

Vol. 2 / 2011 No. 3



Journal on Legal and Economic Issues of Central Europe



Journal on Legal and Economic Issues of Central Europe

Editorial staff

JOURNAL ON LEGAL AND ECONOMIC ISSUES OF CENTRAL EUROPE:

Mgr. Jan Gazda, Ph.D.

(Faculty of Civil Engineering, Czech Technical
University, Prague, Czech Republic)

Doc. Dr. Ivan Halász, Ph.D.

(Institute for Legal Studies of the Hungarian
Academy of Science, Budapest, Hungary)

JUDr. Jan Hejda, Ph.D.

(Faculty of Law, Westbohemian
University, Pilsen, Czech Republic)

Assoc. prof. dr. Česlovas Christauskas

(Faculty of Social Science,
Kaunas University of Technology, Lithuania)

Dr. Julia Koralun-Bereznicka

(Faculty of Management,
University of Gdańsk, Poland)

Doc. JUDr. Zdeněk Koudelka, Ph.D.

(Supreme Public Prosecutor's office, Brno,
Czech Republic)

Doc. Ing. Václav Liška, CSc.

(Faculty of Civil Engineering, Czech Technical
University, Prague, Czech Republic)

JUDr. Radka MacGregor Pelikánová, Ph.D., LL.M.

(Attorney-at-Law, Prague, Czech Republic)

Prof. Dr. Peter Mihályi

(Economics Department, Central European
University, Budapest, Hungary)

Prof. Dragan M. Mitrović

(Faculty of Law, University of Belgrade, Serbia)

Dr. Dragos Paun

(Faculty of Business, Babeş-Bolyai University,
Cluj-Napoca, Romania)

Doc. JUDr. Karel Schelle, CSc.

(Faculty of Law, Masaryk University, Brno,
Czech Republic)

JUDr. Bc. Jaromír Tauchen, Ph.D., LL.M.

(Faculty of Law, Masaryk University, Brno,
Czech Republic)

TABLE OF CONTENTS

<i>Dragos Páun: International Fiscal Competition in Central and Eastern Europe</i>	2
<i>Márton Leó Zaccaria: The Labour Law Regulations and the Constitutional Basis of the Gender Equal Opportunities in Hungarian Law</i>	6
<i>Cecília Karner: The Past and the Present of Hospitals in Hungary</i>	11
<i>Vaidotas Matutis: Investment Planning</i>	14
<i>Tomáš Meluzín, Václav Liška: Comparison of Theoretical and Practical Approaches to Corporate Financing through the IPO in the Cee Region</i>	18
<i>István Hoffman: Behind the (EU) Scenes: The Role of the Local Self-Governments in the Waste Management Public Services</i>	22
<i>Grzegorz Bucior: Budget Management Modernisation of Local Government in Poland</i>	29
<i>Dalia Perkumienė, Violeta Tamašauskienė: Peculiarities of Spouses Property Relations Regulation in Lithuania</i>	35
<i>Jaromír Harvánek, Irena Píchová: Significance and Status of Theory of Law Nowadays</i>	45
<i>Ilona Schelleová, Karel Schelle: The History and the Contemporaneity of the European Insolvency Law</i>	49
<i>Julia Koralun-Bereznicka: Cross-Industry and Cross-Size Analysis of Corporate Structure versus Profitability – Empirical Evidence from Poland</i>	55
<i>Tibor Pupos, Tünde Kis-Simon, Arnold Gó, Ildikó Ábel, Zoltán Kovács: The Diagnosis of the Working Capital</i>	63
<i>Róbert Sándor Szűcs: Fat Tax in Hungary</i>	75
<i>Katarzyna Tarnawska, Janusz Rosiek: The CEECs and the Eu Lead Market Initiative. A Chance or a Missed Idea?</i>	82
<i>Daniela Hrehová: Modernization of Corporate Training</i>	92
<i>Jan Gazda: Historia magistrá</i>	99

JOURNAL ON LEGAL AND ECONOMIC ISSUES OF CENTRAL EUROPE

© 2011 STS Science Centre Ltd.

All rights reserved. Neither this publication nor any part of it may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior permission of STS Science Centre Ltd.

Issued four times a year.

Printed in the EU.

ISSN 2043-085X

Budget Management Modernisation of Local Government in Poland

Grzegorz Bucior¹

Abstract

After the fundamental change of political system in Poland in early nineties, it has been quickly noticed that the budget system used in local government units emphasises its control function. The used budget system does not include information concerning operation and function of programmes realised by local government bodies. In addition to that, the opinion about low clarity and transparency of the budget document is widespread. The desire to turn budget into an effective tool of programmes and task management, meaningful for external readers induced some Polish gmina authorities to search for alternative budgeting methods. As a result there appeared a tendency in Polish local government units to use PPBS developed in the USA and Western European countries. This new method of budgeting which accounts for specific nature of Polish local government, although has no definite standard of application, is called commonly as task based budgeting. As a result of PPBS implementation in Polish local government units the following objectives are achieved:

- correlation of technical and financial aspects of programmes and tasks,
- improvement of preparation procedures and budget implementation on all levels of management,
- facilitation of evaluation of budget project quality by supervising bodies,
- improved effectiveness of budget execution audit by authorised entities,
- making budget and its attachments a clear and understandable document for a wide range of interested readers.

An additional impulse for increasing the reach of the new method of budgeting should be the implementation of task based budgeting by central government.

Key words: budget management, budget reforms, local government in Poland, PPBS, program budgeting, task based budgeting, budgeting tasks.

Introduction

The fundamental change in the system of local government in Poland in 1990 raised the local society to the role of subject. The local government was given assets at their disposal and entrusted with specific public tasks. The responsibility for these functions was attributed to representative bodies selected in democratic elections. The democratic election procedure of local government was the reason why the evaluation of effectiveness of actions satisfying local society needs has become so important. The key issue is to satisfy the demand of society in the way acceptable for them, that is: honest, beneficial and effective.

The local government units, their bodies and the organisational units under their supervision constitute self-governing public finance sector whose main task is to satisfy the needs of society. While observing the changing environment for local government activity starting from reactivation of local self-government in Poland, we notice the tendency to increase the scope of public tasks transferred from government administration to the local level. The growing scope of local government activity enforces the necessity for constant change of financial

economy which is possible due to the institution of economic autonomy.

The basis for local government independence in the real sphere of activity is the definition of the essence of local government economic independence (including financial independence) and determinants shaping it. The economic independence of local government units consists in the right to execute public tasks in their own name and under their own responsibility, in undertaking their own tasks, the choice of instruments and the scope of their application and influencing economic entities on the territory of the government, the right to conduct business activity and the choice of legal and organisational forms of task implementation (budgetary units subordinated to local government, their transformation, co-operation with private entities within public and private sectors partnership).²

The object of budget management in local government units is the streams of budgetary revenues and expenditure while its subjects are the bodies of units managing these streams. This approach to budget management emphasises its dynamic character. Budget management cannot be approached statically: that is as a sum of specific pecuniary resources. The resources

¹ Dr. Grzegorz Bucior, University of Gdańsk, Department of Accounting, Poland.

² M. Jastrzębska, *Polityka budżetowa jednostek samorządu terytorialnego*, Wydawnictwo Uniwersytetu Gdańskiego, Sopot 2005, p. 44–45.

of local government units are dynamically shaped under the influence of streams of budgetary revenues and expenditure as an outcome of naturally changeable social and economic relations.

This dynamism of local finances combined with more and more strongly articulated demand for greater effectiveness and rationality in expenditure of public funds is the reason why practical significance of local management problems finds its expression in the search for advanced methods and ideas developed and used in private sector.

The local government financial system, which has been shaped in the recent 20 years and is presently functioning, is distinguished among others by the fact that local government units (self-governing gmina, powiat, voivodship) manage their finance independently in an open way based on the budget passed by a respective legislative body for a particular calendar year. Therefore, local financial management is identified with budget management. Such simplification may be applied when budget management of local government units is understood as a set of all activities connected with accumulation and expenditure of local government budget resources. In the most general perspective budget management of local government units includes:

- 1) budget planning,
- 2) accumulation of budgetary revenue,
- 3) budget expenditure,
- 4) budget execution control.

Modernisation of budget management in Polish local government is executed mainly by local government powers and resources which is primarily the result of local government economic independence. In turn, budget management modification with regard to its scope concerns mainly budgeting process and functioning of information systems, accounting in particular as the most important one from the perspective of economy.

The purpose of this article is presentation of directions of Polish local government budget management and indicating their main problems which the reformers must tackle.

Budgeting in Polish Local Government Units

The idea of budgeting involves allocation of naturally rare resources which implies the choice between potential directions of financial resources expenditure. All budgets, public or private, involve choices between possible expenditures. The local government unit budget as the main tool in realising finance management must be an instrument of planning, management and control of task implementation³. Through the budget procedure the local government units must fulfil the requirements of carefulness, responsibility and effectiveness in finan-

cial resources management. The demand for effectiveness has become especially important because of limited nature of public resources and simultaneous tendency to increase the scope of local government activity. In response to the need for modification of public resources budgeting system to increase its effectiveness, the solutions until now applied only in the private sector have begun to be adopted.

Budgeting as a financial category and management method is primarily a derivative of budget and the product of finance management evolution.⁴ Budgeting procedures and techniques applied initially only for public resources management on the macroeconomic level, have been first adopted and then developed by enterprises sector.⁵ Dynamically developing management accounting after the war gave a strong impulse to extend the scope of budgeting. The Management Accounting began to support "budget based management" in businesses which was later named "objective based management".⁶

Alongside perfecting budget management methods based on budget characteristics, the evolution of budget institution was taking place as part of public finance system. However, the main criterion of public sector budgeting procedure facilitation was implementation of public finance functions and objectives with particular emphasis on allocation and redistribution. The necessity to pay particular attention to effectiveness and rationality of public resources management induced public sector entities to use the budgeting tools and techniques refined by private sector. Among the main concepts of money resources management applied in public sector were:

- management by objectives and exceptions,
- Planning Programming Budgeting System,
- zero based budgeting.⁷

These concepts are presented as alternative to traditional incremental budgeting which is still dominant in Poland's public sector and in most other European countries.

Since early nineteen sixties the deficiencies and limitations of traditional incremental budgeting have been raised. Aaron Wildavsky stated that incremental budget applied in public sector is:⁸

- non-rational because focussed mainly on revenues and not expenditures,
- fragmentary because it describes well only changes which by the nature of the methodology itself are scarce,
- defines too short budgetary period because it presents only an annual plan, that is a period too short for implementation of many projects and socially useful programmes,
- conservative in the sense of reluctance to undertake bold changes.

³ See: K. J. Shim, J. G. Siegel, *Budgeting Basics and Beyond*, John Wiley & Sons, New Jersey 2009, p. 21–31.

⁴ J. Kumorowski, *Budżetowanie jako metoda zarządzania przedsiębiorstwem*, PWN, Warszawa 1997, p. 11.

⁵ See: A. Premchand, *Government budgeting and expenditure controls, Theory and Practice*, IMF, Washington 1989, p. 319–320.

⁶ See A. A. Jaruga, W. A. Nowak, A. Szycha, *Rachunkowość Zarządcza, Absolwent*, Łódź 1999, p. 41.

⁷ According to some authors zero based budgeting is a variety of budget programming, see: I. S. Rubin, *the Politics of Public Budgeting*, Chatham House Publishers, New York 2000, p. 88.

⁸ A. Wildavsky, *A budget for all seasons? Why the traditional budget lasts in A. Wildavsky, B. Swedlow, J. Whitep (ed.) Budgeting and Governing*, Transaction Publishers, New Brunswick 2009, p. 3–5.

The most serious accusation against incremental budget consists in abstracting budgetary expenditure from the programmes implemented by budgeting entity. Robert Lee and Ronald Johnson state that incremental budgeting system fails to offer modification of implemented plans and programmes mechanism.⁹ Public resources are assigned to the areas of activity of departments or dependant entities of budget implementing bodies.

This method of public resources distribution has very little connection with realisation of programmes or projects defined by the priorities adopted by local authorities. Those who dispose of the resources receive them according to clear rules and at the level similar to the previous budgeting period and then fulfil the assigned tasks based on the allocated resources. This does not create favourable conditions for actions improving rationality and effectiveness of public funds expenditure; on the contrary, it causes misuse and waste of money. The awareness that the growth of appointed resources is continuous may lead to loosening of control over the flow of money resources and cause mismanagement.

The critics of incrementalism raise the problem that it promotes thinking oriented towards maintaining status quo and does not create favourable conditions for new concepts of public resources expenditure. This is primarily due to inevitable routine of budgeting process. It is difficult to introduce changes when the main principle of budget construction is to base it on information system from the previous year.¹⁰

The above mentioned flaws of incremental budgeting induced theoreticians and practitioners to undertake actions leading towards overcoming obstacles inherent in the mechanics of incremental procedures in public resources allocation. The main premise for the interest in alternative budget forming procedures was the realisation that public resources are limited while the society is constantly reporting their expanding needs. With social and economic development citizens expect raised levels of public tasks realisation which demands greater expenditure. At the same time it has become clear that overfiscalisation of economy has negative influence on the amount of state revenue. The relative improvement in task realisation must be then sought in facilitation of public resources management procedures. As a result the attention has been turned towards budget procedures and management accounting tools never before used in public sector but successfully used for many years in private sector entities.

Budgeting Reforms

The improvement of the scope and quality of services provided by local government due to increase of income is questionable regarding the social response to raised taxation as well as unfavourable economic results of this strategy. Local government attempts at increasing revenue are also limited by macroeconomic factors such as, for example, tax law. Therefore the

change in budget management must be connected with moves concerning expenditure. It is a very difficult and politically costly action since budget management is constantly under the pressure of demand for increase of expenditure. Budget policy is limited by public opinion which most of the time supports populist and economically harmful increase of expenditure. Therefore the reforms aiming at reduction of budget expenditure pose the danger of loss of political support for the ruling parties and are reluctantly implemented by these parties. While observing the actions of governments (both local and central) it must be stated that radical expenditure cuts in a short period of time are not possible. The policy of limitation of expenditure growth and introduction of more rational expenditures are still within real possibilities.

Improvement of expenditure in local government units should be one of the fundamental objectives of local government finance management which is defined as financial resources complex management with the purpose of implementation of local government units financial policy, co-ordination of its implementation, monitoring and verifying the use of financial resources as well as the effects of undertaken actions.¹¹

The basic criterion of local government units expenditure improvement is its effectiveness, especially in the context of search for savings in expenditure alongside implementation of comparable effects. Local government unit budget expenditure improvement on microeconomic level examined on the level of concrete local government unit is mainly connected with determining which organisational and legal forms may enable rational management of public resources in connection with public tasks implemented by local government. The next step in improvement should be establishment and implementation of the proper management methods within the framework of definite organisation structure. The decisive role in local government unit budget expenditure improvement is played by local government bodies actions concerning economic analysis of local government budget expenditure, as well as their programming and planning.

Local governments` mission in Poland is to provide a wide range of public services. This results from application in the Polish system the principle of subsidiarity which assumes that authorities are only concerned with those matters which cannot be solved by particular citizens or their organised groups.¹² Therefore the competences of the local government are very wide including among others catering for social needs in the scope of education, health care, social housing, environment protection, public order and state security, social welfare, transport infrastructure etc. From the perspective of proper management of providing various services, the most important malfunction of incremental budgeting and its auxiliary management accounting is the lack of adequate measurement and estimate of local government activity costs. Consequently, the real cost of acqui-

⁹ R. D. Lee, R. Johnson, *Public budgeting system*, An Aspen Publication, Gaithersburg 1998, p. 108.

¹⁰ See: L. T. LeLoup, *Budget theory for a new century* in K. Aman, W. B. Hildreth (ed.) *Budget theory in the public sector* Greenwood Publishing Group, Westport 2002, p. 5.

¹¹ L. Patrzalek, *Finanse samorządu terytorialnego*. Uniwersytet Ekonomiczny we Wrocławiu, Wrocław 2010, p. 260.

¹² A. Miszczuk, M. Miszczuk, K. Żuk, *Gospodarka samorządu terytorialnego*, PWN, Warszawa 2007, p. 15.

sition and delivery of services is impossible to calculate. The answer to this malfunction may be the use of a PPBS method of forming public budget as an alternative to incrementalism. Two approaches are usually differentiated in PPBS in the literature of the subject:¹³

- performance budgeting¹⁴
- program budgeting.

The differences in their methodologies are slight. In most general terms performance budgeting is characterised by:

- identification and focus on programmes considered to be significant,
- defining parameters and indexes of performance of each important programme,
- programme total costs calculation.

According to Gloria Grizzle similar features can be ascribed to programme budgeting and so these concepts can hardly be treated as different.¹⁵ It seems that Irene S. Rubin is right when she states that performance based budgeting emphasises actions effectiveness while program budgeting is based on assessment of purposefulness of actions.¹⁶ Program budgeting is considered to be an improved version of performance-based budgeting because purposefulness of actions cannot be considered separately from their effectiveness.¹⁷

PPBS is an attempt to integrate three basic functions of public sector management that is: planning, programming and budgeting into one concise system (therefore an often used name of this concept: Planning-Programming-Budgeting)¹⁸ Planning is understood here as definition of an entity actions objectives in close or more distant future. Programming is organisation of actions directed towards achievement of objectives. It requires definition of programmes, projects and particular actions. Budgeting is in turn a number of general activities connected with performance of programmes.

PPBS is based on the assumption that all public service programmes realised by public sector entities are interconnected and their purposes can be achieved in many ways. PPBS concept requires:

- possibly most precise definition of public sector objectives,
- indicating the best ways to achieve these objectives.

Therefore the effectiveness of this concept implementation and use depends mostly on the proper outset data. A specific analysis of this information enables indication of proper solu-

tions in the aspect of maximisation of effectiveness and rationality.

Further features of PPBS concept can be presented as follows:¹⁹

- The programmes are the result of a vision of development of particular areas of activity of a public sector entity in perspective.
- Programming local government units development and performance is based on finance plans in a long period of time and on feasibility analyses of the planned enterprises.
- All activity of a budgeting entity consists of programmes. Each separate programme is divided into tasks realised each year.
- During budget preparation it is necessary to consider all changes of internal and external factors influencing currently realised programmes.
- Each programme must have a set of norms and indexes both in the scope of value and quantity, in this way the programme performance effectiveness can be evaluated.
- All parties interested should participate in budget process. Claims and expectations presented during project construction must be combined with indication of alternative ways of action and the definition of their financial consequences.
- The phase of programme budget execution is characterised by registration of all direct and indirect programme costs, which enables correct evaluation of realisation and ways of reacting to possible deviations.

In the practice of Polish local government they have quickly noticed that the construction of budget used in local government units does not create favourable conditions for turning budget into an effective tool to manage programmes and tasks. This resulted in attempts to implement alternative ways of budgeting as part of the trend of effectiveness actions defined as New Public Management.²⁰

As a result, it is possible to observe a tendency present in Polish local government units to apply some elements of management by objectives, PPBS and zero based budgeting.²¹ The name "task based budget" or "task based budgeting" is used most frequently to define this form of public resources management. "Task based budgeting" concept can be understood as planned balance sheet of revenues and expenditures of local government unit designated to finance specific public tasks.

¹³ See: A. Wildawsky, *Budgeting. A comparative Theory of Budgetary Processes*, Transaction Publishers, New Brunswick 2002, p.320. or J. Cutt, *Programme budgeting in developing countries: Its application and relevance in the context of national planning*, *Public Finance* 1972/3, p. 294.

¹⁴ A wide presentation of issues connected with performance-based budgeting in G. J. Miller, W.B. Hildreth, J. Rabin, *Performance-based Budgeting*. An ASPA Classic, Westview, Boulder 2001.

¹⁵ G. A. Grizzle, *Performance Measures for Budget Justification: Developing a Selection Strategy*, *Public Productivity and Management Review* 1985/9, p. 328.

¹⁶ L.S. Rubin, *op. cit.*, p. 88.

¹⁷ See: A.W. Steiss, C. Mwangwu, *Financial Planning and Management in Public Organisation*, published in: www-personal.umich.edu/~steiss/page4.html, p. 19.

¹⁸ See: T. Sudama, *PPBS and theories of decision-making, bureaucracy, and politics*, *Public Finance* 1977/3, p. 11.

¹⁹ See: A. Schick, *The road to PPBS: The Stages of budget Reform*, *Public Administration review* 1966/26, p. 243.

²⁰ T. Lubińska, *Nowe zarządzanie publiczne – skuteczność i efektywność*, Difin, Warszawa 2009, p. 17.

²¹ See: S. Owsiak, (ed.) *Budżet władz lokalnych*, PWNE, Warszawa 2002, p. 88.

The term “task based budgeting” or “task based budgeting” emphasises active aspect including application of specific methods, techniques and tools connected with preparation, execution and control of budget. You can say then that task budgeting consists in conducting all or part of local government unit budget management by means of a budget where resources are allocated to separate tasks. Task budget is formed as a specific tasks structure and divided into basic, specifically defined and parametered units. In this meaning, a task is a basic unit defining one consistent activity undertaken by local government in order to achieve a specific result. Each task is defined at the stage of budget project through:

- factual scope of task,
- normative of the costs of its realisation,
- parameters, indexes and other criteria of performance enabling quantification of effectiveness in their realisation.

Another important feature of task budgeting is measurement of the effects of performance. In order to do this it is necessary to apply the mechanics of unit cost of a service provided as part of task performance. The measurement of effects of performance constitutes the relation of total cost of task to the planned effect described by quantity parameter. Therefore, the better method of task cost calculation and the better parameter of the task, the more precise the measurement of effects is.

There is no one, consistent method of task budgeting developed in the practice of Polish local government. Each of several dozen local government units which attempted to modernise budgeting used various procedures, methods and tools. The method of reaching intended effects issued mainly from co-operation of local government with external institutions supporting reforms such as USAID (American government agency), Agency of Local Development (Polish non-governmental organisation) and Know-How Fund (British government agency).²² Whatever various approaches to the problem of new budget construction may be, research indicates that budget after modernisation acquires the expected features, although in different degree, such as:

- directives for departments, budgetary units and other entities implementing public tasks,
- main entity performance effectiveness measure,
- financial plan showing a broad image of local government financial condition,
- instrument of passing the information to inhabitants, businessmen, potential investors on the given area, representatives of central authorities and others.²³

The unquestionable advantage drawn from budgeting modernisation is still the experience of a relatively small number of local governments – according to estimates less than 5% undertook changes of this kind.²⁴ In this context an impor-

tant impulse stimulating budgeting modernisation in local governments is the action of central government leading towards implementation of task based budget for the budget formed by the parliament. The Polish government intends to implement task based budgeting on many years expenditure planning and management of public resources based on objectives in compliance with indications from government program and strategic documents, as well as to enable evaluation of achieving these objectives by means of reports based on public institutions performance effects measurements. Local government units will be encouraged by progress and achievement of expected benefits in this field. Establishing the model and pointing out the right way for local governments to pursue improvement of their budgeting is anyway one of economy modernisation objectives on the national level. It is expected that task budgeting implementation and many years planning will spread evaluation culture and promote strategic thinking in public resources distribution and, moreover – through increase of budget documentation transparency – will improve the level of citizen trust in public institutions.²⁵

Conclusions

The necessity to reform local government finance towards improvement of budgeting methods is indisputable. The main obstacle in the process is the difficulty in integration of local government budget management in an effective system of planning, execution and control of acquisition and expenditure of public resources. The difficulty is mainly connected with the local government organisational structure construction and functioning as well as with the flow and processing of information among the structure elements. The most important of the problems are as follows:

1. Lack of co-operation between entities responsible for local government management implementation. The staff in divisions and units is focussed solely on its own formally determined responsibilities. For instance the budget department deals with budget formation and expenditure supervision without co-operating in this with the accounting department in the scope of operation measurement and analysis of deviations. In turn, the accounting department deals only with budget implementation registration and ascribing expenditure to proper classification.
2. Difficulty in taking decisions as a result of insufficient information describing task implementation. Information pertaining to programmes and tasks is not gathered on the sufficient level. With the cashier approach to economic operations, the scope of source information is usually narrowed down to budget resources expenditure with omission of data on quantitative character of tasks, quality of services execution, level of social satisfaction from tasks implementation. etc.

²² See: *Ibidem*, p.131–132.

²³ See: M. Będzieszak, *Model budżetu zadaniowego samorządów w świetle badań*, *Zeszyty Naukowe Uniwersytetu Szczecińskiego* nr 547, Szczecin 2009, p. 43–48.

²⁴ Research presented for example in S. Owsiak indicates about 50 applying task based budgeting; presently surveys are conducted by Ministry of Finance embracing all local government units and aiming at probing the scope of applied changes.

²⁵ M. Postuła, R. Perczyński, *Budżet zadaniowy w administracji publicznej*, Ministerstwo Finansów Rzeczypospolitej Polskiej, Warszawa 2010, p. 14.

3. Lack of sufficient flow of information between the centres responsible for task execution and the supervising bodies. The main thing is information regarding demands and recommendations about the expected results of tasks and the results of responsibility centres performance.
4. Narrow functional range of existing information systems. Finance information systems are usually designed to satisfy the needs of accounting and reporting. It is more rare that they can cater for information needs of task responsibility centres and the needs of managing authorities in the scope of programmes and tasks management.
5. Insufficient level of task implementation control. Although local government unit financial management includes execution of a number of controlling and auditing activities executed both by internal and external bodies, hardly ever or in a very small scope task execution is checked in the aspect of established priorities, social expectations, effectiveness of implementation. etc.
6. The resistance of staff against carried out integration changes. Reluctance and anxiety are characteristic for those participating in system growth and improvement. Employees dislike changes demanding more work, creativity and flexibility and integration undoubtedly causes more work. In addition it must be remembered that although integrated financial economy system gives a lot of benefits, few of them can be achieved in a short time.

References

- BĘDZIESZAK M.: *Model budżetu zadaniowego samorządów w świetle badań*. Zeszyty Naukowe Uniwersytetu Szczecińskiego nr 547, Szczecin 2009.
- GRIZZLE G.A.: *Performance Measures for Budget Justification: Developing a Selection Strategy*. Public Productivity and Management Review 1985/9.
- JARUGA A., NOWAK W.A., SZYCHTA A.: *Rachunkowość Zarządcza*. Absolwent, Łódź 1999.
- JASTRZĘBSKA M.: *Polityka budżetowa jednostek samorządu terytorialnego*. Wydawnictwo Uniwersytetu Gdańskiego, Sopot 2005.
- KOMOROWSKI J.: *Budżetowanie jako metoda zarządzania przedsiębiorstwem*. PWN, Warszawa 1997.
- LEE R.C., JOHNSON R.: *Public budgeting system*. An Aspen Publication, Gaithersburg 1998.
- LeLOUP L.T.: *Budget theory for a new century in K. Aman*. W. B. Hildreth (ed.) Budget theory in the public sector Greenwood Publishing Group, Westport 2002.
- LUBIŃSKA T.: *Nowe zarządzanie publiczne – skuteczność i efektywność*. Difin, Warszawa 2009.
- MILLER G.J., HILDRETH W.B., RABIN J.: *Performance-based Budgeting*. An ASPA Classic, Westview, Boulder 2001.
- MISZCZUK A., MISZCZUK M., ŻUK K.: *Gospodarka samorządu terytorialnego*. PWN, Warszawa 2007.
- OWSIAK S. (ed.): *Budżet władz lokalnych*. PWNE, Warszawa 2002.
- PATRZAŁEK L.: *Finanse samorządu terytorialnego*. Uniwersytet Ekonomiczny we Wrocławiu, Wrocław 2010.
- POSTUŁA M., PERCZYŃSKI R.: *Budżet zadaniowy w administracji publicznej*. Ministerstwo Finansów Rzeczypospolitej Polskiej, Warszawa 2010.
- PREMCHAND A.: *Government budgeting and expenditure controls*. Theory and Practice, IMF, Washington 1989.
- RUBIN L.S.: *The Politics of Public Budgeting*. Chatham House Publishers, New York 2000.
- SCHICK A.: *The road to PPBS: The Stages of budget Reform*. Public Administration review 1966/26.
- SHIM K.J., SIEGEL J.G.: *Budgeting Basics and Beyond*. John Wiley & Sons, New Jersey 2009.
- STEISS W., MWAGWU C.: *Financial Planning and Management in Public Organisation*. Published in: www-personal.umich.edu/~steiss/page4.html.
- SUDAMA T.: *PPBS and theories of decision-making, bureaucracy, and politics*. Public Finance 1977/3.
- WILDAWSKY A.: *A budget for all seasons? Why the traditional budget lasts in A. Widawsky, B. Swedlow, J. Whitep (ed.) Budgeting and Governing*, Transaction Publishers, New Brunswick 2009.
- WILDAWSKY A.: *Budgeting*. A comparative Theory of Budgetary Processes, Transaction Publishers, New Brunswick 2002, p. 320. or J. Cutt, Programme budgeting in developing countries: Its application and relevance in the context of national planning, Public Finance 1972/3.