



Hungary

- Centralised IA system – basically it means all public budgetary organisations have their own IA unit
- The legislation provide exceptions with condition (if the establishment of IA unit or even employment of an internal auditor make an objective burden (eg. Size of the PBO or Budget of the PBO) for the given PBO, they can choose from the options below with the approval of their head of superior PBO:
 - Employing a single internal auditor (more frequent)
 - Internal audit service could be contracted (mostly local governments use this option)
 - Shared IA service could be between a Ministry and the public budgetary organisation under the given Ministry
 - Shared IA service is possible between local governments

Advantages of decentralised internal audit function

- Internal auditors shall be „internal” to have better understanding of the organisation
- Direct discussion between internal audit and the head of the entity
- Easier to create trust for head of organisation
- A small IA unit responds more quickly and more focused to the entity’s needs
- IA can directly help the implementation of IC and improve maturity level

Advantages of centralised internal audit function

- Cost efficiency can be achieved by consolidating activities
- Better usage of the knowledge and experience of the internal auditors
- Sharing experience is easier
- Audit process become more consistent and unified
- Training and mentor programmes are easier to organize