

The Internal Control Scope of the Office

The Government Control Office (GCO) performs government control tasks laid down in law and other tasks defined in public regulatory instruments or in acts concerning the enforcement of government control policies, under Government Decree No. 355/2011 of 23 December 2011. Referred to its remit, its control activities are carried out under separate legal acts, government decisions or are prescribed by the Prime Minister of Hungary and the Secretary of State responsible for legal affairs at the Prime Minister's Office.

The Office performs its government control activities on the basis of an annual control plan approved by the Government. Pursuant to a government decision, the directive of the Prime Minister, and that of the Secretary of State responsible for legal affairs at the Prime Minister's Office the President of the Office shall also order controls on an extraordinary basis.

In accordance with Art. 63(1) of Act CXCV of 2011 on Public Finance, the control scope of the Office embraces the following:

- a) the control of the implementation of government decisions,
- b) the government control of central appropriations under headings directed or supervised by the Government, of appropriations under headings, of the use of separate state funds, that of social security funds, and of central budgetary institutions under the control or supervision of the Government,
- c) the control of budget support allocated from the central budget or that of other support from the central subsystem of public finance - including support and aid received under international treaties - given to commercial entities, public foundations, public bodies, foundations, regional development councils and unions, and the control of the use of property granted by the State gratuitously to the above-mentioned organizations for special purposes,
- d) the control of commercial entities which, with respect to national economy, form priority part of national property and are permanently in state ownership, and the control of commercial entities - other than the National Bank of Hungary - in which the Government is a majority shareholder,
- e) the control of foundations and public foundations the founder rights of which are exercised by budgetary institutions under the direction or supervision of the Government, or which receive state support from the central subsystem of public finance,
- f) the control of the legitimacy of granting or drawing-down of public guarantees, including the control of the central budget and the compliance with the provisions of security documents both as regards the initial obligor and the obligee under the contract,
- g) the control of the operation and financial management of private pension funds and organizations defined by Act No. LXXXII of 1997 on private pensions and private pension funds before the transfer of their portfolios, including the control of portfolio assets directly or indirectly managed by these organizations - with the aim of control of the legitimacy of financial management concerning portfolios transferred to the Pension Reform and Debt Reduction Fund under Art. 24(11) of Act No. LXXXII of 1997 on private pensions and private pension funds,

h) the control of legal relationships arising in connection with points a) - g), and of contracting parties who are directly or indirectly taking part in the fulfilment of the conditions of such a relationship,

i) the control of the legitimacy of the financial management of the Fund Against National Debt.

The Reporting Obligation of the Office

The President of the GCO shall report on its activities to the Government on an annual basis via the Secretary of State responsible for legal affairs at the Prime Minister's Office until 30 June in the year following the year during which the controls were carried out.

The Sphere of Authority of the President of the Office within the Framework of the Coordination of the Government Control Activity

Within the framework of the coordination of government control activity, the President of the Office exercises rights defined in Art. 6(7) of Government Decree No. 212/2010 of 1 July of 2010 on the tasks and sphere of authority of ministers and the Secretary of State leading the Prime Minister's Office. Within this framework, the President regularly informs the heads responsible for audit in ministries, has right of censure in nominating, dismissing, and transferring the heads of internal audit units in ministries, and may also initiate their compulsory retirement. He provides for the professional further education of the heads of internal audit units, organizes professional conferences for them and controls the implementation of the personnel policy of the Government.