

Possibility to use models for evaluation of financial solvency of local self-governments

Annotation: Modelling of processes, which are increasingly being applied in public administration, enables the collection and analysis of data and the creation of explanatory models. These models allow to capture the real state of the situation, identify influencing factors, and determine other effective procedures. Models, including also prediction, make it possible to identify, for example, the bad financial development of a subject in time. These trends are also reflected at the level of local self-governments, especially in the area of financial management. The implementation of international accounting standards in 2008 facilitated comparisons of the financial performance of local self-governments within one country and also on the international level. The most complicated part of modelling is to investigate causal relationships between individual financial indicators and quantify the effects of these individual indicators. The theoretical part will be focused on models of financial situation evaluation of municipalities and regions. The empirical part will be to evaluate the development of indicators at the level of local self-government in selected countries.

Aim: The dissertation thesis will aim to evaluate the financial management of local self-governments in selected countries through selected types of models. The analysed countries, as well as models assessing the financial standing of local self-governments, will be selected by the student based on the theoretical background of the dissertation thesis.