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## DYSFUNCTIONS OF THE PROCESS OF MANAGING FINANCE IN POLISH COMMUNES - THE PERSPECTIVE OF MANAGEMENT SCIENCES

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*Received 20 February 2020; accepted 25 June 2020; published 30 September 2020*

**Abstract:** The article is an attempt to indicate that proper cost settlement of the tasks set in communes requires both taking into account the specifics of these organisations and solutions that are the answer to the challenges posed by modern management and accounting sciences. The main problem here is the fact that currently used methods of settlement in this respect, apart from the cost accounting requirements, do not fulfill their role. They cause incorrect calculation of the amounts due and their negation by the ordering party on the one hand and on the other hand, they expose communes to failure in payment proceedings courts. In this context, the article is also an attempt to encourage communes to change the methods and ways of determining costs their own set tasks and on this basis asserting their rights both in negotiating proceedings with the commissioner and in any court proceedings.

**Keywords:** commune; cost; set tasks; subsidy/grant

**Reference** to this paper should be made as follows: Kożuch, A.J. 2020. Dysfunctions of the process of managing finance in Polish communes - the perspective of management sciences. *Entrepreneurship and Sustainability Issues*, 8(1), 442-453. [http://doi.org/10.9770/jesi.2020.8.1\(31\)](http://doi.org/10.9770/jesi.2020.8.1(31))

**JEL Classifications:** H72, M41

### 1. Introduction

One of the significant problems occurring at the meeting point of the central and local government subsectors is the value of funds made available to communes in relation to the tasks entrusted to them. The constitutional rule in force in Poland within the scope, referred to as the principle of adequacy, has been included in art. 167 of the Constitution, according to which (paragraphs 1 and 4 of the regulation), units of the local government are guaranteed to have a share in public revenues, respectively to their tasks and changes the scope of tasks and competences of units of territorial government occur together with the changes in public revenues. Thus, the provision requires both adequate resources and skillful calculation of the value of the funds for particular communes. It should be remembered that according to the concepts of organization and management sciences, there are no two the same sets of resources making up an organization, therefore there are no two systems operating in the same way to perform specific tasks. As a result, it is required to adjust funds value transferred

under the principle of adequacy to each of the units separately rather than specify amounts standardizing their activities through assigned revenues or specify the number of cases of a given type, a uniform man-hour rate and the median time allocated for the task. The main drawback of both ways of determining the value of the subsidies is the fact that they do not take into account the specificity of units, including the value of revalued costs and the way of organizing the process of implementing specific tasks. In this context, beside taking actions to improve the processes of providing services as a part of commissioned tasks, financial management at the level of individual communes and taking actions to raise funds in their adequate value gain more significance, both by conducting negotiations with disposers and in courts. The aim of the study is to evaluate the way of determining the value of restricted grants for tasks commissioned to Polish communes claiming their rights in courts of one of the court districts and an attempt to analyse the mistakes made in the process of determining the due value.

The application objective is to suggest solutions ensuring reliability and a relatively higher accuracy of calculations aiming at persuading managers of units of the local government that there is a need to use optional solutions within this scope. The objective results both from the obligation to present the calculation of amounts due proceedings for payment and from the belief that obligatory solutions, as mainly the requirements of the state budget, will always focus on the goal of ensuring financial stability of the state as a whole.

The study – to achieve the goals set - uses literature analysis in the field of contemporary concepts of management sciences, cost accounting and the analysis of court proceedings concerning subsidies to targeted grants for performing tasks in the field of military and defense issues, population registration and tasks of the Registry Office. In the proposed improvement procedure, cost accounting solutions in the calculation system and activity cost accounting were used.

## **2. Costs of tasks ordered in communes and targeted subsidies in the management theory**

The assessment - in the adopted perspective - of actions to determine whether the amounts of donated subsidies are or were sufficient for the full and timely performance of the commissioned tasks requires, first of all, taking into account a number of assumptions resulting from the existing law regulations, accounting principles, concepts and principles of economics, management or finance sciences. The presentation of boundary conditions identified in this way is, thus, the justification for the suggested methods and practical solutions.

Considerations concerning determining due amounts for commissioned tasks require, first of all, the confirmation that the legal entity of a commune in Poland, similar to other entities, is the one in the whole area of the law and that it comes down to the ability to become the subject of laws and obligations (Bigo, 1928). In the discussed area, the commune empowerment when it comes to finance takes on a special significance. The application of the criterion of separating management and administration of commune resources through a statutory form of regulations legal relations within a given scope allows to solve the problem of valuation of resources involved in the processes of providing services by a given commune. In the area of commissioned tasks, the dependencies clearly show the need for management (Supreme Court Resolution of 4th February, 1993), which involves, among other things, exercising ownership rights in relation to the resources involved, vested in communes, as organizational entities separated and equipped with legal personality in the civil-law sense. This leads to a situation in which the management of commune resources is subject to civil-law solutions, making the activities in the area under assessment similar to those of an economic entity (Resolution of the Supreme Court of 12 March, 1992). Such an approach has also been postulated in recent years in the science of management, emphasizing the concept of New Public Management (Garson, Overman, 1983; Hood, 1994, Hughes, 2003, Sarker, Pathak, 2000) in which similarity of the activities of public organizations and the activities in the commercial sector and pro-result orientation of the conducted activities and the introduction of competition in public service processes is important (Osborn, Gaebler, 1994; Zalewski, 2005; Kohei, Avellaneda, 2018; Kabir, Alam, Ashaduzzaman, Kalimullah, 2012).

The indicated conditions allow, on the basis of broadly understood economic sciences, to recognize the commune as an organization constituting a collection of diversified resources in which management processes occur, conditioning both effectiveness and competitiveness (Flaszewska, Zakrzewska – Bielawska, 2013). Because these resources, in particular organizations, are neither identical nor common, resulting from the specificity of activities and belonging to various sectors, organizations (including individual communes) differing from each other, aim at achieving the same results (in this case, commissioned tasks with one characteristic in accordance with the requirements of the commissioning party) from various resources. This phenomenon is referred to as an equifinality (Bielski, 2002, Krukowski, 2016) and causes that focusing attention on assessing whether the amounts of targeted subsidies provided to a given commune were sufficient to complete and timely perform tasks commissioned only on financial resources limits the scope as well as the cognitive value of analytical and research processes. Due to those reasons, the analysis should also take into account other non-financial aspects and determinants.

It should also be noted that the approach to an organization in which resources are taken into account (Wernerfelt 1984, Prahalad, Hamel 1990, Barney 1991, Grant 1991, Peteraf 1993, Mondey, Aladeraji, 2015) makes it impossible to confirm that each top-down imposing of the amount of the targeted subsidy provides a commune with the possibility to fulfill tasks, whereas in cases of non-conformity, the organization is alleged that it did not respect the principles of rational management (minimizing costs or maximizing effects). It should be remembered, therefore, that the results of the assessment depend on non-financial information conditioning the values of liabilities payable to the commune, however, the financial scope of the analysis does not include the justifications of needs in the field of non-financial resources, e.g. needs due to the number of employees, scopes and obligations arising from work under task commissioned, compliance of costs incurred with the required needs and legal requirements within the commissioned tasks, etc.

The scientific perspective of management, recognising a commune as an organization consisting of resources, means that attention must be paid to the problem of costs and expenses (Kożuch, 2014, Wakula, 2013, Wakula 2013a; Sasongko et al., 2019; Vigliarolo, 2020), the latter being an inherent category resulting from costs, which is a mapping of the movement of financial means due to the costs incurred. This dependence causes that in some cases (e.g. investments) expenses exceed costs in time, they occur earlier, and in other cases, costs may precede the expenses. As a result, in the first case, there may be a situation where among the expenditure for a given accounting year (including the budget year), the consumption of some resources will not be reflected (this applies to e.g. depreciation of buildings used in the process of providing services by the commune).

The core of costs also means that the characteristics that describe them should be treated as conjunctions, and therefore, the failure to meet even one of the conditions, i.e. purposefulness, compliance with normal operations, end-use, etc. results in losses of organizational activities. This is a phenomenon that reduces the level of efficiency of the analysed organizations because the occurrence of losses as a result of purposelessness of consumption, exceeding standards or lack of usefulness of services, reduces the level of efficiency, economy and effectiveness of a given unit of the local government.

The assumption of the similarity of the commune's activities in the scope of commissioned tasks to activities of an economic entity causes that one of the basic cost features, their returnable nature, becomes crucial (Lapsley, Wright, 2004; Gabrusewicz, Kamela-Sowińska, Poetschke, 2014). Reimbursement is *sine qua non* condition for the organization to take action, but in communes this issue should be considered at least in two perspectives:

1. In relation to own tasks, the reimbursement of costs is usually non-financial, referring to e.g. the increase in meeting the needs of community participants, thus ensuring the achievement of the goals set for the communes, also in an immeasurable dimension, difficult to identify.

2. With respect to commissioned tasks, the reimbursement of costs should include the value of all resources consumed, any lacks in this respect should be treated as an expression of mismanagement, activities to the detriment of the organisation, etc, resulting in reduced ability to carry out own tasks and lower effectiveness in achieving the objectives of the commune.

The latter of the indicated approaches should be interpreted by a kind of analogy to the logic of the principle of adequacy. It is justified to recognize that since local self-government revenues are used to carry out their own tasks, and their amount should be appropriate to the scope of these tasks (Article 167 paragraph 1 of the Constitution), therefore also in the case of public law entities of the local government subsector, own revenues should be used to finance own tasks and commissioned tasks should be financed by the orderer, paying the amount appropriate to the scope of these tasks.

It is worth remembering that contrary to the principle of adequacy is also the illusiveness of income standardization used in the Polish legal system, which is e.g. the result of not taking into account the expenditure independence of local government units (judgement of the Constitutional Tribunal of 24 March, 1998). In the implementation of the commissioned tasks, this problem results from both the previously indicated resource diversification of communes and the resulting diversification of the predicted costs (Niedbala, Sierpińska, 2003) - costs resulting from decisions undertaken in previous years (e.g. the cost of remuneration of employees with whom employment contracts were signed earlier; cost of depreciation of the building in which the business is conducted, etc.) Such costs cannot be limited in the short term, and their inevitability and the resulting amount of demand for cash in the conditions of the commune do not allow to resign from the order for performing commissioned tasks (the company may not take the order in such a situation).

In these conditions, it should be recognized that the commissioner should know the conditions of the process of providing services in a given commune, which includes information about the amount of necessary funds for the implementation of commissioned tasks. If the ordering party has not become acquainted with this specificity, the value of cash transferred to the contractor should correspond to the actual level of costs (and not expenses, because these, as it is commonly known, do not include the value of consumption of all resources in a given budget year).

In the area of costs and the resulting amounts of targeted subsidies, the main problem also arises from the need for compliance with the normal activities of the organization and the purposefulness of the actions taken, directed at the commissioned tasks for which the commissioner is responsible. In this case, this requires taking into account the fact that commissioned tasks may not be charged with indirect costs related *stricte* to the activity of a commune in the area of own tasks, e.g. remuneration of employees for activities unrelated to the performance of commissioned tasks, commune head's remuneration for work time spent on council sessions, business trips unrelated to the direct management of the commune, regarding strategic management, meetings within various forums, etc. The same relation applies to other employees whose remuneration or other costs related to the performance of tasks are to directly burden tasks performed in a given commune. Failure to consider this relation means that, by analogy with the provision of Article 28 paragraph 3 of the Accounting Act, the consumption of resources (in this case human resources) is overestimated, which inadequately increases the value of the costs of carrying out tasks.

As a result, this pressure resulting from the specificity of the functioning of local government units on the compliance of the conducted activities with the objectives serving to meet the needs of citizens and other stakeholders of individual organizations of the local government sub-sector requires that the applied accounting solutions allow to identify those activities and related indirect costs that are not related to commissioned tasks. This action cannot be limited to indicating that the income of local government units is not sufficient for the implementation of public tasks (Judgement of the Constitutional Tribunal of 7th June 2001). It is necessary to present arguments showing the disproportion between the scope of tasks and revenues of government

administration and individual levels of the local government. It is only possible when an entity has adequate records providing detailed knowledge of costs and expenditure, instruments for planning and controlling task assignments (Kožuch, 2012). In most communes in Poland such records are, however, in accordance with the legal requirements but not in line with management needs. They are limited to the scope resulting from legal requirements (obligatory solutions).

### **3. The assessment of methodology of determining the value of excess costs over the value of subsidies transferred in the examined court files**

The main idea guiding Polish communes filing lawsuits in the examined cases is that the amounts of expenses disclosed in the relevant reports meet the requirements for recognizing them as costs, broken down into indirect and direct costs. Therefore, this assumption alone causes (due to differences between these categories) a significant problem, although it is somewhat offset by further proceedings, a kind of analogy to the solutions used within cost accounting (Gosselin, 1997) and calculation of unit costs.

Using the appropriate classification, communes submitting lawsuits usually recognize that the direct costs included the remuneration of employees ( $K_{bw}$ ) performing commissioned tasks (assuming that they devoted all their working time to these activities, even in a situation where the scope of duties was different) and expenditure on official delegations of these employees and expenses for their training or necessary publications in the field of performed tasks ( $K_{bi}$ ). To a large minority, communes consider only expenses of employees' remuneration as direct costs, accounting for other items as general indirect expenses.

Expenses related to business trips include both trips strictly related to the implementation of commissioned tasks, e.g. to collect specific documents, consultations or other meetings, and optional training that was included in costs without the agreement with the ordering party and which is of significant doubt. The same carelessness was also shown in the scope of expenditure on training and necessary publications in the field of performed tasks, considering, which seems to be wrong, that each training is obligatory, and each book item related to the topic is necessary for the performance of commissioned tasks. In these examples, the basic principle was forgotten, according to which only obligatory actions can be a cost-generating element for commissioned tasks. Optional training as well as related delegations and further training materials should be treated as investments in human capital and the value of the capital thus obtained should be reflected in the remuneration of employees. At the same time, the lack of possibility to regulate remuneration cannot be the basis for charging the costs of these activities to the party commissioning tasks to the commune.

On the other hand, the indirect costs category includes: expenses for the purchase of electricity and gas, expenses for renovation services, expenses for the purchase of necessary materials and equipment, expenses for the purchase of other services, expenses for the purchase of internet services, expenses for the purchase of telecommunication services (sometimes divided into landline and mobile telephony) and remuneration of Commune Heads, Secretaries and Treasurers

In all the examined cases, the method of additional calculation was adapted and applied (Sawicki, 2001; Matuszewicz, Matuszewicz, 2003; Micherda, 2005; Helden, 1997), which consists of calculating the single cost of each product or service (the subject of the calculation) using direct costs (in this case, possible to refer directly to specific commissioned tasks) and indirect costs (added to indirect costs by means of so-called distribution keys, which are appropriately selected relations ensuring the quality of the division made).

In the analyzed cases, however, all direct costs were settled for tasks ordered on the basis of the proportion of full-time jobs assigned to perform individual tasks in the total number of full-time jobs in the commune, which constitutes a significant violation of the rules applicable when determining the division (clearing) keys for



individual types of indirect costs. At the same time, despite the application of a cost prospective in the presented calculations, the costs of depreciation of the rooms in which they were commissioned were completely omitted. This clearly indicates the dominant importance of budgetary accounting solutions and the focus of attention is put only on the expenditure of a given budgetary year. Therefore, the basic problem to solve within the scope of the settlement discussed is supplementing the cost items with depreciations costs ( $K_a$ ) of the rooms used for the implementation of commissioned tasks.

The assignment of direct costs ( $K_b$ ) to individual tasks covering the total amount of expenses for business trips and the costs resulting from documented invoices for training and materials in particular periods is also a problem for the quality of calculation processes. This requires the removal of values that are subject to the risk of a lack of purposefulness of resource consumption, and therefore e.g. cost items related to the organization of the 50th anniversary of marriage and the 100th anniversary of birth, in particular regarding dinners or champagnes for these celebrations, etc., as they go beyond the obligation to show due respect by the appropriate binding. These positions may be considered as discretionary categories, promoting more the commune itself and not required by the ordering party's goals. Direct costs cannot also include the amounts arising from invoices for training and the related costs of business trips, in particular those related to training organized by non-governmental organizations or private entities. The core of this problem lies in the inability to clearly indicate not so much the needs as the training obligations in the discussed area.

Not without significance here is the problem of the deadline for reporting the scope of services provided or training needs. In relations between the contracting authority and the contractor, such arrangements should be made before the commencement of the process of providing services, and their scope should result from mutual arrangements. In this context, trainings of employees can be included in costs only in the amounts corresponding to compulsory training (resulting from legal provisions) and not the ones that increase the competence of employees in general (even if they concern services rendered). The same problem also concerns the fact how to provide framing for jubilee celebrations. It should include only these actions that result from the existing regulations, and not take into account subjective feelings about how to show respect.

An important problem arising from the lack of working time records is the settlement of the remuneration costs of employees performing commissioned tasks ( $K_w$ ) including part-time employment, expressed by appropriate indicator  $W_e$ . The positions, although included in direct costs, require some correction using an indicator illustrating the share of working time devoted to the implementation of public tasks in relation to total working time ( $W_{pzz}$ ). However, the value of the remuneration cannot be denied here, considering that they are a guaranteed costs, and their value is the result of decisions taken before the commencement of commissioned tasks implemented in a given reporting period, and it is necessary to correct these amounts by remuneration for training days not allocated to the costs of providing services.

The settlement of indirect costs also requires changes, in particular by guaranteeing the quality of distribution keys correctly reflecting the manner in which costs participate in the provision of services by the commune, while ensuring the stability of relations between the values forming them (they cannot undergo hesitations due to changes in the surroundings of the organization). (Matuszewicz, Matuszewicz, 2003). As a result, it is reasonable to use the distribution key to settle building depreciation costs, expenses for consumed energy and gas ( $K_{zeg}$ ) and expenses for repair services ( $K_{ur}$ ), which is a share of the area used to carry out tasks within the scope of the action in the area of the building in which the activity was carried out ( $W_{ap}$ ). The core of this solution is due to the fact that both the depreciation costs and the costs associated with heating or renovation depend on the area of the rooms more than, as suggested in lawsuits, the number of full-time jobs. The calculations should also include part-time employment.

Other indirect costs, including the commune head's remuneration ( $K_{ww}$ ), Secretary's remuneration ( $K_{ws}$ ), Treasurer's remuneration ( $K_{wsk}$ ), expenses for the purchase of necessary materials and equipment ( $K_{wmw}$ ),

expenses for the purchase of other services ( $K_{pu}$ ), expenses for the purchase of internet services ( $K_{ui}$ ), expenditure on the purchase of telecommunication services provided in the mobile telephone network ( $K_{tr}$ ) and expenses for the purchase of telecommunication services provided as landline ( $K_{ts}$ ), can be accounted for using the distribution key which is the relation between the number of full-time jobs shown as assigned to the commissioned tasks in relation to the total number of full-time jobs ( $W_{et}$ ). It should be remembered, however, that in the case of remuneration for heads of offices, secretaries or treasurers, it is necessary to indicate the time devoted directly to managing the office, not their total working time. They perform many activities that relate *stricte* to the commune's own activities, its promotion, etc. As a result, it is necessary to introduce an indicator of their activity ( $W_{ak}$ ), which is the share of hours devoted e.g. to a direct contact with employees in relation to the total number of hours.

The assessment of the filed lawsuits and the solutions used in them, after eliminating the indicated defects and inaccuracies, allows to propose the following, expressed in a formula, algorithm ensuring relatively correct settlements in determining the value of costs of tasks ordered in the lawsuits covered by the assessment:

$$K_c = K_{bi} + \sum_{i=1}^n [K_{bw} + (K_a + K_{zeg} + K_{ur}) \cdot W_e \cdot W_{ap} + (W_{ak1} \cdot K_{ww} + W_{ak2} \cdot K_{ws} + W_{ak3} \cdot K_{wsk} + K_{wmw} + K_{pu} + K_{pui} + K_{tr} + K_{ts}) \cdot W_{et}] \cdot W_{pzz}$$

The indicator used in the formula illustrating the share of working time devoted to the implementation of public tasks in relation to total working time ( $W_{pzz}$ ) is the basic determinant of the sensitivity of the amount of due subsidy.

#### 4. Analysis of the costs of performing tasks ordered in the selected basic local government unit

One of the Polish communes was analysed and asked the court to determine whether the amounts of targeted subsidies were sufficient for the full and timely execution of tasks ordered in the previous three years. The study covered amounts resulting from the consolidated entries of the general ledger and supplementary information obtained from the commune.

The calculations of the values constituting the final result and the determined values of the costs necessary in the given conditions to perform the commissioned tasks are presented in Table 1.

**Table 1.** Values forming the result of the analysis and determining the value of costs incurred for the implementation of tasks commissioned in one of the surveyed years.

Lp.	Specification	Division key	REQUEST 1 – USC (PLN)	task 2 military defense (PLN)	task 3 - population register (PLN)	Total
<b>1.</b>	Direct costs (Kb) not charged with Wpzz indicator	x				<b>6634,88</b>
<i>1a</i>	Expenses for service delegations of employees	767,5				x
<i>1c</i>	Other expenses documented by invoices	5 867,38				x
<b>2.</b>	Costs to be charged with Wpzz indicator	<b>x</b>	<b>16 286,76</b>	<b>20 683,12</b>	<b>16 034,25</b>	<b>53 004,12</b>
1.	Salaries of employees (Kw)	Wpzz	34 899,01	31 401,73	41 975,05	108 275,79
2.	Depreciation costs (Ka)	Wap*	598,10	151,52	159,49	909,11
3.	Electricity and gas costs (Kzeg)	jw.	504,23	127,74	134,46	766,42
4.	Material costs billed according to the area indicator (Kwmua)	jw.	4 980,74	1 261,79	1 328,20	7 570,73
5.	Renovation services (Kr)	jw.	724,41	183,52	193,18	1 101,10
6.	Commune head's salary - Kww	Wet***	2 312,70	4 625,40	3 469,05	10 407,14
7.	Secretary's salary (Kws)	jw.	1 789,08	3 578,15	2 683,61	8 050,84
8.	Treasurer's salary (Kwsk)	jw.	3 242,15	6 484,29	4 863,22	14 589,65
9.	Material costs (...) - Kwmue	jw.	983,72	1 967,44	1 475,58	4 426,74
10.	Costs of telecommunication and internet services (Kuti)	jw.	703,85	1 407,69	1 055,77	3 167,31
11.	Postal costs (Kup)	jw.	441,75	883,51	662,63	1 987,89
12.	Anti-virus programme cost (Kpra)	jw..	6,04	12,08	9,06	27,18
Wpzz indicator (according to the statement of the claimant)		<b>x</b>	<b>0,75</b>	<b>0,625</b>	<b>1,00</b>	<b>x</b>
Indirect costs - without remuneration of employees - after being charged with Wpzz indicator		<b>x</b>	<b>12 215,07</b>	<b>12 926,95</b>	<b>16 034,25</b>	<b>41 176,26</b>
<b>Total period costs</b>						<b>156 086,93</b>

\* - for task 1 = 0,75, for task 2 = 0,625 (on average), for task 3 = 1

\*\* - Wap for particular tasks determined according to information from the claimant - for task 1 amounted to 0,5, for task 2 = 0,014, for task 3 = 0,015

\*\*\* - for task 1 - 0,025\*; for task 2 - 0.05 i 0,0375 for task 3



A comparison of the obtained values with the value of targeted subsidies for performing commissioned tasks in the scope of the government administration from chapter 75011 of the budget classification for the year indicates that **the difference between the tasks related to the performance of commissioned costs of the commune (156.086,93 PLN) and the total subsidies transferred (69.900,00 PLN) is 86.186,93 PLN in total (eighty-six thousand one hundred eighty-six 93/100 PLN).**

In the course of the conducted analytical work, the focus was put on the value of funds necessary for the full and timely execution of tasks commissioned in the terms proposed by the commune- it is, therefore, an accounting calculation of the amounts due.

Verification of calculations in terms of costs necessary for proper management of state budget funds is impossible in this case, at least due to the lack of records providing information on the working time spent on performing tasks, on the time spent on work and organization of supervision over the performance of commissioned tasks (regarding the head of the commune, the secretary and the treasurer) etc. In the examined commune, this record was, however, in accordance with legal requirements, but not in accordance with management needs - limited to the scope of costs by type, which means that most calculations are made on the basis of indicators, averages and rounding, and, therefore, they are subject to the risk of errors. In this case - according to the methodology of sensitivity analysis, the effects of overstating of working time devoted to the implementation of tasks ordered by the hour by a commune were indicated (each subsequent hour causes the same financial consequences). It shows that any inaccuracy in the evidence or statements of communes triggers significant financial results. Such a way of correcting the results of the analysis, therefore, only serves to indicate to the Court the need to verify the validity and the degree of proof of the information provided in commune statements within the discussed scope and, in the event of doubt, to provide a prediction of possible financial effects.

## Conclusions

The main conclusion resulting from the theory of management sciences and its connection with the specificity of the needs in the area of settlements for the implementation of commissioned tasks is, therefore, the need to identify categories of direct and indirect costs of carrying out these tasks and to implement in the accounting of communes optional solutions of the cost calculation system (with a clear indication that it has costs and not expenses). The core of this system increases the scope and quality of information generated by the accounting system, requiring the inclusion in the accounting policy a much larger number of accounts used for recording direct costs and a relatively larger amount of information on indirect costs. In this approach, at the same time, it seems necessary to describe individual tasks commissioned in accordance with the requirements of process management, in particular in the area of identification of individual activities serving these tasks, determining their mandatory nature and, what is particularly important, ensuring specific standardization in this respect, implemented by approving the course and content of the process by the ordering party. This method of standardization will ensure, on the one hand, compliance with the requirements of the administrator of the funds transferred under the subsidy, and on the other hand, it will allow to diversify the value of funds transferred to individual communes, which are organizations consisting of different resources, and, therefore, burdened with different costs of a predicted nature.

Understanding the structure of processes will allow communes to properly indicate direct cost accounts and will facilitate the account assignment of individual business operations included in these items. At the same time, which results from the conducted research, it will be the basis for determining a relatively small number of billing keys, ensuring the quality of the distribution of indirect costs related to the performance of commissioned tasks. In this context, however, the need to identify strictly working time *stricte* for the performance of commissioned data of both employees performing these tasks and managers (the head of a commune, a secretary, a treasurer), in the part that can be considered as intended for direct management of public service processes, is not without

significance. This last observation also requires appropriate attribution of responsibility in the office in such a way as to demonstrate their necessity in the processes discussed, and at the same time to exclude from working time the part that was devoted to tasks unrelated to the commissioned tasks, such as: time intended for sessions of the commune council and their preparation, time allocated for the promotion of the commune and its development, etc. Such activities should be calculated solely for own tasks and in this area and they should be settled by determining their own costs.

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