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**THE TURKISH
COURT
OF ACCOUNTS**

May 2007

THE TURKISH COURT OF ACCOUNTS

The Turkish Court of Accounts (TCA) was created by an imperial edict of His Majesty Sultan Aziz I on 29 May 1862. By 1876 it became a constitutional institution when the first Ottoman Constitution was enacted. After foundation of the Turkish Republic in 1923 it was re-established and maintained its status in the republican Constitution.

Under the Constitution and the Law on the Turkish Court of Accounts, the TCA is responsible for auditing on behalf of the Turkish Grand National Assembly (Parliament) the revenues, expenditures and property of public administrations.

As external auditors of central and local governments as well as social security institutions we audit some 12000 public sector accounts.

Our statutory mandate is to perform financial audit on the reliability and accuracy of financial statements and to determine whether the financial transactions related to revenues, expenditures and assets of public administrations comply with the laws and other legal arrangements.

With the 1996 amendment to its Law, The TCA is given the task of examining the extent to which the government offices under its jurisdiction use their resources with due regard to economy, efficiency, and effectiveness.

Our costs are funded by a budget specific to the TCA. But our financial independence goes much further than this; we prepare our own budget and submit it to Parliament without intervention of the executive. The President of TCA is the sole authority to authorise expenditures from our budget.

CHARACTERISTICS

The TCA is a collegiate Supreme Audit Institution (SAI) equipped with judicial power and not subject to administrative or political supervision. Because we are independent of the classic three branches of government namely, the executive, legislature and judiciary, we have complete discretion in deciding what accounts and subjects to look at and how and when to examine them; also in deciding whether reporting the matter in question to Parliament is necessary. We plan our work upon the proposals of the auditors.

In the performance of our work we can directly communicate with the ministries, boards, governmental offices, accountants and other responsible officials. We are also entitled to have access to and examine any ledgers, records and supporting documents that are needed for our work.

As being the personnel of the TCA we enjoy some tenurial safeguards. The President, depending on whichever happens first, can not be dismissed from office before his seven-year term of office has been completed or the age of sixty-five. Similarly, Members cannot be discharged from office or retired before the age of 65. As for the auditors, except for the cases specifically prescribed by law, they can not be terminated or deprived of their remuneration and other rights or employed in any office other than those designated for them. Their age of retirement is also 65.

OUR PRODUCTS

The Turkish Court of Accounts' audit mandate is discharged in a two-phase process: The first phase is the audit of accounts while the second is the trial of these audited accounts. The end product of the latter is a legal document called writ with which the responsible officials are either acquitted or held responsible for their transactions.

Other products are various reports to Parliament. These reports may be classified as:

- ***The Statement of General Conformity***

Under the Constitution the TCA shall prepare the Statement of General Conformity and submit it to Parliament. With this Statement the TCA assures Parliament that the figures and disclosures shown in the *Draft Final Accounts Law* fairly present the actual results of budgetary implementation.

- ***Performance Reports***

With the amendment made to TCA Law in 1996, TCA was entitled with the authority to carry out performance audit. Accordingly, TCA examines whether the public institution and organizations within its audit mandate are using their resources effectively, efficiently and economically.

- ***Reports Provided for in the Public Financial Management and Control Law***

According to Public Financial Management and Control Law No:5018 the Turkish Court of Accounts shall submit Activity Report and General Activity Report of Public Administrations, Local Administrations General Activity Report and External Audit General Evaluation Report to Turkish Grand National Assembly.

- ***Other Reports***

Provided for in the Law governing TCA are as follows:

(a) Legal and regulatory provisions which jeopardize the interests of the Treasury (Article 25).

(b) Financial questions including accounting methods, practices and systems; and procedures that concern revenue accrual (Article 28, IV).

(c) Matters of concern (Article 28, V).

(d) Audit findings concerning the property accounts (Article 87).

(e) Whether government bodies outside central government budget have operated within the "purpose of their foundation" (Article 87).

(f) Significant instances of failure to comply with legislation (Article 88).

Reporting under points (a), (b), (c) and (f) above is at the discretion of the TCA, whereas reporting under points (d) and (e) is required by the law.

ORGANISATION and STAFF

The Turkish Court of Accounts has two types of staff:

- **Professional staff**, which include the President, Members and Auditors. Presently, there are 661 professional staff of whom 49 are judicial staff and 710 are auditors, and.
- **Support staff**, which are the personnel other than professional staff, total 555.

As mentioned above the TCA has been structured as a collegiate SAI wherein there are individuals and colleges (boards). The **Individuals** are:

- **The President of TCA**

He or she is the highest officer of the Court and is responsible for its overall functioning. He chairs the meetings of the General Assembly and may also, when considers necessary, preside over the Board of Appeal and the Board of Chambers;

- ***The Secretary General***

The Secretary General is the President's administrative assistant. The Secretary General may attend the meetings of the General Assembly and the Board of Chambers. Three principal or senior auditors who are appointed by the President as Assistant Secretary-Generals assist him;

- ***Members of the Court***

They are essentially members of the General Assembly. Furthermore, every member is affiliated to one of the eight chambers and also either to the Board of Appeal or to the Board of Chambers;

- ***The Prosecutor and his deputies***

They act in the name of Treasury and give their written opinion to relevant chambers on the audit findings stated in audit reports;

- ***Auditors***

Auditors examine the accounts assigned to them by the President. They are organised in Audit Groups. Presently, there are 21 audit groups;

- ***Support Staff***

It comprises clerical and technical employees and their supervisors. They render administrative and technical support for the overall functioning of the Court; and

the **Colleges** are:

- **Chambers**

Chambers are at the heart of the TCA judicial system. Each chamber consists of a chairman and six members, and operates as a court. The principal work of a chamber is to try the acts and accounts of responsible officials. Trial is based on auditor reports. Thus the chamber decides whether these officials are to be acquitted or held liable;

- **General Assembly**

It consists of the President, the Chamber Chairmen and the Members. The General Assembly discharges the duties prescribed by the TCA Law.

- **Board of Appeal**

The Board offers a right of appeal to responsible officials against the decisions of the Chambers.

- **Board of Chambers**

It determines the advisory opinion of the TCA on the financial regulations of governmental departments.

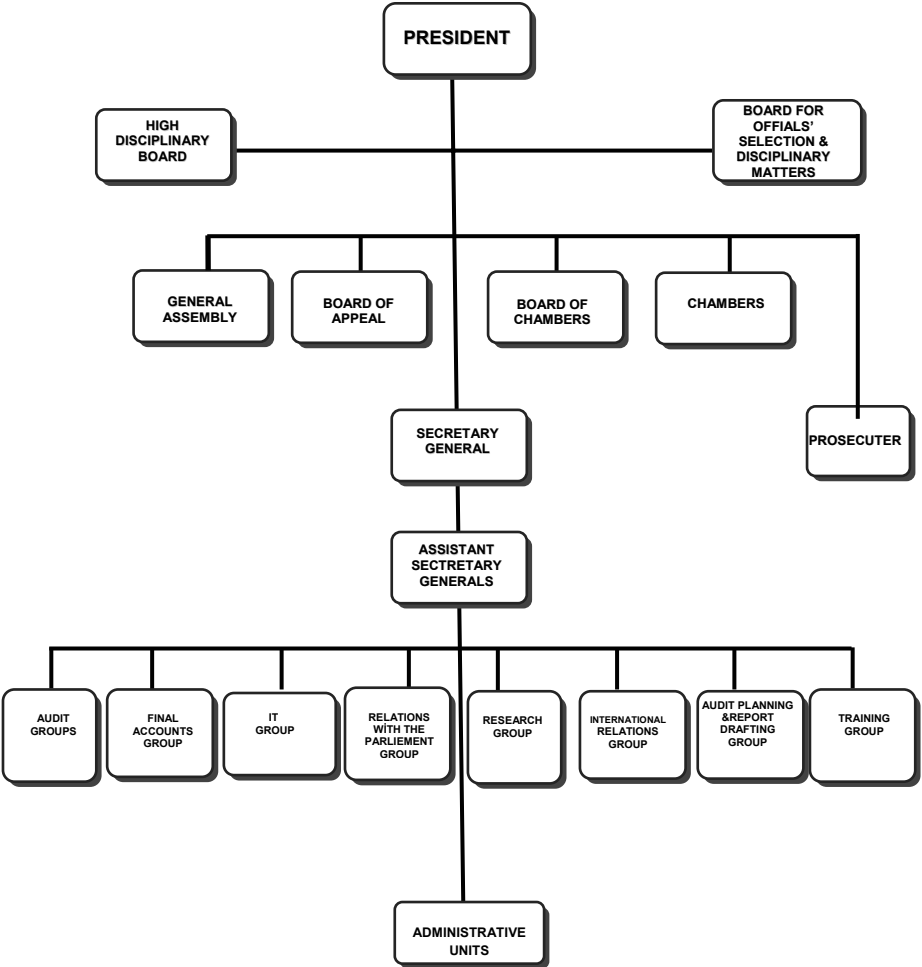
We require our professional staff to be of the graduates of the Faculty of Law, Faculty of Political Science, Faculty of Economics, the Academy of Economics and Commerce or an educational institution, home or abroad, which has been recognised by the High Educational Council.

It is also essential for the president and members to hold previously one of the positions listed in the Law of TCA.

Of the Professional Personnel the President and Members are elected by the General Plenary of Parliament while auditors are appointed by the President after passing a competitive examination.

The Prosecutor and Assistant Prosecutors are appointed, upon the proposal of Ministry of Finance, by a Joint-decree.

ORGANISATIONAL CHART



INTERNATIONAL RELATIONS

The Turkish Court of Accounts is a member of International Organisation of Supreme Audit Institutions (INTOSAI) and two of its Regional Groups; European Organisation of Supreme Audit Institutions (EUROSAI) and Asian Organisation of Supreme Audit Institutions (ASOSAI).

In addition, we are one of the founding members of the Economic Cooperation Organisation Supreme Audit Institutions (ECOSAI). Our President was the first President of the Governing Board of this Organisation and still chairing the Board.

In Europe and Asia we maintain close links with other SAIs. We believe that relations between supreme audit institutions contribute to their efforts to improve the quality of audit. In this respect, we sent some of our auditors to several courses held by other audit offices. We also held a course for a SAI upon its requisition and are prepared to hold others if required.

In parallel with accession process of Turkey to European Union (EU); TCA is also continuing its studies on the harmonization with EU practices. Within this framework a Twinning Project on Strengthening the Audit Capacity of TCA was carried out in cooperation with National Audit Office of United Kingdom.

To discuss and exchange views on issues of common interest we visited SAIs of other countries and received visitors from them.

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