

## **Abstract**

Legal principles are fundamental elements for every branch and sub-branch of the law. The same it is in the case of budget principles which are leading principles of the budgetary law. Due to their importance it is necessary to establish these principles to the law effectively. This work, entitled *Budgetary principles and their reflection in valid legislation* discusses to what extent is this requirement fulfilled in the Czech Republic.

This diploma thesis is divided into an introduction and six chapters, the conclusions and list of sources. The aim of the work is the analysis of budgetary principles in terms of their reflection in the laws of the Czech Republic and the European Union. General characteristics of legal principles, as defined legal theory is outlined in the first chapter which follows after brief introduction.

The second chapter of this thesis is devoted to mainly budgetary principles. The budget law and budgetary principles are defined in the introduction to this chapter. The attention in this chapter is focused on the analysis of the individual budgetary principles and their reflection in the current legislation.

Of the all budgetary principles most attention is paid to the principle of equilibrium of public budgets which is a key theme of this work. Due to the lingering economic crisis thanks to which some states found themselves on the edge of national bankruptcy this principle came to the fore not only in member states but also in the European Union itself. Neither the Czech Republic was not an exception in this respect. The third chapter is devoted to the principle of equilibrium of public budgets and its characteristics.

The fourth chapter of this thesis discusses the current legislation of the principle of equilibrium of public budgets in the legal order of the Czech Republic which despite the above mentioned is still not sufficient. This situation is contrary not only to the legal commitments which the Czech Republic has towards the European Union but it has also a negative impact on the overall budgetary management of public funds.

The fifth chapter is devoted to the principle of equilibrium valid in the European Union legal order. In contrast to the Czech legislation this principle is in the European law attached much bigger importance not only as regards the principle of equilibrium of the European Union budget but above all as regards the principle of equilibrium public budgets of the member states. In this context, the most attention is currently paid to the Treaty on stability, coordination and governance in the economic and monetary union which is also called Fiscal pact. Although the Czech Republic didn't approach to this agreement it is possible that it will happen in the future and therefore it is paid attention to this agreement in this thesis.

The last chapter is devoted to the expected legislation related to the principle of equilibrium of public budgets *de lege ferenda* in the law of the Czech Republic. The most significant achievement in this area was a proposal of constitutional act of budgetary responsibility which is already obsolete but still provides an outline of how the legislation could look like in this area. This chapter analyses the proposal of the mentioned constitutional act and compares it in terms of the issue as provided in the legal order of the European Union.

The conclusion of this thesis provides a summary of all findings that were deduced from the analysis of this issue and gives a brief outline of possible future adjustments to the rules for budgetary management. The presented diploma thesis is elaborated on the basis of a valid and effective legal status as of 20 November 2013.