



STATE AUDIT
OFFICE OF HUNGARY

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Public Management Reform in Hungary

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Public Management Reform

- **I. Need for the new Act on Public Finances**
 - **II. The new Act on Public Finances**
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I. Need for the new Act on Public Finances

Main reasons

1. New Fundamental Law of Hungary
 2. New acts
 3. Deficiencies of the previous Act on
Public Finances
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I. Need for the new Act on Public Finances

1. New Fundamental Law of Hungary


(The previous fundamental law (Constitution) entered into force in 1949.)

- Budget bill
 - Execution of the budget
 - National debt
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I. Need for the new Act on Public Finances

2. New acts

- New Act on SAO
 - Act on financial stability
 - Act on national property
 - New Act on local governments
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I. Need for the new Act on Public Finances

3. Deficiencies of the previous Act on Public Finances

- Its structure based on processes and not on the structure of the public finances.
- The cash-based accounting wasn't applied consistently and uniformly.
- It contained many operational regulations theoretically.
- It contained regulations for local governments in part of the central government.
- Its terminology was not consistent.

II. The new Act on Public Finances

- New structure of the state budget
 - Simpler and more transparent regulations
 - Detailed regulations and the operational rules have been transposed into new acts and implementing provisions
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II. The new Act on Public Finances

- Controls of the management of public finances
 - External audit
 - Governmental controls
 - Internal control system
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Role of the State Audit Office of Hungary

- Role by the Act on Public Finances
 - Advisory function
 - Audit Function
 - Guarantees of the efficiency by the New Act on SAO
 - Transparency
 - Accountability
 - New challenges
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Thank you for your attention

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