

THIRD REGIONAL PIFC CONFERENCE

4-6 June 2013

Keynote Speech of İsa COŞKUN

Dear distinguished guests from the European Commission, OECD-SIGMA, candidate and potential candidate countries; our Heads of Strategy Development Units and Internal Audit Units, and the participants from our Ministry,

I would like to welcome you all.

- As the Ministry of Finance, we are pleased to organize the Third Regional Public Internal Financial Control (PIFC) Conference in Ankara in cooperation with the OECD-SIGMA.
- Our works for the organization of the conference have been conducted through a close cooperation with the OECD-SIGMA since October 2012. Moreover, the Working Group composed of the representatives from Albania, Croatia, OECD-SIGMA and our Ministry realized two preparatory meetings.
- As you know, the First Regional PIFC Conference took place on 27-29 October 2010 in Zagreb, Croatia. In this first conference, the three pillars of PIFC – Financial Management and Control (FMC), Internal Audit and Central Harmonization Unit (CHU)- were discussed and Bulgaria, Hungary, Romania and Slovenia shared their experiences in establishment and implementation of PIFC.
- The Second Regional PIFC Conference was organized between 21-23 September 2013 in Portoroz, Slovenia and in this conference, especially experiences of the participant countries from the first conference onwards in the area of PIFC were shared.
- As for the Third Regional PIFC Conference which is taking place today, the aim is to especially focus on the FMC pillar of PIFC and give place to the best practices. Within this framework, the examples of Albania, Macedonia and Turkey will be elaborated in order to compare the national experiences and discuss specific topics in the FMC area. Hereby, the intention is to constitute a platform for the countries to share their experiences in the area of FMC, where several impediments have been faced in the implementation phase. In fact, since there is no hard acquis in the area of PIFC in the EU, sharing of country implementations and seeking for solutions for common problems enhance the importance of such kind of platforms.
- Principally for a well functioning PIFC system, existence of an efficient functioning FMC system has the utmost importance. In this regard, in this conference the presentations and the discussions on the establishment, development and implementation of FMC will undoubtedly make positive contributions to the participants for further improving the system.

- In our country, the PIFC system was established by the Public Financial Management and Control (PFMC) Law No 5018. The PFMC Law, which was enacted in 2003, was fully in force with all its provisions at the beginning of 2006 and the relevant secondary and tertiary legislation for the implementation of the law have been enforced.
- In addition to these regulations, administrative structures necessary for the effective functioning of the PIFC system have also been established, experts and internal auditors have been appointed and comprehensive training programs have been organised for the actors in the system.
- The process of making the necessary amendments in the PFMC Law on the basis of the challenges of practice identified as a result of the monitoring of the six-year implementation of the PIFC regulations and the recommendations of public administrations has been continuing. In this way, it is aimed that the system is reviewed on the basis of international standards and EU best practices and that the conceptual framework as well as the basic authorities and responsibilities are stated more explicitly.
- Together with aforementioned efforts on amendment of the Law, in our PIFC system, which, according to the EU Progress Reports, is highly in compliance with the *acquis*, a new Draft Policy Paper was prepared at the technical level with the aim of assessing the achieved level of progress, identifying the areas to be further developed, preparing an action plan for the activities to be done and, meeting the closing criteria related to the PIFC which is the key element under Chapter 32 on Financial Control within the scope of the negotiations.
- In the aforesaid Draft Paper the existing PIFC system is analysed by assessing its strengths and weaknesses and activities towards the development of the system are identified. Especially regarding the FMC area amendments aimed at the reinforcement of the system are foreseen.
- Further clarifying the roles and responsibilities of the actors related to internal control, harmonizing the definition and functioning of ex-ante financial control with EU practices, defining the duties, authorities and responsibilities of FMC CHU in the PFMC Law, identifying the managerial responsibility of each management level are among the ones which are envisaged within this framework of the amendments.
- It is believed that, having great importance for enabling knowledge and experience sharing among the candidate and potential candidate countries; this conference will contribute to the further improvement of the PIFC system by providing added value to the studies being conducted in the area of PIFC both in our country and the participant countries within the framework of Chapter 32: Financial Control.
- With this opportunity, I would like to thank to the OECD-SIGMA and European Commission officials as well as our Ministry's European Union and Foreign Affairs Directorate and General Directorate of Budget and Fiscal for their efforts and contributions in organizing this conference and wish to be a fruitful conference for all the participants.