



*Opportunity offered by the emergency*  
*Capacity enhancement (re)actions in a significantly changing*  
*environment*  
case - SAO Hungary

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# Digital transformation in strategy and practice

- SAO Hungary has gone fully digital in recent years, it extended digitalisation to the whole organisation to make the SAO receptive to new technologies.
- The SAO Hungary proposed already in its 2017 summary report that parts of e-governance be expanded to the SAO to reduce unnecessary bureaucracy.
- Related to achievements in year 2018, the Hungarian Parliament acknowledged the efforts of the SAO Hungary carried out to facilitate transition to a digital audit environment (Parliamentary decision as of 2019).

## SAO's digital transformation in 2018

- As of 2018: preparation of the transformation to digital auditing environment, such as
  - ✓ procedures decreasing the duration of audits were integrated into the audit process;
  - ✓ with the change of the method of data requests and on-the-spot audits, the time spent on the spot decreased significantly, with which the SAO could contribute to the reduction of the excessive workload of audited entities

## SAO's digital transformation in 2019

- As of 2019, the SAO Hungary created an independent program for the implementation of the digital transition of the SAI called the AudTech (Audit Digitization Technology) Program.
- The segments and tasks defined in the AudTech Program are divided according to the following levels:
  - ✓ Digitalisation in evaluation, monitoring
  - ✓ Digitalisation of audit work
  - ✓ Digitalisation of the functional units of the SAO
  - ✓ Digital infrastructure
  - ✓ Digital knowledge base

## SAO's digital transformation in 2020

- The global crisis caused by the COVID-19 epidemic accelerated these digital transformation processes at the SAO Hungary
- By 2020, the SAO Hungary has completely transitioned to digital auditing and to a digital based working environment
- As a result, despite the significantly changed circumstances, the continuous performance of the tasks of the SAO Hungary became possible in line with the Fundamental Law of Hungary

# Transition to electronically authenticated technologies

- In order to further strengthen its digitization processes and environmental awareness, as of January 2021, SAO Hungary sends its audit reports electronically (in electronically authenticated format) to the audited organizations.
- The underlying legal framework: Further to the Act on SAO (Act LXVI of 2011), communication between SAO Hungary and the entity which is obliged to cooperate (i.e. audited entity) and which promotes the audit may be maintained primarily by electronic means.

# Transition to home-based working and teleworking

- During the emergency situation in 2020, one of the main priorities of the SAO Hungary was that the audits performed within the scope of its core function and the preparation of analyses - thus the support of the auditees - should be smooth and uninterrupted.
- The SAO Hungary was able to react quickly - in just a few weeks - to the COVID-19 pandemic situation, as the organization – already by the start of the pandemic – had an adequate, modern and secure IT basic infrastructure, which allowed a smooth transition to teleworking and home-based working.

# Transition to home-based working and teleworking

- The previous efforts towards digital transition has „paid off”, as by the end of March 2020, the SAO experienced its first digital working day and successfully switched to home-based work and teleworking both in its functional and audit operations.
- Based on the pandemic situation and its intensity
  - ✓ auditors: full home based working or rotation (3 week home based work 1 week work from office)
  - ✓ assistants, new entrants, other staff (non-audit employees): work from office without flexible working hours
  - ✓ auditor leaders: depends on the specific circumstance, can be either home based working or office working with flexible working hours



## Online internal and external meetings (examples)

- In the field of communication and knowledge sharing, the electronic sharing of content and organisation of online meetings and conferences gained priority, both externally and within the organization.
- Over 200 supreme audit institution (SAI) experts from roughly 70 countries participated at the three-day online conference of European, Latin American and Caribbean SAIs, on the 9th EUROSAI–OLACEFS Joint Conference organised by SAO Hungary in September 2020. The prestigious event was launched in the digital space, by taking into account the different time zones across various countries.
- In 2020 December, SAO Hungary held its traditional year end staff meeting (with approximately 500 employees) for the first time online.

## Online internal and external meetings (examples)

- The learning and development events of SAO's staff (e.g. leadership academy courses) were transformed to online education.
- The training of auditees events, knowledge sharing and presentation of good practices conferences in 2021 were partly held online due to the pandemic situation.
- In 2020, the staff of the SAO Hungary held more than 50 presentations to make extensive use of the work of the organisation. Thanks to the sharing of events online and the event videos published on the SAO's news portal, we managed to increase the number of the audience to an unprecedented extent, to over 3,000 people.

## The TOP of our performance (so far...)

In 2020 – the report was published this January 2021 – the SAO of Hungary audited all the local governments in Hungary.

We assessed for the first time the integrity of all Hungarian local governments and their offices, their protection against corruption, and the development of their relevant regulatory environment that determines their operation.

With its system-level assessment and multi-level advisory activities involving 3,197 local governments and their 1,284 offices, the SAO provided support for compliance with the rules during the COVID-19 pandemic, which establishes and facilitates the efficient performance of their tasks.



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