

0102 Summary of auditing the operation of the Central Nuclear Financial Fund

The State Audit Office has evaluated the lawfulness and expedience of the operation and financial management of the Central Nuclear Financial Fund for the period of 1998-2000 first half year. The audit included the check of the establishment and operation of the storage facilities for the radioactive waste and burnt-out fuel.

Hungary, as a country that joined the Non-Proliferation Treaty placed its nuclear activity under international control, and made a guarantee agreement with the International Nuclear Energy Agency (INEA). The regular INEA audits have not found any activities or events to the contrary of the commitments undertaken by Hungary.

The use of nuclear energy in Hungary is regulated by law to provide safety and protection for the local population and the environment. The law made it the task and responsibility of the Government to manage and control the use of nuclear energy. The Government causes the functions and tasks to be performed via the National Nuclear Energy Committee (OAB), the National Nuclear Energy Office (OAH) as well as the involved ministers. The law made provision as to the financing of task performance having created the Central Nuclear Financial Fund, which had 22,964 million HUF income and 8,342 million HUF expenditure in the audited period. The Government, bearing the safety of the use of nuclear energy in mind, commissioned the OAH to set up the RHK organisation of public interest to operate the radioactive waste storage facilities and is in charge of establishing storage facilities.

In the area of the existing and the future radioactive waste storage facilities, it is very important to maintain a sincere relationship with the local population, to provide them with the necessary information, and to create a public mood ready for co-operation. For this purpose there are two associations established (in Paks and Püspökszilágy), and another two planned to be established (Boda and Bábaapáti) to provide information. Support can be given to the activity of the associations since the Act on Nuclear Energy makes provision accordingly, and, from the Fund, 249 million HUF was spent in the audited period. Those local governments that did not join the association in question - since they had disagreed with the preparatory research and exploration, and the establishment of the storage facility - did not receive financial support from the Fund, in accordance with the regulation in force. The communities of Ófalu and Véménd had fallen out of the scope of support and thus research and exploration work did not take place in their area. The latter local government joined the Bábaapáti based association in October, 2000 because it did not have any objection to the research and exploration work any more.

The RHK organisation of public interest made a contract with the local governments that had joined the association, in which it was stipulated that they have to certify the use of financial support. The law, however, did not make the scope of functions and tasks clear, conform to the goals of the Fund, the performance of which can be supported. No legal provision was made to withdraw the support in the event of use not conforming to the requirements, and as to the obligation of the Fund to check the use of the support. The local governments, therefore, did not provide vouchers and accounts related to their activity of disseminating information to the public, and according to the audit findings the support they had been given was not

spent only on those activities included in the contract, but to perform tasks of the local governments other than them.

A final storage facility was planned in the area of Bábaapáti and Üveghuta (Tolna County) for the low and middle level activity radioactive waste. The analyses related to the selection of the place were found suitable by the OAB in April, 1999. In May, the Environment Protection Committee of the Parliament had a debate about the choice, and a part of the invited experts did not find the results of the exploration well-founded. The negative attitude of the local population was also raised as a potential problem. All these contributed to the decision of the President of the OAB to suspend temporarily the research and exploration activity and to commission an international expert group to sort out the problems that had arisen. The findings of the international expert group did not support the objections, therefore, in the second half of the year 2000, the President of the OAB permitted the making of application materials related to further research and exploration. 1,184 million HUF from the Fund was spent on the research in Üveghuta.

Initially, it was the geological formation in the area of Boda community that the experts had found suitable for establishing the storage facility for radioactive waste with high activity. The OAB discussed the proposition about the exploration activity in a mine depth in April, 1999, and the president of the committee rejected the idea of deep exploration, since, according to the expert opinions further research could be continued from the surface too, and with a greater cost efficiency. Until the cancellation of research activity, 226.9 million HUF had been spent from the Fund for this purpose.

The burnt-out fuel cases of the nuclear power station of Paks had been returned to Russia by 1995. Since there were problems already at the end of 1992 related to the return, the OAB decided to make arrangements for the temporary storage of the burnt-out cases. Following the establishment of the Fund with the KKÁT investment project, the 2nd stage of the 1st phase of the investment project had been accomplished by 1999 - whose liquid value was 4,536.3 million HUF - and then the preparatory work of the 3rd stage was started in 2000.

According to our findings, the cost of promotional activity to gain public support for the project had been accounted among the cost items of the research and exploration work in the region of Üveghuta and Boda and those of the KKÁT 1st phase 2nd and 3rd stage investment projects, which is not conform to the relevant regulations of the Accounting Law.

The European Parliament and the Association of the West-European Nuclear Authorities discussed the issues related to the nuclear safety of the Middle- and East-European countries. It was said in connection with the achievements in Hungary that: "Of all the East-European countries Hungary is the nearest to the Western standards and practice." "The most promising field of co-operation in the future is research and exploration, in which the Hungarians are at the same level as the European Union in terms of experience and expertise."

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