

December 13.

A Balassagyarmati Fegyház és Börtönben a felújított műemlék börtönkápolna felszentelésére került sor. Az ünnepélyes szentmisét dr. Beer Miklós, a Váci Egyházmegye megyéspüspöke celebrálta.



December 17.



A Magyar Köztársaság igazságügyi és rendészeti minisztere a jogbiztonság megvalósításának, az emberi jogok mind teljesebb érvényesülésének elősegítése érdekében szerzett kimagasló érdemei elismeréséül Emberi Jogokért Emlékplakettet adományozott dr. Kiss Katalin ny. bv. ezredesnek, az IRM Rendészeti Felügyeleti és Tervezési Főosztálya vezető-helyettesének, továbbá dr. Pallo József bv. ezredesnek, a BVOP Titkársági és Jogi Főosztálya vezetőjének.

December 18.

A Fővárosi Bv. Intézet III. objektumának színháztermében soron kívüli állományértekezletet tartottak. A rendezvény elöljárója dr. Forgács Imre igazságügyi és rendészeti miniszter volt.

December 22.

A Szegedi Fegyház és Börtön dolgozóinak új öltözőjét dr. Kökényesi Antal bv. altábornagy, országos parancsnok adta át. A hivatásos állomány tagjainak 430 m² alapterületű öltözője az intézet főépületének alagsorában található, 282 felügyelő munkakörülményeit javítja.

December 25.

A Heves Megyei Bv. Intézetben dr. Ternyák Csaba egri érsek celebrált karácsonyi szentmisét az intézet női fogvatartottjai számára.

A karácsonyi ünnepek alkalmából a bv. intézetekben ünnepi istentiszteleteket, karácsonyi ünnepi műsorokat és családi beszélőket tartottak a fogvatartottak részére. Több bv. intézetben a missziós szervezetek ajándécsomagokat adtak át a fogvatartottak és családtagjaik részére.



ACTIVITIES OF THE HUNGARIAN PRISON SERVICE 2009

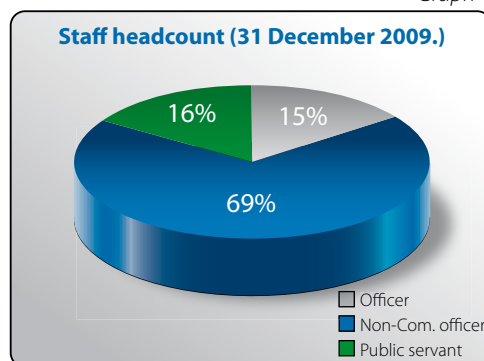
PERSONNEL

Our qualified, well-prepared and dedicated personnel guarantee high-quality performance in our area of expertise. The Hungarian Prison Service puts great emphasis on education, training of the staff and employee welfare. Although the number of our staff did not increase in 2009, our newly introduced training programme enabled us to reinforce our existing personnel. The new training programme uses a fundamentally new approach in our introductory training.

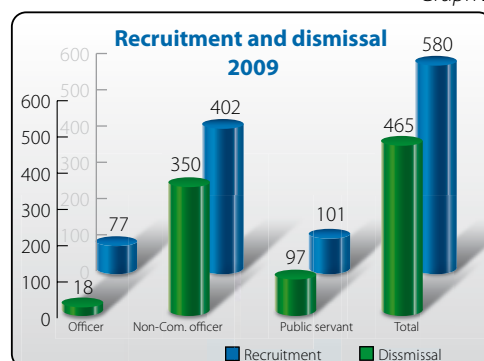
There was only one, but major, change in legislation related to the employment of our staff. Act no. CXLI of 2009 amended Act no. XLIII of 1996 on the service terms of members of the Hungarian armed forces. The original aim of the amendment had been to improve staff retention, increase employment security, and avoid employment-related lawsuits, but some changes became necessary because of the unfavourable economic situation that meanwhile developed.

In 2009 our approved headcount was 8 236. However, mainly due to a lack of funds, on December 31 we employed 7 786 persons, which means that we could fill 94.71% of the approved quota. Compared to 2008 this ratio decreased by 1.5%. On a positive note, the number of persons leaving the organisation during the probationary period, or with mutual agreement, decreased significantly, which means that our staff retention ability improved. Our headcount continues to be affected by the increasing numbers of staff being transferred to other law enforcement bodies, mainly the police.

Graph 1



Graph 2



In 2009, 6.3% of staff were reprimanded for the violation of discipline (in 2008 this was 5.8%), but only about 1% of staff committed crimes, in this regard the situation is similar to 2008.

Education and training

The new recruit specialized training, which have been extended earlier, is organised in the framework of a 14-week introductory training. In addition, an extra week was added to the specialised training with the aim of obtaining practical knowledge in the prison enrolling the

new recruit to the training. During the year, 265 persons earned their certificates in this training course. 203 persons participated in the secondary course, and 252 in the advanced course.

Since October last year the Training Centre of the Prison Service has been offering a course for correction officers certified by the National Register of Vocational Qualifications; currently 15 persons are participating.

Of the 12 full-time students studying in the Police Academy's Law Enforcement Administration Programme specialised in penitentiary studies, five students received their BA degree, with one additional student graduating from the distance learning programme. These colleagues will continue their service in officer ranks.

New special trainings

Parallel to the development of the regular curricula of the training system new items were also introduced allowing the acquiring of special professional knowledge and skills. We introduced two national training courses in the field of restorative justice specific to penitentiary work, with the titles "Introduction to mediation" and "Training of mediators in penitentiary institutions".

In the field of skill development the "Managing high-risk and extreme-high-tension service tasks – stress management training – SHRT" training was organised in Állampuszta.

The Strategic Planning Department of HPSHQ developed a special training course focusing on the management of a peaceful negotiation process in hostage situations, prisoner riots, cell blockades and suicide threats, entitled "Prison Service Critical Incident Negotiation Training" (Bv-KIT).

Master of Prison Service Profession Prize

For the first time, the Prison Service organised a professional competition titled Master of Prison Service Profession, where the participants were asked to demonstrate their practical and analytical skills. Regional champions were invited to the national finals, which took place on St. Adrian's Day, the official Day of the Prison Service. The winner of the competition was the team of the Szombathely National Prison.



Bonuses, rewards, social welfare

Within the frames of the 2009 national compensation package for law enforcement staff, the staff of the Prison Service received clothing allowance amounting HUF 30 000 per person. This enabled us to introduce new uniform items. Both the representatives of the trade unions and the staff were involved in the selection and the testing phase, based on which the standardisation of the new uniforms took place.

There were only limited funds available for additional remunerations and bonuses this year. Altogether 119 of our staff members received remuneration. 14 persons received various State Decorations, which is unprecedented given in the past years usually one or a maximum two people received such recognitions. One person received the Tauffer Emil Prize; one person received the Human Rights Plaque. Additional 283 persons were given various prizes and awards.

In 2009 the Prison Service spent almost HUF 169 million on social welfare: 118 colleagues received social aids or funeral grants, 41 persons received housing grants, and 54 persons were given family-start-up aid.

Healthcare

The compulsory annual medical checks took place according to the regular procedures. The staff also participated at psychological and regular physical screenings. In- and outpatient care was provided by the national and regional public health-care institutions and in the National Healthcare Centre. The first level pre-admission examinations and the re-examinations compulsory in case of the change in the physical conditions of the staff member were conducted by the Military Healthcare Centre. Almost 900 persons were admitted to rheumatism care programmes, which is a 5% increase over the previous year. Both active and retired members of staff, with their families, were offered treatments in Hévíz, Igal and Gyula.

Communication

The Prison Service Newsletter (Bv. Hírlevél), which had been on hiatus for several years, came back in June to be a bimonthly publication, now serving as an important tool in our internal communication. The Prison Service Journal (Börtönügyi Szemle), our professional quarterly, continues to be published every three months.

SECURITY

Enforcement of sentences in a safe way is the basic function of the Prison Service. Prison security does not only mean that prisoners should not be able to escape, it also includes protecting the life and health of all persons on the premises, safekeeping all assets belonging to the institutions, and performing everyday penitentiary tasks without interruption.

Regulations, equipment and personnel

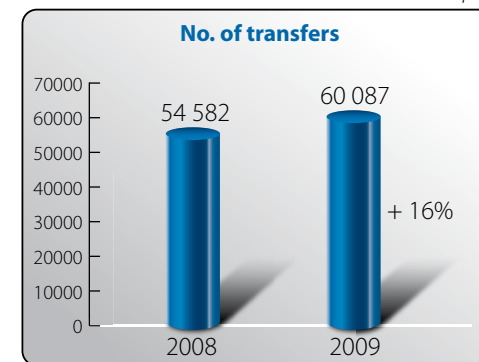
The numbers of security personnel working in correctional facilities remained at previous years' level. As an improvement, staff-fluctuations somewhat steadied. The workload in security-related jobs is still heavy, but due to a new approach to service shift management, we managed to decrease service overtime by 27%.

In accordance with the regulatory activities defined under the Prison Service' Strategic Development Programme, the service issued its Security Strategy. Work is currently underway to develop standardised Security Rules and Regulations Rulebook based on this strategy, as well as towards a full review of regulations applicable to Prison Service action squads.

In 2009 the use of service dogs for certain security functions, mainly guarding and drug detection tasks, came into focus. We are now using more dogs, and placing more emphasis on their training. During the year there were two service dog championships held in penitentiary institutions, where both dogs and trainers were given opportunity to demonstrate their skills and cooperation ability. We are now looking into the possibility of breeding service dogs within the organisation, on Prison Service premises.

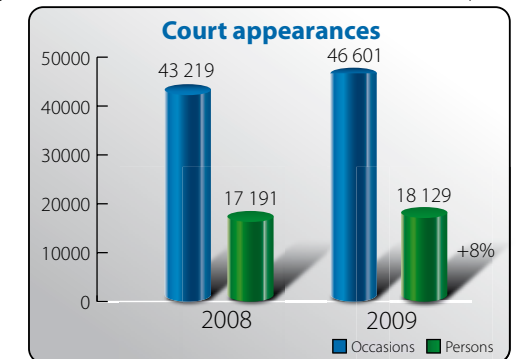


Graph 3



From a security point of view, one of the riskiest activities is moving prisoners outside penitentiary institutions. Since the average number of prisoners, and in particular, the number of pre-trial detainees increased, the demand to move prisoners to appear in front of the court or bodies conducting the investigation in their case also grew.

Graph 4



Despite the high number of cases when prisoners had to be transferred or moved, the Prison Service managed this task without incident. Security conditions of this task improved significantly during the year, when new transportation vehicles were put in use.

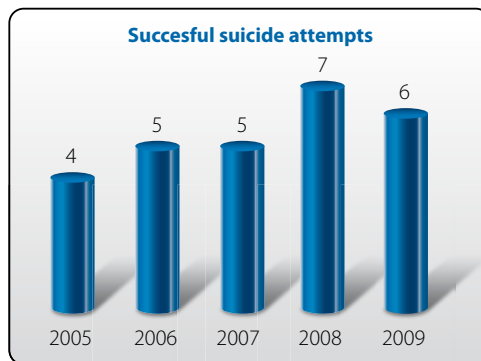
During transfers free and easy communication among the vehicles and with the prisons is highly important. To facilitate the communication a Common Digital Radio Network was introduced in 2008. In 2009 the main tasks in this field were

to assess the practical experience of the first operation phase of the system and to correct the initial failures. In close cooperation with the service provider we managed to solve the initial coverage problems through technology development.

Security during incarceration

In 2009, there were no extraordinary incidents affecting public order. There were 4 escapes during the year; two of these were conducted by low-security prisoners working outside the premises of the penitentiary institutions, they left their workplaces without permission. In the other two cases prisoners escaped from public hospitals where they had been transferred for medical treatment. Due to our quick response and efficient cooperation with the police, two of these prisoners were captured shortly thereafter, and a third one returned voluntarily.

Graph 5

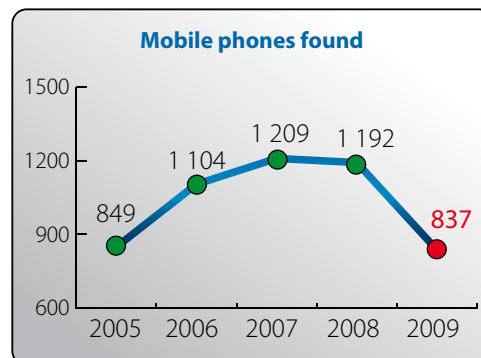


One of our priorities is to stop prisoners from self-harm, with special regards to suicide. Although the number of suicide cases decreased from the previous year (6, as opposed to 7), which may be in part due to the central measures introduced during the year, and although the investigations found that the reasons for these suicides were unrelated to the fact of incarceration, we still decided to review and update our suicide prevention strategy in order to prevent similar situations in the future.

Prisoner security is closely related to crimes committed by prisoners. Compared to the previous year we managed to reduce such crimes. There were 20% less attacks against staff members this year. However, no significant improvement could be experienced in relation to violent acts among prisoners; the number of cases did not decrease remarkably. In order to improve this segment we started the elaboration of series of central measures aiming at providing more leisure activities, on the one hand, and closer monitoring of cells, on the other.

Graph 6

Another of our priorities is stopping unauthorised objects from entering the institutions. Due to previously introduced measures, continuous control performed by the local management, and thorough checks, we found 30% less mobile phones during the year than the year before. The seven X-ray screening devices we purchased towards the end of 2008 helped us to find 16% of the mobile phones already in the parcels sent to prisoners.



Safety and Defence

An inventory of critical infrastructures within the Prison Service was completed parallel to the review of the admission, national support and defence plans of the Service.

In cooperation with other law enforcement organisations, we participated in management and cooperation practices. We reviewed our existing defence cooperation agreements with the Hungarian National Directorate for Disaster Management and the National Police Headquarters, a new cooperation agreement was concluded with the Hungarian Civil Protection Union.

Some of our major achievements in this field this year were the addition of new type of crisis communication equipment to existing ones, and the modernisation of our protection against radiological, chemical and bio threats.

Cooperation with other bodies of the criminal justice system

We signed a cooperation agreement with the Military Chief Prosecutor's Office granting limited access to the IT Service of the Office to certain functions in the central main menu of our prisoner records system. The prosecutor's office provided the technical background, while a data connection was established in Unit II of the Budapest Remand Prison.

Act no. XLVII of 2009 (on criminal records, records of court sentences issued against Hungarian citizens by the courts of European Union member states, and on biometric criminal and law enforcement records), which entered into force on June 30, 2009, set several new tasks for the Prison Service. All of our institutions are affected by the obligation to take and send prisoner fingerprints, palm prints and mouth swabs (the latter is used for forensic DNA profiling) to the Institute for Forensic Sciences, while admission and sentence enforcement information must be forwarded electronically to the Central Office for Administrative and Electronic Public Services.

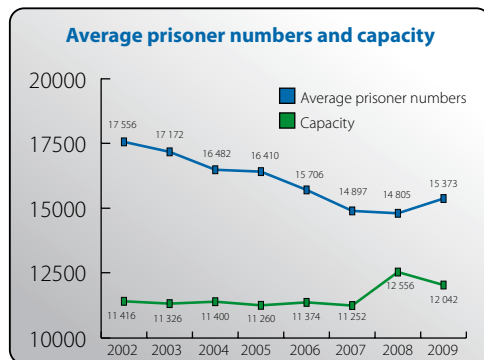
Since its entry into force, experiences with the Act have generally been positive. The authorities responsible for management of the sent data declared that the quality of the samples and data received from the Prison Service satisfied all requirements. Based on our data, since the act's entry into force, fingerprints were taken on 3 363 occasions, and DNA samples were collected from 73 individuals.

INCARCERATION

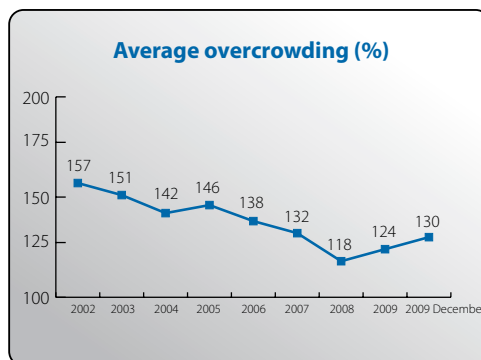
Prisoner placement, distribution

The number of prisoners stopped decreasing in 2009, which had been a trend for several years, and turned into reverse: the average of 15 373 prisoners represents a significant change of 568, compared to 2008. The increase in number of prisoners is even more obvious if we compare the actual figures at the end of the year: on December 31, the number of prisoners was 14 743 in 2008, while in 2009 on the same day 15 432 persons were in custody, this means an increase of 689.

Graph 7



Graph 8



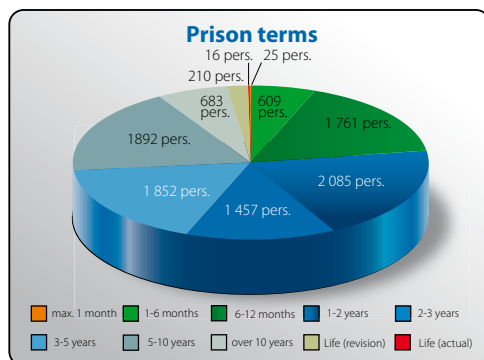
Parallel to this tendency the number of available places had to be decreased. As part of a programme aiming at stabilising the budget of the Service, several cell blocks had to be temporarily closed down (Budapest Remand Prison, Állampusztá National Prison), which reduced the total capacity by 514 places, to 12 042. As a result, our average overcrowding ratio increased by 6% compared to 2008, to 124%. On 31 December 2009 it reached 128%.

The number of sentenced prisoners – 10 590 – showed a slight increase from 2008. The majority of prisoners (57.8%) were serving their sentences according to the implementation rules of the medium regime.

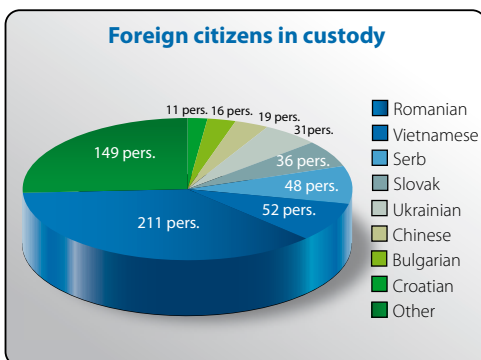
1.table

Regime	Headcount	Male	Female
Strict regime	2 846	2 734	112
Medium regime	6 113	5 670	443
Light regime	833	765	68
Fine conversion and community work (light regime)	480	454	26
Juvenile medium regime	177	173	4
Juvenile light regime	141	137	4
Total	10 590	9 933	657

Graph 9



Graph 10

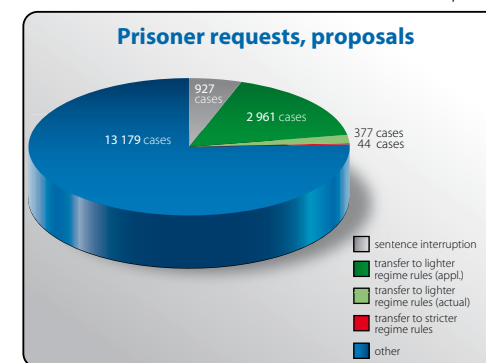


The total number of juvenile prisoners was 318; their proportion in the whole of the prisoner population amounted to 3%, this meant a 0.2% decrease from 2008. Only 6.2% of the prisoners were female (657 persons).

The number of foreign prisoners increased slightly. The 582 foreign citizens held in custody in Hungary for criminal offences came from 57 countries; a bit more than third of them (39%) were Romanian citizens.

The number of remand prisoners reached 4 502 by the end of the year, which is a 136-person increase from 2008. The average time spent in detention till the sentence of first degree was 8.05 months, similarly to 2008. The number of people held in remand detention for more than 2 years was still high (105).

Graph 11



In 2009, 927 applications were submitted for interruptions of prison sentences, which is a slight decrease compared to the 949 in 2008. The authorising authority approved the interruption of the enforcement of the sentence in 146 of these cases. Due to the carefully implemented preparatory measures and arrangement, every person allowed on such leave reported back at the required time to continue serving the remaining sentence.

The individual prisons proposed the placement of a prisoner among lighter regime rules on 3 191 occasions, out of which the prison judge gave his approval in 1 735 cases. At the same time in 44 cases changing the rules of the implementation regime of the sentence of a prisoner to a stricter one was proposed, 33 of these proposals were approved.

Facilitating the social reintegration of prisoners is among the basic tasks of the penitentiary system. Successful social reintegration can mainly be achieved if education, training, vocational training and employment is provided during the time spent in prison. Religion and spiritual care is also central in prisoner care, as well as quality healthcare.

Education and training

The average level of education prisoners obtained before admission to prison is significantly lower than the national average, although there has been a slight improvement over the past few years. Demand for elementary education and vocational training in prisons remains in focus, but an increasing number of people are now interested in earning secondary education certificates.

In 2009, prisons offered elementary and secondary education in the form of full-time, distance and evening courses; vocational training was provided within the frames of adult

learning; elementary, secondary and higher education was also available as private student learning scheme.

In average 14.5% of the prisoners get admitted to the prison without completed elementary education (less than 8 years of elementary school). Therefore every institution where sentenced prisoners are held offers elementary education to prisoners, where they can enrol to the courses on a voluntary basis. During the school year 2008/2009 altogether 974 prisoners completed successfully the requirements in various grades of elementary education, while the number of students enrolled in various grades was 896 for the school year 2009/2010.

In 2009, 15 penitentiary institutions offered secondary education. 781 students completed the school year successfully, and 21 students graduated after completing the requirements of the 4th year. The total number of prisoners enrolled in secondary education was 933 in September 2009. Prisoners applying for a place in secondary school courses were, where possible, transferred to an institution offering such courses.

In the academic year of 2008/2009, 18 prisoners got admitted in higher education; in 2009/2010 the same figure was 12. Adult education, mainly vocational training programmes were also available in the Hungarian prisons. We could start a total of 15 courses were with the participation of 253 persons. The training programmes were mainly financed by grants received from various donors.

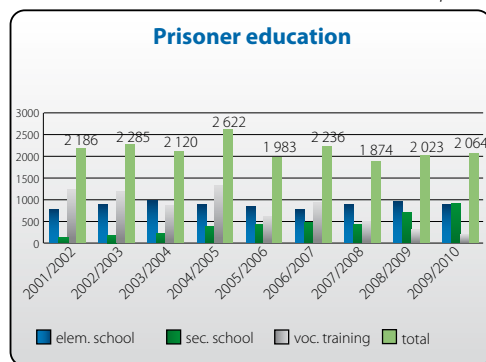
Programmes for Prisoners

In 2009 centrally no budget could be provided to finance programmes of leisure and free time activities for prisoners. Therefore the institutions had to find resources within their regular budget or via various grants to cover the costs of cultural programmes, creative and art workshops or the improvement of the library facilities for prisoners.

In order to improve the usefulness of the time prisoners spend in custody, as well as to facilitate subsequent reintegration, the Prison Service is continuously working on improving its relations with NGOs and religious organisations. The Prison Service is currently party to 250 cooperation agreements with various such organisations.

As part of our reintegration efforts, we worked closely with the Central Office of Justice and also its regional branches. Probation officers organised preparatory counselling meetings for prisoners already before their release. The individual penitentiary institutions placed great emphasis on the cooperation with regional and local partner organisations, as well as local governments, in facilitating social reintegration.

Graph 12



The good relationship with several local governments could be made apparent to residents of the municipalities as well when many of our institutions initiated programmes outside the prison walls within the frames of which prisoners were cleaning and renovating public spaces, parks, playgrounds this way contributing to the embellishment of the municipalities. In this field particularly the Heves and Győr-Moson Sopron County Remand Prisons, and Balassagyarmat Strict and Medium Regime Prison were active. These programmes were great examples of the incorporation of restorative justice practices in the work of prisons.

Despite the limited resources we have to highlight that the prisons could provide many programmes. Prisoner events during the year included presentations by invited speakers, as well as concerts and performances. Many of our institutions have drama groups or choirs, which played successfully in various institutions and outside locations. Inter-institutional sports competitions were also popular with prisoners.

Our free newsletter to prisoners, Prison News, is now published in a new form, and with updated content. The first issue came out in July 2009.

Religion

Prison pastoral care is central in the lives of our institutions and in that of interested prisoners. The prison pastor service where all the traditional religions of Hungary are represented currently has 33 employees. An important event was in the life of the service, the world congregation organised by the International Commission of Catholic Prison Pastoral Care organised on January 24-29, 2009 in Esztergom, at St. Adalbert Centre.

In order to facilitate religious life in prison and to allow the development of equal conditions in all penitentiary institutions four practical methodology workshops were organised, where participants could learn about and exchange local best practices.

Prisoner healthcare

Prisoners continued to receive high-quality, comprehensive healthcare service during the year, on each level of progressive healthcare, in every form of basic, in- and outpatient care.

Necessary outpatient care in prisons slightly increased in 2009. Our efforts to offer more types of specialised health services locally had a positive impact: the number of necessary health-related transfers decreased by almost 50%, saving cost and staff hours, and also reducing the security risk inherent to any transfer outside the institutions. As a result, our contact with regional public healthcare institutions was mainly reduced to emergency and other inevitable services.

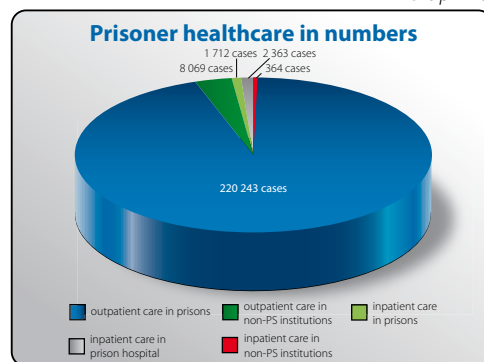
There was no significant change in the number of patients treated in the Forensic Psychiatric Mental Institution and the Chronic Aftercare Unit in Nagyfa. The significant decrease in the inpatient care figure was due to continuing technical and staffing difficulties at the Central Hospital of the Prison Service, which both intensified this past year for various reasons.

From the point of public health and epidemiology, penitentiary institutions were stable, primarily due to the sanitary rules in force. There was no extraordinary accumulation of infections falling under reporting requirements; the number of cases due to seasonal infections was average.

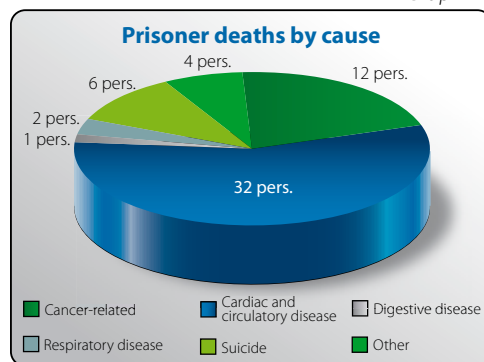
Our successful Hepatitis C awareness and screening programme, which had started in 2007, continued this year, now completed with a Hepatitis B and HIV check, and anonymous drug history investigation for those infected.

After the brief decrease to 41 per year in 2008, the number of those deceased in prison increased to 57 (52 men, 5 women) during this year. Corresponding to the average situation in Hungary in terms of causes of mortality, most of the fatalities were caused by vascular diseases; twelve prisoners died because of malignant tumours, and there were six suicides, as opposed to seven in the year before.

Graph 13



Graph 14



ECONOMIC AND FINANCIAL SITUATION

The economic and financial management of the Prison Service is a complex field: it has a public finance component, but also includes provision measures related to prison conditions and equipment, and the work of prison enterprises.

The 2009 budget

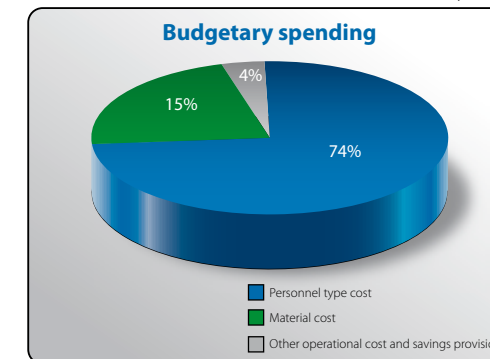
The total budget of 2009 approved for the expenditures was HUF 36 400.6 million, which consisted of HUF 33 685 million in funds provided by the national state budget (92.5%), and HUF 27 15.6 million (7.5%) own revenue, expected to be generated by the Prison Service.

In 2009, the state of the general economy worsened, which called for strict and rationalised operation, including the search for and use of any unutilised potential. As a result of central interventions and related measures (strict financial discipline measures, temporary closure of facilities), the operation of the Service could be maintained.

Still, it remained a struggle throughout the year to stabilise our liquidity. As a consequence, for the first time in several years, the Prison Service had to close the financial year with large amount of short term liabilities, which also makes balancing the 2010 budget a challenge. However, mainly via the exploitation of state grants and EU funding we managed to open up several key areas for development. The vehicle fleet modernisation project started, as well as the organisational development of the Service the latter with the help of European Union funds.

The budget authorised for staff related expenditure was enough to cover the wages and related expenses, we did not receive additional central funding for the expenses of overtime and extra service time. The material cost budget covered utility costs, food and medicine related expenses. The expenditure on infrastructure development and renovation could only cover a fraction of the real needs.

Graph 15



The scarcity of funds made some measures inevitable: we closed down one of our prisons (Nagyfa National prison) by merging it with another one; we temporarily evacuated two sites (Budapest Remand Prison Unit II, Állampuszta National Prison: part of the Solt site) in order to save on operation costs, furthermore a strict hiring policy was followed prioritising the filling of the most important vacancies, 50% of the budget foreseen for remunerations was withheld.

The material cost budget could not cover all of the arising costs, despite the saving measures, but the extra provision approved by the government allowed us to maintain the level of service and pay our suppliers on time.

One of our aims was to reinforce our internal financial audit system, to improve financial efficiency, and to facilitate responsible financial management, all in order to rationalise the use of budgetary provisions.

Financial audits in the Prison Service focused on the following six key areas in 2009:

- investigating extra service time orders, records and accounting;
- checking vehicle operations and use;
- examining internal controls in the central budget (process-integrated preliminary, subsequent and management controls);
- checking inventories and scrapping;
- investigating prison catering;
- checking public procurement procedures and delivery of the resulting contracts.

Material-type costs related to prison conditions and equipment

The Prison Service manages 1 562 buildings, amounting to a total of 478 075 m² floor area. Most of these can be considered old buildings: their structural elements and architectural design are outdated, impractical. Due to a lack of available funds, major renovations have been postponed for many years; the available funds could only cover the most necessary repairs and some long awaited critical renovations, like the renovation of the staff changing rooms in Szeged or the staff apartment building in Budapest.



It is very important to us that in 2009 we had an opportunity to modernise our vehicle fleet. Among others also our Service was the beneficiary of a national centralised public procurement procedure initiated by the government where we received 65 personal vehicles, 5 large prisoner transport vehicles, and 50 small prisoner transport vehicles to replace our old ones. This new procurement helped to reduce the average age of our vehicles from 10.5 years to 6.6 years.

Energy management and protection of the environment

One of the largest items in our facility maintenance expenditure is the energy cost. The efficient and economical use of energy is in our basic interest. We were looking at ways to reduce these costs during the entire year. In addition to our heating modernisation efforts, we also launched a public procurement tender for the purchase of our main source of energy: natural gas. According to our estimates, purchasing natural gas on the market may bring up to HUF 180 million in savings.

We also contemplated renewable energy: Sopronkőhida Strict and Medium Regime Prison installed modern hot water module boiler units which also use solar energy.

Many of our institutions applied for grants under the 2009 call for proposals on energy rationalisation launched by the Ministry of Justice and Law Enforcement. The beneficiaries, Pálhalma National Prison, Közép-Dunántúl National Prison, Vác Strict and Medium Regime Prison, and Tököl Juvenile Prison, received a total of HUF 35 million to be spent on lighting modernisation, heat insulation of buildings, and replacement of doors and windows.

Reducing emissions was one of our priorities this year. Our institutions investigated risk factors, such as possible sources of air pollution, waste management and dangerous substances, and fulfilled their reporting obligations to various competent authorities.

We prepared our central recycling programme, and the institutions made local arrangements to support it.

Prison enterprises

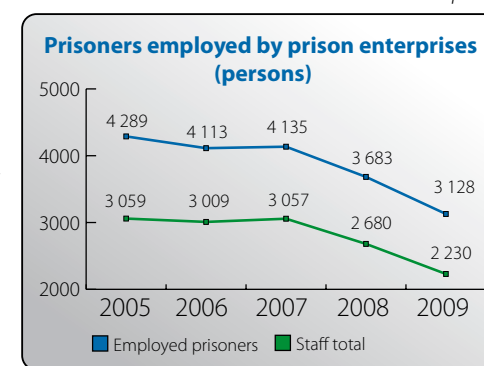
One of the consequences of the crisis in the economy was a significant decrease in the number of prisoners employed by prison enterprises, by 533 (14.6%) compared to the previous year. Primary reasons for the decrease were the lack of contract work, and the withdrawal of our partners from certain markets. Two of the enterprises managed to increase the number of prisoners employed, two others remained on previous year's level (within a 10% margin), and three reduced headcount significantly, by over 25%.

The lack of contract work also shows in other employment figures: while the number of inmates employed in the core activities of the companies increased by 2.8% (53 persons), the proportion of inmates employed to perform tasks for outside contractors decreased by 32.2% (583 persons), the latter figure being 50% in agricultural enterprises. The proportions of contract work and core activity turned reverse from the previous years; contract work is now less than 40%.

Graph 16

Prison enterprises employed a total of 3 128 prisoners on average, while the average officer headcount is 2 230.

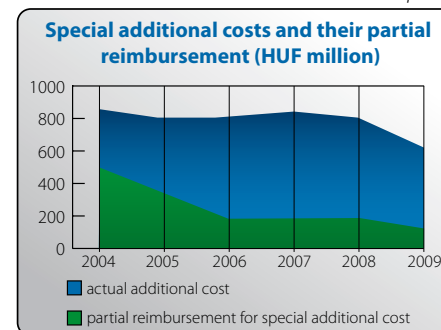
The unfavourable economic environment, and the draught in agriculture, had negative effects on the operation of the prison enterprises. As a consequence, the cumulated loss of the enterprises for the year is expected to be HUF 104.3 million, 3.3% more than planned.



Central coordination and additional funds available under the same budget chapter helped to keep prison enterprises functional during the year. Agricultural enterprises are expected to close the year with a profit of HUF 152.1 million (the final figure will only be known after central subsidies are reimbursed to the various sectors), while industrial enterprises made a loss of HUF 256.4 million.

The central budget includes funds for public interest activity (titled partial reimbursement for special additional cost), but from the original amount of HUF 92 million only 89.7 million were made available, which was enough to cover 14.2% of the additional cost. By way of comparison,

Graph 17



this provision was HUF 483.2 million five years ago. Funds coming from different budget chapters (agricultural subsidy) are only provisionally included in these profit estimates.

In summary, most prison enterprises only managed to perform their task, the employment of prisoners, to a lesser degree, and with additional funding this year. An operational rationalisation and transformation concept is now prepared, which needs to be finalised in the second half of 2010.

Priority projects

The Strategic Development Programme of the Prison Service defines several development concepts for the Service, which are only possible to realise within the frames of national level projects. Since our regular budget does not allow major investments, we made attempts to raise outside funds, mainly through tendering.

We joined the New Hungary National Development Plan, which draws funds mainly from the EU Structural Funds dedicated to Hungary.

Projects under operational programmes of the New Hungary National Development Plan

Under the State Reform Operational Programme, the Prison Service project titled "Organisational development of prison service institutions" (ref. ÁROP-1.2.1-08/B-2008-0001) has a budget of HUF 83.4 million. The aim of this project is to review and develop the organisational structure, procedures and finances of various institutions in order to create more flexible procedures that take outside circumstances into consideration, to improve certain problem areas in human resources, and to rationalise finances, where possible.

Under the Electronic Administration Operational Programme we launched a large scale IT development project (ref. EKOP 1.1.6) with a total budget of HUF 1.3 billion. The aim of the project is to improve the general IT infrastructure of the Service and to develop special target applications that support the legally required everyday service activities. As a result of this development, the prison service will have a modern IT system by 2009-2011.

The Social Renewal Operational Programme supports the project "Laying methodological foundations for crime prevention and social reintegration programmes aiming at reinforcing social cohesion" (ref. TÁMOP-5.6.2.) in order to build and maintain a closer cooperation between employment agencies, justice offices and penitentiary institutions, and thus facilitate the social and employment market integration of former prisoners. The project is a series of integration-related activities within and without prison walls, targeted mainly at the prisoners in three priority regions: Észak-Magyarország, Észak-Alföld, Dél-Dunántúl. These prisoners will receive employment market information, counselling, skills training, vocational training, and pre-release courses.

We are preparing and submitting four applications to the Environment and Energy Operational Programme (KEOP), concerning the improvement of energy efficiency and the use of renewable energy sources.

Local tenders

In addition to our central fundraising initiatives, our institutions are encouraged to seek resources locally. Many institutions applied for and received funds, whether on their own or with outside partners, for local initiatives, mainly in the field of social integration. Out of the 83 submitted applications 62 were accepted, bringing a total of HUF 311.18 million to our institutions. Most of this money was spent on prisoner activities, including education, training and work. A smaller proportion was spent on infrastructure development: modernisation of buildings, heating, lighting; some staff leisure activities were also funded this way.

