

Standard Summary Project Fiche – IPA decentralised National programmes

(maximum 12/15 pages without the annexes)

1. Basic information

1.1 CRIS Number: TR2009/0332.01

1.2 Title: Strengthening Institutional Capacity of Inspection Boards within Public Financial Management Control (PFMC) system

1.3 ELARG Statistical code: 32 (Financial Control)

1.4 Location: Turkey, Ankara

Implementing arrangements

1.5 Implementing Agency:

The Director of the CFCU will act as Programme Authorising Officer (PAO) of the project.

His contact details are:

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1.6 Beneficiary (including details of SPO)

Main Beneficiary: Ministry of Finance, Finance Inspection Board (FIB)

SPO:

Hasan AYKIN

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Pilot Institutions:

1- Prime Ministry Inspection Board

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- 2- Inspection Board of the Ministry of Interior
- 3- Inspection Board of the Ministry of Industry and Trade
- 4- Inspection Board of the Ministry of Energy and Natural Resources
- 5- Inspection Board of the Undersecretariat of Customs

Contact Person in the Main Beneficiary

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4- Mustafa H. Eminoğlu

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5- Mehmet Sağlam

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Related Institution

Internal Audit Coordination Board

Contact Point

Ahmet Başpınar

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The Official Letters from Prime Ministry Inspection Board, Ministry of Interior Inspection Board, Ministry of Industry and Trade Inspection Board, Ministry of Energy and Natural Resources Inspection Board and Undersecretariat of Customs Inspection Board have been received in written form in June 2009. All these Inspection Boards have also appointed their contact points regarding this project, which are stated above.

Financing:

1.7 Overall cost (VAT excluded)¹: €1,758,000.

1.8 EU contribution: € 1,670,000.

1.9 Final date for contracting: 2 years after the signature of the Financing Agreement

1.10 Final date for execution of contracts: 2 years after the last date of contracting deadline

1.11 Final date for disbursements: 1 year after the end date for the execution of contracts.

¹ The total cost of the project should be net of VAT and/or other taxes. Should this not be the case, the amount of VAT and the reasons why it should be considered eligible should be clearly indicated (see Section 7.6)

2. Overall Objective and Project Purpose

2.1 Overall Objective:

Supporting the PFMC system by increasing the efficiency and effectiveness of its implementation, particularly in the field of inspection.

2.2 Project purpose:

Developing the role of Finance Inspection Board (FIB), Prime Ministry Inspection Board, Inspection Board of the Ministry of Interior, Inspection Board of the Ministry of Industry and Trade, Inspection Board of the Ministry of Energy and Natural Resources, Inspection Board of the Undersecretariat of Customs as defined in the scope of PFMC system, in line with EU best practices.

2.3 Link with AP/NPAA / EP/ SAA

This project proposal is linked to the priority areas for Turkey's membership preparation, as underlined in the Revised Accession Partnership (the RAP) and the National Programme for the Adoption of the Acquis (NPAA).

Accession Partnership 2008

Short-term / Chapter:32 – Financial Control: “Adopt an updated Public Internal Financial Control (PIFC) Policy Paper and derived PIFC legislation”.

National Programme for the Adoption of the Acquis (NPAA) 2008

Political Criteria: Political Criteria

“The comprehensive works launched on modules including special audit techniques prepared by FIB and fight against corruption and informal economy will continue.”

Economic Criteria : Fiscal Policy

“Works on strengthening the control mechanism prescribed by Law No. 5018 will be continued and implementation stage of related secondary and tertiary legislation will be strengthened. In this framework, internal auditors and financial services experts will be trained in line with certain programs, functions of internal auditing and inspection will be defined clearly, and administrative capacity of central harmonization units will be strengthened by taking the principles of functional independency and neutrality as a basis.”

“Chapter 32: Financial Control:The PIFC strategy will have to focus on separation of the roles and responsibilities of internal audit and inspection boards,establishment of an operational central harmonisation unit (CHU) for internal audit.....”

2.4 Link with MIPD

As stated in Multi-annual Indicative Planning Document (MIPD) 2007-2009 for Turkey, priority of this project is directly linked to the accession process.

2.5 Link with National Development Plan (where applicable)

Not Applicable

Link with national/ sectoral investment plans (where applicable)

Not Applicable

3. Description of project

3.1 Background and justification:

The Finance Inspection Board (FIB) was set up in 1879, during the attempts to rearrange and improve the financial administration in the Ottoman Era, with the purpose of ensuring that all financial transactions of the state are audited and inspected by an authorized board under the authority of the Minister of Finance.

The FIB which has a history of 130 years has not only led and determined the institutionalization of financial and tax audits, but has also set a model for the inspection boards established later and has acted as a school training the executives for the senior positions in the administration.

Although the FIB is within the Ministry of Finance from an administrative perspective and looks like a conventional board of inspectors, it assumes the function of the higher audit unit of the state, considering the scope and significance of its authority and duties. Thus, the Finance Inspectors are employed as State Inspectors. Their power and duties come from many laws and regulations.

This role of the FIB is also stated in the following OECD-SIGMA reports:

SIGMA Report, Turkey Public Internal Financial Control (PIFC) Assessment May 2008.

“.....There are general inspectorates in most large administrations, together with some specialist units, all of which report to ministers. Although the Inspection Board of Finance is within the MoF from an administrative perspective and has the appearance of a conventional board, it has broad audit and inspection powers with respect to all financial operations and transactions of the state on the behalf of the Minister of Finance (Decree Law No. 178, article 20, and Law No. 5018, article 75).....”

SIGMA Report Turkey Public Integrity System, Assessment May 2008

“...As stated in previous Sigma assessment reports, there are some inspection and investigation bodies with powers and duties that are not confined to their concerned ministries, and these bodies can be considered as external investigation bodies. This is the case of the State Supervisory Council, the Prime Ministry Inspection Board, the Inspection Board of the Ministry of Finance, and the Inspection Board of the Ministry of Interior..... Inspection Board of the Ministry of Finance: The Inspection Board has a corps of skilled inspectors. As the Board also assumed the role of an internal audit body, it has an extended power and influence over all public administration settings..... It sees itself as the central organisation in the fight against corruption, invoking the large scope of its current competences, the highly skilled qualifications of

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its inspectors, and its long and extensive experience in matters pertaining to inspection (it has been active since its foundation in 1879 under Ottoman rule). ...”

As stated in the SIGMA report, Turkey has a culture of inspection dating back to the 19th century. The inspection boards perform inspection, investigation and “audit” in the framework of their own ministry’s organization laws, personnel laws and other laws. Inspectorates conduct their duties on behalf of the ministers and they are part of the constitutional system in Turkey.

In Turkey, PFMC Law No.5018 was adopted in 2003 and all provisions came into force as of 1 January 2006. PFMC Law basically introduced a new public financial control system. In this new system, an internal audit function is introduced in the line agencies as defined in the mentioned Law, and the ex-ante financial control power is delegated to the line agencies. According to new PFMC Law No. 5018, internal audit is performed by the internal auditors.

By transition to new PFMC system, internal auditors have been appointed to each public agency. The roles of the internal auditors and Internal Audit Coordination Board (IACB) have been defined in the PFMC Law. In the meantime, inspection boards maintain their roles and functions according to the organizational laws of their own administrations. During the implementation of PFMC Law, it has been recognized that in some administrations there is a risk that functions of internal audit and inspection might conflict or overlap with each other. Indeed, the internal audit and inspection functions are complementary systems rather than being alternative to each other. It is required to re-define the complementary roles of internal audit and inspection bodies. This requirement is also stated in the aforementioned SIGMA Report.

The Internal Audit Coordination Board, the central harmonization unit for internal audit in the public sector, regulates and coordinates internal audit matters through guidance and development of training and monitor the progress through evaluation of internal audit reports prepared by the agencies, as a role that is given to the Board by the Law. However, there is no such harmonization or coordination unit for inspection boards. Therefore, this project will initiate the discussion on how two functions might work in the most effective way in the new PFMC system. As it is not possible to involve all inspectorates in one project and there is no single law or coordinating body above these independent inspectorates, a sample of 6 different institutions is selected. It is aimed that with the successful result of this project, the FIB and the selected pilot institutions will be a model for other inspections boards.

It is stated in the 2008 Regular Report, Chapter 32, that the 2002 PIFC policy paper and the related action plan should be updated. In this framework, the preparation of a revised Policy Paper is being carried out by the Ministry of Finance. This document is very comprehensive and the separation of roles and responsibilities of internal audit and inspection is just one of the subtitles of the document. This Policy Paper will also emphasize the way of separating the roles and responsibilities of internal audit and inspection within the PFMC system. By taking into consideration the need of regulating the principles of coordination and cooperation between inspection system and internal auditing required by the new PFMC Law No.5018, the FIB has initiated a restructuring program in order to improve its quantitative and qualitative capacity. It is aimed that this project will initiate the work to build a sound PFMC system where

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both inspection boards and internal audit units function effectively and efficiently, without conflicting with each other.

By means of this project, Finance Inspection Board along with other Inspection Boards can study the subject and create a discussion platform. Internal Audit Coordination Board may benefit from the outcomes of the project to improve the system in general. On the other hand, Finance Inspection Board is not just one of the Inspection Boards in Turkey. With its own culture, tradition and human resources capacity as well as some statutory privileges, Finance Inspection Board is one of the distinct Inspection Boards in Turkey. Being under the Ministry of Finance is another advantage since the leading institution of PIFC in Turkey is the Ministry of Finance.

In addition, all of the pilot institutions will actively participate in the activities by virtue of the project teams to be established during the implementation of project and the results will be disseminated to other relevant public administrations.

In this respect, an adequate gap analysis of the current situation stating all the weaknesses and strengths of the new PFMC system related to differentiation of internal audit and inspection functions should be performed. According to the directions of the gap analysis, a road map for future strategy and actions should be set up and implemented with the support of various training facilities in the related bodies.

Considering the fact that there are some member states that have experienced similar situations and as a result ensured systems in which both inspection and internal audit function without conflicting with each other in an effective way, it is believed that experiences of those member states would be very valuable in setting up the system in Turkey. Therefore Twinning seems to be the most appropriate instrument for this project.

3.2 Assessment of project impact, catalytic effect, sustainability and cross border impact (where applicable)

Project impact

The project will serve the priorities highlighted both in the AP and NPAA and other reports prepared by EU Commission and SIGMA and will lead to further alignment with EU practices by analyzing current inspection system and strengthening the implementation capacity of the PFMC system in Turkey.

This project includes Finance Inspection Board and 5 pilot inspection boards. Additionally, the other inspection boards of the relevant public institutions will be invited to the activities such as workshops, seminars and final conference to be organized during the implementation of this project. Furthermore, it is planned that this project will enable internal audit units of some public institutions to attend the activities. By this way, the results of this project will be disseminated to other relevant public administrations.

Catalytic effect

The systems and measures established on the basis of the activities of this project will form a basis for countrywide implementation of the inspection system and provide the basis for discussion on separation of roles and responsibilities of inspection and internal audit within the PFMC System. Furthermore, outputs to be produced by this

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project as well as implementation method of this Project will lead to increase in institutional and legal capacity in line with the international standards and EU best practices. Also by including pilot institutions and some internal audit units to its activities and disseminating of its results this project will contribute to the development of inspection and internal audit systems and cultures in Turkey.

Sustainability

The project covers model development and pilot implementation in inspection boards of some public administrations for establishing functioning systems in line with the EU Acquis and international best practices. Training of trainers activities will contribute to sustainability of the project purpose. Furthermore, the results will be disseminated to other administrations through sharing documents and inviting all stakeholders to the final conference.

Also this project will form a sound basis for the origination of new projects which will help developing the inspection and internal audit systems and cultures in Turkey.

Cross border impact: (where applicable)

By ensuring a collaborative working of Inspection Boards and internal auditors, this project will contribute to fight against fraud and corruption.

3.3 Results and measurable indicators

Result 1: The establishment of a framework for the identification and making clear distinction of the functions of the Inspection Boards and Internal Audit Units by taking into account the Law No: 5018 and Turkish Public Administration Structure by the end of eleventh month.

Objectively verifiable indicator:

An accepted roadmap by the key players that have a say in a PFMC system (pilot inspection boards, IACB, Directorate General of Budget and Fiscal Control) by the end of eleventh month.

Result 2: The related legislation is revised in line with the roadmap by the end of twenty-third month.

Objectively verifiable indicator:

Prepared implementing regulations specifying the new roles, responsibilities, and procedures of inspection by the end of twenty-third month of the project.

Result 3: Administrative and operational capacity of the FIB and other pilot inspection boards is strengthened in line with the roadmap by the end of the project.

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Objectively verifiable indicators are:

- 20 inspectors trained as trainers, equipped with new inspection and investigation techniques to deliver future training to other inspectors by the end of the twenty-first month of the project.
- As a result of clearly defined roles, responsibilities, and procedures of inspection, which are digested by 300 inspectors, well equipped inspection bodies in the MoF and other pilot institutions by the end of the twentieth month of the project.
- Model training programs and materials prepared for the newly defined inspection system to be used in the future trainings by the end of seventeenth month of the project with a view to new inspection model,
- Operational capacity of the pilot institutions are improved on the basis of pilot studies by the end of twenty-third month.

3.4 Activities

Component 1- A roadmap and action plan for the role of FIB and other 5 pilot inspection boards is developed and disseminated.

Activity 0.1 An opening event (kick-off meeting) to raise the profile of the project by the end of first month of the project.

Means: One-day opening event for approx. 150-200 key stakeholders.

Activity 0.2 A closing event to share with stakeholders the results of the project by the end of the project [twenty-fourth (final) month].

Means: One-day closing event for approx. 200 key stakeholders.

Activity 1.1 Performing a gap analysis on the current implementing system and on this basis drafting a gap analysis report by the end of fourth month of the project.

Means:

- An introductory three-day workshop between project staff and other relevant officials of FIB and other 5 pilot inspection boards.
- Four five-day study seminars with the officials of FIB, other 5 pilot inspection boards and relevant officials from other inspection and audit units in the public sector to perform the gap analysis.
- A five-day workshop with the participation of officials from FIB and other 5 pilot inspection boards to draft the action plan.

Activity 1.2 Revision of selected member states' institutional structures concerning internal audit and inspection by the end of sixth month

Means:

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- A five-day workshop with experts from different member states and with the participation of FIB, other pilot inspection boards and IACB.
- A five-day workshop with experts from different member states and with the participation of FIB, other pilot inspection boards and IACB. 2 one-week study visits for 12 persons each to two different EU member states.

Activity 1.3 Preparation of Discussion paper (or Analysis report) indicating the differentiation between internal audit and inspection prepared with the representatives from the internal audit units, IACB and FIB, PMIB, Inspection Board of the Ministry of Industry and Trade, Inspection Board of the Ministry of Energy and Natural Resources, Inspection Board of the Undersecretariat of Customs by the end of seventh month.

Means: A five-day workshop with relevant members of FIB, other 5 pilot inspection boards, the representatives from the internal audit units and IACB.

Activity 1.4 Discussion paper (or Analysis report) disseminated and discussed with selected internal audit units and inspection boards through a workshop by the end of eighth month.

Means: A two-day workshop with the pilot inspector boards, selected internal auditors and representatives from IACB.

Activity 1.5 Roadmap prepared and discussed with the representatives from IACB, some internal audit units and inspection boards of some public administrations through a seminar by the end of the tenth month.

Means:

- A five-day seminar with FIB and 5 pilot inspection boards' representatives.
- A two-day seminar with the representatives from IACB, some internal audit units and inspection boards of some public institutions to share opinions on the draft action plan.

Activity 1.6 Roadmap revised after feedback from the seminar by the end of the eleventh month of the project.

Means: A three-day seminar with the staff of FIB and other 5 pilot inspection boards to revise the action plan.

Component 2- The needed regulations for FIB and other 5 pilot inspection boards are prepared in line with the action plan.

Activity 2.1 All draft implementing regulations for FIB and other 5 pilot inspection boards prepared by the end of fourteenth month of the project.

Means:

- An introductory five-day workshop to discuss the model regulations for inspection on the basis of EU best practices.

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- 4 five-day workshops with the staff of FIB and other 5 pilot inspection boards to discuss and draft the needed implementing regulations of FIB.
- A three-day seminar with the participation of staff of FIB, other 5 pilot inspection boards and some other relevant officials of the MoF to discuss the initial drafts of the regulations.
- Two five-day seminars to conclude the draft regulations with the staff of FIB and other 5 pilot inspection boards.

Activity 2.2 Draft regulations discussed with the representatives of inspection boards and internal audit units through two seminars by the end of fifteenth month.

Means: 2 two-day seminars with the participation of representatives of inspection boards and internal audit units.

Activity 2.3 Draft implementing regulations revised upon the comments of relevant parties by the end of sixteenth month of the project.

Means: 2 five-day seminars to revise the draft regulations upon the opinions gathered from other relevant institutions.

Activity 2.4 Draft implementing regulations revised upon the results of pilot implementation by the end of twenty-third month of the project.

Means: 2 five-day seminars to finalize the draft regulations upon the results of pilot implementations

Component 3 – Administrative capacity of the FIB and other 5 pilot inspection boards is strengthened in line with the action plan.

Activity 3.1 Model training programmes and materials related to new inspection and investigation procedures and techniques, including the basic and advanced training for FIB and pilot institutions' inspectors and also for the trainers to establish a common training framework for the inspection boards by the end of seventeenth month of the project.

Means: A ten-day workshop for the preparation of training materials with discussions and study meetings with 10-15 persons from FIB and other relevant authorities.

Activity 3.2 Basic training that covers the new inspection and investigation techniques on the basis of prepared model training materials delivered for around 300 inspectors from FIB and other pilot inspection boards by the end of the nineteenth month.

Means: 10 five-day seminars/workshops provided each for 30 inspectors

Activity 3.3 Advanced training, which covers the subjects of mainly use of IT technology and data mining, risk assessment and management techniques as well as risk analysis in the financial investigations on the basis of above-mentioned training documents delivered for approximately 150 inspectors FIB and other pilot inspection boards by the end of twentieth month.

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Means: 6 three-day workshops provided each for 25 inspectors.

Activity 3.4. Training for trainers delivered for 20 persons to be selected from the trainees of the advanced training by the end of the twenty-first month.

Means: 2 five-day seminars each provided for 10 inspectors to develop their skills as trainers.

Activity 3.5. Pilot implementation of new legislation and procedures, held by the FIB and other pilot inspection boards by the end of twenty-third month.

Means: 6 five-day pilot implementation organised with the staff of FIB and other 5 pilot inspection boards.

3.5 Conditionality and sequencing:

It is assumed that the Ministry of Finance will update the PIFC Policy Paper by the end of 2009, as foreseen in the National Programme for the Adoption of the Acquis. This Paper, which will be adopted by the Council of Ministers, will include a clear statement about the separation of roles and responsibilities of inspection and internal audit.

In addition to providing the project with adequate staff and other resources to operate effectively, the senior management of the main beneficiary and pilot institution is expected to be involved in the development and implementation of policies and institutional alteration required to deliver the project results.

The activities will start with drafting an Action Plan, and continue with revising the relevant legislation and providing training in accordance with the Action Plan. The results of the project will then be disseminated to all relevant stakeholders.

Linked activities

The project is in a way linked to other projects on public financial management, including the following:

a- Twinning code: TR 07 IB FI 02- Strengthening the Public Financial Management and Control System in Turkey

The main beneficiary of this project within the IPA 2007 package is Ministry of Finance, Directorate General of Budget and Fiscal Control as a Central Harmonization Unit (CHU) for Financial Management and Control (FMC). The purpose of the project is to strengthen the implementation of FMC system with an aim to develop best internal control practices in Turkey, particularly developing the capacity of CHU for FMC and achieving full implementation of FMC operations in the Strategy Development Units (SDU) of pilot institutions to further disseminate the best practices throughout the public sector. The project started in 2009.

b- TR 0302.04-“Alignment of the Turkish Internal Financial Control System with International Standards and EU Practices” Project

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The beneficiary of this project which took part in the 2003 Pre-Accession Financial Assistance Programme was the General Directorate of Budget and Fiscal Control, Ministry of Finance. The project composed of two components, Twinning and Supply. Twinning Partner of the project was Ministry of Economy, Finance and Industry; Republic of France. The Purpose of the project was to assist the Government of Turkey in establishing an efficient and effective public internal financial control (PIFC) system based upon international standards and EU practices. The project mainly focused on internal audit and assisted to develop an IT Strategy for Internal Audit (CAATs). Both components have been finalized.

c- Cooperation with OECD-SIGMA

OECD-SIGMA has held several missions in the area of financial control. Evaluation and recommendations of OECD-SIGMA put forward in their assessment reports have been taken into consideration in the preparation of this project.

“The proposed project does not overlap with above mentioned projects or any other ongoing and/or proposed projects. This project will add value to them.”

3.7 Lessons learned

This project will benefit from the lessons learned from previous projects and activities. During the implementation of the above-mentioned projects, the following lessons were learned:

- The scope of the project should be specific and the duration should be determined accordingly.
- The continuity of the project staff both in Member State and Beneficiary Country should be ensured and adequate number of staff should be involved in project activities.
- The experience and quality of the key and short-term experts on the subject are of crucial importance for the success of the project since their experience should be directly related to project activities.
- The key experts should provide necessary documentation before and after each activity.

These lessons learned will of course be fundamental to ensure that the mandatory results of the present project are reached within the set temporary and budgetary limits. Thus, the model for IPA institutional framework has been developed in accordance, and this project seeks assistance with full awareness of these advices.

4. Indicative Budget (amounts in €)

			SOURCES OF FUNDING										
			TOTAL EXP.RE	TOTAL PUBLIC EXP.RE	IPA COMMUNITY CONTRIBUTION		NATIONAL PUBLIC CONTRIBUTION					PRIVATE CONTRIBUTION	
ACTIVITIES	IB (1)	INV (1)	EUR (a)=(b)+(e)	EUR (b)=(c)+(d)	EUR (c)	% (2)	Total EUR (d)=(x)+(y)+(z)	% (2)	Central EUR (x)	Regional / Local EUR (y)	IFIs EUR (z)	EUR (e)	% (3)
Activity 1													
Twinning contract 1	X	-	<u>1.758.000</u>	<u>1.758.000</u>	<u>1.670.000</u>	95	88.000	5					-
TOTAL IB			<u>1.758.000</u>	<u>1.758.000</u>	<u>1.670.000</u>	95	88.000	5					
TOTAL INV			-	-	-		-						
TOTAL PROJECT			<u>1.758.000</u>	<u>1.758.000</u>	<u>1.670.000</u>	95	88.000	5					

5. Indicative Implementation Schedule (periods broken down per quarter)

Contracts	Start of Tendering	Signature of contract	Contract Completion*
Contract 1. Twinning Contract	Q 1 2010	Q 3 2010	Q 3 2012

Duration of the project: 24 months

6. Cross cutting issues (where applicable)

6.1 Equal Opportunity

Ministry of Finance is an equal opportunity employer. Selection of staff and other personnel to work on the projects will be based on objective assessments of qualification and

* Contract completion is understood as final date of project activities, which cannot be later than 4 years after signature of Financing Agreement.

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experience, without regard to gender. Therefore, equal opportunities for women and men will be guaranteed.

6.2 Environment

Not applicable

6.3 Minority and vulnerable groups

According to the Turkish Constitutional System, the word ‘minorities’ encompasses only groups of persons defined and recognized as such on the basis of multilateral or bilateral instruments to which Turkey is a party. This project has no negative impact on minority and vulnerable groups. All workshops, meetings and project events will be held in wheelchair friendly environment.

6.4. Civil society

Members of the civil society have been informed regarding the preparation of the project. Members of the civil society will be invited to the opening and closing events of the project as well.

ANNEXES

- 1- Log frame in Standard Format
- 2- Amounts contracted and Disbursed per Quarter over the full duration of Programme
- 3- Description of Institutional Framework
- 4- Reference to laws, regulations and strategic documents:

Reference list of relevant laws and regulations

Reference to AP /NPAA / EP / SAA

Reference to MIPD

Reference to National Development Plan

Reference to national / sector investment plans

- 5- Details per EU funded contract (*) where applicable:

For *TA contracts*: account of tasks expected from the contractor

For *twinning covenants*: account of tasks expected from the team leader, resident twinning advisor and short term experts

For *grants schemes*: account of components of the schemes

For *investment contracts*: reference list of feasibility study as well as technical specifications and cost price schedule + section to be filled in on investment criteria (**)

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For *works contracts*: reference list of feasibility study for the *constructing works* part of the contract as well as a section on investment criteria (**); account of services to be carried out for the *service part* of the contract

(*) non standard aspects (in case of derogation to PRAG) also to be specified

(**) section on investment criteria (applicable to all infrastructure contracts and constructing works):

- Rate of return
- Co-financing
- compliance with state aids provisions
- Ownership of assets (current and after project completion)

ANNEX 1: Logical framework matrix in standard format-

LOGFRAME PLANNING MATRIX FOR Project Fiche		Programme name and number: Strengthening Institutional capacity of inspection boards within Public Financial Management and Control (PFMC) system	
		Contracting period expires: 2011 signature of the Financing Agreement	
			Total budget
Overall objective	Objectively verifiable indicators	Sources of Verification	
Supporting the PFMC system by increasing the efficiency and effectiveness of its implementation particularly in the field of inspection.	<ul style="list-style-type: none"> • Clear roles, responsibilities, and procedures of new inspection model, separated from the internal audit function, is developed and disseminated by the end of the project. • Institutional and legal capacities of FIB and other pilot inspection bodies are strengthened by the end of the project 	Project Reports Progress Report of FIB Annual reports of Ministry of Finance pilot institutions EU Commission Country Programme	
Project purpose	Objectively verifiable indicators	Sources of Verification	
Developing the role of Finance Inspection Board, Prime Ministry Inspection Board, Inspection Board of the Ministry of Interior, Inspection Board of the Ministry of Industry and Trade, Inspection Board of the Ministry of Energy and Natural Resources, Inspection Board of the Undersecretariat of Customs as defined in the scope of PFMC system, in line with EU best practices.	<ul style="list-style-type: none"> • A framework for the identification and making clear distinction of the functions of the Inspection Boards and Internal Audit Units by taking into account the Law No: 5018 and Turkish Public Administration Structure is established by the end of eleventh month of the project. • The related legislation is revised in line with the roadmap by the end of twenty-third month of the project. • Administrative and operational capacity of the FIB and other 	Project reports Progress reports Evaluation against roadmap and Annual reports of MoF and other Training activity reports Training participation records and Workshop and seminar participations	

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	pilot inspection boards is strengthened in line with the roadmap by the end of the project.	
Results	Objectively verifiable indicators	Sources of Verification
Result 1: The establishment of a framework for the identification and making clear distinction of the functions of the Inspection Boards and Internal Audit Units by taking into account the Law No: 5018 and Turkish Public Administration Structure by the end of the eleventh month.	An accepted roadmap by the key players that have a say in a PFMC system (pilot inspection boards, IACB, Directorate General of Budget and Fiscal Control) by the end of eleventh month.	Roadmap and gap analysis reports Project documents and reports. Study visit reports. Views of the seminar, workshop published on the project web site Participation records of the seminar etc.
Result 2: The related legislation is revised in line with the roadmap by the end of twenty-third month.	Prepared implementing regulations specifying the new roles, responsibilities, and procedures of inspection by the end of twenty-third month of the project.	Final implementing regulations Views of the seminar, workshop published on the project web site Participation records of the seminar etc. Project reports and documents.
Result 3: Administrative and operational capacity of the FIB and other pilot inspection boards is strengthened in line with the roadmap by the end of the project.	<ul style="list-style-type: none"> • 20 inspectors trained as trainers, equipped with new inspection and investigation techniques to deliver future training to other inspectors by the end of the twenty-first month of the project. • As a result of clearly defined roles, responsibilities, and procedures of inspection, which are digested by 300 inspectors, well equipped inspection bodies in the MoF and other pilot institutions by the end of the twentieth month of the project. • Model training programs 	Training materials and program in electronic format incl. explanatory notes Participation records Trainee satisfaction surveys Training certificates on the successful training. Project reports Annual report of MoF and other institutions Pilot implementation reports

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	<p>and materials prepared for the newly defined inspection system to be used in the future trainings by the end of seventeenth month of the project.</p> <ul style="list-style-type: none"> • With a view to new inspection model, operational capacity of the pilot institutions are improved on the basis of pilot studies by the end of twenty-third month. 	
Activities	Means	Costs
	Twinning Contract	€ 1,670,000
<p>Activity 0.1. An opening event (kick-off meeting) to raise the profile of the project by the end of first month of the project.</p>	<p>One-day opening event for approx. 150-200 key stakeholders.</p>	
<p>Activity 0.2. A closing event to share with stakeholders the results of the project by the end of the project [twenty fourth (final) month].</p>	<p>One-day closing event for approx. 200 key stakeholders.</p>	

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<p>Activity 1.1. Performing a gap analysis on the current implementing system and on this basis drafting a gap analysis report by the end of fourth month of the project</p>	<ul style="list-style-type: none"> • An introductory three-day workshop between project staff and other relevant officials of FIB and other 5 pilot inspection boards. • Four five-day study seminars with the officials of FIB, other 5 pilot inspection boards and relevant officials from other inspection and audit units in the public sector to perform the gap analysis. • A five-day workshop with the participation of officials from FIB and other 5 pilot inspection boards to draft the action plan. 	
<p>Activity 1.2. Revision of selected member states’ institutional structures concerning internal audit and inspection by the end of sixth month.</p>	<ul style="list-style-type: none"> • A five-day workshop with experts from different member states and with the participation of FIB, other pilot inspection boards and IACB. • 2 one-week study visits for 12 persons each to two different EU member states 	
<p>Activity 1.3. Preparation of Discussion paper (or Analysis report) indicating the differentiation between internal audit and inspection prepared with the representatives from the internal audit units, IACB and FIB, PMIB, Inspection Board of the Ministry of Industry and Trade, Inspection Board of the Ministry of Energy and Natural Resources, Inspection Board of the Undersecretariat of Customs by the end of seventh month.</p>	<p>A five-day workshop with relevant members of FIB, other 5 pilot inspection boards the representatives from the internal audit units and IACB</p>	
<p>Activity 1.4. Discussion paper (or Analysis report) disseminated and discussed with selected internal audit units and inspection boards through a workshop by the end of eighth month.</p>	<p>A two-day workshop with the pilot inspectorates, selected internal auditors and representatives from IACB.</p>	

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<p>Activity 1.5. Roadmap prepared and discussed with the representatives from IACB, some internal audit units and inspection boards of some public administrations through a seminar by the end of the tenth month</p>	<ul style="list-style-type: none"> • A five-day seminar with FIB and 5 pilot inspection boards' representatives • A two-day seminar with the representatives from IACB, some internal audit units and inspection boards of some public institutions to share opinions on the draft action plan. 	
<p>Activity 1.6. Roadmap revised after feedback from the seminar by the end of the eleventh month of the project</p>	<p>A three-day seminar with the staff of FIB and other 5 pilot inspection boards to revise the action plan.</p>	
<p>Activity 2.1. All draft implementing regulations for FIB and other 5 pilot inspection boards prepared by the end of fourteenth month of the project.</p>	<p>An introductory five-day workshop to discuss the model regulations for inspection on the basis of EU best practices.</p> <p>4 five-day workshops with the staff of FIB and other 5 pilot inspection boards to discuss and draft the needed implementing regulations.</p> <p>A three-day seminar with the participation of staff of FIB, other 5 pilot inspection boards and some other relevant officials of the MoF to discuss the initial drafts of the regulations.</p> <p>Two five-day seminars to conclude the draft regulations with the staff of FIB and other 5 pilot inspection boards.</p>	
<p>Activity 2.2. Draft regulations discussed with the representatives of inspection boards and internal audit units through two seminars by the end of fifteenth month.</p>	<p>2 two-day seminars with the participation of representatives of inspection boards and internal audit units.</p>	
<p>Activity 2.3. Draft implementing regulations revised upon the comments of relevant parties by the end of sixteenth month..</p>	<p>2 five-day seminars to revise the draft regulations upon the opinions gathered from other relevant institutions.</p>	

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<p>Activity 2.4. Draft implementing regulations revised upon the results of pilot implementation by the end of twenty-third month of the project</p>	<p>2 five-day seminars to finalize the draft regulations upon the results of pilot implementations</p>	
<p>Activity 3.1. Model training programmes and materials related to new inspection and investigation procedures and techniques, including the basic and advanced training for FIB and pilot institutions' inspectors and also for the trainers to establish a common training framework for the inspection boards by the end of seventeenth month of the project.</p>	<p>A ten-day workshop for the preparation of training materials with discussions and study meetings with 10-15 persons from FIB and other relevant authorities.</p>	
<p>Activity 3.2. Basic training, which covers the new inspection and investigation techniques on the basis of prepared model training materials delivered for around 300 inspectors from FIB and other pilot inspection boards by the end of the nineteenth month.</p>	<p>10 five-day seminars/workshops provided each for 30 inspectors</p>	
<p>Activity 3.3. Advanced training, which covers the subjects of mainly use of IT technology and data mining, risk assessment and management techniques as well as risk analysis in the financial investigations on the basis of above-mentioned training documents delivered for approximately 150 inspectors FIB and other pilot inspection boards by the end of twentieth month.</p>	<p>6 three-day workshops provided each for 25 inspectors</p>	
<p>3. 4 Training for trainers delivered for 20 persons to be selected from the trainees of the advanced training. by the end of the twenty-first month.</p>	<p>2 five-day seminars each provided for 10 inspectors to develop their skills as trainer</p>	
<p>Activity 3.5. Pilot implementation of new legislation and procedures, held by the FIB and other pilot inspection boards by the end of twenty-third month.</p>	<p>6 five-day pilot implementation organised with the staff of FIB and other 5 pilot inspection boards.</p>	

Pre conditions: Continued Government and EU commitment towards Turkey's accession