

# COMPARATIVE STUDY ON SUPERVISORY PROCEDURES IN THE BUDGETARY DISCIPLINE ENFORCEMENT REGULATORY FRAMEWORK IN THE VISEGRÁD COUNTRIES

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**Abstract:** *The realization of budgetary discipline enforcement is provided through procedural application of substantive rules. One of the key stages of such process is supervision of the public funds management. The article aims to explore the similarities and differences of the budgetary enforcement regulatory framework in respect to the supervisory procedures among Visegrád countries. The article concludes that the budgetary discipline supervisory procedures are considerably similar. Minor differences in the supervision in public funds management amongst the Visegrád countries are furtherly discussed in the article. Utilizing a comparative method of research, primarily based on a questionnaire survey conducted by the authors, and responded to by a team of legal scholars, this article offers valuable insight for the legal scholarship and policymaking within the Visegrád countries.*

**Keywords:** *supervisory procedures budgetary law, public funds, budgetary discipline enforcement, comparative study, Visegrád countries.*

## INTRODUCTION<sup>1</sup>

The concept of budgetary discipline is defined as a legal obligation to comply with specific rules governing the process of public funds management<sup>2</sup> – it ensures economical, effective and efficient performance of public administration and verification of compliance with the legal provisions in the management of public funds, and prevents uneconomical, inefficient, or ineffective use of public funds.

In this article, we present a comparative study focused on the supervisory procedures in the budgetary discipline regulatory frameworks, which are currently in force in the Visegrád countries, namely (in the alphabetical order) in Czechia, Hungary, Poland, and Slovakia. This article is the first one from a series of three mutually related comparative studies on various aspects of this regulation. In the other two articles, there are comparative studies on refunds and penalties.

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<sup>2</sup> PEST, P. Legal Model of Enforcement of Budgetary Discipline in Poland. *Studia Prawnicze Kul.* 2024, Vol. 97, No. 1, pp. 87–101.

The research team has already proposed an optimal regulatory model of the budgetary discipline enforcement<sup>3</sup>, which can be used in an evaluation of qualities of any particular budgetary discipline enforcement regulatory framework. The model was created as country independent. Thus, it does not highlight or suppress any particular feature of an existing regulatory framework. The research team's goal is to perform a normative analysis of budgetary enforcement regulatory frameworks, which are currently in force in the Visegrád countries. However, such analysis needs as its first step to fully understand these regulatory frameworks, before they can be analysed in deep.

There is no literature concerning theoretical background of the supervisory procedures in enforcement of budgetary discipline, despite it being one of the seven pillars that can be monitored within a public fund management system to assess its performance under the Public Expenditure and Financial Accountability program (PEFA).<sup>4</sup> The appropriate set-up of supervisory procedures is crucial for enforcing the budgetary discipline. The authors of this article use, as a source, mainly answers based on the questionnaire survey prepared by the authors, and answered by a team of legal scholars from Hungary, Poland, and Slovakia.

Since there is no in-depth analysis of the current budgetary discipline enforcement frameworks among the Visegrád countries, there is a research gap on this topic which can be filled by a comparative analysis of various aspects of the budgetary discipline enforcement regulatory frameworks relevant to the proposed regulatory model.

All of the Visegrád countries faced the same difficulties and presented similar approach during the transformation to democratic regime after being under the Soviet Union influence, and shared similar experiences connected with the process of entering the European Union in 2004. Moreover, all these countries base their legal system on a western rule of law concept and European “unity of values”.<sup>5</sup> Furthermore, there is a wide cooperation among the academics and practitioners in the area of the financial law, and two of the abovementioned countries (Czechia and Slovakia) were federated, which brings them even more closer. Therefore, in this article, the research team propose a following hypothesis: **“in respect to the supervisory procedures stipulated in the budgetary enforcement regulatory framework, there are no significant differences among the Visegrád countries”**. To test this hypothesis, we will answer the research question **“what are the similarities and differences of the existing budgetary discipline enforcement regulatory frameworks in the Visegrád Group countries in respect to supervision in public budgets management?”**

<sup>3</sup> BOHÁČ, R., SEJKORA, T., ŠMIRAUSOVÁ, P., TULÁČEK, M. Regulatory Model of the Budgetary Discipline Enforcement. *Studia Iuridica Lublinensia*. 2023, Vol. 32, No. 1, pp. 11–39.

<sup>4</sup> PEFA, *Framework for Assessing Public Financial Management: Improving Public Financial Management. Supporting Sustainable Development*. Washington 2019, p. 2 [2024-04-04], Available at: <[https://www.pefa.org/sites/pefa/files/resources/downloads/PEFA%202016\\_latest%20version\\_with%20links%20%282%29.pdf](https://www.pefa.org/sites/pefa/files/resources/downloads/PEFA%202016_latest%20version_with%20links%20%282%29.pdf)>.

<sup>5</sup> POPLAWSKI K. Introductory parts to the constitutions of Visegrad Group countries. Their relevance, constitutional identity and relation towards European Constitutional Identity. Online. *Central European Papers*. 2020, Vol. 7, No. 1, pp. 45–46. DOI <<http://dx.doi.org/10.25142/cep.2019.002>>. Mathias REIMANN, Reinhard ZIMMERMANN (eds.). *The Oxford Handbook of Comparative Law [online]*. 2<sup>nd</sup> ed. Oxford: Oxford University Press, 2019. DOI <<https://dx.doi.org/10.1093/oxfordhb/9780198810230.001.0001>>.

## I. METHODOLOGY

The comparative analysis of a regulatory framework requires an in-depth knowledge of such a framework. To achieve this level of knowledge, the research team cooperated with legal scholars from all Visegrád countries<sup>6</sup>, whose expertise is financial law, and who participated in a questionnaire survey on this topic. The questionnaire contained questions covering various aspects of the proposed optimal regulatory model of the budgetary discipline enforcement, and focused both on *law in books* and *law in action*. The research team additionally consulted with these legal scholars the details of their respective regulatory framework to ensure, that the information was correctly transferred to the research team.

The main methodology used in this article is the comparative method as described by Jansen<sup>3</sup>: Two regulatory frameworks *A* and *B* are either similar or different in respect to a particular *tertium comparationis T*. There is no third option.

Two regulatory frameworks *A* and *B* are deemed as similar in respect to a particular *tertium comparationis T* (*SABT*) if *T* is the common property of *A* and *B*. Similarly, two regulatory frameworks are deemed as different in respect to a particular *tertium comparationis* (*DABT*), if *T* is a property of the regulatory framework *A* or *B*, but is not a property of the other one.

If intensity of fulfilment of a particular *tertium comparationis T* in regulatory framework *A* can be estimated or measured ( $I_T(A)$ ), regulatory frameworks *A* and *B* will be deemed as similar in respect to a *tertium comparationis T*, only if *T* is their common property and the intensity of *T* in *A* and *B* is similar ( $(SABT) \& I_T(A) \sim I_T(B)$ ). Since only similarity of intensities is relevant, two regulatory frameworks will be deemed as similar even though the intensity of *T* in both of them will be different according to the abovementioned definition. There is no general rule on an acceptable difference of intensities, which does not break the similarity property. For each particular *tertium comparationis*, this rule must be stated and reasoned by the researcher.

To compare regulatory frameworks, the research team created a set of *tertia comparationis*  $T_{1, \dots, n}$  related to supervisory procedures in general based on the information captured in the survey. Each *tertium comparationis* was clearly defined, and the relevant part of each regulatory framework related to the area covered by this *tertium comparationis* was described. Afterwards, all regulatory frameworks were compared using this *tertium comparationis* to find similarities and dissimilarities as defined above.

Together, these comparisons provide answer to the research question stated in the introduction. The hypothesis stated in the introduction will be falsified, if according to this answer, there is a significantly different regulatory framework in a particular Visegrád country. Otherwise, the hypothesis cannot be falsified.

<sup>6</sup> Namely doc. JUDr. Gábor Hulkó, Ph.D. (Széchenyi Egyetem, Hungary); dr. hab. Przemysław Pest (Uniwersytet Wrocławski, Poland); prof. JUDr. Miroslav Štrkolec, Ph.D. (Univerzita Pavla Jozefa Šafárika v Košiciach, Slovakia).

## II. RESEARCH AND RESULTS

In the previously proposed optimal regulatory model of the budgetary discipline enforcement<sup>7</sup> the appropriate set-up of supervisory procedures was considered as crucial for enforcing the budgetary discipline within the proposed model. Therefore, evaluation of the supervisory procedures is one of the three aspects included in our comparative studies.

The following set of *tertia comparationis* was created to assess the different aspects of regulation of the supervisory procedures. The data obtained from the questionnaire surveys were used to identify the *law in books* and *law in action* in relation to these *tertia comparationis*.

n	T <sub>n</sub>
1.	The policy (political) objectives are evaluated from a public funds management perspective.
2.	The administrative practise in supervisory procedures is legally binding.
3.	There is an independent public authority responsible for evaluating compliance with budgetary law rules.
4.	An internal supervisory procedure exists.
5.	An external supervisory procedure exists.
6.	The supervisory authority has discretion to initiate different types of supervisory procedures.
7.	Multiple supervisory procedures can be carried out simultaneously for a single fact related to budgetary discipline compliance.
8.	All entities managing public funds are subject to supervisory procedures of compliance with the rules of budgetary discipline.
9.	The supervisory procedure applies to all public budgets.
10.	There are formal requirements for the outcome of a supervisory procedure.
11.	It is possible to appeal against the supervisory procedure report.
12.	It is possible to lodge an administrative lawsuit against the supervisory procedure report.

T<sub>1</sub>: Relates to the question, whether there are any procedures that evaluate policy (political) objectives from the management of public funds perspective. Such procedure provides information on fiscal effects assessment before any regulation, policy, or other (governmental) decision is approved. All Visegrád countries have some policy evaluation

<sup>7</sup> BOHÁČ, R., SEJKORA, T., ŠMIRAUŠOVÁ, P., TULÁČEK, M. Regulatory Model of the Budgetary Discipline Enforcement. *Studia Iuridica Lublinensia*. 2023, Vol. 32, No. 1, pp. 11–39. DOI <<http://dx.doi.org/10.17951/sil.2023.32.1.11-39>>.

system. They work in a very similar way; each legislative proposal must include a Regulatory Impact Assessment (RIA). The RIA includes (beside others) the expected economic and financial impact of the proposed legislation on public budgets.

*T<sub>2</sub>*: Despite the fact that all Visegrád countries' legal systems are based on rule of (written) law, administrative practice is important, as it is a direct application of principles of legitimate expectations and legal certainty of involved parties. The administrative practice is a practice established in accordance with the law or created based on authority conferred by law that does not interfere with the legally guaranteed rights, and is generally accepted and followed by the competent administrative authorities. All Visegrád countries consider the administrative practice binding, as it forms the legitimate expectation that the administrative authority will treat one case similarly as other comparable cases considered in the past by the same authority.

*T<sub>3</sub>*: There is a constitutionally based supervisory body in all Visegrád countries; Nejvyšší kontrolní úřad in Czechia, Najvyšší kontrolný úrad Slovenskej republiky in Slovakia, Állami Számvőszék in Hungary, and Najwyższa Izba Kontroli in Poland. Those bodies carry out external supervisory procedures in management of public funds (audit). Moreover, there are usually government subordinate units that carry out specific supervisory functions.

*T<sub>4</sub>*: The supervised entities mostly have an obligation to establish an internal audit mechanism. Such duty is present in all Visegrád countries. In Czechia, such internal audit must be carried out by a functionally independent unit or a specially designated staff member, organizationally separate from the executive management structure. In Slovakia, every public fund manager must form an internal audit unit subordinate to the executive management, but functionally independent to any other units. In Hungary, public bodies belonging to the central and local government sub-system of the Hungarian public finance are required to operate internal control system and internal auditing. In Poland, entities managing public funds are obliged to conduct their own internal audits than can be carried out by an internal auditor or contracted audit service provider.

*T<sub>5</sub>*: External supervisory procedures ensure assessment of public funds management independent to executive management of the supervised body. A system of financial control exists in all Visegrád countries. It aims to achieve economical, effective, and efficient performance of public administration and verification of compliance with the legal provisions in the management of public funds, and to ensure that public funds are not used uneconomically, inefficiently, or ineffectively. Moreover, there is supervisory procedure carried out by the state audit offices (see *T<sub>3</sub>*).

*T<sub>6</sub>*: As each of Visegrád countries have more supervisory authorities, it is also possible to conduct various supervisory procedures. However, each procedure is specific for a concrete supervisory authority. Therefore, the supervisory authorities have no discretion on what type of supervisory procedure they conduct, as it is bound by its limitation of rights and duties by the law.

*T<sub>7</sub>*: The plurality of supervisory authorities in Visegrád countries leads to a possibility that multiple supervisory procedures are carried out simultaneously for a single fact related to budgetary discipline compliance. In Czechia, Slovakia, and Poland, the law does not directly regulate relationship between several simultaneous supervisory procedures. In Hungary, external supervisory procedures are usually targeted at different subjects and objectives, therefore, the simultaneous supervisory procedures should not occur.

*T<sub>8</sub>*: According to the full-coverage principle, budgetary rules, including the supervisory procedures, should apply to the entire public sector including all entities and all types of budgets. The supervisory procedures in compliance with the rules of budgetary discipline in Visegrád countries are applicable to all subjects managing public funds. Therefore, no subjects are exempted from the possible surveillance process.

*T<sub>9</sub>*: Similarly to previous *tertium comparationis*, no budget is exempt from supervisory procedures in Visegrád countries in accordance with the full-coverage principle.

*T<sub>10</sub>*: The report of supervisory procedures in budgetary discipline have prescribed format and content. It usually includes the name of the body carrying out the supervision, the name of the supervised body, the subject of the supervision, the supervised period, control methods and used procedures and the executive summary, the supervision findings, conclusions, and recommendations. Therefore, the Visegrád countries have a prescribed format of the supervisory procedures report.

*T<sub>11</sub>*: There is no possibility to appeal against the supervisory procedure report as it is not a decision. However, it is possible to appeal against the decision on the refund or penalty in case the supervisory procedure finds a breach of budgetary discipline. In all the countries, except Czechia, the standards of defence against a decision imposing an obligation to refund or penalty does not differ from a decision against standard administrative individual legal acts. Under Czech law, such a process is governed by the Tax Code, and the conditions of the appeal in a tax proceeding are different than those in the standard administrative appeal. Despite it there being no direct possibility to appeal against the supervisory procedure report, the supervised body has a right to provide explanations and comments to the supervisory procedure findings.

*T<sub>12</sub>*: As the supervisory procedure report is not a decision, and no appeal is available till the decision imposing obligation to refund or penalty is delivered, no administrative lawsuit can be brought up. It is possible to lodge an administrative lawsuit against a final decision on the refund or penalty in all the Visegrád countries. This action shall subsequently be decided by the administrative courts.

Below there is a table that simplifies the relation of each of the countries' frameworks to the *tertia comparationis*. Y = Yes, meaning that the statement made in the *tertium comparationis* is true and the legal frameworks can be considered as similar. N = No, meaning that the statement made in the *tertium comparationis* is false.

<b>Tx</b>	<b>Czech Republic</b>	<b>Hungary</b>	<b>Poland</b>	<b>Slovakia</b>
1.	Y	Y	Y	Y
2.	Y	Y	Y	Y
3.	Y	Y	Y	Y
4.	Y	Y	Y	Y
5.	Y	Y	Y	Y
6.	N	N	N	N
7.	Y	N	Y	Y
8.	Y	Y	Y	Y
9.	Y	Y	Y	Y
10.	Y	Y	Y	Y
11.	N	N	N	N
12.	N	N	N	N

### III. DISCUSSION

The realization of the budgetary enforcement framework is ensured through the procedural legal instruments. The key element of the framework is an effective procedure that assesses public funds management. Such procedure aims to achieve economical, effective, and efficient performance of public administration and verification of compliance with the legal provisions in the management of public funds, and to ensure that public funds are not used uneconomically, inefficiently, or ineffectively. The appropriate set-up of supervisory procedures is crucial for enforcing budgetary discipline. The general requirements for the regulation of the budgetary system, i.e. clarity and transparency of the relevant standards, can be applied to the regulation of the supervisory procedures. Another of the theoretical requirements for the set-up of supervisory procedures in the budget discipline enforcement is the existence of an independent body responsible for external audit of bodies playing role in the public funds management.<sup>8</sup>

The public sector has a long tradition of two entirely different schools on how the supervisory systems should approach and resolve their task; the Napoleonic (or Latin) school and the Nordic (Anglo-Saxon) school. The Napoleonic school aims for a centralised, and very detailed transaction approval process. Therefore, the transactions must be approved from financial controllers before its execution. Every transaction, on both the expenditure and the revenue side, needs approval both from the line body and the financial controlling body. On the other hand, the Nordic system follows the concept of managerial accountability and responsibility. The assessment of the decisions is maintained by internal or external audit units.<sup>9</sup>

All Visegrád countries have accepted the Nordic system of public finance administration, as the public funds management systems are not centralized and the managers of

<sup>8</sup> BOHÁČ, R., et al., *ibidem*, p. 28.

<sup>9</sup> BERGMAN, A. *Public Sector Financial Management*. Essex: Pearson Education, 2009, pp. 116–117.

the line unit are held accountable for each and every decision, transaction and the result thereof (however such approach does not exclude delegation of some decisions). The external audit system is based in *ex ante* supervision that is not involved in the decision-making process. Such approach sets budgetary enforcement frameworks that provides *ex post* surveillance with specific consequences of the breach of the budgetary discipline that may vary from corrective measures (including refunds) to exclusionary measures or to penal measures (penalty or criminal offence). However, this approach does not prevent application of certain *ex ante* supervisory mechanisms. Still, they are not as centralized and as in-depth as the Napoleonic school requires.

As found out in  $T_3$ , all Visegrád countries have introduced constitutionally based supreme audit offices.<sup>10</sup> The supreme audit offices in general serve as independent national-level institutions, which conduct audits of government activities not exclusively in the economical perspective. Despite the fact they play a key role in oversight and accountability in the country by monitoring the use of public funds, they can provide assessment of other values of public service (e.g. level of digitalization, state's preparedness for extraordinary incidents etc.). Their common characteristics is lack of powers to impose any refunds or penalties in case of breach of budgetary discipline. Therefore, their function is to provide independent surveillance service at the highest governmental level, usually with the possibility to publish its finding or submit a recommendation to the government or other competent bodies.

Despite the lack of authority to impose refunds or penalties by the supreme audit offices in the Visegrád countries, all compared countries have developed a system of alternative public authorities with sanctioning powers.

There is a system of public funds administration supervision in form of financial control in Czechia and Slovakia. The financial control is carried out by the Ministry of Finance and tax authorities, the administrators of the chapters of the state budget, the managing authority, the paying agency, or the territorial self-government units in Czechia, and by the Ministry of Finance or Government Audit Office in Slovakia. There is a system of adjudicating commissions in Poland. Finally, the public funds assessment in Hungary is conducted by the Hungarian State Treasure that controls the use and accounting of the budgeted and disbursed funds. Therefore, all Visegrád countries form the system of external independent public funds supervision under the executive branch of the state powers (despite various intensity of centralization).

As previously mentioned, there is a simultaneous existence of supreme audit offices that lack powers to impose penalties or refunds, and of administrative control bodies with power to remedy or sanction the breach of budgetary discipline. This concurrence can lead to multiple supervisory proceedings that simultaneously assess the single fact. However, no special rules for such situation were applied in the Visegrád countries. The question is whether they are necessary, as the supervisory proceedings can be carried out by different supervisory authorities with different powers. Therefore, those proceedings provide different perspectives.

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<sup>10</sup> Nejvyšší kontrolní úřad in Czechia, Najvyšší kontrolný úrad Slovenskej republiky in Slovakia, Állami Számvöszék in Hungary and Najwyższa Izba Kontroli in Poland.



The procedural distinction can occur, if there is a separation between the body which conducts the supervisory procedure, and the body which decides on the imposition of a refund or penalty. If the authority conducting the supervisory procedure of public funds management also decides on the refund or penalty, the length of the process can be reduced as the new authority does not have to study the files to deliver its decision on refund or penalty. Under Czech law, there is more than one authorised body to decide on the imposition of the refund based on the type of a refund (levy for the breach of the budgetary discipline or repayment of the subsidy), and also the fund or entity to which the breach of the budgetary discipline relates. The authorised entity to decide on the repayment of the subsidy is the subsidy provider. The subsidy provider is also the body conducting the control of the management of the funds. Tax offices are the authorised body to decide on the levy for the breach of the budgetary discipline with respect to the funds from the state level budgets. Regarding the local budgets, the authorised body is one of the local bodies depending on the budget from which the funds were granted. If a contributory organization<sup>11</sup> breaches the budgetary discipline, its founder is the authorised body. All of these authorities, except the tax offices, may conduct the control of the management of the funds. The tax offices assess whether budgetary discipline has been breached, and if a levy for the breach of the budgetary discipline shall be imposed. In Hungary, the body that controls the management of the funds is the Hungarian State Treasury. Regional body of the Hungarian State Treasury is eligible to impose an obligation to return the improperly used funds. In Poland, the decision on the refund can be made by the Minister of Finance for the entire national budget or by the budgetary unit managers for their respective parts of the national budgets. These authorities may also conduct a managerial control. It is important to note that in Poland, the ruling on the breach of the budgetary discipline is separate from the ruling on the refund (as well as the authority, which is different in these cases). In Slovakia, the levy for the breach of budgetary discipline (or penalty or fine) is imposed and enforced by the controlling authority, the auditing authority, or the supervisory authority of the State within the scope of its competence. This issue is further discussed in articles that follow, and that focus on refunds and penalties in the budgetary discipline enforcement framework.

To sum up, Visegrád countries have developed a system of external supervision in public funds management through their supreme audit offices and a system of other supervisory bodies with power to impose corrective measures. Each of the bodies have its own limited powers. Therefore, they have no discretion to initiate different types of supervisory procedures as they are limited to the proceedings within their powers laid down by law.

The full-coverage principle means that the budget rules should apply to all budgets and all entities that manage public funds.<sup>12</sup> Since the full-coverage principle is the goal of the budgetary rules, including the enforcement of the budgetary discipline, there shall be no exception to the entities or public budgets that may be subject to supervisory

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<sup>11</sup> Under Czech law a contributory organization means a legal entity established for public interest purposes by the state or local government bodies.

<sup>12</sup> WORLD BANK. *Beyond the Annual Budget*. Washington, DC: World Bank, 2021. DOI: <<https://doi.org/10.1596/978-0-8213-9625-4>>.

procedure of the public funds management. None of the compared legal frameworks explicitly stipulates any exception to the entities managing public funds or types of budgets (see  $T_8$  and  $T_9$ ).

The outcome of the supervisory procedures has its prescribed format and content. The results of the audit activities of supreme audit offices are recorded in an audit conclusion form. The form is submitted to the supervised entity and other public bodies (e.g. the parliament). The results are usually made public in a special form (e.g. the Supreme Audit Office in Czechia published its audit results in SAO Bulletin) or in an annual manner (e.g. Polish Supreme Audit Office develops a report that presents the overall picture of the state functioning).

The form of conclusions of financial (or similar) control in Visegrád countries is more formal, as it includes corrective measures (or serves as a base for another decision on corrective measures. This issue is in detail discussed in further articles on refunds and penalties. However, the common standard includes the name of the body carrying out the supervision, the name of the supervised body, the subject of the supervision, the supervised period, control methods, used procedures, the executive summary, the supervision findings, conclusions, and recommendations, or imposed corrective measures.

The legal framework in all Visegrád countries provide a possibility to appeal or lodge an administrative lawsuit against the individual legal acts in the budgetary enforcement procedure. However, such individual legal act in form of a decision appears at the moment of corrective measure imposition that can differ from the supervisory procedure conclusion or report. Therefore, the issues are in depth discussed in the following articles on refunds and penalties.

As the budgetary discipline supervision procedure falls into a type of administrative procedure (or tax procedure in some cases in Czechia and Poland), the question of binding administrative practice occurs. In all the Visegrád countries, the nature of the administrative practise is very similar. The consistency in decision-making is ensured by the principles of legal certainty and legitimate expectations, which are applied in all of these countries. The principle of legitimate expectations is an expression of the more general requirement of the principle of legal certainty. The principle of the legitimate expectation is inherently linked to administrative law to ensure that no unreasonable differences arise in the determination of factually identical or similar cases. In general, administrative practise is binding in Visegrád countries. However, it is only complementary to written law and is not capable of modifying the rules contained.

The supervisory procedures in the matter of budgetary discipline enforcement in Visegrád countries are considered rather similar by the authors. The most similar legal frameworks are the Czech and Slovak legal frameworks, especially their substantive part. The reason why this is the case, may be explained by the fact that these countries were federated and split thirty-one years ago. Since the respective regulations of the breach of budgetary discipline was implemented in both countries after the Velvet Revolution in 1989, these regulations are probably influenced by each other. The similarity of the spoken languages makes it easy to exchange inspiration in the legal frameworks. The most significant difference, when it comes to the substantive aspects of the refunds regulations, is that in the Hungarian legal system, there is no definition or even a mention of the concept of budgetary discipline.

When it comes to the procedural aspects of the legal frameworks of the Visegrád countries, they are very similar. The country that stands out the most in respect to the procedural aspects is Czechia. It is mainly because it distinguishes between the supervisory authority and the authority that imposes corrective measures. It leads even to the split of the procedural regimes of those two proceedings, as the Administrative Code is used to conduct the supervisory procedure, and the Tax Code is used for the administration of the levy for the breach of the budgetary discipline. The reason of the distinction is rather practical as the Czech Tax Code is better suited for the administration of taxes and other monetary payments. But due to the fact that no in-depth analysis on the similarities and differences of the Tax Code and the Administrative Codes in the rest of the countries was conducted, the authors cannot determine how materially different these laws are.

In the view of the above-stated similarities and differences, the hypothesis “in respect to the supervisory procedures stipulated in the budgetary enforcement regulatory framework, there are no significant differences among the Visegrád countries” was not falsified. The regulatory framework in respect to the supervisory proceedings is definitely not significantly different in the Visegrád countries. The regulatory frameworks are rather similar, though there are some differences that shall be noted. Namely, the nonexistence of the concept of the breach of the budgetary compliance in Hungary or the fact, that the legal regulation of the administration of refunds is in Czechia governed by the Tax Code and not by the Administrative Code (or other administrative regulation), as is the case in other jurisdictions.

#### IV. CONCLUSION

To answer the research question “what are the similarities and differences of the existing budgetary discipline enforcement regulatory frameworks in the Visegrád Group countries in respect to the supervision in public budgets management?” the authors conducted an in-depth comparative analysis of the current regulatory framework on supervisory proceedings among the Visegrád countries. By carrying out this analysis, the authors conclude that the system of supervision in public funds management is very similar across the Visegrád countries, and that several similar legal concepts are present in all of these jurisdictions.

Firstly, the analysed jurisdictions have introduced supreme audit offices into their constitutional law as independent national audit body without any special powers regarding corrective measures. Secondly, all the Visegrád countries have introduced a system of bodies that carry out an audit in public funds management with a power to impose corrective measures (e. g. refunds, penalties). Such diversion of a two-ways of public funds surveillance leads to possibility of multiple and simultaneous supervisory procedures. However, as they provide different perspective, they are not in concurrence. Thirdly, all discussed countries apply full-coverage principle in regard to supervisory procedures, as there are no exception to the entities or public budgets that may be subject to supervisory procedure of the public funds management. Fourthly, the countries accept administrative practice as binding in order to meet principle of legitimate and the principle of legal certainty. Finally, all supervisory procedures are concluded in a formalized report that can contain obligation to refund, the penalty itself, or it can be a base for deciding on them.

Therefore, a possibility of appeal or administrative lawsuit appears in some stage of the budgetary discipline enforcement.

Despite the above-mentioned conclusion that the legal systems of the Visegrád countries are generally similar, it should be noted that there are, of course, several aspects in which the presented legal regulations differ. The first notable difference is that Hungary does not recognize the institute of breach of the budgetary discipline. However, such absence does not have any implications on the supervisory procedure, but on the possible consequences of unauthorized use of budgetary support. Secondly, the Czech law differs from other mentioned jurisdictions, as it applies Administrative Code in the stage of supervisory procedure, and Tax Code in the stage of corrective measures imposition. Such distinctions are rather a question of a legislative technique that does not interfere with the essence of surveillance process in public budgets management.

Hypothesis that **“in respect to the supervisory procedures stipulated in the budgetary enforcement regulatory framework, there are no significant differences among the Visegrád countries”** was therefore not falsified, and it can be said that no reason was identified to consider the legal systems of the Visegrád countries to be fundamentally different. This is consistent with the fact that these countries, who share common values and legal concepts, are members of the European Union, and there is a cooperation among the academics and practitioners in the area of the financial law.