

SUMMARY

The purpose of my Master's degree thesis is to analyse the relationship between expenditures of public budgets and public contracts. The reason for my research is the spending a huge amount of funds on public procurement and the gaps of this system.

The thesis is composed of seven chapters, each of them dealing with different aspects of public budgets, expenditures or public contracts. Chapter One is introductory and defines basic terminology used in the thesis: system of government budgets, budget, public budget, its function, budget process and budgetary principles. The chapter is subdivided into five parts.

Chapter Two defines the content of public budget and it consists of two parts. The first one describes public revenue and their structure. Part Two focuses on public expenditure and explains the difference between public expenditure, public spending program and public spending project. Then it illustrates the structure and the content of expenditure of state budget and budget of territorial self-government units.

Chapter Three explains that the revenue and the expenditure of public budgets are one part of public property and public procurement is special method how to spend funds from public budgets.

Chapter Four describes public contracts, their classification, the place of law of public contracts in the system of law, types of award procedures and basic principles of procedure (the principles of transparency, equal treatment and non-discrimination).

Chapter Five deals with 3E principles and it is divided into four parts. Part One, Two and Three define each one of principles (Economy, Effectiveness and Efficiency) and Part Four illustrates the situation of these principles in practice.

Chapter Six addresses the issues of negative aspects in the area of public contracts. It focus on misunderstanding of public contract, reduction of competition on the side of economic operators, the low transparency of award procedures and wrong working control system.

Chapter Seven investigates possible changes in the access to public procurement with effort to increase effectiveness. It recommends changes to be made in legislation, in centralization of system of public procurement, in creating the pact of integrity and in better working of control system.

Conclusions are drawn at the end of this thesis. The main aim of the paper is to prove that good adherence of 3E principles in the process of inputting public contracts influences the amount of public expenditures in positive way. So I suggest that new legislation should be passed, better control system should be established, the pact of integrity and centralization of system should be created.