Summary

My dissertation starts with the overview of the history of financial control in the Czech lands. In the overview, I compare various controls having the power of the financial control with special attention paid to their mutual interference and overlapping. Performance of one type of control influenced implementation of other types of control.

For many reasons, I decided to focus on the period starting in 1989. The years following the change of the regime in 1989 were very turbulent and rich in legislative initiatives. Some were successful, some less productive and I point out selected steps made in the area of control of financial activities, which lacked proper background and reasoning. On the other hand, many constructive proposals had been abolished for political reasons rather for their imperfectness. In other words – much alike the old totalitarian regime, the new authorities did not hesitate to make political decisions at the cost of the public interest.

In the text of my dissertation, I examine the current financial control activities from the *de lege lata* point of view. Looking at the main body of relevant legislation – leaving aside the selected special laws which guide control by ways of special provisions – there are currently three acts, which guide the performance of "financial control" in its wider sense. It is the Act No. 552/1991 Coll. on Public Control, Act No. 166/1993 Coll. on Supreme Audit Office, and Act No. 320/2001 Coll. on Financial Control in Public Authorities and on the amendment of selected acts.

When comparing the above legal norms, I disclosed their mutual interference and partial overlapping. Some forms of control – and there are quite a few of those – copy the approach from "competitors" and pay little attention to the binding legal boundaries. The overlapping, interfering, and duplicating are one of the most alarming aspects of the current financial control practice. In the future, we should consider primarily the cost "efficiency" of "financial control" which would generate profit from controls performed. The profit may be in the form of amended processes of the controlled subject which can in turn influence the handling of finance managed by the subject in question. Furthermore, it is necessary to harmonize the costs of preparing and organizing the control, performing such control, and drafting its final evaluation with the economic impact of such control. The public authorities may no longer

invest their money in inefficient and ineffective activities. Financial control should be efficient enough to pay for itself. Of course, it would not be realistic to expect or require the return in full of the damage caused by the practice found to be inefficient.

In my dissertation, I point out certain discrepancies deriving from the Act on the Supreme Audit Office. In my view of *de lege ferenda*, I have attempted to envisage the form which the potential future instrument guiding the activities of the Supreme Audit Office, including possible constitutional changes, may adopt.

Last but not least, I focused on the international position of the Supreme Audit Office, which is a member of several international audit and control organizations, and on the tasks and principles of these organizations. I wish to present the audit exercises performed by the Supreme Audit Office in a wider context and therefore I decided to focus primarily on financial control activities by the MFCR and their relevance for the Supreme Audit Office. I listed several examples of such intersecting control exercises and included their theoretical analysis. Those aspects of the financial control imposed by a court decision and having a potential to influence the control process as such are complemented by the respective case law.

In my dissertation, I intend to combine the knowledge gained in the course of my university studies of financial law and related subjects with the practical experience of the Supreme Audit Office staff. After having graduated from the Charles University, Department of Law, I joined the faculty of a private college where I started teaching the financial law. One of the topics the college covered was the Supreme Audit Office and its activities. In numerous consultations with the Supreme Audit Office staff I gained insight in the audit practice and gathered precious information and data for my deliberations. Moreover, having closely cooperated with experts performing audits in practice, I had a rare opportunity to consult with them selected aspects of financial control in keeping with the Act on Financial Control.

The backbone of my dissertation, after the short introduction in the history of the subject, is financial control as part of financial control activities from the *de lege lata* point of view. In the theoretical part, I focus on the current knowledge, division of powers, and related constitutional position of subjects, which perform control of financial activities.

To compare the Czech situation with international norms and practice, I selected Slovak "financial control" instruments. The Slovak approach to financial control is sound and, in some aspects, quite cost efficient.

I chose to go in detail in the field of material and personal responsibility of subjects performing control of financial activities, since it concerns *condicio sine qua non* in the field of financial control and its potential duplicity or, on the other hand, its insufficiency.

I also wish to draw the attention to the notion of "who controls the controllers". One of the objectives of my dissertation is to demonstrate the impact of a financial control, be it in course or completed, on the society. In practice, many subjects immerse in a feeling which we can call "the assumption of correctness". Should an organisation undergo a control exercise and there be no material deficiency found by the controlling authority, the controlled organisation adopts the processes and activities cleared as proper and will be performing them as correct. As I point out in the text, it is a complex issue which is worth noticing.

I also strive to present and explain provisions which derive their coverage from the case law. Moreover, I wish to cast light on potential interpretation problems. At the same time, I draw the readers´ attention to the relevant legislation which is not always perfect.

The *de lege ferenda* chapter accentuates primarily the Act on the Supreme Audit Office, which I perceive as, in some aspects, obsolete. I strive to present selected terms – such as independence, office, or body from the point of view of the most recent knowledge as well as the direction the interpretation of some of them – e.g. independence - may take in the future.

I decided not to tackle the issue of cost efficiency or economy of the controls performed. Such analysis would require a separate dissertation in the economic field. In some aspects, however, I point out selected forms of control and their potential cost effectiveness.

My efforts were led by one clear objective – to gain deeper insight in the control which is currently undergo in the field of financial activities. I wish my dissertation contributed, with my position to the matter as well as with proposed solutions, to the proper public management symbolized – in this case – by good public governance.