Selected financial indicators as a tool for optimizing local government units management

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Abstract
Finances of each organization are the basic security of its existence and the main indicator of its profitability. In local government units public finances, despite many similarities, are governed by different rules than economic entities, if only because local governments have systemically guaranteed income in the form of state grants and subsidies. New and modern methods of financial management appear in self-government financial management. We can notice it both in the scope of sources of investment financing and the scope of information and data justifying or negating financial decisions and, consequently, local government management. Financial indicators as tools supporting the decision-making process of governing bodies are an important factor in decision-making, including the implementation of public tasks, satisfaction of social needs and expectations. Thanks to indicators local governments have analytical information, useful in the process of management taking into account social expectations comparable to other units. The indicators show where a given self-government unit is in relation to its competitors, allow for a comparable evaluation of the achievable results and for a social evaluation covering the expectations and needs of the community’s inhabitants. It should be noted that the indicators are the effect of using data, which are very abundant on the local government and business market. We often deal with metadata covering the whole country and regions and their sources are more or less reliable. Reliability of sources is extremely important in public perception. It is guaranteed by institutions representing information collected on the basis of systematic reports, obtained in a uniform space for all local government units. Both data and indicators calculated on their basis, as well as reliable rankings presented, are tools used by mayors of communes, local communities, more and more often government institutions, funds, agencies and media presenting more and less reliable rankings.

Keywords: metadata, financial indicators, ranking, kindergarten enrollment.

Introduction
The basic task of local government is to provide the best possible living conditions and the best possible quality of services to its residents. It is an obvious fact, which is already known to a vast majority of inhabitants of small and large towns. It is to the local self-government that the inhabitants turn with requests in public matters and in search for data, believing that the local self-government should solve all problems bothering them. More and more often the submitted matters concern issues including modern, forward-looking solutions observed in other communities. General availability of information and huge amount of data, which accompanies us at every step, is used more and more often not only by economic entities but also by individuals and the media. It is, of course, one of the factors influencing social assessment of the efficiency in management.

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of particular self-governments. Polish self-governments, while fulfilling their current duties, create more and more digital data, analyzed and published collectively and individually by state institutions. Such activity causes that more and more data become easily accessible. It should be emphasized that a lot of generally available information may be useful in management, including preparation of strategic documents of local government development.

The main objective of this article is to show the usefulness of secondary data, indicators and rankings that help decision-makers in local government units to use their resources effectively and optimally in time. The information calculated by independent entities and, more and more often, by ministries and national statistical bodies define in a highly reliable way the position of self-government compared to other units. This information supports managers in choosing the direction of development and informs whether it is possible to solve political and organizational problems. Another objective is to draw attention to changes taking place in the financial system of self-governments and to the need to introduce innovative methods of self-government finance management, which are often conditioned by legal and institutional analyses. In itself, innovations in financial policy should adjust self-governments to the emerging opportunities on the financial market allowing to implement a particular mechanism. Although innovations may be of different nature, including organizational, generic and financial, they should always result in a concrete outcome. They should be based to a large extent on economy, oriented at rational management of resources. A self-government unit does not have to prove that the solution it intends to apply in a particular project, undertaking or in the area of services is state-of-the-art and has not been implemented by anyone before. The most important thing is their usefulness and high probability of achieving the assumed objective. Local self-government bodies are forced to look for new, innovative and alternative solutions due to limited resources and unsatisfied needs of self-government communities. Very often, heads of villages/mayors/presidents are left alone in making key and difficult decisions.

Therefore, pointing to publicly available tools, indicators, rankings, compilations of statistical data is a support in taking strategic and operational actions. This article presents selected financial indicators that, from an operational point of view, may contribute to the choice of appropriate directions of development and substantive justification of the tasks adopted for implementation.

**Material and methods**

A special group of data appearing in the public area includes financial and economic data. This includes information about local taxes and fees for leases, lane occupation, swimming pool admission, ice rink admission, parking, and broadly defined economic indicators. This data is important for the local community, which is currently scattered in many local governments in different, often closed, systems and, what is worse, not used for specific analysis or optimization of service operations. A special set of data and information are budgets and reports of local government units, which present the scope of implemented tasks and the amount of funds spent and gained. The financial report of an organization is a source of knowledge about the scope of its activities and at the same time a useful tool for many entities. These entities can be grouped according to the type of scope of activity, institutions or recipients operating within the organization.
The list of recipients naturally expands each year, which creates the possibility of its different inclusion, depending on the method of classification.

Among the users of financial statements there is a predominance of external recipients interested in financial information to meet the needs of entities operating in the environment. Investors are interested in the amount of risk and return on investment. They need information to decide whether to keep or sell the investment (W. Gabrusewicz, M. Remlein (2011)). Internal users use data to analyze the validity of solutions adopted or the effectiveness of actions and to find out the position of units, products among competitors. Data enables the calculation of financial and organizational indicators in order to react in time and introduce new solutions or strengthen existing ones.

Availability of metadata in public space has been noticed by European Union countries for a long time, and at the beginning of the XXI century, legal regulations were adopted in the Directive 2007/2/EC of the European Parliament and of the Council of 14 March 2007, which established an infrastructure for spatial information in the European Community (INSPIRE). Article 10(1) of the Directive reads

Member States shall ensure that any information, including data, codes and technical classifications, needed for compliance with the implementing rules referred to in Article 7(1) is made available to public authorities or third parties in accordance with conditions that do not restrict its use for that purpose (Directive 2007/2/EC).

Data is a very valuable commodity on which to build an organization’s entire operating strategy. This is one of the reasons why, as the amount of data grows, so do the technologies of its acquisition, analysis and collection. The value of data for the local government is measured by a different scale and most often it is used to meet the socially expected public needs, social, economic, infrastructure, education, etc. The art of efficiently functioning self-government is proper analysis of obtained data and what is connected with it, better designing of services. Local governments have at their disposal various sources of data which include all kinds of public registers and indicators calculated by means of algorithms. The analytics used serve to dynamically predict and preventively improve the services provided. Each financial statement should be clear and reliable only then it is a reliable and useful document, which contains a

<table>
<thead>
<tr>
<th>Business units and others</th>
<th>State and local government agencies</th>
<th>Internal users</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Investors</td>
<td>1. central offices and ministries</td>
<td>1. company management</td>
</tr>
<tr>
<td>2. lenders and borrowers</td>
<td>2. local government authorities</td>
<td>2. managers of various levels of management</td>
</tr>
<tr>
<td>3. Suppliers</td>
<td>3. tax offices Treasury and fiscal control</td>
<td>3. supervisory board and audit committee</td>
</tr>
<tr>
<td>4. Customers</td>
<td>4. Other tax inspection authorities of fiscal control</td>
<td>4. general meeting</td>
</tr>
<tr>
<td>5. Other groups</td>
<td>5. statistical offices</td>
<td>5. employees</td>
</tr>
</tbody>
</table>

lot of important information about the organization.

By skillfully reading financial statements, both external and internal audiences can assess the financial health of a company (K. Szopa (2021)).

Financial statements are the final product of the financial accounting system, they are the result of measuring the activities carried out by an enterprise. Among the reports generated by business entities, financial statements are the most widely and extensively used by external users (A. Kaczmarczyk (2015)). It is a tool that allows conducting detailed analyses, calculating indicators and presenting the organization’s position in the environment and this is the basis for a number of rankings and statements.

Financial reporting is the primary source of economic analysis. The purpose of financial statements is to provide information about the financial position and performance and changes in the financial position of the company. This information is needed by a wide range of users in assessing management skills of managers and in making economic decisions (D. Krzywda (1999), p. 41).

Local government unit is obliged to apply the principle of openness and transparency of public finance, which are legally defined in Part I, Chapter 4 of the Public Finance Act. For the local government unit the principle of openness means making public collective data on its finances and activities in the form of e.g. annual reports. On the other hand, the principle of transparency obliges the entity to, inter alia, use the budgetary classification scales at the stage of planning, bookkeeping and reporting. Information openness and transparency provides a more complete control over public funds, which improves liquidity management, has a positive impact on budgetary discipline and, as a result, on the financial position of the local government unit (D. Adamek-Hyska (2016)).

Annual reporting is a source of analysis of financial decisions made on an annual basis, which is a component of financial management. It is also a link in the chain of the general management process of obtaining finances as an essential factor of current and investment activities.

Financial statements to be able to reliably present the financial situation should be characterized by features such as truthfulness, verifiability, completeness, transparency and understandability, relevance, continuity, comparability, timeliness (Kiziukiewicz (2014), p. 36).

Reporting is the last stage - on an annual basis – of accounting. In local government it is regulated by legal norms applicable to all units. It allows to freely conduct analysis and aggregate statements on a regional and nationwide scale. Then, presentation of basic financial and economic data becomes more colorful, often it is also a reason for additional analyses and locally adopted directions of action in subsequent accounting periods.

It should be noted that it is impossible to make decisions on the further functioning of the economic unit, steering it, adapting to changing conditions both internal and external without the information contained in financial and budget reports (M. Wakoła (2015)).

On the scale of a single local government, decision-making about further activity cannot take place without reliable data on the property and financial situation of its organizational units. Local government finance is, after all, a consolidated balance sheet of all links related to the local government unit in such a way that the impression is given that the group is a single entity.
The local government units have been obliged to prepare such reports since 2006. Since then, it has become an element serving the management of a given unit and not only its administration. It provides a full picture of its functioning including its organizational units. The most important from the point of view of local government unit management is the information on operating costs, which are the basic criterion for decision-making as it is impossible to run any activity without incurring them. The component element of the financial statement of the local government unit providing information on the purposeful consumption of production factors and on some expenses that do not constitute the consumption of production factors is the profit and loss account (M. Wakuła (2015)).

Annual local government reporting, however, is a form that we can say has a historical nature of data collection, which is not conducive to management efficiency. So, the need has arisen to collect data from shorter reporting periods, semi-annual, quarterly and monthly. With such a system, it is possible to make adjustments and eliminate emerging negative indications and risks.

Typical economic entities in their activity are focused on maximizing profits. Meanwhile, in self-governments, one of the most important aims is to optimize the utility of the funds spent. Therefore, from the point of view of efficient management, information necessary for making key decisions is important. In this case, task-based reporting is useful, as it provides many benefits concerning data on the planned tasks, the planned and additional costs incurred in their implementation and appropriate measures of the achieved effect. Budget tasks are the smallest element of the activity-based budget. Therefore, it is the easiest to calculate, precisely follow the processes and costs which occur during its implementation. It is an irreplaceable treasury of knowledge for the managers and planners of subsequent tasks, especially in the aspect of direct and indirect costs of its implementation.

Each self-government functions in a constantly changing environment, the volatility and often ambiguity of operation accompanying all entities, the uncertainty of principles and rules of obligatory conduct impose the need to use full and reliable information by persons managing the commune self-government (heads of communes/mayors/presidents). In efficient management, the ability to use both financial and task-related information is indispensable.

The substantive assessment of financial functioning of self-governments can be carried out in an infinite number of ways. Practically everyone who is engaged in the analysis may develop their own indicators and measures of the financial functioning of self-government. However, all analyses should be based on reliable data and, what is important, presenting exactly the same substantive research space based on reliable sources, which to a large extent guarantees their acceptance. Only such an approach is a guarantee of correctly calculated and presented indicators, which in the next stage can be a source of comparisons and rankings.

One of the most frequently presented indicators for assessing self-governments' financial condition is the share of self-government own income in total income. The indicator shows the extent to which own income allows realization of public tasks. It is called the index of financial independence. It is the main measure influencing the assessment of financial independence. It is also information about the scope of the local government's revenue policy and the scope of the local government's decision-making powers. When the ratio begins
to fall, the local government unit becomes more dependent on the funds transferred from the state budget.

Operating surplus and its relation to total revenue is another very important financial indicator. Calculating the difference between current revenue and current expenditure and achieving a positive result indicates the ability of the local government to repay its liabilities and finance investment expenditures. A positive ratio also indicates to what extent the local government can incur new liabilities. In the case of a negative result, we deal with a local government, whose current revenues are not sufficient to secure current expenditures. This situation requires an urgent conduct of many analyses, often a reconstruction of the budget plans, of course taking into account the factors that concern the specific situation and the specific local government.

The costs of self-government functioning are an indispensable expense that is borne by all units. When making financial analyses, it is important to know what percentage of current expenditures is spent on salaries and salary derivatives. When there is a high share of these expenses in the current costs, such case is evaluated as a negative financial management. Often, in such cases, an efficiency assessment is carried out, connected with qualitative research covering the work efficiency of individual employees. Sometimes a job evaluation is also carried out in order to determine the salary structure.

Very often in local government rankings the indicator of share of investment expenditures in total expenditures is used. It is an indicator indicating the financial situation and investment possibilities. Achieving a high indicator for a period of several years is an additional piece of information that the financial decisions taken have a significant influence on increasing the assets and maintaining an appropriate financial condition. It may also be related to the increasing investment attractiveness of the local government, the constant maintenance of creditworthiness and ability to service financial liabilities. A low value of the indicator is clearly associated with a weak development potential and moderate financial independence.

The share of financial liabilities in total income is an indicator which absolutely defines the degree of indebtedness of a local government. Its amount influences the whole financial activity of the local government. If the safe limits are exceeded, the financial liquidity of the local government is threatened and the budget becomes more rigid.

The local government’s own income includes the share of personal income tax in the current income. Their amount varies depending on the level of local government. It is an indicator that local governments often analyze in order to check the level of the state support that includes the obligation to secure financial means for realization of own tasks of local governments.

In recent years, a popular financial indicator is the share of European funds in total expenditures. This is important information about the level of activity of local authorities in the sphere of competition for external funds and additional sources of financing. These funds absolutely influence the increase of investment potential and sustainable development. It should also be emphasized that they also allow for the implementation of tasks in the social sphere, counteracting social exclusion, development of education, construction of new and modern social infrastructure and the development of NGOs and civil society.

For the purpose of studying the financial efficiency of individual local governments, financial information is often used to calculate other social indicators. One of the most popular
is income per capita, which is the ratio of income to the number of inhabitants and, similarly, expenditure per capita.

Educational indicators are undoubtedly very important information covering the management of financial resources and organizational aspects of schooling at every level. Of course, for parents and students as well as for principals and teachers, the indicators are important from the point of view of the level and effects of teaching. This is one of the factors that influence the evaluation of their work. This information is also carefully analyzed by local government units, which, of course, mainly by securing an adequate educational base, thus working and learning conditions, are able to support the efforts of teaching staff in terms of the level of teaching. Conducting detailed analyses covering the functioning of the local education system is indispensable, if only due to the fact that the amount of funds allocated for educational tasks reaches from 25 to 50% of commune budgets.

On the one hand, local governments strive for efficient and safe management of their educational institutions and, on the other hand, they are responsible for rational management of resources. And although information about high educational results gives a lot of satisfaction, effective education management also requires various data presented in the form of indicators, such as the average number of pupils per class or the number of pupils per teacher. These data inform about working and learning conditions but they also have a very important impact on unit costs of school functioning and costs of education per pupil. These are indicators that must be taken into account when establishing the school network and determining the effectiveness of expenditures incurred, and they cover a range of organizational and financial issues. In colloquial terms, it has been calculated that there are currently 256 education indicators. It is difficult to state, however, whether these calculations are correct, but we can state with certainty that they include basic indicators that must be noted by TSU as being fundamental and decisive for the construction of school networks and for the amount of funds spent, although decisions in this respect are influenced by many social and political factors. It should be stressed that any changes in this sphere must be introduced with caution and should be preceded by extensive preparations, consultations and strong justifications, including economic ones. Certainly, indicators alone will not solve the issue. In school management at the municipal level, the indicators can be grouped by areas.

<table>
<thead>
<tr>
<th>Area</th>
<th>Indicator</th>
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<tbody>
<tr>
<td>School organization:</td>
<td>• Number of pupils per class division.</td>
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<td></td>
<td>• Number of students per one teaching position.</td>
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<td></td>
<td>• Number of teaching posts per class division.</td>
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<td></td>
<td>• Number of posts for teachers per class.</td>
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<td></td>
<td>• Number of students per computer with Internet access.</td>
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<td></td>
<td>• Percentage of students transported to schools at the commune’s expense.</td>
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<td></td>
<td>• Shift patterns.</td>
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<td></td>
<td>• Percentage of students attending secondary schools in a given type of school (concerns only districts).</td>
</tr>
<tr>
<td>Equalization of opportunities:</td>
<td>• Share of students repeating a year in the total number of students.</td>
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<tr>
<td></td>
<td>• Percentage of students receiving individual teaching.</td>
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<td></td>
<td>• Percentage of students with special education certification.</td>
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</table>
Indicators that are useful in providing a picture of what local governments face when managing education are grouped together in a table. The 24 education indicators, cover various organizational and financial issues (E. Cone (2012)). It is a set of data presenting holistically and logically information about the situation of education in individual municipalities, which are indispensable in developing education development strategies, analyzing school networks, teaching profiles, retrofitting and rational management of financial resources.

Practically, each district functions in different conditions and these differences are visible particularly at the level of urban and rural districts. Rural districts must compare, among other things, in their financial analysis, whether it is profitable to maintain schools, often very expensive, or whether it is cheaper and more effective to incur the costs of transport to a larger school that guarantees better working and learning conditions and more rational use of financial resources.

Results and discussion

The usefulness of indicators is greatest when we can compare them at different levels. Readable are educational indicators whose \[w\]hen comparisons require appropriate normalization. Three ways of comparing indicators can be formulated:

1. Comparing among themselves indicators for specific class divisions of a given school or schools run by a given TSU. This is an internal diagnosis of the local school system.
2. Comparison of indicators for a given school or TSU with other local governments at different levels of aggregation (voivodship, country). It is a comparative diagnosis of the local school system.
3. Comparison of indicators of a given school or a given local government in subsequent years. This can be described as a dynamic diagnosis of the local school system (M. Herbst (2012)).

It should be noted that an important factor in comparing indicators and making decisions
about their operation is the issue of the school's location, urban and rural environments. In addition, the decision-making bodies of local authorities must take into account the environmental role played by the school, its position in the local community, its integration with the parents' community and the provision of other, non-school social needs. These are difficult to estimate activities in the sphere of social policy. Although the cost of transportation may be much lower than the cost of maintaining the school, the policy goals achieved and social peace are more important and costly.

Based on available data and indicators, rankings have accompanied us for years and cover practically every area of life. We approach them with emotion, admiration and smile. The rankings we treat most seriously are those for which we are convinced of the credibility of the data presented, knowing their sources and methods of analysis. It is a matter of objectivity in creating the database used in the rankings. It can be said that rankings allow us to find clues as to the quality of the presented product, they are tools that are useful in analyses, indicate where we are, inform about the entity's superiority or inferiority in relation to the competition. It depends on the skills of the management whether the presented results will be useful in the life of the organization. The presented data, which are the basis for placing an entity in a proper position in the ranking, are the basis for the evaluation, which serves as recommendations and results in investment, financial and organizational decisions. Ranking is an objective assessment very important in the cyclical life of local government.

It is commonly known that the overall assessment of local government authorities and the degree of satisfaction with the work of the local government takes place cyclically, in the election process. Verification of their usefulness should not be only final, but enriched with sets of assessments concerning various aspects of local government functioning. General evaluations are difficult to prepare and their components should focus on the most significant values and conditions of the local government. They are labor-intensive and require the involvement of specialists in various fields of economy. These assessments focus on the perception of local government in the light of its attractiveness, competitiveness and innovativeness. A necessary element of the assessment is the identification of challenges, weaknesses and threats in the market environment and risks to the local government. An important aspect of such assessments is, among others, knowledge of spatial and economic accessibility to basic public services (rarely concerning their standards), financial and asset management, or investment intentions (E. Wojciechowski (2018)).

Ranking, after all, is a form of competition in which the aim is to select the best, to indicate the winner. However, the usefulness of rankings is much greater, as they present a range of information about an entity, presenting data, indicators and analyses in the same way for all entities and taking into account the same features for all participants. Through positioning, contrasting participants, differences and distances between them are presented. It is a kind of diagnosis of the state of affairs indicating the strengths and weaknesses, it is an impulse to fight for a change of the position held while changing or correcting the strategy and taking up new risks, actions not taken before or improving the already existing solutions. In a special way the role of promotion, marketing, which in case of positive results presents the entity in better colors of competition, should be emphasized. For local governments it is an important political and social instrument indicating adoption of good or bad directions of development. Therefore, rankings are needed by entrepreneurs, politicians, governmental, self-governmental and administrative authorities, scientists, inhabitants, investors and media. Of course, we encounter different types of rankings; in our considerations we are interested in economic rankings, as those that emphasize economic parameters of development and evaluate
financial condition of an organization. From the point of view of local government, social capital and environmental rankings are also important. The whole is an excellent, analytical presentation of local government units, realized by external entities and indicating our good solutions and pains.

On the basis of selected indicators and data sets we can learn a lot about a particular local government and a particular organization. It turns out that in a world full of ambiguity and uncertainty, the value of well and reliably presented data is valued by a range of institutional audiences of individuals. Through the media, this information is reaching ever larger audiences. In the situation of constant volatility that surrounds us, reliable data is sought by people who professionally process it, scientists who need information in their research work, local community, politicians.

The obtained financial data supplemented with additional social information, data from censuses, surveys and information provided by the Central Statistical Office allow for presenting an up-to-date picture of each local government unit. These are excellent tools supporting the decision-making process, expressing in an analytical way the activities, functioning and conditions. They are tools, which in an impartial and independent way present the directions of activity of self-government, its strengths and weaknesses and further development opportunities.

To obtain financial indicators, reliable information is most important, including: total revenue, current revenue, own revenue, total expenditure, current expenditure, expenditure on wages and salaries, property (investment) expenditure, liabilities, operating surplus and European funds. Their reliable source is local government financial reporting. These and similar information are increasingly available to the inhabitants of a given self-government unit, who evaluate the selected self-government authorities on their basis.

Comparing the indicators of a given territorial self-government unit with the national, voivodship and the same types of self-governments changes the perspective and leads to interesting conclusions, to conscious and responsible decision-making, to planned and well-thought-out activities, to making conscious choices, to prioritisation of objectives and to elaboration of factual and constructive information on the tasks implementation status.

Local governments, which submit themselves to independent evaluation by experts, increase the effectiveness of their activities in the implementation of public tasks. Obtained certificates, statuettes and diplomas prove that they stand out from other local government entities, which in subsequent stages shows that they are a place where it is worth to educate, invest, that they are units caring about the development of the economy and thus strengthen their investment attractiveness.

In any environment knowledge and information is a basic source of success, so the ability to use available data, information, indicators and rankings is a tool that helps in effective and efficient management. Financial ratios are a special form of analysis of the financial condition of an organization, its ability to operate and its position in the world of competition. It is also an assessment of the efficiency of operation and the adopted courses of action. It should be stressed that in cases where rankings are done for a fee, their credibility is very low. Only free rankings, based on financial reporting, on indicators calculated on the basis of open, real and easy to control data provide a basis for effective analysis and can be the basis for making strategic decisions for the organization.

Data from reliable reporting sources are an important, if not the most important element of management in local government. Often underestimation of the role of essential information contributes to wandering and operating in the dark, which in the world of modern management methods and ruthless competition is unacceptable. Local governments are, to a large extent, organizations in which the same mechanisms apply as in other economic
entities. That is why, they must analyze and introduce innovations in the financial policy, which are to adjust self-governments to new possibilities of supporting their functioning that appear on the financial market. Decisions in this scope must be preceded by well-prepared financial analysis based on data, indices, rankings and solutions and courses of action adopted by comparable entities. Innovations in self-government do not have to be the latest, innovative on a global or national scale. A self-government unit does not have to prove that the solution it intends to apply in a specific project is the most modern and has not been implemented by anyone in a given form so far. What is important is the achievement of social objectives and the development of the local government community.

Conclusions

Summarizing the above discussion, it should be stated that:

1. Financial ratios are one of the basic tools necessary for decision-making in planning and development of any organization.

2. The type of indicators depends on the needs and areas in which the organization operates.

3. Compilation of data over time allows for analysis of performance and indicates whether the specified objectives have been achieved or whether we are approaching their achievement.

4. With respect to local government units, the obtained financial data supplemented with additional social information, allow for presenting an up-to-date picture of the finances of each local government unit and its position among other local governments.

5. Financial indicators are tools that in an impartial and independent way present the directions of activity of a self-government unit, its strengths and weaknesses and development opportunities.

6. One of the most important factors affecting the reliability of financial data necessary for the calculation of financial indicators are the current financial statements and statistical data covering the same research areas made public by the Statistical Offices.

7. Compilation of indicators of a given unit of local government and relating them to comparable units supports conscious and responsible decision-making, making informed choices and provides an opportunity to prioritize objectives.

8. Financial indicators are a special form of analysis of the financial condition of an organization, its ability to operate and its position in the world of competition.

9. The only form of presenting indicators are free rankings, based on financial reporting, on indicators calculated on the basis of open, real and easy to control data. Then they are the basis for effective analysis and can form the basis for strategic decisions for the organization.

10. A well-conducted analysis based on financial indicators helps to avoid marginalization of the organization and to present financial and program perspectives.

The utilitarian nature of secondary data, indicators, rankings, or compilations supports management. Calculated by independent entities and, more and more often, ministries in a highly reliable way determine the position of the organization and the new financial reality, ongoing changes in the financial system have a significant impact on the choice of innovative management methods.

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