



## JOINT PRESS RELEASE

*of the Office of the Prosecutor General, the Curia, the National Office for the Judiciary, the Ministry of Interior, the State Audit Office and the Ministry of Justice on their anti-corruption activity in 2014 and on the cooperation of state institutions in the fight against corruption*

On 18<sup>th</sup> November 2011 the Minister of Public Administration and Justice, the Prosecutor General, the President of the Supreme Court and the President of the State Audit Office signed a joint declaration in which they agreed to undertake the moral commitment to strengthen the resistance of their institutions to corruption and to develop their anti-corruption tools.

The joint declaration, which was also signed by the National Office for the Judiciary in 2012 – is an exemplary one both in Hungary and in the world.

The signatories of the declaration agreed that while respecting the independence of the judicial bodies, they would coordinate their actions to prevent and curb corruption, for this purpose they would continue consultations with each other and would strive to create a network of coordination with the participation of their partner organizations and other state bodies. The signatory parties also agreed that they would meet annually and review their cooperation. Such an annual meeting was hosted by the Curia in 2012 and by the State Audit Office in 2013.

On 11th December 2014, **Dr. Péter Darák**, the President of the Curia, **Dr. Tünde Handó**, the President of the National Office for the Judiciary, **Dr. Péter Polt**, Prosecutor General, **Dr. Sándor Pintér**, Minister of Interior, **László Domokos**, President of the State Audit Office and **Dr. Róbert Répássy**, Parliamentary State Secretary of the Ministry of Justice assessed the annual anti-corruption activity of their institutions at a meeting, *with ambassadors and heads of foreign representations of the Members States of the European Union, the European Free Trade Association and the permanent members of the United Nations Security Council as well as with representatives of the media attending*. The meeting, also connected to the occasion of the International Anti-Corruption Day of 9<sup>th</sup> December, was hosted by the Office of the Prosecutor General and was held in the Assembly Hall of the Palace of Justice.

Prior to the meeting, heads of the institutions having signed the joint declaration made a *supplementary declaration* stating that the Minister of Interior would also join the original declaration having regard to its new duties defined by the Government Decree on the Duties and Powers of the Members of the Government issued in June 2014.



The representative of the Curia of Hungary presented the measures taken by the highest judicial body in 2014 with a view to strengthening institutional integrity. He pointed out that **in 2014 the elaboration of the internal control system was a top priority**. The **Internal Control Handbook, which entered into force** in July 2014, aims not only to prevent corruption but also to **prevent the wasting of organizational resources**. All the organizational units of the Curia were involved in the compilation of the Handbook, and as a result of this in-house cooperation audit trails were identified and set up. The audit trails track all activities of the Curia and record the persons responsible for the completion of the various work phases. The procedural rules for handling infringements and the rules related to risk management are also contained in the Handbook.

The representative pointed out that because of the Curia's significant constitutional position **the public image of the Curia has an effect on the public perception of the whole judiciary**. Therefore, the management of the Curia is working towards the implementation of integrity in the broadest sense, encompassing the clear and understandable wording of judgments. To realise this objective, **the decision-drafting practices of the courts were analysed** through jurisprudence analysis. The jurisprudence-analysing working groups that were set up by the President of the Curia reviewed – first in 2013, in civil and administrative matters, then in 2014, in criminal cases – the drafting and wording of decisions with a view to developing a uniform set of criteria to be applied to the drafting of decisions. In order to **improve case citation and to make the cited provisions of a decision more easily identifiable**, the paragraphs of the decisions published in the Official Gazette of the Curia were numbered.

The idea of transparency was put into practice in 2014 through a **strict control, in line with the Allocation Rules, of the allocation of incoming cases via an automated case assignment system**. The monitoring of the timely publication of the updated Allocation Rules on the official website, necessitated by amendments, did also form part of the administrative control.

Integrity is closely related to **the security of the IT systems**. In respect of the IT systems operating at the Curia a risk assessment was carried out in line with the provisions of the Act on Electronic Data Security of State Authorities and Local Governments, and based on the results of this assessment the operating IT systems were classified into security classes, and the security level of the organisation as a whole was determined. The security level required for the Curia is to be achieved within the next two years; the tasks still to be accomplished and the persons responsible for the execution of the tasks are specified in an Action Plan.

In addition to information security, the Curia also paid special attention to the **protection of classified data**. Albeit in remedy proceedings before the Curia no taking of evidence is conducted and hence no data is qualified by the Curia, classified data may be contained in a document transmitted by a lower court to the Curia. Therefore the Curia is responsible for the safekeeping of these documents.

As to the importance of national and international cooperation, it was noted that in 2004 **the Curia participated in an anti-corruption survey, which was coordinated by the State Audit Office of Hungary**. Since Hungary is a Council of Europe member state, it was obligatory for the Curia to participate in the evaluation proceedings that were conducted by

the Statutory Committee of the Group of States against Corruption (GRECO). Finally, attention was drawn to the importance of the ethical qualities and moral values of the persons who operate an organization, and it was emphasised that the judges and judicial employees of the Curia are expected to familiarise themselves with the **new Code of Judicial Ethics** which was adopted by the National Judicial Council in October 2014 and is to enter into force on 1 January 2015.



**OBH** The more transparent the operation of an organisation, the higher the level of trust is in the society. Integrity of the judicial organisation, transparency of the justice administration is one of the main strategic objectives of the National Office for the Judiciary (NOJ).

According to the so called Eurobarometer survey of 2013, 45% of Hungarians feel that the state fights corruption in an efficient way, while this average is only about 35% in the Member States of the European Union. This result means that Hungary is 10<sup>th</sup> in the ranking of the EU countries, which is also due to the performance of the judicial organisation in the previous years.

The President of NOJ tries to develop the methods by which the administration of the courts is disclosed to the widest range of society possible. Simultaneously with the launching of the central website [www.birosag.hu](http://www.birosag.hu), the courts' own websites were also modified to provide easier access to information for citizens. In order to strengthen internal relations, a central intranet was also launched in 2013.

The President of NOJ confirmed the commitment of the judicial administration in regard to the issue of integrity when she continued the cooperation with the Curia, the Prosecutor General's Office and the State Audit Office (SAO), started in 2012. Several courts participated in the Integrity Project of the SAO in 2013. In the meantime, the strengthening of physical security of the courts was also continued.

The Court Integrity Working Group prepared the draft of the renewed Code of Ethics. How can a judge appear on the internet, can judges attend political gatherings or support charitable organisations? These and other current questions will be answered by the Code of Judicial Conduct, coming into effect on 1 January 2015. The Code, which was accepted by the National Judicial Council this November, supports stricter moral expectations in relations to judges than general ethical norms would have.

Measures of the previous years already show effect in both domestic and international surveys as well. The Eurobarometer survey also shows that Hungarian citizens trust the Hungarian justice system far more than EU citizens do: the ratio is 58% to 53%. This means that we outrank all other countries who joined the EU at the same time as Hungary did and we have even better results than some grand old Member States.

In addition, Hungarians, more than other EU citizens feel that court decisions are articulate (in civil, administrative and criminal cases alike), which also contributes to the strengthening trust towards the justice system.



At the meeting **Dr. Péter Polt**, Prosecutor General emphasized that in the past year the Prosecution Service has taken important measures both to widen *internal integrity* and *to fight corruption by using various criminal law tools*.

The Prosecution Service is committed to fight against corruption crimes, including corruption crimes committed by public officials, in particular. **The number of crime cases initiated or ongoing in the past year** in which the Prosecution Service has been supervising or conducting the criminal procedure **well indicates this commitment**.

Criminal proceedings have been initiated or are ongoing for bribes by public officials in relation to police measures against 360 defendants. This number concerning border guards or customs and excise duty officers who were involved in crimes committed at the country's borders totals 165 defendants. With regard to employees of the National Tax and Customs Administration cases have been initiated against 150 defendants. As to employees working in the public administration 234 defendants can be reported from the recent time period.

As to corruption crimes, the other important area to be mentioned includes cases initiated against employees of state bodies and cases concerning public procurement proceedings. In this context, criminal proceedings have been instituted against 55 defendants recently, while other kinds of corruption crimes required the Prosecution Service to take actions against 2056 defendants. To sum it up, **the Prosecution Service took actions altogether against 3020 defendants in 2014 compared to the 1215 defendants whose cases were decided in 2013**.

**Continuous efforts are made to strengthen the professional and human resources of the Central Chief Prosecution Office of Investigation**, which is the structural unit of the Prosecution Service with the highest workload in the field of fighting against corruption. 82 well qualified and well-trained prosecutors, 3 junior prosecutors and 5 trainee prosecutors work here today.

**In order to inform the public frequently and in an authentic manner**, the Prosecution Service have released more than five hundred statements about corruption cases and its anti-corruption measures taken in the past three years.

To strengthen transparency the Office of the Prosecutor General released a **joint declaration** on a more effective cooperation **with Transparency International Magyarország** in the fight against corruption on the 15<sup>th</sup> of April, 2014.

The new, long-term **institutional strategy** of the Prosecution Service for **the period 2014 – 2020** has been in force since the 1<sup>st</sup> of January, 2014. The elaborated strategic action plan contains 10 complex strategic actions, which include altogether 36 different strategic projects. Several from among these strategic action plans concern the legal, effective, transparent and corruption-free operation.

After professional consultations with interest groups, the **new Code of Ethics and Standards of Professional Conduct for Prosecutors**, which is based on Recommendation (2000)19 of the Council of Europe, the Budapest Guidelines 2005, and the draft of Opinion 2014 of the Working Group of the Consultative Council of European Prosecutors, was adopted by the Prosecution Service at its managerial meeting in 2014.

In the past one year the Prosecution Service **examined the practice of law application in proceedings for the crime affecting the European Communities' financial interests and for crimes against EU budgets and financial funds** in connection with the focal theme

undertaken at the integrity meeting. The conclusions were drawn in a circular issued by the Prosecutor General, which, among others, provided for that in all the cases concerning the mentioned crimes it must be examined whether any cumulation with crimes against public confidence, corruption crimes or money laundering can be established, whether the perpetrator has gained any profits by the crime, and if he has, necessary coercive measures to secure confiscation of property must be taken.

The establishment of the **European Public Prosecutor's Office** is in progress in the European Union in order to deal with crimes affecting the financial interests of the European Union. The Prosecution Service of Hungary is taking a constructive part in the professional preparatory work at several international forums, and at the meeting of the Consultative Council of the European Prosecutors held in Trier this year it introduced the **concept of an alternative model** which would enable the EPPO to achieve a greater acceptance in Europe and to deal with VAT crimes at EU level as well.

By conducting a comprehensive examination the Prosecution Service analyzed **how criminal law provisions regarding corruption were applied in practice**. Based on the conclusions of the examinations another circular of the Prosecutor General was also issued summarizing the most important tasks to be taken. Accordingly, the broadest possible usage of coercive measures aimed at removing profits of crime and the initiation of asset recovery proceedings should be encouraged, international legal assistance requests should be made more frequent and the exchange of information should be further strengthened by carefully discovering the possibly occurring obstacles as well.

The focal integrity theme undertaken by the Prosecution Service for 2015 is that **conclusions of the integrity tests taken in 2014 and concerning 734 persons will be analyzed** and possibilities to further develop the system will be examined.



BELÜGYMINISZTERIUM

By a decision of the Government, responsibilities of the Minister of Interior regarding the law enforcement field have been enlarged with the responsibility of coordinating government duties related to the anti-corruption activities. The Ministry of Interior has been entrusted with this task by the Government based on the results it has achieved in the fight against corruption and owing to its rigorous view respected by the public. The Government emphasized that it is reasonable and expedient to enforce the preventive and retaliating measures of the fight against corruption within the framework of one institution.

The Minister of Interior has appointed the National Protective Service for the task, and within its structure the Department for the Prevention of Corruption has been established commencing its operation on 1<sup>st</sup> October, 2014. The Minister of Interior ordered that the Corruption Prevention and Integrity Strategy of the Public Administration adopting a four-year-long program should be developed. The first version of the strategy has already been completed.

In addition to its special, internal crime prevention and crime detection tasks the National Protective Service gives support for citizens and state organs in the development of citizen consciousness and organizational cultures which identify and refuse corruption phenomena. The Police are determined to detect emerging new methods of crime by an enhanced application of open and operative forces, tools and methods.

By signing the Joint Declaration on the cooperation of state bodies in the fight against corruption the Ministry of Interior undertakes another task whose successful fulfillment would further increase the resistance to corruption of all participant organizations.



Having regard to its advisory function set forth by law, based on its Strategy and by benefiting from international good practices **the State Audit Office of Hungary (SAO)** as an office-type supreme audit institution **has committed itself to introducing an integrity-based culture in the Hungarian public administration.** The approach of the State Audit Office lays special emphasis on the practical implementation of values represented by the society and the public administration, on the application of a system of preventive instruments.

As a result of **the SAO's Integrity Project**, the foundation of which was laid within the framework of a cooperation with the Netherlands Court of Audit (NCA) and then actually **started in 2009**, the State Audit Office of Hungary created the basis for learning more about the integrity approach by identifying the relevant risks, developing the methodology, and defining the elements of integrity. When launching a series of annual integrity surveys in 2011, **the State Audit Office set up a unique "Hungarian model"** by adapting and further developing the NCA's method, which was created to strengthen the corporate integrity of the individual institutions, and by applying the Dutch model to the entire public administration of Hungary. Results of the 2014 survey confirmed the following: the SAO's integrity survey is capable of providing feedbacks, monitoring trends, measuring effects of government actions, indicating the increase or reduction of corruption risks. **1584 organizations participated** in the data collection in 2014, which number is higher than ever. The workforce of the institutions which provided voluntary responses to the survey was more than 55% of the total work force of the Hungarian public sector, so there seems to be a broad commitment. The number of institutions which consider the strengthening of integrity and the identification of corruption risks as important tools to prevent corruption is increasing.

The SAO holds the premise that institutions which volunteer to respond to the integrity survey each year ('Community of Integrity Supporters') may set a good example for other institutions of the public sector through the positive trends they achieve through their conscious actions. This premise was proven right through the survey results of this year. A minor decrease of corruption risks and the simultaneous improvement in the level of the existing controls, in other words, the fact that the gap between risks and controls is becoming narrower, characterize 953 institutions which have joined the '**Community of Integrity Supporters**' by accepting the offer of the State Audit Office for a long-term cooperation. The different annual results have become comparable without any distorting factors for this group of institutions.

The State Audit Office strives to enhance integrity awareness continuously, and for this reason it has hosted a series of conferences and good practice seminars in the recent years. Besides, the State Audit Office considers it essential to have in Hungary appropriately skilled professionals on this subject, thus, it also **supports the integrity advisor training launched by the National University of Public Service** by making available course materials prepared within the framework of the SAO's Integrity Project.

In 2013 this kind of activity of the State Audit Office was also utilized **at the legislative level**, as the related government decree expressed commitment on the government's part as well. The conclusion to be drawn from the 2014 annual integrity survey is that the government decree resulted in significant progress for the institutions affected by this legislation even within a short time. This effect is made particularly obvious by the anti-corruption trainings that have become common, the developments in corruption risk analysis and in the development of action plans against corruption.

The **State Audit Office** has started to **integrate** tools and instruments used in the integrity data collection **into its audit activity**, and it takes into account results of the surveys in the development of the audit plans and audit programs. The survey also provides useful information to the government in the field of developing integrity controls for the public sector.

**The results** of the **State Audit Office** relating to integrity issues have also **received great acknowledgements at international level** as the State Audit Office organized an international good practices seminar based on the needs of supreme audit institutions of other countries.

The aim of this seminar was to share experiences about the introduction of the integrity approach and of the integrity-based public administration culture.

The **State Audit Office** as an 'engine' for the change of approach **supports institutions of the public sector**, in the first run the local governments, ecclesiastical institutions and local ethnic minority self-government bodies, **with self-tests as new instruments**. The internal control may improve at institutions using self-tests, their self-audit capability may improve, in other words, consolidation of their corporate integrity may get facilitated.

*The State Audit Office of Hungary (SAO) is the supreme audit institution of the National Assembly, it is an independent and fundamental institution of the democratic government system. Its mission is to promote the transparent management of public finances with its value-adding audits performed on a solid professional basis, thus contributing to 'good governance'. With its recommendations, the SAO facilitates the regular, economical, efficient and effective use and utilisation of public funds.*

**For further information please contact:**

Bálint Horváth,

Head of SAO's Communication Department

Tel: +36-1-484-9145 Mobile: +36-20-238-6939 E-mail: [sajto@asz.hu](mailto:sajto@asz.hu)



IGAZSÁGÜGYI MINISZTERIUM

**The main task of the Ministry of Justice, which has recently been separated to work individually again, is to legislate and prepare legislation. Legislation is the essential tool that the Ministry of Justice uses to fight corruption within the framework of the governmental division of labour. The new Criminal Law Code deals with corruption crimes in a separate chapter, and unlike the former intricate provisions of law, it separates bribery relating to business activities, bribery by public officials and bribery committed in judicial or administrative authority proceedings. It also makes a clear distinction between the perpetrators of active and passive bribes. It is the duty of the Commissioner for Fundamental Rights to deal with whistleblowing complaints and public interest disclosures relating to corruption, but it was the Ministry of Justice that played a key role in ensuring the legislative background thereof. The**

**legislation passed to protect whistleblowers of corruption ensures that persons who report corruption cases coming to their notice are entitled to legal protection and anonymity in accordance with a new Act on complaints and public disclosures having entered into force this year. Whistleblowers are guaranteed legal counsel and confidentiality through lawyers engaged for the protection of whistleblowers.**

At his hearing before the Parliament's Justice Affairs Committee on 3<sup>rd</sup> June 2014, Dr. László Trócsányi, as candidate for the position of Minister of Justice emphasized the need for uniform actions to be taken by the government and pointed out that the fight against corruption is not a task to be fulfilled exclusively by the Ministry of Justice. Instead, it should be considered as an obligation for the government as well.

Although the Ministry of Justice overtook most of the anti-corruption functions of its legal predecessor, the Ministry of Public Administration of Justice, it started to work hard to make the administration of justice – as understood in a broader sense – more effective, since transparent, fair and speedy proceedings are necessary and essential requirements of the rule of law. Guaranteeing legal protection for whistleblowers of corruption in an Act is a progress, which facilitates maintaining confidence in the administration of justice and promotes the exercising of human rights in order to have corruption crimes detected.

The work of the Ministry of Justice aimed at creating the new rules of civil, criminal and administrative proceedings, the preparation of the reform of the judicial expert system, and making the Parliament adopt the new rules concerning judicial enforcement agents upon the proposal of the Ministry of Justice should all be driven by the objective that both private and public life should be free of practices of unlawful gains or misuse of function.

Budapest, 11th December 2014