

**RESOLUTION No. 76/W/10**  
**of the Adjudication Panel of the Regional Chamber of Audit**  
**in Warsaw**  
**on 14 April 2010**

on the issuance of an assessment of the report on the implementation of the budget for  
the year 2009 submitted by the **Mayor of the Capital City of Warsaw**

Pursuant to Article 13 item 5 and Article 19 par. 1 and 2 of the Act of 7 October 1992 on regional chambers of audit (consolidated text, Dz.U. [*Journal of Laws*] of 2001 No. 55, item 577 as amended), having examined the report submitted by the Mayor of the Capital City of Warsaw on the implementation of the budget for the year 2008 - **the Adjudication Panel of the Regional Chamber of Audit in Warsaw:**

**Chair of the Panel:** - Teresa Gołębiewska

**Members:** - Bożenna Piotrowska

- Bożena Zych

hereby resolves as follows:

**§ 1**

To positively assess the implementation of the budget of the Capital City of Warsaw for the year 2009.

**§ 2**

The justification constitutes an integral part of the Resolution.

**§ 3**

This Resolution may be appealed on to the Regional Chamber of Audit within 14 days from its delivery.

**Justification**

On 19 March 2010 the Regional Chamber of Audit in Warsaw received a covering letter from the Mayor of Warsaw of 19 March 2010 with a report on the implementation of the budget of the Capital City of Warsaw for the year 2009, including district annexes.

The Adjudication Panel of the Regional Chamber of Audit in Warsaw conducted an analysis and evaluation of the said document, taking the following criteria into consideration:

1. Punctuality of the filing of the assessed document, in accordance with Art. 199 par.1 of the Act of 30 June 2005 on Public Finances (Dz.U. No. 249, item 2104 as amended), in connection with Article 121 par. 6 of the Act of 27 August 2009 regulations enforcing the Act on Public Finances (Dz.U, No. 157, item 1241),
2. The accuracy of the report regarding Art. 199 par. 1 of the Act on Public Finances, in connection with Art. 121 par. 6 of the Act of 27 August 2009 regulations enforcing the Act on Public Finances (Dz.U, No. 157, item 1241),
3. The mutual conformity of planned and implemented amounts of incomes and expenditures, and revenues and outgoings, shown in the following reports: descriptive, statistical, and resulting from Resolutions passed by the legislative and implementing body, made in 2009,
4. The conformity of the implemented sources of incomes and the directions of their expenditure in accordance with the relevant regulations,
5. Maintaining a budget balance (incomes and expenditures and revenues and outgoings), considering the result of the budget,
6. The state of implementation of the plan of incomes and expenditures, and revenues and outgoings, and the analysis of the explanation of significant variations between the planned and the implemented amounts,
7. As set out in Art. 169 par. 1 of the Act on Public Finances, in connection with Art. 121 par. 8 of the Act of 27 August 2009 the regulations enforcing the Act on Public Finances (Dz.U. No. 157, item 1241) - observing the debt limit for the budget of a Local-Government unit on account of:
  - Payment of credits and loans listed in Art. 82 par. 1 points 2 and 3 of the Act on Public Finances, including owed interest on credits and loans specified in Art. 82 par. 1 of the said Act.
  - Redemption of securities issued by Local-Government units for the purposes specified in Art. 82 par. 1 points 2 and 3 of the Act on Public Finances including owed interest and discount on securities issued for the purposes specified in Art. 82 par. 1 of the said Act.
  - potential redemptions for amounts resulting from sureties and guarantees granted by a Local-Government unit,
8. Adherence to a Local-Government unit's debt limit in proportion to implemented incomes – as specified in Art. 170 par. 1 of the Act on Public Finances, in connection with Art. 121 par. 8 of the Act of 27 August 2009 the regulations enforcing the Act on Public Finances (Dz.U. No. 157, item 1241),

9. Conformity of the applied budget classification with a regulation of the Minister of Finances of 14 June 2006 regarding detailed classification of incomes, expenditures, revenues and outgoings, as well as foreign resources (Dz.U. No. 107, item 726 as amended).

**Having taken the above-mentioned criteria into consideration the Adjudication Panel of the Regional Chamber of Audit in Warsaw resolves as follows:**

1. After accounting for yearly changes, the budget of the City for the year 2009 passed by the Council of the Capital City of Warsaw anticipated incomes in the amount of **PLN 9 591 052 095**. The City's incomes were implemented in the amount of **PLN 10 116 715 173.18**, i.e. **105.48%** of the plan, of which 79.78% were own current incomes; 3.60% targeted grants from the state budget, 12.00% general subvention, and 4.62% property incomes (4.58% own incomes and 0.05% grants from the state budget).

Incomes for the financing of programmes and projects supported by EU resources were implemented in the amount of PLN 256 953 619.77, i.e. 142.8% of the planned amounts.

2. The plan of revenues for the end of the accounting period amounted to PLN 3 197 321 044; it was implemented in the amount of PLN 3 178 344 315.67, i.e. 99.41%. The implemented revenues came from credits and loans, bonds and privatisation of Local-Government units' property and free resources.
3. The state of liabilities with respect to debt titles for the end of the accounting period amounted to **PLN 4 023 652 767.30**, i.e. **39.77%** of the total incomes implemented.

The above amount includes liabilities on account of credits and loans in the amount of PLN 2 595 508 017.30, bonds in the amount of PLN 1 428 140 000.00 and payable liabilities in the amount of PLN 4 750.00.

The nominal value of non-payable liabilities on account of granted sureties and guarantees for the end of the accounting period amounted to PLN 132 492 643.55.

4. In the accounting period the plan of expenditures amounted to PLN 718 213 958; it was implemented in the amount of PLN 708 724 426.88, i.e. 98.68%. The total amount of repayments for credits and loans in 2009, including owed interest and the redemption of bonds, together with interest, as well as loans, amounted to 3.4% of the implemented incomes, i.e. PLN 342 859 907.82.
5. Receivables due to the Capital City of Warsaw amounted to PLN 917 262,042.14, which accounts for 9.07% of the received income.

6. The effects of lowering the ceiling on local tax rates and granted tax reliefs, deferments, remissions, amounted to PLN 18 880,769.24, which accounts for 0.19% of the received income.

7. According to the budget passed by the Council of the Capital City of Warsaw, with amendments introduced throughout the year, the anticipated expenditures amounted to PLN 12 052 254,816.00. The incurred total expenditures amounted to PLN 11 348 207,179.48, which accounts for 94.16% of this plan, from which:

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a) current expenditure incurred – account for 95.79% of the plan as amended,

b) property expenditure incurred – account for 87.59% of the plan as amended.

The amount of incurred expenditures included expenditures which were carried over as the year 2009 ended, and they will be allocated for financing tasks in 2010, i.e. in the amount PLN 161 999,765.

Expenditure related to financing programmes and projects co-financed by the European Union were incurred in the amount of PLN 164 162,863.64, i.e. 80.18% of the plan, and expenditure related to financing programmes and projects co-financed by the European Union were incurred in the amount of PLN 38 367,115.53, i.e. 71.85% of the expected amount.

8. The budget results for year 2009 revealed a budget deficit in the amount of PLN 1 231 492,006.30, the planned deficit amounting to PLN 2 461 202,721.00. The budget deficit was financed with revenues from taken loans and credits, issued bonds and the privatisation of property.

9. The reports did not reveal any overrun in the plan of budget expenditures at the end of the accounting period.

The fulfilment of the plan of expenditure, which was reduced and essential in terms of amounts, was registered in Division 750 “Public Administration”, and it accounted for 88.16% (the incurred expenditure in this Division accounts for 7.44% of the whole structure of incurred expenditure) and in Division 921 “Culture and protection of national heritage”, it accounted for 89.79% (the incurred expenditure in this Division accounts for 5.6% of the whole structure of incurred expenditure).

10. The report includes the list of budgetary units which prepared accounts of own income and accounts of own income and expenditures financed by them. It also includes data concerning revenues and expenditures of budgetary entities, auxiliary enterprises and target funds.

11. A statement of the fulfilment of financial plans by independent public healthcare centres and cultural institutions in 2009 was enclosed with the descriptive report.

Taking into account the above statements, as well as information and explanations concerning the mode of implementation by the Mayor of the Capital City of Warsaw of tasks resulting from the budget for 2009 passed by the Council included in the submitted report, the Adjudication Panel of the Regional Chamber of Audit in Warsaw states that the above report constitutes properly-prepared informational-analytical material portraying the mode of the implementation of tasks in respect of the Communal economy and does not have any reservations from the formal point of view. The amounts in the income and expenditure plans included in the statistical and descriptive statements are consistent with the amounts included in the passed budget.

The Adjudication Panel states that income was obtained and expenditure was incurred within the limits of amounts stipulated by the legislative body, or related to them.

Sources of incomes and the directions of their spending were covered in detail in the sphere and task structure. Deviations from the implementation of the plan of incomes and expenditures were covered in the introductory part of the descriptive report.

The accuracy of the report submitted by the Mayor of the Capital City of Warsaw on the implementation of the budget of the City for the year 2009 is compliant with the requirements specified in Article 199 par. 1 of the Act on Public Finances, i.e. it matches the Resolution on the budget and meets the criteria mentioned at the beginning of the present justification.

The content matter assessment of the activities of the Mayor of the Capital City of Warsaw in respect of the extent of implementation of budget, purposefulness, and economic efficiency, is conducted by the Council of the Capital City of Warsaw.

To recap all the above, the Adjudication Panel of the Regional Chamber of Audit in Warsaw resolves as stated in the Resolution sentence.

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