

THE IMPACT OF ACCOUNTING ON THE MANAGEMENT OF A NATIONAL PARK

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Purpose: The aim of the paper is to present the nature of national park management in Poland and to indicate the influence of accounting on national park management.

Design/methodology/approach: The research methodology is based on the analysis of legal acts concerning the functioning of national parks, the analysis of accounting literature and the analysis of financial statements and reports on the implementation of financial plans of national parks in Poland.

Findings: The lack of consistency in accounting policy makes the operation of the parks, including their financial management, less transparent. This is contrary to the need to ensure transparency in public finances. Therefore, it seems necessary to establish a uniform accounting policy and chart of accounts for national parks. Of course, in such a model chart of accounts, parks could expand the scope of independent analysis by introducing more detailed horizontal and vertical divisions of accounts, while maintaining the uniformity and comparability of accounting information.

Originality/value: The publication discusses issues related to the organisation of the accounting system in national parks in Poland. The subject is important in the context of ensuring transparency in public finances and the possibility of comparison, especially of the costs incurred for the implementation of the tasks entrusted to the national parks in Poland.

Keywords: national park, national park accounting, accounting policy, national park management.

Category of the paper: Research paper.

1. Introduction

National parks are organisations entrusted with a special task – the protection of biodiversity and landscape in the most beautiful and valuable natural areas. In recent years, significant changes have taken place in their organisation, legal form and financing rules. In place of national parks – budget units, state legal entities were established, which are obliged to protect both animate and inanimate nature, and at the same time are obliged to take care of its financing by conducting specific economic activities limited by the obligation to protect this nature (Pater,

2018, 2020). The greatest consequence of the change in the legal form, from the point of view of accounting for national parks, is the transition from the budget accounting system, which is based on the cash basis, to accounting in the income and cost (accrual) system. There is an exception to that rule, such as the settlement of budget subsidies in the cash system and planning both on a cash basis and on an accrual basis. The documents that since 2012 have been provided by the national park to the minister responsible for the environment, who is to supervise its activities and control it, include primarily: financial statements, reports on the implementation of the financial plan, reports on the implementation of subsidies, as well as other ad hoc reports or reports about the national park.

The role of national parks in preserving biodiversity, their importance for society and descendants, as well as the affiliation of national parks to public finance sector entities make managing these organisations a challenge for their directors. Managing a national park, like any economic entity, requires planning, organising, leading and controlling. Among the numerous tools that organisations have at their disposal to best fulfill these functions, there is also accounting.

The aim of the work is to present the nature of managing national parks in Poland and to indicate the impact of accounting on managing a national park. In order to achieve this goal, an analysis of legal acts concerning the functioning of national parks, an analysis of accounting literature and an analysis of financial statements and reports on the implementation of financial plans of national parks in Poland were used.

2. Legal and organisational conditions for managing a national park

The protection of natural resources is global in nature, which is why it is dealt with by international organisations, and is subject to international agreements and conventions. This results from the need to protect biodiversity. Legal protection fulfills this task best. Nature all over the world, including Poland, is protected due to systemic solutions, through the creation of protected areas (national parks, nature reserves, landscape parks, "Natura 2000" areas, protected landscape areas), species protection and individual protection, including natural monuments, documentation sites, ecological sites, nature and landscape complexes (Article 6 of the Act of 16 April 2004 on Nature Conservation. Journal of Laws 2004, No. 92, item 880). Territories covered by various forms of protection occupy a total of 32.3% of Poland's area, most of which are protected landscape areas with a relatively low protection regime. National parks cover a total area of 315.2 thousand ha, constituting only 1% of the country's area. The structure of the parks' area is dominated by forest land (63% of the area), agricultural land constitutes 15% of their area, and water 6% (GUS, 2023).

Currently, there are 23 national parks in Poland. The Act of 16 April 2004 on Nature Conservation (Journal of Laws 2004, No. 92, item 880, art. 8, section 2) defines a national park as an area distinguished by special natural, scientific, social, cultural and educational values, with an area of no less than 1000 ha, in which all nature and landscape values are protected. National parks, as an organisation protecting nature, ensure the implementation of tasks imposed on them by the legislator. A national park is therefore established in order to preserve biological diversity, resources, formations and components of inanimate nature and landscape values, as well as to restore the proper state of resources and components of nature and to recreate distorted natural habitats, habitats of plants, animals or fungi.

In a national park, the most important thing are the natural resources and therefore the proper protection of the ecosystems. This does not mean that their use should be abandoned. They have been entrusted to national parks to protect them and to use these resources wisely, in accordance with the concept of sustainable development as defined by Brundtland, i.e. meeting the needs of the present without compromising the ability of future generations to meet their own needs (Brundtland, 1989; *Nasza wspólna przyszłość*, 1991).

Nature conservation activities should be planned, which is why the Nature Conservation Act requires national parks to prepare a conservation plan, which is prepared individually for each park. However, until the plans are prepared, the way conservation activities are carried out is described in conservation tasks. These are documents that identify existing and potential threats to the park's ecosystems and describe methods to reduce or eliminate them. The document also identifies areas of the park under strict, active or landscape protection. It specifies the method of active protection of ecosystems, together with the size, type and location for the tasks described. The process of drawing up protection plans is time-consuming and complex. Under the current law, national parks had until 15 November 2018 to do so. According to the post-audit information, in more than half of the national parks, the conservation tasks have been defined in regulations issued by the Minister of the Climate and Environment, not in protection plans, even though the deadline for their preparation has passed. To date, 11 national parks have approved conservation plans. This means that not all national parks have documents setting out specific conservation objectives for the park and its natural assets. Draft protection plans that have already been submitted to the Ministry of the Climate and Environment have been under evaluation for almost 10 years, despite the fact that Article 19(5) of the Nature Conservation Act sets a deadline of 6 months (NIK, 2024).

The area of a national park includes land with different ownership structures - both state and private. It is extremely important for the nature of a national park and for the management of such an organisation that its territory is accessible. A national park can be accessible for the following purposes: scientific, educational, tourist, recreational, sporting, which is in line with the objectives of the Nature Conservation Act.

Tourist traffic in parks, in addition to its many benefits for each visitor, brings a great threat to the nature of national parks (Ćwiek, Pater, 2020). In 2022, 16 million people visited national parks in Poland, while in 2023 it was 15.5 million tourists (GUS, 2023, 2024). The Nature Conservation Act contains a list of restrictions that must be respected by visitors, and the park director sets the access policy for national park by means of a regulation. Among other things, these regulations determine the number of people who can visit a site at the same time and the amount of the entrance fee to the national park. It is the director's duty to ensure the safety of visitors, which includes the provision and maintenance of appropriate tourist infrastructure. Educational activities also require appropriate infrastructure, such as museums, nature trails or classrooms. In this way, the need to educate the public about nature and how to enjoy its riches in accordance with the principles of sustainable development is met.

Parks perform a number of socially useful functions: firstly, they are created to protect natural resources, but within this overarching function they also perform scientific, didactic, historical and cultural, tourist and recreational functions, as well as an economic function. The latter can be understood in two ways: as a business entity and as part of the economic system at regional and state level.

A park is not only a form of area-based nature conservation, but also an organisational unit, which has its own structure and functions according to rules set out in the Act. Pursuant to Article 8(1) of the Public Finance Act of 27 August 2009 (Journal of Laws 2009, No. 157, item 1240), national parks are created in forms specified by law. In 2012, national parks gained legal personality by changing their legal form from unincorporated state budgetary units to a state legal person. Pursuant to Article 9(14) of the Public Finance Act of 27 August 2009, the public finance sector is co-created by state legal persons established under other acts in order to perform public tasks, excluding enterprises, research institutes, banks and commercial law companies.

Therefore, in accordance with the regulation of article 8a, paragraph 1 of the Act of 16 April 2004 on Nature Conservation, a national park is a legal entity within the meaning of article 9, item. 14 of the Act of 27 August 2009 on public finance, in relation to which it can be the subject of civil law relations.

The basic legal act regulating the operation of national parks in Poland is the Nature Conservation Act. According to article 10(2) of the Public Finance Act, the regulations of the Public Finance Act apply to state legal entities operating on the basis of separate legal acts, which constitute the basis for their establishment, so that in the case of a conflict of regulations, the principle of *lex specialis derogat legi generali* can be applied - a law with a higher degree of specificity should be applied before a more general law, which in this case allows us to conclude that the Nature Conservation Act takes precedence over the Public Finance Act. It should be noted that, due to the complexity of the legal issues related to national parks, the Nature Protection Act also refers to other laws.

Parks operate on the basis of their statutes, which are granted by way of an ordinance by the minister responsible for the environment. The statutes define the internal structure of the park, the functioning of its authority and the way in which powers are delegated to ensure the proper functioning of the national park and the fulfilment of its tasks. The internal organisation of a national park is defined in detail in the organisational regulations, which are issued by decree of the park director, and the statutes provide a framework for the internal organisation of the park.

National parks are equipped with the necessary material resources (natural resources, buildings, structures, infrastructure, means of transport, machinery and other necessary equipment), organisational resources (employees, organisational structure) and financial resources, i.e. revenues generated by the park in connection with providing access to tourist attractions and the area of the national park, as well as educational activities, sale of timber from reforestation, timber after natural disasters and from cultivation treatments (in national parks there is no forest management as understood in commercial forests) and other revenues listed in the Nature Conservation Act (Art. 8 h), including a subsidy from the state budget. The property of the national park is wholly owned by the state. The method of management is based on self-financing, i.e. the costs of carrying out the activities of the National Park, including the fulfilment of its tasks, are covered by its revenues. The catalogue of costs and revenues is precisely defined in the article 8h of the Nature Conservation Act.

The specificity of national park management is influenced by many factors, but what distinguishes the management of a national park from the management of other entities is the legislation that regulates in detail the various areas of management of such an organisation. This is because parks subordinate all actions and decisions to the need and priority of nature conservation.

It is also very important to note that national parks in Poland are very diverse entities in terms of attractiveness for tourists, natural resources, location, accessibility, the amount of the budget they have at their disposal, including the amount of subsidies from the state budget, the amount of revenue generated from their business activities and, of course, the size of the organisation itself - as parks in Poland employ from a few to more than 100 people (Pater, 2020).

3. Accounting in the management of national parks

A national park, not only as an economic entity with legal personality, but also as a public institution, has an obligation to properly document its activities, and the information it collects should become the basis for reasoned decision-making.

In this respect, the accounting system, i.e. the information system of an economic entity, performs the functions of identification, measurement, collection and processing of data. On this basis, it is possible to analyse and evaluate phenomena and management processes in the organisation. It has an important, even key role to fulfil in an entity. It also communicates financial information to interested users (Nowak, 2011). In other words, it supports management functions. In performing these functions, accounting identifies, measures, collects and processes data, analyses and evaluates economic phenomena and processes. The accounting system in national parks is used to record economic operations, provide data for analysis and evaluation of the organisation's activities and for the day-to-day management needs of the entity (Czubakowska et al., 2006). In practice, accounting is a set of techniques and methods for measuring and communicating economic information in such a way that various stakeholders and managers can make valid, rational judgements in the decision-making process (Dobija, 1999).

The amount of information generated in the accounting system of the national parks has been greatly affected by the changes that took place in 2012, when the national parks were transformed from budgetary units to state legal entities. The changes experienced by the parks at that time also affected their accounting, as they were obliged to fully comply with the regulations of the Accounting Act of 29 September 1994. Journal of Laws of 1994, No. 121, item 591. As budget units, the parks kept accounts mainly for the purpose of settling accounts with the state budget. This change therefore brought new obligations, but also opened up the possibility of collecting data to produce information for management purposes. Such solutions support the proper fulfilment of the tasks of any organisation, so national parks can also benefit from them, especially as they are entities with very specific functional characteristics.

Table 1.

The Structure of the Income of the selected national parks in the Malopolska for the Years 2019-2022

National park	Year	State budget subsidies	Own revenue	Other
		W %		
Pieninski	2019	35.4	48.4	16.2
	2020	37.5	42.1	20.4
	2021	29.2	52.7	18.1
	2022	39.4	50.3	10.3
Ojcowski	2019	44.9	40.6	14.5
	2020	53.6	24.1	22.3
	2021	37.9	48.5	13.6
	2022	47.0	37.5	15.5
Gorzanski	2019	59.7	9.0	31.3
	2020	62.3	5.9	31.8
	2021	62.6	9.8	27.6
	2022	62.6	8.6	28.8
Tatrzański	2019	16.0	62.3	21.6
	2020	13.4	67.8	18.8
	2021	7.9	71.7	20.4
	2022	9.4	74.5	16.2

Source: own work based on the financial reports of the national parks.

The change in the legal form and the fact that the national parks are engaged in economic activities allows them to retain the income generated and use it for nature conservation purposes. The share of funds from the state budget varied, ranging from 9% in the Tatra National Park to 79% in the Bory Tucholskie National Park in 2022 (Financial Reports of the National Parks for 2022). In the national parks of Malopolska region, the revenue structure also varied. National Parks: Tatrzański and Pienięński, generated a larger share of revenues from their activities, while in Ojcowski and especially Gorczański National Park the budget subsidy significantly contributed to the revenue structure (Table 1).

The Nature Conservation Act has also introduced the possibility of taking loans and credits, which can only be done by administrative decision, with the consent of the Minister of the Environment in agreement with the Minister of Finance. A national park can take loans and credits for the implementation of tasks up to 60% of the costs or the amounts included in the financial plan of revenues. Thus, the national park, as a legal entity of the state, conducts an independent financial management and covers the expenses for financing the tasks specified in the law, including the tasks of the national park service, and the costs of its activities from its funds and earned income.

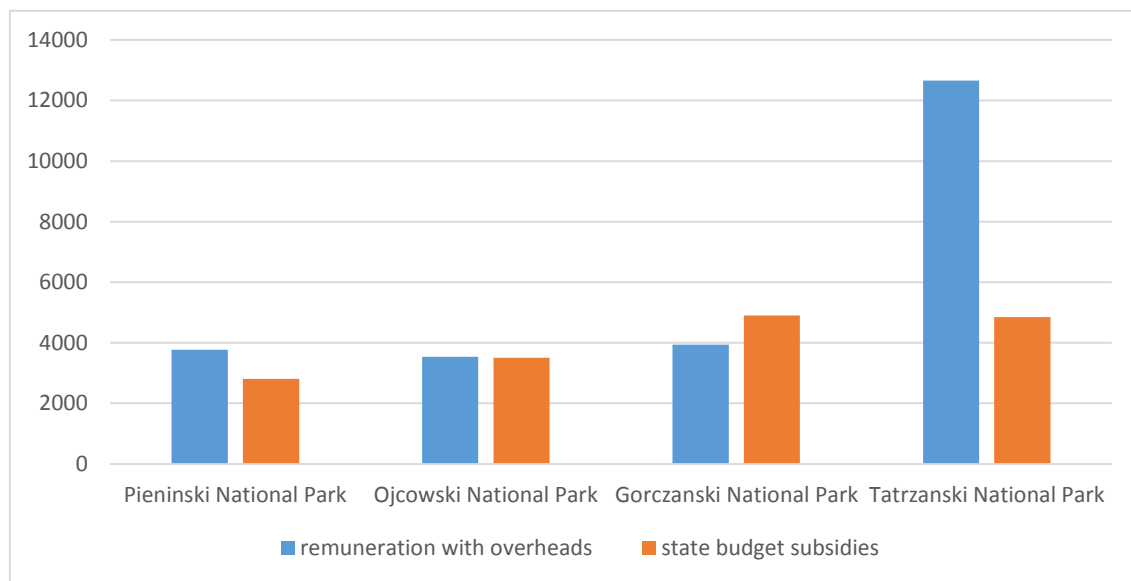


Figure 1. Comparison of the level of salaries with the level of budget subsidies for 2019-2022 in selected national parks in Malopolska - average values in thousands of PLN.

Source: own work based on the financial reports of the national parks.

A major cost in park budgets is the cost of remuneration with overheads. In the most parks, the subsidy from the state budget does not even cover these costs, which means that the implementation of the basic tasks of the park is financed with funds generated by the business activity or obtained from external sources. Such a situation can lead to delays in the implementation of conservation plans and tasks. In this regard, the situation in the selected national parks does not differ from the situation in parks all over Poland. Among the selected parks, only the budget subsidy for the Gorce Park covered remuneration with overhead costs.

In the Tatra National Park, on the other hand, the budget subsidy covered about 40% of the cost of remuneration with overheads (Figure 1).

The basis of the Park's activities is an annual financial plan, which is prepared in a task-based manner for the budget year and the following two years. Such a draft of the financial plan of a state legal entity is submitted to the Minister of Finance in accordance with the procedure and within the term established by the regulations on work on the draft of the budget. The financial plan, as well as the financial plan in the task-based system, is prepared both on a cash basis (recording only realised revenues and expenses) and on an accrual basis, recording all earned revenues accruing to the entity and costs charged to it in connection with such revenues for a given financial year (Kiziukiewicz, 2014).

National parks, when accounting for the subsidy received from the state budget, are obliged to provide information taking into account the cash basis, and as state legal entities they should conduct financial management on an accrual basis (Winiarska, 2012). Despite the change in legal form, no obligation to standardise accounting policy has been introduced, nor has a model chart of accounts been developed. Each of the 23 national parks has shaped its accounting system autonomously.

The information on the finances of the national parks and their detail is derived from the way in which the national parks keep their accounts. The chart of accounts, which is a systematic list of accounts with their names and symbols used to organise the recording of economic events, is important in this aspect. The layout of the chart of accounts is not the same for each of the parks, although it is clear that in each of the national parks the accounts are kept in accordance with the regulations of the Accounting Act. In addition, the *Regulations on the detailed manner of conducting the financial management of the national park* (Rozporządzenie Rady Ministrów, 2012) do not provide any guidelines for the accounting policy. As a result, it is difficult to compare the financial data of the national parks, primarily costs. As mentioned above, the accounting of national parks is based on the accrual method and the profit and loss account is prepared on a comparative basis. The accounting of the national parks as budgetary units was based on the cash method. At that time, particularly in terms of reporting, little attention was paid to costs in the parks' charts of accounts, which generally confined themselves to recording costs by nature.

In the current legal form, costs are also reported by nature, which means that the financial statements only provide information on the nature of costs incurred. In the accounting of the national parks, the accounts related to the tasks performed by the parks have been separated, but only for the purpose of preparing reports on the implementation of the financial plan in a task-based arrangement and preparing reports on the implementation of the annual financial plan in the arrangement compliant with the Public Finance Act for state legal entities, in which the operating costs and the costs of task performance are shown. However, the management of national parks should take place both at the level of an individual park and at the level of the whole group of national parks. It would therefore be useful to have a reliable assessment of the

individual tasks in each national park. Financial plans make possible to compare between individual parks in terms of their general costs, whereas task-based planning does not. This is because national parks plan and report their activities as a single task (Revenues and costs of national parks are realised in the following task system: State function 12 Environment, task 12.1 W Shaping biodiversity, subtask 12.1.1 W Nature and landscape protection, activity 12.1.1.2 W National parks).

As a consequence of the lack of legal norms regarding the necessity of reporting on the costs of individual tasks of the national parks, the way in which they are recorded varies greatly. From the information gathered in the course of the research, it is clear that the layout of the accounts in Unit 5 is very different. As a result, it is not possible to extract comparable information about where costs are incurred. The weak point here is the lack of a consistent accounting policy. As a result, it is virtually impossible to obtain information on the costs of individual tasks of the national parks, e.g. the costs of providing access, the costs of carrying out research, the costs of education, the costs of nature conservation tasks, etc. The method of accounting used by the national parks is not uniform. The present way of accounting in the national parks does not allow cost comparisons to be made, even with regard to the three main tasks of the national parks, i.e. nature conservation, access and education. These cannot be derived from the financial reports. Although in the majority of parks records are kept that make it possible to separate the costs of nature conservation, provision, education, research and nature monitoring, salaries and administrative costs, there are also parks where the costs of the tasks are divided differently, i.e. into costs related to education, nature conservation and providing access. In a report by Babczuk & Kachniarz (2015), carried out and financed at the request of the Association of Employers of Polish National Parks, the authors admittedly carried out an analysis of the survey data received on the level of costs of tasks performed, but they also confirm that their comparability between parks is not entirely possible. For example, the maintenance of forester's lodges is treated as an administrative cost in some parks and as a conservation cost in others. There are more such discrepancies as a result of the different accounting policies adopted by the national parks.

4. Conclusions

Accounting as an information system within an organisation can provide information not only for reporting but also for management purposes. A uniform accounting policy is essential for analysing the economic situation of parks and for making comparisons between them. Of particular importance is cost accounting, which in its current form does not provide a means of understanding the costs of the functions performed and making reliable comparisons between parks. The lack of consistency in the accounting policy makes the picture of the functioning of

the parks, including their financial management, not very transparent, which is contrary to the need for transparency in public finances.

Therefore, the establishment of a uniform chart of accounts for national parks, together with the establishment of a model and uniform accounting policy, becomes indispensable. Of course, in such a model chart of accounts, parks could expand the scope of independent analysis by introducing more detailed horizontal and vertical divisions of accounts, while maintaining the uniformity and comparability of information coming from the accounting system. In addition, the information from the financial and accounting system should be useful not only from a financial accounting perspective, but also from a management accounting perspective. Based on the observation of the way accounting works in these companies, the conclusion is that managers underestimate the role of financial information and the accounting system and do not realise how much useful information for management they could obtain by implementing solutions developed within the framework of management accounting as well as financial accounting. This may be due to a conservative approach aimed solely at fulfilling legal obligations. Of course, these are public institutions, so costly solutions should not be introduced. However, consideration could be given to introducing a uniform way of recording costs, as cost accounting tailored to the activities carried out provides the knowledge to effectively manage not only a single park, but its entire system.

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