

## **11. Summary**

### **Budget process of the City of Prague**

This thesis discusses the main aspects of the budget process of the City of Prague.

At the beginning of the thesis there is a general description of the budget, position of the City of Prague and its municipal districts and the competence of local authorities in the sphere of budget. The first part is also focused on the rules of creation of the budget defined by law, the application of this rules in Prague as well as the procedures defined by the municipality itself.

The position of Prague as the capital city of Czech Republic is defined in the Constitution of Czech Republic and in the Act No. 131/2000. The administrative powers of municipal districts are laid down in the Charter of the City of Prague. Together with the Prague City Hall, the municipal districts provide for both self-government and statutory functions of state administration. The city's principal administrative bodies are the Prague Assembly and the Prague Council. They are elected for a four-year term. The executive body is the Prague City Hall with its specialised departments and sections.

Major issue of this thesis aims at the budget outlook and the creation of the budget as a unique kind of procedure consisting of several phases. The first phase consists of the preliminary tasks and budgeting followed by the procedure of approval of the budget (the agreement of the city government, the hearing in the financial committee and final approval in the city assembly).

The budget includes the incomes, expenditures and other monetary operations. The income structure of the budget is

constituted by tax income, non-tax income, subsidies, and by capital income. Expenses are divided into current and capital expenditures and into 10 chapters depending on the field of interest.

The thesis also defines the relation between the capital city and its districts in the budget area and budgetary corrective actions during the year.

Final chapter specifies the evaluation process and the approval procedure of the Prague final financial statement. The separate task presents the decision about the bond and credit redemption, which depends on savings and economic results.

The thesis summarises the budget process in Prague and provides general overview about this matter.