

Apáczai Csere János u.

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SZÁMVEVŐSZÉK

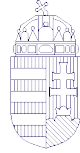
STRATEGY



STATE AUDIT OFFICE
HUNGARY

ÁLLAMI
SZÁMVIZSGÁLÓ

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SZÁMVEVŐSZÉK

STRATEGY

of the State Audit Office of Hungary

dr. László Windisch
President

March 2025



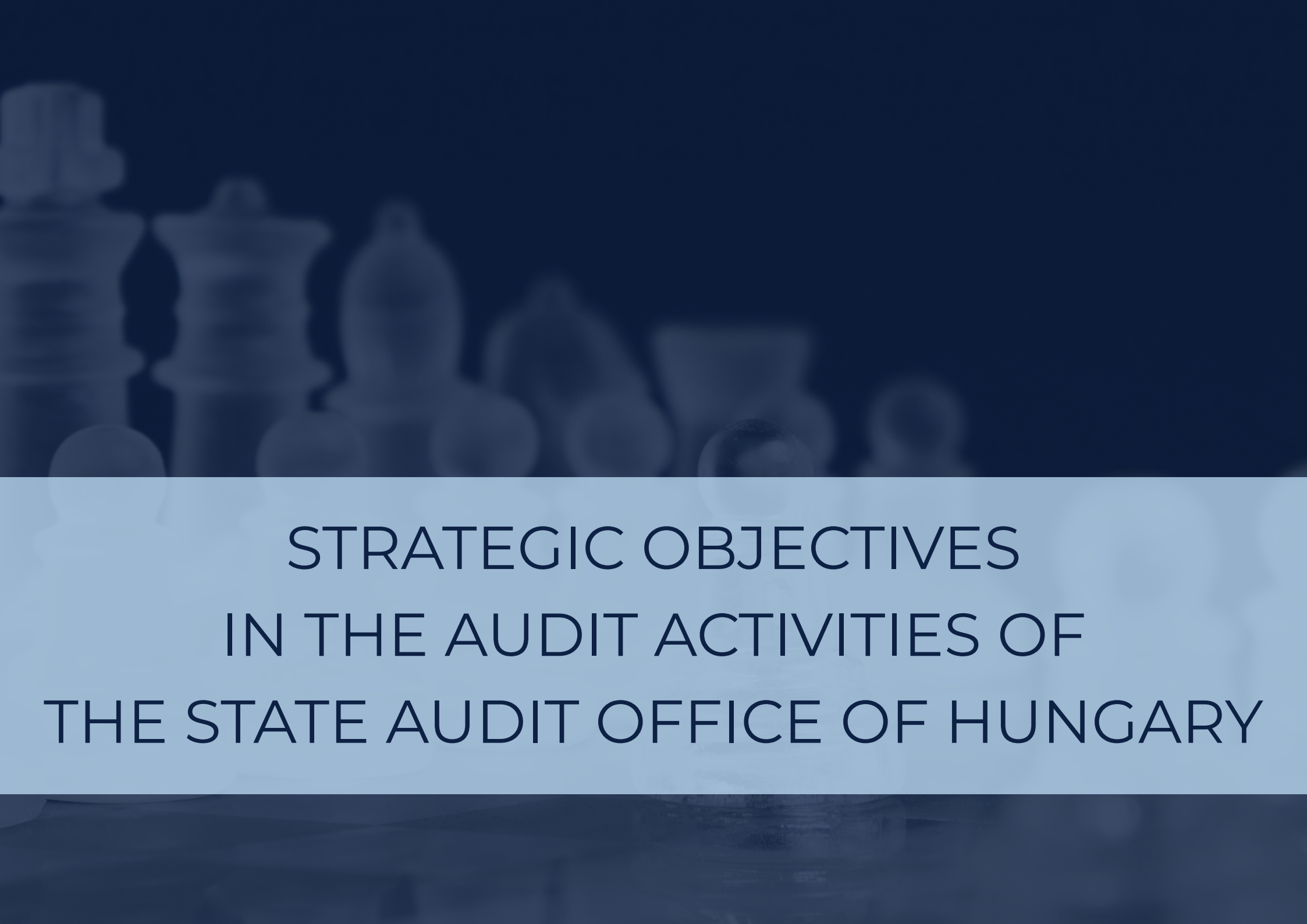
MISSION AND VISION OF
THE STATE AUDIT OFFICE OF HUNGARY

MISSION

The SAO oversees the flow of public funds and promotes sustainable public financial management. With its findings, recommendations and advice based on its audit experience, it assists the National Assembly, the parliamentary committees, and the work of audited entities or entities that may be audited under law.

VISION

With its supervisory approach and complex perspective, it contributes to identifying risks in the management of public funds and national assets. Through its data-driven and risk-based audits, it identifies deviations from the accepted standards in a timely manner to ensure that corrective measures are taken.



STRATEGIC OBJECTIVES
IN THE AUDIT ACTIVITIES OF
THE STATE AUDIT OFFICE OF HUNGARY

SUPERVISORY APPROACH

- The State Audit Office of Hungary seeks to ensure the timely detection of deviations of audited entities from the accepted standards in order to enable corrective measures to be taken in due time.
- It analyses and evaluates the revenues and expenditure concerning sectors of the economy and monitors the processes and risks affecting these sectors, as well as the changes thereof.
- It aims to identify risks affecting the financial management of entities that may be audited under law. To this end, it continuously follows up and monitors the economic events and financial processes of entities that may be audited under law, analyses and assesses the identified risks and carries out audits to detect these risks and make recommendations for improvement.
- It follows the flow of public funds, with focus on public procurement and grants outside public finances.
- Its activities promote sustainable public financial management.
- Its supervisory approach contributes to transparency in the management of public funds and national assets, along with risk-based selection of audit topics and risk-based audits.

RISK-BASED APPROACH

- The State Audit Office of Hungary aims to improve the efficiency of its audit activities by providing a detailed overview of audit areas and sectors of the economy and by mapping the risks thereof.
- It conducts risk analyses and operates an objective risk analysis system and a system of key risk indicators.
- It ensures the quality and efficiency of its audits by selecting audit topics based on the results of its risk analyses.
- It selects auditees on a risk basis.
- By focusing on prevention, it conducts its audits by taking into account the identified risks and responding to them in a timely manner.
- It focuses its audits on risks related to the financial management, the operation, the organisational setup and the design of controls, budget planning and solvency, the financial and asset management, public procurement, grants, financial reporting and transparency of entities that may be audited under law. It monitors risks related to performing public duties, as well as to managing, supervisory, controlling authority activities and the exercising of ownership rights. In its audits the SAO focuses on materiality, timeliness and risk areas. It applies professional judgement in determining materiality. When selecting audit topics, it takes into account the circumstances and changes having a major impact on the operation and financial management of audited entities.

DATA-DRIVEN APPROACH

- The State Audit Office of Hungary uses data available in databases created and operated by public bodies as well as publicly available data and databases.
- On the basis of authorisation provided by law, it strives to use regular data services and establish permanent data links with its professional partners, ensuring the availability of up-to-date data as well as the operation of its own risk analysis system and its system of indicators monitoring the occurrence of risks. At the same time, it seeks to minimise the volume of ad-hoc data requests from audited entities on an individual basis.
- It covers areas within its audit scope with data analysis and uses data analyses in preparing and carrying out audits.
- It develops an organisational knowledge base to systematically collect the findings of its previous audits. It makes use of all these data in its risk analyses and in the selection of areas and entities to be audited.

SPECIALISATION

- The State Audit Office of Hungary relates its audits to sectors of the economy. Its objective is to cover all major sectors of the economy by audits.
- At the central level of public finances, auditing the operation and financial management of budgetary entities and the audit of the execution of the central budget of Hungary play an important role in its activities.
- Within the local government sub-sector of public finances it audits in a cost-efficient manner the financial management, the financial situation and assets of entities and their companies, taking into account their specificities, along with the risk-based monitoring system indications, while also respecting the principle of self-government, and uses non-audit tools to support the compliance and effectiveness of the activities of these entities and the high level of performance of public duties and provision of public services.
- At organisations outside public finances SAO focuses its audits on the transparent use of state funding and asset transfers.

SPECIALISATION

- As for the management of public assets, the State Audit Office of Hungary carries out audits to provide an effective response to current processes. It focuses on significant risks, such as the disposal and responsible management of public assets and on preserving and increasing their value. It audits the financial management of and public participation in state-owned companies in terms of lawfulness, expediency, effectiveness and responsible management.
- By auditing the quality and availability of public services, it enhances public awareness in order to ensure the economic, efficient and effective use of tax revenues. It monitors the provision of public services, the financial management and performance of entities selected for audit. Its audits contribute to improving the performance-focused functioning of the public sector.
- It audits the operation of the internal control system of entities performing functions at the central and local level of public finances, and of publicly owned companies. In addition to the design of internal control systems, it focuses on the adequacy of the functioning of control elements.
- It audits the disbursement and use of grants from public finances and those financed directly by the European Union.

UTILISATION

- The State Audit Office of Hungary pays particular attention to the utilisation of the results of its work. The most important results of its audits are the prevention of risks related to the misappropriation (irregular, ineffective, not expedient use) of public funds or the call for action to prevent errors from reoccurring. With its audit reports and analyses based on its audit experience, it enables decision-makers to respond to the identified errors and deficiencies in a well-founded manner.
- Focusing on quality and professionalism, it provides credible information to the National Assembly and the public on whether public funds are used and national assets are managed in a lawful, expedient and effective manner.

ACHIEVING SOCIETAL IMPACT

- In addition to performing its statutory duties, the State Audit Office of Hungary determines the topics for its audits and analyses based on audit experience in response to current issues and problems of importance for society, adapting to the changing circumstances.
- In order to achieve a societal impact, it supports, through its activities, the lawful, expedient and effective financial management and operation of entities managing public funds and national assets, the economical, efficient and effective performance of their public duties and the use of funds from tax payments and public finances accordingly.
- It aims to achieve the widest possible coverage with the tools at its disposal and to maximise the impact of all available means.



THE MEANS TO ACHIEVE
STRATEGIC OBJECTIVES

AUDIT TOOLS OF SAO

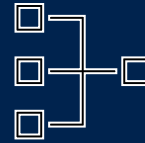
- SAO constantly improves its professional rules of auditing.
- It is actively involved in the work of the international SAI community.
- Through its audits and conclusions drawn therefrom, it aims to promote the lawful operation of audited entities.
- In the course of its audits, it identifies not only errors and deficiencies but also their root causes.
- In carrying out its audits, it follows up on the corrective measures taken by the audited entities.
- Its audit tools include combined, legality and systems audits. It also carries out in-depth audits and rapid audits in order to implement prompt corrective action.

AUDIT TOOLS OF SAO



COMBINED AUDITS

aimed at maintaining the lawful, expedient and effective financial management, operation and public service activities of audited entities



SYSTEMS AUDITS

aimed at improving the quality of public services, monitoring the performance of public bodies and entities providing public services to ensure that they are economic, efficient and effective public service activities



LEGALITY AUDITS

aimed at preventing errors and deficiencies and helping correct them in areas where the SAO's audit mandate is limited to the legality aspect by law

TOOLSET FOR AUDIT SUPPORT ACTIVITIES

- Within the framework of its audit support activities, the State Audit Office of Hungary issues advisory opinions and presidential recommendations.
- As part of its advisory activities, it acts as a knowledge centre to support audited entities and entities that may be audited under law to ensure the regularity of their operation and financial management, as well as their voluntary compliance with the law. In doing so, it shares its experience of innovative or good practices identified at audited entities.
- On its website, it publishes self-tests developed to promote voluntary compliance with the law, tailored to the type of entities in its audit scope.
- It launches knowledge-sharing consultation series and organises trainings.
- It pays particular attention to training the staff of entities managing public funds.
- By operating its Financial Academy, the SAO aims to ensure the transfer of knowledge required for the transparent and sustainable financial management of public sector entities and promote the compliant, expedient and efficient use of public funds and national assets.
- For the purpose of knowledge sharing, it maintains relations with audited entities and audit bodies, the supreme audit institutions of numerous countries, as well as national and international professional partner organisations.

STRATEGIC OBJECTIVES IN THE OPERATION OF THE SAO

- The State Audit Office of Hungary operates its organisation based on professional and sectoral competences, in line with the tasks to be performed.
- It operates quality assurance in the audit process.
- It is committed to comply with the accepted national and general professional principles and standards.
- It aims to fulfil an exemplary role as a public sector entity.
- To achieve its strategic objectives, it optimises its available resources. In its audits, it stands for the principle of value for money.
- Its operation is characterised by sustainability.
- It takes advantage of the opportunities offered by digitalisation (technology), using digital solutions to support the efficient performance of its tasks and the operation of the organisation.
- To convey the results of its work and its values, it engages in direct, professional and clear communication.


STATE AUDIT OFFICE
OF
HUNGARY

ANGELUS ASSOCIATION OF
PUBLIC ACCOUNTANTS
MEMBER
REGISTRATION BOARD

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ÁLLAMI
SZÁMVEVŐSZÉK

Magyar Pénzügy-Controlling
Előirány Előadó
Előadó

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