

## EDITOR'S CORNER

Dear Readers,

The first year of the ESPFC Project was successfully completed and preparatory works have already begun to carry out activities of the final phase.

Legislative acts regulating works of the Chamber of Accounts (laws, decrees of the President of the Azerbaijan Republic, decisions of the National Assembly and the Cabinet of Ministers, internal normative acts and annual reports of the Chamber of Accounts) were analyzed. Study of international experience, including international standards regarding activities of Supreme Audit Institutions, requirements of international organizations, experience of the United States, the United Kingdom, European countries and CIS was completed and the report was prepared enabling to make comparative analysis of international experience with legal framework, status, operating principles, functions and powers of the Chamber of Accounts. Meetings were held with several international organizations operating in Azerbaijan as well as study tour of the ESPFCP delegation was organized to Turkey to learn experience as well as works and activities undertaken in the area of PFPM from Turkish counterparts. As a result of these activities, a package of recommendations for enhancing the effectiveness of external audit and scrutiny and improving the activity of the Chamber of Accounts of Azerbaijan was prepared and discussed with the project experts, members of the National Budget Group and EaP CSF Azerbaijan National Platform.

Specific activities such as creating special section about public finance monitoring on the web page of Eastern Partnership Civil Society Forum Azerbaijan National Platform, holding forums dedicated to transparent management and effective scrutiny of public finances and budgetary expenditures on social networks, conducting competition for investigative journalists, talk shows on TV, publishing articles in the newspapers, organizing round-table discussion with project target groups, holding meetings and cooperation with the leadership of the Chamber of Accounts and members of the National Assembly was achieved. Meantime, the preparatory works started on developing a manual titled Budget Guide for two different target groups - members of the National Assembly and their aides, as well as civil society activists to address their needs in evaluating budget analyses as well as budget-related references by the Chamber of Accounts.

In general, two focus group discussions, one TV program, two publications were completed. The project staff continued to follow-up on the outcomes of these outputs. The extent of cooperation with project partners and target groups remained growing.

### Contents:

- Highlights from study-tour to Turkey (page 2);
- TV debate featuring PFPM (page 3);
- Seminars held for CSO representatives (page 3);
- Project showcased at EuroVillage (page 4);
- Awareness-raising meeting with media representatives (pages 5);

## ESPFCEP Delegation partakes in study tour to Turkey

In the framework of studying international experience the study tour was organized to Turkey on April 22-26, 2013. ESPFCEP delegation comprised of Sabit Bagirov from Entrepreneurship Development Foundation, Gubad Ibadoglu from Economic Researches Center, Vugar Bayramov from the Center for Economic and Social Development, Zohrab Ismayil from Public Association for Assistance to Free Economy, Farid Malikov from Partnership for Economic and Social Initiatives, Kenan Aslanly, Project Expert partook in the study tour.



The delegation first visited the Ministry of Finance and met with Hakay Ay, Head of Budget and Fiscal Control Department under the Ministry of Finance. After the meeting, Ministry officials provided the delegation with seven informative presentations on the topics of organizational structure of the Ministry, public finance control system and reform process, budget preparation and application, e-budget, income budget, public accounting system, financial statistics and reporting process, control of public goods, tax system in Turkey. Presentations were delivered by heads of departments and specialists of the Ministry of Finance. Each presentation followed with questions and short discussions.

In the Chamber of Accounts of Turkey, the delegation met with Recai Akyel, President of the Chamber. The discussion went on with the participation of Vice-President Fehmi Basharan, Head Auditor Banu Karaca and Principal Auditor Nevin Atakan about legislative basis, functions and powers and main activities of the Chamber of Accounts in Turkey.



Finally, the delegation visited the Undersecretariat of Treasury under the Prime Ministry and met with Tashkin Temiz, General Director of the Directorate General of Public Finance. The meeting was followed by a number of presentations on the topics of treasury finance control, single treasury accounts and treasury in the budget preparation process. Each presentation followed with questions and short discussions.

Coordinated by the Embassy of the Republic of Turkey in Azerbaijan and the Undersecretariat of Treasury under the Prime Ministry the program of study tour was well organized and facilitated acquiring best practices and exchange of information for further application to the development

process of recommendation package for improving the legislation and activity of the Chamber of Accounts of Azerbaijan.

### **Project experts debates PFPM on TV program**

The first TV discussion on the topic of PFMP and external audit was held channel during a weekly programme entitled “İqtisadi Forum” (Economic Forum) on ANS TV. During the 45-minute round table discussion, Gubad Ibadoglu, Zohrab Ismayil and Rashad Hasanov debated the importance of control over public funds and recommendations resulting from the research of relevant legislation and documentation as well as study of international experience. The program was broadcast by ANS TV on March 16, 2013. Video recording of the program can be found at: <http://www.youtube.com/watch?v=rhyNOmXY0MY>

### **Seminars featuring PFPM-related issues organized for CSO representatives**

Under the project two workshops were organized on topic of enhancing effectiveness of public finance control. The first workshop was held in Baku on 19 May 2013. Farid Malikov, ESPFC Project Representative and Steering Committee Member of Azerbaijan National Platform spoke about works and activities undertaken by member organizations of the Working Group II in the area of public finance policy and management (PFPM) in Azerbaijan.

Gubad Ibadoglu, Chairman of the National Platform and ESPFCP partner organization made a presentation on the importance of high quality external audit and the role of public finance institutions for increasing transparency and accountability in the use of public funds and reducing the risk of corruption. The presentation was followed with Q&A session. Organized at the conference hall of Economic Research Center, the event was attended by 18 representatives from member organizations of the Platform.



The second workshop was organized in Ganja June 10 2013. ESPFCP Director Sabit Bagirov opened the event speaking about the project aims and objective of the workshop. He noted that the control over public finances is one of the main functions of the civil society. While emphasizing the importance of issue Sabit Bagirov explained its effectiveness by the level of citizen awareness. Gubad Ibadoglu went on to lead interactive discussions on how to enhance capacity, awareness and participation of civil society organizations in the budgetary process and their dialogue with public finance institutions for effective scrutiny of expenditure control.

The presentation was followed with Q&A session. The event was attended by 19 representatives from member organizations of the National Platform and CSO and media representatives from Ganja.

## ESPFEC Project visibility raised at the EuroVillage

The Project was showcased during the EuroVillage organized by the Delegation of the European Union to Azerbaijan in “Icheri Sheher”, historical old city of Baku on 1-2 June 2013. The willingness and interest of visitors to learn about the project activities demonstrated importance and relevance of undertaken works for society.



## Awareness of media representatives raised on external audit and scrutiny

Two training seminars were organized for 25 media representatives from Baku (May 11, 2013) and the regions (June 2, 2013) with the purpose of enhancing their knowledge in the area of external audit of public finance as well as the activity of the Chamber of Accounts. The training participants were informed of international requirements on activities and functions of public finance institutions, as well as accounts and activities of the Chamber of Accounts of the Azerbaijan Republic. The trainings were followed by group work and presentations on the usage, preparation of research and articles concerning activities and accounts of the Chamber of Accounts by media representatives.



The publication is prepared by Entrepreneurship Development Foundation under European Union funded Effective System of Public Finance Control Project, which aims to enhance the effectiveness of external scrutiny and audit. The contents of this publication don't reflect the views of the European Union. Comments are welcome and should be addressed to Editor Farid Malikov by email at [espcfcp@gmail.com](mailto:espcfcp@gmail.com) or by phone.

Copyright 2013 Entrepreneurship Development Foundation