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Changes to Turkish Court of Accounts Law: A Discussion on Transparency of Public Finance in Turkey

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What is the Turkish Court of Accounts?

- a constitutional institution performing external auditing on behalf of the parliament
- European Court of Auditors + judicial power

History

- 1862-Foundation of Turkish Court of Accounts
- 1876-Constitutional institution
- 1923-Reestablished as a Republican institution

Competencies

- audits public institutions and also enterprises
- performs financial audit on the reliability and accuracy of financial statements
- determines whether the financial transactions related to revenues, expenditures and assets of public administrations comply with the laws and other legal arrangements
- 1996-performance auditing (economy, efficiency, and effectiveness)
- two-phase process:
 - 1-audit of accounts
 - 2-trial of the audited accounts
- various reports to the Parliament.

Independence

- Financial independence
 - Specific budget
 - prepares its own budget and submits it to the Parliament without intervention of the executive
 - The President of TCA is the sole authority for expenditures from its budget
- Independent president

Recent developments

- 2004-draft law in harmony with the EU acquis
- 2010-legalization of the draft law
- 2012-amendment of the law-no more performance auditing
- Cancellation by the Constitutional Court
- Haşim Kılıç: «The executive branch may not like auditing, but democracy is based on power-checks balance, institutions of external auditing are also a must of democracy»
- 2013, April-a new legislative proposal - withdrawn
 - Control on three key positions in the TCA: report evaluation board, prosecutor, chamber of court

Politics of external auditing of the executive?

- Need for specialized commissions in the Parliament
- Political function of TCA: political tool?
- Publicity of the TCA reports
- Intra-state conflict? Bureaucracy vs. TCA?

Conclusion

- One of the most important agencies for transparency and preventing corruption
- Consult TCA and other related agencies before legal amendments
- Perceptions on auditing should be changed - not a political tool

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Thank you !

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