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Controlling and continuous budget control at the Hungarian Financial Supervisory Authority

One of the primary objectives of the Hungarian Financial Supervisory Authority's (HFSA) strategy, which was approved in 2005 under the title *Efficient supervision – 2005–2010*, is the efficient utilisation of resources. For the achievement of this objective the HFSA has restructured its internal financial management, and introduced new controlling methods that were not previously used in the supervisory work.

For the HFSA, the efficient utilisation of resources means the full implementation of risk-based, integrated and process oriented, problem preventing supervision, and tailoring supervision to the supervisory rules and actual operation of financial management. We wish to adjust the limited supervisory resources (personal, material, etc. resources) to the actual risks. Therefore, resources used for the supervision of activities and organisations that do not pose significant risks to consumers must be reduced to the minimum, while resources used for organisations and processes that imply risks must be maximised.

The strategy of the HFSA points out that rational resource management can be implemented successfully only if planning, measurement and accounting become clear and systemic in public administration, too. This requires the creation of the most important conditions of resource management, especially the functions ensuring the comparison of planning, implementation and

efficiency, as well as the criteria of the measurement and evaluation of efficiency, i.e. controlling activity in the public institutions, too.

During the development of the controlling system, the following primary objectives were set:

- supporting the internal decisions of the budget owners and managers, feedback on operational performance and control,
- increased “real time” monitoring/reporting,
- the required information is determined by the managers in line with the strategic and operational needs of the organisation.

CONDITIONS THAT DETERMINE THE OPERATION OF THE HFSA

The HFSA is a budgetary organisation vested with powers similar to those assigned to the budget chapters. Its budget is administered under a separate title within the 'Ministry of Finance' chapter. However, in addition to the subtitle 13.1 containing the budget of the institution, the HFSA is also authorised to dispose of the chapter managed appropriation under subtitle 13.2, which contains the reserves of the HFSA.

The HFSA is fully authorised to plan and finance its expenditures from own revenues specified in separate legal regulations. It may use state subsidies according to rules pertaining

to public finances. In relation to the budget of the HFSA, the Chairman of the Board of the HFSA performs all tasks delegated to the head of the organisation supervising the chapter in pursuance of Section 49 of Act XXXVIII of 1992 on Public Finances. At the HFSA, the head of the budgetary organisation is the Director General in pursuance of the Act on Public Finances.

In pursuance of Section 1 of Act CXXXV of 2007, the HFSA is a government agency, for which tasks can be prescribed only by legal regulations issued on the basis of an act or authorisation conferred by law.

Section 4 of the same act lists all legal regulations that cover organisations supervised by the HFSA. The objective of the activity of the HFSA is to promote and continuously supervise the smooth and effective operation of the money and capital markets, the protection of the interests of the customers of financial organisations, the transparency of market relations, the strengthening of confidence in the financial markets, as well as to promote and continuously supervise the prudent and efficient operation of organisations and persons engaged in various financial activities to maintain fair market competition, and the diligent exercising of rights by the owners of such financial organisations.

The HFSA continuously inspects compliance with the legal regulations and HFSA instructions pertaining to the operation of financial organisations. In case of non-compliance, the HFSA has the right to take measures, or initiate a proceeding at an organisation with a different scope.

The HFSA's powers extend to:

- credit institutions and financial enterprises,
- participants of the capital market,
- insurance companies,
- funds (private pension funds, healthcare funds, etc.),
- other specific institutions, e.g. Hungarian

Export-Import Bank, Hungarian Development Bank, etc.

While fulfilling its tasks, the HFSA closely cooperates and regularly exchanges information with foreign financial supervisory authorities for the implementation of consolidated supervision and the promotion of integration processes.

The HFSA yields revenues from:

- the supervisory fees,
- the administrative service fees,
- the supervisory fines, and
- other revenue sources.

Organisations and persons under the jurisdiction of the HFSA must pay administrative service and supervisory fees specified in a separate decree. According to the law, the fees shall ensure the continuous and smooth operation of the HFSA.

According to Section 26 (5) of the act, the HFSA shall use its revenues – except for revenues from fines – exclusively to cover its operational expenses. The revenues cannot be used for other purposes. The use of revenues from fines is governed by separate legal provisions. By formulating these rules the legislator evidently aimed to prevent the HFSA from being “interested in levying fines”.

In pursuance of paragraph (7) of the same Section, the HFSA may form reserves – accounting to maximum 15% of the actual revenues yielded in the year under review – not including revenues from fines. In the subsequent years these reserves can exclusively be used to cover operational expenses, and cannot be used for any other purpose. These reserves of the HFSA are contained under a separate subtitle of the budget. The aim and essence of these rules is that the revenues of the HFSA are strongly influenced by the dynamics of the money markets. The money market boom experienced in the past years has also contributed to the growth in the HFSA's revenues, but changes in the system of supervisory fees

have significantly reduced revenues from fees since 2008.

The financial management autonomy of the HFSA is limited in several aspects: during the planning of the budget of the HFSA the budget circular of the Ministry of Finance must be taken into account just like in any other budgetary organisation, and the HFSA has no freedom at all in human resource management. On top of that, the HFSA must also comply with all provisions of Government Decree 217/1998 (XII. 30.) on the operational rules of public finances.

BUDGET OWNERS AND COST TYPES

The system of budget owners have been in operation for years at the HFSA, however the tasks of the budget owners have significantly changed since the budget year of 2005. On the one hand, the budget owners have been participating in the process of planning and financial management as a certain accounting and planning unit. On the other hand, they have been involved in the procurement processes, too as units authorised to assume liabilities. Furthermore, the budget owners are responsible for tasks arising during the procurement processes, such as expediency inspection, participation in the public procurement procedures, professional certification of completed tasks.

Formerly, budget management was strictly linked to priority appropriations, but life has already blurred the original boundaries. For example, today several budget owners can have investment type tasks. At the same time, a budget owner can have tasks in more than one priority appropriation: for example, the human resources (HR) budget owner is responsible not only for personal benefits, but also for setting and organising the implementation of educational, retraining, social and community objectives.

Task-based planning

At the HFSA, the partial restructuring of the system of financial planning also began in 2005, when the management decided to introduce the so called zero- or task-based budgeting. In that year, budget owners had to assess their tasks to be completed in the given year, and the required costs, and then the totality thereof formed the elemental budget of the HFSA, naturally with regard to the priority appropriations contained in the already approved budget act. Therefore, we can say that the *top-down* planning methodology specified by the Act on Public Finances was supplemented with a *bottom-up* methodology by the HFSA.

The budget owners specified around 500 separate tasks that implied direct costs.

Let us present an example of a task list specified by a smaller budget owner, the communication (PR) field of the HFSA (see Table 1).

Table 1

TASKS OF THE HFSA PR BUDGET OWNER
Consumer protection publications
Annual report
Other PR advertising and promotional publications
Logo office supplies, forms, business card supply
Photography
Image planning
VAT on PR activities

It is important to note that the tasks specified by the budget owners partially showed a deeper-, and partially a higher-level breakdown than the chart of accounts developed for budgetary organisations. Due to this and certain technical reasons, we decided to identify the individual tasks with a separate system of codes. Thus, for example, the rent of the head office building rented by the HFSA was also given a separate code, and therefore it became distinguishable from other rents, mostly related to certain events.¹

Cost places

In parallel with the restructuring of budget management, the system of cost place based accounting was introduced, too. In the management information/controlling systems there can be different cost places: cost centres, revenue centres and profit centres.² Formerly – after the organisational integration that brought about consolidated supervision – attempts were made primarily to establish profit centres in line with the legal predecessor organisations. The revenues and expenditures of the former bank, insurance, capital market and fund supervisory authorities were tried to be separated from one another with the help of so called sectors, and the performance of the supervision of the given sector was tried to be calculated by the so called *contribution analysis*.

However, as integration progressed, and – especially on the basis of the new strategy, after 2005 – as the concept of consolidated, multi-sectoral supervision came to the foreground, the weight and ratio of activities that could no longer be directly linked to the individual sectors grew. These activities include the entire market supervisory activity, as well as tasks related to consumer protection, international cooperation, market analysis and regulation.

For these reasons the HFSA decided that the former “sector based” contribution analysis could no longer yield relevant results. In the future, the HFSA will be increasingly required to monitor costs associated with the specific supervisory activities.

The current system of cost places basically starts out from the structure and hierarchy of the organisational units of the HFSA, although it is less detailed than that on one hand, and is supplemented with the so called *technical cost places* on the other hand (see Table 2).

Cost places that represent the strategic functions of the HFSA – activities specified by law, and basic activities – are called *cost bearers*.

These cost places were marked as 'cost bearer' in Table 2.

Cost places with separate/own revenues and expenditures form the so called *profit-centres*. In the case of the HFSA there is only one such cost place, the cost place of fines. The cost place expenditures of fines do not need to be distributed among the cost bearers.

In addition to the primary or functional cost places, internal services that the HFSA produces/purchases as a service supplier for the implementation of its primary tasks must be defined. Internal services are shown by the so called *technical cost places*. Expenditures accounted to technical cost places are transferred to the end cost bearer on the basis of pre-determined projection bases. (For example, expenses related to the head office building are further broken down according to square metres, while vehicle related costs are broken down on the basis of usage.)

With this method, already the analysis of expenditures identified at the cost places may yield valuable information. Thus, for example, before implementing larger scale IT developments, the HFSA may inspect whether the given development can be more cost-efficiently realised by using “internally priced” own resources, or with the involvement of an external entrepreneur.

The expenses of the cost places producing the internal services can and must be transferred to the “end cost bearers” – either proportionately to the direct expenditures, or on the basis of internal accounting pertaining to the internal services used. This is the only way to clearly show the direct and indirect costs of a “basic activity” of the HFSA. By assessing the capacities used for the different activities the specific costs of an activity can be calculated (e.g. senior supervisor man-day). Questions, e.g. whether the managed risk is proportionate to the size of the resources used, whether it is worth to have a task performed by using inter-

Table 2

COST PLACES OF THE HFSA

	Name of the cost place	Type
0	Revenues	Technical cost
1	Management	Codz place
11	Management support	Cost place
2	Theory and regulation	Cost bearer
3	Prudential supervision	Cost bearer
31	Banking and Capital Markets Supervision Directorate	Cost bearer
311	Financial Groups	Cost bearer
312	Credit Institutions and Financial Enterprises	Cost bearer
313	Cooperative Credit Institutions	Cost bearer
314	Capital Market Institutions	Cost bearer
315	Enforcement, Banking and Capital Markets	Cost bearer
32	Insurance and Pension Funds Supervision Directorate	Cost bearer
321	Insurance	Cost bearer
322	Pension Funds	Cost bearer
323	Pension Funds Administrations	Cost bearer
324	Enforcement, Insurance and Pension Funds	Cost bearer
33	IT Services	Cost bearer
4	Financial Markets Supervision	Cost bearer
41	Licensing Directorate	Cost bearer
411	Licensing, Banking and Capital Markets	Cost bearer
412	Licensing, Insurance and Pension Funds	Cost bearer
413	Capital and Money Markets Issuance	Cost bearer
42	Market Supervision Directorate	Cost bearer
421	Market Control	Cost bearer
422	Consumer Protection	Cost bearer
423	Complaints	Cost bearer
424	Customer Services	Cost bearer
43	Financial Forensics	Cost bearer
5	Credit Institution Liquidator public benefit company	Cost bearer
6	Head office building	Technical
7	Vehicle fleet	Technical
8	Central document management	Technical
9	IT	Technical
91	IT Infrastructure	Technical
92	IT Applications	Technical
93	Central Registry of Pension Funds	Technical
94	Agent register	Technical
A	International relations	Cost bearer
B	Events, conferences	Cost place
C	Image, appearance	Cost place
D	Communication expenses	Cost place
E	Fines	Result centre
F	General cost place of the HFSA	Technical
G	Reserve of the HFSA	Technical

nal resources, or it is more cost-efficient to involve external resources, and the ratio of the costs of the licensing procedure to the fee payable for the license, etc. can be examined only afterwards.

According to Section 160 (4) of Act C of 2000 (Act on Accounting), account groups 6 and 7 can be used at business organisations for the provision of managerial information. The free use of these account groups makes it possible to hold the units within an enterprise accountable, and to develop the specific system of cost management and prime cost calculation. However, since Government Decree 249/2000 on the specific features of the reporting and accounting obligations of public finance organisations has already filled these account groups, the HFSA performs cost place accounting outside the chart of accounts, by using so called accounting dimensions.

ACCOUNTING DIMENSIONS AT THE HFSA

In the modern, financial management supporting IT systems it is no longer sufficient to identify an accounting item merely by one set of criteria, although in the good old days it was enough to categorise the different transactions according to the chart of accounts of the general ledger in addition to the time dimension. For example, the application used by the HFSA makes it possible to use 12 other sets of criteria in addition to the ledger accounts. Other systems might not be so “generous” in this aspect, however supplementary categorisation is always possible. At the HFSA, for example, a supplementary criterion is the type of the recorded transaction (appropriation, fact), the budget owner, the cost place, etc. If we wanted to present all these criteria by breaking down the ledger accounts, taking into account the cross products of the values assigned to the criteria,

we would soon have a chart of accounts comprising of millions of elements! (See Table 3)

Table 3

AN ACCOUNTING RECORD IN THE ECONOMIC SYSTEM	
Year	2006
Month	6
OriginID	eStart_GL
SubtitleID	3
Account No.	T5432
Secondary	T712
SegmentID	1
Cost place ID	014
FrameID	009
KTK	131
Turnover	FR
CostIDiro1	
Debit	1234
Credit	
Description	Office supply, form procurement
Reference	XYZ FAST PRINT

As the example presented in Table 3 shows, in the case of most transactions the general ledger contains all data that are required for the preparation of controlling statements based on several criteria: in the controlling system there is no need for recording transaction related data separately.

This is also supported by the fact that postings are transferred from the procurement and liability module to the general ledger module of the economic system in an itemised manner, at the level of records, i.e. the general ledger contains the data of each economic transaction at the analytical level, too.

However, in certain cases the general ledger contains not sufficiently detailed or inadequate data of elemental transactions, and additional information may also be needed.

■ Elemental appropriations are accounted only at the end of the first quarter, wherefore at the beginning of the year controlling must manage the appropriations itself.

■ The posting of the customers module determine influences only at the financial sector level, however the management needs data on distribution within the sector, too. Therefore, the controlling system takes over the supervisory fees directly from the customers module, too for a more detailed breakdown.

■ The breakdown of the cost places providing internal services, as well as that of the general supervisory costs must also be ensured. This task is also performed by the controlling system with the help of an automated procedure: a procedure used in the mathematics of voting, i.e. the “greatest-remainder formula” ensures precise calculation.

Problems with the general ledger data of the economic system

The general ledger data of the economic system are only partially suitable for the creation of certain statements for the controlling system: certain descriptive data (metadata in other words) are either missing from the system, or can be found only with difficulty. Such descriptive data include the hierarchy of the cost places, the hierarchy of the accounts, etc. Natural capacity data that serve as a basis for the breakdown of costs are not included in the general ledger either (staff number, floor area).

In addition, a supplement had to be made to the general ledger, in which the controlling system automatically matches the appropriations and completions that were originally accounted on separate ledger accounts with each other– with the help of a table that have been developed for this purpose– and assigns them a short name.

The screen shown in *Chart 1* is from the *Kontrolling Menedzser* (Controlling Manager) software that HFSA developed itself, and presents a concrete match record.

If we could only use the trial balance to gen-

erate a simple fact/plan indicator, we would need to obtain data from two independent points of the tree that contains the chart of accounts. The systems usually handle this problem by identifying the account groups required in the so called “embedded” plan-fact statement as a column. Naturally, the maintenance of these “embedded” reports is time and cost intensive (and it usually requires help from an external supplier), however it does not make ad hoc polling possible. However, by matching the embedded itemised accounts we obtain a standard chart of accounts characteristic for business organisations: the plans and completions appear in the same structure.

Chart 1

CREATION OF THE CONSOLIDATED APPROPRIATION/COMPLETION ACCOUNT

What is more, since the contract and liability registration system linked to the controlling system records its data in the same structure, the most important data characteristic of the financial management can be presented by a simple cross tab polling procedure (see *Chart 2*).

CROSS TAB POLLING FROM THE CONTROLLING SYSTEM³

The screenshot shows a software interface with a menu bar at the top containing various icons. Below the menu bar is a title bar with the text "Gazdasági adatok költségnemek és forgalom típus szerint". Underneath the title bar is a dropdown menu for "Idő" (Time) set to "2008". To the right of the "Idő" dropdown is another dropdown menu for "Forgalom" (Transaction). The main area of the screenshot is a table with the following data:

Szint1	Forgalom					
	Terv e. mFt	Terv m. mFt	Terv mFt	Tény mFt	Kváll mFt	Szkr mFt
Befektetett eszközök	874,8	2,9	877,7	17,9	255,0	604,8
Forgóeszközök	-	0,1	0,1	1,2	47,8	46,4
Pénzügyi elszámolások	301,1	4,0	305,1	1 064,0	258,9	1 017,9
Források	10,0	-	10,0	7,9	-	17,9
Kiadások	8 704,4	12,3	8 716,7	249,4	2 876,5	5 590,7
Bevételek	9 870,3	19,3	9 889,6	1 343,4	-	8 546,1
Nyilvántartási számlák	-	-	-	5,5	3 438,2	3 432,7
Végösszeg	0,0	0,0	0,0	0,0	0,0	0,0

CAPACITY MONITORING AT THE HFSA

In addition to the cost place based expenditure analysis, the HFSA is developing a capacity planning system for planning the capacity of the different professional fields, analysing and monitoring the level of utilisation. The owner of the capacity planning system is the Strategic Cabinet operating by the Director General. For the time being, the system is in the model stage, its IT support has not been developed yet.

This system monitors the utilisation of the human resources of the HFSA in the professional and service fields, wherefore its breakdown according to organisational units is deeper than the system of cost places. On the other hand though, it does not cover the entire organisation of the HFSA.

In addition to the organisational dimension, the utilisation of capacities is classified by other important criteria, too, according to the following:

- investigative stage (preparation, completion of the investigation, report writing, closing),

- type of expert capacity (head of inspection, institutional supervisor, actuary, IT professional, legal professional, etc.),
- inspected institution /group/product/segment,
- inspection priority,
- type of the managed risks,
- impact of the managed risks.

In the life of the HFSA the next great step is the exploitation of advantages from linking the internal capacity planning/monitoring information system with the expenditure monitoring, financial management controlling system. The development of the methodology of this connection is still under way, but our objectives include finding answers to certain questions, such as determining the expenditures spent on the different risk types, or, according to the same pattern, studying the financial effects of the supervisory resources spent on the individual institutions, etc. Our ultimate goal is to create a system that provides the greatest harmony between the impacts of risks managed by the HFSA and the size of resources used for such purposes.

REGULAR AND AUTOMATIC REPORTS

The creation of the IT background has been the critical point of establishing the controlling system since the very beginning. The fundamental problem of auxiliary systems set up by the economic system required by law is that as time goes by, the energy and expenditures spent on their maintenance exceeds the value of information obtained at the time of introduction, if their novelty passes away. The danger increases if the system is loaded with data that are not 100 percent reliable, since in this case the authenticity, and consequently the value of the obtainable information decreases.

Formerly, the demand was raised that the controlling system should make it possible to present the financial management of the HFSA in a profit-based manner. However, this could only be implemented with disproportionately large energy inputs, and maintenance would also require significant expenditure and time. For the lack of conformity or compatibility with the standard accounting system this could technically be implemented only by the installation of supplementary systems, wherefore the reliability of the generated information could always be questioned, too. Therefore, in the current stage we decided to maintain the cash-based accounting.

The controlling system of the HFSA consists of three main parts:

- 1 the intermediate level MS-SQL database, which is usually called staging database,
- 2 the multidimensional or OLAP database, which is built on the former and supports analyses (Microsoft Analysis Server), and the
- 3 the upper or client layer responsible for display. In our case, this contains only a few simple webpages, including– in an embedded manner– a copy of the Microsoft Office Web Components⁴ programs.

Most of the IT systems of the HFSA were based on Microsoft solutions even before,

wherefore the integration of the above elements into the system did not entail additional costs, all required licences were already available. (However, it is true that these general purpose elements are used to meet the concrete demands of the HFSA.) We are convinced that this extremely cost-efficient solution, which fully satisfies the needs, can be used at other institutions, too.

During the development of the system we planned and constructed the above mentioned “staging database”, and then created the corresponding cubes on the Analysis Server, and made the statement table and diagrams of the web components more user friendly with a few minor scripts. As a result, we made it possible to save the results of OLAP pollings, and – more interestingly and importantly – we ensured the support of so called drill throughs via the statement tables. These elements, which seem not so significant at first sight, have turned out to be extremely important, or even critical in the day-to-day work: if we experience an outstandingly high value at a cost type/cost place compared to the former years, a whole range of further questions can be answered or closed with the help of an outstanding item (*elemental transaction*) discovered during a simple drill through. (See Chart 3 and 4)

Chart 3

STATEMENT TABLE WITH SUMMATIONS

Keretek		Idő	
Üzem.		2008	
Khely		Egyenleg	
<input type="checkbox"/>	SZHÁZ	142 671 003	
<input type="checkbox"/>	GJÁRMŰ	4 266 161	
<input type="checkbox"/>	Iráttár	125	
Végösszeg		146 937 289	

With the help of a so called direct data connection, the controlling system takes over data directly from the general ledger module of the economic system by means of a timed proce-

DETAILED EXPENDITURES OF THE ARCHIVES – DRILL THROUGH

Jour	Jo	Év	Hó	Száml	Tartozik	Követel	Leírás	Értéknep
15651	13	2008		1 T54721	79		0959577 LEVÉLMÉRLEG BESZERZÉS	2008.01.22
15651	14	2008		1 T56121	15		0959577 LEVÉLMÉRLEG BESZERZÉS	2008.01.22
15676	21	2008		2 T54929	26		0959582 BÉLYEGZŐ BESZERZÉSE	2008.02.29
15676	22	2008		2 T56121	5		0959582 BÉLYEGZŐ BESZERZÉSE	2008.02.29

ture, at a preliminarily set time each day. Running the procedure requires no human intervention. This procedure also ensures that the web display of controlling statements be updated on a daily basis. Naturally, the updating procedure can be launched manually, too, during the day, if this is required by the circumstances.

EXPERIENCES

Comprehensive reports on financial management have been prepared for the Board of the HFSA on a monthly basis for more than two years. Therefore, it turns out relatively quickly if certain striking values are experienced at certain cost types, appropriations are running “dangerously low”, etc. With the help of the versatile screening, grouping and ad hoc polling opportunities offered by the modern multidimensional databases it is easy to show whether the individual changes are caused by significant changes in the financial management, or are only due to the protracted financial settlement of certain items. Formerly, the cumbersome and itemised presentation and explanation of these items often took away the time and energy from the analysis of really important, trend-like changes.

The introduction of profit or accrual based accounting would considerably facilitate the work of the management for this reason, too. However, we believe that at institutional level an accounting system that is significantly dif-

ferent from the official accounting system can be established only with considerable extra resources, if it is not based on a system specified by the legal regulations.

Another important experience of the development of the system is that it is insufficient to rely on the opinion of those performing the day-to-day operational tasks when assessing the tasks of an institution. The reason behind this is that evidently they are able and want to specify a certain input-side task list on the basis of their own criteria and interests. It is the management's right and responsibility to determine and identify the tasks arising from the “Mission Statement” and the “Strategy” of the organisation.

Based on the experiences gained during the development of the system, it would be reasonable to revise the official chart of accounts, too. We are not sure that the appropriation and completion accounts should be so distinguished, especially not with the current, so called consolidated method.

We believe that efficiency measurement tools can be applied in public finances, however their content will definitely be different from the methods of the business sector. The reason behind this is that the most important efficiency measurement tool, the profit is inherently missing, or cannot be interpreted in many of the public tasks. (With a bit of humour: *public good* is not a customer in a public administration procedure.) However, it is evidently worth determining the direct and indirect costs of

public services. On the one hand, the expenditures of such “priced” public services can be compared with the market prices of other similar services – if available –, or may serve as a basis for setting the right prices in case certain public services are outsourced.

Obviously, the controlling system of the HFSA has not been fully developed yet, it is far from being finalised, there are still plenty of elements to develop and elaborate. Naturally, we have also made mistakes during the development of the system: there are lots of details that we would now make differently with our current knowledge, or that we would not recommend to others thinking about developing such a system.

For example, work was hampered for a long time by the fact that the system of “external” conditions was not always fully developed. For

example, in connection with the payroll calculation it was not clear for a long time, in what form the HFSA would perform the payroll tasks (in a centralised manner or within the scope of each institution). However, the HFSA introduced the so called Nexon payroll management system in 2007, which has made it possible to process and analyse wage, labour, staff, HR, etc. data more precisely and in a more detailed manner.

Based on the decision of the Board of the HFSA, despite its different professional characteristics, the cost and performance measurement system of the HFSA must by 2010 meet the quality standards set for the corporate (e.g. multinational) and (national or European) public administration units functioning under the business and market conditions of the modern world economy.

NOTES

¹ Naturally, the system of cost places is used for similar purposes, however the task codes are often much more detailed.

² The differentiation between the cost place/cost bearer is also known, as the application of two, completely independent systems of criteria (e.g. account group 6 as a cost place, account group 7 as a cost bearer), but this differentiation is usually unnecessary if the cost places and the cost bearers mostly overlap.

³ The data contained in the tables are not real data, they come from the randomly generated test database!

⁴ The Microsoft Office Web Components are a collection of ActiveX controls that can be installed at any public administration institution together with the

Microsoft Office package. If the web components have been installed on the computer of individual staff members, the computing tables, statement tables and diagrams shown on the webpages can be used in an interactive manner via the intranet, with the help of Internet Explorer. If the web components are not installed on a client computer, however the purchased Office licence makes intranet distribution possible, the components can be set so that the Explorer would offer the user the downloading of the web components. As a result, users can use the data access pages without the installation of the entire Office package on their computers.

⁵ Drill through is a term used to describe the action in which the user can also view– by double clicking on a sum– the list of the elemental transactions that cause the result in the sum.