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A summary of a Ph.D. dissertation

Risk management system in local government units - the legal aspect

The subject of PhD thesis is „Risk management system in local government units - the legal aspect”. The paper consists of five chapters. First chapter: the essence of risk and related occurrence, chapter two: risk management in terms of law and organizational issues, chapter three: management control as an institution shaping the risk management system, chapter four: legal conditions for risk management system, chapter five: the internal audit as part of a risk management support.

On the basis of the amendment to the Public Finance Act with effect from 01.01.2010 the public finance management control was introduced. One of the aims of this control is to ensure the risk management system. It expresses the changes occurring in the way of public administration organizations management which reflect models developed in the private sector.

The basic aim of risk management is to improve management unit by increasing the probability of achieving the objectives and tasks. The laws governing risk management system are based primarily on international standards as well as regulations created on their basis. In Poland, the purpose of the legislator was to create a legal basis for local government units within which these entities would create individual and effective risk management system. It turned out, however, that for this to happen it requires a profound change in the perception and functioning of local government units, and above all the right tools in the form of a law. Requirements for applying the new regulations for risk management pose a challenge for local government units. The main reason for this is the introduction by the Minister of Finance specific provisions (*lex specialis*) only in reference to governmental entities.

As a source base for this paper is numerous legislative acts, mainly the Public Finance Act and regulations, as well as acts of internal law of international institutions including risk management standards. Standards of the management control were supposed to offer help in building the effective system of the management control in the public sector. The main

objective of this dissertation will be presenting the legal aspect of the risk management system in local government units, and to present alternative legal solutions concerning this system. Risk is associated with each activity and management of it is now the core of good governance.

The main thesis of this paper is the assertion that the currently accepted legal regulations concerning the risk management system does not sufficiently take into account both the legal culture and the culture of organization for local government units. Creating of adequate legal solutions to the current legal system, as well as self-regulatory enablement of local government units, introduced in the initial stage of the implementation of the system would be a deciding factor as far as the matter of efficiency of the risk management system is considered.

Changes in the approach to how to manage public sector in Poland reflect trends in the European Union, which in turn reflect global changes in the management system, both in the private and public sectors. By observing functioning regulations governing risk management system, it is possible to establish how important the elements of the process of creating and introducing new legal requirements for local government units are.

It should be emphasized that the subject connected with risk management has remained within the interest to legal sciences so the legal aspect of the risk management system in local government units is thus the subject of new and previously undescribed with a complex insight.