DOI: 10.53116/pgaflr.8290

The Experience of Legal Supervision of Hungarian Local Governments in the Light of Debt Settlement Procedures

Zsuzsanna Árva*

* Full Professor, Department of Administrative Law, University of Debrecen, Debrecen, Hungary, e-mail: arva.zsuzsanna@law.unideb.hu

Submitted: 16 June 2025 | Accepted: 17 November 2025 | Published online: 02 December 2025

Abstract: The study focuses on the financial segment of the legal supervision of local governments in Hungary. It examines the experience of legality supervision, with a special focus on professional assistance and financial instruments, based on the reports of government offices. Drawing on the academic literature, it examines the general means of supervision, the main international approaches to financial supervision and the experience of Hungarian financial control. In the latter context, it relies on the analyses and reports of the State Audit Office of Hungary and takes stock of the debt resolution procedures that have occurred in Hungary after 2014, which the paper hypothesises may, in some cases, point to the limits of the means of legal supervision in the financial field. The study assesses recent legislative proposals and notes the importance of preventive instruments. It further points out that the most severe instruments often have a preventive effect.

Keywords: local governments, legal supervision, financial supervision, professional assistance, debt settlement

1. Introduction

A persistent problem of the Hungarian local governments' legal control since the country's democratic transition is the fragmented nature of financial control, which the state has so far tried to remedy through several measures, primarily through legislation. The general deficiencies of the legal control that existed until 2012 were already considered in studies carried out in the 1990s (see e.g. Szabó, 1993, pp. 467–468; Molnár, 1994, pp. 69–72), among which two cornerstones were recurrently insisted upon.

Firstly, in case of omission, there were few real means available, since dissolution – the most serious means of enforcement – was not used systematically and permanently, precisely because of its exceptional nature. Thus, public administration remained largely

powerless to remedy failures to act, and control was not a real deterrent for local authorities in the event of infringements by omission. And second, there was the issue of financial control. The studies on that period mainly suggested clarification of the rules, as several cases exempt from legal control have financial implications. As Balázs (2020, p. 52) puts it, the control was "leaky", as financial control could not be carried out by the body that acted in the framework of the legal control, but by the State Audit Office of Hungary (hereinafter: SAO), which had limited capacities to audit nearly 3,200 municipalities.

The legal supervision that replaced legal control in 2012 has introduced strong measures to remedy infringements by omission, which have already been effective to some extent. This is illustrated by the fact that one of the most serious instruments – the replacement of the Regulation – has been used in only a few cases (7 cases between 2012 and 2024[1]). However, all but one of these cases were financial. The financial instruments remained limited after 2012 (Csűrös, 2023, pp. 58–92), and the most serious shortcomings in the current legal supervision are still in the financial field.

The hypothesis of the research is that only part of the Hungarian debt settlement procedures is caused by economic reasons that cannot be prevented by local preventive measures, if the tasks are properly performed. Others could be reduced by strengthening financial supervision instruments, as general economic factors are, in fact, only part of the triggering of debt settlement proceedings.

The Hungarian literature seldom addresses the financial issues of legal supervision; hence, it is important to review the basic elements of supervision and control, and the international solutions that have been developed in relation to state financial control over local governments. As such, the paper considers the recent international literature on the financial instruments of control in local government and reviews the control instruments currently in place in Hungary, the experience of legal supervision in Hungary based on government office reports and in-depth interviews,[2] with a special focus on financial instruments. It also considers the debt settlement procedures initiated after 2014, as the number of debt settlement procedures significantly decreased or even ceased for a period after the consolidation of local government debt. However, the re-emergence of debt settlement procedures as the tip of the iceberg after 2017–2018 indicates that the structural problems have not really been resolved. While it was thought for a long time after the debt consolidation that it was impossible to have such a situation again, from 2018 onwards, debt settlement procedures started to reappear. The main objective of the study is to make recommendations for reforming the tools of financial supervision based on international comparative analysis.

[1] Foktő 6/2013 (VI. 19.) Municipal Decree, Csömör 3/2014 (I. 31.) Municipal Decree, Érpatak 7/2018 (V. 9.) Municipal Decree, Érpatak 8/2018 (V. 9.) Municipal Decree, Terem 4/2019 (V. 23.) Municipal Decree, Balmazújváros 10/2023 (XII. 7.) Municipal Decree and Balmazújváros 11/2023 (XII. 7.) Municipal Decree.

[2] The in-depth interviews revealed the specific professional experiences of the government office's legal supervision. The interviews primarily asked about the different elements of professional assistance in each county, as well as the work organisation methodology.

2. The theoretical basics of the supervision and control toolbox

In the Hungarian local government system, the instruments of supervision are of particular importance in the relationship between the state and local governments after 2014. Having already discussed the theoretical aspects of legal supervision and control elsewhere (Árva, 2017; 2020), I will now focus only on the most important elements here. From a theoretical point of view, academic literature classifies the instruments of supervision that are still in use into two broad categories: facilitating or remedial instruments and substitutional instruments.

Facilitating instruments may include requests for information, which may be *ad hoc* or general, and advice, which is aimed at building consensus while respecting the autonomy of local authorities and is particularly suitable in the financial-economic field and for improving the efficiency of law enforcement (Kaltenbach, 1991, pp. 174–202). More potent instruments are the right of challenge and the right of review, which typically have a suspensive effect on implementation. The latter may also be accompanied by a right of cassation, which may lead either to a new decision by the local authority or to a court action by either the inspector or the body being inspected. It also includes the right of approval or authorisation, which, however, is a very limited right of autonomous decision.

Among the substitutional means is the substitution of an act to remedy a failure to act or to perform an act, which is always preceded by a binding decision, usually subject to appeal before a court. Substitution is therefore in fact the execution of a final judicial decision. The appointment of a public officer, which may be made on a temporary basis in the event of an infringement, is also a substitutional measure. As a last resort, the dissolution of the body can be envisaged, subject to the guarantees laid down in a higher legal standard.

Supervision is treated in the legal literature as a kind of asymmetric relationship, where the supervising body has a set of means, as detailed below, with the supervised body also having certain means, such as requesting information, opposing or going to court. In addition to the safeguarding aspects, gradualism and an appropriate cooperative relationship are important elements.

In terms of control, based on its relationship with the administrative system, it can be categorised as either internal or external (Lőrincz, 2010, pp. 222–228; Barta, 2022, pp. 28–41), depending on whether it is performed by an entity within or outside the administration. According to the principle of separation of powers, external controls may be carried out by bodies belonging to the legislative or judicial branches of government. These bodies may include the SAO, the Commissioner for Fundamental Rights, the courts, or the public prosecutor's office. In Hungary, this model was applied to local governments before 2012 (see Hoffman, 2024, pp. 6–18; Hoffman, 2025, pp. 281–295).

The European Charter of Local Self-Government sets out the international standards for local government regulation, which was created precisely to ensure financial autonomy (Bencsik, 2017, pp. 59–61; Bencsik & Ercsey, 2020, 226–227; Bencsik, 2024, pp. 45–54). However, in addition to financial considerations, the Charter also establishes standards for state supervision. One of these is the level of regulation, which may be constitutional or statutory. The other relates to its content, and it is necessary to distinguish between

elements relating to the local government's own functioning and the performance of state administrative tasks. The former can only be considered from a legal point of view, while the latter may also be examined for expediency. Furthermore, the Charter establishes the principle of proportionality, whereby the importance of the interests to be protected must be considered.

Based on the above, it is clear that all European states exercise some level of control over their local governments. The specific elements and extent of this control are influenced by several factors, particularly the general organisational system of public administration, the type of local government system, and historical and political traditions. Although local government systems are generally classified into four main types (the Anglo-Saxon, Scandinavian, French and mixed models), in terms of state control, the Anglo-Saxon, French and German–Austrian systems are the ideal types.

From the perspective of financial supervision, it is fundamentally important to consider whether the state structure is federal or unitary (OECD, 2022, p. 25). Therefore, although the debt settlement procedures in the U.S. offer noteworthy experience[3] in financial law, they will not be discussed here as the author wishes to focus on certain shortcomings in Hungarian legal supervision, i.e. that of a unitary state.

3. European solutions for financial control

Specifically on financial instruments, a study comparing 21 European countries (Geissler et al., 2021a) was carried out in 2019, partly based on empirical research data. The study also provided a summary overview of financial control instruments and procedures, as well as possible solutions for its organisation. The study categorised the instruments of financial control in legislation according to their impact, distinguishing nine instruments with increasing impact and listing the countries in which they are applied. The Swedish solution could not be included in this group, as there is no formal system of instruments for enforcing fiscal rules, but each local authority prepares a self-assessment which is published alongside the accounts (Geissler & Wegrich, 2021, p. 46). A specific system of instruments is also used in England, where financial and budgetary standards allow each local authority to set its own debt limit individually and compliance with these standards is checked by independent, non-administrative auditors.

At the lowest end of the scale of nine is the public warning, which is an attempt to use the power of publicity and public perception to persuade political actors to change. This tool is usually preceded in practice by some other informal warning. Only two countries use it: Spain and Estonia. The next option is the exercise of the right of approval, which can be limited to specific loans but can also cover the entire budget. Exercising the approval procedure also implies obtaining information, but the study points out that it does impose some restrictions on local autonomy in the event of refusal. In case of borrowing, the Hungarian system also has such a power, and eight of the European countries studied (Austria, Estonia, Germany, Hungary, Ireland, Slovenia, Spain and

[3] See about Detroit in Geissler et al. (2021b, p. 2) or Dove (2020, pp. 337–342), Hartmus & Walters (2015).

Switzerland) have this possibility, while only three countries (Belgium, the Netherlands and Portugal) have it for the budget as a whole.

In relation to the approval of loans, it should be stressed that supervision can essentially be based on a risk-based approach, taking into account that the loan portfolio can also be a predictor of potential breaches in addition to indebtedness. A specific subtype of credit control (Hulkó, 2016, pp. 109–112) is when it is applied as a consequence of an irregularity, which is the case in Germany and Austria (Geissler & Wegrich, 2021, p. 49). A more stringent instrument is the objection of local decisions, but this can concern not only the budget in the strict sense, but also any other decision with financial implications. This instrument is used in seven countries (Austria, Belgium, Estonia, Germany, Greece, Poland, Switzerland and Austria).

A stronger barrier is the supervisory body's ability to substitute the local authority's decision, a practice employed in four countries (Estonia, Germany, Poland and Switzerland). Meanwhile, five countries (the Czech Republic, Denmark, Hungary, Italy and Portugal) impose financial sanctions such as reduced subsidies or fines. The study acknowledges that these measures can be highly detrimental to local authorities, though they can be justified by the fact that authorities become ineligible for subsidies. However, it is worth noting that the study probably took the general instruments of state supervision of local authorities into account in its classifications. In Hungary, for example, the fines imposed in the context of legal supervision essentially aim to enforce administrative and procedural rules and are rather symbolic in amount.

The next level comprises various consolidation or cutback measures, which are typically conditional but can be combined with a public rescue package. The most serious of these measures include the appointment of state commissioners to oversee management and the removal of elected officials. However, the study notes that these measures are only available in Austria and Germany, while this tool can also be used in Hungary. It is worth pointing out in this context that, although this instrument may be indirectly linked to certain serious breaches of financial rules in Hungary, it is basically intended to remedy constitutional and operational problems, rather than financial ones.

While the instruments included in the study essentially represent a theoretical ranking, it may be worthwhile to conduct a more thorough empirical analysis of how these instruments function in this context, taking into account Hungarian peculiarities. This is because the Hungarian example clearly shows that some instruments do not necessarily carry the same meaning everywhere. Nevertheless, categorising and listing the instruments is a good starting point for learning about other European practices and possible legal solutions.

It is certainly important to identify the reasons why local governments do not comply with the rules and to ensure a degree of gradualness in the application of the instruments to allow for flexibility (Geissler & Wegrich, 2021, pp. 47–48), which is guaranteed by Act CLXXXIX of 2011 on Local Governments in Hungary (hereinafter Mötv.) as a whole in the context of supervising legality. The study also highlights the importance of informal methods such as persuasion, which can often help to avoid the need for more formal approaches. However, it also emphasises the importance of allocating sufficient time, administrative capacity and fostering trust between the parties involved. Nevertheless, further research is required to fully capture the importance of these informal instruments.

Another study has examined the organisational aspects of financial control and suggests that its design should take into account five main aspects. Firstly, it is necessary to decide which ministry should manage financial control, whether this responsibility should be shared between several ministries, or whether it should be vested in an extra-administrative body, such as the SAO. The centralised nature of the organisation is an important factor, as decentralisation in financial matters is strongly discouraged. The third aspect is whether the organisation is concentrated or decentralised. The former is favoured due to the concentration of resources and ease of coordination, whereas a decentralised design may be optimal for reasons of economies of scale. The fourth aspect is the mono- or multifunctional nature of the resulting organisation. It should be noted that none of the countries studied has created a monofunctional authority. The final aspect is the nature of the local governments of the country (Ebinger & Geissler, 2021, pp. 60–62).

The empirical analyses somewhat distort the above theoretical ranking. On the one hand, individual instruments may not carry the same meaning as initially thought. On the other hand, the impact of some instruments depends largely on legal practice, the specific social, economic and legal context, and sometimes informal rules (Geissler & Wegrich, 2021, pp. 47–48; Iovănaş, 2015, pp. 62–65; Cîrmaciu, 2024, pp. 549–569). A study of regulation and practice in North Rhine-Westphalia also illustrated this, showing that frequently changing regulations significantly impair the effectiveness of control instruments. The study covered the period from 1991 to 2020 in the federal state. During the initial period, the available instruments were essentially ineffective, making persuasion the primary approach. From 1994 onwards, the rules were considerably tightened and the instruments strengthened. In reality, strict control resulted in weak supervision, as local authorities developed "resistance strategies" (Geissler & Wegrich, 2021, p. 52), while inspectorates developed guidelines and were reluctant to apply severe sanctions. The budget commissioner *(Sparkommissar),* introduced in 2006, was eventually appointed in only three cases and failed to have the expected effect due to the global financial crisis that was emerging at the time. The ministry developed a programme to strengthen municipal finances by providing public bailouts, while supervision was tightened again by reducing discretion over sanctions. While the latter brought improvements, the onset of the pandemic led to a return to recession (OECD, 2020, pp. 13–22). In addition to these regulatory and empirical elements, the study points out that the capacity of supervisory authorities significantly affects their effectiveness. Overburdening leads to inconsistent actions by authorities and a relaxation of discipline. Such effects are also caused by the rapidly changing body of law and, curiously, by the predominance of ultima ratio instruments, which are reluctant to be applied (Geissler & Wegrich, 2021, pp. 51–52).

Although it is difficult to draw a general conclusion based on a single empirical study, it can be inferred from the aforementioned example or from Hungarian practice that the instruments stipulated in legislation alone do not always permit a well-founded conclusion regarding the effectiveness of financial supervision. It is also important to understand the purpose and frequency of use of the instruments employed, and in this area too, soft law instruments based on persuasion are of great importance, as will be demonstrated below in the context of compliance supervision in general.

4. Domestic tools and experiences of law enforcement instruments

4.1. The instruments of legality supervision

Instead of reviewing the general description of the tools of legal supervision, I rather highlight the noteworthy elements and experiences of these tools in relation to financial instruments. As such, we shall start with the main instrument of the general supervision procedure which is generally the letter of formal notice (Barta, 2016, p. 6). However, in cases affecting the management of local government, the SAO can initiate an investigation if the circumstances giving rise to the imposition of a supervisory fine occur repeatedly, i.e. the letter of formal notice is not necessary. If the letter of formal notice is ineffective, other instruments can be employed, even simultaneously, to eliminate the infringement as soon as possible. The Government Office will continue to use enforcement measures until the local authority has corrected the infringement. Within the framework of the call, the Government Office may propose changes to the local government's functioning, organisation, or decision-making process, and the body of representatives is obliged to discuss these proposals.

In case of a legal notice, the government office is legally bound by a 30-day time limit. Failure to comply with this limit can be remedied by issuing a new legal notice. A letter of formal notice is usually preceded by a request for information, which forms the basis for control and supervision, and consultation may be initiated on this basis. Professional assistance is another means of avoiding a letter of formal notice and is one of the most important preventive measures. Based on reports and the experience of government offices, these tools contribute most effectively to supervision without sanctions and can minimise the number of letters of formal notice and supervision procedures. Neither the Mötv. nor its government procedural decree contains detailed rules on the specific content of technical assistance, which must always be adapted to the individual situation.

As neither the Mötv. nor its procedural Government Decree 119/2012 (VI. 26.) contains detailed regulations on the specific content of professional assistance, they can be referred to as soft law instruments. Based on the reports, this may include organising meetings, maintaining personal contact or monitoring legislation. According to the law, verbal communication is only possible in this case and can take the form of personal contact, electronic communication via voice connection or non-personal communication via short text messages or electronic communication without a qualified electronic signature.

Between 2012 and 2014, the Mötv. provided for a specific financial instrument that still allowed the Hungarian State Treasury to initiate the withholding or withdrawal of a portion of the central budget subsidy specified by law. It also allowed the Treasury to conduct an audit of the local government's financial management by the SAO. Act XCIX of 2014 amended the support provisions. These were subsequently amended by Act LXXXIX of 2021 on the establishment of the central budget of Hungary for 2022, which subjected the SAO's audit to treasury control. A treasury audit may cover the obligation to keep accounts in accordance with accounting rules; the fulfilment of data reporting

obligations; the reliability and true and fair view of the annual budget report; and the economic justification of the obligation to plan for losses.

In light of international empirical studies suggesting the importance of soft law instruments in the financial sector, the following section will examine the lessons that can be learned from general legal supervision.

4.2. The experience of legal supervision in government offices

Since the capital and county government offices are involved in the implementation of the legality supervision, the experience of the domestic legal supervision can be followed up from the published reports of the county government offices, in addition to the personal interviews. To ensure a certain consistency in the aspects of the monitoring, the minister responsible for legal supervision defines the target areas and aspects of the supervision, while the county government offices can also respond to other problems that arise locally. Thus, although the main lines of supervision are consistent, there are specificities in the issues covered and in the methods used. The latter is strongly influenced by the degree of fragmentation of the municipal structure in a given county, as there can be differences of several times – six times at the extremes – between counties (KSH, 2024), which is in direct proportion to the number of protocols to be examined. At the same time, aspects of the organisation of work within government departments may also vary, with some departments employing subject officers for certain types of order, others organising work according to other criteria, and the extent to which the use of technical assistance is used varies considerably. It is true that the latter is also correlated with the previous aspect, namely the number of municipalities in the county. This is because, as international studies and in-depth interviews have shown, establishing a relationship of trust is the most important prerequisite for using this tool, and this can be achieved through meetings and personal discussions. In counties with a fragmented settlement structure, there is obviously less capacity for this, which means that the more classical instruments of supervision can necessarily predominate. However, reports from government offices also highlight the importance of a rapid and direct response (by telephone or email) when seeking professional assistance, particularly when there has been a change in the person of the clerk, when the clerk may have less experience, or when the former notary is returning to work after an extended absence. This option is also available in the case of fragmented municipalities (Veszprém County Government Office, 2023, p. 30).

Technological developments also impact the legality supervision, particularly the implementation of technical assistance. The Integrated Legislative System (IJS), consisting of several subsystems and modules, was introduced in 2021. The development of the Legal Supervision Written Contact module in 2023 made it easier to trace and search for legal compliance notices and send circulars and other assistance documents simultaneously as part of the professional assistance (Veszprém County Government Office, 2023, p. 33).

Metropolitan and county government offices publish information on target inspection results and legality supervision exercises in their office activity reports.[4] However, these reports are not available for all counties.

The published reports show that the main purpose of supervision is not to penalise local authorities, but to ensure that they operate lawfully. In many cases, this can be achieved through professional assistance. One common form of this is organising clerk meetings, during which information can be provided on aspects of the target inspection, potential problems and effective solutions. Notary meetings have also provided an opportunity to develop more personal relationships between government office staff and individual clerks, greatly facilitating and underpinning the subsequent use of technical assistance. Unfortunately, the period of the pandemic has set this progress back significantly (Hoffman & Balázs, 2021, pp. 40–44). Tools that can be included in the scope of assistance include the publication of methodological circulars and of the Official Gazette, which is published by the department several times a year if necessary.[5] General information and professional articles are also typically published on the Municipal Helpdesk interface (Csongrád-Csanád County Government Office, 2023, p. 37).

Reporting may also cover financial assets where appropriate, such as contributions to borrowing in the previous period. Experience from the 2013 and 2014 reports shows that this was supported to a significant extent by the government offices (Békés County Government Office, 2015).[6] However, in the reports on the subsequent period and published activities, there is little or no mention of financial measures. During the in-depth interviews, it was emphasised that the inadequacy of financial instruments generally has repercussions for supervision, which has essentially no instruments in cases where financial violations are not accompanied by other violations manifested in operations or decisions.

5. The evolution of debt settlements as an indicator

5.1. Debt settlement procedures after 2014

The number of debt settlement procedures is certainly not an indicator of the legal supervision, but as the tip of the iceberg, they are a good indicator of anomalies and difficulties in the management of local governments. Given that the debt consolidation (Lentner, 2016, pp. 427–439; Kecső, 2016) and reforms that took place between 2011 and 2014 have substantially reorganised the legal regulatory and economic environment, it is worthwhile to look at the developments since then. Overall, the measures have created a new situation, which was manifested in the fact that no debt settlement procedure was initiated for a longer period after the measures. However, something

[4] There is an interesting parallel in terms of searching for an optimal model for performing metropolitan financial tasks in Poland (see Ofiarska, 2022, pp. 173–189).

[5] Thus, in 2022, 6 issues were published annually in Csongrád-Csanád County.

[6] The report of the Békés County Government Office shows that in 2014, a total of 16 such reports were received, all of which were recommended for approval by the office.

changed in 2017 when Szakoly became, in effect, the first municipality to be in this situation again, followed by some others (State Audit Office of Hungary, 2018, p. 4).

Table 1
Hungarian debt settlement procedures after 2014

Name of the municipality	The debt settlement order[7]	Completion of the debt settlement
Verseg	25 February 2015	12 March 2019
Szakoly	14 February 2017	1 February 2018
Litke	8 January 2018[8]	3 September 2019
Csanádpalota	25 January 2018	25 May 2018
Szentegát	(23 March 2018) 7 June 2018	28 May 2019
Olasz	(19 June 2018) 5 July 2018	7 January 2019
Pilisjászfalu	(6 May 2019) 18 July 2019	21 July 2021
Hásságy	(28 January 2020) 17 February 2020	11 June 2020 (not a registered creditor)
Tiszatenyő	(6 March 2020) 6 April 2020	12 April 2022
Olasz	(28 December 2020) 30 December 2020	8 June 2021
Hugyag	(2 May 2022) 19 May 2022	29 November 2023
Váckisújfalu	(16 February 2023) 22 March 2023	4 December 2023
Mánd	(21 September 2023) 22 November 2023	25 July 2024
Hugyag	(1 February 2024) 19 February 2024	8 January 2025
Versend	(24 July 2024) 2 August 2024	
Fulókércs	(11 October 2024) 19 November 2024	
Ambrózfalva	(2 October 2024) 2 December 2024	
Balmazújváros	(application submitted in August 2024, but no final order at the time of closing the manuscript)	

Source: Compiled by the author.

Table 1 shows that, despite the long period after debt consolidation during which debt settlement procedures were expected to cease, they have in fact slowly increased since 2017, with the exception of Verseg. They have settled at three to five procedures per year since 2018. The exceptions were in 2019 and 2021. Notably, two of the 17 procedures were repeated within a very short period: the municipalities of Olasz and Hugyag underwent debt settlement twice. This suggests that the regulation's shortcomings (such as the lack of a time limit for creditors to register) are a serious problem, as it is difficult to accumulate debt again in such a short period of time. Another reason is the non-compliance or infeasibility of the reorganisation programme.

[7] According to Section 4(1) and (1a) of the Local Governments Debt Settlement Act, effective from 1 July 2024, the date of commencement of proceedings is the date on which the application is received by the court, but in most cases courts indicate the date of publication, as in liquidation proceedings. See, for example, the order of the Pécs Tribunal No. 5. Apk.1/2018/10. or the order of the Szeged Tribunal No. 10. Apk.1/2018/5.

[8] Only the completion order is listed in the cegkozlony.gov.hu database.

The case of Balmazújváros is unique because the legality supervision procedure in this municipality has repeatedly identified legal breaches, resulting in several proceedings before the Curia. However, the SAO has also conducted investigations. These investigations revealed that between 2021 and 2023, the municipality had raised overdrafts to address liquidity problems. However, neither the loaning nor the repayment was reflected in the accounting records and accounts for this period, despite legal requirements. In 2024, the body of representatives did not vote in favour of the loan (State Audit Office of Hungary, 2024b, p. 16). This case illustrates that continuous and careful legal supervision cannot prevent situations that could lead to debt settlement procedures, as the government agency currently lacks effective means to prevent and investigate financial problems, and the SAO's audit can only reveal the actual financial situation.

5.2. The experience of debt settlements

Between 2016 and 2017, the SAO conducted follow-up audits and published 14 reports on municipalities that had previously undergone debt settlement procedures. The SAO also pointed out in the reports that the selection mechanism was risk-based and therefore limited in its ability to draw general conclusions, rather than being based on representativeness criteria. However, given that several of the reports identified irregularities in task delivery as well as – or instead of – financial difficulties, one might question whether debt clearance could have been avoided with tighter controls.

Follow-up audits revealed that some creditor claims had not been met, suggesting that the municipalities' solvency had not been restored in the short term. This was partly because the reorganisation programme for the municipalities in question was merely a formal exercise, with no real plan to restore solvency. The financial administrator was also failing to fulfil his duties adequately. In light of this, the SAO recommended controlling the activities of those involved in the debt settlement procedure and improving the targeting of legal supervision (State Audit Office of Hungary, 2018, p. 5).

To substantiate further recommendations, the SAO examined which local governments had debts exceeding 60 or 90 days between 2012 and 2016. In such cases, it would have been mandatory to initiate proceedings. Based on the results, 675 local governments had such debts, but none of them initiated proceedings. The reasons for this were as follows: 1. 48% have agreed with creditors; 2. 22% disputed claim; 3. 18% had difficulties due to the timing of EU grants payment; 4. 6% owed only a small amount; and 5. 6% of overdue debts were included in the accounts due to an administrative error (State Audit Office of Hungary, 2018, p. 8).

The SAO also pointed out that although the law sets a deadline for submitting creditor claims, unlike in liquidation proceedings, there are no sanctions for failing to do so. This is because debts can still be enforced for two years after the debt settlement procedure concludes, meaning that part of the debt remains outstanding. In case of the local governments that were examined, this amounted to two-thirds of the total debt (State Audit Office of Hungary, 2018, p. 10). This rule is particularly difficult to understand, given that there is already a rule in liquidation proceedings regarding the final

and time-barred deadline for notifying creditor claims. Due to the nature of settlement agreements and the fact that creditors typically do not receive full satisfaction during the settlement process, it was not worthwhile for creditors to register, as they could hope for full recovery once the debt settlement was finalised. This unjustified distinction, compared to liquidation proceedings, greatly hindered the successful conclusion of debt settlement proceedings compared to general liquidation proceedings of commercial companies.

The procedure differs significantly from liquidation proceedings. In the latter, if an agreement is not reached, the procedure ends with the termination of the debtor, and the interests of the creditors are considered paramount. In case of local authorities, however, there is no termination, and a balance must be struck between the interests of the creditors and those of the local government. While the rule that creditors have a deadline for filing their claims, after which they lose their rights, works well in liquidation proceedings, in local government liquidation proceedings, creditors can file their claims after the 180-day period following publication of the proceedings. Based on court practice, this remains the case even if litigation is pending between the parties. In the absence of a formal creditor claim, the possibility of enforcing the claim is lost.[9]

This allows creditors to be properly counted, claims to be validated, and a predictable and calculable debt stock to be determined. In a conciliation procedure, only registered creditors who have entered into a forced agreement – which is also provided for in Section 23(5) of the Local Government Debt Settlement Act (hereinafter: Hartv.) – may participate, meaning that, in the event of a majority decision, the procedure also applies to those who disagree. Creditors who have not entered into the procedure certainly cannot expect any recovery, nor can those who have entered into the procedure under the provisions of the approved conciliation.

The obvious consequence of this regulatory gap is that the solvency of the municipalities concerned improved two years after the debt was settled, and then deteriorated again in the third year. Taking into account that 46% of debt settlement procedures did not fully satisfy creditors' claims, creditors became disinterested in reporting, since reporting creditors are subject to the rules of compulsory arrangement, typically implying partial recovery. In contrast, non-reporting creditors can obtain up to 100% recovery individually if the insolvency situation has not recurred. Similarly, while creditors could pursue rejected claims in court, municipalities could not dispute confirmed creditor claims by the financial administrator. This rule was not designed to protect public finances.

The SAO study also highlighted shortcomings in the performance of financial administrators (State Audit Office of Hungary, 2018, pp. 5–12). These included failing to approve commitments and payments, as well as failing to comment on budget proposals. Many of these proposals included irregular expenditure, such as appropriations for capital expenditure or voluntary tasks. Additionally, debt recovery remained incomplete. Another important task of the financial administrator is to identify the reasons for initiating the debt settlement procedure. This has also been formally omitted in several cases, as the

[9] Section 38(2) of Act XLIX of 1991 on bankruptcy and liquidation proceedings.

Hungarian law did not previously require these reasons to be put in writing. This makes it difficult to assess the performance and thoroughness of this task. Another issue identified by the SAO was that, in the event of a settlement, courts generally only examined the existence of the reorganisation programme and not its content, which is probably also due to this being standard practice in proceedings under Act XLIX of 1991 on bankruptcy and liquidation proceedings.

The SAO also commissioned a general analysis of the financial situation for 2024 (State Audit Office of Hungary, 2024a), the data source of which was the periodic budget reports of municipalities and their budgetary bodies and the consolidated data of the periodic balance sheet reports. This analysis is essentially based on mathematical analyses and shows certain trends, but is not, by its very nature, able to identify the problems of individual municipalities, even if the resulting data series are incorrect or unrealistic. However, if we compare this with the reports of the target audits of individual municipalities, in particular those of Hugyag or Balmazújváros (State Audit Office of Hungary, 2025; State Audit Office of Hungary, 2024b), it is clear that part of the problems are due to incorrect accounting that is not in line with the law or does not reflect reality, which may also be a way of masking the problems.

The individualised target audit reports are already capable of detecting these anomalies, but the SAO does not have the capacity to carry out such audits for all the municipalities. The individual interviews – Szakoly or Balmazújváros – also reveal that inadequate accounting played a significant role in the reasons for the debt being settled. The example of Balmazújváros also shows that these shortcomings cannot be remedied by the legality supervision alone, which is not able to compare the accounts with the real situation.

There is certainly a need for change in the legislation. One step in this direction was Act CXIV of 2023, which amended the regulation of the debt settlement procedure of local governments. This not only transformed the debt settlement rules but also expanded the scope of Act CXCV of 2011 on Public Finances by establishing the position of Budget Commissioner. The commissioner may be appointed in two cases under the rules that came into force in July 2024 (Article 39/A(1) of the General Tax Act).

Appointment of a Budget Commissioner is discretionary in case of certain financial breaches and is for a period of 12 months, whereas it is mandatory after debt settlement. The second set of mandatory cases can be justified by actual debt settlement procedures that have taken place since 2015. Two of the relatively small number of cases listed involved municipalities for which debt settlement was ordered repeatedly within a short period of time: after a few months for Hugyag and two years for Olasz. However, if the legislation is adopted as it stands, it will be left to practice to determine exactly which cases or indicators the Treasury will use to decide to appoint the Commissioner.

Among many other amendments, the law also changed the rules on debt settlement. One of the main points was that, under the amended Article 7 of the Hartv., creditors can only enforce their claim through the debt settlement procedure. The only exception to this is if the municipal bankruptcy commissioner has not notified them that they must apply; in this case, they can still enforce their claim for two years. Therefore, the legislator has clearly taken into account the data shown in the SAO's analysis by setting a deadline for creditors to submit claims, thus preventing them from coming forward after a successful

settlement and putting the local government in a situation that could lead to a repeated debt settlement procedure. Given that a significant proportion of debt settlement proceedings ordered after 2014 have been settled, the introduction of this time limit is particularly important.

The amendment also enhanced the role of the former Financial Secretary, who is now the Municipal Bankruptcy Commissioner. Under the new rules, government agencies appoint the commissioner, which is certainly to be welcomed, given that previously appointed liquidators were typically burdened with municipal debt resolution. This was partly due to the significantly different nature of the rules and partly due to the conceptually different procedure. This was further compounded by the fact that liquidators were typically familiar with the rules governing company management and had little knowledge of local government operations.

The amendments that came into force in 2024, therefore, created a different situation in many respects. However, the legislator wanted much stronger control over the finances of local governments, and the draft package of legislation submitted for public debate in March 2025 would extend the role of the Hungarian State Treasury even further (Government of Hungary, 2025).

This would further expand the existing optional and compulsory cases of the Municipal Budget Commissioner, increasing the number of compulsory cases from one to three and the number of optional cases from one to two in the event of serious financial and economic deterioration in the municipality. The last of these options offers a particularly wide margin of discretion and would directly affect the exercise of local government autonomy (Patyi, 2013, p. 391).

As shown by the amendment, the proposed solution would introduce an extreme value among instruments similar to replacing the regulation. Conversely, extending the powers of the government office and the Treasury would create split legal supervision, with normative legal supervision remaining with the government office and financial control being ensured by the Treasury, with the two bodies cooperating.

6. Conclusion

Examining the evolution of legal supervision since 2012, it is evident that legal supervision is a swift and effective means of remedying infringements, with the exception of financial ones. In particular, the electronic tools developed during this period have accelerated the search for solutions and the detection of infringements.

According to reports from government offices, technical assistance is increasingly being used, and it is particularly effective at eliminating general, mainly legislative, minor and unintentional infringements, which account for a significant proportion of infringements. In these cases, issuing a letter of formal notice and opening the supervisory procedure can be avoided. Although personal accounts show that the period of the pandemic represented a break in personal contact, a key pillar of professional assistance, the disappearance of the threat of the epidemic and the development of electronic tools

in particular have opened up new possibilities, further strengthening the use of this soft law instrument and clearly shifting the focus of enforcement towards prevention.

Although legal supervision offers more powerful and effective means, reports and interviews show that government offices do not exercise this power. Instead, they emphasise preventive activities, which minimise the number of letters of formal notice and initiated procedures (Fejér County Government Office, 2014, pp. 13–14; Csongrád County Government Office, 2016, p. 15). At the same time, the effectiveness of these instruments is ensured by an underlying set of rules that provide a toolbox for organisational and legislative oversight of legality, ensuring continuous monitoring. However, until recently, the areas excluded from supervision remained almost unchanged, with instruments including the possibility to initiate proceedings before another body. Although not explicitly excluded, the financial aspect was also particularly incomplete, since, in this case too, it is primarily another body – the SAO or the State Treasury – that can initiate proceedings. Nevertheless, the situation is special in that, when an infringement occurs, it cannot necessarily be detected on the basis of legislation and protocols alone, but only when the crisis is already quite serious. I must keep on insisting on the preliminary observation, that is that supervision is incomplete.

The reasons for debt relief are not always due to economic difficulties. This was particularly evident in the period between 2014 and 2020, when the period following debt consolidation but prior to the onset of the pandemic was examined. The data showed that the situation leading to debt resolution was not always inevitable. The main causes were irregularities in management or anomalies resulting from shortcomings in previous regulations, such as the emergence of previous creditors, the inadequacy of the reorganisation programme, and the financial administrator's failure to perform, which led to repeated procedures. These issues have been resolved by changes adopted in 2024.

However, in addition to repeated procedures, a significant factor is when deficiencies in the performance of local government body duties lead to debt settlement. If this does not manifest in circumstances that could form the basis of legal action, government offices view it as beyond their remit, rather than initiating a Treasury audit. The continued tightening of risk-based indicator rules, such as the imposition of mandatory debt clearance cases, has addressed these issues to some extent, but not where deficiencies cannot be detected in the accounts. Introducing additional preventive instruments, such as discretionary budget commissioner appointments, could help. However, the practical impact of this depends greatly on its implementation and experience in practice.

Taking into account international examples, there are a number of possible solutions for specific preventive measures, but the SAO and the bodies responsible for legal supervision of local governments, in their current composition, cannot carry out permanent control of all local governments with their current capacities. One possible solution could be a model that uses the power of the public to prevent such situations. But there is a serious question about the extent to which individuals can expose falsehoods and see through such situations. Another solution would be for the state to entrust the supervision of these accounts to another actor, whether from the market or the public sector.

Based on international examples and Hungarian general legal supervision, the main instrument is prevention, rather than *ultima ratio* measures, which can be provided by an organisation with sufficient capacity, backed up by more severe means as a final argument. To improve financial discipline, however, a more thoughtful set of rules could be proposed, including refining existing instruments. For example, the scope of the budget commissioner's competencies could be amended to include safeguards against restrictions on local government autonomy. After all, good cooperation between institutions serves the public good (Varga Zs., 2019, pp. 37–38).

Acknowledgement

The study was supported by the Foundation for the Development of Democratic Local Governance.

References

Árva, Zs. (2017). A helyi önkormányzatok feletti törvényességi felügyelet tapasztalatai [Experiences of the Legality Control of Local Governments]. In Zs. Árva & V. Szikora (Eds.), *Jogtudomány a jogfejlődés szolgálatában: Szemelvények a modern jogi kutatások köréből* [Jurisprudence in the Service of Legal Development: Excerpts from Modern Legal Research] (pp. 11–25). Debreceni Egyetem Állam- és Jogtudományi Kar. Online: http://hdl.handle.net/2437/242863

Árva, Zs. (2020). A helyi önkormányzatokat érintő folyamatok, különös tekintettel a helyi önkormányzatok törvényességi felügyeletére [Processes Involving Local Governments, in Particular the Legality Control of Municipalities]. In Zs. Árva, I. Balázs, A. Barta & B. Veszprémi (Eds.), *Állami erőforrások. Szervezet és személyi állomány a végrehajtó hatalom körében* [State Resources. Organisation and Personnel within the Executive Branch] (pp. 261–320). Dialóg Campus. Online: https://doi.org/10.36250/00842_04

Balázs, I. (2020). *A közigazgatás változásairól Magyarországon és Európában a rendszerváltástól napjainkig* [Changes in Public Administration in Hungary and Europe since the Regime Change]. Debreceni Egyetem Állam- és Jogtudományi Kar.

Barta, A. (2016). The Next Generation of Capital and County Government Offices. Developments in Hungarian Middle-Level State Administration Since 2011. *Public Governance, Administration and Finances Law Review*, *1*(2), 5–14. Online: https://doi.org/10.53116/pgaflr.2016.2.1

Barta, A. (2022). Quo vadis, felügyeleti ellenőrzés? [Quo Vadis Supervision?] *KözigazgatásTudomány, 2*(1), 28–41. Online: https://doi.org/10.54200/kt.v2i1.29

Békés County Government Office (2015). *Beszámoló a Békés Megyei Kormányhivatal 2014. évi tevékenységéről* [Report of the Békés County Government Office, 2015].

Bencsik, A. (2017). A helyi önkormányzatok (pénzügyi) autonómiájáról [On the (Financial) Autonomy of Local Municipalities]. *Pro Publico Bono – Magyar Közigazgatás, 5*(1), 56–69. Online: https://folyoirat.ludovika.hu/index.php/ppbmk/article/view/1858/1146

Bencsik, A. (2024). The Transformation of the Financial Autonomy of Local Governments. *Institutiones Administrationis – Journal of Administrative Sciences, 4*(2), 45–54. Online: https://doi.org/10.54201/iajas.107

Bencsik, A. & Ercsey, Zs. (2020). A helyi önkormányzatok pénzügyi jogi autonómiájának átalakulása [Transformation of the Financial Autonomy of Local Governments]. *Glossa Iuridica, 7*(1–2), 225–237.

Cîrmaciu, D. (2024). Romania: The Relationship Between Tax Legislation, Tax Competition, and Sovereignty. In Z. Nagy (Ed.), *Economic Governance. The Impact of the European Union on the Regulation of Fiscal and Monetary Policy in Central European Countries* (pp. 549–572). Central European Academic Publishing. Online: https://doi.org/10.54237/profnet.2024.znecogov_24

Csongrád County Government Office (2016). *Beszámoló a Csongrád Megyei Kormányhivatal 2015. évi tevékenységéről* [Report of the Csongrád County Government Office, 2015].

Csongrád-Csanád County Government Office (2023). *Beszámoló a Csongrád-Csanád Vármegyei Kormányhivatal 2022. évi tevékenységéről* [Report of the Csongrád-Csanád County Government Office, 2022]. Online: https://tinyurl.com/3k2xm79z

Csongrád-Csanád County Government Office (2024). *Beszámoló a Csongrád-Csanád Vármegyei Kormányhivatal 2023. évi tevékenységéről* [Report of the Csongrád-Csanád County Government Office, 2023]. Online: https://tinyurl.com/599v28m9

Csűrös, G. (2023). Az államháztartási ellenőrzés központi kormányzati szinten [Public Finance Control at Central Government Level]. In T. M. Horváth, P. Bordás & J. Vezendi-Varga (Eds.), *Államháztartási jog és közpénzügyek* [State Accounting and Public Finances] (pp. 58–92). Debreceni Egyetemi Kiadó. Online: https://tinyurl.com/4nk7azsb

Dove, J. A. (2020). Detroit: A Microcosm of Municipal Finance, Bankruptcy, and Recovery. *Essays in Economic & Business History, 38*(1), 337–344. Online: https://www.ebhsoc.org/journal/index.php/ebhs/article/view/352

Ebinger, F. & Geissler, R. (2021). Financial Supervision of Local Governments: An Organisational Hurdle. In R. Geissler, G. Hammerschmid & C. Raffer (Eds.), *Local Public Finance. An International Comparative Regulatory Perspective* (pp. 57–72). Springer. Online: https://doi.org/10.1007/978-3-030-67466-3_4

Fejér County Government Office (2014). *Beszámoló a Fejér Megyei Kormányhivatal 2013. évi tevékenységéről* [Report of the Fejér County Government Office, 2013]. Online: https://tinyurl.com/4b6r66dp

Geissler, R., Hammerschmid, G. & Raffer, C. (Eds.) (2021a). *Local Public Finance. An International Comparative Regulatory Perspective*. Springer. Online: https://doi.org/10.1007/978-3-030-67466-3

Geissler, R., Hammerschmid, G. & Raffer, C. (2021b). Introduction: The Relevance and Conceptualisation of Local Finance Regulatory Regimes. In R. Geissler, G. Hammerschmid & C. Raffer (Eds.), *Local Public Finance. An International Comparative Regulatory Perspective* (pp. 1–19). Springer. Online: https://doi.org/10.1007/978-3-030-67466-3_1

Geissler, R. & Wegrich, K. (2021). Fiscal Rules at the Local Level: The Challenge of Enforcement. In R. Geissler, G. Hammerschmid & C. Raffer (Eds.), *Local Public Finance. An International Comparative Regulatory Perspective* (pp. 39–56). Springer. Online: https://doi.org/10.1007/978-3-030-67466-3_3

Government of Hungary (2025). *A helyi önkormányzatok pénzügyi stabilitását szolgáló egyes törvények, valamint a számviteli törvény módosításáról szóló törvénytervezet* [Draft Act on the Amendment of Certain Acts Serving the Financial Stability of Local Governments and the Act on Accounting]. Online: https://tinyurl.com/bdhwyphy

Hartmus, D. M. & Walters, J. (2015). Municipal Bankruptcy and Local Court Funding: What We Can Learn from the City of Detroit, Michigan. *Justice System Journal,* 37(2), 144–156. Online: https://doi.org/10.1080/0098261X.2015.1084900

Hoffman, I. (2024). Transforming External Control of Municipal Finances in Hungary. *Institutiones Administrationis – Journal of Administrative Sciences, 4*(2), 6–18. Online: https://doi.org/10.54201/iajas.108

Hoffman, I. (2025). Az önkormányzati pénzügyek külső ellenőrzésének átalakítása Magyarországon [Reform of the External Financial Control of Local Governments in Hungary]. In C. Hintea & M. Balogh (Eds.), *Fostering Local and Regional Innovation Through Partnerships. The Role of Universities* (pp. 278–294). Accent Publishing.

Hoffman, I. & Balázs, I. (2021). Administrative Law in the Time of Corona(virus): Resilience and Trust-building. *Public Governance, Administration and Finances Law Review*, *6*(1), 35–50. Online: https://doi.org/10.53116/pgaflr.2021.1.4

Hulkó, G. (2016). Legal Remedies against State Funding Decisions in Slovakia. *Public Governance, Administration and Finances Law Review, 1*(1), 102–112. Online: https://doi.org/10.53116/pgaflr.2016.1.7

Iovănaş, E. (2015). The Legality Control Made by the Prefect's Institution on the Acts of the Local Public Administration. *Curentul Juridic, 63*(1), 60–65. Online: http://revcurentjur.ro/old/arhiva/attachments_201504/recjurid154_4F.pdf

Kaltenbach, J. (1991). *Az önkormányzati felügyelet* [Administrative Control of Local Governments]. Universum.

Kecső, G. (2016). *A helyi önkormányzatok pénzügyi jogi jogállása. A jogállást meghatározó jogintézmények modelljei a bevételi oldalon* [The Financial Legal Status of Local Governments. Models of Legal Institutions Determining Legal Status on the Revenue Side]. ELTE Eötvös.

KSH (2024). *8.1.2.2. A települések száma és népessége jogállás szerint, 2024. január 1* [Number and Population of Municipalities by Legal Status, 1 January 2024]. Hungarian Central Statistical Office. Online: https://www.ksh.hu/stadat_files/fol/hu/fol0007.html

Lentner, Cs. (2014). A magyar önkormányzatok adósságkonszolidációja [Debt Consolidation of Hungarian Local Governments]. *Pénzügyi Szemle, 59*(3), 330–344.

Lőrincz, L. (2010). *A közigazgatás alapintézményei* [Basic Institutions of Public Administration]. HVG-Orac.

Molnár, M. (1994). Gondolatok a közigazgatás felügyeleti tevékenységének korszerűsítéséről [Thoughts on the Reform of Administrative Control]. In J. Fogarasi (Ed.), *Az irányítás és felügyelet közigazgatási dilemmái: Tanulmányok a közigazgatás továbbfejlesztéséhez* [Administrative Dilemmas of Management and Supervision: Studies for the Further Development of Public Administration] (pp. 69–72). Unió.

OECD (2020). The Impact of the Covid-19 Crisis on Regional and Local Governments: Main Findings from the Joint CoR-OECD Survey. *OECD Regional Development Papers*, (5). Online: https://doi.org/10.1787/fb952497-en

OECD (2022). *2022 Synthesis Report World Observatory on Subnational Government Finance and Investment.* Online: https://doi.org/10.1787/b80a8cdb-en

Ofiarska, M. (2022). Polish Experience in the Search for the Optimal Model of Performing and Financing Metropolitan Tasks. *Public Governance, Administration and Finances Law Review, 7*(2), 173–189. Online: https://doi.org/10.53116/pgaflr.2022.2.8

Patyi, A. (2013). Gondolatok a magyar helyi önkormányzati rendszer általános szabályairól [Thoughts on the General Rules of the Hungarian Local Government System]. In K. Szoboszlai-Kiss & G. Deli (Eds.), *Tanulmányok a 70 éves Bihari Mihály tiszteletére* [Studies in Honour of the 70th Birthday of Mihály Bihari] (pp. 379–395). Universitas-Győr.

State Audit Office of Hungary (2016). *Jelentés. Önkormányzati adósságrendezés ellenőrzése Verseg Község Önkormányzata adósságrendezési eljárásának ellenőrzése, 2016* [SAO Report on the Debt Settlement of the Municipality of Verseg, 2016]. Állami Számvevőszék. Online: https://www.asz.hu/dokumentumok/16205.pdf

State Audit Office of Hungary (2018). *Eléri-e célját az önkormányzati adósságrendezés?* [Does the Debt Settlement of Local Governments Achieve Its Goal?] Állami Számvevőszék. Online: https://www.asz.hu/dokumentumok/adossagrendezes_elemzes.pdf

State Audit Office of Hungary (2024a). *Elemzés. A települési önkormányzatok 2024. III. negyedév végi pénzügyi helyzetét jellemző főbb adatok, 2024* [SAO Analysis of the Key Data on the Financial Situation of Local Governments, 2024, Third Quarter]. Állami Számvevőszék. Online: https://www.asz.hu/dokumentumok/Elemzes_onk_2024_III_pu_helyzet.pdf

State Audit Office of Hungary (2024b). *Jelentés. Az önkormányzatok működésének és gazdálkodásának ellenőrzése. Balmazújváros Város Önkormányzata, 2024* [SAO Report on the City of Balmazújváros, 2024]. Állami Számvevőszék. Online: https://www.asz.hu/jelentesek

State Audit Office of Hungary (2025). *Jelentés. Az önkormányzatok gazdálkodásának célvizsgálata. Az önkormányzatok ellenőrzése – a pénzforgalomban megjelenő kiadások teljesítésének és elszámolásának megfelelősége. Hugyag Község Önkormányzata, 2025* [SAO Report on the Municipality of Hugyag, 2025]. Állami Számvevőszék. Online: https://www.asz.hu/jelentesek

Szabó, L. (1993). Az önkormányzatok törvényességi ellenőrzésének fejlesztése [The Improvement of Legal Control of Local Governments]. *Magyar Közigazgatás, 43*(8), 466–473.

Varga, Zs. A. (2019). *From Ideal to Idol? The Concept of the Rule of Law.* Dialóg Campus.

Veszprém County Government Office (2023). *Beszámoló a Veszprém Vármegyei Kormányhivatal 2022. évi tevékenységéről* [Report of the Veszprém County Government Office, 2022]. Online: https://tinyurl.com/m7ydeyky

This page intentionally left blank.