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*Declaration of Strategy*  
*by the Court of Accounts*  
(2000-2004)

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***Introduction***

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# *Preamble*

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I am pleased to present the first 2000-20004 Declaration of Strategy of the Court of Accounts at the threshold of 21<sup>st</sup> century.

We aim at utilizing our existing resources in a rational and balanced manner with this strategy, which we have developed within the framework of the strategic management understanding that has been successfully employed by many Supreme Audit Institutions in the contemporary world.

Furthermore, through promoting the development of accountability, this strategic plan will ensure that we fulfil our institutional responsibilities in a more effective manner.

It is beyond doubt that the development of the strategic framework and defining strategies is important; however, taking concrete steps accordingly is equally important. I am proud to note that within the context of the Declaration of Strategy, the preparatory work for the annual action plan, in which a large number of our personnel have participated, is on the verge of finalization.

Thanks to the generous contributions of our personnel, we have been able to further these efforts, which we have been continuing with confidence and determination in order to leverage our institutional performance.

By its nature, strategic plan is a living document and open to improvements. In this context, I would like to mention that we would welcome any comments from the relevant persons and entities, particularly the contributions and guidance from the distinguished members of our supreme Parliament.

Prof. Dr. M.Kâmil MUTLUER

President

# *Introduction*

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**The following text. Entitled "Declaration of Strategy by the Court of Accounts (2000-2004)" has been prepared**

- taking into consideration the developments in the area of auditing in the World and in EU,
- keeping in view the strategic plans, in particular. of the Irish and Australian Supreme Audit Institutions and making use of the documents issued by the Canadian and British Supreme Audit Institutions reflecting their "vision". "mission" and precepts".
- resorting to the enriched experience gained through the Project for
- Development of Auditing by the Court of Accounts. as and when so required.
- experiencing the difficulties in the adaptation to our Institution, which comes from the tradition of Continental Europe and has the power of jurisdiction. of the Strategic Planning approach, which has been put into practice very recently even by the supreme audit institutions of the countries of the Anglo- Saxon culture.
- feeling profoundly the negative repercussions brought about by the fact that the idea of Strategic Planning in the Turkish Public Management System is yet to mature.
- being aware of the difficulties and weaknesses brought about by the fact that a first thing of its kind is to be accomplished.

The strategies contained in this document will gain significance to the extent they are addressed determinedly and candidly.

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## *Vision*

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The Court of Accounts aims to contribute to the restructuring and development of the public management system in such a way as to better serve for welfare and happiness of the Turkish nation

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## *Mission*

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As a supreme audit institution in charge of performance of such tasks as examination, auditing and deciding, the Court of Accounts prepares reports containing reliable information and recommendations, and makes decisions in order to achieve the following objectives:

- to audit the revenues, expenditures and assets of the institutions and organizations subject to audit, and to take final decision on the accounts and transactions of those responsible,
- to establish a sound basis for controls to be conducted by the Turkish Grand National Assembly (TGNA) over such organisations and institutions which are subject to audit by the Court of Accounts
- to assist utilisation of public resources in compliance with law, and efficiently, economically and effectively
- to contribute to the establishment and development of transparency and accountability in the public management system

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## *Precepts and Principles*

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Fundamental precepts and principles that guide the actions by the Court of Accounts are as follows:

### **Independency**

*Holding an independent status is a prerequisite for the existence of the Court of Accounts, and for it to provide impartial services and outputs as a supreme audit institution*

### **Professional Competency**

*Provision of high quality products requires professional staff members who are creative and able to think analytically, favours teamwork and cooperation, have fully assimilated the auditing culture and aimed at continuous improvement.*

### **Impartiality**

*Conducting audits in an honest, neutral and unprejudiced way is an indispensable element of institutional reliability.*

### **Perfection**

*It is essential that activities be planned and conducted in such a way as to ensure production of high quality products*



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## *Precepts and Principles*

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### **Timeliness**

*All activities have to be completed within such periods' of time as prescribed by law or as may be required by the nature of the activity.*

### **Openness to Innovation**

*It is of crucial importance to keep up with the innovations with due respect to the approach to continuous improvement and to introduce such innovations that the Institution may need.*

### **Responsiveness to Requirements and Expectations**

*It is of extreme importance to be responsive to the requirements and expectations of the Parliament and of the organisations and institutions that are audited and to make efforts in order to introduce solutions through mutual understanding.*

### **Recognition of Staff Members as the Most Valuable Assets**

*It is of vital importance to introduce and maintain a working environment where the staff members, who are the most valuable assets of the Institution, may work peacefully and efficiently and where they may develop their capabilities for the benefit of the Institution.*

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## *External Environment*

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The following developments that will be experienced in our country in the following five years will affect and steer the scope and quality of the services provided by the Court of Accounts

1. Supervision of the EU harmonisation process in general and impact of such process on the audit by Court of Accounts in particular
2. Putting the principles of accountability and transparency on the agenda of the general public
3. Focusing on outputs and results through improvements in the public financial system, such as accrual-basis accounting and multi-year budget.
4. Intensification of efforts towards introduction of performance management.
5. Increased use of information technologies
6. Increased effect of the Parliament and Parliamentary Committees in the budget preparation process
7. Increased demand by the general public, NGO's and international organisations for the Court of Accounts to become an institution that is fit for its cause of existence and mission

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## *Strategic Objectives*

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1. Rendering Effective the Conventional Audit and Judicial Activities
2. To Introduce and Establish Modern Audit Practices
3. To Improve Relations with the Parliament and with the General Public
4. To Make In-service Training a Continuous Practice and To Encourage Career Development
5. To Increase Opportunities for Utilisation of Information Technologies
6. To Introduce Systems to Strengthen Institutional Management
7. To Render Institutional Operations Effective
8. To Make Efforts Towards Elimination of the Restrictions Introduced in the Scope of Audit by the Court of Accounts

<i>Strategic Objective 1</i>	<i>Rendering Effective the Conventional Audit and Judicial Activities</i>
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### Strategies

- 1.1 Regularity audit, which is foreseen in the legislation and indispensable, will be rendered effective.
- 1.2 Pilot studies will be carried out, necessary information and expert support will be obtained so that regularity audit, which comprises compliance and financial audit, is adopted in line with generally accepted concepts and approaches.
- 1.3 The authorities vested by the Constitution and the laws will be exercised to perform regularity audit in the most effective manner and when required, initiatives will be taken to extend such authorities.
- 1.4 To ensure that judicial activities produce outcomes in a quick, fair, effective and economic manner, the necessary legal and institutional arrangements will be made.
- 1.5 A legal ground regarding the responsibilities of persons managing the administration will be established.
- 1.6 Efforts will be paid to eliminate the problems stemming from the lack of a procedural law regarding the trial of the Court of Accounts.

**Strategic  
Objective 2**

**To Introduce and Establish  
Modern Audit Practices**

Strategies

- 2.1 Standards for. audit by the Court of Accounts and professional ethics shall be identified and put into practice

*(In this context, INTOSAI audit standards and documents produced for implementation of these standards in EU shall be taken into consideration)*

- 2.2 Necessary steps shall be taken towards harmonisation of the supreme audit with the EU standards

*(Efforts made by the supreme audit bodies in those countries which are in the process of unification with EU shall be closely monitored, active role shall be assumed in joint efforts initiated in Europe towards this end and staff members shall be informed about these developments;*

*In-country efforts initiated for development of Turkish Audit System shall be closely followed up and such aspects of these efforts that cover or affect supreme audit shall be evaluated)*

- 2.3 Pilot studies shall be conducted towards recognition of regularity audit that includes compliance audit and financial audit, under the generally-accepted concepts and approaches, necessary transfer of information shall be made and expert's assistance shall be provided

- 2.4 Performance audits shall be made prevalent in compliance with international standards through foreign technical assistance and appropriate utilisation of good practices in this particular area.

- 2.5 Manuals and guidelines for regularity and performance audits shall be prepared taking into consideration the structure and operation of our institution, national conditions and requirements as well as the good practices.
- 2.6 Necessary steps shall be taken towards the achievement at groups' and teams' level of the understanding for resource planning in audit management, effective use of resources and maximising productivity and of the strategic planning approach.
- 2.7 Efforts shall continue towards better harmonisation of the General Declaration of Conformity and reports attached thereto, with parliamentary audit requirements
- 2.8 A Quality Assurance System shall be developed to ensure execution of activities in compliance with high-level standards and timely delivery of end products to TGNA or to other relevant institutions and organisations or competent authorities.

*(Compliance of activities with the standards shall be continuously and systematically monitored; Timetables shall be designed for activities and outputs;*

*The scope of in-house review and supervision activities • and by who or by which committee such activities will be implemented shall be identified;*

*Guidelines shall be established to govern the consultant's services that will be provided from outside the Institution to assure quality;*

*Activities and products shall be compared with the good practices in the World and in EU.)*

- 2.9 Relations with the institutions and organisations which are subject to the audit by the Court of Accounts shall be built and developed on mutual confidence, respect, dialogue and understanding in accordance with the requirements of the approach to modern audit.

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**Strategic  
Objective 3**

***To Improve Relations with the  
Parliament and with the  
General Public***

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Strategies

- 3.1 Basic approaches towards furtherance and strengthening of the relations with the Parliament and with the general public shall be identified and it shall be ensured that these relations be carried out in cooperation with the relevant parties.

*(An ad-hoc committee or a workgroup to be set up shall perform such tasks as investigation of working methods and principles in the area of audit of the experienced supreme audit bodies, learning the good practices, monitoring how the Parliament and the general public perceive the language and style of the press releases and reports, establishing fundamental principles for relations between the Parliament, the general public and the Court of Accounts and compilation of such information and experience into a guideline.)*

- 3.2 Efforts shall be made towards amendment of the internal regulations of the Turkish National Assembly to ensure that the reports produced by the Court of Accounts are duly handled and processed by the Parliament.

*(For the amendments to be made in the internal regulations of the TGNA, the following shall be taken into consideration: by which committee of the Court of Accounts the reports of the Court of Accounts shall be discussed, what shall be the methods and principles for discussion, and what shall be the format and contents of the reports by such a committee, what shall be the*

*procedures for monitoring the committee's reports and what shall be the contributions by the Court of Accounts to the works by the committee.)*

- 3.3 Mechanisms shall be devised to make the Parliament and the general public be fully aware of the activities conducted, and services provided by the Court of Accounts and to identify their requirements and tendencies.

*(Necessary information-gathering mechanisms shall be devised in order to ensure that the parliamentary tendencies and preferences and the general public's interest are taken into consideration in the identification of the areas and subject-matters to be examined, especially during performance audits,*

*Promotion materials (including use of electronic communication means) shall be prepared, briefings held, and efforts shall be made to fully utilise the media to introduce the institutional activities)*



*Strategic  
Objective 4*

*To Make In-service Training a  
Continuos Practice and To  
Encourage; Career Development*

Strategies

- 4.1 In-service training shall be designed to cover all profesional and administrative staff members and shall be accessible to everybody who has the required qualifications
- 4.2 In-service training shall be scheduled and carried out in accordance with the annual objectives compatible with the Institutional Strategic Plan
- 4.3 It shall be ensured that staff members take due advantage of the experiences of, as well as "courses, seminars and similar training activities organised by international organisations, especially by INTOSAI and other supreme audit institutions.
- 4.4 It shall be ensured that academic staff from higher educationinstitutions, and experts from specialised institutions in Turkey actively contribute to in-service training activities.
- 4.5 Staff members shall be encouraged to attend post-graduate programs offered by national and international higher education institutions on such subject-matters that are covered under the audit by the Court of Accounts.
- 4.6 The practice of ensuring and encouraging staff members to attend activities such as congresses, symposiums, seminars, meetings, etc. held by other institutions and organisations within or outside Turkey shall be maintained
- 4.7 . Staff members shall continue visiting foreign countries in order to become acquainted with the financial systems, and activities by supreme audit institutions in those countries and to observe practices on the spot, with a view to gaining further experience.

- 4.8 Staff members shall be encouraged to assume offices at local and foreign institutions and organisations (especially ta at international audit organisations) for furtherance of their experience.
- 4.9 In-service training programs shall be developed taking into consideration the requirements set forth by •modern audit methods and techniques.
- 4.10 Staff members to be assigned as in-bouse trainers shaU be first thoroughly trained to be qualified trainers.

*(For training of trainers, among other issues, the following shall be taken into consideration: identification, analysis an{i programming of in-service training needs, types and characteristics of in-service trammg, basics for communications, learning psychology, characteristics of adult training, human relations, training means and preparation thereof, principles and methods of training, measuring and evaluation)*

- 4.11 Modern training methods designed for adults shall be widely used in in-service training activities

*(In this context; for the conduct of in-service training programs, in addition to the conference method, hands-on training, discussion and contributory methods- case study, role assuming, learning through similarities/simulation- shall be used, as may be required,*

*Materials that will allow self-learning - video cassettes, books, program packages, internet etc.- shall be made available to the staff members)*

*Strategic  
Objective 5*

*To Increase Opportunities for  
Utilisation of Information  
Technologies*

Strategies

- 5.1 Policies and strategies in respect of organisation, management, development, security, and procurement of information technologies shall be identified.
- 5.2 It shall be ensured that communication networks and office automation systems be installed both inside and outside the Institution and operated effectively and that initiatives for supply of necessary software and hardware be launched.
- 5.3 The capacity of the Information Processing Centre shall be improved in such a way as to meet both current and future technological requirements and training needs of the technical personnel in charge of performance of such technical services as may be required by information technologies shall be identified and training programs shall be organised accordingly.
- 5.4 Necessary training activities and pilot applications shall be carried out, taking into consideration the relevant experience of the international audit institutions and of other supreme audit bodies in order to assimilate computer-assisted audit techniques and audit of computerised accounting systems.

**Strategic  
Objective 6**

**To Introduce System to  
Strengthen Institutional  
Management**

Strategies

- 6.1 Efforts towards establishment of a strategic planning approach and making such an approach an indispensable part of the Institutional activities shall continue.

*(Studies for preparation of a strategic plan shall be intensified and the strategic plan so prepared shall be translated into an action plan and annual plans shall be prepared at units' level;*

*Preparations for establishment of an in-house performance measuring regime shall continue and performance reports shall be monitored to see if performance has reached the desired level and results shall be presented in forms of annual activity reports to the general public and to the Parliament for review;*

*Studies to establish a correlation between strategic plans and annual budgets shall be initiated.)*

- 6.2 An effective in-house audit system shall be developed.

*( It shall be taken into consideration that the in-house audit is a management tool that is used for effective, economic and efficient conduct of activities and services, for protection of resources against any and all losses, for making sure that resources are in compliance with the directives and laws, and for preparation of reliable information and reporting of such information;*

*INTOSAI Internal Audit Standards Guidelines shall be taken into consideration; and*

*Measures shall be taken to ensure operation of the Internal Audit System in cooperation with the other systems to be established within the institution, especially the Quality Assurance System)*

- 6.3 Necessary studies shall be initiated towards introduction of a Human Resources Management System.

*(Policies and strategies shall be established towards recruitment of qualified personnel and utilisation as consultants of the experts from outside the institution and the requirements of Human Resources Planning, including carrier planning shall be detailed;*

*Necessary policies shall be devised to ensure placement of personnel into such positions that are compatible with their knowledge, skills and experience and to ensure that this is a regular practice;*

*Upgrading of knowledge and skills of the personnel shall be secured systematically and continually;*

*Necessary steps shall be taken towards establishment of a regime for success evaluation based on objective criteria, Efforts towards creation of a modern working environment for the personnel shall continue.)*

- 6.4 Necessary steps shall be taken towards establishment of a Management Information System.

*(Which information and data that the management staff at every level needs and limits of access to such information and data by the said staff shall be identified;*

*Infrastructure required for internal and external communication shall be described;*

*Necessary expert's support and information technologies shall be utilised for design and operation of the system.)*

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*Strategic  
Objective 7*

*To Render Institutional  
Operations Effective*

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Strategies

7.1 Efforts shall be initiated towards making amendments in the law in order to create positions for Vice President and Acting President and to increase number of positions for assistant secretary general.

7.2 Duties, powers and responsibilities of group and team chiefs and auditors and of management staff at every level shall be explicitly described and their relations with one another and with the office of the President shall be revised.

7.3 Scope of duties of examination groups and teams shall be described anew, taking into consideration the new audit approaches.

7.4 A Steering Committee for Human Resources and In-service Training shall be constituted.

*(This committee shall identify the fundamental principles for the management of human resources and for in-service training and shall follow up the implementation of such principles and take necessary decisions.*

7.5 The current Office of Director of Personnel Affairs shall be restructured and equipped to handle the implementation of policies for management of human resources

7.6 An in-service training unit shall be established.

*(This unit shall be in charge of identification of training needs, coordination of training activities within the framework of the annual work programs, and of*

*implementation, monitoring, and evaluation of  
implementation results of such activities)*

- 7.7 The Information Processing Centre shall be re-organised in parallel to the capacity increase.

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<i>Strategic Objective 8</i>	<i>To Make Efforts Towards Elimination of the Restrictions Introduced in the Scope of Audit by the Court of Accounts</i>
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Strategies

- 8.1 Institutions and areas which are now outside the scope of audit' by the Court of Accounts shall be identified through a comprehensive study, taking into account, among others, their monetary magnitudes.
- 8.2 Approaches in the area of audit applicable QY INTOSAI and by other international organisations shall be compiled and their status in terms of the scope of audit of the other supreme audit institutions shall be eStablished.
- 8.3 Members of the legislative body and the general public shall be enlightened as to the drawbacks of having certain . institutions and areas outside the scope of audit by the Court of Accounts.
- 8.4 Efforts shall be made towards' elimination of the restrictions that have been introduced into the area of audit through legal arrangements and ensuring appropriate incorporation into the Constitution, to the extent as may be allowed by the circumstances, of the INTOSAI's advisory decision, especially those included in the Lima Declaration and authorisation of the Court of Accounts to refer any legal inconsistencies to the Constitutional Court.