislature can initiate the removal is when the president of the SAO is not able to or do not fulfill its duty, or stand convicted. Other more automatic cases for the removal is when the term of the commission expires, the president resigns or dies.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

121: Who determines the budget of the Supreme Audit Institution (SAI)?

- a. (100) The SAI determines its own budget (i.e., submits it to the executive, which accepts it with little or no change, or directly to the legislature), or the budget of the SAI is determined by the legislature or judiciary (or some independent body), and the funding level is broadly consistent with the resources the SAI needs to fulfill its mandate.
- b. (67) 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. (33) 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. (0) 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).

Answer: a. (100)

Sources: In Hungarian: 2011. évi LXVI. törvény az Állami Számvevőszékről In English: Act LXVI of 2011 on the State Audit Office URL:

http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100066.TV (http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100066.TV) paragraph 2

Comments: Researcher: The fiscal independence of the SAO is secured in the legal rules. The SAO has his own chapter in the budget and its resources are managed by the president of the SAO. In the budgeting the SAO determines its own budget, sends it to the executive who has to implement it to the budget without any change. It is also secured that the allocated resources cannot be less than in the previous year.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

122: Does the Supreme Audit Institution (SAI) have the discretion in law to undertake those audits it may wish to?

- a. (100) The SAI has full discretion to decide which audits it wishes to undertake.
- b. (67) The SAI has significant discretion, but faces some limitations.
- c. (33) The SAI has some discretion, but faces considerable limitations.
- d. (0) The SAI has no discretion to decide which audits it wishes to undertake.
- e. Not applicable/other (please comment).

Answer: a. (100)

Sources: In Hungarian: 2011. évi LXVI. törvény az Állami Számvevőszékről In English: Act LXVI of 2011 on the State Audit Office URL:

http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100066.TV (http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100066.TV) paragraph 3 and 23 In Hungarian: 1989. évi XXXIII. törvény a pártok működéséről és gazdálkodásáról In English: Act XXXIII of 1989 on the operation and management of the parties URL: http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=98900033.TV (http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=98900033.TV) paragraph 10

Comments: Researcher: The yearly plan of the SAO is approved by the president of the SAO. According to the law the SAO is obliged to conduct audit upon the resolution of the legislature and may conduct audits upon the request of the government or the notifications of the people. In other acts there are additional obligations for the SAO like in the act on political parties that requires the SAO to audit all the parties that receive funds from the central budget biannually. These are legal obligations and adopted by the legislature, thus does not influence the independence of the SAO.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

123: Are the audit processes of the Supreme Audit Institution (SAI) reviewed by an independent agency?

- a. (100) Yes, an independent agency conducts and publishes a review of the audit processes of the SAI on an annual basis.
- b. (67) Yes, an independent agency conducts and publishes a review of the audit processes of the SAI at least once in the past five years, but not annually.
- c. (33) No, but a unit within the SAI conducts a review of the audit processes of the SAI on a regular basis.
- d. (0) No, the audit processes of the SAI are reviewed neither by an independent agency nor by a unit within the SAI.
- e. Not applicable/other (please comment).

Answer: b. (67)

Sources: n/a

Comments: Researcher: We asked the SAO on its audit processes. In its reply it stated that there had been no audit by another independent agency in the recent years. Nonetheless in order to ensure the highest quality standards the SAO regularly reviews its audit processes and enhances them to focus on quality.

Peer Reviewer

Opinion: Agree with Comments

Comments: The audit of the State Audit Office should be performed by an independent agency. As on the website of State Audit Office we did not find any audit reports about their own activity, we did not change the suggested score but our opinion is that it should be published on their website among the management data: <https://asz.hu/hu/iii-gazdalkodasi-adatok> (<https://asz.hu/hu/iii-gazdalkodasi-adatok>) 2011. évi LXVI. törvény az Állami Számvevőszékről (in English: Law LXVI. from Y2011 about the State Audit Office) https://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100066.TV (https://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100066.TV) 2§ (4) The financial management of the State Audit Office is controlled by an independent auditor selected and mandated by the President of the Parliament through a procurement procedure. With the audit may be entrusted an auditor who is registered in the auditor's list kept by the Hungarian Chamber of Auditors.

Government Reviewer

Opinion: Agree

IBP comment: Based on the evidence that the SAI in Hungary was reviewed by peer SAIs from Poland and Lithuania 2016, the score is changed from "c" to "b". <http://www.intosaicbc.org/download/2016-peer-review-hungary-...> (<http://www.intosaicbc.org/download/2016-peer-review-hungary-summary-of-report/>)

124: In the past 12 months, how frequently did the head or a senior staff member of the Supreme Audit Institution (SAI) take part and testify in hearings of a committee of the legislature?

- a. (100) Frequently (i.e., five times or more).
- b. (67) Sometimes (i.e., three times or more, but less than five times).
- c. (33) Rarely (i.e., once or twice).
- d. (0) Never.
- e. Not applicable/other (please comment).

Answer: a. (100)

Sources: In Hungarian: Jegyzőkönyv az Országgyűlés Fenntartható fejlődés bizottságának 2015. október 13-án, kedden, 14 óra 6 perckor a Képviselői Irodaház 532. számú tanácstermében megtartott üléséről In English: Minutes of the Meeting of the Committee on Sustainable Development of the Parliament, held on 13 October 2015 at 14:06 in boardroom No. 532 of the Representatives' House URL: <http://www.parlament.hu/documents/static/biz40/bizjvk40/FFB/...>

(<http://www.parlament.hu/documents/static/biz40/bizjvk40/FFB/1510131.pdf>) pp. 18-21 In Hungarian: Jegyzőkönyv az Országgyűlés Vállalkozásfejlesztési bizottságának 2016. május 18-án, szerdán, 10 óra 3 perckor az Országgyűlés Irodaháza I. emelet 128. számú tanácstermében megtartott üléséről In English: Minutes of the Meeting of the Committee on Business Development of the Parliament, held on 18 May 2016 at 10:03 in boardroom No. 128 of the Office Building of the Parliament URL: <http://www.parlament.hu/documents/static/biz40/bizjvk40/VFB/...>

(<http://www.parlament.hu/documents/static/biz40/bizjvk40/VFB/1605181.pdf>) pp. 20-21 In Hungarian: Jegyzőkönyv az Országgyűlés Gazdasági bizottságának 2016. május 31-én, kedden, 9 óra 4 perckor az Országház főemelet 37. számú tanácstermében megtartott üléséről In English: Minutes of the Meeting of the Committee on Economy of the Parliament, held on 31 May 2016 at 9:04 in boardroom No. 37 of the Parliament URL: <http://www.parlament.hu/documents/static/biz40/bizjvk40/GAB/...>

(<http://www.parlament.hu/documents/static/biz40/bizjvk40/GAB/1605311.pdf>) pp. 7-12 In Hungarian: Tájékoztató az Állami Számvevőszék 2015. évi szakmai tevékenységéről és beszámoló az intézmény működéséről az Országgyűlés részére In English: Report for the Parliament on the activities of the State Audit Office of Hungary and on the functioning of the organization in 2015 URL: https://www.asz.hu/storage/files/files/tajekoztato_az_allami...

(https://www.asz.hu/storage/files/files/tajekoztato_az_allami_szamvevoszek_eves_tevekenysegerol/10303.pdf?ctid=271) page 21

Comments: Researcher: In the records of the committees of the legislature we have found two occasions where the representatives of the SAO had been present as experts. The first was the meeting of the Committee on Sustainable Development where the president of the SAO and an auditor testified about the audit of the National Environment Protection Programme. In the other occasion an expert of the SAO testified in the meeting of the Committee on Business Development about the export subsidies of the government. In the Committee on Economy the president of the SAO only made its yearly report about the activities of the SAO in 2015. We did not consider it as making any input for the work of the legislature, because it is rather an obligation for the committee to hold this hearing. The Yearly Report of the SAO states that the employees of the SAO participated in 32 hearings in 2015. However according to the detailed transcripts of the committees' hearings we only found 3 cases in the last 12 months where a representative of the SAO spoke in the hearing.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested answer: a.

Comments: The Yearly Report of the SAO states that the employees of the SAO participated in 32 hearings in 2015. However the Comment uses only detailed transcripts of the parliamentary committees' hearings, on the basis of which identifies only 3 hearings. It is not right to eliminate the former information without any further reason.

Researcher response: We chose the transcripts of the meetings because according to those we could undoubtedly confirm the participation and contribution of the SAO in the meetings. If the SAO's report gave more detail about how and which meetings its representatives had participated in we would have chosen that information source.

IBP comment: IBP acknowledges the researcher's comment. For cross-country consistency purposes, the response has been revised to "a".

125: Does the executive use participation mechanisms through which the public can provide input during the formulation of the annual budget (prior to the budget being tabled in parliament)?

- a. (100) Yes, the executive uses open participation mechanisms through which members of the public and government officials exchange views on the budget.
- b. (67) Yes, the executive uses open participation mechanisms through which members of the public provide their inputs on the budget.
- c. (33) Yes, the executive uses participation mechanisms during the budget formulation phase, but either these mechanisms capture only some ad-hoc views, or the executive invites specific individuals or groups for budget discussions (participation is not, in practice, open to everyone).
- d. (0) The requirements for a "c" response or above are not met.
- e. Not applicable (please comment).

Answer: c. (33)

Sources: n/a

Comments: Researcher: There is not any mechanism from the Ministry for National Economy (that is responsible for state budget) to capture the preferences of the public regarding the budget proposal. There is not even reports about meetings where the executive meet with specific organizations or groups and discuss the fiscal proposals.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested answer: a.

Comments: National Reconciliation Council of Public Services (OKÉT in Hungarian) is the largest national reconciliation forum between the public sector and the Government, the operation of which is based on law. Members of OKÉT's are the trade unions, representatives of the local governments, and the governmental administration (relevant ministries). The three sides may invite experts to participate in their work. It give platform for social dialogue on long term wage and human resources policies in public sector, regulation on carrier program in public sector, public sector reform. The OKÉT meets five to six times per year meetings. The most important topic is the annual budget bill, and the proposed measures on wages of public servants. The National Economic and Social Council (abbreviated NESC in English, and NGTT in Hungarian) was set up by Act XCIII of 2011 in order to promote economic and social dialogue on long term national strategies of economy and social policy, on any matters affecting the development of the economy and society, and to facilitate a consensus among various interest groups of society. The NESC is a consultative, proposal-making and advisory body independent from Parliament and the Government. Standing Consultative Forum for the Private Sector and the Government is the national consultative forum of the private sector, which members are representatives of employers interests, trade unions, and the Government. Its monitoring committee discusses the macroeconomic assumptions of the annual budget bill, the main budgetary factors affecting employees and employers, and amendments of the tax laws.

Researcher response: Thank you very much for the useful added information. The recommended forums and councils regularly discuss economic policies but mainly focus on minimum wage and wage increase. We found evidence for discussing the budget proposal at the OKÉT and VKF. As the OKÉT convenes the trade unions of the employees in the public sector the discussion was exclusively about the wage situation of the employees according to the minutes of the meeting. At the VKF the main new policies were presented and then the participants could ask questions, make recommendations to the government. These meetings were after the submission of the EBP, the latter one only two days after it. We did not read about invited experts discussing other policies of the budget proposal. It is also to be noted that the minutes and documents are very hard to found if one do not know about these forums. Only one forum has its own webpage. According to the collected information these forums are not closely related to the budget proposal, rather general forums where the Government may collect information about the state of the economy from different organizations. These inputs result in mainly wage-related measures, like increase of the minimum wage or reducing social contribution tax, that also affect the central budget. The found public documents: <http://ngtt.hu/en/dokumentumtar/http://www.mkksz.org.hu/html...>

(<http://ngtt.hu/en/dokumentumtar/http://www.mkksz.org.hu/html/main/2016/oket0524.pdf><http://www.mkksz.org.hu/index.php/2-uncategorised/661-jarna-de-nem-juth><http://www.liganet.hu/page/264/art/9502/akt/1/html/kerdesek-keresztuzeben-a-koltsegvetes.html>)

IBP comment: For cross-country consistency, the researcher has agreed to revise the response to answer choice "c" noting the following meetings in 2016: in 2016 a session on labour market was held in September and a session on the minimum wage in December.

126: With regard to the mechanism identified in question 125, does the executive take concrete steps to include vulnerable and under-represented parts of the population in the formulation of the annual budget?

- a. (100) Yes, the executive takes concrete steps to include individuals and/or CSOs representing vulnerable and underrepresented parts of the population in the formulation of the annual budget.
- b. (0) The requirements for an "a" response are not met.
- c. Not applicable (please comment).

Answer: b.

Sources: n/a

Comments: Researcher: The executive does not have any participation mechanism.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested answer: a.

Comments: The mentioned forums include trade unions representing wage earners, that is rather vulnerable groups, or, among other, alliance of poor, countryside local governments.

Researcher response: We think that the trade unions were invited to the forums as representatives of the employees, not as representatives of vulnerable groups. While some trade unions represent sectors with low wages (social sector or retail trade) we are not convinced they were invited because of the

low wages or different work conditions. Regarding the minimum wage and labour market for example the fostered workers may be a more vulnerable group, but there was no information about an organization representing them.

127:

During the budget formulation stage, which of the following key topics does the executive's engagement with citizens cover?

For the purpose of this question, key topics are considered to be:

1. Macroeconomic issues
2. Revenue forecasts, policies, and administration
3. Social spending policies
4. Deficit and debt levels
5. Public investment projects
6. Public services

- a. (100) The executive's engagement with citizens covers all six topics
b. (67) The executive's engagement with citizens covers at least three (but less than six) of the above-mentioned topics
c. (33) The executive's engagement with citizens cover at least one (but less than three) of the above-mentioned topics
d. (0) The requirements for a "c" response or above are not met
e. Not applicable (please comment)

Answer: c. (33)

Sources: n/a

Comments: Researcher: The executive does not have any public participation mechanism.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested answer: a.

Comments: The agenda on these forums is very comprehensive.

Researcher response: We have only found documents about the meetings where the discussed topics had been mainly the labour market, especially wage increases. Other topics have emerged through questions but not in an organized manner. In our opinion this topic would fall into macroeconomic issues. For example: <http://www.liganet.hu/page/264/art/9502/akt/1/html/kerdesek-...>
(<http://www.liganet.hu/page/264/art/9502/akt/1/html/kerdesek-keresztuzeben-a-koltsegvetes.html> <http://www.mkksz.org.hu/html/main/2016/oket0524.pdf>)

IBP comment: For cross-country consistency, IBP accepts the researcher's response of "c".

128: Does the executive use participation mechanisms through which the public can provide input in monitoring the implementation of the annual budget?

- a. (100) Yes, the executive uses open participation mechanisms through which members of the public and government officials exchange views on budget implementation.
b. (67) Yes, the executive uses open participation mechanisms through which members of the public provide their inputs on budget implementation.
c. (33) Yes, the executive uses participation mechanisms during the budget implementation phase, but either these mechanisms capture only some ad-hoc views, or the executive invites specific individuals or groups for budget discussions (participation is not, in practice, open to everyone).
d. (0) The requirements for a "c" response or above are not met.
e. Not applicable (please comment).

Answer: d.

Sources: n/a

Comments: Researcher: There are no specific public participation mechanism regarding the budget implementation. Only one general mechanism is available: the Ministry for National Economy provides contacts for asking individual questions, but any kind of questions can be asked with the help of it.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested answer: b.

Comments: It is true that "the Ministry for National Economy provides contacts for asking individual questions", and "any kind of questions can be asked with the help of it". In our view this fact is in line with the description that "an open consultation mechanisms is in place whereby members of the public (i.e., individuals and/or CSOs as well as academics, independent experts, policy think tanks, and business organizations) can provide their input on the implementation of the annual budget." Therefore it is Criteria b. that fits best.

Researcher response: In our opinion open consultation mechanisms should encourage participation and/or invite members of the public to ask and share their opinion on the implementation of the budget. This includes providing the necessary information for formulating the opinion and actively advertising the mechanisms. Solely a contact of the Ministry cannot substitute it. In (<http://it.it>) the survey we examined the participation mechanisms that had a clear goal of actively interacting with the member of the public, like the National Consultations before.

IBP comment: For cross-country consistency, the researcher's response of "d" is maintained.

129: With regard to the mechanism identified in question 128, does the executive take concrete steps to receive input from vulnerable and under-represented parts of the population on the implementation of the annual budget?

- a. (100) Yes, the executive takes concrete steps to receive input from individuals from and/or organizations representing vulnerable and underrepresented parts of the population on the implementation of the annual budget.
- b. (0) The requirements for an "a" response are not met.
- c. Not applicable (please comment).

Answer: b.

Sources: n/a

Comments: Researcher: The executive do not have any public participation mechanism.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree with Comments

Comments: We do not agree with that "the executive do not have any public participation mechanism", but it is true that the mechanism is not focused specifically on vulnerable groups.

Researcher response: We do not think the contact for the Ministry would suffice as participation mechanism without supporting activities, so we did not identify any participation mechanism. We agree that the contact opportunities do not offer preference for vulnerable groups.

130:

During the implementation of the annual budget, which of the following topics does the executive's engagement with citizens cover?

For the purpose of this question, key topics are considered to be:

1. Changes in macroeconomic circumstances
2. Delivery of public services
3. Collection of revenue
4. Implementation of social spending
5. Changes in deficit and debt levels
6. Implementation of public investment projects

- a. (100) The executive's engagement with citizens covers all six topics
- b. (67) The executive's engagement with citizens covers at least three (but less than six) of the above-mentioned topics
- c. (33) The executive's engagement with citizens cover at least one (but less than three) of the above-mentioned topics
- d. (0) The requirements for a "c" response or above are not met.
- e. Not applicable (please comment).

Answer: d.

Sources: n/a

Comments: Researcher: The executive do not have any public participation mechanism.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested answer: a.

Comments: In fact any of the six topics can be covered by the questions of the citizens.

Researcher response: We agree that any question or recommendation can submitted to the Ministry, but we did not considered the contact opportunities as participation mechanism in question 128.

IBP comment: IBP agrees with the researcher's assessment that answer choice "d" is appropriate for question 128. Therefore, the researcher's response of "d" is maintained for question 130.

131:

When the executive engages with the public, does it provide comprehensive prior information on the process of the engagement, so that the public can participate in an informed manner?

Comprehensive information must include at least three of the following elements:

1. Purpose
2. Scope
3. Constraints
4. Intended outcomes
5. Process and timeline

- a. (100) Comprehensive information is provided in a timely manner prior to citizens engagement in both budget formulation and implementation phases.
- b. (67) Comprehensive information is provided in a timely manner prior to citizens engagement only prior to one of the two phases (formulation OR implementation).
- c. (33) Information is provided in a timely manner in both or one of the two phases, but it is not comprehensive.
- d. (0) The requirements for a "c" response or above are not met.
- e. Not applicable (Please comment).

Answer: d.

Sources: n/a

Comments: Researcher: The executive does not use any engagement mechanism in the budget formulation or implementation.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested answer: a.

Comments: The following criteria are fulfilled: Those members of the public who want to engage know how to do so, in terms of when they can do so, what they are expected to provide input on, by when, to whom.

Researcher response: Prior to tabling the budget no information is provided to the members of the public about the budget or new policies. With respect to the participation mechanisms mentioned in question 125, the participants received a summary on the main new policies of the EBP according to the publicly available information.

IBP comment: IBP agrees with the researcher's response of answer choice "d" as this question is asking about information other than the publication of the key budget documents.

132: With regard to the mechanism identified in question 125, does the executive provide the public with feedback on how citizens' inputs have been used in the formulation of the annual budget?

- a. (100) Yes, the executive provides a written record which includes both the list of the inputs received and a detailed report of how the inputs were used in the formulation of the annual budget.
- b. (67) Yes, the executive provides a written record which includes both the list of inputs received and a summary of the how the inputs were used in the formulation of the annual budget.
- c. (33) Yes, the executive provides a written record which includes either the list of the inputs received or a report or summary on how they were used.
- d. (0) The requirements for a "c" response or above are not met.
- e. Not applicable (please comment).

Answer: d.

Sources: n/a

Comments: Researcher: The executive does not use any participation mechanism in the budget formulation.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree with Comments

Comments: We agree with Criteria d, but do not agree with the Comment.

Researcher response: Thank you very much for the information. We agree that the initial comment should have included the consultation forums. Further information about them can be found in the Government review and Researcher's Response at question 125.

133: With regard to the mechanism identified in question 128, does the executive provide the public with information on how citizens' inputs have been used to assist in monitoring the implementation of the annual budget?

- a. (100) Yes, the executive provides a written record which includes both the list of the inputs received from the public and a detailed report of how the inputs were used to assist in monitoring the annual budget.
- b. (67) Yes, the executive provides a written record which includes both the list of inputs received and a summary of the how the inputs were used to assist in monitoring the annual budget.
- c. (33) Yes, the executive provides a written record which includes either the list of the inputs received or a report or summary on how they were used.
- d. (0) The requirements for a "c" response or above are not met.
- e. Not applicable (please comment).

Answer: d.

Sources: n/a

Comments: Researcher: The executive does not use any public participation mechanism in the budget implementation.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree with Comments

Comments: We agree with Criteria d, but do not agree with the Comment.

Researcher response: At question 128 we did not treat the sole contact for the Ministry as participation mechanism because in itself it did not encourage the citizens to share their opinion with the Ministry.

134: Are participation mechanisms incorporated into the timetable for formulating the Executive's Budget Proposal?

- a. (100) Yes, the executive incorporates participation into its timetable for formulating the Executive's Budget Proposal and the timetable is available to the public.
- b. (0) The requirements for an "a" response are not met.
- c. Not applicable (please comment).

Answer: b.

Sources: In Hungarian: Tájékoztató a 2017. évi költségvetési törvényjavaslat összeállításához szükséges feltételekről és az érvényesítendő követelményekről In English: Handout for the terms and requirements for formulating the budget proposal for FY 2017 URL: <http://ngmszakmaiteruletek.kormany.hu/download/9/e9/51000/20...>

(http://ngmszakmaiteruletek.kormany.hu/download/9/e9/51000/2017_TT.pdf) page 2

Comments: Researcher: The timetable for formulating the budget proposal did not include any deadline for conducting a public participation mechanism. The highlighted deadlines were for the other ministries to send their budget plans to the Ministry for National Economy until 1 April and the Ministry had to submit the EBP to the legislature until 26 April.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

135: Do one or more line ministries use participation mechanisms through which the public can provide input during the formulation or implementation of the annual budget?

- a. (100) Yes, at least one line ministry uses open participation mechanisms through which members of the public and government officials exchange views on the budget.
- b. (67) Yes, at least one line ministry uses open participation mechanisms through which members of the public provide their inputs on the budget.
- c. (33) Yes, at least one line ministry uses participation mechanisms during the budget formulation or implementation phase, but either these mechanisms capture only some ad-hoc views, or the executive invites specific individuals or groups for budget discussions (participation is not, in practice, open to everyone).
- d. (0) The requirements for a "c" response or above are not met.
- e. Not applicable (please comment).

Answer: d.

Sources: n/a

Comments: Researcher: There was not any engagement with the public from any of the ministries.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

136: Does the legislature or the relevant legislative committee(s) hold public hearings and/or use other participation mechanisms through which the public can provide input during its public deliberations on the formulation of the annual budget (pre-budget and/or approval stages)?

a. (100) Yes, public hearings are held, and members of the public/CSOs testify.

b. (67) Yes, public hearings are held. No testimony from the public is provided during the public hearings, but contributions from the public are received through other means.

c. (33) Yes, public hearings are held. No testimony from the public is provided during the public hearings, and there are no other mechanisms through which public contributions are received, but the legislature invites specific individuals or groups to testify or provide input (participation is not, in practice, open to everyone).

d. (0) The requirements for a "c" response or above are not met.

e. Not applicable (please comment).

Answer: d.

Sources: In Hungarian: Jegyzőkönyv az Országgyűlés Költségvetési bizottságának 2016. május 18-án, szerdán 10 óra 12 perckor az Országház főemelet 64. számú tanácstermében megtartott üléséről In English: Minutes of the meeting of the Fiscal Committee held on 18 May 2016 in the boardroom No. 64 of the Parliament URL: <http://www.parlament.hu/documents/static/biz40/bizjvk40/KVB/...>

(<http://www.parlament.hu/documents/static/biz40/bizjvk40/KVB/1605181.pdf>) pp. 21-22 In Hungarian: Összefoglaló a Magyarország 2017. évi központi költségvetési törvényjavaslatáról a Parlament Főemelet 64. tárgyalótermében 2016. május 3-án 10:00 órakor tartott kerekasztal-beszélgetésről In English: Summary of the conference on the budget proposal for FY 2017 held on 3 May 2016 in the boardroom No. 64 of the Parliament URL: <http://www.parlament.hu/documents/129373/244688/%C3%96sszefo...>

(<http://www.parlament.hu/documents/129373/244688/%C3%96sszefoglal%C3%B3+kerekasztal+besz%C3%A9lget%C3%A9sr%C5%91l+2017/3d5987a8-dd27-4298-9841-8b9e855185d8>)

Comments: Researcher: The Fiscal Committee does not invite any civil organization to its meeting where the budget proposal is debated but may provide opportunity to the public to explain its opinion if it notifies the committee before the meeting and the committee approves it. This is absolutely not an advertised mechanism and not publicly known. In 2016 as part of the project "Civilek a költségvetésről" (Civils about Budget) there was a public testimony where 17 CSOs opinion were summarized. This is shown in the cited minutes of the meeting. However we did not consider it as a public participation mechanism because it was ad-hoc and the invitation was asked by the civil organizations. Without it no public testimony would have been in the Fiscal Committee. Beside this meeting the Head of the Fiscal Committee also organized a conference about the macroeconomic assumptions of the EBP and invited several researchers from other institutions to explain their views. This conference was inspired by former Open Budget Surveys. The transcript of the conference is publicly available on the webpage of the Parliament, however it was not an official meeting of the committee because other MPs had not supported it. Due to its unofficial status we did not consider it as public participation mechanism of the legislature. Both the meetings were held in the approval stage of the budget formulation.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested answer: c.

Comments: We agree the description of the Hungarian expert, but on the basis of that Criteria c. would be more suitable in our view: "The legislature invites a few individuals/groups to provide input (through public hearings or elsewhere)".

Researcher response: The described meetings were not advertised and required registration. Some online news portal reported about them and the transcribed texts are available on the webpage of the Parliament. Television or other live broadcast solution was not present.

IBP comment: IBP accepts the researchers response of answer choice "d" as the first set of meetings described was initiated by civil society not parliament and the second conference was not an official meeting.

137:

During the legislative deliberations on the annual budget (pre-budget or approval stages), which of the following key topics does the legislature's (or relevant legislative budget committee) engagement with citizens cover?

For the purpose of this question, key topics are considered to be:

1. Macroeconomic issues
2. Revenue forecasts, policies, and administration
3. Social spending policies
4. Deficit and debt levels

5. Public investment projects

6. Public services

- a. (100) The legislature seeks input on all six topics
- b. (67) The legislature seeks input on at least three (but less than six) of the above-mentioned topics
- c. (33) The legislature seeks input on at least one (but less than three) of the above-mentioned topics
- d. (0) The requirements for a "c" response or above are not met.
- e. Not applicable (please comment).

Answer: d.

Sources: n/a

Comments: Researcher: There is no official and regular public participation mechanism conducted by the legislature.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested answer: b.

Comments: The discussion organized by head of budget committee (mentioned in 137) dealt with 3 topics: macroeconomic issues, revenue forecasts, policies, and administration, Deficit and debt levels.

Researcher response: .

IBP comment: IBP acknowledges the government reviewer's comment. However, as answer choice "d" was accepted for Q136, the appropriate response for Q137 remains "d".

138: Does the legislature provide feedback to the public on how citizens' inputs have been used during legislative deliberations on the annual budget?

- a. (100) Yes, the legislature provides a written record which includes both the list of the inputs received from the public and a detailed report of how the inputs were used during legislative deliberations on the budget.
- b. (67) Yes, the legislature provides a written record which includes both the list of inputs received and a summary of the how the inputs were used.
- c. (33) Yes, the legislature provides a written record which includes either the list of the inputs received or a report or summary on how they were used.
- d. (0) The requirements for a "c" response or above are not met.
- e. Not applicable (please comment).

Answer: d.

Sources: n/a

Comments: Researcher: The legislature may hear the citizens' opinion about the EBP (through non-structured mechanisms) but does not disclose any information how it used them in its decision making. It is also important that the current process of budget formulation does not allow too much time for comprehending the EBP, scrutinizing the noteworthy areas or collect other opinions. The deadlines of the most recent budget formulation allowed about two-three weeks for carrying out all those tasks, that is much shorter than the previous two months. Due to the narrow timeframe the legislature does not have any regular, well-established public participation mechanism and does not publish any feedback about it.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree with Comments

Comments: We agree with Criteria d. but do not agree with the reasoning. The deadlines do not mean any obstacle of any regular, well-established public participation mechanism.

Researcher response: We accept that not only the time constraints present a problem in the public participation mechanisms and it is not assured that the committee would use a looser schedule for introducing a participation mechanism. The committee has to be open to the opinions and take efforts to operate the mechanism properly. We wanted to emphasize that the tight deadlines had not allow too much opportunity to introduce such a mechanism. There was only three weeks for getting to know to the budget proposal and the new policies, prepare the recommendations with their costing, organize and hold the necessary events, examine the recommendations, discuss them in the committee and proposing a budgetary amendment.

139: Does the legislature hold public hearings and/or use other participation mechanisms through which the public can provide input during its public deliberations on the Audit Report?

- a. (100) Yes, public hearings on the Audit Report are held, and members of the public/CSOs testify.
- b. (67) Yes, public hearings on the Audit Report are held. No testimony from the public is provided during the hearings, but contributions from the public are received through other means.
- c. (33) Yes, public hearings on the Audit Report are held. No testimony from the public is provided during the hearings and there are no other mechanisms through which public contributions are received, but the legislature invites specific individuals or groups to testify or provide input

(participation is not, in practice, open to everyone).

d. (0) The requirements for a "c" response or above are not met.

e. Not applicable (please comment).

Answer: d.

Sources: In Hungarian: Jegyzőkönyv az Országgyűlés Költségvetési bizottságának 2015. október 13-án, kedden 9 óra 34 perckor az Országház főemelet 64. számú tanácstermében megtartott üléséről In English: Minutes of the Meeting of the Fiscal Committee of the Parliament held on 13 October 2015 at 9:34 in boardroom No. 64 of the Parliament URL: <http://www.parlament.hu/documents/static/biz40/bizjkv40/KVB/...> (<http://www.parlament.hu/documents/static/biz40/bizjkv40/KVB/1510131.pdf>)

Comments: Researcher: The Fiscal Committee discussed the Audit Report along with the Year-End Report on a public hearing, but invited only the state secretary responsible for the state budget. In the meeting nobody had any note or question about the Year-End Report or the Audit Report, so the state secretary did not have to make any comment. This can be read on page 5.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

140: Does the Supreme Audit Institution (SAI) maintain formal mechanisms through which the public can suggest issues/topics to include in the SAI's audit program (for example, by bringing ideas on agencies, programs, or projects that could be audited)?

a. (100) Yes, the SAI maintains formal mechanisms through which the public can suggest issues/topics to include in its audit program

b. (0) The requirements for an "a" response are not met.

c. Not applicable (please comment).

Answer: a. (100)

Sources: Contacts of the State Audit Office available for the public: <http://www.asz.hu/en/contacts> (<http://www.asz.hu/en/contacts>) In Hungarian: Tájékoztató az Állami Számvevőszék 2015. évi szakmai tevékenységéről és beszámoló az intézmény működéséről az Országgyűlés részére – 1 A jelentések hasznosulása – 1.7 Társadalmi szintű hasznosulás és nyilvánosság és - Kapcsolatban az állampolgárokkal-közérdekű bejelentések In English: Report for the Parliament on the activities of the State Audit Office of Hungary and on the functioning of the organization in 2015 – 1 Utilizing the reports – 1.7 Social utility and publicity - In touch with the citizens-managing public complaints page 34, URL: https://www.asz.hu/storage/files/files/tajekoztato_az_allami...

(https://www.asz.hu/storage/files/files/tajekoztato_az_allami_szamvevoszek_eves_tevekenysegerol/10303.pdf?ctid=271)

Comments: Researcher: The State Audit Office published its contacts on its website. In 2015 the SAO received 321 unique complaints or proposals from the public.

Peer Reviewer

Opinion: Disagree

Suggested answer: b.

Comments: There are some initiatives from the State Audit Office to inform citizens about the procedure of audit and other financial issues related to spend of public resources. They created on their website a separate menu about "Financial Awareness" <http://www.aszshirportal.hu/hu/penzugyi-tudatosag> (<http://www.aszshirportal.hu/hu/penzugyi-tudatosag>) The same time it is not really aware that public has the possibility to give any feedback about the tasks of the State Audit Office, or people could have any suggestion to them. For that reason the simple possibility to contact them, we would suggest not to be considered as a formal mechanism to receive suggestions from the public which could be included in the SAI's audit program, even though they write in their report that they consider these suggestions.

Government Reviewer

Opinion: Agree

Researcher response: n/a

IBP comment: For cross-country consistency, IBP has maintained the researcher's original response of "a".

141: Does the Supreme Audit Institution (SAI) provide the public with feedback on how citizens' inputs have been used to determine its audit program?

a. (100) Yes, the SAI provides a written record which includes both the list of the inputs received and a detailed report of how the inputs were used to determine its audit program.

b. (67) Yes, the SAI provides a written record which includes both the list of inputs received and a summary of the how the inputs were used to determine its audit program.

c. (33) Yes, the SAI provides a written record which includes either the list of the inputs received or a report or summary on how they were used.

d. (0) The requirements for a "c" response or above are not met.

e. Not applicable (please comment).

Answer: c. (33)

Sources: In Hungarian: Tájékoztató az Állami Számvevőszék 2015. évi szakmai tevékenységéről és beszámoló az intézmény működéséről az Országgyűlés részére – 1 A jelentések hasznosulása – 1.7 Társadalmi szintű hasznosulás és nyilvánosság és - Kapcsolatban az állampolgárokkal-közérdekű bejelentések In English: Report for the Parliament on the activities of the State Audit Office of Hungary and on the functioning of the organization in 2015 – 1 Utilizing the reports – 1.7 Social utility and publicity - In touch with the citizens-managing public complaints page 34, URL: https://www.asz.hu/storage/files/files/tajekoztato_az_allami... (https://www.asz.hu/storage/files/files/tajekoztato_az_allami_szamvevoszek_eves_tevekenysegerol/10303.pdf?ctid=271)

Comments: Researcher: In its yearly report the SAO states that it received 321 unique complaints and proposals from the public, of which 32 were used in the ongoing audits and 209 were utilized in deciding on its yearly audit plan. There is a feedback on the inputs from the public but there is no list with all the received inputs or any other indication at what extent the inputs influenced the yearly audit plan.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

142: Does the Supreme Audit Institution (SAI) maintain formal mechanisms through which the public can contribute to audit investigations (as respondents, witnesses, etc.)?

a. (100) Yes, SAI maintains formal mechanisms through which the public can contribute to audit investigations.

b. (0) The requirements for an "a" response are not met.

c. Not applicable (please comment).

Answer: b.

Sources: n/a

Comments: Researcher: 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 enough for further investigation.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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