



ÁLLAMI
SZÁMVEVŐSZÉK

Summary
of the Audit on Task Performance and Property
Management of National Park Directorates (12106)

Objectives and scope of the audit

The objective of the audit related to the execution of the 2011 budget was to evaluate the effectiveness and efficiency of the task performance of national park directorates, as well as to assess the utilisation of the asset elements managed by them. The on-site audit covered four directorates and the Ministry of Rural Development (ministry) in respect of the period between 2007-2011. In the course of the audit, we provided an opinion on the reliability of the 2011 reports of the directorates.

Main findings

Regulation pertaining to the operation of the directorates and the established institutional system ensured the performance of basic tasks of nature conservation during the audited period. In the course of planning annual budgets, the ministry did not formulate any professional requirements or specific tasks for the achievement of the objectives set by the third National Environmental Protection Programme ('NEPP 3') for the directorates.

The annual management plans of nature conservation assets of directorates audited on-site, and the long-term management programmes of nature conservation assets of two directorates were drafted with incomplete content contrary to the requirements. In their annual reports, the directorates gave an account of their nature conservation management and asset management results to the ministry, but the reports did not contain the results of nature conservation management practices and audit of concluded contracts of lease. Accordingly, deviations from the plans were not assessed. Improvement of the effectiveness of task performance was not facilitated by the fact that deviations from the plans and the justifications thereof were not included in the reports. With the exception of use through leasing, the ministry assessed the joint activity of directorates based on the annual reports; no assessments were drafted on the activity of each directorate separately.

The task performance of directorates related to nature conservation management was suitable to accomplish nature conservation objectives. The directorates participated in the elaboration of species preservation plans, nature conservation

management plans, as well as sustainment plans applicable to Natura 2000 areas subject to European protection. Directorates subject to on-site audit implemented the species preservation plans affecting their area in line with the objectives of NEPP 3. As a result of the directorates' activities, the number of incidents involving poisoning decreased. In order to avoid the decrease in the numbers of individuals of protected birds, 1,118 km of overhead lines were insulated and 85.9 km of aerial lines were replaced with underground cables between 2007 and 2011.

Between 2007 and 2011, the value of assets managed by the directorates increased by 21.1% (to HUF 58,310.2 million) and the extent of the area subject to asset management increased to 289,354.6 hectares (by 6.5%). Within that, the ratio of areas utilised in the scope of own use increased from 41.5% to 46.2%. The number of areas subject to habitat rehabilitation and reconstruction increased by thirteen, and their extent by eight times. Thus, the activities of directorates concerning nature conservation asset management were effective. At the directorates subject to on-site audit, the vesting of areas into asset management was delayed due to consultations with the entity exercising proprietary rights. Due to this fact, 5.3% of the area of real estate they actually managed was not included in their asset management agreements. Property records and branch of cultivation according to use differed by an area exceeding 10 thousand hectares at two directorates.

Rent per hectare increased to HUF 9,173.5 (by 85.6%) from 2007 until 2011 regarding the areas leased out by the directorates. Thus, areas vested for use were utilised in a more efficient way; the value of rent, however, was low compared to the annual value of area-based subsidies granted for one hectare (20.7% in 2011). The directorates subject to on-site audit did not develop precise rules for determining rent upon the conclusion of leasehold contracts. Announcements failed to ensure transparency and broad publicity when natural areas were granted for use.

Financial assets were available for directorates subject to on-site audit to accomplish their tasks as set forth in their respective plans concerning nature conservation asset management. The utilisation of assets was adequate and effective, because the directorates achieved their planned basic tasks using the budget resources available to them and their own revenues. By 2011, the directorates' operating expenditure decreased by 10.8% as a result of cost cutting measures. Accordingly, operating expenditure per one hectare amounted to HUF 61,000 per year in 2011.

The 2011 reports of directorates subject to on-site audit provided a true and fair view of their asset and financial situation. There were no substantial errors in the

final accounts of the audited directorates and no regularity errors in their financial management, either.

The directorates subject to on-site audit submitted all applications for grants with the approval of the ministry, and financing for operation was ensured in case of all projects involving maintenance obligation. The goals of EU projects were consistent with the basic duties to be performed compulsorily as set forth in the deeds of foundation and professional plans of the directorates. Habitat reconstruction activities, conservation of natural assets, habitat protection activities, the construction of nature trails and reception centres for environmental education were primarily planned and completed using grants.

Recommendations

We recommended the Minister of Rural Development to define the specific tasks of directorates related to the accomplishment of nature conservation objectives, the requirements imposed on them, and to develop their budgetary total figures in light of those.

We recommended the heads of national park directorates audited on-site to review – prior to utilising the areas they manage – the proportion of overall expenses and expected revenues related to own use and to granting for use, and make a decision about renting in view of the results of these comparisons. We recommended them, furthermore, to take measures to advertise areas to be utilised in the framework of leasehold contracts to a broader audience in order to promote transparency and boost competition.