

# Hungary

## Overview



### Transparency:

**44** /100

(Open Budget Index score)



### Public Participation:

**0** /100



### Budget Oversight:

**57** /100

## About the survey

Government budget decisions – what taxes to levy, what services to provide, and how much debt to take on – have important consequences for all people in society. When governments provide information and meaningful channels for the public to engage in these decisions, we can better ensure public money is spent on public interests.

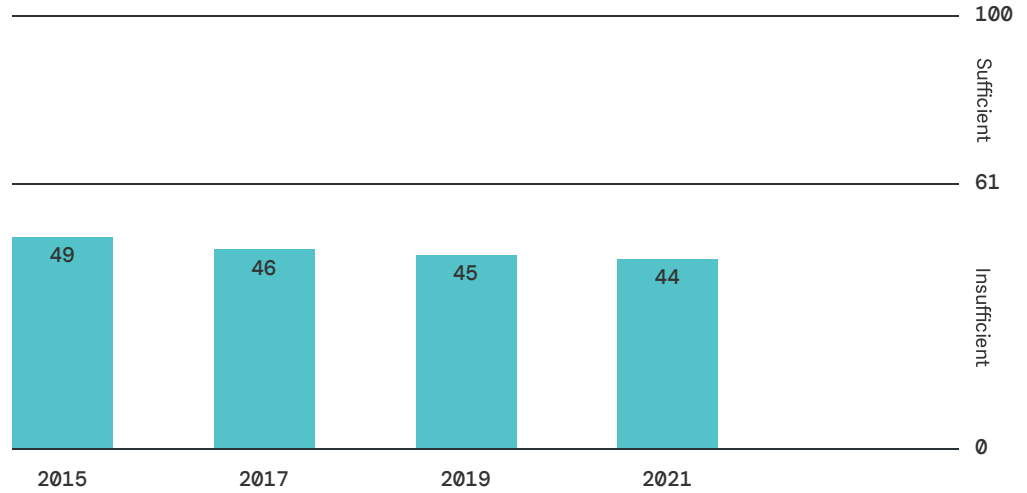
**The Open Budget Survey (OBS)** is the world’s only independent, comparative and fact-based research instrument that uses internationally accepted criteria to assess public access to central government budget information; formal opportunities for the public to participate in the national budget process; and the role of budget oversight institutions, such as legislatures and national audit offices, in the budget process.

The survey helps local civil society assess and confer with their government on the reporting and use of public funds. This 8th edition of the OBS covers 120 countries.

Visit [www.internationalbudget.org/open-budget-survey](http://www.internationalbudget.org/open-budget-survey) for more information, including the full OBS methodology, the 2021 Global and Regional Reports, findings for all surveyed countries, and the Data Explorer.



# How has the transparency score for Hungary changed over time?



## Public availability of budget documents in Hungary

KEY	
<span style="color: green;">●</span>	Available to the Public
<span style="color: yellow;">●</span>	Published Late, or Not Published Online, or Produced for Internal Use Only
<span style="color: red;">⊘</span>	Not Produced

Document	2015	2017	2019	2021
Pre-Budget Statement	<span style="color: red;">⊘</span>	<span style="color: yellow;">●</span>	<span style="color: yellow;">●</span>	<span style="color: red;">⊘</span>
Executive's Budget Proposal	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>
Enacted Budget	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>
Citizens Budget	<span style="color: red;">⊘</span>	<span style="color: red;">⊘</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>
In-Year Reports	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>
Mid-Year Review	<span style="color: red;">⊘</span>	<span style="color: yellow;">●</span>	<span style="color: yellow;">●</span>	<span style="color: yellow;">●</span>
Year-End Report	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>
Audit Report	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>

# How comprehensive is the content of the key budget documents that Hungary makes available to the public?

KEY	
<span style="color: #007060;">●</span>	61-100 / 100
<span style="color: #00A08A;">●</span>	41-60 / 100
<span style="color: #90EE90;">●</span>	1-40 / 100

Key budget document	Document purpose and contents	Fiscal year assessed	Document content score
Pre-Budget Statement	Discloses the broad parameters of fiscal policies in advance of the Executive's Budget Proposal; outlines the government's economic forecast, anticipated revenue, expenditures, and debt.	2021	Not Produced
Executive's Budget Proposal	Submitted by the executive to the legislature for approval; details the sources of revenue, the allocations to ministries, proposed policy changes, and other information important for understanding the country's fiscal situation.	2021	41
Enacted Budget	The budget that has been approved by the legislature.	2021	61
Citizens Budget	A simpler and less technical version of the government's Executive's Budget Proposal or the Enacted Budget, designed to convey key information to the public.	2021	25
In-Year Reports	Include information on actual revenues collected, actual expenditures made, and debt incurred at different intervals; issued quarterly or monthly.	2020	85
Mid-Year Review	A comprehensive update on the implementation of the budget as of the middle of the fiscal year; includes a review of economic assumptions and an updated forecast of budget outcomes.	2020	Internal Use
Year-End Report	Describes the situation of the government's accounts at the end of the fiscal year and, ideally, an evaluation of the progress made toward achieving the budget's policy goals.	2019	67
Audit Report	Issued by the supreme audit institution, this document examines the soundness and completeness of the government's year-end accounts.	2019	62

Hungary's transparency score of **44** in the OBS 2021 is near its score in 2019.

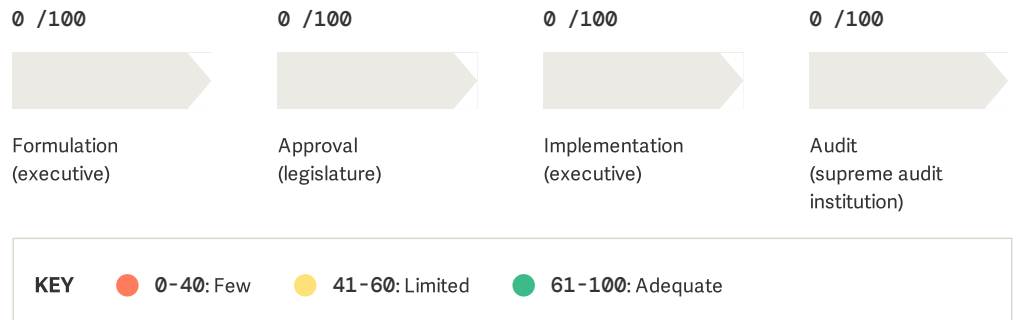
## Recommendations

Hungary should prioritize the following actions to improve budget transparency:

- Publish the Mid-Year Review online in a timely manner.
- Produce and publish the Pre-Budget Statement online in a timely manner.
- Include in the Executive's Budget Proposal data on expenditures from prior years, as well as information on policy and performance proposals and the financial position of the government.
- Improve the comprehensiveness of the Citizens Budget (CB) by including a macroeconomic forecast and contact information, as well as a more comprehensive list of policy initiatives. The process to draft this document can also be made more participatory, by establishing mechanisms to identify the public's requirements for budget information to be included in the CB.
- In addition, the government should more actively disseminate the Citizens' Budget as a standalone document - current practice has it included and therefore "hidden" in the Executive's Budget Proposal package.
- The government should publish budget data in machine-readable formats (such as Excel or csv) during the entire budget cycle. Currently, this practice applies only to the data in the in-year budget implementation reports, and would be especially relevant for the Executive's Budget Proposal and the Year-End Review.



# Extent of opportunities for public participation in the budget process



## Recommendations

To further strengthen public participation in the budget process, Hungary's Ministry of Finance should prioritize the following actions:

- Pilot mechanisms to engage the public during budget formulation and to monitor budget implementation.
- Actively engage with vulnerable and underrepresented communities, directly or through civil society organizations representing them.

Hungary's National Assembly should prioritize the following actions:

- Allow members of the public or civil society organizations to testify during its hearings on the budget proposal prior to its approval as well as during its hearings on the Audit Report.

Hungary's State Audit Office should prioritize the following actions to improve public participation in the budget process:

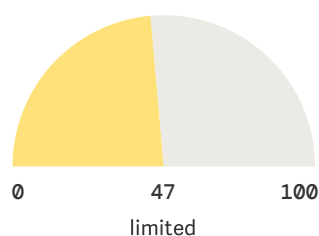
- Establish formal mechanisms for the public to assist in developing its audit program and to contribute to relevant audit investigations.

# Budget Oversight

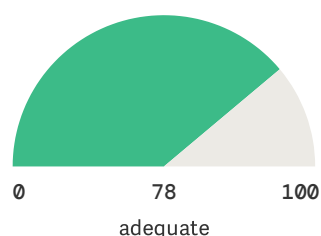
The OBS examines the role that legislatures and supreme audit institutions (SAIs) play in the budget process and the extent to which they provide oversight; each country is scored on a scale from 0 to 100 based on 18 equally weighted indicators. In addition, the survey collects supplementary information on independent fiscal institutions (see Box).

The legislature and supreme audit institution in Hungary, together, provide limited oversight during the budget process, with a composite oversight score of **57** (out of 100). Taken individually, the extent of each institution's oversight is shown below:

## Legislative oversight



## Audit oversight



**KEY** ● 0-40: Few ● 41-60: Limited ● 61-100: Adequate

## Recommendations

Hungary's National Assembly provides adequate oversight during the planning stage of the budget cycle and weak oversight during the implementation stage. To improve oversight, the following actions should be prioritized:

- The legislature should debate budget policy before the Executive's Budget Proposal is tabled and approve recommendations for the upcoming budget.



- In practice, ensure the legislature is consulted before the executive shifts funds specified in the Enacted Budget between administrative units; spends any unanticipated revenue; or reduces spending due to revenue shortfalls during the budget year.
- A legislative committee should examine in-year budget implementation as well as the Audit Report, and publish reports with their findings online.

To strengthen independence and improve audit oversight by the Hungary State Audit Office, the following actions are recommended:

- Ensure audit processes are reviewed by an independent agency.

### **The emerging practice of establishing independent fiscal institutions**

Hungary's independent fiscal institution (IFI) is the Fiscal Council. Its independence is set in law, and it advises the legislature. It publishes an assessment of the official macroeconomic produced by the executive.

*The indicators on IFIs are not scored in the Open Budget Survey.*

# Methodology

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- Only documents published and events, activities, or developments that took place through 31 December 2020 were assessed in the OBS 2021.
- The survey is based on a questionnaire completed in each country by an independent budget expert:  
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- To further strengthen the research, each country's draft questionnaire is also reviewed by an anonymous independent expert.