



**INTEGRITY
AUTHORITY**

2024 Annual Report

to the Hungarian Parliament

B/11598

April 2025



**INTEGRITY
AUTHORITY**

We are dedicated to safeguarding the interests of current and future generations, promoting a cleaner and more lawful economy, and building greater social trust.

By focusing on prevention, investigation, and shaping social attitudes, we ensure that funds are used efficiently and in compliance with regulations.

**We perform our duties in line with our core values:
honour and integrity, service and determination,
professionalism and teamwork.**



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The President's Overview



Ferenc Pál Biró
President

Looking back on 2024 at the Integrity Authority, we can say that our organisation continued to strengthen the foundations of its operations and took significant steps towards greater efficiency, as well as innovation and stability.

Establishing the Authority was one of the greatest undertakings of the government and Hungary to guarantee the successful outcome of the conditionality mechanism and ensure Hungary's full access to European Union funds. Building a truly functional and efficient institution, capable of meeting international expectations and making a meaningful contribution to anti-corruption efforts, is a prerequisite to gaining access to the frozen funds.

In 2024, our organisation achieved significant results in uncovering suspected corruption cases and ensuring the compliant use of European Union funds. During the year, we launched 25 investigations and concluded 21, which involved over HUF 113 billion in grants. We formulated several recommendations to address systemic problems. By launching the Integrity Academy, we began shaping public attitudes and providing education, which will contribute to spreading a culture of integrity also in the long run.

Nonetheless, we were faced by challenges that do obstruct our work: cooperation with state agencies is not always smooth and the Authority's access to information is still not fully established. Our colleagues held numerous consultations with representatives from relevant government actors to establish the required data connections in 2024 as well. However, the legislative environment still does not fully provide the necessary requirements.

The efficient operation of the Integrity Authority, as well as the prevention and uncovering of the improper use of European Union funds, will be effectively made possible by the integration of the Authority into the domestic legal system and the harmonisation of its responsibilities and toolset, thus ensuring compliance with the main milestones of the conditionality mechanism. Our view remains that this issue needs to be solved by a joint effort of the Hungarian Government and the European Commission, a goal towards which the Authority is able and willing to provide active support. According to our understanding, finding a solution to these issues is essential to gain full access to European Union funds.

This year, we have further strengthened our operations, never losing sight of our vision for the future:

We are building an independent, professionally credible and internationally recognised authority that is key to strengthening social trust and serves as an example for fair operation.

Our main focus areas were linked to our strategic objectives in 2024.

Stability and the crystallisation of operational processes:

The Authority's internal processes have gone through significant development. Besides the ongoing internal developments, the organisation has made significant

significant strides towards operational efficiency and maturity. By developing our IT systems and building up our own infrastructure, we have made our operations more efficient. The introduction of the new document management system has significantly reduced our administrative workload.

Improving investigative efficiency:

We have further developed our methodologies, which allowed us to investigate cases of misuse involving European Union funds faster and with more precision. The total amount of funds under investigations launched in 2024 exceeded HUF 57 billion. With the implementation of our investigative software, we expect to further enhance efficiency and operations in 2025.

Innovation:

Last year, we made significant progress in developing innovative AI-driven software applications by designing and implementing them in-house. These include an automated predictive system and interactive software, which together enable near real-time monitoring of public procurement processes and more efficient analysis of investigative materials. This allows us to be proactive in countering misuse of funds.

Shaping social attitudes and education activities:

Reducing the social acceptance and tolerance of corruption are fundamental aspects of anti-corruption efforts. In addition to sanctioning uncovered cases, corruption can be suppressed with preventive programmes and education, i.e. by promoting ethical conduct in economic operations. Some of the key elements of the Authority's strategy are actively shaping social attitudes, awareness raising, and education.

Strengthening international relations:

We have also further established our position on the international stage: we signed cooperation agreements with several European organisations and actively participated in international conferences.

Responsible financial management:

The Authority acted reasonably and responsibly in managing its finances last year as well. The resources necessary to set up an autonomous and independent state administrative body were available. Because of unsuccessful public procurement procedures and the overlap of projects spanning multiple reporting periods, the Authority utilised only a fraction of its budget, ultimately returning nearly HUF 15.7 billion to the central budget.

Our colleagues are committed to working towards accomplishing our mission, which goes beyond uncovering cases of misuse:

We are dedicated to safeguarding the interests of current and future generations, promoting a cleaner and more lawful economy, and building greater social trust.

By focusing on prevention, investigation, and shaping social attitudes, we ensure that funds are used efficiently and in compliance with regulations.

We perform our duties in line with our core values: honour and integrity, service and determination, professionalism and teamwork.

We are hopeful that the Integrity Authority has demonstrated its ability to play a key role in Hungary's anti-corruption efforts.

Our success is thanks to the dedication of our committed colleagues and the support of our partners, for which we are truly grateful.

Just as I did last year, I once again call on you: let's work together to build a Hungary founded on integrity and accountability.

Budapest, 17 April 2025

Ferenc Pál Biró
President

Key indicators of the Integrity Authority



INVESTIGATIVE FUNCTIONS IN 2024

Investigations concluded

2023



2024

21



Investigations initiated

2022/2023

21



2024

25



EU funds involved

Total amount of EU funds subject to investigations initiated in 2024

HUF 57,022,980,000



Total amount of funds subject to investigations concluded in 2024

HUF 57,391,994,000



Total amount of funds subject to investigations in process in 2024

HUF 113,551,992,000



Initiating proceedings following investigations

Number of recommendations

12

89

Complaints filed

2

9

HCA proceedings

1

3

PPAB proceedings

3

13

Irregularity proceedings

Initiatives

2

26

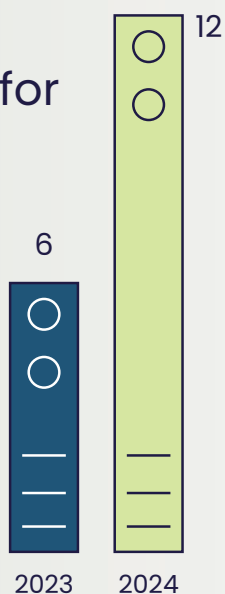
2023

2024

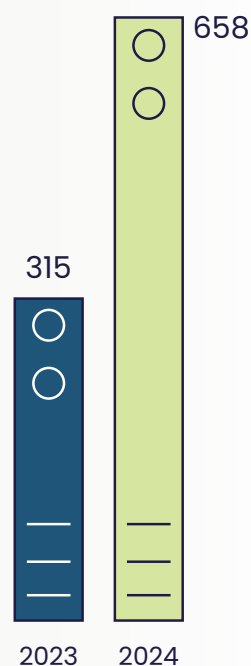


INITIATING PROCEEDINGS WITH OTHER BODIES (OTHER)

Motions for revision



Decisions reviewed

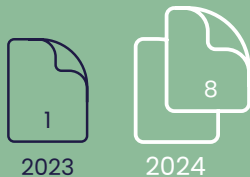


ADMINISTRATIVE AUDITS

Administrative audits in public procurement

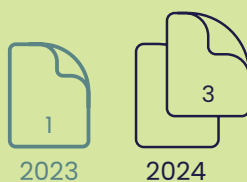
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AUDITS CONDUCTED



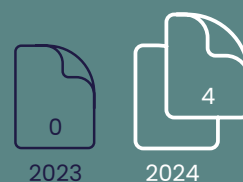
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SUSPENDING AUDITED PUBLIC PROCUREMENT PROCEDURES



3

INITIATING PROCEEDINGS WITH THE PUBLIC PROCUREMENT ARBITRATION BOARD





STAFF NUMBER



THE BOARD OF THE INTEGRITY AUTHORITY

31.12.2023 3

31.12.2024 3



Presidential Staff

31.12.2023 20

31.12.2024 8



Professional Directorate*

31.12.2023 0

31.12.2024 1



Legal Office

31.12.2023 9

31.12.2024 11



Investigation Office

31.12.2023 22

31.12.2024 29



Registry Office (formerly Risk Analysis Office)

31.12.2023 7

31.12.2024 6



Quality Management Office

31.12.2023 2

31.12.2024 3



Operational Directorate*



Finance Office

31.12.2023 12

31.12.2024 14



IT Office*

31.12.2023 11

31.12.2024 12



Operations Support Office*

31.12.2023 0

31.12.2024 3



Security Office

31.12.2023 3

31.12.2024 3



Human Resources Office*

31.12.2023 0

31.12.2024 4



Office for International Relations*

31.12.2023 0

31.12.2024 1



Integrity Academy and Communications Office

31.12.2023 0

31.12.2024 14



Internal Auditor

31.12.2023 1

31.12.2024 1

TOTAL

31.12.2023 79

31.12.2024 113

*set up in 2024



The Authority's professional operations

1.1 The Authority's tasks

This chapter presents the Authority's tasks, as specified by the Integrity Authority Act and other acts. The figure below presents four distinct areas (investigative, administrative, analytical, and audit tasks) in table format.

<i>Investigative functions and powers</i>	<i>Administrative authority powers</i>	<i>Analytical and proposal-making tasks</i>	<i>Audit tasks</i>
<ul style="list-style-type: none">■ <i>may conduct investigation procedures</i>■ <i>may call upon organisations with functions and powers related to the control of the use of European Union funds to initiate proceedings, may initiate proceedings with other bodies</i>■ <i>may bring before the court actions for failure to act and other actions</i>	<ul style="list-style-type: none">■ <i>conducting administrative audits in connection with public procurements financed or planned to be financed, in part or in whole, from European Union funds</i>■ <i>may impose an obligation to provide information in connection with public procurements financed from European Union funds</i>■ <i>maintaining a register of legal persons, individual firms and private entrepreneurs who are excluded, in connection with certain criminal offences, from public procurement procedures</i>	<ul style="list-style-type: none">■ <i>issuing an analytical integrity report annually</i>■ <i>issuing recommendations on an annual or ad hoc basis</i>■ <i>preparing integrity risk assessments</i>	<ul style="list-style-type: none">■ <i>supervision of the DIAI</i>■ <i>checking DIAI and DGAEF conflict-of-interest declarations</i>■ <i>checking certain declarations of assets</i>

1.2 Operation of the Authority's Board

The Board of the Authority is its main decision-making body that is composed of the Authority's president and two vice-presidents.

As the supreme decision-making body, the Board of the Authority may adopt decisions related to the exercise of the Authority's functions and powers as a body, by majority vote.

In 2024, the Board of the Authority held 18 board meetings, where it made 68 conclusive decisions, with the following breakdown according to their contents:

- on 6 occasions regarding the application procedure and selection of members of the

Anti-Corruption Task Force, representing non-governmental actors;

- on 3 occasions regarding the adoption of the annual and other reports drawn up by the Authority (2023 Annual Report, Integrity Risk Assessment Report, Annual Analytical Integrity Report);
- on launching 13 investigations initiated by the Investigation Office;
- on 21 reports closing investigation procedures, as well as on initiating proceedings with other bodies included therein;
- on the approval of 5 cooperation agreements concluded by the Authority with other domestic organisations and European Union bodies (OLAF).

1.3 Investigative functions and powers

The Authority's procedural powers are as follows: investigation procedures¹ of the Authority (1.3.1), initiating proceedings with organisations with functions and powers regarding the use, or the control of the use, of European Union funds (1.3.2), initiating proceedings with other bodies (1.3.3), and exercising the right to bring an action (1.4). The Integrity Authority Act links all powers to the investigative function in the broader sense.

It should be stressed that the Authority's investigation procedures are aimed at identifying circumstances that adversely affect or may adversely affect the implementation of EU financial support. In the context of rights to initiate proceedings, investigation in a broader sense is aimed at

• determining whether it can be identified that an organisation with functions and powers related to the use, or the control of the use, of European Union funds has failed to take the necessary steps, for the curbing of which the Authority is required to take action, or

• whether a risk that may be equated to Section 3 of the Integrity Authority Act can be revealed, which could serve as a basis for proceedings by other bodies, and therefore proceedings by another body must be initiated, or

• whether a risk that may be equated to Section 3 of the Integrity Authority Act can be revealed because of which the Authority has the right to bring an action.

¹ Point 7 of Chapter 3 of the Integrity Authority Act

1.3.1 The Authority's investigation procedure

Investigation procedure

In 2024, the Authority initiated 25 investigations and closed 21. The amount of EU funds subject to investigations initiated totals HUF 57,022,980,000, while the total amount of EU funds subject to investigations concluded amounts to HUF 57,391,994,000. The total amount of EU funds subject to investigations in process in 2024 was HUF 113,551,992,000.

The Authority's investigation procedures may be substantiated by an illegality or illegalities identified based on the reports and, in the case of ex officio initiation, the autonomous integrity risk analysis and assessment of the Authority. The objective of the investigation procedures is to identify circumstances or risks that adversely

affect or may adversely affect the sound financial management of the European Union budget or the protection of the European Union's financial interests, or where a serious risk thereof arises.

Investigation procedures are not considered public administrative proceedings, and no administrative court action shall be pursued in relation to such activity of the Authority. Therefore, these are autonomous procedures to which the provisions of the General Administrative Procedure Act do not apply. It follows that the means of discovery and the means of proof provided for in the administrative procedural rules are not available to the Authority.

The Authority's investigation process is illustrated in the following figure:



It is the voluntary cooperation of the persons or bodies contacted through requests for information in the course of investigation procedures that the Authority can rely upon, as failure to comply with the statutory obligation to provide information has no further legal consequences (e.g. procedural fines), which, in turn, decreases the effectiveness of investigation procedures. The Authority cannot perform, over

the course of its investigation procedures, any direct measures of inquiry of evidentiary nature to investigate the relevant facts, since it may only call upon competent organisations (typically the managing authority of the project in question) with functions and powers regarding the control of the use of European Union funds to perform such activities, which conduct these measures on behalf of the Authority.

Number of reports received by the Authority

In accordance with Section 4(4) of the Integrity Authority Act, with a view to receiving reports and complaints, the Authority shall maintain a reporting platform that ensures the anonymity of whistle-blowers and complainants and enables confidential communication. Since its establishment, the Authority has ensured that anyone could report illegalities covered by the functions of the Authority to the email address bejelentes@integritashatosag.hu established and maintained for this purpose. In June 2023, the Authority also launched an anonymous reporting system available on its website, through which corruption, fraud and conflicts of interest relating to the use of European Union funds can be reported.

2023), of which 84 were received via email and 88 through the anonymous reporting platform. Of all the reports received, 90 (52% of the total) were related to European Union funds, thus falling within the competence of the Authority (the remaining 82 reports were outside the competence of the Authority). Irregularity reports were submitted to the competent Managing Authority for 2 out of the 90 reports falling within the competence of the Authority, while administrative audits were ordered in 3 cases based on the report, with investigations initiated in 14 additional cases².

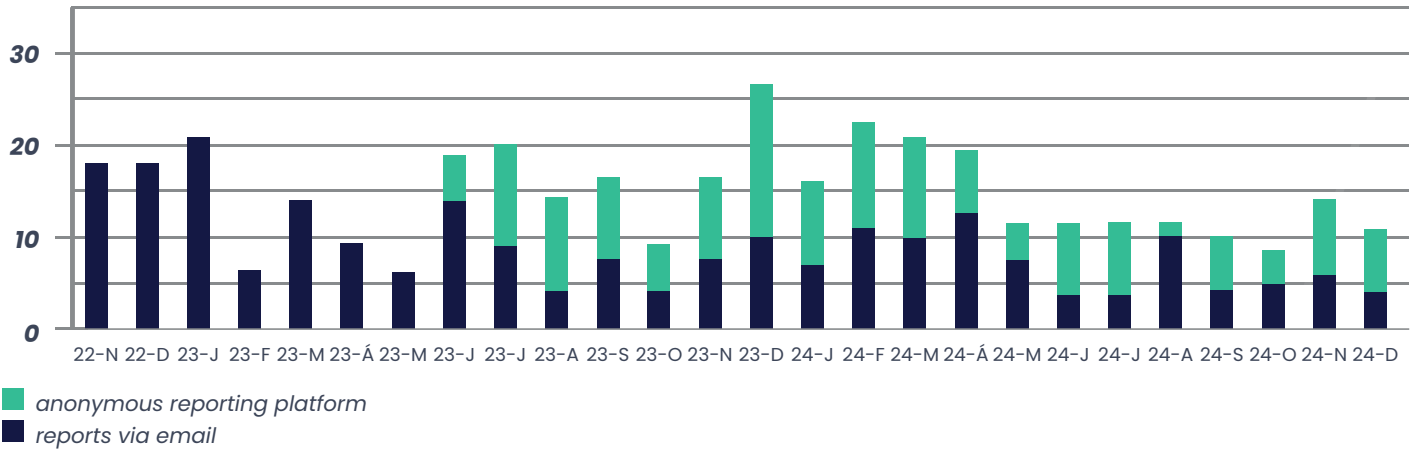
As of 31 December 2024, data collection for preliminary investigation was ongoing in the case of 16 of the remaining 64 reports, while the information contained in the reports did not justify the initiation of investigation in 48 cases.



Anonymous reporting platform

In 2024, the Authority received 172 reports (compared to 178 reports in

Monthly distribution of reports since the foundation of the Authority



The Integrity Authority's website

The summaries of the Authority's investigations completed in 2024, as well as the details of the procedures, including the irregularities uncovered in the monitoring of European Union funds, can be found on the Authority's website at www.integritashatosag.hu/en/. In cases of significant public interest, the Authority also highlighted the findings of certain investigative procedures – and the subsequent proceedings they prompted – through press releases.

² Further 7 reports have been merged with an ongoing investigation because the contents of those reports matched the subject matter/ scope of an ongoing investigation.

1.3.2 Initiating proceedings with organisations with functions and powers in the use, or the control of the use, of European Union funds

The Authority may, in exercising its investigative functions and powers, call upon organisations with functions and powers related to the control of the use of European Union funds to initiate independent proceedings. Therefore, the Authority may request an organisation with functions and powers related to the control of the use of European Union funds to perform measures of inquiry on its behalf.

In these proceedings, the Authority has the status of a party, so

that it may comment or request information from the body acting on its behalf, which is subject to the cooperation obligation; therefore, it must inform the Authority of the commencement and outcome of its proceedings.

The Authority, together with the competent managing authority, participated in 5 on-site audits as part of investigation procedures conducted in 2024 (compared to 2 such cases in 2023).

1.3.3 Initiating proceedings with other bodies

The Authority may initiate, within the framework of its investigative functions and powers, the proceedings of another body, as it may not adopt the functions and powers of another body, it is obliged only to initiate proceedings if it observes circumstances or reasons that provide a basis for the proceedings of another body.

Motions for revision

The Authority is entitled to submit a motion for revision in accordance with Section 27/A of the Integrity Authority Act and the provisions of Act XC of 2017 on the Code of Criminal Procedure (CCP) if the prosecutor's office or the investigating authority rejects a complaint filed for a special criminal offence related to the exercise of public authority or the management of public property, or terminates the investigation within one month of the public disclosure of this anonymised conclusive decision.

In the year 2024, the Authority **processed** a total of **658 anonymised conclusive decisions**, of which 410 were delivered by the public prosecutor's office, 232 by the police department, and 16 by the National Tax and Customs Administration. The investigating authority rejected the complaints in 79% of the conclusive

decisions, while in the remaining 21%, it decided to terminate the investigations.

Between 1 January 2024 and 31 December 2024, based on the processed conclusive decisions, the Authority filed a motion for revision in **twelve cases**, four of which also concerned the use of European Union funds. **In five of these cases, the competent public prosecutor's office admitted the Authority's motion for revision**, abrogated the conclusive decision of the investigating authority, and ordered the continuation of the investigation or proceedings. These investigations were ongoing at the end of 2024. Three cases of conclusive decisions involving a motion for revision were received by the Central District Court of Buda responsible for conducting their assessment. The court admitted the motion for revision put forward by the Authority in all three cases, abrogated the decision of the investigating authority, so the investigation was launched without a separate decision, by court order.

Of the cases that were initiated in this way and became subject to investigation, one was closed by the competent investigative public prosecutor's office, while the remain-

ning investigations were still ongoing at the end of 2024. In four additional cases concerned by the Authority's motion for revision, the competent public prosecutor's office, acting within its supervisory powers, abrogated the unlawful decision of the investigating authority, either requiring it to issue a new decision or ordering an investigation – thereby dismissing the adjudication of the merits of the Authority's motion for revision. Overall, it can be stated that none of the motions for revision submitted by the Authority in 2024 were rejected by the competent authority responsible for their assessment. Through the continuous monitoring of published anonymised decisions in 2024, the Authority observed that the anonymisation of these decisions did not comply with the relevant legal requirements on numerous occasions. In accordance with the applicable legal provisions [Section 817/C. (2) of Act XC of 2017 on the Code of Criminal Procedure, Points 1, 2, and 29 of Section 3 of Act CXII of 2011 on the Right to Informational Self-Determination and on Freedom of Information, and Section 36/C. (1) of Decree No. 12/2018 (12 June) of the Ministry of Justice], the public prosecutor's office and the investigating authority may only anonymise personal data in their published decisions that can be used to identify a natural person or that relate to a natural person. In other words, anonymisation must be carried out by replacing data that would allow for the identification of individuals involved in the proceedings. The practice which the Authority observed in several published decisions was contrary to all the aforementioned legal provisions, as the reasoning in those decisions did not include any substantive findings of fact. Instead, they merely outlined the content of the complaint in a few sentences, serving as a brief summary without providing any specific details.

According to the Authority's professional opinion, this practice is not only unlawful but also effectively prevented the Authority from submitting a motion for revision, as the case referred to in the complaint became completely unidentifiable. In

June 2024, the Authority reported its observations in writing to Prosecutor General Prof. Dr. Péter Polt, pointing out specific cases affected by anonymisation issues. In his response, the Prosecutor General shared the Authority's professional standpoint. After this, the Authority observed a significant change in the anonymisation of disclosed decisions in the second half of 2024. It can be stated that since the professional consultation outlined above, the published decisions have almost universally been in line with the relevant legal regulations.

Filing a complaint

In line with Section 24(1) of the Integrity Authority Act, the Authority's public officials are subject to an obligation to submit a report under Section 376(2) of the Code of Criminal Procedure if they become aware of a criminal offence subject to public prosecution while acting within their official capacity. In 2024, the Authority filed complaints with the competent investigating authority on 9 occasions (compared to 2 in 2023), informing the European Public Prosecutor's Office and the European Anti-Fraud Office in accordance with Section 24(1) of the Integrity Authority Act, while simultaneously delivering the complaints to the Public Prosecutor's Office of Hungary.

Initiating proceedings with the Hungarian Competition Authority

Where the Authority deems it justified based on evidence in its possession to initiate competition supervision proceedings, it may forward the available evidence to the Hungarian Competition Authority (HCA). Based on its investigation procedures conducted in 2024, there were 3 cases (compared to 1 case in 2023) in which the Authority identified circumstances based on which it saw merit in filing a report or complaint.

Irregularity proceedings

If in the course of its investigations the Authority detects a suspicion of irregularity, it is entitled to apply to the competent managing authority or, in the case of a project financed from the Recovery and Resilience

Facility, the national authority for the initiation of an irregularity proceeding in accordance with the provisions of the legislation governing the use of European Union funds.

Regarding the 21 investigations it concluded in 2024, the Authority requested the managing authorities concerned to conduct irregularity proceedings in 26 cases (compared to 2 cases out of 5 investigations closed in 2023), based on which 19 resulted in the launch of such proceedings.

Initiating proceedings with the Public Procurement Arbitration Board

If the Authority becomes aware of any conduct or failure that is in breach of the Public Procurement Act, or a decree adopted on the basis of authorisation by the Public Procurement Act, it may initiate proceedings with the Public Procurement Arbitration Board pursuant to the PPA.

In 2024, the Authority initiated proceedings with the Public Procurement

Arbitration Board in 13 cases. (In 2023, three requests for legal remedies were submitted for two cases, which the Public Procurement Arbitration Board registered as 12 separate cases. As a result – through the consolidation of certain requests – four decisions on legal remedies were issued in 2023, with three instances in January 2024.)

In 2024, the Public Procurement Arbitration Board conducted a repeated procedure following a judgment by the Budapest Metropolitan Court in one additional case. Consequently, the Arbitration Board listed the Integrity Authority as the ex officio initiator in a total of 14 cases in 2024. As of the date of this report, decisions have been made in 14 of the cases initiated in 2024, with violations found, at least partially, in 10 of them. As for the proceedings initiated in 2023, in which decisions were issued in 2024, the Public Procurement Arbitration Board found violations, at least partially, in all three cases.

1.4 Initiating contentious proceedings

In 2024, the Authority initiated three administrative proceedings, one of which was for failure to act under Section 127 of Act I of 2017 on the Code of Administrative Court Procedure (Administrative Court Procedure Act), while in the other two cases, administrative proceedings were launched to challenge the decisions of the Public Procurement Arbitration Board. Within its investigative functions and powers, the Authority may bring before the court actions for failure to act and other actions.

Failure is defined in the Administrative Court Procedure Act; however, the Integrity Authority Act specifies two instances in which the Authority is authorised to take action for failure to act: (i) when, during an investigation procedure, the contacted organisation does not perform measures of inquiry in accordance with Section 18(2) of the Integrity Authority Act, and (ii) when an organisation with functions and powers fails to comply with the Authority's request to initiate proceedings.

The right of the Authority to bring an action was also specified in the Administrative Court Procedure Act.

The basis for the action for failure to act initiated by the Authority was that, in the course of its investigation procedure under Section 17(1) of the Integrity Authority Act, the request for data as stipulated in Sections 18(1) and (6) of the Integrity Authority Act was not fulfilled. The action for failure to act initiated by the Authority contributed to the fact that the procedural rules of the investigation procedure under Section 17(1) of the Integrity Authority Act became the subject of judicial interpretation.

According to the administrative court's interpretation of the law, the fulfilment of the data request under Sections 18(1) and (6) of the Integrity Authority Act cannot be enforced in an action for failure to act. Nonetheless, the Authority may issue a request to an organisation with functions and powers related to the

control of the use of European Union funds to perform measures of inquiry on its behalf [Section 18(2) of the Integrity Authority Act]. Failure to carry out such requests may result in an action for failure to act. The above judicial interpretation defined the Authority's framework for initiating legal action (failure to act), while simultaneously making it clear that

failure to comply with the Authority's data request [Section 18(1) and (6) of the Integrity Authority Act] did not carry any legal consequences. It must be stressed that the Authority is not limited to initiate legal action only in cases of failure to act but also has the right to challenge the decision of the Public Procurement Arbitration Board in administrative proceedings.

1.5 Administrative authority powers

1.5.1 Administrative audit in public procurement

The Authority also carries out investigations relating to public procurements funded by the European Union as part of administrative audits under the General Administrative Procedure Act. Therefore, in such proceedings, the Authority acts in its capacity as an administrative authority. In doing so, the Authority may also order the suspension of the

procurement procedure under audit for a period of two months. In 2024, the Authority launched administrative audits in 8 cases (compared to 1 occasion in 2023), while also utilising the suspension option on 3 occasions. The Authority initiated actions by other competent bodies in 4 cases in connection with administrative audits.

1.5.2 Obligation to provide information in public procurement

The Authority may in a conclusive decision oblige contracting authorities to inform, in specific cases, the Authority of launching a public procurement procedure that is financed using European Union funds. In the conclusive decision, the Authority must determine the sectors, subject-matters of procurement, and thresholds on which it requests information. The Authority shall determine and publish in advance the risk indicators, the legal practices of courts, those of Public Procurement Arbitration Board or other authorities, or the monitoring experience of the

European Commission or national controlling organisations, based on which it will request information in its conclusive decisions. Non-compliance with the obligation to suspend the public procurement procedure and to provide information leads to legal consequences. The Authority is entitled to impose an administrative fine.

In 2024, the Authority did not impose any obligation to provide information; moreover, there were no instances of an administrative fine being imposed either (there were no such cases in 2023 either).

1.5.3 Keeping of a register of operators excluded from public procurement procedures

Chapter IV of the Integrity Authority Act instructs the Authority to keep a register of economic operators that have been excluded from public procurement procedures. In exercising such powers, the Authority also acts by exercising official authority, and

carries out the registration procedure ex officio, but where it becomes aware of the data giving rise to the opening of the registration procedure based on a complaint or report, it has the obligation to issue a request for assistance to the competent

authority. The registration obligation extends to legal persons, individual firms and private entrepreneurs excluded, in connection with certain criminal offences, from public procurement procedure by a legally binding court ruling.

The purpose of the registry is twofold: first, to determine the duration of exclusion, as established by the Authority; second, to serve as a means of verification through which the contracting authorities can check, during a public procurement procedure, whether a relevant exclusion ground exists in relation to a specific economic operator, as defined in the PPA.

The Integrity Authority Act allows the economic operator to perform self-clearing, to declare, in this respect, its measures taken, and submit its related evidence. The Authority decides within twenty days whether to include the economic operator in the register. The Authority, when making the decision, assesses the gravity of the criminal offense and the specific

circumstances. As the Authority has previously stated, it requires data to perform its registration tasks; however, based on its experiences from 2024, it has encountered obstacles in accessing these data.

The Authority is entitled to have a direct data connection regarding the data of the company information system, the private entrepreneur register, the beneficial owner register system, and the criminal records system.

In order to establish a direct data connection, the Authority conducted numerous consultations in 2024 with governmental actors managing the registers for the planning and performance of the necessary technical, developmental, and administrative tasks.

During the consultations, the Authority and government actors jointly determined that the current legal environment does not allow the Authority to carry out its registration tasks.

1.6 Analytical and proposal-making functions

1.6.1 Drafting reports

As part of its operations, the Authority conducts analytical activities that involve regular and ad-hoc reporting obligations as specified by the Integrity Authority Act. The Authority publishes its reports on its website. In its reports, the Authority formulates recommendations with the aim of advocating, amongst other things, the improvement of Hungary's public procurement system, European Union grant scheme, and the asset declaration system, as outlined below.

In May 2024, the Authority published the Integrity Risk Assessment Report of the Hungarian public procurement system for the second time. The report was prepared based on Pillar IV of MAPS (Methodology for Assessing Procurement Systems), an internationally recognised met-

hodology developed for assessing public procurement systems. The Authority has reaffirmed that the legal framework for public procurement in Hungary is essentially in line with international standards and guidelines, transparency rules are detailed, and data related to public procurement procedures are, in principle, publicly accessible. However, despite numerous reforms, the system as a whole remains dysfunctional, failing to fulfil the objectives set out in the PPA: ensuring the efficient use of public funds, guaranteeing transparency and public accountability in the use of public funds, and creating the conditions for fair competition. In practice, this leads to a lack of trust in the public procurement system, which, in turn, diminishes competition and increases corruption risks.

The Authority formulated 20 proposals in the assessment.

In compliance with its statutory obligation, the Authority prepared its Analytical Integrity Report by 30 June 2024, in which it assessed the audit system for European Union funds, the efficiency of public procurement regulations, and also analysed the available public procurement data and the asset declaration system.

The Authority formulated 74 proposals in the report, 5 of which concerned audit systems, 8 addressed centralised public procurement, 41 were directed at public procurement (beyond centralised public procurement), 15 dealt with the asset declaration system, while 5 focused on data analysis. The Government communicated its responses to the Authority concerning these proposals on 23 September 2024, stating that—

- 21 It disagreed with 21 proposals
- 16 It partially agreed with 16 proposals
- 14 It agreed with 14 proposals
- 13 It will assess 13 proposals
- 7 It agreed with 7 proposals, but did not consider additional measures necessary
- 2 It considered that the addressee is the Public Procurement Authority in respect of 2 proposals
- 1 1 of the proposals' addressee was unclear to it

1.6.2 Legal assessments

In 2024, the Authority continued to provide feedback on several draft regulations, draft laws, as well as draft government and ministerial decrees concerning public procurement and the use of European Union funds. Furthermore, consultations were held with the National Development Centre – the body responsible for preparing the relevant legislation – with regard to the amendment of the

PPA considering the Authority's recommendations made in the annual integrity report. Nevertheless, the Authority's proposals for amendment were dominantly dismissed, and from the second quarter of 2024, the Authority was often only able to review draft laws within its competence as part of public consultations, without being involved in the administrative consultation process.

1.7 Audit functions of the Authority

1.7.1 Tasks related to the selection of the employees of the Directorate of Internal Audit and Integrity (DIAI)

In line with the provisions of the Government Administration Act, the Authority has two types of powers – approval and oversight – related to the selection of the DIAI's employees. The Selection Procedure issued by the Director of the DIAI on 14 June 2023 and approved by the President

of the Authority, which was in effect up until 31 July 2024, provided significant support in ensuring the effective exercise of the approval and oversight powers related to the selection of the DIAI's employees. On 1 August 2024, the DIAI became an organisational unit of the newly

established National Development Centre, prompting the first amendment to the Selection Procedure. The amended and reviewed Selection Procedure had also received the approval of the President of the Integrity Authority and came into effect on 1 August 2024.

The cooperation agreement finalised between the DIAI and the Integrity Authority in March 2023 and signed on 20 September 2023, which remained in effect also in 2024, was also taken into account for the oversight of the DIAI's selection procedure.

In accordance with Section 29/B. (6) of the Government Administration Act, the Authority reviewed and approved the objective criteria necessary for selecting the DIAI's employees in 2024 as well.

On 31 December 2023, the DIAI's staff consisted of 60 members. Fewer tenders were announced in 2024 than in 2023. In 2024, the DIAI shared the drafts for 10 calls for tenders with the Authority for the review and approval of the objective aspects listed amongst the selection criteria and advantages.

The DIAI took into account the Authority's observations and proposals for amendment in all cases. The Authority's observations regarding the objective selection criteria were con-

tinuously utilised in 2024 and integrated into the wording of subsequent calls for tenders.

In 2023, the Authority launched two oversight procedures under Section 29/B. (6) of the Government Administration Act, which covered a total of four calls for tenders and their related selection procedures. These oversight procedures were concluded in 2024, with the Authority preparing reports documenting the oversight findings, which were submitted to the DIAI.

Based on the experiences from the oversight of the selection procedure, the Authority has made proposals for fine-tuning of the DIAI's Selection Procedure and for the practical implementation of selection procedures. These proposals were accepted by the DIAI and incorporated into the amended Selection Procedure, which entered into force on 1 August 2024. The Authority has also incorporated the oversight experiences into its own oversight methodology.

In 2025, the Authority plans to initiate a further oversight procedure concerning the selection procedure, taking into account the organisational changes affecting the DIAI in 2024 and the entry into force of the amended Selection Procedure.

1.7.2 The audit of the DIAI's operation

In 2023, the Authority initiated the audit of the DIAI's operations pursuant to Section 5(5) of the Integrity Authority Act and Section 29/B. (9) of the Government Administration Act. As part of this process, the Authority examined the implementation of the rules of procedure and compliance with the guidelines governing the DIAI's procedures.

In the course of the audit of the operations, the Authority has assessed within the framework of a compliance audit whether, inter alia, the organisational framework, internal regulatory instruments, and the supporting processes and controls that supported the DIAI's operations had been established in accordance

with the applicable legal standards. The audit also included a review of the tasks assigned to the individual organisational units as set out in the rules of procedure, taking into account the expansion of responsibilities within the DIAI's organisation that took place in 2023.

The audit of the operations represented the first phase of gaining a more detailed understanding of the discharge of functions at the DIAI. Accordingly, during the review, the Authority focused on examining one key workflow from each of the DIAI's organisational units.

The audit of the DIAI's operations was completed in 2024, with the report

documenting the audit findings being expediated and made available to the DIAI.

The completed audit provides the foundations for identifying further areas of focus for the 2024 operational audit, as well as for carrying out any necessary targeted or follow-up audits. In 2024, the DIAI underwent two organisational changes: first, it separated from the structure of the Prime Minister's Office, then became part of the Ministry of Public Administration and Regional Development on 1 January 2024, ultimately becoming an independently operating

organisational unit of the National Development Centre on 1 August 2024. Because of organisational changes, auditing the DIAI's operations for the year 2024 is justified. The Authority will launch this audit procedure in 2025.

The experiences gained during the operational audit provided the Authority support when preparing for the review of the conflict-of-interest declarations and declarations of interest made by the Director of the DIAI and its employees, in accordance with Section 29/B. (9c) of the Government Administration Act.

1.7.3 Checking conflict-of-interest declarations and declarations of interest

In accordance with Section 29/B. (9) of the Government Administration Act, the Director of the DIAI and its employees are required to submit a general conflict-of-interest declaration and a declaration of interest upon the commencement of their employment. Then, prior to the initiation of any substantive procedural actions, they must also submit a case-specific conflict-of-interest declaration regarding the relevant procedural action. In 2024, the Authority initiated the review of the conflict-of-interest declarations and declarations of interest made by the Director of the DIAI and its employees, in accordance with Section 5(4) of the Integrity Authority Act and Section 29/B. (9c) of the Government Administration Act. With regard to the

DGAEF, according to Section 28(6) of the DGAEF Act, the nominees for the position of Director General and Deputy Director General must declare that there are no grounds to establish a conflict of interest as defined by this act. In 2024, the Authority initiated the review of the conflict-of-interest declarations made by the employees of the DGAEF, as required by Section 5(4) of the Integrity Authority Act. It also conducted the verification of the veracity of the declarations under Section 28(6) of the DGAEF Act, as well as the review of potential conflict-of-interest situations based on Section 28(7) of the DGAEF Act. These were conducted in parallel with the review of the conflict-of-interest declarations made by the Director of the DIAI and its employees.



Case Report on Asset Declarations

1.7.4 Checking declarations of assets

The Authority presented in detail its powers related to the preservation and checking of asset declarations in chapter 4 of the [Case Report on Asset Declarations](#).

The Authority still does not fully have a direct and automatic access to the necessary databases³.

The Authority initiated consultations to ensure that it can access

³ VFor instance, the databases detailed on page 33 of the Case Report on Asset Declarations include personal income tax and beneficial owner databases managed by the NTCA; the Integrated Portal-based Query System (IPL), ensuring access to the registers managed by Ministry of Interior's Deputy State Secretariat for the Management of Registers; data provision by financial institutions maintaining accounts; civil status data to identify relatives; Company Registry (OCCR); the Prime Minister's Office's EPPS (Electronic Public Procurement System) public procurement database and EUPR (System of European Union Programmes) database; the Hungarian State Treasury's Integrated Administration and Control System (IACS); insolvency registers.

and retrieve all data necessary for conducting its procedures through direct data connection. However, by the time this report was finalised, the data had not been made available to the Authority to the required extent and level of detail.

In 2024, in accordance with Section 29(2) of the DGAEF Act, the Authority performed the tasks related to management and preservation of the asset declarations of the Director General and Deputy Director General of the body responsible for auditing European Union funds.

In 2024, in accordance with Section 29(4) of the DGAEF Act, the Authority published on its [website](#) the asset declarations made in 2024 by the Director General and Deputy Director General of the body responsible for

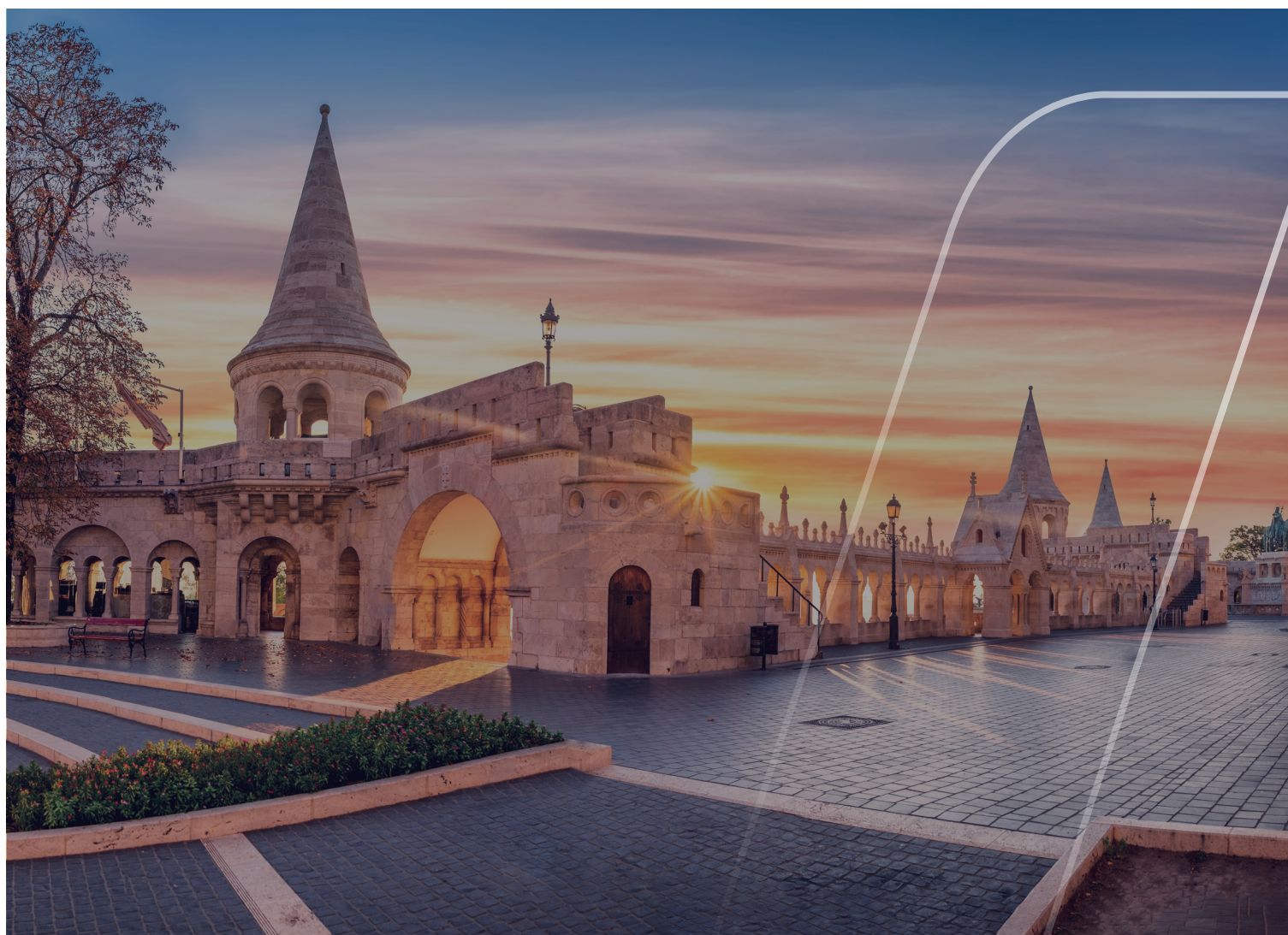
auditing European Union funds. In 2024, pursuant to Section 29(3) of the DGAEF Act, the Authority continued the verification of the veracity of the asset declaration made in 2023 by the Director General of the body responsible for auditing European Union funds.

No circumstances, as specified in Sections 5(6) and (6a) of the Integrity Authority Act, arose in 2024 that would have warranted the Authority's verification of the asset declarations of other persons, as defined in the same Act.

Therefore, no verification procedure was initiated for other persons' asset declarations, nor was any procedure for the verification of asset declarations commenced under Section 5(7) of the Integrity Authority Act.



Declarations of assets





Operation of the Integrity Authority

2.1 The Authority's strategy

The Authority has prepared the organisation's strategy for the period of 2024–2028. During the preparation of the strategy, the focus has been on creating a harmonised and clear set of objectives within the legislative framework, which would serve as a benchmark for assessing the Authority's performance. Within this framework, the Authority has defined 20 organisational objectives, 14 organisational actions, 10 sub-strategies, and nearly 100 indicators.

Our mission represents our values and responsibilities:

We are dedicated to safeguarding the interests of current and future generations, promoting a cleaner and more lawful economy, and building greater social trust.

By focusing on prevention, investigation, and shaping social attitudes, we ensure that funds are used efficiently and in compliance with regulations.

We perform our duties in line with our core values: honour and integrity, service and determination, professionalism and teamwork.

Our vision for the future defines the goal we are striving towards:

We are building an independent, professionally credible and internationally recognised authority that is key to strengthening social trust and serves as an example for fair operation.

The ultimate goal of the Authority's strategy and operations is to contribute to the advancement of the Hungarian nation, which the Authority aims to achieve by (i) promoting the lawful and effective use of EU funds, (ii) strengthening public trust and shaping social attitudes, and (iii) promoting a cleaner and more lawful the economy, as detailed below:

- (i) To ensure that funds received from the European Union are not only spent in compliance with regulations but also efficiently and effectively, so that their positive impacts and results can be maximised;
- (ii) To reduce tolerance towards corruption, ensure that people are aware of the significance and detrimental effects of corruption, and strengthen trust in national development policy through the Authority's operation;
- (iii) To reduce grey economy by strengthening compliance and public trust, as well as making the use of funds more transparent.

The Authority can achieve the objectives outlined above, as well as operate more efficiently, through broader **powers** and **professional collaborations**. **Further development** of the current collaboration frameworks is necessary both at national and international level to ensure that they not only exist in a formal way but with real substance behind them.

They shall be implemented at multiple levels, and the intensity of the cooperation shall increase.

A fundamental requirement for the Authority's operation, and thus its underlying goal, is **the long-term preservation of the – currently ensured – political, professional, and budgetary independence, both at national and international level.**

The Authority's stable operation requires not only professional independence but also operational autonomy, as well as independence in infrastructure and other functional areas.

The Authority's objective is to optimise and continuously develop its operations, supporting the increasingly effective execution of core and auxiliary tasks, as well as the efficient management of financial and human resources.

The foundation of the Authority's operations is rooted in its dedicated employees, making their retention, appreciation, and assistance strategically important. The Authority

places a strong emphasis on the individual development and growth of its employees to ensure they possess the competencies and skills necessary to carry out their tasks. The Authority's objective is to create a unified organisational culture that, by building upon the strengths of its employees, supports the fulfilment of the organisation's strategic objectives.

To this end, the Authority has finalised its performance measurement system, which will also serve as a basis for remuneration in the upcoming years. The strategy includes the development of sub-strategies for professional and operational areas, with key performance indicators (KPIs) assigned to the objectives. Their implementation is continuously being monitored.

Building and improving the organisational culture is an important tool for maintaining commitment, which helps the staff to stay focused on their tasks and contribute to the implementation of the strategy. The practical steps of this commitment will be developed in 2025.

2.2 Developing an independent IT infrastructure

Since its establishment in November 2022, the Integrity Authority has been using the IT and mobile communication environment provided by National Infocommunications Services Company Ltd. (NISZ), which, in addition to providing the devices, also included related operational services.

Because of its legal status, the Authority has set the goal of establishing an independent IT infrastructure. To this end, it has conducted several public procurement procedures in recent years.

Following the completion of the public procurement procedures, the Authority was able to gradually separate from the unified infrastructure services provided by NISZ Ltd., making it possible to establish its

own supervision, as well as a separate server and client environment for operation and maintenance.

At the end of April 2024, following the full migration of data, the Authority launched its own server-based infrastructure under its own domain, with AD, email, and other services. Simultaneously, it distributed the newly acquired client devices to its employees and returned the devices provided by NISZ Ltd.

In December 2024, the Authority signed a contract for its own mobile voice and data fleet service – the mobile phone service previously provided by NISZ Ltd. was discontinued.

In the second half of 2024, as an important milestone in its transition

to becoming a digital authority, the Authority took a major step forward by procuring and implementing its own document management system. Starting on 1 January 2025, it phased out the document management system previously provided by NISZ Ltd. Simultaneously, the procurement of the Authority's data centre equipment (servers, backup systems, storage, and network

devices) was also completed. These are expected to be put into operation in the first quarter of 2025, after which the network services provided by NISZ Ltd. will also be phased out.

The Authority is planning to procure managed office equipment services in the first half of 2025. Following this, the related services provided by NISZ Ltd. will also be discontinued.

Establishing the Authority's Core System

In 2024, the Authority launched the development of information systems that support its statutory functions. The programme began with an assessment of available data assets and business processes, followed by the design of data-ingestion pipelines and the specification of bespoke supporting software.

Where suitable commercial-off-the-shelf (COTS) solutions exist, the Authority acquires and implements them through open public procurement. For instance, the digitalisation of internal investigative workflows is being delivered in this way; the customised system is scheduled to go live in May 2025.

The Authority's in-house development team designs and builds innovative software solutions—including applications that use, or are fully based on, artificial intelligence—drawing on the findings of an international benchmark survey.

Development has already started on two key components:

- a preventive, automated predictive system, and
- an LLM-assisted query platform that accelerates the analysis of ongoing investigative materials.

The integrated system will automate processing based on complex expert rules, perform network analysis, and run machine-learning models, enabling near-real-time monitoring of EU-funded public-procurement procedures from the moment they are published.

An AI-powered interactive agent capable of querying external systems and communicating in natural language is also under development to streamline the examination of investigative cases and related data. From autumn 2025, a joint project with the OECD is expected to provide substantial support for further enhancing the risk-analysis model.

TSI (Technical Support Instrument) tender

In October 2024, the Authority applied to the European Commission's TSI programme through the Ministry of Finance, which serves as the national coordinating authority.

The TSI provides tailored technical expertise to EU Member States regarding the design and implementation of reforms.

The grant for developing analytical capacities through the introduction of innovative data-driven systems amounts to EUR 600,000. (The application was submitted under the title "Development of the analytical capacities by introducing innovative data-driven systems to reduce irregularities related to the use of EU funds")

2.3 Cooperation agreements with national organisations

In 2023, the Authority signed cooperation agreements with two institutions, followed by an additional seven agreements in 2024. These are as follows:

- **National University of Public Service**
- **Directorate for Internal Audit and Integrity**
- **Hungarian Competition Authority**
- **National Tax and Customs Administration**
- **Hungarian State Treasury**
- **National Authority for Data Protection and Freedom of Information**

- **National Office for the Judiciary**
- **State Audit Office**
- **Directorate General for Public Procurement and Supply**

The Integrity Authority is constantly expanding the number of its cooperation partners. Amongst the Authority's efforts is the establishment of cooperation with the Public Procurement Authority and the Office of the Prosecutor General; however, the initiative launched in 2023 has not yet led to the signing of an agreement.

2.4 International relations of the Authority

The Authority seeks to establish broad international relations in order to identify and adopt as many best practices as possible in preventing and detecting fraud and corruption.

Shortly after its foundation, the Authority established contact with the **European Anti-Fraud Office (OLAF)** and the OLAF Coordination Office, operating within the National Tax and Customs Administration (NTCA). Following regular consultations, the framework for cooperation with OLAF was agreed upon in December 2023 through an official exchange of letters. The status of the Authority's additional international relations and activities as of 31 December 2024 is summarised below:

EPAC/EACN (European Partners against Corruption / European contact-point network against corruption)

The EACN is a platform consisting of the anti-corruption bodies of European Union Member States and OLAF, while its partner organisation, EPAC, consists of more than 90 anti-corruption authorities and law enforcement agencies from the Member States of the Council of Europe.

The primary objective of this international initiative is to reduce corruption and establish and maintain mutual relationships in public administration, focusing on cooperation between professionals involved in the fight against corruption and institutions overseeing the work of law enforcement agencies.

The Authority participated in the EPAC/EACN conference and general assembly, which took place on 26–27 November 2024 in Bucharest. As part of the visit, Ferenc Pál Biró, President of the Authority, and Florin Moise, President of the **ANI (Agenția Națională de Integritate, National Integrity Agency)** of Romania, signed a cooperation agreement which primarily aims to facilitate the sharing of best practices related to the professional responsibilities of the two organisations.

The Authority submitted a successful application to participate at the **BACPE (Best Anti-Corruption Practice Exchange)** programme, organised by the EPAC/EACN. The project's objective is to facilitate the sharing of knowledge and experiences amongst EPAC/EACN members in the fight against corruption, as well

as to facilitate the dissemination of cross-border anti-corruption practices and opportunities for broader international cooperation.

OECD (Organisation for Economic Co-operation and Development)

The Authority is in constant contact with OECD representatives to ensure that the OECD experts are also involved in the preparation of the Authority's reports. As part of this, OECD experts organised a two-day workshop in December 2024 for the employees of the Authority on the MAPS (Methodology for Assessing Procurement Systems) methodology, an internationally recognised tool used for the comprehensive and complete assessment of public procurement systems.

In March and October 2024, the Authority participated in the biennial sessions of the **OECD** working group **PIAC (Working Party on Public Integrity and Anti-Corruption)** as official national delegates of Hungary.

The Authority plays an active role in the **OECD Tech & Analytics Community of Practice** as well. **UNODC's Global Operational Network of Anti-Corruption Law Enforcement Authorities ("GlobeE Network")**

GlobeE Network, founded in 2021, encompasses anti-corruption authorities from UN Member States.

Following the approval of the Steering Committee of the GlobeE Network, the Authority has been a member of the organisation since January 2024. The President of the

Authority participated in the organisation's general assembly, held in Beijing, where he led successful bilateral meetings with leaders of the **ICAC (Independent Commission Against Corruption)** and the **HKIAAC (Hong Kong International Academy Against Corruption)**.

ENPE (European Network for Public Ethics)

The ENPE consists of public ethics authorities from European Union Member States. The Network's mission is to uphold the rule of law and promote anti-corruption efforts and good governance. Following a decision adopted at the ENPE General Meeting, the Authority became a member of the organisation on 16 February 2024.

At the ENPE's annual conference, held on 11 October 2024 in Rome, its members unanimously adopted the Rome Declaration on new perspectives in corruption prevention and fostering the culture of integrity in Europe.

IAACA (International Association of Anti-Corruption Authorities)

In November 2024, the Authority became a candidate member of the IAACA (International Association of Anti-Corruption Authorities).

The Authority's membership was approved at the IAACA's 14th annual General Meeting, held in February 2025. At the same time, the President of the Authority was appointed to the Executive Committee of this prestigious organisation.



2.5 Integrity Academy: Shaping social attitudes and promoting culture change



Reducing the social acceptance and tolerance of corruption are fundamental aspects of anti-corruption efforts. In addition to sanctioning detected cases, corruption can be tackled through preventive programmes and education, i.e. by promoting ethical economic operations.

Shaping social attitudes, knowledge dissemination and education are key elements of the Integrity Authority's strategy, as well as research activities that methodologically underpin these efforts. The Integrity Academy, the Authority's comprehensive project aiming to shape social attitude, targets multiple social groups through education, communication tools, and relevant research, with a particular focus on the younger generation.

The Authority offers innovative theoretical and practical training, written materials, conferences, workshops, and collective thinking opportunities for future generations, as well as the public and private sectors. The implementation of its educational and foundational activities, as well as the monitoring research activities, began in the autumn of 2024.

The Integrity Academy's main focus areas include the proper use of public funds, reducing tolerance towards corruption, embedding the concept of integrity in public consciousness, and fostering a shift in mindset.

The Academy's attitude shaping, transformative and educational activities are developed upon the practical experiences gained in the course of the day-to-day performance of the Authority's statutory tasks.

In line with this, the following projects have been launched:

- **At the end of the year, the Authority prepared a cooperation with the University of Debrecen,** where

beginning in the spring semester of the academic year 2024-25, an 11-week elective course titled „Integrity in Management” is offered to students. Moreover, a series of seminars optimised for different target groups has also been prepared, in which topics focusing on the relationship between corruption and integrity may be addressed by using different methods of assessment depending on the size of the group.

- At the end of November 2024, the Authority launched a national awareness-raising campaign on the main national and regional online media platforms. The objective of the 20-day campaign was to promote the abuse-reporting platform of the Authority and help bring about change in the business culture for the creation of the social foundations of zero tolerance against corruption. As part of the campaign, training videos were produced on the use and anonymous operation of the reporting system, as well as on the importance of the national fight against corruption. In addition, a newsletter campaign targeting businesses was also carried out. The campaign reached 4 million individual internet users and contributed to 50,000 click-throughs to the whistleblowing platform of the Authority.
- Since October 2024, the Authority has been working on a comprehensive **corruption measurement methodology**, focusing on the Hungarian population. The summary study of the research results is expected to be presented in the fourth quarter of 2025. The aim of the research is to provide important added value to the reports and recommendations published by the Authority.
- In the last quarter of 2024, preparations were made for **data**

surveys on corruption, integrity, the fight against corruption, and the experiences of using EU funds, **with a particular focus on young people**. One of the underlying aims of the research is to complement the Authority's reports and recommendations with direct feedback from society.

- In December 2024, the Authority joined the **UNODC's** (United Nations Office on Drugs and Crime)

thematic year on anti-corruption, with the motto: „Uniting with Youth Against Corruption: Shaping Tomorrow's Integrity.”

As part of this collaboration, the Academy is involved in the implementation of thematic programmes.

Our colleagues are planning to present the results from the youth research at the international organisation's year-end World Conference in Qatar as well.

2.6 Financial management at the Authority

2.6.1 The Authority's 2024 budget

In accordance with Act XC of 2023, Hungary's 2024 central state budget allocated a budget appropriation of HUF 19,318,200,000 to the Integrity Authority for the year 2024.

The Authority's expenses in 2024 occurred as follows:

- Personal allowances and related contributions: HUF 2,462,733,899
- Material expenses: HUF 1,414,561,812
- Investment: HUF 209,701,988
- Renovation: HUF 121,348

The Authority's **total expenditure** for 2024 amounted to **HUF 4,087,119,047**, which resulted in **HUF 15,716,129,196 being repaid** to the Central Residue Settlement Fund as other operational expenditure (residue).

Based on this, 21.16% of the 2024 budget was utilised.

2.6.2 Planned use for 2025

In 2025, the development of independent IT systems will continue, supporting the expected outcomes of the Authority's operations as it has been defined in the course of the planning of its 2025 budget. These include:

- Uncovering a significant proportion of suspected corruption cases concerning EU funds
 - Promoting efficient financial management of EU funds
 - Promoting the change of social attitude: reducing tolerance towards corruption
 - Effectively detecting and tackling the abuse of power and position
 - National and international integration, building partnerships in domestic public administration, education, and on the international stage.
- In addition to integrating the aforementioned objectives into the

Authority's responsibilities, the goal is for the Authority to become a key player in the fight against corruption in Hungary and to contribute through its work to improving the European perception of the use of public funds in the country.

To this end, the Integrity Authority has formulated a comprehensive series of actions, which will be launched in 2025:

- Development of an impact-based investigation methodology and process to maximise the detection of instances of misuse related to European Union funds
- Development and implementation of an IT strategy
- Development of key processes spanning organisational units
- Development of a management IT system.

- Establishment of the framework for project-based operations
- Development and implementation of an HR strategy and key HR processes
- Development and implementation of a stakeholder/collaboration strategy

- Development of a quality management system
- Developments supporting operations will continue in 2025.

2.6.4 The Authority's activities from an ESG perspective

Environmental sustainability

The Integrity Authority has taken a significant step towards the digitalisation of its processes, which serves as the primary means of reducing its environmental footprint.

The introduction of the DMS document management software, starting from 2025, will have a significant impact, as it will digitalise documentation, thereby significantly reducing costs related to paper-based administration (materials and printing), as well as the environmental footprint associated with it. In addition, at the end of the year, the Authority introduced an HR process management software which will be fully implemented starting from the beginning of 2025. This will replace the paper-based processes for attendance tracking and leave approval.

Circularity is supported by the fact that the office building which serves as the Authority's headquarters sorts waste in line with the new national waste collection system.

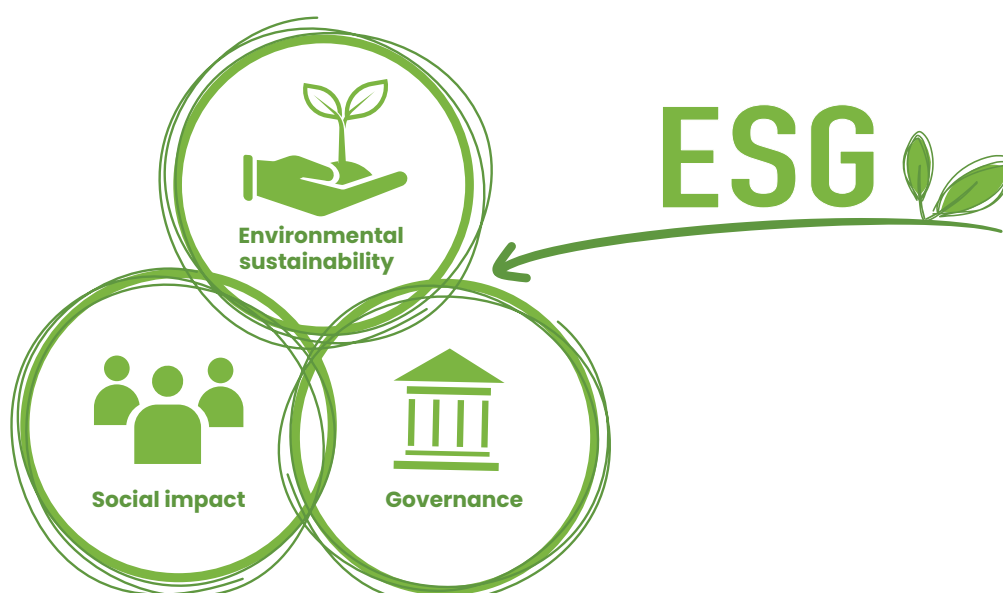
Social impact

The Integrity Authority's organisational strategy emphasises the need for a change in social attitude. The strategy defines the 'the reduction of tolerance towards corruption' as an underlying goal.

The Authority's mission also includes: „By focusing on prevention, investigation, and shaping social attitudes, we ensure that funds are used efficiently and in compliance with regulations.” The fight against corruption can have a significant social impact, and thus, the Authority's activities strengthen the social dimension.

Governance

With the creation of the HR strategy, the Authority's leadership has taken steps towards employee well-being and clarified processes. The complete implementation of an employee evaluation system, which takes into account the principles of independence, professionalism, and fair operations, will be addressed in 2025.



List of abbreviations

General Administrative Procedure Act – Act CL of 2016 on the Code of General Administrative Procedure

CCP – Act XC of 2017 on the Code of Criminal Procedure

DIAI – Directorate for Internal Audit and Integrity

Integrity Authority Act – Act XXVII of 2022 on the Control of the Use of European Union Budget Funds

DGAEF – Directorate General for Audit of European Funds

DGAEF Act – Act XLIV of 2022 on the Directorate-General for Audit of European Funds and Amending Certain Acts Adopted at the Request of the European Commission to Ensure the Successful Conclusion of the Conditionality Procedure

HCA – Hungarian Competition Authority

Authority – Integrity Authority

PPA – Act CXLIII of 2015 on Public Procurement

Government Administration Act – Act CXXV of 2018 on Government Administration

Administrative Court Procedure Act – Act I of 2017 on the Code of Administrative Court Procedure

NTCA – National Tax and Customs Administration

OECD – Organisation for Economic Co-operation and Development

OLAF – European Anti-Fraud Office



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We are building an independent, professionally credible and internationally recognised authority that is key to strengthening social trust and serves as an example for fair operation.

”



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