

## РАСПОРЯДИТЕЛИ БЮДЖЕТНЫХ СРЕДСТВ КАК СУБЪЕКТЫ БЮДЖЕТНОГО ПЛАНИРОВАНИЯ В ЛИТОВСКОЙ РЕСПУБЛИКЕ

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В статье на основе исследования бюджетного законодательства Литовской Республики и научной литературы, с использованием методов логического, системно-аналитического анализа и других методов научного исследования, рассматриваются вопросы участия распорядителей бюджетных средств в процессе бюджетного планирования в Литовской Республике в контексте финансово-правового регулирования. С учетом положений законодательства Литовской Республики анализируется понятие и система распорядителей бюджетных средств, а также их права и обязанности в процессе бюджетного планирования. Делается вывод о том, что эффективность использования средств государства во многом зависит от распорядителей бюджетных средств, от качества и обоснованности разработанных программ деятельности руководимых ими учреждений.

**Ключевые слова:** бюджет, бюджетные ассигнования, бюджетное планирование, бюджетное право, бюджетное регулирование, бюджетное учреждение, распорядители бюджетных ассигнований, расходы бюджета, Литва.

## STATE BUDGET APPROPRIATION MANAGERS AS THE SUBJECTS OF BUDGET PLANNING IN THE REPUBLIC OF LITHUANIA

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The subject. The article deals with the problem of legal status of the state budget appropriation managers in the process of budget planning in the Republic of Lithuania.

The purpose of the article is evaluation of state budget appropriation managers' role in the process of budget planning in the Republic of Lithuania.

The methodology of research is the analysis of the budgetary legislation of the Republic of Lithuania and the scientific literature, using the methods of logical and systematic analysis and other methods of scientific research

Main results, and scope of it's application. The legal definition and the system of state budget appropriation managers is analyzed in the article. Particular attention is given to the question of role of state budget appropriation managers in the process of budget framework. The role of the Government and Parliament, as well as a special body of management of public finances (in the Republic of Lithuania, the Ministry of Finance) - legislative and executive authorities - is emphasized in the scientific literature. But it is often not mentioned what an important place in this process other participants of budgetary relations – state budget appropriation managers - takes. The main participation of state budget appropriation managers in the budget planning process related to the planning of the budget expenditures.

Preparation of strategic plans and programmes of budgetary funds by state budget appropriation managers can be considered part of governance activities in general. For budget planning drawn up draft budgets of the programs by state budget appropriation managers is

particularly important.

Conclusions. The efficiency of the use of state funds depends on the spending of funds, the quality and validity of the developed programmes of activities led by their agencies. State budget appropriation managers are involved, along with other entities, on each stage of the budget planning. They provide the Ministry of Finance the data necessary for the compilation and clarification of the macroeconomic and fiscal forecast; they constitute the programmes, which are funded by the state; finally, state budget appropriation managers are prepare programs, which later becomes the basis of the entire draft state budget.

### **Keywords**

*Budget, budget appropriation, budget planning, budget law, budget regulation, budget institution, budget appropriation manager, Lithuania*

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## **1. Introduction**

It is generally accepted that the main goal of any democratic state (including the Republic of Lithuania) is to satisfy the needs of society and public interests, associated with them. This goal of the Lithuanian state was legislatively consolidated. So, according to para. 2 of Art. 2.34 of the Civil Code [1] the state is a public entity to meet the public interest. In order to satisfy the interests of society, the state assumes responsibility for the performance of general functions and forms a certain system of power, which in turn establishes a system for collecting, distributing and using funds necessary for the performance of functions of power. The base of this system is a plan of incomes and appropriations (expenditures) for a certain period which is the budget. As indicated in the literature, "the abandonment and execution of the national budget is one of the essential elements of state governance" [1, p. 20].

The state budget of the Republic of Lithuania as a legal category is the plan of incomes and expenses of the state for a certain period that came into force and has the status of a normative legal act (law) [2, p. 95; 3, c. 17], or, in other words, a financial planning legal act of the state based on the principle of publicity and on the basis of which public funds are redistributed [4, p. 103]. As stated in Art. 2 of Law No. I- 430 of July 30, 1990 "On the Budgetary System" [2] the budget of the state is "the plan of revenues and appropriations of the state budget for the budget year approved by the Seimas". In the Republic of Lithuania, the state budget is drawn up, approved and implemented in accordance with the Constitution Of the Republic of Lithuania [3], the Statute of the Seimas (Parliament) of 17 February 1994 [4], the Law on the budgetary system, other legal acts, which do not only determine the structure of revenues and appropriations of the state budget, but also establish the rights and responsibilities of participants of the entire budget process.

The Government and Parliament, as well as the Ministry of Finance which are bodies of legislative and executive power [5, c. 3] play a very important role. At the same time, there is no mention of importance of other participants of budget relationships, and namely managers of budgetary funds.

Despite the fact that the state budget of the Republic of Lithuania, as in other countries, is the basis of a centralized public fund, by means considerable part of the national domestic product is being [6, c. 183] and the drawing up of which is provided for in the Basic Law of the state, However, only few budget problems have received adequate attention from the

representatives of Lithuanian legal science despite the fact that, according to the official position of the Constitutional Court of the Republic of Lithuania, "in the legal sense the state budget is the law" [7, p. 1052] . Therefore, the article considers the issues of participation of managers of budget funds in the process of budget planning in the Republic of Lithuania in the aspect of financial and legal regulation on the basis of a study of the budget legislation of the Lithuanian Republic and scientific literature, using methods of logical, system analysis analysis and other methods of scientific research,.

## **2. Concept and system of managers of budgetary funds in the law of the Republic of Lithuania**

The main source of budget law in the Republic of Lithuania is the Law on the budgetary system of July 30, 1990. The aims of this Act are: settlement of the legal framework of compilation and execution of the state and local budgets, definition of managers of budgetary funds, their rights and duties, as well as limits of their responsibility. Art. 4 of the Act fixed the definition of managers of budgetary funds, which is used in the scientific literature on the Lithuanian law [8]: according to Part 1. Art. 4 managers of funds of the state budget are "the heads of the institutions indicated in the state budget approved by the Seim (in ministries - ministers or their authorized persons, in courts - the chairmen of the courts or the authorized chancellors of the courts), provided that the institutions they lead are in compliance with certain requirements are listed in Part 3 Art. 4 of the Law". Thus, the fund managers are the heads of: 1) the Office of the President; Offices of the Seim; Office of the Government; ministries; government agencies; 2) Institutions, headed by the President, the Seimas or the Government or an governmental institution; 3) of the Constitutional Court, the courts, the courts of nationalities administration noy General Prosecutor's Office; 4) the state university, the state research institute or the theological seminary; 5) the Lithuanian National Theater of Opera and Ballet, the Lithuanian National Drama Theater, the Kaunas National Drama Theater, the Lithuanian National Philharmonic, the Lithuanian National Museum, the Lithuanian Museum of Art, the National Museum of Arts named after MKČiurlionis, of the National Library, of the National Radio and Television [9, c. 56] . Therefore, in order that the subject has acquired the status of manager of budgetary funds, he is obliged to lead one of the first institutions, a comprehensive list of which is contained in Art. 4 Law on Budgetary Organization [5]. All other budgetary institutions (in the person of their managers) are entitled to receive funds from appropriations assigned to the budgetary funds manager, who are eligible for the founder of a particular budget institution (whose leader is not an independent administrator of budgetary funds) .

In any case, the manager of budgetary funds is the manager of the budgetary institution specified in part 3 of Art. 4 of the Law on Budget Structure, but not the budgetary institution as such. According to Art. 2 of Law No. I-1113 of December 5, 1995 "On budgetary institutions" [6] the budgetary institution is a public legal entity with a limited civil liability, performing state functions or issues of local importance and being funded from the state or local budget, as well as from the State Social Insurance Fund, the Compulsory Insurance Fund health and other public funds. The head of a budgetary institution is the sole managerial body, endowed with all rights and duties in relation to the finances of this institution. He: 1) has the right to use budgetary funds to maintain the institution he leads and to finance the measures provided for in the estimates, and to allocate allocated budget funds to subordinated institutions; 2) organizes financing of social and economic programs and approves prices, rates and conditions for payment of their expenses; 3) bears responsibility for the correct drawing up of estimates of expenses of subordinated institutions, as well as estimates of extrabudgetary funds; 4) ensures timely payment of wages to employees, timely payments to

the budget and the establishment of the Fund of the state social insurance and the payment of expenditure of the second energy agencies and all kinds of ins and agricultural services; 5) develops standards for work of subordinate institutions, services, staff units of management and maintenance personnel, financial standards for inventories, equipment, supplies, medicines and, in agreement with the Ministry of Finance, approves and applies them; 6) supervise the ordering of the accounting control accounts payable and receivable s and shall take all measures to prevent them, as well as analyzes the reports of subordinate institutions; 7) ensures the correctness of financial and statistical reports of subordinate institutions, as well as own financial and statistical reports, etc.

### **3. Participation of managers of budgetary funds in the process planning (drafting ) of the state budget**

Drafting of the state budget (budget planning ) is one of the main stages of the entire budgetary process, during which the main directions of the political, economic, social development of the state are defined, the amount of revenues and expenditures of the budget [13, p. 70] .

The function of drafting the state budget (hereinafter - the function of budget planning) is assigned to the Ministry of Finance, which is not only a component of the state budget proposal for the next fiscal year, but also to develop a project planned in the consolidated budget of the Republic of Lithuania on a three-year period (including the collection of state and local budgets).

In general, the process of budget planning begins with the manifestation of the so-called budget initiative [14, p. 12] - at the beginning of this year the Government adopts a decree approving the calendar plan for preparing the draft state budget and financial indicators of local budgets for the next budget year. The legal significance of such a resolution is that it establishes the responsibilities of participants in budget planning related to the drafting of the state budget, as well as the specific timeframe (hereinafter - the calendar plan) of the functions for drafting the state budget. The calendar plan of budget planning as a whole covers three main groups of functions of budget planning: 1) compilation and refinement of macroeconomic and fiscal forecasts; 2) definition (clarification) of priority directions of the Government's activities, as well as drawing up (clarifying) strategic plans for the activities of institutions; 3) drafting of the state budget and financial indicators of local budgets.

The essence of the compilation and refinement of macroeconomic and fiscal forecasts is the definition of possible prospects for the development of the economy (changes in the level of inflation, gross domestic product, employment, etc.). However, the necessary data is provided mainly by entities in the budget process that have the status of managers of budgetary funds. Thus, the Ministry of the Environment provides data on the planned volume of construction work; The Ministry of Social Insurance and Labor - information on wage indices, on the size of the wage fund, on the level of unemployment; Ministry of Railways - on the development of transport; Ministry of Economy and the Ministry of Energy - about the main types of economic activity, etc. Such information is provided in two stages - at the beginning of March (for the preparation of macroeconomic and fiscal outlook) and early September (to clarify amounted claimed earlier macroeconomic and fiscal outlook) . Based on these data, the Ministry of Finance shall prepare a draft preliminary indicators of the state budget and submit them for review in the Committee on Budget and Finances of the Seimas for approval to the Government.

However, the main participation of managers of budgetary funds in the process of budget planning is associated with planning the expenditure side of the budget. The abandonment (update) the strategic plans and programs of activities led by managers of

budgetary funds of budgetary institutions [10] is the result of the implementation of the program budget planning principles that literature rated as the most suitable for the modern period of development of the state [16, p. 51], allowing a secure budget intended use, simplify the management of public funds, cost increase the managers responsible means [17, c. 150], first of all, Ministerial [18, c. 3] . Drawing up strategic plans and program activities carried out in accordance with the Methodology for Strategic Planning, approved by the Government of the Republic of Latvia № 827 from June 6, 2002 [11]. As stated in paragraph 2 of this methodology, strategic planning. It is a formalized system of the whole process of strategic management. The strategic plan of activity of the institutions must specify exactly what strategic objectives of the institution (whose leaders are managers of budgetary funds) they intend to use the provided budget allocations, as well as to highlight any relevant strategic objectives of the program of activities ( in order of priority) The implementation of which will be financed from the budget , and estimates [19, p. 58-60]. That managers of budgetary funds are fully responsible for ensuring that the institutions have been prepared to ensure the achievement of the set before the establishment of strategic objectives and action based on effective use of budget funds [20, p. 151-153]. Feasibility of program managers of budgetary funds in terms of their compliance with the priorities of the Government and Ministry of Finance estimates the service of the Prime Minister To provide proposals for funding specific programs of the Strategic Planning Committee of the Government. As the base of Fault and managers of budgetary means can be recovered it their lack of a component focusing on the planning of activities in terms of public policy changes, ie. E. The activity of all managers of budgetary funds plan and ruetsya on a single model [21, p. 32].

When drawing up strategic plans and programs managers of budgetary funds can be considered as part of the management as a whole [22 , p. 137]. Based on these estimates of the Ministry of Finance of the expenditure side of the draft state budget. Therefore, the estimate of the project managers of budgetary programs, funds can be considered as the basis of drawing up the expenditure side of the draft state budget. That is why after the approval of the Government of the preliminary indicators of the state budget the Ministry of Finance informs administrators of budget funds maximum sums which are assumed for budgetary funds in order to clarify the strategic programs and projects of their estimates. Refined strategic programs and projects are the basis of drafting the budget as a whole.

#### **4. Conclusion**

Budget planning is an important function of state power. It may be noted that managers of budgetary funds not only use budget funds, but also actively participate in the process of budget planning.

Budget planning process includes three major groups of functions: 1) development and refinement of the macroeconomic and fiscal outlook; 2) definition (specification) of the priority directions of activity of the Government, as well as drafting (refinement) of strategic plans between agencies; 3) drawing up the draft budget of the state and the financial performance of local budgets. The implementation of each group of functions involves managers of budgetary funds. They provide the Ministry of Finance with data which is necessary to compile and clarify the macroeconomic and fiscal outlook; make up the program, the implementation of which is financed by the state. Finally, budget managers estimate programs, which later become the basis for drawing up the entire state budget of the project.

Therefore, we can say that the efficiency of public spending depends on the managers of budgetary funds. We can highlight certain shortcomings in the activities of managers of budgetary funds on drawing up action programs: 1) programs are often identified with the

objective functions of the institution; 2) the expected results of the program are not always determined; 3) financial resources are not often compared with the expected results.

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