

Resumé

Legal regulations for information responsibilities of municipalities as a part of a public budgetary system

Budgets of local governments are very important parts of public budgetary system. In the Czech Republic through that municipalities' budgets large amount of taxes income and subsidies are distributed not only from state budget, but also from other providers of financial support (districts' budgets, European Union funds etc.). For this reason, it is essential that the government, Ministry of Finance and other providers check how the municipalities manage these resources.

Basic information about the process of managing budgets, and their particular parts, supply statements with suitable data, in suitable form and created at the right time. Reports are the first step in the process of ensuring effective management of public finance. From their data governing bodies can gain a view of future development of financial management or evaluate the history of not only financial management and payments made, among other criteria To check this, analysis of variances are used. This information helps to support effective management of public finance, to prevent infliction of damages and also to provide information to the general public about the kinds and amount of costs of local authorities.

The formal result of financial reporting is not the aim and is not sufficient. The second step that follows that formal financial reporting is control of the processes and reported financial data. The relationship between reporting and control is very tight. Without this second step, it is not possible to govern and manage the economy of public authority. Checks give the relevance to the reported data and of course a real view on the management of public finance. Generally two kinds of controls are distinguished – internal and external. Both are needed key factors and give feedback to responsible people.

The aim of this paper is to describe and summarize the history of legal regulation of two parts of the budgetary process - reporting and control. History is divided into three phases. First phase started, according to me, at the beginning of 1970ies because modern

reporting of municipalities started with computer technology and new legal regulation inflicted by new federation system of Czechoslovakia, until the Velvet revolution that brought huge economic and social changes into the public administration system.

The second phase lasted 10 years and finished at the end of the millennium. Last phase, I described in the text, included the temporary state and outlook on the future of the State treasury system. Similarity between the IT system running before the Velvet revolution and functions of the developing new State treasury system is noteworthy. The same situation we can observe in the legal requirements for control and reporting.