

A decade for integrity, committed to eliminating corruption

Evaluation of the last year's anti-corruption activities of the Ministry of the Interior, the State Audit Office of Hungary, the Hungarian Competition Authority, the Public Procurement Authority, the Curia, the Office of the Prosecutor General, the Central Bank of Hungary, and the National Office for the Judiciary on the anti-corruption activities of last year

6 December 2021, Budapest – The fight against corruption is of strategic significance as it has major impact on the development of the national economy, in addition to affecting the reputation of the country. The fight against corruption and the creation of an integrity-based administrative culture, as in the last decade, require coordinated cooperation between state institutions, state leaders participating in the 10th (Jubilee) Integrity Roundtable.

At the initiative of the State Audit Office of Hungary, the Minister of Public Administration and Justice, the Attorney General, the President of the Supreme Court, and the President of the State Audit Office signed a joint declaration of intent in Budapest on 18 November 2011, in which they made a moral commitment to strengthen the resilience of the state bodies they run against corruption and to develop an anti-corruption toolbox. The National Judicial Office joined the cooperation in 2012, followed by the Ministry of the Interior in 2014, the Public Procurement Authority and the Central Bank of Hungary in 2016, on the 5th anniversary of the co-operation, and the Hungarian Competition Authority last year.

In the past decade, Hungary has declared a policy of zero tolerance for corruption and targeted, effective steps have been taken in order to prevent and curb it. The anti-corruption activities represented by state institutions were closely intertwined, built on each other and strengthened one another in several fields. It is an outstanding achievement that the concept of integrity, which was largely unknown in 2011, is now an integral part of the operation of public institutions: integrity management and control systems have been established, which contribute to the prevention of the systemic corruption.

Although the objectives specified in the declaration of intent have been fulfilled, joint efforts are needed to maintain the results achieved and further strengthening the culture of integrity, declared by the participants of the 10th Integrity Roundtable.

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At the event, **Dr Sándor PINTÉR, Deputy Prime Minister and Minister of the Interior**, emphasised the following: 'In the ten years since the first joint declaration of intent on the purity of public affairs, the commitment of the Ministry of the Interior in the fight against corruption has been unbroken. The role of the Ministry has become even more important in this regard, and the effective legal environment and system of tools have greatly contributed to the effective action of the authorities.'

László DOMONKOS, President of the State Audit Office of Hungary, said: 'Ten years ago, I promised that the State Audit Office would be able to systematically audit the protection of certain sectors against corruption. I am proud to announce that this year, we have completed the evaluations of both 3197 municipalities and 1284 municipal offices, and a system-wide evaluation of an additional 3300 municipal institutions and nearly 600 institutions under the control of the municipality and the association, and about 1350 municipally owned undertakings, is underway. All this means that in 2021, the State Audit Office have an even greater impact on the protection of the public sector against corruption.'

Dr Csaba KANDRÁCS, Vice President of the Central Bank of Hungary, pointed out: ‘In order to strengthen the integrity, the Central Bank of Hungary renewed its internal Code of Ethics this year, which sets out ethical requirements for individual disciplined in addition to legislation. The Integrated Assurance Program, which evaluates internal controls within the central bank, assesses the risk exposure of the processes and activities within the institution, as well as the control environment. A new compliance risk assessment methodology has been developed in connection with VIBER to prevent abuses and fraudulent initiatives affecting new and existing customers, which can be applied by all market players in relation to payment, settlement, and compensation systems.’

Dr András PATYI, Vice President of the Curia, emphasised: ‘**By its constitutional nature,** the Curia is one of the courts in Hungary with its general scope of competence, which acting alone at its own judiciary level, is obliged to ensure the uniformity of the application of judicial law in addition to the administration of justice in individual cases. Therefore, the Curia must be solid, confident, and reliable. One of the prerequisites of reliability is a transparent institutional operation free from any unauthorised influence. Therefore, in addition to criminal justice in anti-corruption cases and consolidation of case, the Curia continues to ensure the resilience of its own board of judges and officials, as well as its work processes, and **has been involved in anti-corruption cooperation between state bodies from the outset.** Since the signing of the declaration of intent launching the cooperation in December 2011, the Curia has significantly improved its **anti-corruption toolkit** and all administrative workflows have been regulated.’

Dr György Barna SENYEI, President of the National Office for the Judiciary, shed light on the following: ‘The operation of the courts in 2021, like the previous year, was marked by COVID-19 pandemic. As a result, the protection of the health of clients and court employees has become a priority operational goal of courts; while at the same time, the continuity of judicial work and administration had to be ensured. The operation of the courts has continued even under the altered circumstances, in which the use of digital tools and solutions was crucial.’

Dr László KOVÁCS, a President of the Public Procurement Authority, emphasised: ‘In order to promote the integrity of procedures, the Public Procurement Authority has further tightened in all areas of control this year. In the case of nearly 24,000 notifications received, we sent out almost the same number of irregularity warnings - rectification - thus preventing a number of illegal proceedings from taking place. We have reduced the number of negotiated procedures without notice to almost one-fifteenth in recent years; this means about 250 such procedures per year, which is 2-3% of all proceedings. We increased the number of contracts audits by more than 10%. The number of ex officio redress initiatives based on the supervisory activity of the Authority remains significant: we have submitted 117 redress initiatives against 123 organisations, representing more than a third of all *ex officio* initiatives. By increasing transparency, we have made the publication of public procurement statistics on our website and mobile application continuous.’

Dr István LAJTÁR, Deputy Prosecutor General for Public Law, expressed: ‘Thanks to legal and technical innovations, the Office of the Prosecutor General of Hungary was operating uninterrupted in the past period as well, in spite of the global pandemic. The emergency introduced in March 2020 set procedural law provisions different from those included in the Criminal Procedure Act. The role of the Prosecutor’s Office has been greatly enhanced as it has not only represented the prosecution in court or supervised the investigation but has also been active in helping to bring proceedings to a minimum and with as little risk as possible from an epidemiological point of view.’

Csaba Balázs RIGÓ, President of the GVH, emphasised: ‘The Competition Council imposed 94% of the total fines of approximately HUF 17.3 billion imposed this year due to restrictions on competition. This clearly shows that the **GVH** is able to eliminate cartels harming Hungarian consumers and it is not only active in the field of consumer protection. Even more important is that the decisions of the GVH eradicate the unfair and restrictive market practices that may cause damages for Hungarian consumers.’



BELÜGYMINISZTERIUM

The commitment of the Ministry of the Interior to taking action against corruption is unbroken. The three pillars of the fight are the prevention of corruption, the development of effective law enforcement activity, and e-government.

The framework for the prevention of corruption is laid down by the National Anti-Corruption Strategy; the Ministry and the National Protective Service continued to carry out tasks included therein in 2021.

As the new coronavirus epidemic allowed, workshops, conferences and trainings for professionals in public administration, law enforcement and municipalities have been relaunched, and we assist business actors in managing corruption risks, strengthening the integrity of their organizations, and identifying acts that violate their integrity. A series of joint trainings with prosecutors continued, now supplemented by judges.

The staff of the National University of Public Service is involved in the mapping of positions especially affected by corruption and integrity risks and, in order to present positive and negative examples of corruption, interviews with selected staff members on career paths. The role of the National Protective Service has been dominant in the **prosecution of criminal offences** that damage the integrity of state bodies, corruption-related and administrative offences in particular, ever since its founding. The goal has not changed: public administration that operates in a transparent and accountable manner, where employees with high moral standards resist attempts at corrupt practices.

A significant challenge is to end the decades-long practice of 'gratitude payments', undermining equal opportunities in health care. To this end, the competent legislative body criminalised the offering and acceptance of undue advantages during the provision of healthcare from 1 January 2021 and extended the criminal investigation and crime prevention powers of the National Protective Service to those in a legal service of healthcare, as well as the employees of the public institutions responsible for the management and supervision of healthcare professionals.

Following the expansion of its scope of authority, the activities of the National Protective Service cover all organisations of law enforcement, public administration, and state healthcare, as well as the employees thereof; and the number of employees of protected bodies exceeds 460,000.

Recently, we have placed particular emphasis on the **development of e-government.**

The aim of these projects is to ensure that the administrative steps between the initiation and closure of each case are performed without human intervention. The development of IT tools and processes supported by artificial intelligence contributes to the creation of transparent automatic procedures that guarantee the fairness of public affairs and enables flexible human resources management. Reducing number of contacts between administrators and clients, as well as the widespread introduction of automatic decision-making, are able to efficiently reduce the corruption risks in the operation of public administration.

Significant milestones in the development were the creation of a framework of rules for electronic administration, the introduction of the e-government portal, the Electronic Health Services Space, the electronic ID card, the Document App, as well as the introduction of the for retrieving various vehicle registration data. renewal of the administrative interface (magyarorszag.hu), which is the collection page of the Hungarian e-government services.

In the ten years since the first joint declaration of intent on the fairness of public affairs, the commitment of the Ministry of the Interior to combating corruption has been unbroken. The role of the Ministry has become

even more important in this regard; the effective legislative environment and legislative toolkit have significantly contributed to the effective action of the authorities.



The fight against corruption has reached a higher level in Hungary over the past 10 years: the State Audit Office first disseminated the approach to integrity in the Hungarian public sector through the annual Integrity Survey, then developed the method into a control, and by 2021, it has further strengthened the position of organisations using public funds through widespread consulting and knowledge-sharing activities, thus improving their resilience.

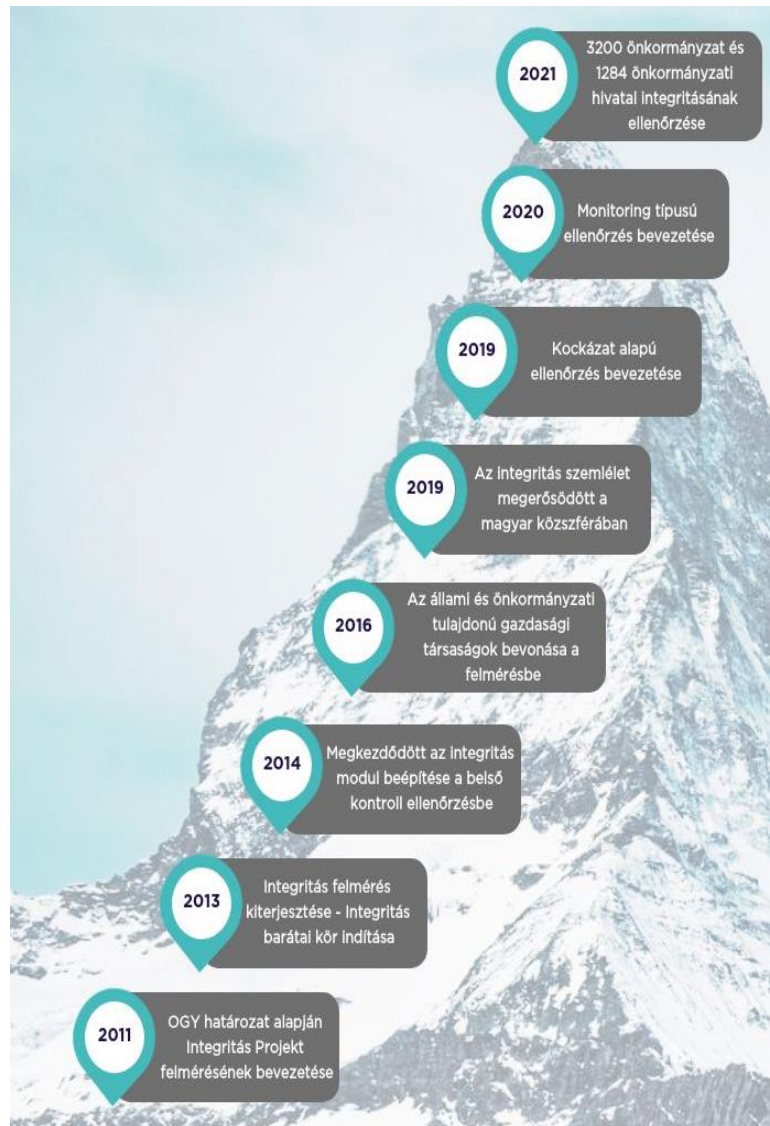
Over the course of the past 10 years, the State Audit Office has established and reinforced a culture of integrity among the institutions of the public sector.

In line with the decision of the National Assembly, the State Audit Office conducted an Integrity Survey developed based on experiences in the Netherlands in order to introduce and dissemination of the integrity culture among Hungarian institutions every year between 2011 and 2019. While participating in the survey, the public institutions were presented with the corruption-related dangers threatening them, as well as the insufficient state of their integrity controls. A total of 4002 organisations funded through public resources or handling national assets took part in the questionnaire-based integrity survey performed in 2020. Based on experiences from the past nine years, the integrity controls providing protection against corruption-related dangers in the Hungarian public sector have become extensively verifiable thanks to the Integrity Survey, self-tests, and training programmes.

In June 2020, the Hungarian Government decided to adopt a medium-term National Anti-Corruption Strategy for the period between 2020 and 2022, several provisions of which are based on the wealth of knowledge amassed by the State Audit Office over the past 10 years.

Over the past ten years, the State Audit Office has assessed the integrity of the budgetary institutions, state-owned and nationalised business entities, and public bodies, as well as all Hungarian municipalities and their offices, with which it contributed to providing effective protection against corruption risks.

The results of systemic action against corruption over the past 10 years are apparent in the bleaching of the Hungarian economy as well. The State Audit Office contributed to the results by several means. This includes an annual opinion on the draft budget, regular review of the realisation of the budget (final accounts), including development of internal control systems to protect against corruption threats, as well as the Court's analyses of budgetary and macroeconomic processes, the tax system, digital developments and other



sustainable bleaching of the Hungarian economy.



To strengthen its integrity, the MNB renewed its internal Code of Ethics this year, which sets out additional ethical requirements for individual disciplines in addition to legislation. At the central bank, the risk exposure and control environment of the processes and activities within the institution are assessed within the framework of the Integrated Assurance Program evaluating internal controls. A new compliance risk assessment methodology has been developed in connection with VIBER in order to prevent abuse and fraudulent initiatives affecting new and existing clientele,

which can be used by all market players in relation to the payment, settlement, and compensation system.

The Central Bank of Hungary (MNB) **specified its additional ethical expectations for its employees in addition to legal regulations and internal instructions in its Code of Ethics, which was updated in 2021.** The document is a comprehensive collection of values and principles, a framework for the behavioural norms' mandatory during the performance of work at the Central Bank, and it also specifies the procedural rules for the investigation of ethical offences and the operation of the Ethics Committee. The principle is that adequacy is not an exclusively legal concept, but a culture and order of values, stability and creativity, an orderly relationship with the world and employees' own values.

The organisational units of the MNB performing internal control functions operate an Integrated Verification Programme aimed at assessing internal controls, which maps out and evaluates the risk exposure and control environment of processes and activities not just on the level of experts but that of the management too. Evaluations provide the basis for improving control activities. Prevention is also a key objective, allowing professionals to review their risks, existing controls and take timely action before incidents occur.

Based on the government's decision, the Central Bank **performed a number of important internal compliance-related tasks during the implementation of the National Anti-Corruption Strategy,** which applies to the period ending in 2022. In cooperation with the procurement department operating within the institution, it improved the compliance-related system of criteria applicable to the procurement system of requirements. Within the framework of the project, coordinated by the National Protective Service, it improved its unique integrity control system and the methodology it uses to measure how well integrity risks can be identified; furthermore, it held integrity development training programmes and shared its experiences with other institutions. It also utilized the experience of professional-focused awareness programs for the fields of banking and reserve management. In order to further reduce the latent risks of administrative processes, it supported the development of the technology-based processes of operation, as well as measures aimed at making these simpler, faster, and easier to track.

Also, this year, following the government's initiative, the MNB (in co-operation with several state-affiliated institutions) prepared the **vital components of the financial sector, e.g., cash supply, foreign exchange reserve management, cash flow, financial system stability and supervision - to improve its protection against hybrid threats.** This process reflects the complex challenges posed by a complex restart after a pandemic (s), the digital revolution, the use of artificial intelligence, or even new fintech developments.

The Central Bank of Hungary **has developed a risk assessment methodology with respect to the real-time gross settlement system (VIBER),** which allows for the internal assessment of new and existing clients based on their compliance risks and their classification based on their risk levels. The methodology takes into account the state of the institution in question in accordance with the requirements of 'good governance', as well as the existence of integrity controls. The advantage of the consciously coordinated methodology is that all institutions operating payment, settlement, and compensation systems are able to use it in an identical manner in order to prevent abuses and filter out fraudulent intentions.

The MNB pays special attention to the integrated training programmes of its employees and the methodological development thereof. One of the basic principles during the development of integrity culture is that it means not only the transfer of knowledge, but the shaping of their principles based on internal conviction and the internalisation of the Central Bank's culture as well. The cornerstones of integrity training courses are, on the one hand, contextual thinking, community-based work in cooperation with employees and customers, taking into account social influences, as well as the transfer and utilization of acquaintances, the implementation of institutional missions and the common good.



**GAZDASÁGI
VERSENYHIVATAL**

The Hungarian Competition Authority (GVH) has continued its work to reduce corruption risks. Following last organisational transformation of the GVH last year, the Authority has already carried out its tasks with a strengthened internal structure in terms of integrity.

In 2021, the GVH operated as a faster-responsive and customer-focused national authority. The national character of the competition authority has been confirmed not only in externalities, but also in its operation: it prioritises the most efficient management of the problems of domestic consumers, the action against harmful market phenomena affecting Hungarian companies and the direct compensation of the effects of competition law infringements. The GVH's competition supervision procedures **have thus become more suitable for compensating consumers.**

The growing number of signals received by the Authority clearly show that **Hungarian consumers and undertakings trust the GVH.** So far this year, more than 1200 queries (formal and informal complaints) were submitted to the Authority. The GVH investigates the incoming as a matter of urgency and decides whether any action is necessary.

The competition supervision toolkit of the GVH was expanded with a new tool this year: the possibility of **accelerated sector inquiries**, which was put into the laws of Hungary by the Government for the emergency period in order to map more effectively the sectors struggling with the negative economic effects of the epidemic. The GVH has already used its new power on two essential raw material markets in construction industry (bricks and timber) to obtain a more accurate picture of potential distortions of competition, which may be causing price increases.

In addition **the monitoring and protection of fair market competition with the traditional tools of the GVH** was continued this year as well. The employees of the Authority dealing with cartel investigation visited more than 50 undertakings and collected 13.5 TB of data during dawn raids. This amount is equivalent to approximately one million photographs of 1350 movies. Through the anonymous communication channel of the GVH, Cartel Chat, the employees of the Authority contacted those who asked for their names to be withheld on 14 topics.

The **competition supervision decision-making** of the GVH has also been active this year: the competition council has so far closed 34 cases, of which it has found infringements in 23 cases involving a total of 66 undertakings. The total value of fines imposed due to infringements has so far amounted to HUF 17.3 billion, the vast majority of which, HUF 16.3 billion, was imposed due to cartel behaviours. As a result, the GVH was able to clear away the false idea that the Authority primarily deals with consumer protection cases and does not impose high fines once and for all.

With regard to the merger control activities of the GVH, it should be emphasized that experience has shown that the **word of the authority is usually sufficient.** The GVH's signal under the law is typically adjusted voluntarily by the parties. In all cases this year, the companies brought their merger agreements in line with legal requirements without initiating proceedings.

In October, the GVH organised the conference of the International Competition Network (ICN), which brings together almost 140 competition authorities from around the world. In light of the pandemic situation, the event was held online, which proved to be an efficient and cost-effective decision: it attracted about three times more than the previous conferences, i.e., 1,768 people, while the GVH used about one-eighth of its

budget allocated to the event, further improving the reputation and recognition of the Hungarian profession in an innovative way.



Integrity is of paramount importance in promoting the orderly conduct of public procurement procedures. To this end, the Public Procurement Authority carries out extensive audit activities, which it examines public procurement notices, verifies the legality of negotiated procedures without a contract notice, and verifies the

adequacy of the performance of public procurement contracts. An important task of the Authority in addition to the above is to ensure the transparency of public procurement procedures and the availability of information regarding these procedures. The organisation digitized its internal processes almost entirely, which greatly facilitates integrity-based operation thereof.

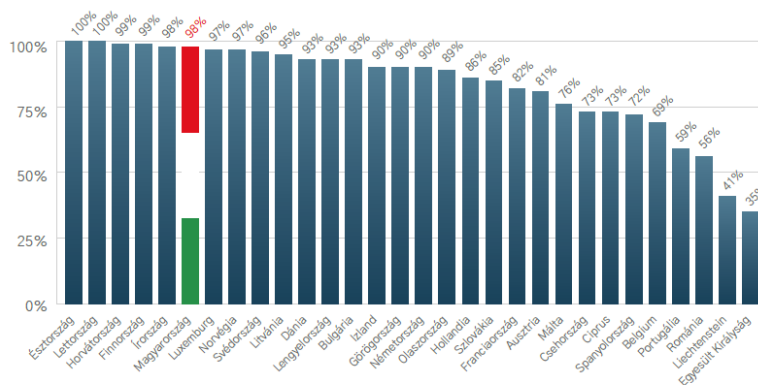
Control activities stricter than ever before

In order to ensure the legality of public procurement procedures and prevent potential irregularities, the Public Procurement Authority made its control activities even stricter in 2021. The **review of announcements** is the most important tool for preventing irregularities and infringements. In the case of nearly 24,000 notifications received, thus preventing a number of illegal proceedings, almost the same number of irregularity warnings (deficiencies) were sent, the vast majority of which were corrected during the notice review process. In this regard, the President of the Public Procurement Authority initiated **40 appeals** before the Public Procurement Arbitration Committee, which is almost one third more than in the previous year. In Hungary, the Public Procurement Authority is exclusively responsible for the **monitoring of the fulfilment and amendments of contracts** concluded as a result of public procurement procedures. In 2021, more emphasis was placed on the monitoring of these contracts than ever before: **the number of review processes increased by more than 10%**. The number of ex officio redress initiatives based on the Authority's audit activity remains significant: 117 requests for remedy were submitted against 123 organisations, representing more than one-third of all ex officio initiatives.

Our goal is to maintain the full transparency of public procurement procedures

The statistics of the European Union have been showing for years that the Hungarian public procurement market is almost 100% transparent. One of the important pillars necessary for this is the statistics of the Public Procurement Authority, which are based on certified sources and sanitised data, which have meant the only certified source of information with respect to Hungarian public procurement procedures since last year, following their accreditation by the Central Statistical Office. In order to ensure the highest level of transparency possible, the Authority further expanded the scope of data it processes in 2021; furthermore, it has been publishing a quarterly notice regarding current public procurement statistics since this year as well. Full transparency is already provided on the organisation's website and mobile application by a separate statistical sub-page, where statistics on public procurement are published on an ongoing basis.

Átláthatósági arányok az egyes európai országokban, 2019



Megjegyzés: Az ábrán szereplő adatok azon odaítélt szerződések arányát mutatják, amelyek esetén ajánlati felhívás került közzétételre. Az ábra azt tükrözi, hogy az ajánlatkérők mennyiben adnak az EU joggal ellentétesen elégtelen információt a közbeszerzési tevékenységükről. Az adatokban a 0% jelentése, hogy az ajánlatkérők elégtelen információt adnak, a 100% jelentése, hogy az ajánlatkérők minden információt megadnak, azaz nincsenek eltírt adatok.

Forrás: A 2019. évre vonatkozó Belső Piaci Eredménytábla 10. indikátora – Hiányos ajánlati felhívások

Competition is ensured, the number of restrictive procedures is continuously falling

There is still **intense competition** in public procurement procedures, supported by a number of factors. Thanks to the Authority's rigorous monitoring activities, the number of **negotiated procedures without prior publication** has been reduced to one of the **lowest levels in the EU**; the number of such procedures has been reduced to almost one-fifteenth in recent years. This trend continued in 2021: this number means approx. 250 procedures per year, which is 2-3% of all procedures. Furthermore, the number of **one-off procedures** should be highlighted: over the last three years, there has been a declining trend in both the number and value of these procedures.

Digitalisation

Integrity-based operation is greatly facilitated by the digitalisation of internal systems, which was completed at the Authority with respect to several processes in 2021. This was performed not fundamentally because of the current pandemic situation but due to the high level of commitment of the Public Procurement Authority to integrity. The training of experts participating in public procurement procedures has been moved fully into the online space, as a result of which a total of 2500 experts were trained at our own events, which significantly exceeds the figures recorded in the previous years, such as the 1700 people participating last year. The Authority considers it especially important that during the training programmes, public procurement experts receive up-to-date information about the practical problems that have emerged, which greatly contributes to the realisation of public procurement procedures in compliance with the regulations.



The Curia is one of the courts in Hungary with its general scope of competence defined in the Fundamental Law, which operates as a unique institution on its own judiciary level and is obliged to ensure the uniform nature of judicial case law in addition to dispensing justice in individual cases. Therefore, the Curia must be solid, confident, and reliable.

One of the prerequisites of reliability is a transparent institutional operation free from any unauthorized influence. Therefore, beyond providing criminal justice in anti-corruption cases and the consolidation of case law, the Curia continuously ensures the resilience of its own

board of judges and officials, as well as its work processes, and **has been participating in the cooperation of state bodies against corruption from the very beginning**. Since the execution of the declaration of intent that initiated the cooperation in December 2011, the Curia has significantly improved its **anti-corruption toolkit** and in connection to this, all management work processes have been regulated.'

Due to its constitutional nature, the management of integrity issues in the Curia is carried out mainly within the **framework of the judiciary, especially criminal justice**, therefore, it is fundamentally different from the management of the integrity situations affecting the state bodies involved in the public sector and in particular, the employees and processes of public administration organisations. Accordingly, the Curia takes a position on acts that violate integrity, primarily with respect to criminal law consequences. This includes the passing of judgments in connection with corruption and making decisions on previous principles of due diligence and its legality. The Curia regularly makes these decisions available to its fellow institutions dealing with integrity risks.

Since **criminal law** is based on the principle of **personal responsibility**, that is subjective criminal liability, the fact of corruption can only be established in the case of a criminal act being proven. Thus, the Curia primarily expresses its position with respect to the criminal acts discovered and already judged by lower-level courts. This is reflected in judgements adopted in regard to corruption-related or highly similar cases included in the case law and *ad hoc* decisions of the Curia. As the primary constitutional duty of the Curia is to ensure the uniformity of law, this is its highest-priority task and purpose in the case of acts and events affecting integrity as well.

Among the investigated issues, the monitoring of the so-called **reliability screenings**, acting as one of the primary tools of prevention during third-instance and appeal procedures, plays an especially important role. Taking into account the different positions adopted by lower-level courts, the uniformity of law and not least the interpretation of the case-law of the European Court of Human Rights are especially important in connection to this legal institution. This primarily deals with the following questions: illegal incitement of authorities, ensuring the freedom of choice, assessing the lawfulness of evidence, analysing the framework of the implementation plan, and the investigation of whether criminal proceedings and criminal sanctions are necessary in all cases or not.

The Curia examines and addresses the issue of organisational integrity in the case of its activities not closely related to the passing of judgements. The **solutions strengthening organisational integrity** can be found in **presidential instructions**. These include the 'Integrity Code' of the Curia, the 'Procedure of Integrity Risk Management', and the 'Procedure for the Management of Events Infringing Organisational Integrity'.

The **Risk Management Working Group** of the Curia and its **integrity officer** are constantly active; their proposals provide a basis for action. For years, the Curriculum Working Group has been meeting at the Curia on a semi-annual basis in order to fully account for the risks arising during the operation of the court, to manage them in an integrated manner and to develop effective solutions, the implementation of which is constantly monitored.

The integrity officer of the Curia prepares a **report** on the activities thereof for the President of the Curia every year. The associates of the Curia holding integrity-related positions regularly participate in the events of the State Audit Office on integrity.

For the purpose of protecting personal information in accordance with the provisions of the EU data protection resolution (GDPR) and improving **data protection awareness**, the judges and the employees of the court participate in training programmes. The Curia employs a data protection officer and has prepared a data processing registry, a data protection and data processing policy, an incident management procedure, an internal data processing policy, interest evaluation tests, and templates of declarations of consent. The Curia

has also organised security awareness training courses. The IT developments aiming to improve data security has been completed.

On 16 March 2020, the President of the Curia set up a **Crisis Team** to deal effectively and quickly with the crisis caused by the new coronavirus, which has been operating continuously ever since. In order to ensure the performance of the judicial management and administrative tasks to be completed during the pandemic situation and protect the health of the judges and judicial employees of the Curia, the President of the Curia created and has been updating in light of the development of the pandemic situation, a presidential instruction concerning the measures necessary during the pandemic situation caused by the novel coronavirus.

The coronavirus pandemic has placed a significant additional burden on the **IT Department**. The continuous and safe operation and integrity of IT systems are ensured on the one hand, by continuous maintenance, and on the other hand, the monitoring of compliance with the requirements included in the Information Technology Security Policy of the Curia.

The **Curia regularly reviews and if necessary, amends its current regulations**. The Organisational and Operational Rules of the Curia were renewed in 2021, a number of regulations concerning management were also amended.'



Thanks to legal and technological developments, the Office of the Prosecutor General of Hungary has been operating effectively despite the recent pandemic. The emergency introduced in March 2020 set different procedural rules than those contained in the Criminal Procedure Act. The role of the Prosecutor's Office has increased dramatically since it not only represented the prosecution at the courts and supervised the investigations, it also actively facilitated the quick conclusion of proceedings with the lowest possible risk from an epidemiological point of

view.

In the decade that has passed since the first joint declaration of intent issued for the fairness of public affairs, including the past one year burdened by the pandemic situation, *the commitment of the Prosecutor's Office to combating corruption has been unbroken.* The role of the Central Prosecutor's Office has become even more emphasised in this regard since following the publication of the new Criminal Procedure Act, the investigation of the corruption-related crimes at all official bodies has been assigned to the scope of competence of the Prosecutor's Office. The Prosecutor's Office works closely with the authorities entrusted with the identification of such criminal acts; in particular, the National Protective Service. The development of effective toolkit, which has been further enhanced by the extension of the scope of due diligence, has greatly contributed to effective regulatory action.

The Hungarian Central Prosecutor's Office plays an important role in fight against corruption on the international stage as well.

Economic crimes can be associated with corruption-related criminal acts as well. For this reason, it is vital that our organization, both at managerial and expert level, continues to work closely with OLAF, as the EU's body investigating administrative irregularities involving EU funds.

Although it is not legally obliged to do so, the Prosecutor's Office has ordered an investigation in all cases recommended by the OLAF and the protocol that is always observed, and if an investigation was already underway, the recommendations of the OLAF were attached to the documentation of the investigation and evaluated in connection therewith. From the 2020 report of the OLAF, we can see that the Hungarian Prosecutor's Office initiated proceedings in 67% of OLAF cases. This figure is an exceptional achievement since it is nearly double the EU average of 37%.

By the way, the number of judicial recommendations has been declining each year: in 2016, 10; in 2017, 6; in 2018, 4; in 2019, 3, and in 2020, 2 recommendations were received.

At their meeting in Budapest in January 2020, Dr Péter POLT, Prosecutor General, and Ville ITÄLÄ, General Manager of the OLAF, agreed to develop a co-operation agreement to further deepen the well-functioning professional relationship.

The EUROJUST offers assistance to the prosecutor's offices of the Member States in the case of acts of severe organised crime that affect multiple EU countries. Based on the number of cases initiated by Hungary, the country has opened the 5th most cases in the past two years. During 2020, the Hungarian authorities participated in the work of 4 newly-created 11 ongoing joint investigation teams under the aegis of EUROJUST.

The Prosecutor's Office cooperates with all other EU institutions in order to ensure that it can take action against corruption as effectively as possible. Thus, this intention led the Office to conclude a working agreement with the European Public Prosecutor's Office (EPPO) in April this year, the first and only so far of the non-acceding countries.

One of the important tools of prevention in corruption-related cases is to allow the public to track the development of criminal proceedings; therefore, *the press spokespersons' network continuously notifies the public* of the measures taken by the Prosecutor's Office in regard to criminal acts.



OBH

'Defence against the COVID-19 pandemic has left a mark on the operation of courts in 2021, like the previous year. As a result, the protection of the health of court staff and clients has become a top priority for the operation of the courts, while at the same time ensuring the continuity of judicial work and administration.'

By the end of the year, it could be said that the operation of the courts was continuous even in the changed circumstances, in which the use of various digital solutions was of decisive importance.

In this regard, it should be highlighted that the central training programmes of courts were held almost exclusively in digital forms; however, this only meant a methodological change—the standard of these training courses was not reduced at all. The training module on judicial professionalism, ethics, and integrity continues to be the first module of the series of trainings preparing court clerks, who have already passed a legal professional examination, are entitled to act independently in certain cases, and serve as the main group from which new judges are selected, for holding a position as a judge. In addition, a special internal training was organised by the competent division of the National Office for the Judiciary with the title '*Integrity in public procurement procedures*' this year.

The National Office for the Judiciary continued to operate the internal control system necessary for the prudent operation of the court unit even in the changed circumstances. An integrated risk management system affecting the entirety of the judicial branch is in operation, and the individual institutions (as the judicial organisation is made up of 27 organisational units with independent legal personalities) have adopted risk management policies, which identify the risk events that may emerge in the individual areas and the action plans associated therewith.

The right to a fair trial is provided by Section XVIII (1) of the Fundamental Law of Hungary; the National Office for the Judiciary has initiated several amendments to the legislation in 2021 in order to increase the extent to which this provision is enforced. This is due to the fact that pursuant to Section 76 (1) d) of Act CLXI of 2011 on the organisation and management of courts, the President of the National Office for the Judiciary is entitled to submit proposals to the official bodies authorised to initiate legislative changes with respect to the creation of legislation that affects the courts. Within the framework of this activity, the rules concerning the exclusion of judges due to 'conflict of interest' included in Act XC of 2017 on the criminal procedure and the rules on the exclusion of judges assigned to another organisation after the end of their assigned as provided in Act CLXII of 2011 on the legal status and enumeration of judges.

In order to ensure a dynamic balance between the freedom of academic research, as provided in Section X (1), and the protection of personal information, as provided in Section VI (3) of the Fundamental Law of Hungary, the Hungarian Judicial Academy, operating as part of the National Office for the Judiciary, consults with the data protection and integrity officers as well during the evaluation of research applications.

It can still be said that there are a small number of acts that endanger the security of court buildings or the physical integrity of court staff: in the first half of 2021, there were 11 incidents of violence or threats against a court employee or a client in a court building, in addition to a total of 5 verbal or written threats to court employees aimed at preventing the conduct of the proceedings. or make it more difficult.