

## AN INQUIRY INTO PERFORMANCE REPORTS OF MUNICIPALITIES IN TERMS OF FULLFILMENT OF ACCOUNTABILITY REQUIREMENT: THE CASE OF TURKEY\*

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### Abstract

This study seeks to analyze the level of accountability of the municipalities in their performance reports by use of the data and information contained in the performance auditing reports of the municipalities in Turkey. To this end, a specific method has been devised to determine the level of accountability of the audited municipalities with reference to the performance auditing reports of 2015. Based on the findings, the municipalities are ranked in terms of their performance, from the highest point to the lowest. The ranking reveals that the metropolitan cities and their district municipalities are more successful than the provincial municipalities. The study further reveals that the age of the mayor and the geographical location have a determinative effect upon the level of accountability as exhibited in the performance reports.

**Keywords:** Accountability, Performance Report, Performance Auditing, Performance Auditing Reports, Performance-based Budgeting.

*Belediyelerin Performans Raporlarının Hesap Verme Yükümlülüğünü Yerine Getirme Açısından Araştırılması: Türkiye Örneği*

### Öz

Bu çalışma, belediyelerin performans raporlamadaki hesap verebilirlik düzeyini, Türkiye özelinde, performans denetimi yapılan belediyelerin tamamının performans denetim raporlarındaki verilerini kullanarak tespit etmeyi amaçlamaktadır. Bu amaç doğrultusunda geliştirilen hesaplama yöntemiyle, performans denetimi yapılan belediyelerin tamamının, 2015 yıllarına ait denetim raporlarındaki hesap verebilirlik düzeyi içerik analiziyle tespit edilmiştir. Tespit edilen değerler ile belediyelerin performans raporlamadaki hesap verebilirlik düzeyi en yüksek puan alandan en düşük puan alan belediyelere doğru sıralaması yapılmıştır. Sıralamada yer alan büyükşehir ve büyükşehir ilçe belediyelerinin, il belediyelerine göre daha başarılı olduğu görülmüştür. Ayrıca belediye başkanının yaşının ve coğrafi konumun belediyelerin performans raporlarındaki hesap verebilirlik düzeyi üzerinde etkili olan belirleyiciler olduğu tespit edilmiştir.

**Anahtar Sözcükler:** Hesap verme sorumluluğu, Performans raporlama, Performans denetimi, Performans denetim raporları, Performans esaslı bütçeleme

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## **An Inquiry Into Performance Reports of Municipalities in Terms of Fullfilment of Accountability Requirement: The Case of Turkey\***

### **Introduction**

In line with the emerging approach of public administration in the world, many countries have introduced legislations and mechanisms for greater accountability in fiscal administrations. One of such mechanisms is Performance-based Budgeting (PBB). This approach is promoted in the fiscal administration because the input-based budgets fail to strengthen fiscal transparency and accountability. Turkey introduced a PBB system in 2006 under Law No. 5018 on Public Fiscal Management and Control which enables analysis and review of the performance of the public administrations thanks to its outcome-based character.

The aforementioned law seeks to make sure economic, effective and productive use of the public resources and the implementation of the fiscal transparency and accountability principles in the public fiscal administration. The PBB system is seen as one of the fundamental methods and tools included in the fiscal administration system to ensure the implementation of these principles. The PBB system's main elements include the strategic plan, performance program and activity report. Public administrations are required to make all these three documents ready in accordance with the law no. 5018. In addition, the public administration units are also responsible to disclose these documents on the specified time under their legal responsibility of accountability and fiscal transparency.

When drafting their budgets, the public administrations identify their main policies through strategic plans and performance programs. Strategic plans cover a five-year period. The implementation of a strategic plan is done by a

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performance program. These two documents, which form the basis of budget preparation, serve to establish a link between the policies and resources of the administrations. The administrations disclose the realizations of the envisioned goals in the strategic plan and performance program in the activity reports. Therefore, activity report, as a benchmark of the administration's performance (Demirbaş and Engin, 2016: 50), stresses the success or failure of the administration. Referred to as activity report in the law no. 5018, this document is also popularly known as a performance report or annual performance report. The public administrations draft these three main documents (strategic plan, performance program, and activity report) to fulfill their obligations in regards to public accountability.

The obligation of accountability refers to a mutual relationship based on the assumption of responsibility in light of the agreed expectations and the requirement of its disclosure (Court of Accounts of Canada, 2001: 3). This relationship requires an exchange of information between those who hold accountable and those who are held accountable. The main documents of the PBB process (strategic plan, performance program, and activity report) are considered main tools of fulfillment of the obligation of accountability because they are published annually (excluding strategic plan) and reveal the performances of the public administrations. In addition, these three documents should be reviewed and considered together as they all show public administrative performance.

The published annual reports are important tools of information as they contribute to the disclosure of public information (Blanco, Lennard and Lamontagne, 2011: 200). However, accountability should not be considered all about the disclosure of the annual report and performance reports. The accountability of the public administrations is to be considered complete when the fiscal and non-fiscal information and data in these reports are reviewed and analyzed. To this end, the PBB system is employed to measure the precise performance of the public administrations. In performance auditing, assurance is provided for the general public with respect to the accuracy and reliability of the performance information (quality of information) in the reports the public administrations draft in the PBB process.

This study seeks to measure of the public accountability of the municipalities in Turkey through a review of the reliability and accuracy of the performance information (quality of information) contained in the reports they draft in the PBB process<sup>1</sup> (strategic plan, performance program, and activity

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<sup>1</sup> The Court of Accounts Auditing Guide (2014) refers to the strategic plan, performance program, and activity reports, three main components of the PBB, as

report). The study first focuses on the approaches to measuring accountability. The relevant findings are assessed by reference to the measurement method developed based on the literature.

## 1. Approaches on Measurement of Accountability

Dubnic (2005: 377) and Bovens, Schillemans and Hart (2008: 226), working on the concept of accountability, note that as they do more research on the subject, they realize that this notion has different connotations among the people. Because it is inherently laden with implicit reference to transparency and reliability, accountability is frequently used in political discourse and political documents. Additionally, accountability is also viewed as a conceptual umbrella that covers other concepts and notions as well (Bovens et al., 2008: 226). Erdağ (2013: 13) argues that the presence of different approaches towards the notion of accountability in different geographies might be one of the reasons for conceptual diversity and ambiguity.

Similar to the ambiguity and uncertainty with respect to the definition of accountability, it is possible to argue that there is no concrete and indisputable method of measuring public accountability. It is necessary to analyze and review the types, features, phases, tools and mechanism of accountability and to offer a proper measurement of public accountability because it is a multifaceted and complicated (Gray and Jenkins, 1986; Sinclair, 1995; Stewart, 1984; Steccolini, 2004; Horton, 2006) and evolving (Do, Davey and Coy, 2014) concept. In addition, because it is an abstract notion, Blanco et al. (2011: 203) argue that it is now difficult to measure the level of accountability precisely.

As it is a subjective notion in the public sector, it is hard to define and measure accountability (Othman, Taylor and Suleiman, 2008: 55; Pollanen, 2014: 105). Kloot (2009: 129) argues that once it is defined, it is possible to measure and report on accountability. For this reason, to better measure it, it is first necessary to understand what the notion of accountability means.

In addition, to better measure the accountability, it is essential to distinguish it from principles of good governance because the use of accountability as an umbrella concept in a way to cover other governance principles leads to ambiguity and uncertainty. The concept of accountability does not only cause this sort of uncertainty with the principles of good governance. Works covering the 19<sup>th</sup> century suggesting that accountability can be traced back to the notion of accounting (Bovens, 2007: 448) make the uncertainty and ambiguity even more important and intense. For this reason, in a country where

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three documents whereas the literature prefers the notion of the report. The study uses all relevant notions.

accountability is reviewed and measures, the exact meaning of the term should be determined and clarified because all these approaches and the perspectives employed towards accountability affect the review of accountability in academic works.

It is hard to study accountability and the literature handles it from a variety of perspectives. It becomes harder to evaluate and measure accountability after the advent of the New Public Management (NPM) approach as it also involves performance review. But still, this notion constitutes the basis and backbone of the public fiscal administration system (Kloot, 2009: 129).

For governments, accountability means both political and social responsibilities in public fiscal management. To this end, there are more than one forms of accountability for the governments (i.e. public, performance, political and administrative accountability). Accountability constitutes part of a democratic government and also means proper auditing of the spending of the public resources (Tilbury, 2006: 49).

In terms of its role as an indispensable piece of democratic government and as a mechanisms of auditing in public administration, Sinclair (1995: 219) underlines that accountability is a fairly valued and significant concept, adding, however, that it is hard to understand it so much so that given its changing nature in different environments, it could be likened to a chameleon.

With the NPM approach, accountability has evolved into a different form that covers the introduction of modes of accountability for the parliament, the auditing institutions, beneficiaries of the public services, the society and other external stakeholders (Kloot, 2009: 129).

Under the new NPM approach, the concept of accountability is now focused on the responsibility of the ministers to the parliament as well as to the citizenry; therefore, there is a shift from conventional mode of accountability to recognition of responsibility vis-à-vis the people, and from the fiscal accountability in the use of public resources to the performance accountability. In other words, accountability now enjoys a broader perspective after the advent of the accountability of the public administration through performance review and performance reporting (Tilbury, 2006: 49).

To measure accountability, it is first necessary to take a look at what this notion means within public fiscal management. Accountability is based on a mutual relationship of assuming responsibility and of obligation of disclosing. There are two sides in this relationship: those who hold accountable and those who are held accountable. Those who hold accountable enjoy greater leverage than the other side. Thus, to evaluate the performance of those who are held accountable, those who hold accountable should be properly informed. The basic mode of informing is the publication of reports by those who are held accountable

to justify their actions. To this end, it is possible to argue that in practice, accountability takes places in the form of reporting.

But accountability means not only availability of information; it also means that the information should be reliable, satisfactory, lucid and accessible because as noted by Steccolini (2004: 330), accountability is a process that involves the disclosure of information and analysis of this information to measure the performance of those who are held accountable. To this end, the accountability of public administrations is measured by reliance on the amount and reliability of the information in the reports.

Do et al. (2014) stress that annual reports are considered important tools as they show whether or not accountability has been fulfilled by the government vis-à-vis the people, and by the corporate sector vis-à-vis the stakeholders. There are a number of works focusing on the review of the annual reports to measure fulfillment of accountability (Boyne and Law, 1991; Kloot and Martin, 2001; Ryan, Stanley and Nelson, 2002; Nelson, Banks and Fisher, 2003; Blanco et al., 2011). In a research involving executives of the local administrations, Kloot and Martin (2001) and Ryan et al. (2002) underline that the executives view the annual reports as an important indicator of whether accountability has been fulfilled. Blanco et al. (2011: 201) argue that the scope and quality of information contained in the annual reports disclosed to the public is indicative of the level of accountability for the municipalities.

But there is no single method of measuring accountability in the literature. Similar methods have been applied in a number of studies to different countries (comparison of two countries), different public institutions (universities, health institutions) and different administrations (local provinces, municipalities). The literature roughly recognizes two types of approaches in terms of measuring accountability through reporting: an approach based on content analysis and an approach based on the method of disclosure index. There are works of both types, those referring to disclosing index method (Coy and Dixon, 2004; Blanco et al., 2011; Ryan et al., 2002) and to content analysis (Steccolini, 2004; Pollanen, 2014). In these studies, no single index has been used due to the differences in the public fiscal administrations of the countries; but information disclosing index and content analysis method are still considered mainstream approaches.

### **1.1. Measuring Accountability Via Content Analysis Method**

There are two main approaches to measure the level of accountability in the annual reports. The first employs a method of content analysis. Krippendorff (1980: 21) defines content analysis as a research technique used to draw reliable and repeatable conclusions from a certain information or data. In the method of

content analysis, the main notions (as required by legislation and directives) that should be contained in the annual reports of the institutions are identified. Whether or not these notions are spelled out in the annual reports provides insights to determine the relevant public administration is actually accountable (Ryan et al., 2002: 265).

In determining the notions that should be contained in the annual reports, it is important to comply with the legislation and directives. However, it is really hard for the researchers to make an informed decision on this matter. For this reason, a panel of experts is called upon in efforts for proper measurement of accountability to identify the notions of accountability by reliance on the Delphi method<sup>2</sup>. A scale of accountability is created when these notions are determined. In the next stage, the annual reports are analyzed and reviewed to see whether they match the relevant notions by use of content analysis method (Hooks, Tooley and Basnan, 2012: 272-273). The frequency of the identified notions in the reports is attributed to a certain score to measure the level of accountability.

## **1.2. Measuring Accountability with Disclosure Index Method**

The second approach for measurement of accountability by reliance on annual reports is the disclosure index method. Disclosure index is considered a method used to assess and evaluate the annual reports of the public administrations (Coy and Dixon, 2004: 85). In this method, the level of accountability in annual reports is evaluated through the information disclosure index<sup>3</sup>.

In addition, in the disclosure index method, some criteria in annual reports are assigned greater points and scores, compared to other criteria. This method is an index based on the disclosure index and also known as Modified Accountability Index (MAD). The MAD index is created in reference to the national legislations. In the MAD index, the information disclosure level is determined by assigning greater points to some criteria. In the time of assigning scores to criteria in the annual reports, researchers may have the impression that some criteria hold greater importance, considering the literature of accountability, the analysis of the reports and the recommendations by specialists and experts. In this case, the researcher identifies his/her own priority criteria.

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2 Delphi method refers to a consensus achieved based on mutually agreed and endorsed views of expert participants convened to discuss a specific issue or matter (Şeker, 2014:1-2).

3 This ranking system, used since the 1960s, has been frequently applied to quantitative studies.

The more important criteria are assigned greater scores in the making of the index (Ryan et al., 2002: 266-267).

Whether the annual reports match the criteria and items identified in the information disclosure index drafted for measurement of accountability is reviewed. In the review, the match level is quantitatively identified to determine a point of accountability for the public administration. The results refer to the information level of the reports that the public administrations drafted within the framework of accountability.

## 2. Research

### 2.1. Related Literature

The following table exhibits empirical studies done in other countries towards the measurement of accountability:

**Table 1.** Measurement of Accountability in Empirical Studies

Author & Date	Scope of study	Findings of the study
Ryan et al. (2002)	Reviews annual reports for three fiscal years, involving both fiscal and non-fiscal information of the 36 local public administrations in Australia	Identifies the level of accountability of local public administrations in reliance on disclosure index method; detects a positive correlation between type and size of local administrations in terms of quality of reports; finds out timeliness has no impact upon improvement of information quality in annual reports
Giroux and McLelland (2003)	Reviews annual reports of 166 cities for 1996 and 133 for 1983 whose population is over 100,000 in the US to identify the level of accountability	Observes administration of municipalities by professional managers, population, financial capacity and level of income constructively affect the level of information disclosure; no correlation detected between the level of indebtedness of municipalities and level of accountability
Steccolini (2004)	Reviews annual reports of 30 local administrations in Italy to see if they are tools of accountability	Observes that annual reports are drafted because of a legal stipulation, that they provide insufficient information and that local public administrations tend to disclose information in densely populated areas



Styles and Tennyson (2007)	Reviews financial reports of 300 municipalities in diverse sizes in the US in terms of financial accountability	Concludes that the level of information disclosure is higher in municipalities with higher income per capita and population density
Blanco et al. (2011)	Reviews annual reports of 177 municipalities in Canada in terms of the level of accountability through disclosure index method	Observes improvement in 2005 compared to 2003; concludes that variables such as auditing firm, population, location and annual change have the impact upon reporting and accountability
Pollanen (2011)	Reviews performance reports of 15 municipalities in Canada for fiscal years 2006 and 2007 in terms of performance accountability	Concludes that population density does not affect performance information disclosure level of municipalities
Do et al. (2014)	Reviews annual reports containing both financial and non-financial data for the measurement of accountability of 15 city municipalities in South Korea	A test of difference in the size of the city and the level of accountability reveals no significantly different conclusions than the literature
Pollanen (2014)	Reviews the performance reports of fiscal years 2008 and 2009 to measure information quality in 21 cities of two largest provinces of Canada (Ontario and British Columbia)	Concludes that despite that drafting of annual performance reports is a legal requirement, only 58 pct of British Columbia municipalities and 20 pct of Ontario municipalities comply with a legal obligation, also noting that these results resemble with performances of other countries
Adi et al. (2016)	Reviews information disclosure level of performance reports of 16 municipalities in Indonesia for three fiscal years	Concludes that number of pages of the report, level of development, shares municipalities take from central government and budget size positively affect disclosure index whereas income per capita has a negative impact

## 2.2. Research Methodology

Because accountability is an abstract concept, it is not possible to precisely measure the level of accountability. In the literature, the obligation of accountability is treated as a reporting activity in the conduct of public administration duties. In the reporting of the outcomes and results, the level of achievement of prescribed goals by the public administrations and the level of efficiency in the use of public resources are determined to indicate whether or

not the obligation of accountability has been fulfilled. The scope and quality of the information contained in the reports highlight the level of accountability. To this end, in the identification of the level of accountability, this study considers the performance reports drafted by the municipalities in the PBB process. As review criteria, the Turkish Court of Accounts' (TCA) performance auditing results have been used. In the performance auditing conducted by the TCA on an annual basis, assurances on the reliability and quality of the information disclosed to the public are provided.

This study seeks to identify the level of accountability as reflected in the three main documents (strategic plan, performance program, and activity report) that the municipalities drafted in the PBB process. To this end, the level of obligation of accountability has been identified for metropolitan municipalities, provincial municipalities and district municipalities of metropolitan municipalities in Turkey. A measurement method has been developed for this purpose. Considering the methods employed in the literature, scores have been assigned to the performance reports of the municipalities. This method yields a score of accountability for each municipality. Therefore, the level of accountability has been determined for each local administration.

**Figure 1.** Research Goal



The study, relying on the performance auditing criteria<sup>4</sup>, analyzes the performance auditing reports of the municipalities published by the TCA. The performance auditing report cites the fulfillment (or non-fulfillment) of these criteria by the municipality as findings of the auditing. The auditing findings have been reviewed by the use of content analysis<sup>5</sup> to assign scores to the performance auditing criteria. The review produces a score of accountability for each municipality. To this end, the level of accountability based on the PBB reports of every municipality has been assessed in line with the performance auditing

4 These criteria are used for the evaluation of performance reports in terms of accountability, compiled by TCA based on INTOSAI standards and public financial legislation.

5 Marcuccio and Steccolini (2009: 150) refers to content analysis as a research method, as coding content of the text-based on different groups or categories that have been determined before.

criteria. A ranking from the municipality with the highest score to the lowest has subsequently been generated.

### 2.2.1. Performance Auditing Criteria

The auditing guide of TCA (2014: 6) notes that the performance auditing duty is performed by review of the quality of the performance information contained in the three main documents of the public administrations. The performance information in the guide is defined as non-fiscal information focusing on the provision of service by the state. The auditors of TCA consider the performance auditing criteria when auditing the non-fiscal information of the public administrations. The performance auditing criteria have been determined in line with directives and guides as well as the auditing practices of other supreme auditing institutions. These criteria are provided in the following table.

**Table 2.** Performance Auditing Criteria

<b>Criteria for Compliance with Reporting Requirements</b>		
<b>Strategic Plan</b>	<b>Availability</b>	Preparation of relevant documents under the legislation by the audited administration
<b>Performance Program</b>	<b>Timeliness</b>	Reporting of the performance information within the identified time by the law
<b>Activity Report</b>	<b>Presentation</b>	Reporting of the performance information in line with the regulatory principles
<b>Criteria on the Content of the Performance Information</b>		
<b>Strategic Plan</b>	<b>Relevance</b>	The logical linkage between goals, objectives, indicators, and activities
<b>Performance Program</b>	<b>Measurability</b>	Measurability of goals or indicators
	<b>Proper identification</b>	The clear and precise definition of goals and indicators

<b>Activity Report</b>	<b>Consistency</b>	Use of the goals and indicators in consistency in the planning and reporting documents of the audited administration
	<b>Verifiability</b>	Verifiability of the reported performance information through its source
	<b>Validity/Legitimacy</b>	Attention by the audited administration to every deviation between planned and reported performance and validity of reasons and explanations offered by the administration

**Source:** Presidency of Turkish Court of Accounts, Performance Auditing Guide, 2014: 7.

The auditing team performs its duty of auditing by reviewing the strategic plan, performance program and activity report (three main documents) of the public administration in reference to their compatibility with the performance auditing criteria cited above. The first section of the table features auditing criteria on the compatibility with reporting requirements. Reporting requirements are criteria on whether or not the audited administration drafted the relevant report in accordance with the presentation requirements as outlined in the directives within the set time limits. The second part of the table presents auditing criteria on the content of the performance information contained in the performance reports of the public administrations. The quality of the information contained in the reports that the public administrations disclosed to the public is determined by these criteria. Performance auditing criteria provide insights for the public administrations on how to perform good reporting. Whereas compatibility criteria for reporting requirements are common to strategic plan, performance program and activity report, criteria for content of performance information are different for activity report. The strategic plan and performance program of the public administration is audited by the auditors of the TCA in terms of performance auditing criteria of availability, timeliness, presentation, relevance, measurability and proper identification. Whether or not the strategic plan and performance program of the administrations complies with these auditing criteria is specified in the auditing report drafted by the auditing team of TCA.

The activity report of the audited public administration is audited by the auditing team of TCA in terms of performance auditing criteria of availability,

timeliness, presentation, consistency, verifiability, and validity. The auditing team of TCA determines the level of compliance by the activity reports of the administrations with these criteria and the results are presented in the performance auditing report.

### **2.3. Assumptions and Constraints of the Study**

This study seeks to depict an existing situation and state of affairs. The primary data (performance auditing reports of the municipalities) are reviewed by the use of content analysis to create secondary data. The TCA publicly assures that it provides accurate and reliable information on the quality of performance information for the audited public administration upon the performance auditing that it carried out. In the auditing process, whether or not the administration fulfills its obligation of accountability is questioned. For this reason, the fulfillment of the criteria outlined in the performance auditing reports for the municipalities is taken as an indicator of the fulfillment of obligation of accountability in this study. This research considers municipalities as actors that are held accountable and the TCA as an institution that holds accountable. Therefore, the study basically examines how the TCA holds the municipalities accountable for their activities.

The method developed as part of this study transforms the qualitative data into a quantitative one; for this purpose, certain points were assigned to criteria. The negative impact of defects identified in the reports and the contradictory statements has been minimized by the method employed in the study. Thus, another researcher will achieve almost identical results in case of running an inquiry into the content of the same reports.

When selecting the municipalities reviewed in the study, all of the municipalities audited by the TCA in 2015 have been included. To determine the level of accountability, the performance auditing reports of the municipalities that the TCA has audited were taken into consideration. In other words, the municipalities not audited by the TCA in terms of performance were not included in the study. For this reason, the study cannot be said of covering all municipalities in Turkey.

### **2.4. Scope, Data and Findings of the Research**

The sample of the study is composed of the municipalities in Turkey whose performance has been audited by the TCA in the fiscal year of 2015. 28 of these municipalities are metropolitan municipalities, 30 provincial municipalities, 45 metropolitan district municipalities, and 1 district municipality.

The data used in the study is performance auditing results performed by the TCA focusing on the performance documents of the municipalities. The performance auditing reports, done by the TCA, are presented to the public as reports. A typical performance auditing report on the performance of a municipality contains 10 to 150 pages. The auditing reviews in these reports are verbal statements and expressions. In line with the objective of the study, the verbal statements in these reports have been transformed into numeric data.

The public administrations auditing reports of 104 municipalities for the fiscal year of 2015 have been reviewed in this study. The first section of these auditing reports contains information on a different segment of auditing that does not fall into the scope of this study. The performance auditing, covered in the study, is handled in the second part of these reports which provides information on the performance auditing of the municipalities. The performance auditing report drafted by auditing teams of TCA for each municipality is prepared in a standardized format. In this standard form, the performance auditing report contains six parts.

Content analysis has been first performed to transform the verbal statements in these parts into numeric data, for this purpose, every auditing criterion has been assigned a certain score. To perform scoring, the performance auditing reports of every municipality have reviewed separately. In this review, the level of fulfillment of the auditing criteria has been identified through content analysis; 3-point likert scale has been used for scoring. A 3-point Likert Scale used in works on the analysis of the performance and auditing reports (Pollanen, 2011; Banar and Zeytinoğlu, 2011; Gomez and Padia, 2014). It has been observed that different scoring methods (0-3, 0-4, 0-5 etc) were used in the literature. There are three statements in the auditing reports of TCA on the criteria: “meets the criteria, partially meets the criteria, fails to meet the criteria.” For this reason, a 3-point scale has been preferred in order for the scoring to match the statements in the reports.

If the auditing report drafted by the auditing team of TCA refers to the relevant criterion as being met by the municipality<sup>6</sup>, then 2 points are assigned to

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6 For instance, the performance auditing report for Amasya Municipality in the fiscal year of 2015, in regards to the performance program, states, “Amasya Municipality has met the ‘availability’ criterion by drafting the performance program of 2015.”

the criterion; if it is partially met<sup>7</sup>, 1 point is assigned; and if it is not met at all<sup>8</sup>, 0 point is assigned. If the report presents no information or provides a report of inconsistency in respect to the relevant criterion, then this means that there is no data, with no score is assigned and the relevant section is marked (-). In addition, because there is a linkage between the criteria, in case one criterion is not met, the others are not audited<sup>9</sup>. In this case, no scoring has been performed. The following presents performance auditing criteria, abbreviations of the criteria and the performed scoring.

**Table 3.** Scoring the Performance Auditing Criteria of the Municipalities

..... Municipality	State of meeting criteria			
	Full	Partial	None	No data
<b>Scoring</b>	2 points	1 point	0 point	-
<b>Strategic Plan</b>				
Availability (SK <sub>1</sub> )				
Timeliness (SK <sub>2</sub> )				
Presentation (SK <sub>3</sub> )				
Relevance (SK <sub>4</sub> )				
Measurability (SK <sub>5</sub> )				
Proper identification (SK <sub>6</sub> )				
	State of meeting criteria			
<b>Performance Program</b>	Full	Partial	None	No data
Availability (PK <sub>1</sub> )				
Timeliness (PK <sub>2</sub> )				
Presentation (PK <sub>3</sub> )				

7 For instance, the performance auditing report for Amasya Municipality in the fiscal year of 2015, in regards to the strategic plan, states, “Amasya Municipality has partially met the ‘presentation’ criterion by drafting the 2015 strategic plan partially in compliance with the established rules and requirements.”

8 For instance, the performance auditing report for Amasya Municipality in the fiscal year of 2015, in regards to the activity report, states, “Amasya Municipality cannot be tracked towards the source of the reported performance information.”

9 For instance, when the goals contained in the strategic plan of the audited administration are reviewed in terms of relevance, the goals determined not relevant cannot be reviewed in terms of measurability criterion, the next auditing criterion.

Relevance (PK <sub>4</sub> )				
Measurability (PK <sub>5</sub> )				
Proper identification (PK <sub>6</sub> )				
	<b>State of meeting criteria</b>			
<b>Activity Report</b>	<b>Full</b>	<b>Partial</b>	<b>None</b>	<b>No data</b>
Availability (FK <sub>1</sub> )				
Timeliness (FK <sub>2</sub> )				
Presentation (FK <sub>3</sub> )				
Consistency (FK <sub>4</sub> )				
Verifiability (FK <sub>5</sub> )				
Validity/Legitimacy (FK <sub>6</sub> )				
<b>Total score</b>				

As seen in the table above, performance auditing criteria (denoted by K) are expressed by abbreviations. For the strategic plan, performance auditing criteria are denoted by SK and the relevant criteria are abbreviated as SK<sub>1</sub>, SK<sub>2</sub>, SK<sub>3</sub>, SK<sub>4</sub>, SK<sub>5</sub> and SK<sub>6</sub>. PK refers to the auditing criteria for performance program and the criteria are abbreviated as PK<sub>1</sub>, PK<sub>2</sub>, PK<sub>3</sub>, PK<sub>4</sub>, PK<sub>5</sub> and PK<sub>6</sub>. Similarly, activity report criteria are referred to as FK and they are abbreviated as FK<sub>1</sub>, FK<sub>2</sub>, FK<sub>3</sub>, FK<sub>4</sub>, FK<sub>5</sub> and FK<sub>6</sub>.

$$\text{Total score for strategic plan} \sum_i^6 (SK)_i = (SH)_j$$

$$\text{Total score for performance program} \sum_i^6 (PK)_i = (PH)_j$$

$$\text{Total score for activity report} \sum_i^6 (FK)_i = (FH)_j$$

$$(SH)_j + (PH)_j + (FH)_j = H_j \text{ (Total accountability score for the audited year)}$$

(SH<sub>2015</sub>) has been achieved for the strategic plans evaluated in the performance auditing of the municipalities for the fiscal year of 2015 (SK<sub>1</sub>+SK<sub>2</sub>+SK<sub>3</sub>+SK<sub>4</sub>+SK<sub>5</sub>+SK<sub>6</sub>=SH<sub>2015</sub>).

(PH<sub>2015</sub>) has been achieved for the performance program evaluated in the performance auditing of the municipalities for the fiscal year of 2015 (PK<sub>1</sub>+PK<sub>2</sub>+PK<sub>3</sub>+PK<sub>4</sub>+PK<sub>5</sub>+PK<sub>6</sub>=PH<sub>2015</sub>).

(FH<sub>2015</sub>) has been achieved for the activity report evaluated in the performance auditing of the municipalities for the fiscal year of 2015 (FK<sub>1</sub>+FK<sub>2</sub>+FK<sub>3</sub>+FK<sub>4</sub>+FK<sub>5</sub>+FK<sub>6</sub>=FH<sub>2015</sub>).



( $H_{2015}$ ) has been achieved as the level of accountability of the municipalities for the fiscal year of 2015 ( $SH_{2015}+PH_{2015}+FH_{2015}=H_{2015}$ ).

#### 2.4.1. Scores of Accountability Level of Municipalities for the Fiscal Year 2015

For activity reports,  $FH_{2015}$  shows the final scores of each municipality ( $FK_1+FK_2+FK_3+FK_4+FK_5+FK_6=FH_{2015}$ ). The table below presents the activity report score of the municipalities whose performance has been measured in the 2015 fiscal year ( $FH_{2015}$ ).

**Table 4.** Activity Report Score for the Fiscal Year 2015 ( $FH_{2015}$ )<sup>10</sup>

Municipalities for which performance auditing has been performed in 2015	Reporting Criteria			Performance information criteria			FH <sub>15</sub>
	FK <sub>1</sub>	FK <sub>2</sub>	FK <sub>3</sub>	FK <sub>4</sub>	FK <sub>5</sub>	FK <sub>6</sub>	
<b>Metropolitan Municipality</b>							
Denizli	2	2	2	2	2	2	12
Muğla	2	2	2	2	2	2	12
Şanlıurfa	2	2	2	2	2	2	12
Kocaeli	2	2	2	2	2	2	12
İzmir	2	2	2	2	2	2	12
Gaziantep	2	2	2	2	2	2	12
Antalya	2	2	2	2	2	2	12
Balıkesir	2	2	2	1,93	1,93	1,85	11,71
Eskişehir	2	2	1	2	2	2	11
Manisa	2	2	2	2	2	0	10
Diyarbakır	2	2	2	2	2	0	10
İstanbul	2	2	1	2	2	1	10
Ordu	2	2	2	1	1	1	9
Sakarya	2	2	2	1	2	0	9

<sup>10</sup> The strategic plan score of the municipalities for the fiscal year of 2015 ( $SH_{2015}$ ) and the performance program score for the same period ( $PH_{2015}$ ) are not presented here because they largely resemble with the activity report score ( $FH_{2015}$ ) and due to space constraints.

Tekirdağ	2	2	2	1	1	1	9
Adana	2	2	2	1	1	0	8
Bursa	2	2	2	1	1	0	8
Ankara	2	2	2	0	2	0	8
Hatay	2	2	2	-	0	0	6
Van	2	2	2	-	-	0	6
Mersin	2	2	2	0	0	0	6
Kahramanmaraş	2	2	1	0	0	0	5
Kayseri	2	2	1	-	-	0	5
Mardin	2	2	1	0	0	0	5
Aydın	2	2	1	0	0	0	5
Erzurum	2	2	0	0	0	0	4
Konya	2	2	0	0	0	0	4
Trabzon	2	2	0	0	0	0	4
<b>Provincial Municipality</b>							
Bilecik	1	2	2	2	2	2	11
Kütahya	2	2	2	1,62	1,89	1,2	10,71
Niğde	2	2	2	2	2	0	10
Rize	2	2	2	1,92	2	0	9,92
Çorum	2	2	2	1	1	1	9
Düzce	2	2	1	2	2	0	9
Edirne	2	2	2	0,61	2	0	8,61
Kırıkkale	2	2	2	-	0	0	6
Sivas	2	2	2	-	-	0	6
Amasya	2	2	-	2	0	0	6
Bartın	2	2	2	-	-	0	6
Çanakkale	2	2	2	0	0	0	6
Giresun	2	2	2	0	0	0	6
Afyonkarahisar	2	2	1	-	-	-	5
Bingöl	2	2	1	0	0	0	5

Kars	2	2	1	-	-	0	5
Muş	2	2	1	0	0	0	5
Osmaniye	2	2	1	0	0	0	5
Karabük	2	2	1	-	-	0	5
Zonguldak	2	2	1	0	0	0	5
Bolu	2	2	0	0	0	0	4
Erzincan	2	2	0	0	0	0	4
Hakkari	2	2	0	0	0	0	4
Kırklareli	2	2	0	0	0	0	4
Kırşehir	2	2	0	0	0	0	4
Yalova	2	2	0	0	0	0	4
Çankırı	2	2	0	0	0	0	4
Kastamonu	2	2	0	0	0	0	4
Uşak	2	2	0	0	0	0	4
Nevşehir	0	0	0	0	0	0	0
<b>Metropolitan District Municipality</b>							
İzmir Karabağlar	2	2	2	2	2	2	12
İzmir Çiğli	2	2	2	2	2	2	12
İstanbul Ataşehir	2	2	2	2	2	2	12
Eskişehir Tepebaşı	2	2	2	2	2	2	12
İstanbul Beykoz	2	2	2	2	2	1,78	11,78
Manisa Yunusemre	2	2	1	2	2	2	11
İstanbul Beyoğlu	2	2	2	2	2	1	11
Denizli Merkezefendi	2	2	2	2	2	0	10
Gaziantep Şehitkamil	2	2	2	2	2	0	10
İstanbul Esenler	2	2	1	2	2	1	10
İstanbul Üsküdar	2	2	2	2	2	0	10
İzmir Balçova	2	2	2	2	2	0	10
İzmir Karşıyaka	2	2	2	2	2	0	10
Mersin Akdeniz	2	2	2	2	2	0	10

Samsun Atakum	2	2	2	2	2	0	10
İzmir Konak	2	2	2	2	2	0	10
Antalya Alanya	2	2	2	1,77	0	1,77	9,54
İzmir Bayraklı	2	2	1	2	2	0,36	9,36
Ankara Altındağ	2	2	2	1,6	1,6	0	9,2
Antalya Kepez	2	2	2	0,58	0,58	2	9,16
Ankara Etimesgut	2	2	2	1	2	0	9
Mersin Mezitli	2	2	1	2	2	0	9
Balıkesir Karesi	2	2	2	2	0	0	8
Ankara Çankaya	2	2	2	1	1	0	8
Ankara Mamak	2	2	1	0	1	0	6
Antalya Muratpaşa	2	2	2	0	0	0	6
Aydın Efeler	2	2	2	-	-	-	6
İstanbul Kadıköy	2	2	-	-	2	0	6
İstanbul Pendik	2	2	2	0	0	0	6
Konya Meram	2	2	2	-	-	0	6
Mersin Toroslar	2	2	2	0	0	0	6
Mersin Yenişehir	2	2	2	-	-	-	6
Muğla Mentеше	2	2	2	0	0	0	6
Sakarya Adapazarı	2	2	2	0	0	0	6
Ankara Keçiören	2	2	2	-	-	-	6
Antalya Serik	2	2	1	0	0	0	5
Kocaeli Çayırova	2	2	1	-	-	0	5
Manisa Şehzadeler	2	2	0	1	-	0	5
Şanlıurfa Eyyübiye	2	2	1	0	0	0	5
Van Tuşba	2	2	1	0	0	0	5
Eskişehir Odunpazarı	2	2	1	0	0	0	5
Hatay İskenderun	2	2	0	0	0	0	4
İstanbul Bakırköy	2	2	0	0	0	0	4
Kayseri Kocasinan	2	2	-	-	-	-	4

Tekirdağ Ergene	0	0	1	0	0	0	1
<b>District Municipality</b>							
Kırklareli Lüleburgaz	2	2	2	2	2	0	10
If the report presents no information or provides report of inconsistency in respect to the relevant criterion, then this means that there is no data, with no score is assigned and relevant section is marked (-).							

The following table presents the scores of the accountability level of the municipalities whose performance auditing has been performed in the fiscal year 2015 ( $H_{2015}$ ) ( $SH_{2015}+PH_{2015}+FH_{2015}=H_{2015}$ ).

**Table 5.** Scores of Accountability Level for Municipalities (For the year 2015)

Municipalities for which performance auditing has been performed in 2015	SH <sub>2015</sub>	PH <sub>2015</sub>	FH <sub>2015</sub>	H <sub>2015</sub>	%H <sub>2015</sub>
İzmir Metropolitan Municipality	12	12	12	36	100
Şanlıurfa Metropolitan Municipality	12	12	12	36	100
Eskişehir Tepebaşı	12	11,8	12	35,8	99,44
Balıkesir Metropolitan Municipality	11,84	11,92	11,71	35,47	98,53
Kocaeli Metropolitan Municipality	10,79	11,58	12	34,37	95,47
Gaziantep Metropolitan Municipality	11	11	12	34	94,44
Bilecik	12	11	11	34	94,44
İstanbul Bakırköy	11	11	12	34	94,44
Eskişehir Metropolitan Municipality	11	11,73	11	33,73	93,69
İstanbul Ataşehir	9,76	11,73	11,78	33,27	92,42
İstanbul Üsküdar	11	12	10	33	91,67
Mersin Akdeniz	12	11	10	33	91,67
İstanbul Beyoğlu	10,9	11	11	32,9	91,39
Denizli Metropolitan Municipality	10	10,59	12	32,59	90,53
İstanbul Metropolitan Municipality	11	11	10	32	88,89

Niğde	11	11	10	32	88,89
İzmir Karabağlar	9	11	12	32	88,89
Manisa Yunusemre	11	10	11	32	88,89
Sakarya Metropolitan Municipality	10,93	12	9	31,93	88,69
İzmir Balçova	10,46	11,31	10	31,77	88,25
İzmir Bayraklı	10,96	10,99	9,36	31,31	86,97
Rize	10,64	10,46	9,92	31,02	86,17
İzmir Karşıyaka	11	10	10	31	86,11
Samsun Atakum	10,67	10,11	10	30,78	85,50
Düzce	11	10,76	9	30,76	85,44
Ankara Altındağ	10,28	10,78	9,2	30,26	84,06
Ankara Metropolitan Municipality	11	11,2	8	30,2	83,89
Diyarbakır Metropolitan Municipality	8,5	11,64	10	30,14	83,72
İzmir Çiğli	9	9	12	30	83,33
Muğla Metropolitan Municipality*	6	12	12	30	83,33
Antalya Alanya	10,11	10,28	9,54	29,93	83,14
Denizli Merkezefendi	10,44	9	10	29,44	81,78
İstanbul Esenler	10,34	9	10	29,34	81,50
Edirne	10,76	9	8,61	28,37	78,81
Kütahya	6,56	10,95	10,71	28,22	78,39
Ankara Etimesgut	9	10	9	28	77,78
Kırıkkale*	10,86	11	6	27,86	77,39
Kırklareli Lüleburgaz	8,38	9,38	10	27,76	77,11
İzmir Konak	6,78	10,45	10	27,23	75,64
Tekirdağ Metropolitan Municipality	9	9	9	27	75
Antalya Metropolitan Municipality	6,96	7,4	12	26,36	73,22
İstanbul Beykoz	10,19	12	4	26,19	72,75

Ankara Çankaya	9	9	8	26	72,22
Bursa Metropolitan Municipality	9	9	8	26	72,22
Bolu	11	11	4	26	72,22
Amasya*	9	10,82	6	25,82	71,72
Sakarya Adapazarı	9,94	9,66	6	25,6	71,11
Gaziantep Şehitkamil	6,87	8,61	10	25,48	70,78
Çorum	8	8	9	25	69,44
Ordu Metropolitan Municipality	7	9	9	25	69,44
Manisa Metropolitan Municipality	3	11,76	10	24,76	68,78
Ankara Mamak	8	10	6	24	66,67
Balıkesir Karesi	4	12	8	24	66,67
İstanbul Pendik	9	9	6	24	66,67
Kırklareli	9,48	9,72	4	23,2	64,44
Mersin Toroslar	6,76	10,27	6	23,03	63,97
Adana Metropolitan Municipality	6	9	8	23	63,89
Trabzon Metropolitan Municipality	9,78	9,09	4	22,87	63,53
Antalya Kepez	6,92	6,74	9,16	22,82	63,39
İstanbul Kadıköy*	9	7	6	22	61,11
Konya Meram*	8	8	6	22	61,11
Mersin Mezitli	7	6	9	22	61,11
Antalya Serik	7	8	5	20	55,56
Hatay Metropolitan Municipality*	6	8	6	20	55,56
Van Tuşba	7	8	5	20	55,56
Kocaeli Çayırova*	7	7	5	19	52,78
Manisa Şehzadeler*	6	8	5	19	52,78
Osmaniye	7	7	5	19	52,78
Sivas*	7	6	6	19	52,78

Çanakkale	6,89	6	6	18,89	52,47
Karabük*	6,21	7,22	5	18,43	51,19
Giresun	6	6	6	18	50
Mersin Metropolitan Municipality	6	6	6	18	50
Zonguldak	7	6	5	18	50
Antalya Muratpaşa	8	4	6	18	50
Kars*	7	6	5	18	50
Kırşehir	7	7	4	18	50
Eskişehir Odunpazarı	7	5	5	17	47,22
Aydın Efeler*	5	6	6	17	47,22
Mersin Yenişehir*	5	6	6	17	47,22
Van Metropolitan Municipality*	7	4	6	17	47,22
Yalova*	7	6	4	17	47,22
TekirdağErgene	8,87	7	1	16,87	46,86
Ankara Keçiören*	4	6	6	16	44,44
Bartın*	4	6	6	16	44,44
Afyonkarahisar*	5	6	5	16	44,44
Aydın Metropolitan Municipality	5	5	5	15	41,67
Şanlıurfa Eyyübiye	10	0	5	15	41,67
Nevşehir	6,84	7,35	0	14,19	39,42
Bingöl	5	4	5	14	38,89
Kahramanmaraş Metropolitan Municipality*	4	5	5	14	38,89
Kayseri Metropolitan Municipality*	5	4	5	14	38,89
Erzincan	9,21	0	4	13,21	36,69
Erzurum Metropolitan Municipality*	5	4	4	13	36,11
Kayseri Kocasinan*	5	4	4	13	36,11
Uşak	5	4	4	13	36,11



Konya Metropolitan Municipality	4	4	4	12	33,33
Hatay İskenderun*	2	5	4	11	30,56
Mardin Metropolitan Municipality	6	0	5	11	30,56
Muğla Menteşe	5	0	6	11	30,56
Muş	6	0	5	11	30,56
Kastamonu	4	0	4	8	22,22
Hakkari	4	0	4	8	22,22
Çankırı*	2	0	4	6	16,67
Municipalities denoted by (*) have criteria that have not been audited due to missing information in their performance auditing reports.					

A review of the tables above reveals that metropolitan municipalities received the highest score (36) of accountability level (İzmir and Şanlıurfa Metropolitan Municipalities). Based on the findings on the review of the three documents, it could be said that the municipalities generally performed well in meeting the criteria for the requirements of reporting performance information; however, it could also be said that they are not that successful in meeting the criteria set for quality of information contained in the reports.

#### **2.4.2. Assessing Level of Accountability of Municipalities in 2015 and Categorical Differences**

A review of the content analysis of the performance auditing reports reveals that the level of meeting relevant criteria has not been identified for some municipalities. Because their level of accountability has not been fully identified even though their performance auditing has been done for the year of 2015 for the reason that the content analysis was unable to determine the level of meeting the criteria, 24 municipalities were taken out of the analyses. The analysis has been performed for municipalities whose performance auditing has been performed and whose level of accountability has been fully identified.

Although 104 municipalities have been subjected to performance auditing for the fiscal year of 2015, 80 municipalities are considered eligible for the study as all of their performance auditing criteria have been properly identified. The level of accountability of these municipalities for the year of 2015 and whether there are differences in terms of their administrative structures has been reviewed. The averages for 22 metropolitan municipalities, 21 provincial

municipalities, 36 metropolitan district municipalities and 1 district municipality are presented below.

**Table 6.** Descriptive Statistics of Municipalities in terms of Their Administrative Structures

In terms of group statistics types	N	Average	Standard Deviation	Standard Error	Minimum	Maximum
Metropolitan Municipality	22	27,1555	7,65928	1,63296	11,00	36,00
Provincial Municipality	21	20,5171	8,19622	1,78856	8,00	34,00
Metropolitan District Municipality	36	26,5561	6,09580	1,01597	11,00	35,80
District Municipality	1	27,7600			27,76	27,76
<b>Total</b>	80	25,1507	7,54168	,84319	8,00	36,00

A review of the table above reveals that with the exception of one district municipality, the metropolitan municipalities maintain the highest scores whereas the provincial municipalities receive the lowest scores. To inquire into the differences in municipalities in terms of administrative structures, One-Way ANOVA Test has been run. One district municipality has been taken out in order to identify the type of municipality that leads to a difference in administrative structure within the 80 municipalities. Thus, 79 municipalities have been reviewed in terms of administrative differences.

The following hypotheses have been tested:

“H<sub>1,0</sub>: There is no difference between the level of accountability of the municipalities in Turkey in terms of their administrative structures.”

“H<sub>1,1</sub>: There is a difference between the level of accountability of the municipalities in Turkey in terms of their administrative structures.”

**Table 7.** One-Way ANOVA Test on the Administrative Structure of Municipalities

Difference in Level of Accountability	Sum of squares	Degree of freedom	Average of squares	F	Significance (Sig.)
Inter-group	610,306	2	305,153	5,983	0,004
Intra-group	3876,073	76	51,001		
Total	4486,380	78			

The table above reveals that the Oneway ANOVA test results (F test) refer to a significant difference between the four types of administrative structures of the municipalities in terms of accountability. Because the level of significance (Sig.) matching the F value of 5,983 is 0.004 (Sig.<0,05), there is a significant difference in terms of accountability. Thus the H<sub>1,1</sub> has been accepted. To determine the type of municipal structure that led to the difference, the Scheffe test result presented below is consulted. According to Scheffe test result, provincial municipalities are less effective than metropolitan municipalities and district municipalities of metropolitan municipalities; the difference is statistically significant. For this reason, it could be said that metropolitan municipalities and the metropolitan district municipalities are more successful than the provincial municipalities in terms of accountability (See Table 8).

**Table 8.** Scheffe Test on Comparison of the Types of Municipalities

Municipality (I)	Municipality (J)	Average Difference	Standard Error	Level of Significance (Sig.)	95% Confidence Interval	
					Lower limit	Upper limit
Metropolitan Municipality	Provincial	6,63831*	2,17873	,013	1,1985	12,0781
	Metropolitan DistrictMun.	,59934	1,93259	,953	-4,2259	5,4246
Provincial	Metropolitan Municipality	-6,63831*	2,17873	,013	-12,0781	-1,1985
	Metropolitan DistrictMun.	-6,03897*	1,96095	,011	-10,9350	-1,1429

Dist. Mun. Of Met. Mun.	Metropolitan Municipality	-,59934	1,93259	,953	-5,4246	4,2259
	Provincial	6,03897*	1,96095	,011	1,1429	10,9350

\* Significant at level of average difference of 0.05.

The levels of accountability of the 80 municipalities that met all criteria in the fiscal year of 2015 and the regions they were located in were also compared in terms of differences. The distribution of the municipalities along the regions is provided below. 5 of these municipalities are located in the Eastern Anatolia, 12 in the Central Anatolia, 10 in the Black Sea, 11 in the Mediterranean, 15 Aegean, 21 Marmara, and 6 Southeast Anatolian region.

**Table 9.** Descriptive Statistics of Municipalities in terms of Regions

<b>Group Statistics In terms of Regions</b>	N	Average	Std. Deviation	Std. Error	Minimum	Maximum
East Anatolia	5	13,2420	4,43710	1,98433	7,7326	18,7514
Central Anatolia	12	25,0983	8,01306	2,31317	20,0071	30,1896
Black Sea	10	23,5430	7,25821	2,29525	18,3508	28,7352
Mediterranean	11	23,1945	4,84697	1,46142	19,9383	26,4508
Aegean	15	26,9547	7,86520	2,03079	22,5991	31,3103
Marmara	21	28,4838	5,24226	1,14395	26,0976	30,8701
Southeast Anatolia	6	25,2700	10,23926	4,18016	14,5246	36,0154
<b>Total</b>	80	25,1508	7,54168	,84319	23,4724	26,8291

The table above shows that the municipalities in East Anatolia performed poorest in terms of the level of accountability whereas municipalities in Marmara region maintained the highest average. The following hypotheses have been tested to determine differences in terms of location:

“H<sub>2,0</sub>: There is no difference in terms of the level of accountability of the municipalities in terms of their location in Turkey”

“H<sub>2,1</sub>: There is a difference in terms of the level of accountability of the municipalities in terms of their location in Turkey.”

In order to test these hypotheses, the One-way ANOVA test whose results are given below has been run.

**Table 10.** One-Way ANOVA Test of the Municipalities in terms of Regions

Level of accountability	Sum of squares	Degree of Freedom	Average of Squares	F	Level of Significance (Sig.)
Inter-groups	1059,259	6	176,543	3,753	0,003
Intra-groups	3434,015	73	47,041		
Total	4493,274	79			

As shown in the table above, according to the Oneway ANOVA Test results, there is a significant difference between regions in terms of accountability (F=3,753, Sig. 0,003<0,05 H<sub>2,1</sub> accepted). The regions that created this difference has also been identified. According to the Scheffe test result presented below, municipalities in Aegean and Marmara regions are more successful than municipalities in East Anatolia in fulfillment of the accountability requirements; the results also confirm that this difference is statistically significant.

**Table 11.** Scheffe Test in Terms of Locations of the Municipalities

Region (I)	Region (J)	Average Difference	Std. Deviation	Level of Significance (Sig.)	95 % Confidence Interval	
					Lower Limit	Upper Limit
East Anatolia	Central Anatolia	-11,85633	3,65080	,120	-25,1973	1,4846
	Black Sea	-10,30100	3,75665	,290	-24,0287	3,4267
	Mediterranean	-9,95255	3,69929	,313	-23,4707	3,5656
	Aegean	-13,71267*	3,54180	,030	-26,6553	-,7700
	Marmara	-15,24181*	3,41296	,006	-27,7136	-2,7700
	Southeast Anatolia	-12,02800	4,15313	,227	-27,2046	3,1486

\* Difference from average is significant at 0.05 level.

### 2.4.3. Estimation of the Determinants in the Level of Accountability of Municipalities by use of the Regression Analysis

This study includes the accountability level of 80 municipalities calculated based on the 2015 performance audit reports of the TCA. The table below presents the descriptive statistical values referring to the normal distribution of the level of accountability for the municipalities in 2015 (the dependent variable in the study).

**Table 12.** Descriptive Statistics of Dependent Variable

Sample	80	✓
Average	25,1508	
Standard Deviation	7,54168	
Skewness	-,573	
Standard Error Skewness	,269	
Kurtosis	-,687	
Standard Error Kurtosis	,532	✓

Regression analysis is performed to determine the variables related to the level of accountability. The dependent variable is the level of accountability of 78<sup>11</sup> municipalities.

The independent variables are Type of Municipality- $X_1$ , Age of Mayor- $X_2$ , Financial Situation- $X_3$ , Political Power-  $X_4$ , Election Turnout Rate- $X_5$ , Number of Staff- $X_6$  and Geographical Location- $X_7$ <sup>12</sup>.

11 Two municipalities are excluded from the analysis because there is no data on the  $X_6$  variable.

12 Outlier values are investigated for the variables. The Mahalanobis Distances of all variables are calculated through regression analysis at SPSS to determine the multivariate outliers. The analysis concludes that the outlier is caused by the data of İstanbul Metropolitan Municipality. İstanbul Metropolitan Municipality hosts visibly larger population when compared to other municipalities. Additionally, the population variable is excluded from the model because there is high level of correlation between population variable and number of personnel variable.

**Table 13.** Independent Variables

X <sub>1</sub>	Type of Municipality	Metropolitan, Provincial, Metropolitan District and District Municipality.
X <sub>2</sub>	Age of Mayor	Ages of mayors have been compiled from the official websites of the municipalities, based on their resumes.
X <sub>3</sub>	Financial Situation	The realization figures of the municipalities' revenue and expenditure budgets for 2015 are determined from the regularity audit reports of TCA. The difference between the income and expenditure figures realized for the analysis was obtained from the financial situation variable of the municipalities which are the indicators of budget balance.
X <sub>4</sub>	Political Power	The votes the parties (the parties that mayors represent) received in the 2014 mayoral elections are considered and the parties are ranked accordingly, from the lowest amount of votes to the highest. The ranking then appears as follows: other parties, Peoples' Democratic Party (HDP), Nationalist Action Party (MHP), People's Republican Party (CHP) and Justice and Development Party (AKP).
X <sub>5</sub>	Election Turnout Rate	Compiled in consideration of the turnout rate in the 2014 mayoral elections.
X <sub>6</sub>	Number of Staff	Compiled based on the activity reports of the municipalities for the fiscal year of 2015.
X <sub>7</sub>	Geographical Location	Locations are ordered in accordance with the smallest areas to the largest in terms of geographical size: Southeast Anatolia, Marmara, Aegean, Mediterranean, Black Sea, Central Anatolia and Eastern Anatolia.

In order to examine the presence of multicollinearity (high level of relationship between at least two independent variables) between independent variables, a test is performed and the results are presented in the table below:

**Table 14.** Correlation Analysis

		X <sub>1</sub>	X <sub>2</sub>	X <sub>3</sub>	X <sub>4</sub>	X <sub>5</sub>	X <sub>6</sub>	X <sub>7</sub>
X <sub>1</sub>	Pearson Correlation	1	,268*	-,112	-,023	-,070	,320**	,067
	Sig.		,016	,325	,838	,535	,004	,554
	N	80	80	79	80	80	78	80

X <sub>2</sub>	Pearson Correlation	,268*	1	-,109	-,009	,253*	,329**	-,014
	Sig.	,016		,340	,934	,024	,003	,902
	N	80	80	79	80	80	78	80
X <sub>3</sub>	Pearson Correlation	-,112	-,109	1	,033	,035	-,554**	,068
	Sig.	,325	,340		,770	,762	,000	,553
	N	79	79	79	79	79	77	79
X <sub>4</sub>	Pearson Correlation	-,023	-,009	,033	1	,230*	,001	,065
	Sig.	,838	,934	,770		,040	,992	,566
	N	80	80	79	80	80	78	80
X <sub>5</sub>	Pearson Correlation	-,070	,253*	,035	,230*	1	,057	-,254*
	Sig.	,535	,024	,762	,040		,622	,023
	N	80	80	79	80	80	78	80
X <sub>6</sub>	Pearson Correlation	,320**	,329**	-,554**	,001	,057	1	-,124
	Sig.	,004	,003	,000	,992	,622		,280
	“N”	78	78	77	78	78	78	78
X <sub>7</sub>	Pearson Correlation	,067	-,014	,068	,065	-,254*	-,124	1
	Sig.	,554	,902	,553	,566	,023	,280	
	N	80	80	79	80	80	78	80

\* Correlation is significant at 0.05 level.

\*\* Correlation is significant at 0.01 level.

“N=78” (The two municipalities are excluded from the analysis as the number of staff data is not available.)

As the table above shows, there is a low and mid-level correlation between the variables denoted by (\*). Collinearity diagnostics are performed to investigate the problem of linearity between the independent variables. The results are given below:



**Table 15.** Eigenvalues, Condition Index and Variance Proportions of Independent Variables

Dimension	Eigenvalue	Condition Index	Variance Proportions							
			Constant	X <sub>1</sub>	X <sub>2</sub>	X <sub>3</sub>	X <sub>4</sub>	X <sub>5</sub>	X <sub>6</sub>	X <sub>7</sub>
1	5,963	1,000	,00	,00	,00	,00	,00	,00	,00	,00
2	1,297	2,145	,00	,00	,00	,31	,00	,00	,11	,00
3	,385	3,933	,00	,01	,00	,64	,00	,00	,60	,02
4	,157	6,164	,00	,15	,00	,03	,00	,00	,15	,80
5	,138	6,585	,00	,75	,00	,01	,05	,00	,06	,10
6	,048	11,161	,00	,06	,08	,00	,78	,00	,00	,00
7	,012	22,554	,01	,01	,89	,01	,15	,01	,07	,00
8	,000	123,689	,98	,01	,03	,01	,02	,99	,00	,07

The table above presents eigenvalues, condition index and variance proportions for each variable. It could be said that there is a problem of linearity between the variables if the eigenvalues do not resemble significantly, the condition index, another way of expressing eigenvalue, is very high and the largest variance of each variable is distributed towards one single eigenvalue. A review of the table reveals that the variance proportions of the variables are distributed towards different eigenvalues. In addition, in an attempt to investigate a problem of collinearity between the variables, standard errors, tolerance, variance inflation factor-VIF rates of the variables are examined and the results are presented below:

**Table 16.** Standard Error, Tolerance and VIF Values of Variables

Independent Variables	$\beta$	Standard Error	Tolerance	VIF
X <sub>1</sub>	-1,124	,971	,839	1,192
X <sub>2</sub>	,214	,102	,782	1,279
X <sub>3</sub>	,000	,000	,678	1,476

X <sub>4</sub>	1,196	,943	,924	1,082
X <sub>5</sub>	,237	,317	,852	1,174
X <sub>6</sub>	,000	,001	,566	1,767
X <sub>7</sub>	-1,303	,482	,886	1,129

A review of the tolerance values presented at the table above reveals that the tolerance values of all variables are greater than 0.2. In addition, the VIF values for all variables at the table are less than 10. These figures can be seen as the absence of a problem of collinearity between the variables. Therefore, it could be said that the assumptions and constraints required for a regression analysis have been met.

The following are hypotheses tested for the multi-variable linear regression model.<sup>13</sup>

At least one of the following parameters is not null.

$$Y_i = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \dots + \beta_7 X_7 + e_i$$

$$H_0 : \beta_1 = \beta_2 = \beta_3 = \beta_4 = \beta_5 = \beta_6 = \beta_7 = 0$$

$$H_1 : \beta_j.$$

The analysis leads to a multi-variable linear regression model. The following table summarizes the achieved regression analysis model.

**Table 17.** Summary of Regression Model

Model	R	R <sup>2</sup>	Corrected R <sup>2</sup>	Standard Error Estimation
1	,466	,217	,139	6,82564

The table above presents the information on the achieved regression analysis model. The R<sup>2</sup> value that refers to the explanatory ability of the model is 21.7%. In other words, the model explains 21.7% of the level of accountability of the municipalities. The following is the Anova table that shows the level of significance of the model.

<sup>13</sup> Error term, disturbance e represents all other factors that affects dependent variable, y, except x<sub>1</sub>, x<sub>2</sub>, ..., x<sub>7</sub>.

**Table 18.** Anova Table

Model		Sum of Squares	df	Average of Squares	F	Level of Significance (Sig.)
1	Regression	904,960	7	129,280	2,775	,013
	Waste	3261,260	70	46,589		
	Total	4166,219	77			

As seen in the Anova table presenting the level of significance of the model, it could be said that the model is significant at the 95% confidence interval (F=2,775; P<0,05). The results of the analysis are seen in the following table:

**Table 19.** Results of Multi-variable Regression Analysis

Model	Descriptives	Non-standardized coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	Constant	-4,693	27,528		-,170	,865
	X <sub>1</sub>	-1,171	,978	-,138	-1,198	,235
	X <sub>2</sub>	,213	,102	,249	2,083	,041
	X <sub>3</sub>	,000	,000	,064	,494	,623
	X <sub>4</sub>	,916	,998	,101	,918	,362
	X <sub>5</sub>	,241	,316	,087	,762	,449
	X <sub>6</sub>	,000	,001	,117	,830	,409
	X <sub>7</sub>	-1,361	,478	-,319	-2,850	,006

Variables: Type of Municipality-X<sub>1</sub>, Age of Mayor-X<sub>2</sub>, Financial situation-X<sub>3</sub>, Political Power- X<sub>4</sub>, Election Turnout Rate-X<sub>5</sub>, Number of Staff-X<sub>6</sub>, Geographical Location-X<sub>7</sub>.

The analysis reveals that the level of significance of X<sub>2</sub> and X<sub>7</sub> is less than 0.05 in the model which is explained below:

$$Y_i = - 4,693 + 0,213 * X_2 - 1,361 * X_7$$

In other words,

$$Y_i = -4,693 + 0,213 * \text{Age of Mayor} - 1,361 * \text{Geographical Location.}$$

As seen in the model, the variables that directly affect the level of accountability are the age of the mayor and geographical location. As the mayor gets older, the level of accountability of the municipality improves; and as the geographical size of the region where the municipality is located gets bigger, the level of accountability declines. Age of the mayor is one of the variables that is observed in the model obtained from the analysis. There is no discussion in the literature on the age of the mayor in the review of accountability. However, it is considered that the mayor should be included in the evaluation because he is the representative of the legal personality of the municipality. It could be said that as the age of the mayor increases, it has a greater contribution to performance reporting.

Another variable in the model is the geographical location (in terms of the region where the municipality is located). The findings show that in case of a move from a smaller region to a larger one, the level of accountability declines in the municipalities. Therefore, it could be said that the municipalities in larger regions in terms of geographical size are not effective in performance reporting.

The literature features some works arguing that level of accountability is affected by geographical location (Kloot and Martin, 2001, Anessi-Pessina, Nasi and Steccolini, 2008; Blanco et al., 2011). Anessi-Pessina et al. (2008), stressing that geographical settlement reflects the cultural, social, political and economic tendencies of the communities in that region, argue that public policies are influenced by the geographical appearance. Blanco et al. (2011) also note that geographical location has an impact upon the reporting policies of the municipalities.

In addition, in the analysis where categorical differences in terms of geographical regions are determined, it is observed that the municipalities in the Aegean and Marmara region are more successful than the municipalities in East Anatolia. Both the model and the analysis that test the differences draw conclusions that support each other. The literature concurs that the cultural, social, political and economic conditions of a certain region affect public policies. There is mutual interaction between those who hold accountable and those who are held accountable in the mechanism of accountability. In case those who hold accountable are more powerful, the mechanism of accountability works better. Therefore, the people, as those who hold accountable in a certain region, should place greater pressure upon the municipal administrations.

## Conclusion

The data used in this study has been compiled by the use of a content analysis of the findings in the performance auditing reports drafted by the TCA within the framework of accountability. In developing the method to be used in the calculation and measurement of the level of accountability that applies to the performance reports, the processes followed by the auditing team of TCA have been imitated. In scoring the performance auditing criteria, the entire set of auditing results was taken into consideration. The verbal performance auditing criteria were transformed into numeric forms by use of content analysis for a clarified scoring.

When scoring was performed, a separate review has been performed by strategic plan, performance report and activity report for the audited year (2015 fiscal year). To this end, 18 criteria on the content of the performance information and the reporting requirements of the municipalities have been scored by use of the method developed in reference to the results of the performance auditing reports.

The study identifies the level of accountability for each municipality by referring to the scores assigned to the three documents drafted by the administrations within the PBB system. The scores were then reviewed to create a ranking, from the municipality with the highest to the lowest. The ranking results suggest that metropolitan municipalities and district municipalities of metropolitan municipalities are more successful than the provincial municipalities. It could be argued that the number of metropolitan municipalities could be increased for the sake of improved level of accountability.

The findings suggest that in at least some of the municipalities, the age of the mayor and the location of the municipality have an impact upon the level of accountability. As the age of the mayor gets older, the level of accountability improves whereas the size of the geographic area where the municipality is located (from the Southeast Anatolia Region, the smallest in size, to the largest, Eastern Anatolian Region) negatively affects the level of accountability.

Literature makes no discussion of the age of the mayor in the review of the level of accountability. However, as representative of the municipal legal personality, the age of the mayor needs to be taken into account. This finding may be relevant to the fact that as people age, they become wiser and more experienced in political terms. To this end, the impact of political experience upon level accountability should be evaluated separately with special reference to the mayors. In addition, similar to the findings in the mainstream literature, the study observes that municipalities with high population density exhibit a better level of accountability.

In the research section of the study, an empirical method has been performed. This empirical research will make this study a leading effort in Turkey because it will make contribution to the empirical evaluation of accountability in the public finance administration. The method employed in the assessment of the accountability developed through the evaluation of performance reports in the study will serve as a reference in the future studies and research. This is a method that can be employed in the assessment of the performance auditing reports. Additionally, this method is a means of assessment that can be used in the evaluation of the performance auditing findings of other public administrations.

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