

An internal program of compliance with legal rules within the community system

Summary

Municipalities have to deal with a complex and dynamic legal environment. The thesis examines how municipalities as specific corporations make or should make sure that their procedures and outcomes comply with legal requirements.

The municipalities have their original competence as legal persons and the competence transferred from the state. Of these, the original competence is of specific interest here, since the municipalities enjoy a great degree of freedom in its execution.

The municipality is a political organisation that derives its competence from an elected body of representatives. The elected representatives, the councillors, the officials and the mayor as a quasi statutory representative have their specific responsibilities under the compliance scheme. Their personal civil liability as well as potential criminal responsibility for actions or omissions is explained in connection with the corporate liability of the municipality.

The legal environment in the Czech Republic makes the task of compliance management challenging. Law and statutory instruments do change frequently. The fragmented responsibility for drafting and implementing law means that doing things right does not always result in complying with legal requirements.

Interviews with municipal officials show that compliance is generally not pursued as a systematic activity. They explain the way in which requirements are satisfied with reference to either existing knowledge of such requirements and/or to ad hoc research or solicited counselling.

Since the knowledge and its application is limited and the ad hoc approach has some issues with knowledge management (actively seeking legal information requires a priori knowledge of its existence or applicability), the thesis proposes a systematic way to gather information on relevant legal requirements, to assign responsibility for ensuring compliance and to introduce proper documentation and procedures.