



Turkish Court of Accounts

# 2014 Accountability Report







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# 2014 ACCOUNTABILITY REPORT

February 2015



The purposes of the audits conducted by the TCA on behalf of the Turkish Grand National Assembly (TGNA) are submitting reliable and sufficient information to the TGNA and the public concerning the results of public entities' activities; execution of public financial management in line with laws and regulations, and safeguarding the public resources; evaluating the performance of public administrations; and establishing and extending accountability and fiscal transparency, as required by the power of the purse.



In line with those purposes, the TCA audits the financial activities, decisions and transactions of public entities within the framework of accountability, and submits accurate, adequate and timely information and reports to the TGNA on audit results.

In this scope, the TCA pursues the following objectives in all its activities:

- To effectively fulfill its mandate, duties and responsibilities assigned to the TCA by the Constitution and the laws, with an understanding of constant improvement and by following the developments;
- To plan and conduct the audits on behalf of the TGNA with integrity, without prejudice, objectively and in compliance with the generally accepted audit standards;
- To ensure the transparency and accountability of public management;
- To make the utmost use of information technologies in its audits;
- To improve its audit and reporting capacity constantly;
- To make efforts towards the expectations and needs of the TGNA, public and auditees.

With this awareness, our Strategic Plan covering the period of 2014-2018 is prepared, the Performance Program prepared in conformity with this plan is put into implementation, and the implementation results are included and reported in the Accountability Report for 2014.

The TCA, by adding the strategic management mentality to the experiences it gained in its deep-rooted history, will continue to provide support to the establishment of transparency, accountability and good governance in public management.

**Assoc. Prof. Recai AKYEL**  
President of the TCA



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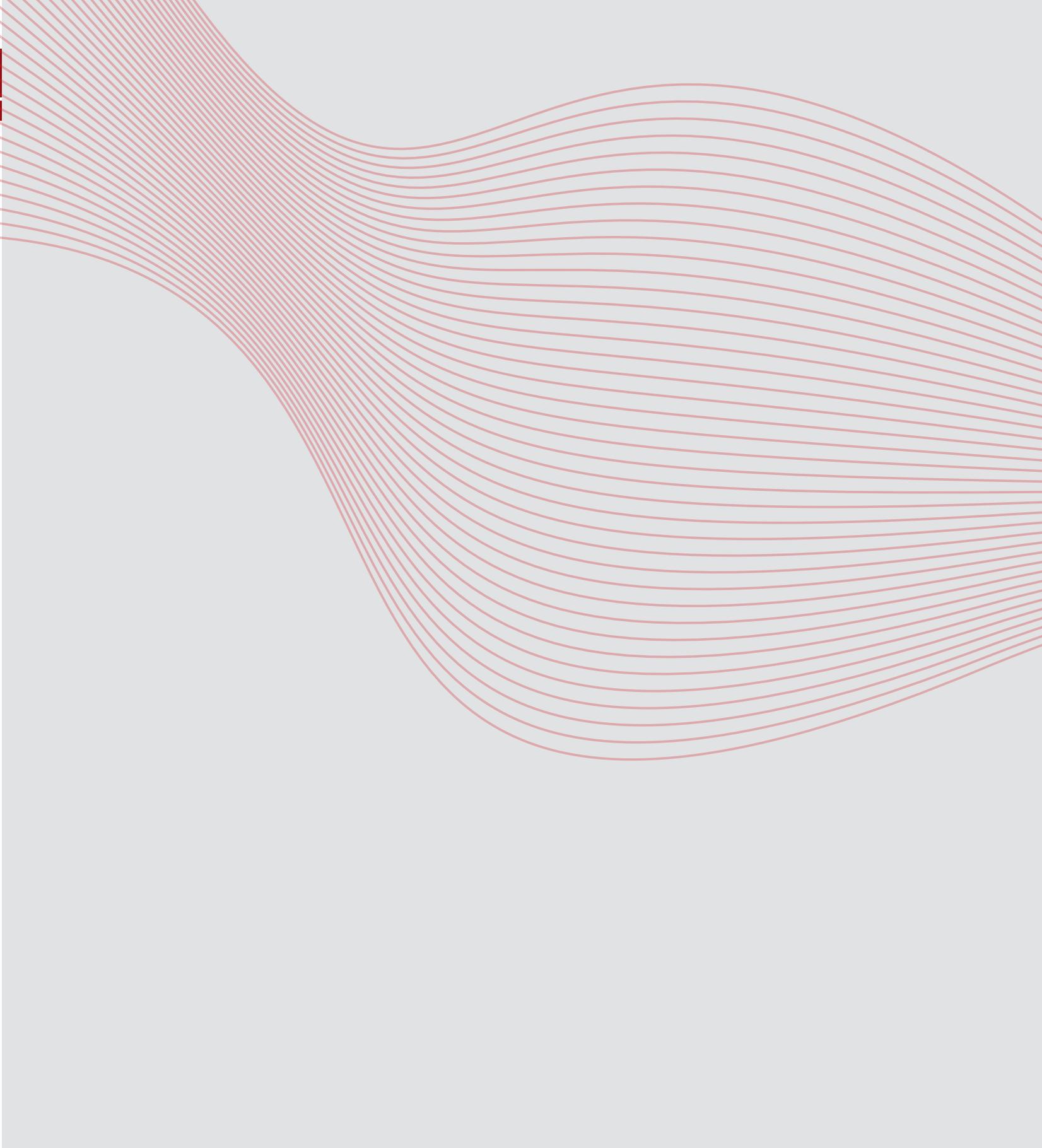
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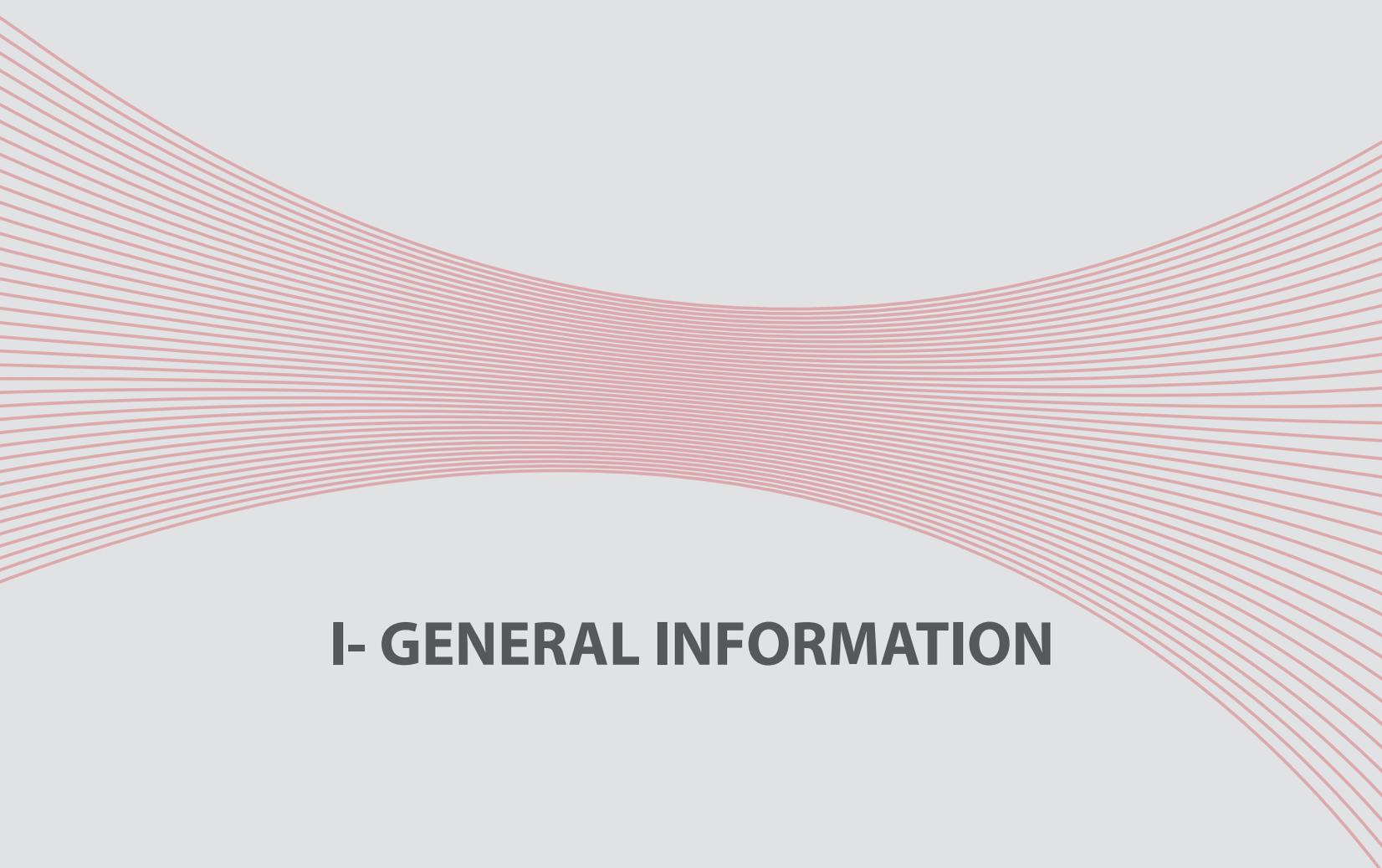
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A decorative graphic consisting of numerous thin, parallel red lines that curve and flow across the page, creating a sense of movement and depth. The lines are more densely packed in some areas and more spread out in others, forming a central horizontal band that tapers towards the top and bottom.

# **I- GENERAL INFORMATION**



### A- MISSION AND VISION

#### MISSION

- To conduct audits in accordance with the international standards and to submit reports to the public and the Turkish Grand National Assembly (TGNA), on whose behalf the Turkish Court of Accounts (TCA) conducts audits, in order to ensure accountability and financial transparency in the public sector;
- To ensure that the public entities act in compliance with the financial management, performance management and reporting requirements of Law no. 5018 and to submit financial statements and other reports, which are reliable, timely, informative and consistent with the financial regulations so as to present evidence that the public resources are used in an economic, efficient and effective manner; and
- To take the final decision on those issues that cause public loss among the financial transactions of public entities under general government based on concrete information and analysis in a timely manner.

#### VISION

The vision of the TCA is to be a leading entity for the effective management of public sources and an exemplary entity for institutional management for the other public entities.

## **FUNDAMENTAL VALUES**

### **Independency and Objectivity**

Independency is a prerequisite for the existence and objective service delivery of the TCA as a supreme audit and judicial institution. Conducting audits in a fair, impartial and unbiased manner and complying with professional ethical rules is an indispensable element of institutional reliability. Therefore, the TCA Law has assured this fundamental value with Article 3.

### **Good Governance and Sensitivity to Expectations**

Our fundamental values include the pursuit and implementation of good governance principles in institutional management, such as accountability, transparency, effectiveness, participation, equality, fairness, consistency, superiority of law, being scientific. In the light of those principles, being sensitive to the expectations and needs of the Parliament, public and other internal and external stakeholders, and producing solutions through a mutual understanding aiming better public management are of great importance.

### **Openness to Change**

The rapid developments in today's world and the resulting problems make it necessary for the public entities in general and the audit institutions in particular to find timely and effective solutions. Therefore, following the innovations with an understanding of constant improvement and making the necessary changes are of vital importance.

### **Professional Competency and Regarding Personnel as the Most Valuable Asset**

Ensuring quality in audit will be possible with the presence of employees that have professional independence, that have creative and analytic thinking, that are prone to teamwork and cooperation, and that have digested the audit culture. With this belief, the aim is to improve the knowledge and skills of the employees constantly.

### **B- MANDATE, DUTIES AND RESPONSIBILITIES**

The main legal regulations regarding the mandate of TCA are as follows:

#### **Article 160 of the Constitution of the Turkish Republic**

“The Court of Accounts shall be charged with auditing, on behalf of the Grand National Assembly of Turkey, revenues, expenditures and assets of the public administrations financed by central government budget and social security institutions, with taking final decisions on the accounts and acts of the possible officials, and with exercising the functions prescribed in laws in matters of inquiry, auditing and judgement. Those concerned may file, only for once, a request for reconsideration of a final decision of the Turkish Court of Accounts within fifteen days of the date of written notification of the decision. No applications for judicial review of such decisions shall be filed in administrative courts.

In case of conflict between the decisions of the Council of State and the Court of Accounts, regarding taxes, similar financial obligations and duties, the decision of the Council of State shall prevail.

Auditing and final decision on the accounts and acts of local administrations shall be conducted by the Court of Accounts.

The establishment, functioning, audit procedures, qualifications, appointments, duties and powers, rights and obligations and other personell matters of the members and guarantees of the President and the members of the Court shall be regulated by law.”

#### **Article 164 of the Constitution of the Turkish Republic**

“Final accounts bills shall be submitted to the Grand National Assembly of Turkey by the Council of Ministers within seven months of the end of the relevant fiscal year, unless a shorter period is prescribed by law. The Court of Accounts shall submit its statement of general conformity to the Grand National Assembly of Turkey within seventy-five days of the submission of the final accounts bill to which it is related.

The final accounts bill shall be placed on the agenda of the Committee on Budget together with the budget bill of the new fiscal year. The Committee on Budget shall submit the budget bill to the Plenary in conjunction with the final accounts bill; the Plenary shall debate and decide on the final accounts bills in conjunction with the budget bill of the new fiscal year.

The submission of the final accounts bills and the statement of general conformity to the Grand National Assembly of Turkey shall not preclude the auditing and trial of accounts for the relevant fiscal year that have not been concluded by the Court of Accounts and shall not mean that a final decision has been taken on these accounts.”

#### **Article 165 of the Constitution of the Turkish Republic**

“The principles governing the scrutiny of the accounts of public institutions and partnerships where more than half of the capital directly or indirectly belongs to the state, by the Grand National Assembly of Turkey, shall be regulated by law.”

### **Article 69 of the Constitution of the Turkish Republic**

“The auditing of acquisitions, revenue and expenditure of political parties by the Constitutional Court in terms of conformity to law as well as the methods of audit and sanctions to be applied in case of inconformity to law shall be indicated in law. The Constitutional Court shall be assisted by the Court of Accounts in performing its task of auditing. The judgments rendered by the Constitutional Court because of the auditing shall be final.”

### **Article 68 of Public Financial Management and Control Law no.5018**

“The purpose of the ex post external audit to be performed by the TCA is to audit, within the framework of the accountability of public administrations within the scope of general government, the financial activities, decisions and transactions of management in terms of their compliance with the laws, institutional purposes, targets and plans, and to report their results to the TGNA.

The external audit is performed in accordance with the generally accepted international auditing standards by carrying out the following;

a) On the basis of public administrations’ accounts and relevant documents, to perform financial audit on the reliability and accuracy of financial statements, and to determine whether the financial transactions related to revenues, expenditures and assets of public administrations comply with the laws and other legal arrangements,

b) To determine whether the public resources are used in an effective, economic and efficient way, to measure the activity results and to evaluate them as to their performance.

During the external audit, reports issued by the internal auditors of the public administrations shall be submitted to the information of the TCA auditors, if required so.

At the end of the audits, the reports on the issues stated in the subparagraphs (a) and (b) of second paragraph of this article shall be consolidated according to the administrations, and a copy shall be submitted to the relevant public administration and replied by the head of public administration. The TCA shall prepare the External Audit General Evaluation Report by taking into account the audit reports and replies given thereto, and present it to the TGNA.

The finalizations of accounts by the TCA means taking a decision on whether the revenue, expenditure and asset accounts and related transactions of the public administrations within the scope of general government are in compliance with the legal provisions.

Other issues on the finalization of external audit and accounts shall be stipulated in the relevant law.”

### **Article 4 of Law no. 6085 on the TCA**

“The TCA shall audit;

a) Public administrations within the scope of the central government budget and social security institutions, local governments, joint stock companies established by special laws and with more than 50% of its capital directly or indirectly owned by the public sector and other public administrations (with the exception of professional organizations having a public status);

b) Provided that the public share is no less than 50%, all types of administrations, organizations, institutions, associations, enterprises and companies affiliated to, or founded by the administrations listed in point (a), or those of which the above mentioned administrations are directly or indirectly partners;

c) All types of domestic and foreign borrowing, lending, repayments, utilization of foreign grants received, giving grants, Treasury guarantees, Treasury receivables, cash management and other matters related to these, all transfers of resources and their utilization and the utilization of domestic and foreign resources and funds, including European Union funds;

d) All public accounts, including private accounts, funds, resources and activities regardless of whether these are in the public administrations budget.

The TCA shall also audit the accounts and transactions of international institutions and organizations within the framework of the principles set out in the relevant treaty or agreement.

The audit of public institutions, organizations and partnerships within the scope of Article 2 of Law No. 3346 on Regulating the Audit of Public Economic Enterprises and Funds by the TGNA, dated 02.04.1987, shall be performed within the framework of the procedures and principles indicated in this Law and other laws.”

### **Article 5 of Law no. 6085 on the TCA**

“The TCA shall;

a) Audit the financial activities, decisions and transactions of public administrations within the framework of accountability and submit accurate, sufficient, timely information and report to the TGNA on the results of these audits.

b) Audit whether or not accounts and transactions of public administrations within the scope of the general government with respect to their revenues, expenses and assets are in compliance with laws and other legal arrangements, and take final decision on matters related to public loss arising from the accounts and transactions of those responsible.

c) Submit the Statement of General Conformity to the TGNA.

d) Perform the duties of examining, auditing and taking final decision prescribed by laws.”

### **Article 6 of Law no. 6085 on the TCA**

“In performing its duties prescribed by this Law or other laws, the TCA shall be competent to correspond directly with public administrations and officials; to see required documents, books and records through its assigned personnel; to have these brought over to any location it deems appropriate, with the exception of assets; to call on relevant officials of all grades and categories in order to receive oral information; and to request representatives from public administrations.

The TCA may request all kinds of information and documents related to its audit works from public administrations and other real and legal persons including banks.

The TCA shall be competent to examine, on the spot and at any stage of operation and incidence, all related records, goods, properties, practices, transactions and services of those public administrations and institutions within its audit scope, by its assigned personnel or expert witnesses. The legal status, authorities and responsibilities of expert witness shall be subject to general provisions.

The TCA may also audit the accounts, transactions, activities and assets of public administrations as of the pertaining year or years irrespective of their account or activity period; as well as based on sector, program, project and topic.

If deemed necessary in the course of audits, experts from outside the TCA may be appointed. The principles and procedures pertaining to the appointment of expert witnesses and experts shall be laid down in a by-law.”

### **Article 55 of Law no. 6216 on Establishment and Rules of Procedures of the Constitutional Court**

“The Court secures assistance from the TCA in order to review lawfulness of property acquisitions by the political parties and their revenues and expenditures. Political parties send certified copies of their final accounts which are consolidated upon decision as well as the final accounts of their central and provincial and district organizations to the Constitutional Court until the end of June every year pursuant the Law numbered 2820. The Court sends those documents to the TCA for examination. The reports prepared by the TCA concerning the examination are sent to the Court for final decision.”

### **Law no. 3346 on Regulating the Audit of Public Economic Enterprises and Funds by the TGNA**

Law no. 3346, which has been made on the basis of Article 165 of the Constitution, sets out the principles and procedures regarding the audit of the public economic enterprises and funds on behalf of the TGNA, and the last paragraph of Article 4 of Law no.6085 rules that this audit shall be conducted by the TCA.

### C- INFORMATION ON THE TCA

#### 1-PHYSICAL STRUCTURE

The TCA delivers service in its main building in Balgat, which belongs to the Treasury and has a usage area of 96.000 m<sup>2</sup>. In addition, it has 57.808 m<sup>2</sup> of archive area in various places in Ankara.

There are 725 houses allocated for the use of the TCA personnel, and there are 2 training and social facilities in Manavgat and Gölbaşı. The service building has a library, health center, conference hall, 4 dining halls, canteen, post office, bank office and a day care center.

#### Number of vehicles

VEHICLE TYPE	NUMBER
Automobile	41
Bus	3
Truck	2
Van	4
Minibus	2
<b>TOTAL</b>	<b>52</b>



## **2-ORGANIZATIONAL STRUCTURE**

The TCA consists of the Presidency, and the judicial and decision-making bodies.

The Presidency consists of the TCA President, deputy presidents and the heads of departments. Audit and audit supporting groups, Audit Development and Training Center and supporting units exercise their duties under the authority of the Presidency. Audit and audit supporting groups and Audit Development and Training Center consist of one head of group and an adequate number of auditors.

The judicial and decision-making bodies are the chambers, the General Assembly, the Board of Appeals, the Board of Chambers, the Board of Report Evaluation, the High Disciplinary Board, the Board of Promotion and Discipline of Professional Personnel, the Board of Auditing, Planning and Coordination, and the Office of the Chief Prosecutor.

There are 8 chambers, each consisting of one chairman and 6 members.

The General Assembly consists of deputy presidents, chairmen of chambers and members under the chairmanship of the President of the TCA.

The Board of Appeals consists of 4 chairmen of chambers and 16 members to be elected by the General Assembly from among the chairmen of chambers and members except those elected to the Board of Report Evaluation.

The Board of Chambers consists of the chairmen of chamber and members, who are not elected to the Board of Report Evaluation and the Board of Appeals.

The Board of Report Evaluation consists of 2 chairmen of chambers and one member from each chamber elected by the General Assembly for a period of 2 years along with the deputy president responsible for audit.

The High Disciplinary Board consists of 5 chairmen of chambers and one member from each chamber to be elected for one calendar year by the General Assembly.

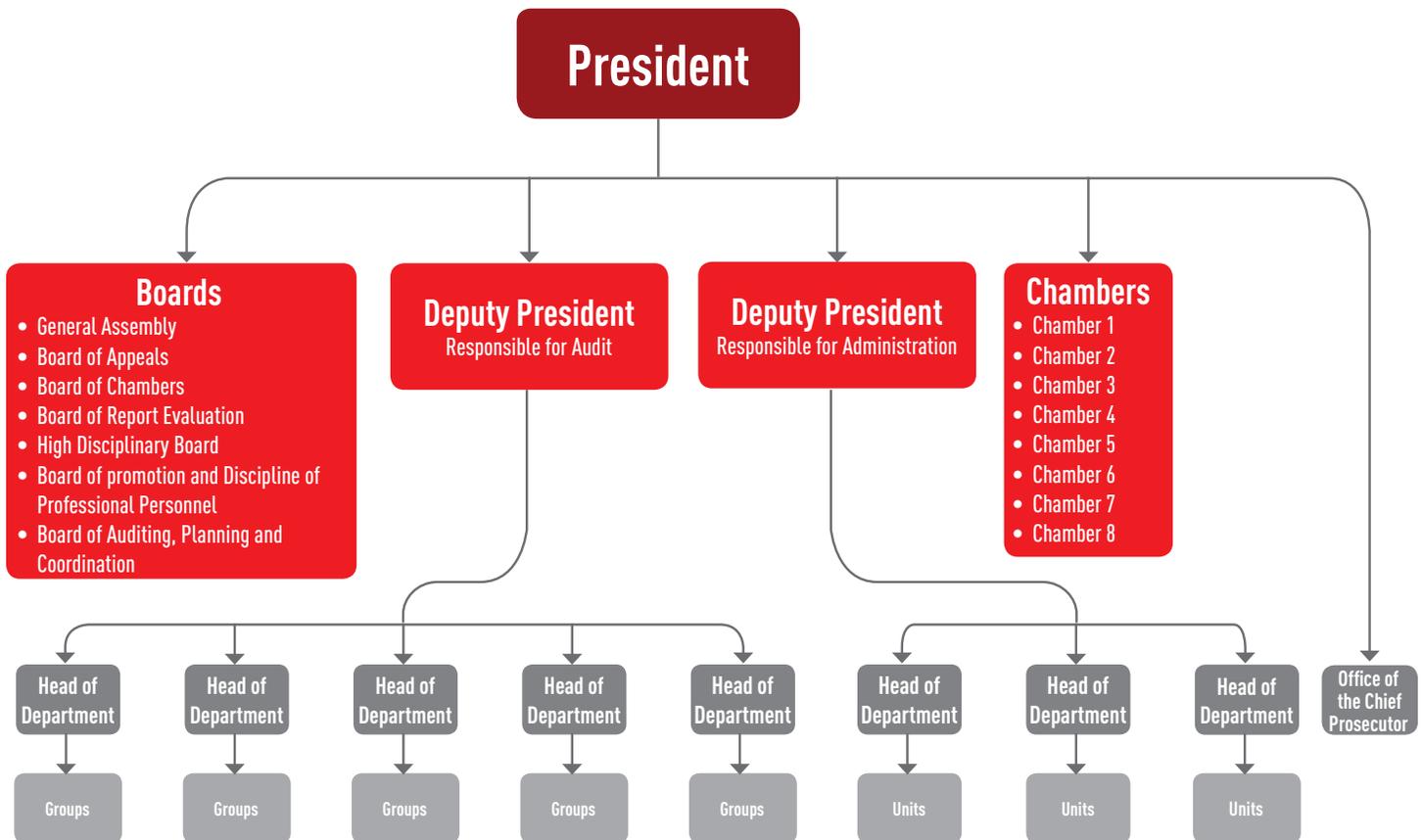
The Board of Promotion and Discipline of Professional Personnel consists of one chairman of chamber, one member, one principal auditor and one senior auditor (to be elected by the General Assembly every calendar year), and the deputy president responsible for audit.

The Board of Auditing, Planning and Coordination consists of the President, deputy presidents and heads of departments.

The Office of the Chief Prosecutor consists of the Chief Prosecutor and prosecutors.

Supporting units are established upon the proposal of the President of the TCA and the decision of the General Assembly in order to carry out the administrative affairs of the TCA. The TCA does not have a provincial organization.

However, according to Article 32 of TCA Law no. 6085, upon the proposal of the President of the TCA and the decision of the General Assembly, headships of audit groups may be established in provinces, as deemed necessary.



### 3-INFORMATION AND TECHNOLOGICAL SOURCES

The use of information technologies (IT) in the TCA started in 1956 with the establishment of the data recording system, and it has been continuously renewed and improved.

The widening audit area of the TCA and the widening data volumes bring forth the need to use IT in the processes for information generation, storage, processing, reporting and decision making. For this reason, the TCA carries on its works for using IT in all phases of audit and management and for increasing its efficiency.

#### 3.1 Network Infrastructure and Hardware

The tables below indicate the inventory for information and technological sources used for meeting the information processing and automation needs of the TCA units.

##### Hardware Inventory

	2013	2014
Desktop PC	1565	1550
Laptop	1142	1025
Printer	502	352
Photocopy Machine	34	34
Fax machine	33	27
Printing machine	6	5
Projector	51	55
Phone	1686	1845
Tablet	-	150

**Physical Server Inventory**

	2013	2014
Database server	0 (1 Virtual)	0 (1 virtual)
Mail server	0 (2 Virtual)	0 (2 virtual)
Virus protection	0 (1 Virtual)	0 (1 virtual)
File server	0 (1 Virtual)	0 (1 virtual)
Firewall (Secure Platform, VPN, URL filtering, content filtering)	1 (Box)	2 (Box)
Active Directory	0 (2 Virtual)	0 (2 virtual)
Backup Server	1	1
Supported protocols	TCP/IP, UDP	TCP/IP, UDP
Internet connection	100 mbps	100 mbps
Virtual platform	5 server, 1 Storage	7 server, 1 Storage
Domain Backup (back-up system)	1 Storage	1 server, 1 Storage
Document management system	0 (4 Virtual)	0 (4 Virtual)
Audit management system	2 Server	2 Server, 1 Virtual
Data receipt and analysis actions	0	5 Server, 2 Storage
Logging system	0	1 server
Disaster Recovery Center	1 Server, 1 Storage	1 Server, 1 Storage
Call center	1 (Box)	1 (Box)

**3.2 Software Programs**

Server computers have database, system management, security management and software development tools; and user computers have operating system and basic office software programs. Users use the licensed software programs, which are procured or developed by the TCA, as required by their works. Unlicensed software programs are not installed, and the users are not given authorization to install software.

The internal network contains many business software programs that use the central databases and that can be used only by the relevant units. Updating and upgrading the databases and software and the development of new software in line with business needs are carried out by the IT center or by joint projects through outsourcing.

The users can access the information sources with the file server and file sharing server, and can work on the joint files.

In addition, document management software works continued through the year, and many modules of the system related to human resource, in-service training, and vacation were started to be used, and the system was completed in August. It will be available for full usage after the completion of additional processes such as electronic signature designation and some administrative arrangements.

### **3.3 Help Desk**

In the TCA, the technical support for network, hardware and software is provided by the IT center. Help desk is structured as a call center as well. A software program developed by the TCA is used in the organization and management of the support services.



### 3.4 Audit Management System (SayCAP)

SayCAP platform is used for conducting, documenting and managing the audit processes in accordance with the international standards.

SayCAP was developed so that it would be used in the automation, management and reporting of the audit processes. It is developed in such a way that it meets needs such as planning, documentation, authorizations, access to information sources, archiving, quality control, communication, steering, and reporting. The software is constantly updated and improved in line with the auditing guidelines and the decisions of the Audit Planning Coordination Council. SayCAP also provides distant access for audit teams.

SayCAP assures that the audit processes are executed and documented according to the international audit standards and audit guidelines.

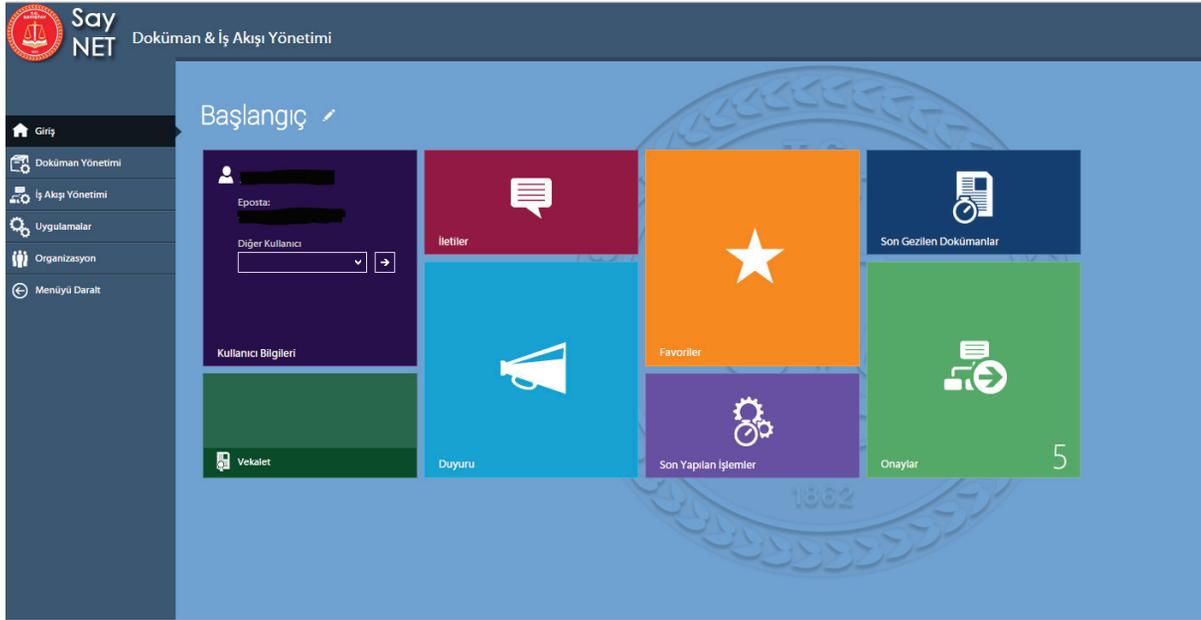
With SayCAP, it is possible to monitor each phase of audit and report the audit process information to senior management simultaneously via management screens.



### 3.5 SayNET

SayNET is a portal where work flows are published with the purpose of ensuring that the institutional processes are followed and reported in the electronic environment. SayNET aims at realising the work and document flow of the TCA in a systematic manner, and performing and managing the processes in a more effective and rapid manner.

Within the framework of SayNET; Personnel Register/Updating, Personnel Records, Personnel Promotion/Assignment, Personnel Communication, Vacations, Training, Vehicle Allocation, Receiving Information, Employee Satisfaction Questionnaire, E-Mail Notification, IT Inventory applications are completed. In this scope, 47 forms and 85 reports are designed and put into utilization. Moreover, technical infrastructure works are conducted for the Electronic Document Management System (EDMS).



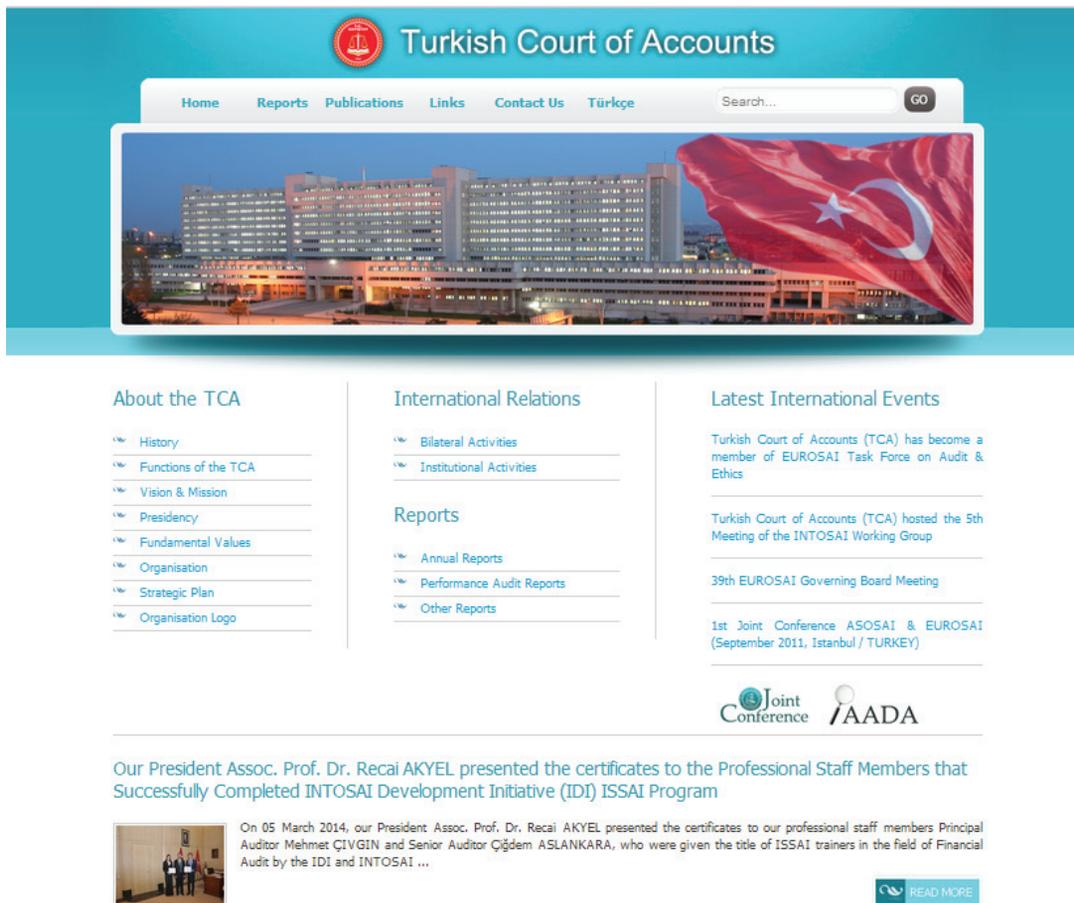
### 3.6 Internet and Intranet Pages

In the TCA, the "Saybis" portal, which is published on the internal network, is used for accessing the information sources, business software and databases. This page contains announcements, management instructions (such as circulars), information sources, modules included in the TCA automation system, and in-house communication channels.

With the purpose of sharing the entity's activities with the national and international public, the web page of the TCA is published in Turkish and English.

The web page of the TCA covers institutional information, strategy documents, TCA decisions, the reports submitted to the TGNA, the publications regarding the audit area, and the scientific studies.

Furthermore, there is a section on the webpage where other institution and entities can communicate their training requests.



**About the TCA**

- History
- Functions of the TCA
- Vision & Mission
- Presidency
- Fundamental Values
- Organisation
- Strategic Plan
- Organisation Logo

**International Relations**

- Bilateral Activities
- Institutional Activities

**Reports**

- Annual Reports
- Performance Audit Reports
- Other Reports

**Latest International Events**

Turkish Court of Accounts (TCA) has become a member of EUROSAI Task Force on Audit & Ethics

Turkish Court of Accounts (TCA) hosted the 5th Meeting of the INTOSAI Working Group

39th EUROSAI Governing Board Meeting

1st Joint Conference ASOSAI & EUROSAI (September 2011, Istanbul / TURKEY)

Joint Conference / AADA

**Our President Assoc. Prof. Dr. Recai AKYEL presented the certificates to the Professional Staff Members that Successfully Completed INTOSAI Development Initiative (IDI) ISSAI Program**

On 05 March 2014, our President Assoc. Prof. Dr. Recai AKYEL presented the certificates to our professional staff members Principal Auditor Mehmet ÇIVGIN and Senior Auditor Çiğdem ASLANKARA, who were given the title of ISSAI trainers in the field of Financial Audit by the IDI and INTOSAI ...

[READ MORE](#)

OECD-SIGMA Delegation is visiting our Agency

### **3.7 Library**

The library of the TCA contributes to the training and research activities of the TCA employees along with the readers from outside the TCA. In addition, it supports knowledge accumulation, utilization and transfer in the national and international scale by meeting all kinds of information and documents needs in all environments. Particularly thanks to its local and foreign sources on “audit”, it has become a “reference library” in recent years.

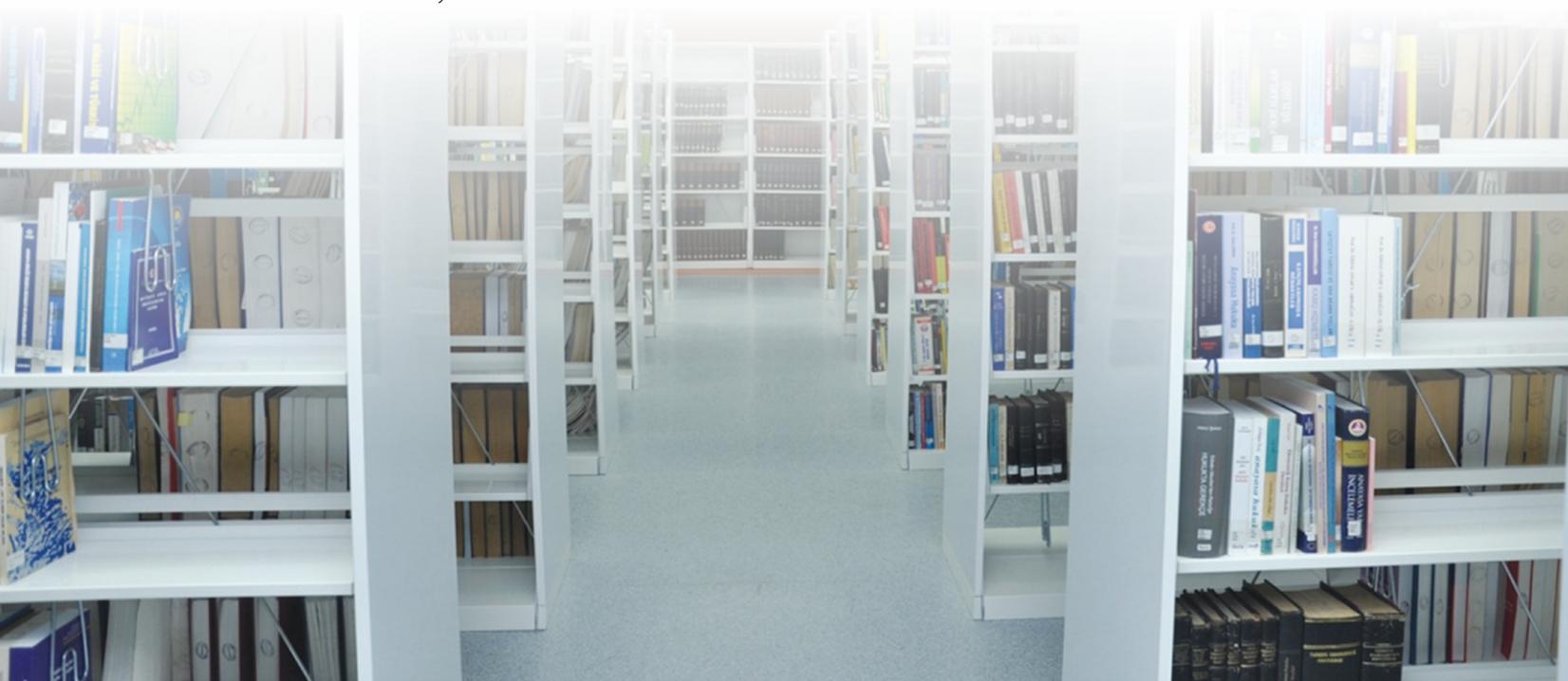
The collection of our library, which mainly focuses on audit, includes sources on law, economy, accounting, finance, business management, international relations, etc.

The collection of our library contains journals, theses, DVD-VCDs and electronic databases along with the printed books in Turkish and foreign languages.

Milas Automation Program and Dewey Decimal Classification System are used for organizing the sources in the collection, which are more than 21.000.

Thanks to the protocols made between the TCA and the Middle East Technical University, Bilkent University and Gazi University, cooperation between libraries is realised and it is possible for the TCA employees to benefit from the libraries of the said universities.

Our library has been restructured with all kinds of electronic hardware so that the readers can access the sources of information. Moreover our library has all the necessary physical conditions so that the readers can study in a comfortable environment.



### **4- HUMAN RESOURCE**

The human resource of the TCA consist of the professional personnel, Chief Prosecutor, prosecutors and the supporting staff.

Professional personnel are the President of the TCA, chairmen of chambers, members and auditors.

The President of the TCA is elected by the TGNA General Assembly from among those have served in any of the positions listed in Article 12 of the TCA Law.

The chairmen of chambers are elected by the General Assembly from among the members. Deputy Presidents, who are assigned by the President of the TCA, have the status of chairman of chamber.

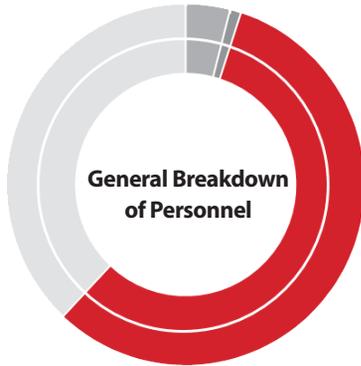
Members are elected by the General Assembly and the TGNA from among those having the qualifications listed in Article 12 of the TCA Law.

The auditors are appointed by the President of the TCA from among the applicants who have graduated from the faculties of law, political sciences, economics, business administration, economics and administrative sciences or at least from four-year domestic or foreign faculties or schools of higher education, of which equivalence to aforesaid faculties is certified by the Council of Higher Education, based on the result of the entrance examination held by the Student Selection and Placement Center.

The Chief Prosecutor and prosecutors are appointed by a joint decree, upon the proposal of the Minister of Finance after receiving the opinion of the President of the TCA.

Supporting staff are appointed by the President of the TCA in accordance with the Law no. 657 on Civil Servants.

Besides, security and cleaning services are outsourced.



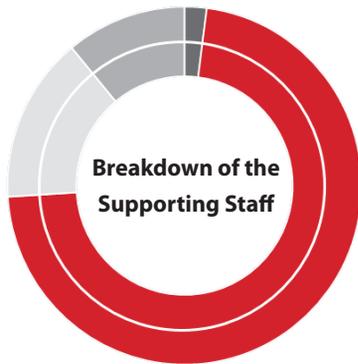
The TCA has: President, 2 Deputy Presidents, 8 Chamber Chairmen, 45 Members, Chief Prosecutor and 8 Prosecutors, 893 Auditors and 586 supporting staff with a total of 1544 people.

- President, Deputy Presidents, Chamber Chairmen, members (%4)
- Chief Prosecutor, Prosecutors (%1)
- Auditor (%57)
- Supporting staff (%38)



The TCA has: President, 2 Deputy Presidents, 8 Chamber chairmen, 45 Members, 447 Principal Auditors, 182 Senior auditors, 174 Auditors and 90 Assistant Auditors with a total of 949 professional staff.

- President, Deputy Presidents, Chamber chairmen, members (%6)
- Principal Auditor (%47)
- Senior auditor (%19)
- Auditor (%18)
- Assistant Auditor (%10)



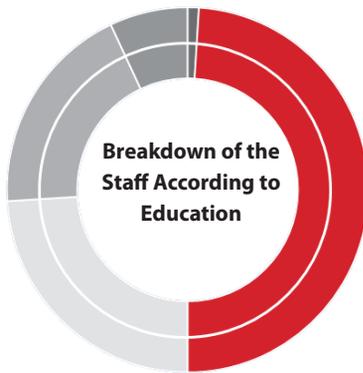
586 supporting staff work in the TCA: 423 in general administrative services, 12 in health services, 64 in technical services and 87 in auxiliary services.

- General administrative services (%72)
- Health services (%2)
- Technical services (%2)
- Auxiliary services (%15)



129 people between the age of 18-28, 484 people between 29-38, 429 people between 39-48, 390 people between 49-58, and 112 between 59-65 work in the TCA.

- Age of 18-28 (%9)
- Age of 29-38 (%31)
- Age of 39-48 (%28)
- Age of 49-58 (%25)
- Age of 59-65 (%7)



373 staff members have master's degree, 757 have bachelor's degree and 100 are college graduates. 18 staff members have PhD.

- PhD (%1)
- Master's (%24)
- Bachelor's (%49)
- College (%7)
- Other (%19)



1175 male and 369 female staff members (total 1544) work in the TCA.

- Male (%76)
- Female (%24)

### 5-SERVICES DELIVERED

The TCA is a supreme audit institution with judiciary mandate, and it performs audits on behalf of the TGNA in order to ensure the use of the power of purse. The TCA aims to establish good management principles in public financial management and contribute to the functioning of transparency and accountability in management while performing the functions of auditing, reporting, judging and giving opinion, which are assigned to the TCA by legislation.

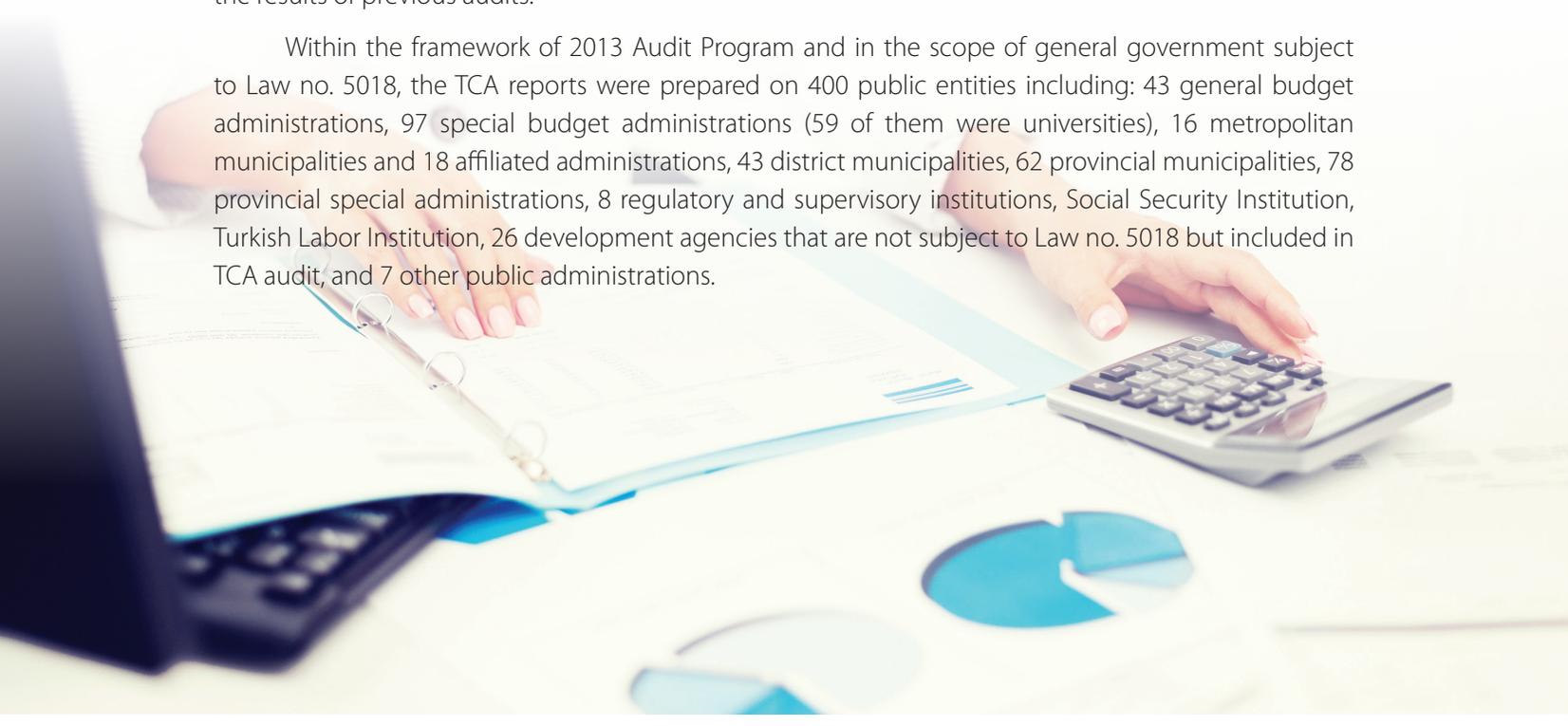
#### 5.1 Audits and Audit Reports of the TCA

In 2014, as per the schedule foreseen by Law no. 6085:

- The audit activities started in 2013 in the scope of the 2013 Audit Program were finalised and audit reports were prepared;
- 2014 Audit Program was put into implementation, and the works included in this program were initiated.

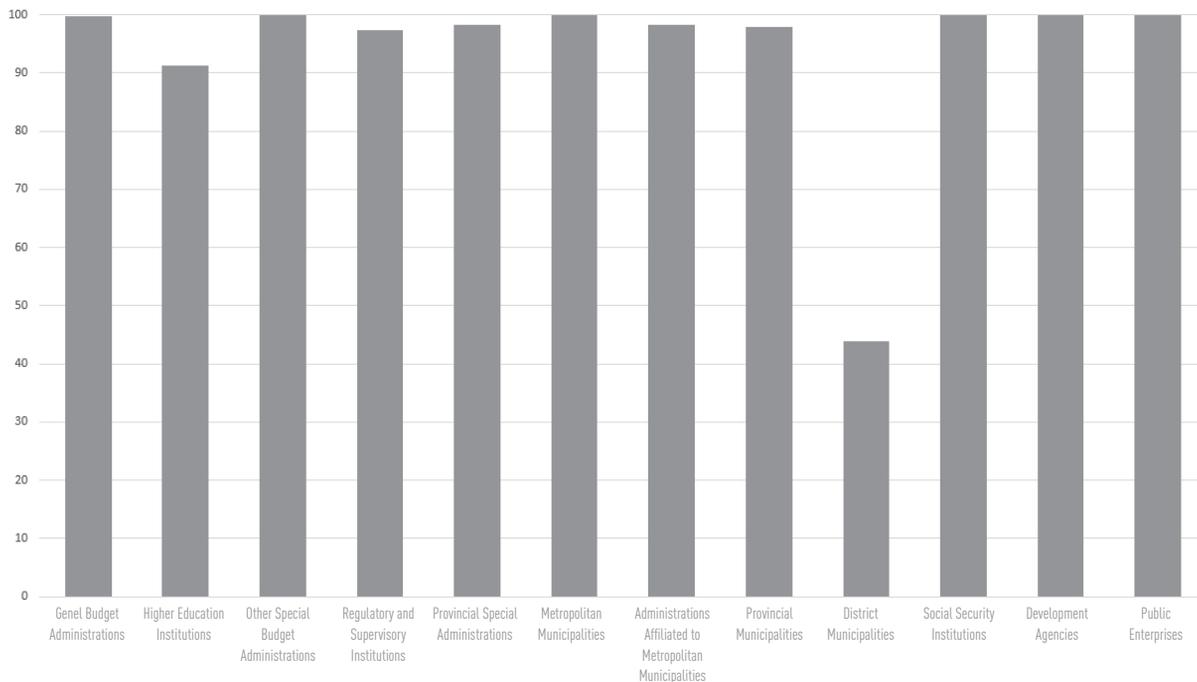
2013 Audit Program was prepared by the Board of Auditing, Planning and Coordination, in line with Article 31 of the TCA Law, by making a risk assessment and by considering the priorities in the development plans and annual programs, the expectations of the public and the audited public entities, the quality and quantity of activities, budget sizes, audit frequencies, denunciations and complaints, and the results of previous audits.

Within the framework of 2013 Audit Program and in the scope of general government subject to Law no. 5018, the TCA reports were prepared on 400 public entities including: 43 general budget administrations, 97 special budget administrations (59 of them were universities), 16 metropolitan municipalities and 18 affiliated administrations, 43 district municipalities, 62 provincial municipalities, 78 provincial special administrations, 8 regulatory and supervisory institutions, Social Security Institution, Turkish Labor Institution, 26 development agencies that are not subject to Law no. 5018 but included in TCA audit, and 7 other public administrations.



Regarding the budget sizes of the public entities, which were included in 2013 Audit Program and whose reports were completed in 2014; the following percentages have been completed so far: 99% of general budget administrations, 91% of universities among special budget administrations, 99% of other special budget administrations, 97% of regulatory and supervisory institutions, 98% of provincial special administrations, 100% of metropolitan municipalities, 98% of administrations affiliated to metropolitan municipalities, 97% of provincial municipalities, 43% of district municipalities, 100% of Social Security Institutions, 100% of development agencies, and 100% of public enterprises.

### Audit Ratio of the Public Entities by their Budget Sizes



Audits are conducted with the purpose of detecting the compliance of the accounts and transactions of public entities with the laws and other legal regulations, obtaining reasonable assurance regarding whether the financial reports and statements give a true and fair view of the results of the transactions and activities of a public entity, evaluating the financial management and internal control systems, and measuring the results of the activities with respect to the aims and indicators identified by the entities within the framework of accountability.

Financial audits were conducted according to the risk-oriented audit approach in order to obtain audit evidence regarding the accuracy, reliability and appropriateness of the financial statements of public entities and the accounts and transactions forming those statements. Financial audits were performed by applying the proper audit procedures and techniques and by making risk assessments.

TCA Audit Reports, which were prepared as a result of the regularity and performance audits, were submitted to the TGNA and the relevant public entities.

Apart from that, "judicial reports" were prepared as per the TCA Law, regarding the public loss detected in the public entities under general government as a result of the 2013 audits, and they were submitted to the chambers in order to have judicial rulings.

The audit of public enterprises is conducted within the scope of Article 43 of the TCA Law no. 6085 and Law no. 3346. The annual reports of the audited entities were prepared with justifications and comparisons including the opinions that will provide the basis for the acquittals/non-acquittal of transactions, balances, final accounts and executive boards, or the submission of these for general discussion.

As a result of the audits of public enterprises, 97 reports were prepared including 96 Annual Audit Reports and one SEE General Report. Those reports were submitted to the TGNA as per the TCA Law no. 6085, sent to the Ministry of Development and Undersecretariat of Treasury, and also made public on the webpage of the TCA excluding the ones forbidden from disclosure by laws.

### Public Enterprises Audited in 2013

SECTOR NAME	BUDGET STRUCTURE	TOTAL NUMBER OF ENTITIES	NUMBER OF PUBLIC ENTERPRISES INCLUDED IN THE AUDIT PROGRAM	NUMBER OF REPORTS PREPARED
PUBLIC ENTERPRISES	Public Economic Enterprise	16	16	16
	Public Economic Enterprise (Subsidiary)	4	4	4
	Public Economic Enterprise (Establishment)	8	8	8
	State Economic Enterprise	1	1	2
	Entities audited acc. to law no. 3346	16	16	16
	Entities under the Privatization Law no. 4046	37	37	37
	Entities audited acc. to their special laws	13	13	13
	Public Enterprises General Report	-	-	1
<b>OVERALL TOTAL</b>		<b>95</b>	<b>95</b>	<b>97</b>

The following operations were conducted regarding the TCA Audit Reports for 2013:

Statement of General Conformity, External Audit General Evaluation Report, Accountability General Evaluation Report, Financial Statistics Evaluation Report, and 157 TCA Audit Reports on public entities were submitted to the TGNA on 12 September 2014.

157 TCA Audit Reports on public entities were sent to the relevant public entities.

Financial Statistics Evaluation Report and Accountability General Evaluation Report were sent to the Ministry of Finance.

Development Agencies General Evaluation Report was submitted to the TGNA and sent to the Ministry of Development. 26 TCA Audit Reports on the development agencies were sent to the relevant development agencies and the Ministry of Development.

217 TCA Audit Reports on local administrations, including 139 municipalities and affiliated entities and 78 special administrations, were sent to the relevant entities in order to be discussed by their own assemblies.

From amongst the reports that were sent to the TGNA and the relevant public entities, Statement of General Conformity, External Audit General Evaluation Report, Accountability General Evaluation

Report, Financial Statistics Evaluation Report, Development Agencies General Evaluation Report and TCA Audit Reports on public entities were made public on the webpage of the TCA, except for the cases where disclosure is forbidden by law.

Since the judicial reports are prepared for detecting the transactions and actions causing public loss of those working in the expenditure and revenue collection processes and since the authority to make the final judgment regarding personal financial responsibility belongs to the judicial chambers of the TCA, these reports are not made public.

### **2014 TCA Audit Program**

The TCA prepared and implemented an annual audit program within the framework of the risk analysis made considering the expectations of the TGNA, the public and the audited public entities in line with Article 31 of the TCA Law no. 6085 in 2014.

Audit reports on the public entities included in 2014 Audit Program will be sent to the relevant entities and submitted to the TGNA in 2015.

2014 Audit Program covers 480 public entities from amongst the ones included in the audit area: 45 general budget administrations, 147 special budget administrations (including 106 universities), 9 regulatory and supervisory institutions, 51 provincial special administrations, 30 metropolitan municipalities, 19 institutions affiliated to a metropolitan municipality, 83 district municipalities, 51 provincial municipalities, 24 municipality companies, 4 provincial special administration companies, 7 development agencies, Social Security Institution and Turkish Labor Institution and 8 other public administrations (The Investment Support and Promotion Agency, The Promotion Fund, The Central Bank of the Republic of Turkey, The Savings Deposit Insurance Fund, Center For European Union Education and Youth Programs, Spor-Toto, Agriculture and Rural Development Support Institution, and Fuel Supply and NATO POL Facilities). In addition, the audit program covers the preparation of SEE General Report and 76 audit reports for the public enterprises, of which the number was reduced from 95 in the 2013 Audit Program to 74 in 2014 as a result of privatization, transfer, public offering and legislative changes.

In 2014, the audits of 19 mission chieftains were conducted including the embassies, consulates and permanent representatives.

The following tables present the information regarding the public administrations and enterprises included in the scope of audits.

The following tables present the information regarding the public administrations and enterprises included in the scope of audits.

#### Public Entities included in 2014 Audit Program

SECTOR NAME	BUDGET STRUCTURE	TOTAL NUMBER OF ENTITIES	NUMBER OF PUBLIC ADMINISTRATIONS INCLUDED IN AUDIT PROGRAM
CENTRAL ADMINISTRATION	General Budget	47	45
	Special Budget-A (Universities)	106	106
	Special Budget-B (Other institutions)	41	41
	Regulatory and Supervisory Institutions	9	9
<b>TOTAL</b>		<b>203</b>	<b>201</b>
LOCAL ADMINISTRATIONS	Special Provincial Administrations	51	51
	Company (Special Provincial Administration)	-	4
	Metropolitan Municipalities	30	30
	Institutions Affiliated to a Metropolitan Municipalities	33	19
	Company (Municipality)	-	24
	Provincial Municipality	51	51
	District Municipality	919	83
<b>TOTAL</b>		<b>1084</b>	<b>262</b>
SOCIAL SECURITY	SSI	1	1
	TURKISH LABOR INSTITUTION	1	1
<b>TOTAL</b>		<b>2</b>	<b>2</b>
<b>OVERALL MANAGEMENT TOTAL</b>		<b>1288</b>	<b>465</b>
OTHER	Development Agency	26	7
	Other	15	8
<b>TOTAL</b>		<b>41</b>	<b>15</b>
<b>OVERALL TOTAL</b>		<b>1330</b>	<b>480</b>

## Public Enterprises included in 2014 Audit Program

SECTOR NAME	BUDGET STRUCTURE	TOTAL NUMBER OF ENTITIES	NUMBER OF PUBLIC ENTERPRISES INCLUDED IN THE AUDIT PROGRAM	NUMBER OF REPORTS TO BE PREPARED
PUBLIC ENTERPRISES	Public Economic Enterprise	16	16	16
	Public Economic Enterprise (Subsidiary)	4	4	4
	Public Economic Enterprise (Establishment)	7	7	7
	State Economic Enterprise	2	2	2
	Entities audited acc. to law no. 3346	16	16	18
	Entities under the Privatization Law no. 4046	19	19	19
	Entities audited acc. to their special laws	10	10	10
	Public Enterprises General Report	-	-	1
<b>OVERALL TOTAL</b>		<b>74</b>	<b>74</b>	<b>77</b>

## Financial Audit of Political Parties

Pursuant to the Law no. 6216 on the Establishment and Rules of Procedures of the Constitutional Court, the TCA is entitled to perform financial audit on political parties while only the Constitutional Court has the right for ruling. The financial audit of political parties has been assigned to the TCA as of the final accounts of 2010. The audit (examination) is performed on the final accounts of the parties and the parties prepare their final statements and submit them to the Constitutional Court by the end of June. The Constitutional Court sends those final statements to the TCA for examination.

In 2014, the final accounts (for 2013) of 79 parties were sent to the TCA by the Constitutional Court for the first and main examination.

In this scope, in 2014;

- Main examination of 5 parties remaining from the final accounts of 2010,
  - Main examination of 9 parties remaining from the final accounts of 2011,
  - Main examination of 34 parties remaining from the final accounts of 2012,
  - First examination of 63 parties from the final accounts of 2013,
- were conducted and reports submitted to the Constitutional Court.

In addition, Supreme Election Council requested assistance from the TCA as per the relevant law for examining the activity accounts for presidency election. With respect to that; the accounts of the presidential candidates were examined in terms of income and expenditures, and a separate report for each candidate was prepared and submitted to the Supreme Election Council.

## **5.2 Judicial Activities**

The TCA audits whether the accounts and transactions related to their revenues, expenses and assets of public entities within the scope of the general government are in compliance with laws and other legal arrangements, and takes final decision on matters related to public loss arising from the accounts and transactions of those responsible. Judicial reports including the issues of public loss detected during audits are sent to the TCA chambers, which are account courts. Final judgment authority of the writs passed by the chambers is the TCA Appeals Board. The TCA's Office of the Chief Public Prosecutor also takes place in the judicial process.

Judicial reports are finalised in the TCA judicial chambers, and they are not among the reports to be submitted to the TGNA and made public as per Law no. 6085.



The below table indicates the information regarding the judicial decisions made by the TCA chambers in 2014.

### Judicial Decisions of the Chambers

CHAMBERS	TOTAL NUMBER OF REPORTS	NUMBER OF REPORTS JUDGED	AMOUNT COLLECTED UPON INQUIRY BEFORE TRIAL (TL)	TOTAL PUBLIC LOSS JUDGED FOR RECOVERY AFTER TRIAL (TL)	CRIMINAL ACTS
CHAMBER 1	271	125	10.809.832,45	3.622.962,02	10
CHAMBER 2	154	122	36.229.585,25	14.014.372,94	1
CHAMBER 3	100	73	2.348.068,48	5.683.116,03	3
CHAMBER 4	67	51	3.198.971,75	14.179.802,66	2
CHAMBER 5	123	80	5.998.916,30	31.114.170,24	-
CHAMBER 6	251	149	32.214.475,17	22.623.452,17	-
CHAMBER 7	56	36	4.270.202,48	2.268.364,48	1
CHAMBER 8	85	73	424.651,14	1.149.911,08	-
<b>TOTAL</b>	<b>1107</b>	<b>709</b>	<b>95.494.703,02</b>	<b>94.656.151,62</b>	<b>17</b>

In 2014, 1107 judicial reports were transferred to the TCA chambers on audits of 2013 and previous years, and 709 of them were judged and writs passed. 398 reports were transferred to the following year. 95.494.703,02 TL of the public loss (which was indicated in the reports that were judged) was collected by those responsible upon inquiry before trial, and decision was made for recovery after trial for 94.656.151,62 TL of the remaining public loss.

In 2014, it was decided to send 17 matters to the relevant public entities or prosecution offices for the necessary actions to be taken regarding the criminal acts.

The writs passed by the TCA chambers are discussed and resolved by the TCA Board of Appeals upon the application of those concerned.

In 2014, from the applications to the Board of Appeals against the judgments passed by the TCA chambers, 1745 files were examined for appeal, and judgments were passed.

#### Activities of the Board of Appeals

Number of files transferred from 2013	2330
Number of files in 2014	941
<b>TOTAL NUMBER OF FILES</b>	<b>3271</b>
Number of files judged by the Board (of which writs were passed)	1745
Number of files transferred to 2015	1526

3327 decisions made for 1745 files judged by the Board of Appeals in 2014 are indicated in the below table by their topics.

#### Decisions of the Board of Appeals by Topics

DECISIONS BY TOPICS	Number
Approval of the decision	1333
Approval of the decision by correcting it	94
Rescindment	498
Cassation	328
No action to be taken	1023
Decided to be cancelled (as per Law no.6009)	51
<b>TOTAL</b>	<b>3327</b>

If the writs passed by the chambers and the Board of Appeals on the same topic are in conflict, then the President of the TCA sends those writs to the General Assembly for the unification of case law.

### 5.3 Activities of Giving Opinion

As per Article 25 of TCA Law no.6085, the General Assembly of the TCA has the duty of giving opinions on the draft laws and proposals regarding the TCA, the by-laws to be prepared as per the TCA Law, and the by-laws and regulatory having the characteristics of by-laws, which will be prepared on financial matters by the public entities under general government.

General Assembly examined and finalised 12 files on various topics in 2014.

#### Activities of Giving Opinion by the General Assembly of the TCA

DECISIONS BY TOPICS	Number
Decisions regarding the operation and functions within the institution	9
Decisions regarding the legislation interpretation	1
Decisions on the Statement of General Conformity	1
Decisions on the by-laws regarding the TCA	1
<b>TOTAL</b>	<b>12</b>

As per Article 27 of TCA Law no.6085, the Board of Chambers of the TCA gives opinions on the by-laws and the regulatory actions having the characteristics of by-laws, which will be prepared on financial matters by public entities under general government.

In 2014, 187 opinions were given by the Board of Chambers.

#### Activities of Giving Opinion by the Board of Chamber of the TCA

DECISIONS BY TOPICS	Number
On the drafts of new by-laws	106
On the amendments on legislation	73
On the by-laws of the revolving fund enterprises	8
<b>TOTAL</b>	<b>187</b>

Chambers gave 445 opinions in 2014; 422 of them were for the audit reports.

#### Activities of Giving Opinion by the Chambers

CHAMBERS	AUDIT REPORTS FOR WHICH OPINIONS WERE GIVEN	GIVING OPINION AND WRITS
CHAMBER 1	81	12
CHAMBER 2	62	-
CHAMBER 3	37	-
CHAMBER 4	27	-
CHAMBER 5	55	9
CHAMBER 6	88	1
CHAMBER 7	28	1
CHAMBER 8	44	-
<b>TOTAL</b>	<b>422</b>	<b>23</b>

544 decisions were made by the Board of Report Evaluation in 2014.

#### Activities of the Board of Report Evaluation

TOPICS	NUMBER
2012 Public Enterprises General Report	1
2013 Public Enterprises General Report	1
Public Enterprises Report	96
2012 Development Agencies General Report	1
2013 Development Agencies General Report	1
2013 Financial Statistics Evaluation Report	1
2013 Accountability General Evaluation Report	1
2013 External Audit General Evaluation Report	1
Performance Audit Report	22
2012 Development Agencies Reports	19
Public Entities Audit Reports	400
<b>TOTAL</b>	<b>544</b>

### 5.4 Other Activities

#### International Activities

The TCA is an active member of the International Organization of Supreme Audit Institutions (INTOSAI). The TCA is a member of Auditing Committee in the Asian Organization of Supreme Audit Institutions (ASOSAI) under INTOSAI, a member of the Governing Board of the European Organization of Supreme Audit Institutions (EUROSAI), and the First Vice-President of EUROSAI as of June 2014.

The TCA is also a member of Economic Co-operation Organization Supreme Audit Institutions (ECOSAI). The TCA is a founding member of this organization, which is established by the SAIs of Afghanistan, Azerbaijan, Iran, Kazakhstan, Kyrgyzstan, Pakistan, Tajikistan, Turkmenistan, Turkey and Uzbekistan, and has been the President of the ECOSAI since December 2013.

The TCA attaches great importance to the bilateral relations particularly with the SAIs in the region. In this scope, cooperation agreements were signed in 2014 with the SAIs of Cameroon, Afghanistan, Albania, Latvia, and France and with the International Board of Auditors for NATO (IBAN).



**Cooperation agreement with the International Board of Auditors for NATO (IBAN)**

The TCA hosted several international events and visits in 2014, in addition, professional personnel attended several training activities and internship programs abroad such as courses, seminars, workshops along with the meetings held in various platforms.

As a result of the “Disaster Risk Reduction” study, which was conducted under the responsibility and leadership of the TCA within the scope of INTOSAI, the audit guideline “ISSAI 5510: The audit of disaster risk reduction” was completed in the first half of 2014.

Within the scope of the 300th anniversary celebrations of the German SAI, 9th EUROSAI IT Working Group Meeting and IT symposium was held in Germany in 11-14 March 2014 with the theme of “Challenges regarding IT in External Audit”, and a team from the TCA attended it.



The 6th Meeting of EUROSAI Goal Team 4 on “Governance and Communication”, which was established in the scope of the EUROSAI Strategic Plan for 2011-2017 and which is headed by the Portuguese SAI (also the head of EUROSAI), was held in Lisbon, Portugal in 28–29 April 2014, and a delegation from the TCA attended it.

IX EUROSAI Congress (theme: innovation) was held in The Hague, the Netherlands in 16-19 June 2014. The TCA was represented by the President of the TCA and a delegation there. In this congress, it was decided that the next congress would be held in Turkey in 2017, that the TCA would be the Vice-President of EUROSAI in 2014-2017, and that the TCA would be the President of EUROSAI in 2017-2020.

The 6<sup>th</sup> meeting of the 10th ASOSAI Research Project on the topic of “Audit to Detect Fraud and Corruption: Evaluation of the Fight against Corruption and Money Laundering” was held in Ankara,

in 26-29 August 2014 with TCA acting as the host. The Research Project Report, which was the final output of this 10th ASOSAI Research Project, was completed.

Regarding the drafts of “INTOSAI GOV 9160 – Guideline for Enhancing Good Governance for Public Assets”, which was prepared by INTOSAI Working Group on Fight against Corruption and Money Laundering Sub-group-1 and “ISSAI 5700 – Guideline for the Audit of Corruption Prevention in Government Agencies”, which was prepared by Sub-group-2 (the TCA is a part of this group); “INTOSAI Working Group on the Fight Against Corruption and Money Laundering (WGFACML) 1st and 2nd Sub-groups Joint meeting” was held in Warsaw, Poland in 9-11 September 2014, and a delegation from the TCA attended it.

ASOSAI 47th Governing Board Meeting and 2nd ASOSAI-EUROSAI Joint Conference was held in Moscow with the Russian Federation SAI acting as the host, in 23-26 September 2014, and a delegation from the TCA attended it.

One professional staff member was assigned in IBAN for 3 years for the IBAN A-3 Auditor position.

ECOSAI 19th Governing Board and 14th Training Council Meeting was held in Lahore, Pakistan in 27-28 October 2014 with the TCA acting as the chair. The meeting focused on the actions that can be taken for meeting the training needs of the SAIs of the ECOSAI member countries and developing the collaboration between them. In this meeting, upon the suggestion of the TCA, it was decided to conduct a training on “International Standards and Financial Audit” in Turkey in 2015.

The TCA attended the 35th Financial Control Organ meeting of the Organization of Islamic Cooperation (OIC) held in Jeddah in Saudi Arabia in order to examine the accounts of the fiscal year of 2013 of the OIC General Secretariat and OIC Subsidiaries.

The TCA attended the annual meeting of the CNAB (Competent National Audit Bodies) representatives of the NATO member countries held in Brussels. Within the scope of national voluntary contribution (VNC), which is implemented for the first time upon the request of IBAN, one professional staff member was assigned at IBAN for 3 months to join the 2014 performance audit works to be conducted by IBAN.

## Training Activities

In 2014, in the context of foreign trainings for getting education or upgrading the foreign language levels, 5 professional staff members were sent abroad for graduate studies; 30 professional staff members were sent abroad for general English language training; and 15 professional staff members were sent abroad for professional English language training.

Within the framework of the aim of ensuring full membership in the EU, 5 professional staff members were sent abroad in 2014 in the scope of Jean Monnet scholarship program in order to increase the number of personnel specialized in the field of EU and building the necessary administrative capacity for implementing the *acquis communautaire* effectively.

Within the scope of internship/professional training programs, 4 professional staff members attended the audit implementation program in ECA in 2014.

In 2014, 2 professional staff members attended the training program of the Indian SAI on “Financial Audit and Regularity Audit” and 2 professional staff members attended the training program of the Pakistan SAI on “Performance Audit”, in order to enhance knowledge and experience and to receive information on the financial system of foreign countries, the works of their SAIs, audit areas, their administrative structure and institutions, their relations with the SAI according to a program.

In 2014, in-service trainings were organized on 20 separate subjects for the TCA staff.



The following table indicates the international training activities conducted in 2014.

### International Trainings

Name of the training	Venue	Date
SAI of Albania "Information Systems Audit and Audit Management"	ANKARA	14–18.04.2014
SAI of Mongolia "Performance Audit and its Implementations"	ANTALYA	10–20.09.2014
SAI of Albania "Public Audit"	ANKARA	13–17.10.2014
SAI of Albania "Public Audit"	ANKARA	08–12.12.2014

The following table indicates the trainings provided by the TCA upon the training request of public entities in 2014 through the request forms on the TCA webpage and letters.

### Trainings Organized for the Public Entities

SUBJECT MATTER OF THE TRAINING	PUBLIC ENTITY	DATES
"External Audit" for the Internal Auditor Candidates	Ministry of Finance, Finance Higher Education Center (MAYEM)	03-29.01.2014
"Performance Audit" for the Internal Auditor Candidates	Ministry of Finance (MAYEM)	09-16.01.2014 11.02.2014
Public Procurement Law (PPL) no.4734, State Tender Law no.2886, Communiqués, By-laws, PPL Decisions	İzmir Metropolitan Municipality ESHOT (Electric, Water, Gas, Autobus and Trolleybus ) General Directorate	12-18.01.2014
Basic Training and Preparatory Training (TCAs Duties and Functions)	Prime Minister's Office Undersecretariat of Treasury	21.01.2014
State Asset Protection and Saving Measures	Ministry of Labor and Social Security	23.01.2014
Establishment of Internal Control and Institutional Risk Management System	19 Mayıs University	03-07.02.2014
Performance Audit	Turkish Agriculture Credit Cooperatives Central Union General Directorate	16-17.02.2014
Performance Audit	Ankara Metropolitan Municipality Internal Audit Unit	17-21.02.2014
Obligations Law, Guarantee Law	Gazi University Rector's Office	2014
Image Factor at "Work"	Ministry of Finance Tax Audit Council	19.02.2014
Public Financial Management and Control Law no.5018 and its implementation	IT and Communication Institution	04-05.03.2014
TCA Audits in Construction, Real Estate and NATO Security	Ministry of National Defense	10.03.2014

SUBJECT MATTER OF THE TRAINING	PUBLIC ENTITY	DATES
Internal Control System and Institutional Risk Management	İzmir Metropolitan Municipality ESHOT General Directorate	10-14.03.2014
Audit Principles in the Scope of the TCA Law no.6085	Ministry of National Defense	11-12.03.2014
Definition of the TCA	Ministry of Economy Department of Personnel	12.03.2014
Public Financial Management and Control Law no.5018	Ministry of National Defense	13.03.2014
Public Procurement Legislation and Its Implementations	Ministry of Forestry and Water Affairs State Hydraulic Works Department of Personnel and Training	14.03.2014
Public Procurement Legislation, Public Financial Management and Control Law no.5018 and TCA Law	Ministry of Health	16-22.03.2014
Public Procurement Legislation and Its Implementations	Higher Education Credit and Hostels Institution General Directorate	17-18.03.2014
Public Procurement Legislation, Public Financial Management and Control Law no.5018 and TCA Law	Ministry of Health	22-30.03.2014
Accounting Officer, Duties, Powers and Responsibilities, and the TCA Law no. 6085 and Relevant Legislation	Ministry of Health Turkish Public Hospitals Agency	7-12.04.2014
"External Audit" for the Internal Auditor Candidates	Ministry of Finance	08-15.04.2014
Purchase of goods and services in scope of Law no. 4734 and Law no. 4735	Ministry of National Defense	16.04.2014
Performance Audit	Ministry of Health Department of Audit Services	17-18.04.2014
Time Management at Work	Ministry of Finance Tax Audit Council	21.04.2014
"Performance audit" for the Internal Auditor Candidates	Ministry of Finance	21-29.04.2014
Performance Information Audit	Ministry of Food, Agriculture and Livestock	22.04.2014
Compliance with the Amended Financial Legislation	Ministry of National Defense	13-14.05.2014
Public Financial Management and Control Law no.5018	Tunceli University	13-16.05.2014
Public Loss	Turkish Radio And Television Corporation General Directorate	22-23.05.2014
TCA Law no.6085 and Relevant Legislation	TGNA	28-29.05.2014
Financial External Audit in Local Governments and Transactions to be Made Upon Audit Reports	TODAIE (Local Governments Center)	10.06.2014
Performance Audit	Ministry of Health Turkish Public Hospitals Agency	10.06.2014
IT Audit	Ministry of Health Turkish Public Hospitals Agency	11.06.2014

SUBJECT MATTER OF THE TRAINING	PUBLIC ENTITY	DATES
Performance Information Audit	Prime Minister's Office Undersecretariat of Treasury	11.06.2014
"External Audit of Public Expenditures" for Finance Assistant Specialists	Ministry of Finance (MAYEM)	23–24.06.2014
Computer Aided Audit	Ministry of Health	25.06.2014
IT Audit	Ministry of Health	26.06.2014
Performance Audit	Ministry of Health	26.06.2014
"External Audit of Public Expenditures" for Revenue Office Assistant Specialists	Ministry of Finance (MAYEM)	08.09.2014 15.09.2014
External Audit in Public Sector and TCA Law no.6085	Ministry of National Defense	24.09.2014
Internal Control	Nevşehir Hacı Bektaş Veli University	24–26.09.2014
Definition of the TCA	Ministry of Economy Department of Personnel	26.09.2014
"External Audit and TCA Law" for Financial Services Assistant Specialists	Ministry of Finance (MAYEM)	24.09.2014 08.10.2014 12.11.2014
Procedures and Principles of Performance Based Audit Approach	Ministry of National Defense "Inspection Services Training"	26.09.2014
Parliamentarian Supervision	TGNA Laws and Decisions Presidency	13–17.10.2014
Recent Amendments in Public Procurement Legislation ino.4734	Marmara Municipalities Union	04–05.11.2014
TCA Audit and Recent Amendments Public Procurement Legislation, Problems and Solutions	Ministry of Forestry and Water Affairs State Hydraulic Works Department of Personnel and Training	06–07.11.2014
State Asset Protection and Saving Measures	Ministry of Culture and Tourism Research and Training General Directorate	13.11.2014
Legislation regarding the issues to be considered in detecting the preservation period of legal and financial documents	Prime Minister's Office State Archives General Directorate	20.11.2014
Performance Audit	Ministry of Culture and Tourism Inspection Council Presidency	21.11.2014
TCA Law and Legislation	Ministry of Justice Prison Workshops Department	01-04.12.2014
Implementation of legislation regarding the cafeterias and tenders	Ministry of National Defense	02.12.2014 16.12. 2014
3 <sup>rd</sup> Certified Public Accountant Audit and Attestation Symposium	Chamber of Certified Public Accountants	03–07.12.2014
Accountability and Public Loss	TODAİE	08–12.12.2014
Financial Management and Internal Control System of Local Governments and Audit Results of Implementations	Ministry of Finance BÜMKO (Budget and Financial Control General Directorate)	14–16.12.2014 18–20.12. 2014

SUBJECT MATTER OF THE TRAINING	PUBLIC ENTITY	DATES
Civil Servants Law no.657	İzmir Metropolitan Municipality ESHOT General Directorate	15–19.12. 2014
“External Audit of Public Expenditures” for Finance Assistant Specialists	Ministry of Finance (MAYEM)	16.12.2014
TCA Audit Principles	Ministry of National Defense	16.12. 2014
For the Internal Auditor Candidates “External audit”	Ministry of Finance	25.12.2014

### Activities Regarding Information

The following table indicates the TCA data regarding the use of right to information in 2014 within the framework of Right to Information Act no.4982.

#### Information activities

TOPICS	TOTAL
Transfer-Internship-Job Application	22
Denunciation	159
TCA exam	22
Information-Document request	47
Decision-Report request	59
Institution Visit request	2
Opinion-Recommendation request	135
Registry request	20
Parliamentary questions	9
Petition of objection	10
Public housing	2
Political party audits	3
Applications outside mandate – Applications not understood	42
Other	28
<b>TOTAL</b>	<b>560</b>

According to this, in 2014 there were 560 applications to the TCA for receiving information, all of which were replied. While 165 of those replies were responded positively and the request were met, 206 of them were rejected due to legal grounds. In addition, 189 applications were referred to the relevant units.

### 6-MANAGEMENT AND INTERNAL CONTROL SYSTEM

Internal control system, which is one of the legal regulations that inject power to the management for the effective, economic and efficient use of resources with the Public Financial Management and Control Law, is a process and management model that covers all the work processes and the personnel of an entity. Internal control system covers: institutional culture, ethical values, personnel performance, institutional organizational structure, planning and programming activities, defining the strategic goals and objective within the framework of vision and mission, identifying the possible risks for those goals, developing control activities against risks, recording and filing system, information security policies, communication level inside and outside the entity, reporting activities, and internal audit activities.

The TCA Circular dated 06/01/2014 and numbered 2014-1 was published on the works of the Internal Control and Risk Steering Committee, which was formed with the purpose of developing internal control system in the TCA and executing the institutional functioning within the framework of internal control standards. In line with this circular, Internal Control and Risk Steering Council meetings were held in June and November.



**Internal Control Steering Committee Meeting**

In line with the Circular on Compliance with Internal Control Standards published by the Ministry of Finance, the TCA Action Plan for Compliance with Internal Control Standards for 2015-2016 was put into implementation with the President's Approval dated 26/12/2014 and published on the TCA webpage.

The draft TCA Directive on Internal Control System was finalized and made ready for the President's Approval, and the Draft TCA Directive on the Authorized Signatories was also prepared.

In 2014, Internal Control Steering Committee completed the organizational charts, work flow process charts, process information cards, work definition forms, duty cards, and the stakeholder analysis of the audit and support groups, the judicial chambers of the TCA, the office of the chief public prosecutor, boards, and DEGEM, and all this information was reported to the President's Office.

All work processes completed by the Internal Control Steering Committee regarding the management, audit and judicial units were shared on the intranet for units' evaluations.



Within the framework of Article 58 of Public Financial Management and Control Law no.5018, “Procedures and Principles for Internal Control and Preliminary Financial Control” and “TCA Directive on Preliminary Financial Control Transactions”, the documents and their attachments coming from the spending units were subject to preliminary financial control. In addition, the preliminary financial controls of the documents in the following table were done:

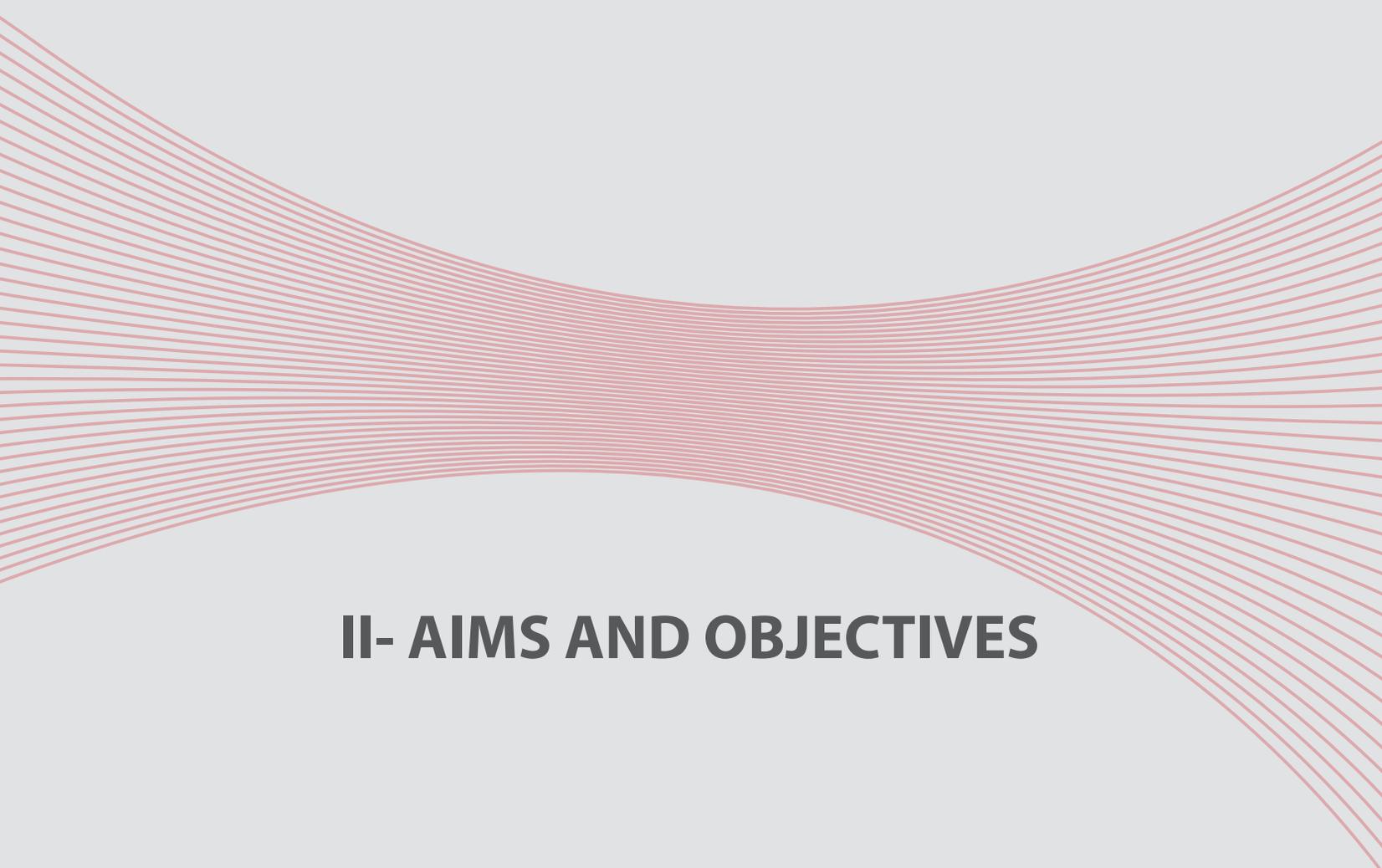
**2014 Preliminary Financial Control Table**

UNIT	REMARKS	NUMBER
Technical and Financial Affairs Unit	Payment order document	1059
	Commitment Document and Draft Contract (Goods/Service/Production)	72
	Advance	35
	Credit	42
	Offset	77
<b>TOTAL</b>		<b>1285</b>
Human Resource Unit	Advance	1964
	Offset	2121
	Local/foreign training	47
	Other	13
<b>TOTAL</b>		<b>4145</b>
<b>OVERALL TOTAL</b>		<b>5430</b>

Moreover, Cadre Distribution Tables, Travel Card Lists, Supplementary Payment Tables, Contracted Personnel Numbers and Contracts were checked for compliance with the legislation.

109 actions were planned in the TCA Action Plan for Compliance with Internal Control Standards for ensuring reasonable assurance, and their implementations continue.



A decorative graphic consisting of numerous thin, parallel red lines that curve and flow across the page, creating a sense of movement and depth. The lines are most dense in the center and become sparser towards the edges.

## **II- AIMS AND OBJECTIVES**



## A- AIMS AND OBJECTIVES OF THE ADMINISTRATION

# AUDIT

### AIM 1

To contribute to the establishment of accountability and transparency in public administrations and of the required infrastructure as per the Public Financial Management and Control (PFMC) Law No.5018 for the use of the power of the purse by the parliament through conducting audits in accordance with international auditing standards

### OBJECTIVE 1.1

To contribute to the establishment and improvement of such systems as accounting system, internal control system, performance management system (strategic plan, performance program, accountability report), which are required to be established in public administrations by the PFMC Law no. 5018.

As per the Law no. 5018 and the TCA Law, one of the most important requirements of enhanced accountability and transparency in public institutions and effective audits is that audited entities have established mechanisms that comply with the international standards and properly meet the requirements of all systems and the accounting system, in particular. Therefore, an effective public financial management understanding should be adopted and internal control processes and mechanisms should be established and improved in all public institutions falling under the audit scope of the TCA.

Establishment of public financial management system in the institutions requires the preparation and conclusion of institutional strategic plans, annual performance programs and accountability reports in line with legislative requirements by starting from the objectives specified in the development plans. Besides, establishment of a well-functioning internal control system in the public institutions will contribute to:

- Use of public funds in an effective, efficient and economic manner and in line with the purposes of the administration;
- Compliance of processes and transactions with the legislation;
- Production of regular, timely and reliable information about the activities;
- Protection of the assets of the administration and
- Making progress to obtain sufficient and reasonable assurance in relation to the prevention of corrupt activities.

# AUDIT

## AIM 2

To enhance audit capacity, the understanding of and approach towards audit for effective audit of public administrations

## OBJECTIVE 2.1

To alter the understanding of and approach towards audit

The law no. 5018 constituted the basis of a new approach for public financial management and control. As for the TCA Law no. 6085, it put forward the new audit approach to be applied in order to fulfil this objective. The Law no. 6085 envisages that the TCA conducts regularity and performance audits. It lists three elements of the regularity audit as follows:

- Determining whether the revenues, expenditures and properties of public institutions as well as the accounts and transactions related to them are consistent with the legal arrangements,
- Giving opinion on the reliability and accuracy of the financial statements and reports by assessing these statements and reports as well as all kinds of documents that are based on and that are deemed necessary,
- Assessing the financial management and internal control systems.

Therefore, the need arose to develop the understanding, approach and capacity of our institution in order to conduct effective audits on public institutions.

Furthermore, the fact that the TCA will assess the practices of the public institutions with respect to their aims and objectives requires new audit approaches.

## OBJECTIVE 2.2

To enhance professional competency

The need arose to enhance the understanding, approach and capacity of our institution in order to conduct effective audits on public institutions. The presence of this need is also seen in the internal and external stakeholder analyses. In line with this purpose, audits will be carried out, technical audit infrastructure will be continuously developed and professional competency of the professional staff will be enhanced so as to alter the understanding of and approach towards audit.

## OBJECTIVE 2.3

To cooperate effectively with national and international professional organisations and other relevant organizations to develop modern audit methodologies

In line with the need for effective audit of public institutions and the aim of enhancing the audit capacity, understanding of and approach towards audit; works will be conducted, technical infrastructure of audit will be continuously developed and cooperation will be established with the national and international professional organisations and other relevant bodies so as to improve the modern audit methodologies.

# TRIAL

## AIM 3

To enhance the processes and infrastructure for a fair, fast, transparent and properly functioning trial

## OBJECTIVE 3.1

To develop the IT infrastructure that ensures the trial function to function in an effective, fair, fast and transparent manner

The TCA is a public institution entrusted with judicial power in addition to its audit mandate in line with the chapter titled "Judicial Power" of the Constitution of the Republic of Turkey. Fast and efficiently functioning trial of the TCA should be considered as a right to fair trial. Sharing the judicial decisions with the public will contribute to the transparency of the trial. Besides, classifying the judicial decisions by topic or other elements, creating an easily accessible collection of judicial decisions and offering this collection to the use of the chambers will promote the development of jurisprudence. The presence of an established jurisprudence will increase the trust placed in the fair trial. Adopting and implementing a management understanding paying importance to the timely publication of the decisions of the chambers and boards of the TCA are of paramount importance. Accordingly, the information infrastructure that will ensure more effective, faster and more transparent functioning of the trial function will be developed.



## OBJECTIVE 3.2

To increase the effectiveness of the execution of writs



A sound follow-up system should be established in order to monitor the results of the execution of the court decisions for the effectiveness of the judicial function of the TCA. So far, execution of the writs, which are produced at the end of the trial of the TCA, has not been monitored adequately. Effectiveness of the trial of the TCA becomes possible only when the execution of the writs is guaranteed. The TCA Law specifies the responsibilities related to the execution of the writs in an obvious and clear manner and the Office of the Chief Prosecutor is charged with the duty of monitoring the execution of the writs. Establishment of the legal and technical infrastructure is of great importance for the effective performance of this duty. To this end, measures will be taken so as to determine and eliminate the factors hindering the execution of the writs and it will be ensured that the responsible parties report the results of the execution of the writs to the TCA on a regular basis.

# CORPORATE MANAGEMENT

## AIM 4

To strengthen the corporate management capacity and human resources management for effective performance of the TCA's functions

## OBJECTIVE 4.1

To establish the management information system for effective management of the institutional activities

Institutional management capacity should be increased and strengthened in order to maximise the efficiency expected from an institution. In this respect, the most important and useful tool for the administration will absolutely be a management information system that will allow for the effective management of the institutional activities. As it is known, the amended TCA Law expanded the mandate of our institution. This expansion will swiftly increase the number of transactions realised and the amount of information possessed. Besides, there will be an increasing expectation in our institution to carry out its transactions and take its decisions in a swifter manner. In this case, what the administrators of our institution will mainly need while taking decisions regarding the institution and its resources will be timely and accurate information. Establishment and proper functioning of a management information system that will enable the administrators to take swift and accurate decisions are essential for obtaining and managing the reliable, accurate and timely information required by the management functions.



## OBJECTIVE 4.2

To increase effectiveness of the human resources management



One of the main factors determining the effectiveness of the functioning of an institution or organisation is its staff. In this regard, human resource is of paramount importance for an organisation. Therefore, our institution should have a properly functioning mechanism that will ensure sufficient utilisation of the human resource. In order to fulfil this objective, there is need for a shift to the understanding of human resource management from the personnel management understanding. With the human resource management, the activities will aim to develop the most effective labour force for our institution and to maintain the continuity of this effectiveness. A human resource management plan focused on personnel evaluation, career development and career management should be developed for making an effective use of the personnel. Furthermore, it is accepted that it is necessary to increase individual capacity and motivation of each employee for efficiency and effectiveness of public institutions and organisations. With the human resource management, an approach that gives prominence to the element of “human” in the activities of the institution will be adopted. This approach requires the implementation of a policy envisaging that personnel satisfaction surveys are conducted on a regular basis and effective and immediate solutions are found for the problems.

# COMMUNICATION

## AIM 5

To take actions to promote the TCA to the public in order to contribute to the development of the principles of accountability and transparency

## OBJECTIVE 5.1

To promote the relations with the parliament and to increase the awareness about the activities of the TCA

Communication is one of the most important tools making a significant contribution to the proper functioning of the TCA. In particular, communication plays a crucial role in increasing the trust of the external stakeholders and creating a public opinion about the TCA as the leading public institution guaranteeing the effective, economic and efficient use of public funds.

As for the Supreme Audit Institutions, communication means transferring the reports prepared at the end of the audits to the relevant parties in a correct and proper manner. As a Supreme Audit Institution, the TCA should be in continuous cooperation with the TGNA, public and auditees while duly performing its duties and responsibilities. A strengthened communication between the TCA and the aforementioned stakeholders will contribute to increasing the reliability and effectiveness of the public financial management within the society as well as establishing and enhancing transparency and accountability.



## OBJECTIVE 5.2

To promote effective communication with the audited entities



As of the amendment in the TCA Law, the audit methodologies and approach of the TCA have also changed. Since the auditees are directly affected by the amendment, they should be informed about these changes. Increasing the awareness levels of the auditees about the objectives, scope and methods of the audit to be conducted is one of the factors affecting the change management process positively.



## OBJECTIVE 5.3

To promote the TCA and its activities to the public, media, civil society and academia



As the leading public institution responsible for ensuring the effective, efficient and economic use of public funds, the TCA is liable to make its reports open to public. The TCA conducts its audits on behalf of the TGNA and, accordingly, the public. The public, media, civil society and academia should be informed about the functions, activities and reports of the TCA. To this end, the TCA will organise such activities as press meetings and conferences.

## **B- FUNDAMENTAL POLICIES AND PRIORITIES**

### **FUNDAMENTAL POLICY DOCUMENTS**

#### **Tenth Development Plan (2014-2018)**

The Tenth Development Plan was published in the Official Journal dated 06.07.2013 and numbered 28699. In the plan, it was mentioned that the mandate of the TCA was extended so as to cover all public funds and emphasized that performance audit should be conducted by the TCA consistent with the strategic management cycle.

#### **Medium-Term Program (2014–2016)**

Within the scope of the Tenth Development Plan (2014-2018), the Medium-Term Program (2014-2016) which includes specific macroeconomic aims, objectives and policies and launches budget works was published in the repeated Official Journal dated 08.10.2013 and numbered 28789. The Medium-Term Program which has a three-year perspective and is renewed every year envisages the following points with respect to the TCA in the section of Public Financial Management and Audit:

“Fundamental reforms with respect to public financial management and control which were put into force in order to ensure effective, efficient and economic use of public funds and essentially contain the basic principles such as strengthening of transparency and accountability have been significantly implemented. However, it is of great importance to increase the efficiency of the implementation and to avoid regulations, exceptional clauses and practices that can be assessed as deviation from the reforms with the aim of obtaining the targeted benefits from the reforms. Within this framework, it is targeted to strengthen the relations between the strategic plans and performance programs and budgets; extend the use of multi-year budgeting understanding; ensure that internal audit and external audit function in an effective and coordinated manner; and implement the internal control systems in a sound manner.

It will be ensured that levels of compliance of the activities of the public administrations with the internal control and internal audit standards are increased.

Human resource infrastructure of public financial management will be strengthened in terms of both quality and quantity.

Implementation infrastructure of the TCA will be strengthened for an effective external audit in the public sector.”

## **Program for the Year 2014**

The Program for the Year 2014, the first detailed reflection of the Medium-Term Program, was published in the Official Journal dated 25.10.2013. The policy priorities and measures to be implemented by the TCA in accordance with the Program are as follows:

“Priority: The relation of the resource allocation process with the strategic plans and performance-based budgeting system will be strengthened and the efficiency of planning, programming, budgeting, implementing, monitoring and assessing within the process will be increased.

Measure: Efficiency of the public financial management information systems will be increased.

A protocol will be signed in order to ensure that the information systems run by the Ministry of Development, Ministry of Finance, Undersecretariat of Treasury and TCA function in an integrated and effective manner.”

## **Pre-Accession Economic Program (2014-2016)**

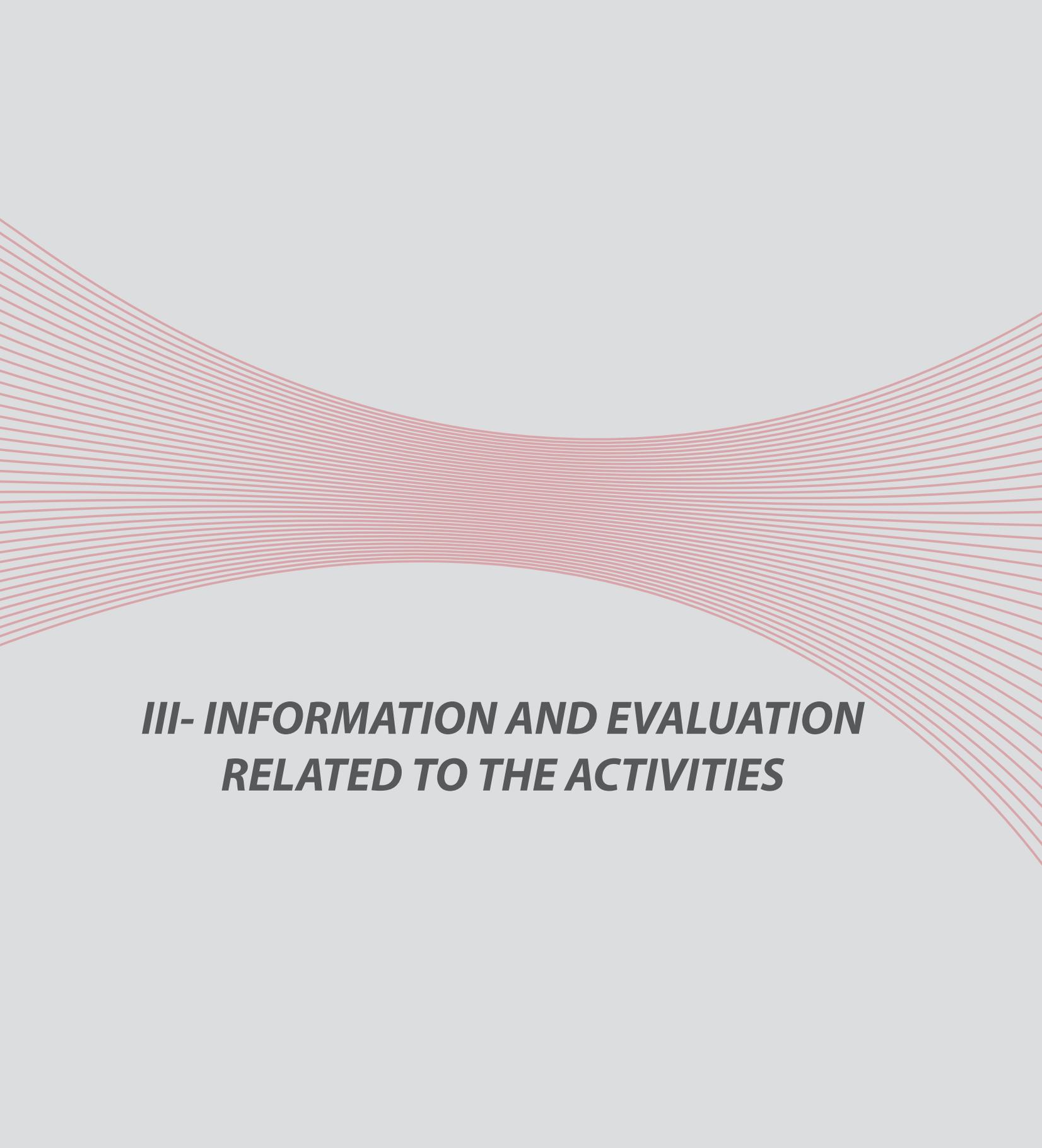
In the Pre-Accession Economic Program (2014-2016) prepared on the basis of the Medium-Term Program within the scope of the Tenth Development Plan, the following points were envisaged for the TCA in the section of Public Financial Management and Audit:

“Relation of the strategic plans with the performance programs and budgets will be strengthened, it will be ensured that internal audit and external audit function in an effective and coordinated manner and efficiency of internal control systems will be increased. Levels of compliance of the activities of the public administrations with the internal control and internal audit standards will be increased.

Human resource infrastructure of the public financial management will be strengthened in terms of both quality and quantity.

Implementation infrastructure of TCA will be strengthened for an effective external audit in the public sector.”





***III- INFORMATION AND EVALUATION  
RELATED TO THE ACTIVITIES***



# Information and Evaluation Related to The Activities

## A- FINANCIAL INFORMATION

### 1-BUDGET IMPLEMENTATION RESULTS

The budget of TCA for 2014 amounting to 175.493.300 TL was approved while 151.161.108 TL was spent and 24.332.192 TL was cancelled out of the total allocation throughout the year. Expenditure realisation rate was 86.13 %.

#### Economic Classification of Budgetary Expenditures

ECONOMIC CODE	TYPE OF BUDGETARY EXPENDITURE	2012		2013		2014	
		APPROPRIATION	EXPENDITURE	APPROPRIATION	EXPENDITURE	APPROPRIATION	EXPENDITURE
<b>01</b>	<b>PERSONNEL EXPENSES</b>	<b>91.261.710</b>	<b>86.418.913</b>	<b>103.849.700</b>	<b>93.523.571</b>	<b>107.911.800</b>	<b>101.931.105</b>
01	Civil Servants	89.538.960	86.082.180	101.523.700	92.611.775	105.405.800	100.380.808
02	Contracted Personnel	585.750	322.054	816.000	321.701	696.000	305.923
03	Workers	17.000	0,00	-	-	-	-
04	Temporary Personnel	20.000	0,00	10.000	0,00	10.000	0,00
05	Other Personnel	1.100.000	14.679	1.500.000	590.095	1.800.000	1.244.374
<b>02</b>	<b>EXPENSES FOR STATE CONTRIBUTIONS TO SOCIAL SECURITY</b>	<b>11.595.500</b>	<b>10.996.919</b>	<b>14.170.000</b>	<b>12.120.614</b>	<b>14.235.000</b>	<b>13.612.394</b>
01	Civil Servants	11.491.000	10.950.711	14.050.000	12.066.320	14.115.000	13.562.539
02	Contracted Personnel	100.000	46.208	120.000	54.294	120.000	49.855
03	Workers	4.500	0,00	-	-	-	-
<b>03</b>	<b>EXPENSES FOR PURCHASES OF GOODS AND SERVICES</b>	<b>29.643.500</b>	<b>24.512.057</b>	<b>38.073.000</b>	<b>27.840.125</b>	<b>42.582.000</b>	<b>28.431.270</b>
02	Purchase of Goods and Materials for Consumption	4.542.000	3.249.759	4.448.000	3.472.572	4.162.000	2.813.202
03	Travelling Expenses	5.278.500	4.572.373	8.058.000	5.476.520	10.622.000	6.255.845
04	Expenses related to the Performance of Duties	350.000	252.495	201.000	134.391	90.000	34.289
05	Purchase of Services	16.233.000	14.069.719	22.506.000	16.888.336	25.143.000	17.702.042
06	Expenses for Representation and Promotional Activities	1.100.000	720.576	350.000	90.628	400.000	92.699
07	Expenses for Purchase, Maintenance and Repair of Movable, Intangible Rights	1.215.000	763.845	1.410.000	1.302.555	1.215.000	904.552
08	Expenses for Maintenance and Repair of Property	925.000	883.290	1.100.000	475.123	950.000	628.641
<b>05</b>	<b>CURRENT TRANSFERS</b>	<b>606.420</b>	<b>601.647</b>	<b>644.500</b>	<b>638.111</b>	<b>684.500</b>	<b>675.735</b>
03	Transfers to Non-Profit Organizations	572.000	572.000	602.000	602.000	630.000	630.000
04	Transfers to Household	1.500	677	1.500	378	1.500	252
06	Transfers to Abroad	32.920	28.970	41.000	35.733	53.000	45.483
<b>06</b>	<b>CAPITAL EXPENDITURES</b>	<b>10.292.343</b>	<b>7.965.849</b>	<b>7.850.000</b>	<b>6.880.510</b>	<b>10.080.000</b>	<b>6.510.604</b>
01	Purchase of Manufactured Goods	3.160.000	2.758.477	3.745.000	3.713.141	5.030.000	4.481.916
03	Purchase of Intangible Rights	1.695.000	1.646.605	1.950.000	1.798.880	2.350.000	1.340.247
05	Construction Expenses for Property Capital	100.000	0,00	200.000	0,00	-	-
07	Expenses for Major Repair of Property	5.337.343	3.560.767	1.955.000	1.368.489	2.700.000	688.441
<b>TOTAL AMOUNT</b>		<b>143.399.473</b>	<b>130.495.385</b>	<b>164.587.200</b>	<b>141.002.931</b>	<b>175.493.300</b>	<b>151.161.108</b>

## 2-DISCLOSURES WITH RESPECT TO MAJOR FINANCIAL STATEMENTS

In terms of “economic classification”, the distribution and year-end realisations of appropriations included in the 2012, 2013 and 2014 budgets of the TCA are as follows:

### Comparative Budgetary Expenditures by Economic Classification

ECONOMIC CODE	TYPE OF BUDGETARY EXPENDITURE	2012		2013		2014	
		APPROPRIATION	EXPENDITURE	APPROPRIATION	EXPENDITURE	APPROPRIATION	EXPENDITURE
01	Personnel Expenses	91.261.710	86.418.913	103.849.700	93.523.571	107.911.800	101.931.105
02	Expenses Related To State's Contribution To Social Security	11.595.500	10.996.919	14.170.000	12.120.614	14.235.000	13.612.394
03	Expenses For Purchases Of Goods And Services	29.643.500	24.512.056	38.073.000	27.840.125	42.582.000	28.431.270
05	Current Transfers	606.420	601.648	644.500	638.111	684.500	675.735
06	Capital Expenditures	10.292.343	7.965.849	7.850.000	6.880.510	10.080.000	6.510.604
<b>TOTAL</b>		<b>143.399.473</b>	<b>130.495.385</b>	<b>164.587.200</b>	<b>141.002.931</b>	<b>175.493.300</b>	<b>151.161.108</b>

With respect to “01- Personnel Expenses”, a total of 107.911.900 TL was allocated to the TCA budget and 94.46 % of the said allocation was spent.

With respect to “02- Expenses related to State’s Contribution to Social Security”, a total of 14.235.000 TL was allocated to the TCA budget and 95.63 % of the said allocation was spent.

With respect to “03- Expenses for Purchases of Goods and Services”, a total of 42.582.000 TL was allocated to the TCA budget and 66.77 % of the said allocation was spent.

With respect to “05- Current Transfers”, a total of 684.500 TL was allocated to the TCA budget and 98.72 % of the said allocation was spent.

With respect to “06- Capital Expenditures”, a total of 10.080.000 TL was allocated to the TCA budget, 64.59 % of which was spent.

Out of TCA’s budget for the year 2014, 151.161.108 TL was spent with an increase of 7.2 % in comparison to the year-end expenditures of 2013.

## Information and Evaluation Related to The Activities

The budgetary expenditures by institutional and functional classifications are shown in the tables below:

### Budgetary Expenditures by Institutional Classification

INSTITUTIONAL CODE	DISCLOSURE	TOTAL APPROPRIATION	EXPENDITURE	REALISATION RATE (%)
06.00.00.02	Private Secretariat	6.559.800	3.230.144	49,2
06.01.00.00	Chambers/ Boards	19.417.000	17.778.000	91,5
06.02.00.00	Offices Of Deputy Presidents	50.858.500	40.584.437	79,8
06.02.00.20	Audit Units	98.658.000	89.568.527	90,8
<b>TOTAL</b>		<b>175.493.300</b>	<b>151.161.108</b>	<b>86,1</b>

### Budgetary Expenditures by Functional Classification

CODE	DISCLOSURE	TOTAL APPROPRIATION	EXPENDITURE	REALISATION RATE (%)
01	General Public Services	21.465.500	19.962.057	92,9
02	Defence Services	20.000	4.425	22,1
03	Public Safety And Security Services	150.007.800	129.573.345	86,4
09	Training Services	4.000.000	1.621.281	40,5
<b>TOTAL</b>		<b>175.493.300</b>	<b>151.161.108</b>	<b>86,1</b>



The table below displays the amounts of appropriations cancelled in the 2014 budget of the TCA in terms of type of budgetary expenditures:

#### Budgetary Expenditures for the Year 2014

ECONOMIC CODE	TYPE OF BUDGETARY EXPENDITUREQ	2014 (TL)		
		TOTAL APPROPRIATION	BUDGETARY EXPENDITURES	AMOUNTS CANCELLED
01	Personnel Expenses	107.911.800	101.931.105	5.980.695
02	Expenses Related To State's Contribution To Social Security	14.235.000	13.612.394	622.606
03	Expenses For Purchases Of Goods And Services	42.582.000	28.431.270	14.150.730
05	Current Transfers	684.500	675.735	8.765
06	Capital Expenditures	10.080.000	6.510.604	3.569.396
<b>TOTAL</b>		<b>175.493.300</b>	<b>151.161.108</b>	<b>24.332.192</b>

With respect to "01- Personnel Expenses", 107.911.800 TL was allocated to the TCA budget, 101.931.105 TL of which was spent and 5.5 % of the appropriation was cancelled as of the end of the year.

With respect to "02- Expenses related to State's Contribution to Social Security", a total of 14.235.000 TL was allocated to the TCA budget, 13.612.000 TL of which was spent and 4.3 % of the appropriation was cancelled as of the end of the year.

With respect to "03- Expenses for Purchases of Goods and Services", 42.582.000 TL was allocated to the TCA budget, 28.431.270 of which was spent and 33.2 % of the appropriation was cancelled as of the end of the year.

With respect to "05- Current Transfers", a total of 684.500 TL was allocated to the TCA budget, 675.735 TL of which was spent and 1.3 % of the appropriation was cancelled as of the end of the year.

With respect to "06- Capital Expenditures", a total of 10.080.000 TL was allocated to the TCA budget, 6.510.604 TL of which was spent. 35.4 % of the appropriation was cancelled as of the end of the year.

## Information and Evaluation Related to The Activities

In respect of the type of the budgetary expenditures, the expenditures of the TCA in 2014 and related expenditure rates by the total amount of expenditures were realised as follows:

### Expenditure Rates for 2014

ECONOMIC CODE	TYPE OF BUDGETARY EXPENDITURE	2014		
		APPROPRIATION	EXPENDITURE	EXPENDITURE RATE %
01	Personnel Expenses	107.911.800	101.931.105	94,4
02	Expenses Related To State's Contribution To Social Security	14.235.000	13.612.394	95,6
03	Expenses For Purchases Of Goods And Services	42.582.000	28.431.270	66,7
05	Current Transfers	684.500	675.735	98,7
06	Capital Expenditures	10.080.000	6.510.604	64,6
<b>TOTAL</b>		<b>175.493.300</b>	<b>151.161.108</b>	<b>86,1</b>

According to this, 67.4 % of total expenditures of the TCA in 2014 were spent for personnel expenses, 9.05 % for expenses for state's contribution to social security, 18.8 % for expenses for purchases of goods and services, 0.4 % for current transfers and remaining 4.3 % for capital expenditures.

The investment expenditures and budgetary transactions for the year 2014 are as follows;

### Investment Expenditures for 2014

PROJECT TITLE	APPROPRIATION	EXPENDITURE	REALISATION RATE
TCA Info. Systems	6.500.000	5.323.925	81,9
Miscellaneous Works	2.780.000	498.238	17,9
Housing Maintenance and Repair Works	800.000	688.441	86,1
<b>TOTAL</b>	<b>10.080.000</b>	<b>6.510.604</b>	<b>64,6</b>

The realisations of budgetary expenditures for the years 2012, 2013 and 2014 are shown in the following table. In 2012, 2013 and 2014, the amounts realised as budgetary expenditures out of the total budget appropriation are 91 %, 85.67 % and 86.13 %, respectively.

#### Realisation Rates of Appropriations in the Last Three Years

IMPLEMENTATION RESULTS	UNIT	2012	2013	2014
Total Appropriation	TL	143.399.473	164.587.200	175.493.300
Expenditure	TL	130.495.385	141.002.931	151.161.108
Realisation Rate	%	91,00	85,67	86,13

The expenses incurred from the electricity, water, natural gas, telephone and internet usage of the TCA in performing its activities are displayed in the table below:

#### Cost Sheet for the Activities

		2012	2013	2014
SERVICE BUILDING	Area of Use (m <sup>2</sup> )	153.808	153.808	153.808
	Area of Use per Personnel* (m <sup>2</sup> /person)	102	101	100
	Closed Area per Personnel (m <sup>2</sup> /person)	64	63	62
ELECTRICITY CONSUMPTION	Amount of Consumption (kw/hr)	3.563.573	3.170.313	3.607.575
	Consumption Expense (TL)	1.165.998	1.187.599	1.187.198
	Electricity Expense per Personnel (TL)	775	778	769
WATER CONSUMPTION	Amount of Consumption (m <sup>3</sup> )	30.980	32.250	24.480
	Consumption Expense (TL)	325.905	361.000	163.021
	Water Expense per Personnel (TL)	217	236	105
NATURAL GAS CONSUMPTION	Amount of Consumption (m <sup>3</sup> )	734.000	654.999	533.264
	Consumption Expense (TL)	757.403	509.717	501.340
	Heating Expense per Personnel (TL)	504	334	325
TELEPHONE AND INTERNET ACCESS	Telephone and Internet Access Expense (TL)	363.540	345.851	323.692
	Telephone and Internet Access Expense per Personnel	242	226	209

\*Number of personnel: 2012:1504, 2013:1527, 2014: 1544

## Information and Evaluation Related to The Activities

The number of staff employed through service procurement as well as the expenses incurred from the use of vehicles and domestic and overseas assignments are given in the table below:

**Service Procurement Table**

		2012	2013	2014
<b>CLEANING SERVICES</b>	Number of Staff Employed through Service Procurement	327	336	334
	Average Area per Cleaning Staff Member (m <sup>2</sup> /person)	470	458	461
	Cost of Staff Employed for Cleaning Services (TL)	8.089.471	9.940.905	10.049.490
<b>SECURITY SERVICES</b>	Number of Personnel Employed through Service Procurement	113	113	111
	Average Area per Security Staff Member (m <sup>2</sup> /person)	1361	1361	1386
	Cost of Staff Employed for Security Services (TL)	2.876.176	3.519.643	3.226.351
<b>USE OF VEHICLES</b>	Number of Vehicles Rented	78	79	78
	Number of Vehicles Acquired through Purchasing	3	6	4
	Total Cost of Vehicles (fuel, maintenance-repair, traffic insurance, etc.) (TL)	418.589	417.556	430.811
	Transport Expense per Personnel (TL)	278	270	279
<b>TRAVEL ALLOWANCES</b>	Number of Domestic Assignments	1885	1944	1782
	Cost of Domestic Assignments (TL)	4.217.918	4.889.799	5.941.425
	Number of Overseas Assignments	99	96	349
	Cost of Overseas Assignments (TL)	354.455	586.721	314.420

### **3- RESULTS OF FINANCIAL AUDIT ON THE TCA**

“The External Audit Report For The Year 2013” was prepared by the commission delegated by the Presidency of the TGNA to conduct the external audit of the TCA as per the Article 69 of the PFMC Law No. 5018 and the Article 79 of the TCA Law No. 6085 and submitted to the Presidency of the TGNA. In the conclusion section of the Report, it is stated that:

The payments accrued by the TCA on the basis of the payment orders and accrual slips reconcile with the bank statements.

The expenditure and revenue figures in the final account tables are true and balanced, and there is no extra budgetary expenditure.

As the head of the administration, the President of the TCA has delivered an outstanding effort in taking the precautions required to ensure effective, economic and efficient use of public resources entrusted through the budget; overseeing the functioning of the financial management and control system as well as in the discharge of duties and responsibilities as stipulated in the Law No. 5018.

The authorizing officer, accounting officer, the head of financial services unit and realisation officers have paid utmost effort to enforce the fiscal legislation and measures.

The activities, decisions and transactions of financial nature of the TCA comply with the Public Financial Management and Control Law and other relevant legislation.

## Information and Evaluation Related to The Activities

### B- PERFORMANCE INFORMATION

#### 1-PERFORMANCE RESULTS

TCA's performance information for the year 2014 is displayed in the following tables:

**Table of Performance Indicators' Realisation Results**

PERFORMANCE INDICATOR	UNIT	2014 OBJECTIVE	YEAR-END REALISATION	DEGREE OF ACHIEVEMENT (%)	IS THE OBJECTIVE ACHIEVED ?
<b>Aim 1: To contribute to the establishment of accountability and transparency in public administrations and of the required infrastructure as per the Public Financial Management Control (PFMC) Law No.5018 for the use of the power of the purse by the parliament through conducting audits in accordance with international auditing standards.</b>					
<b>Objective 1: To contribute to the establishment and improvement of such systems as accounting system, internal control system, performance management system (strategic plan, performance program, accountability report), which are required to be established in public administrations by the PFMC Law no. 5018.</b>					
Finalisation of the System Assessment Form for the Audited Entity (Item)	SUPPORT GROUP 01	1	1	100	✓
Assessing whether the public administrations have established such systems as accounting systems, internal control systems and performance management systems (percentage)	SUPPORT GROUP 01	5	5	100	✓
Percentage of implementation of TCA recommendations related to the accounting and internal control systems adopted and implemented by the public administrations (Percentage)	SUPPORT GROUP 01	5	5	100	✓
Increase in the percentage of public administrations granted with unqualified opinion (Percentage)	SUPPORT GROUP 01	51	51	100	✓

PERFORMANCE INDICATOR	UNIT	2014 OBJECTIVE	YEAR-END REALISATION	DEGREE OF ACHIEVEMENT (%)	IS THE OBJECTIVE ACHIEVED ?
<b>Aim 2: To enhance audit capacity, the understanding of and approach towards audit for effective audit of public administrations.</b>					
<b>Objective 1: To alter the understanding of and approach towards audit.</b>					
Increase in the number of audit teams applying the international standards on auditing adequately (Item)	DEGEM	188	188	100	✓
Increase in the number of reports complying with the international standards on auditing (Item)	DEGEM	496	496	100	✓
Publishing and updating the guidelines for Performance Audit, Value for Money Audit, Audit of Information Systems, Evaluation of Financial Statistics, Audit of Political Parties, Regularity Audit, Assessment of Activity Reports as well as for the drafting of the Statement of General Conformity (Item)	SUPPORT GROUP 01	5	5	100	✓
Decrease in the number of corruption cases detected in the audit reports	SUPPORT GROUP 01	1	0	0	-
Finalisation of the reports on risky areas/ sectors (Percentage)	SUPPORT GROUP 01	20	20	100	✓

## Information and Evaluation Related to The Activities

PERFORMANCE INDICATOR	UNIT	2014 OBJECTIVE	YEAR-END REALISATION	DEGREE OF ACHIEVEMENT (%)	IS THE OBJECTIVE ACHIEVED ?
<b>Objective 2: To enhance professional competency</b>					
Number of trainings on audit methodology, international audit standards, team work, audit management, project/time management, communication, computer skills etc. (Item)	DEGEM	26	26	100	✓
Number of the professional staff qualified for international auditing certificates (Item)	DEGEM	49	49	100	✓
Increase in the number of the audit teams where team work is successfully implemented (Percentage)	SUPPORT GROUP 01	20	20	100	✓
Number of audits conducted in line with the audit plans in terms of timeliness and delivery of the reports (Item)	SUPPORT GROUP 01	496	496	100	✓
Number of audits where Computer-Assisted Audit Techniques (CAAT) are used effectively (Item)	SUPPORT GROUP 01	120	120	100	✓
Number of auditors who use CAATs and IT systems effectively (Item)	SUPPORT GROUP 01	500	500	100	✓
Increase in the number of unqualified opinion in the CAATs User Form (Percentage)	SUPPORT GROUP 01	5	0	0	-
Number of auditors assigned to other international organisations/relevant organisations (Item)	SUPPORT GROUP 04	3	3	100	✓
Number of auditors assigned to other supreme audit institutions for conducting professional research or doing internship (Item)	SUPPORT GROUP 04	6	6	100	✓
Rate of implementation of the Overall Training Plan (Percentage)	DEGEM	35	35	100	✓

PERFORMANCE INDICATOR	UNIT	2014 OBJECTIVE	YEAR-END REALISATION	DEGREE OF ACHIEVEMENT (%)	IS THE OBJECTIVE ACHIEVED ?
<b>Objective 3: To cooperate effectively with national and international professional organisations and other relevant organizations to develop modern audit methodologies</b>					
Number of auditors assigned for trainings to be held in the public entities (Item)	DEGEM	20	85	425	✓
Number of research projects designed and conducted to improve audit methodology (Item)	DEGEM	1	1	100	✓
Number of national conferences (item)	DEGEM	2	2	100	✓
<b>Aim 3: To enhance the processes and infrastructure for a fair, fast, transparent and properly functioning trial</b>					
<b>Objective 1: To develop the IT infrastructure that ensures the trial function to function in an effective, fair, fast and transparent manner</b>					
Number of trainings organized at home and abroad to increase knowledge and experience of the professional staff assigned in the judicial processes (Item)	DEGEM	7	7	100	✓
Development of the judicial function of TCA in line with the Code of Civil Procedure and the European Convention on Human Rights (Percentage)	SUPPORT GROUP 02	100	100	100	✓
Finalisation of the IT infrastructure (Percentage)	SUPPORT GROUP 02	100	50	50	-
Assessment Report (Item)	Comm. on the Dev. of Jud. Act.	1	1	100	✓

## Information and Evaluation Related to The Activities

PERFORMANCE INDICATOR	UNIT	2014 OBJECTIVE	YEAR-END REALISATION	DEGREE OF ACHIEVEMENT (%)	IS THE OBJECTIVE ACHIEVED ?
<b>Objective 2: To increase the effectiveness of the execution of writs</b>					
Ensuring an increase in the rate of monitoring of the writs (Percentage)	Office of the Chief Prosecutor	58	58	100	✓
Ensuring an increase in the rate of execution of the writs (Percentage)	Office of the Chief Prosecutor	6	6	100	✓
<b>Aim 4: To strengthen the corporate management capacity and human resource management for effective performance of the TCA's functions</b>					
<b>Objective 1: To establish the management information system for effective management of the institutional activities</b>					
Finalisation of the Process Management Framework Document (Item)	DEGEM	1	1	100	✓
Number of audit works with calculated costs (Item)	SUPPORT GROUP 01	496	496	100	✓
<b>Objective 2: To increase effectiveness of the human resource management</b>					
Frequency of meetings that the senior management holds with the staff in relation to the human resources (Item)	SUPPORT GROUP 01	4	4	100	✓
Percentage of positive assessments about the staff satisfaction survey (Percentage)	DEGEM	87	87	100	✓

PERFORMANCE INDICATOR	UNIT	2014 OBJECTIVE	YEAR-END REALISATION	DEGREE OF ACHIEVEMENT (%)	IS THE OBJECTIVE ACHIEVED ?
<b>Aim 5: To take actions to promote the TCA to the public in order to contribute to the development of the principles of accountability and transparency</b>					
<b>Objective 1: Promoting the relations with the parliament and increasing the awareness about the activities of the TCA</b>					
Number of the meetings held with the Committee on Plan and Budget (Item)	SUPPORT GROUP 01	1	1	100	✓
<b>Objective 2: Promoting effective communication with the audited entities</b>					
Number of meetings held with senior managements of the audited entities (Item)	DEGEM	4	4	100	✓
<b>Objective 3: Promoting the TCA and its activities to the public, media, civil society and academia</b>					
Number of press meetings held in relation to TCA and its reports (Item)	DEGEM	2	2	100	✓
Number of entities informed through promotion brochures (Item)	DEGEM	20	20	100	✓
Number of national and international symposia held (Item)	DEGEM	1	0	0	-
Number of meetings held with the civil society organisations (Item)	DEGEM	3	3	100	✓
Improvement in the results of the institutional publicity survey (Percentage)	DEGEM	20	0	0	-

## Information and Evaluation Related to The Activities

Table of Performance Indicator Results

PERFORMANCE TARGET	PERFORMANCE INDICATOR	DISCLOSURE	TARGETED INDICATOR LEVEL	YEAR-END REALISATION LEVEL	STATUS OF REALISATION
<b>1</b>		<b>A model will be developed in order to assess such systems of the audited entities as accounting system, internal control system and performance management system and a basis will be formed for the improvement of the relevant systems.</b>			
	1	Finalisation of system assessment form for the audited entity (Item)	1	1	✓
	2	Assessment on whether the public administrations have established such systems as accounting system, internal control system and performance management system (Percentage)	5	5	✓
	3	Implementation rate of TCA recommendations concerning the systems adopted and implemented by the public administrations (Percentage)	5	5	✓
	4	Increase in the percentage of public institutions granted with unqualified opinion (Percentage)	51	51	✓
<b>2</b>		<b>Audit manuals complying with the international standards will be prepared and implemented in order to alter the understanding of and approach towards audit.</b>			
	5	Number of the audit teams applying the international standards on auditing adequately (Item)	188	188	✓
	6	Increase in the number of reports complying with the international standards on auditing (Item)	496	496	✓
	7	Preparing guidelines for Performance Audit, Value for Money Audit, Audit of Information Systems, Evaluation of Financial Statistics, Audit of Political Parties, Regularity Audit, Assessment of Activity Reports as well as for the drafting of the Statement of General Conformity and updating them (Item)	5	5	✓
	8	Decrease in the number of corruption cases detected in the audit reports (Percentage)	1	0	-
	9	Finalisation of the risk-prone area/sector report (Percentage)	20	20	✓

PERFORMANCE TARGET	PERFORMANCE INDICATOR	DISCLOSURE	TARGETED INDICATOR LEVEL	YEAR-END REALISATION LEVEL	STATUS OF REALISATION
3		<b>Professional competency will be enhanced.</b>			
	10	Number of training programs organized on audit methodology, international auditing standards, team working, audit management, project/time management, communication, computer skills, etc. (Item)	26	26	✓
	11	Number of the professional staff qualified for international auditing certificates (Item)	49	49	✓
	12	Increase in the number of the audit teams where team work is successfully implemented (Percentage)	20	20	✓
	13	The number of audits conducted in line with the audit plans in terms of timeliness and delivery of the reports (Item)	496	496	✓
	14	Number of the audits where Computer-Assisted Audit Techniques (CAAT) are used effectively (Item)	120	120	✓
	15	The number of the auditors who use CAATs and IT systems effectively (Item)	500	500	✓
	16	Increase in the number of unqualified opinion in the CAATs User Form	5	0	-
	17	Number of auditors assigned to other international organisations/relevant organisations (Item)	3	3	✓
	18	Number of auditors assigned to other supreme audit institutions for conducting professional research or doing internship (Item)	6	6	✓
	19	Rate of implementation of the Overall Training Plan (Percentage)	35	35	✓

## Information and Evaluation Related to The Activities

PERFORMANCE TARGET	PERFORMANCE INDICATOR	DISCLOSURE	TARGETED INDICATOR LEVEL	YEAR-END REALISATION LEVEL	STATUS OF REALISATION
4		<b>Cooperation will be established at the national and international level in order to develop audit methodologies.</b>			
	20	Number of auditors assigned for trainings to be held in the public entities (Item)	20	85	✓
	21	Number of research projects designed and conducted to improve audit methodology (Item)	1	1	✓
	22	Number of national conferences (Item)	2	2	✓
5		<b>IT infrastructure related to the trial process will be finalised.</b>			
	23	Number of trainings organized at home and abroad to increase knowledge and experience of the professional staff assigned in the judicial processes (Item)	7	7	✓
	24	Development of the judicial function of TCA in line with the Code of Civil Procedure and the European Convention on Human Rights (Percentage)	100	100	✓
	25	Finalisation of the IT infrastructure (Percentage)	100	50	-
	26	Assessment Report (Item)	1	1	✓
6		<b>Monitoring mechanisms will be established in order to increase the effectiveness of the execution of writs.</b>			
	27	Increase in the rate of monitoring of the writs (Percentage)	58	58	✓
	28	Increase in the rate of execution of the writs (Percentage)	6	6	✓
7		<b>Process management framework document will be finalised in order to contribute to the effective management of institutional activities.</b>			
	29	Finalisation of the process management framework document (Item)	1	1	✓
	30	Number of audit works with calculated costs (Item)	496	496	✓

PERFORMANCE TARGET	PERFORMANCE INDICATOR	DISCLOSURE	TARGETED INDICATOR LEVEL	YEAR-END REALISATION LEVEL	STATUS OF REALISATION
8		<b>Human Resource Management Strategy will be prepared.</b>			
	31	Frequency of meetings that the senior management holds with the staff in relation to the human resource (Item)	4	4	✓
	32	Percentage of positive assessments about the staff satisfaction survey (Percentage)	87	87	✓
9		<b>Communication Strategy will be prepared in order to promote effective communication with the parliament.</b>			
	33	Number of the meetings held with the Committee on Plan and Budget (Item)	1	1	✓
10		<b>Communication Strategy will be prepared in order to promote effective communication with the audited entities.</b>			
	34	Number of meetings held with senior managements of the audited entities (Item)	4	4	✓
11		<b>Relations with the public, media, civil society and academia will be improved and Communication Strategy will be prepared.</b>			
	35	Number of press meetings held in relation to TCA and its reports (Item)	2	2	✓
	36	Number of entities informed through promotion brochures (Item)	20	20	✓
	37	Number of national and international symposia (Item)	1	0	-
	38	Number of meetings held with the civil society organisations (Item)	3	3	✓
	39	Improvement in the results of the institutional publicity survey (Percentage)	20	0	-

## Information and Evaluation Related to The Activities

### Results of Performance Indicators

<b>AIM - 1</b>	To contribute to the establishment of accountability and transparency in public administrations and of the required infrastructure as per the Public Financial Management Control (PFMC) Law No.5018 for the use of the power of the purse by the parliament through conducting audits in accordance with international auditing standards	
<b>OBJECTIVE -1</b>	To contribute to the establishment and improvement of such systems as accounting system, internal control system, performance management system (strategic plan, performance program, accountability report), which are required to be established in public administrations by the PFMC Law no. 5018	
<b>PERFORMANCE TARGET</b>	A model will be developed in order to assess such systems of the audited entities as accounting system, internal control system and performance management system and a basis will be formed for the improvement of the relevant systems.	
<b>PERFORMANCE INDICATOR</b>	<b>ANALYSIS OF PERFORMANCE RESULTS</b>	<b>REASON OF DEVIATION</b>
Finalisation of system assessment form for the audited entity	Completed	
Assessment on whether the public administrations have established such systems as accounting system, internal control system and performance management system	Completed	
Implementation rate of TCA recommendations concerning the systems adopted and implemented by the public administrations	Completed	
Increase in the percentage of public institutions granted with unqualified opinion	Completed	
<b>ASSESSMENT</b>	Although the audits conducted and the audit reports produced enable us to determine to what extent the audited entities have established such systems as accounting system, internal control system, and performance management system etc., "System Assessment Form for the Audited Entity" will be implemented to ensure that the assessments are systematised and standardised.	

<b>AIM - 2</b>	To enhance audit capacity, the understanding of and approach towards audit for effective audit of public administrations	
<b>OBJECTIVE - 1</b>	To alter the understanding of and approach towards audit	
<b>PERFORMANCE TARGET</b>	Audit manuals complying with the international standards will be prepared and implemented in order to alter the understanding of and approach towards audit.	
<b>PERFORMANCE INDICATOR</b>	<b>ANALYSIS OF PERFORMANCE RESULTS</b>	<b>REASON OF DEVIATION</b>
Increase in the number of the audit teams applying the international standards on auditing adequately (Item)	Completed	
Increase in the number of reports complying with the international standards on auditing (Item)	Completed	
Preparing guidelines for Performance Audit, Value for Money Audit, Audit of Information Systems, Evaluation of Financial Statistics, Audit of Political Parties, Regularity Audit, Assessment of Activity Reports as well as for the drafting of the Statement of General Conformity and updating them (Item)	Completed	
Decrease in the number of corruption cases detected in the audit reports	Not completed	Realisation of the indicator not measured.
Finalisation of the risk-prone area/sector report (Percentage)	Completed	
<b>ASSESSMENT</b>	International standards on auditing were implemented in all audits in order to increase audit quality and accordingly, 3 of 5 manuals were updated. In addition, in line with the standards, 188 teams conducted audits and a total of 496 audit reports were produced. Along with these works, General Report was prepared.	

## Information and Evaluation Related to The Activities

<b>AIM 2</b>	To enhance audit capacity, the understanding of and approach towards audit for effective audit of public administrations	
<b>OBJECTIVE 2</b>	To enhance professional competency	
<b>PERFORMANCE TARGET</b>	Professional competency will be enhanced.	
<b>PERFORMANCE INDICATOR</b>	<b>ANALYSIS OF PERFORMANCE RESULTS</b>	<b>REASON OF DEVIATION</b>
Number of training programs organized on audit methodology, international auditing standards, team working, audit management, project/time management, communication, computer skills, etc.	Completed	
Number of the professional staff qualified for international auditing certificates	Completed	
Increase in the number of the audit teams where team work is successfully implemented	Completed	
Number of audits conducted in line with the audit plans in terms of timeliness and delivery of the reports	Completed	
Number of the audits where Computer-Assisted Audit Techniques (CAAT) are used effectively	Completed	
The number of the auditors who use CAATs and IT systems effectively	Completed	
Increase in the number of unqualified opinions in the CAATs User Form	Not Completed	Not measured since the CAATs User Form was not prepared.
Number of auditors assigned to other international organisations/relevant organisations	Completed	
Number of auditors assigned to other supreme audit institutions for conducting professional research or doing internship	Completed	
Rate of implementation of the Overall Training Plan	Completed	
<b>ASSESSMENT</b>	<p>Trainings were organised throughout the year so as to enhance professional competency and it was ensured that professional staff received international certificates and assignments were made for professional research/internships. Within this scope:</p> <p>Trainings;            In-service training: 26 – Trainings for other public institutions: 62 –International training: 4            International Certificates and Language Training;            CISA: 1 person - INTOSAI IDI Certificates: 22 persons – Accounting Certificates: 15 persons            IntoSAINT Moderator Certificates: 11 persons – Professional Language Training: 45 persons</p>	

<b>AIM 2</b>	To enhance audit capacity, the understanding of and approach towards audit for effective audit of public administrations	
<b>OBJECTIVE 3</b>	To cooperate effectively with national and international professional organisations and other relevant organizations to develop modern audit methodologies	
<b>PERFORMANCE TARGET</b>	Cooperation will be established at the national and international level in order to develop audit methodologies.	
<b>PERFORMANCE INDICATOR</b>	<b>ANALYSIS OF PERFORMANCE RESULTS</b>	<b>REASON OF DEVIATION</b>
Number of auditors assigned for trainings to be held in the public institutions	Completed	
Number of research projects designed and conducted to improve audit methodology	Completed	
Number of national conferences	Completed	
<b>ASSESSMENT</b>	<p>Within the scope of the target, Parallel audit titled "Audit of and Accountability for Disaster-Related Aids" under the roof of INTOSAI; Workshop on Financial Audit and Compliance Audit with the cooperation of the TCA and SIGMA; and ISSAI Research Project were held at the international level while the Workshop on Developing Accounting and Audit Standards and Regularity Audit Manual was held at the national level.</p> <p>Although the realisation level target for the indicator of the number of auditors assigned for trainings to be held in the public institutions was set as 20 persons, a total of 85 auditors were assigned for such trainings due to the increase in the training demands from the public institutions as a result of the change in the audit methods and approaches. Consequently, realisation level was exceeded.</p>	

## Information and Evaluation Related to The Activities

<b>AIM-3</b>	To enhance the processes and infrastructure for a fair, fast, transparent and properly functioning trial	
<b>OBJECTIVE-1</b>	To develop the IT infrastructure that ensures the trial function to function in an effective, fair, fast and transparent manner	
<b>PERFORMANCE TARGET</b>	IT infrastructure related to the trial process will be finalised.	
<b>PERFORMANCE INDICATOR</b>	<b>ANALYSIS OF PERFORMANCE RESULTS</b>	<b>REASON OF DEVIATION</b>
Number of trainings organized at home and abroad to increase knowledge and experience of the professional staff assigned in the judicial processes	Completed	
Development of the judicial function of TCA in line with the Code of Civil Procedure and the European Convention on Human Rights	Completed	
Finalisation of the IT infrastructure	Not completed	The processes related to the trial not transferred into the information system due to them unable to be modelled.
Assessment Report	Completed	
<b>ASSESSMENT</b>	Within the scope of the aim of increasing knowledge and experience, experiences were shared on “Public Loss and Responsibility” and “Workshop on Accounting and Audit Standards” was organized at the national level while study visits were paid to 5 SAls located in Europe at the international level. An assessment report was prepared in relation to the trial of the TCA in the light of these experiences.	

<b>AIM-3</b>	To enhance the processes and infrastructure for a fair, fast, transparent and properly functioning trial	
<b>OBJECTIVE-2</b>	To increase the effectiveness of the execution of writs	
<b>PERFORMANCE TARGET</b>	The effectiveness of the execution of writs will be increased.	
<b>PERFORMANCE INDICATOR</b>	<b>ANALYSIS OF PERFORMANCE RESULTS</b>	<b>REASON OF DEVIATION</b>
Increase in the rate of monitoring of the writs	Completed	
Increase in the rate of execution of the writs	Completed	
<b>ASSESSMENT</b>	Necessary correspondences were exchanged with the public administrations for the measurement of the increases and it was determined that there were increases in the 2014 data when compared to those of previous years.	

<b>AIM 4</b>	To strengthen the corporate management capacity and human resources management for effective performance of the TCA's functions	
<b>OBJECTIVE 1</b>	To establish the management information system for effective management of the institutional activities	
<b>PERFORMANCE TARGET</b>	Process management framework document will be finalised in order to contribute to the effective management of the institutional activities.	
<b>PERFORMANCE INDICATOR</b>	<b>ANALYSIS OF PERFORMANCE RESULTS</b>	<b>SAPMANIN NEDENİ</b>
Finalisation of process management framework document	Completed	
Number of audit works with calculated costs	Completed	
<b>ASSESSMENT</b>	Costs of all audits conducted by the TCA can be calculated through the Audit Management System.	

<b>AIM 4</b>	To strengthen the corporate management capacity and human resource management for effective performance of the TCA's functions	
<b>OBJECTIVE 2</b>	To increase effectiveness of the human resource management	
<b>PERFORMANCE TARGET</b>	Human Resource Management Strategy will be prepared.	
<b>PERFORMANCE INDICATOR</b>	<b>ANALYSIS OF PERFORMANCE RESULTS</b>	<b>REASON OF DEVIATION</b>
Frequency of meetings that the senior management holds with the staff in relation to the human resource	Completed	
Percentage of positive assessments about the Staff satisfaction survey	Completed	
<b>ASSESSMENT</b>	It was seen that the percentage of positive assessments was 87 % in the survey.	

## Information and Evaluation Related to The Activities

<b>AIM 5</b>	To take actions to promote the TCA to the public in order to contribute to the development of the principles of accountability and transparency	
<b>OBJECTIVE 1</b>	To promote the relations with the parliament and to increase the awareness about the activities of the TCA	
<b>PERFORMANCE TARGET</b>	Communication Strategy will be prepared in order to promote the relations with the parliament.	
<b>PERFORMANCE INDICATOR</b>	<b>ANALYSIS OF PERFORMANCE RESULTS</b>	<b>REASON OF DEVIATION</b>
Number of the meetings held with the Committee on Plan and Budget	Completed	
<b>ASSESSMENT</b>	A Communication Strategy has been prepared with respect to the relations with the parliament and accordingly, meetings are held with the Committee on Plan and Budget.	

<b>AIM 5</b>	To take actions to promote the TCA to the public in order to contribute to the development of the principles of accountability and transparency	
<b>OBJECTIVE 2</b>	To promote effective communication with the audited entities	
<b>PERFORMANCE TARGET</b>	Communication Strategy will be prepared in order to promote the relations with the audited entities.	
<b>PERFORMANCE INDICATOR</b>	<b>ANALYSIS OF PERFORMANCE RESULTS</b>	<b>REASON OF DEVIATION</b>
Number of meetings held with senior managements of the audited entities	Completed	
<b>ASSESSMENT</b>	Discussions are held and assessments are made with the senior managements of the audited entities before the audits with respect to audit methodologies and approaches. Besides, two collective meetings were held in the TCA with the senior managements of the audited entities.	

<b>AIM 5</b>	To take actions to promote the TCA to the public in order to contribute to the development of the principles of accountability and transparency	
<b>OBJECTIVE 3</b>	To promote the TCA and its activities to the public, media, civil society and academia	
<b>PERFORMANCE TARGET</b>	Relations with the public, media, civil society and academia will be promoted and Communication Strategy will be prepared.	
<b>PERFORMANCE INDICATOR</b>	<b>ANALYSIS OF PERFORMANCE RESULTS</b>	<b>REASON OF DEVIATION</b>
Number of press meetings held in relation to TCA and its reports	Completed	
Number of entities informed through promotion brochures	Completed	
Number of national and international symposia	Not completed	Preparation works launched for the symposium but not finalised in 2014.
Number of meetings held with the civil society organisations	Completed	
Improvement in the results of the institutional publicity survey	Not completed	Primary results of the survey will be obtained as of 2015.
<b>ASSESSMENT</b>	Except for the cases prohibited by the laws, the reports submitted by the TCA to the parliament are made public in the official web site of the TCA. In addition, meetings were held with the civil society organisations throughout the year and 20 institutions and organisations were informed about TCA and its audit via promotion brochures.	

### **2-ASSESSMENT OF PERFORMANCE RESULTS**

The implementation of the TCA Strategic Plan for 2014-2018 aims at providing contribution to the establishment of transparency and accountability in public financial management and to the proper management of public resources by developing the public financial management system and improving the financial transactions of the public entities.

In line with this, the audit programs are prepared by considering;

The priorities in the development plans and annual programs, the expectations of the public and the audited entities, the quality and quantity of the activities, budget sizes, audit frequency, the denunciations and complaints, the results of the previous audits and by making risk assessment. Completing the risky areas/sectors report will contribute to the preparation of programs in a healthier manner.

Audit Strategic Plan covering the period of 2014-2018 and the attached Operational Plan (indicating the implementation activities) was prepared and put into implementation as of 2014. Audit Strategic Plan supports the General Strategic Plan of the TCA, and gives the details of the activities regarding the audit area included in this plan; and it aims at a more effective implementation of the audit function of the TCA and presents a road map for the ongoing improvement works. The TCA assures, in a sense, the accomplishment of the aims and objectives included in the General Strategic Plan by implementing the Audit Strategic Plan, which is an attachment to the General Strategic Plan.

The audits and the resulting audit reports made it possible to identify to what extent the audited entities established the systems, such as the accounting system, internal control systems, performance management systems, and an increase was ensured in the number of public entities that received unmodified audit opinion as a result of those. The implementation of the entity system evaluation form will ensure that the evaluations are conducted in a more systematic and standardised manner.

International audit standards are implemented in all audit operations in order to increase audit quality, and in line with this, 3 of the existing 5 manuals were updated. In addition, 188 team audits were performed according to the standards, and as a result of those audits, 496 audit reports and additionally 6 general reports were prepared. The costs of all audits were measured by using the audit management system.

Trainings were conducted in order to increase professional competency; the professional staff received several international certificates; and assignments were made for professional research/ internship programs. Within the scope of increasing knowledge and experience, a workshop was held in the country; study visits were organized to a couple of countries; and experiences were shared.

Two Communication Strategies were prepared, including one for communication with the TGNA. In line with those strategies, a meeting was held with the Planning and Budget Commission, and discussions were held and evaluations were made about audit methodology and approaches with the senior management of the audited entities before TCA audits. Two collective meetings were held with the senior management of the audited entities in the agency. Furthermore, the reports submitted by the TCA to the TGNA were made public on the webpage of the TCA except for the ones of which announcement is forbidden by law. In addition, introduction meetings were held with the NGOs within the year, and 20 entities were informed about the TCA and the TCA audit with the help of the introduction booklet.

The works for establishing the management information system were accelerated in order to contribute to the effective management of TCA activities, and process management framework document was prepared. Meetings were held with the staff about human resources, the staff satisfaction survey was implemented, and its results indicated that the positive assessment had a high rate of 87%.

Accountability reports are important documents because they indicate how and how far the entities progress in terms of their targets in their strategic plans. Performance information section of the accountability reports are the most important part of the accountability reports because of sharing with the public the information on the activities conducted and on the use of the resources allocated to the agency within the framework of financial transparency and accountability.

Strategic Plan for 2014-2018 identifies 4 main themes, 5 strategic goals and 11 objectives towards those goals and 51 indicators for achieving those objectives. 39 of those indicators, which were identified within the scope of the existing goals and objectives, were included in the 2014 Performance Program. All those indicators were monitored and their results were included in the accountability report.

## Information and Evaluation Related to The Activities

On the evaluation of the end-of-year realisation levels , it is seen that:

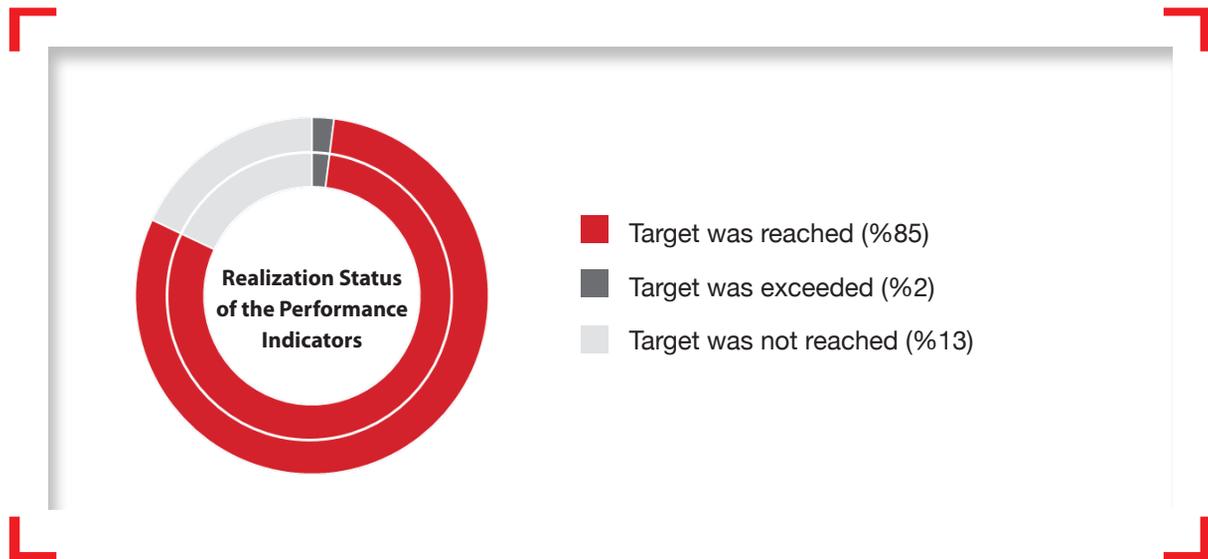
The targeted indicator level was attained in 19 of the 22 indicators included in the scope of audit goal, 2 indicators remained under the targeted level, and 1 indicator exceeded the targeted level;

The targeted indicator level was attained in 5 of the 6 indicators included in the scope of judicial goal, and 1 indicator remained under the targeted level;

The targeted indicator level was attained in all 4 indicators included in the scope of Institutional Management goal;

The targeted indicator level was attained in 5 of the 7 indicators included in the scope of communication goal, and 2 indicators remained under the targeted level.

As a result, the targeted level was attained in 33 of 39 performance indicators, 1 indicator exceeded the targeted level, and 5 indicators remained under the targeted level.



### **3-ASSESSMENT OF PERFORMANCE INFORMATION SYSTEM**

The existence of an effective performance information system including a regular and constant monitoring is the prerequisite for being able to carry out the analysis, evaluation and reporting of performance information for utilization in the preparation phase of the performance program and accountability reports. An effective information system is also very important for the functioning of the decision making processes based on performance information.

As a result of the assessments made, Strategy Development Unit started to use the "Action Management System" in order to enable the collection, analysis, evaluation and reporting of the information necessary for the performance-based decision-making processes. In line with the 2014 Performance Program, which was prepared with the publication of the 2014-2018 Strategic Plan, all units formed their work plans and those works plans were included in the "Action Management System", thus making it possible to monitor them along with activities/projects and performance indicators.

Performance indicators for the strategic objectives are monitored periodically by the Strategy Development Unit. They are evaluated in terms of compliance with the performance audit criteria with the Strategic Planning and Internal Control Program Management Unit. An Evaluation Report is submitted to the Presidency on a quarterly basis on the realisation status of the performance indicators and activities/projects.

Although the existing system improved the monitoring works compared to the previous years, works continue to ensure the active use of the system so that the monitoring works, analysis and assessments are effective and progress-oriented.

*Information and Evaluation Related to The Activities*





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***IV - ASSESSMENT OF INSTITUTIONAL  
CAPABILITY AND CAPACITY***



## A- STRENGTHS

### STRONG POINTS

#### **The TCA is a long-standing and independent constitutional agency with judicial powers**

The TCA is a constitutional agency, which has functional and institutional independency while conducting the functions of examination, audit, and giving final decision, which are assigned by law. This position provides the TCA with independence while performing its duties and an opportunity to make effective decisions.

#### **The TCA has an image as an objective and reliable agency**

As an external audit and judicial agency, the TCA performs its activities in an objective and independency manner. This feature comes to the foreground in the eye of public entities and citizens, and it is reflected in the justifications and foundations of the TCA opinions, suggestions and judicial decisions. The TCA will strengthen and continue its institutional image as a trust-worthy agency.

#### **The TCA has wide knowledge on public entities and immense experience in compliance audits**

The TCA conducted compliance audits for the public entities since its establishment, and while doing that it gained knowledge and experience particularly on whether public expenditures are made in compliance with budget discipline and laws. During the audits of both central government and local administrations, the TCA gained a significant amount of information on the culture, functioning and structures of the audited entities.

#### **The TCA has a strong institutional identity**

The judicial function of the TCA shaped the institutional culture by increasing the importance attached to the compliance with rules and practices in audit and trials. The power of compliance with rules and professional tradition supported the fulfillment of works in the TCA with a feeling of more responsibility and due diligence, and ensured significant gains for the staff in terms of work discipline and seriousness.

Many factors, such as the training received by the professional staff during the recruitment and orientation, the existence of master-apprentice relationship, not having any interventions on professional judgment, finalisation of works concretely and within defined time limits, presentation of decisions and judgments with legal basis, ensure that objectivity and rational thinking are reflected in the works conducted. Those factors are the prominent aspects of the strong institutional culture of the TCA, which has a long-standing past.

### **The professional staff have tenures that ensure their independent and objective work**

Objectivity and independence, which are the requirements of audit and judicial activities, are the main basis for the professional staff while they doing their jobs. The maintenance of objectivity and independence can only be possible if the professional tenure is secured by laws and if it gives and provides confidence.

The existence of tenures regulated by laws increases the respectability of the agency and the trust in its activities.

### **OPPORTUNITIES**

#### **The new TCA Law leading to an institutional change process**

The adaptation of the TCA Law no.6085 ensured the formation of a natural atmosphere that will enable the re-evaluation and improvement of the TCA's institutional structure, functions and practices from many aspects. This atmosphere formed an enabling environment for the TCA where it can carry out the necessary regulations in the fields of audit, judicial functions, institutional structure and human resource management, in a way meeting the expectations of the TGNA and the public.

#### **Expansion of audit area and scope**

With the TCA Law no.6085, the audit scope of the TCA was expanded so as to cover the Social Security Institution, European Union funds and public economic enterprises. In addition, with the help of the legal changes made, the TCA has become more powerful compared to before in implementing the new audit methods and approaches in its extended mandate. Thus, the TCA can inform the TGNA and the public regularly through the audits it conducts in compliance with the international standards. In addition it can contribute more to the provision of transparency and accountability in public and to the improvement of public management.

#### **Formation of a suitable environment for information sharing, collaboration and joint works in the international area**

The TCA is a member of the INTOSAI, EUROSAL, ASOSAI and ECOSAI, and it is also in close collaboration with the SAIs of many countries. Those collaborations and the process of harmonization with the European Union create a serious potential for making a contribution to institutional capacity building within the scope of the restructuring of the TCA.

## **Increased expectations of the parliament and the public regarding TCA audit**

The new law makes it mandatory to make the TCA reports public, in addition to submitting them to the parliament and the relevant public entities. Making the TCA reports public will make an important contribution to the provision of financial transparency.

The issues stated in the reports will also help citizens have an increased sensitivity regarding the use of public resources, and this will assist the development of an awareness and culture of accountability. The development of this awareness and the existence of citizens sensitive to audit results will be motivating for rendering the audits more effective.

## **New approaches in the public management**

In our country, the legal infrastructure of the change in public management was set with many laws, particularly the Law no.5018. The development of a modern understanding of public management will make positive contributions to the improvement of transparency and accountability in public and to the effectiveness of the TCA.

## **B- WEAKNESSES**

### **WEAK POINTS**

#### **Insufficiency of relations with the external stakeholders and media**

Since the financial system before the Law no.5018 and the audit system before the TCA Law no.6085 did not necessitate the sharing of audit results with the parliament and the public, the relations with the external stakeholders and media were weak.

The new financial system necessitates the development of accountability and transparency in public management. The aim of this is to share the audit outputs with the parliament and the public. Therefore, in the new period, the establishment of necessary relations with the external stakeholders and media is very important.

### **Resistance to change because of the inclination towards traditional audit methods**

The TCA has a long-established institutional culture, and this has led to the creation of a deep-rooted tradition in our works. Those established professional traditions create a weakness in terms of the implementation of and adaption to novelties in the process of change, and it can even cause resistance. In order to minimize the negative effects of this weakness, a new approach for good governance focusing on change management will be adopted. The TCA plans to change its approach to the human resource and training in order to ensure the proper implementation of change management. When these two fundamental issues are addressed successfully in a way attaching more importance to individual needs, the negative effects of the resistance towards change will decrease. For example, the steps to be taken include improving the working environment or convincing the personnel that their contributions make a difference. Furthermore, including the personnel in the working groups that develop policies and plans, assigning responsibilities to the personnel for performing the changes and building effective mechanisms for providing feedback to the staff are among the ways that can be used for tackling this weakness.

### **Insufficient use of the information infrastructure necessary for the implementation of the new audit techniques**

The new TCA Law no.6085 necessitates the implementation of all audit techniques foreseen in the international standards. On the other hand, it is necessary to use information technologies in order to be able to implement all audit techniques in the audit area, which has come to cover all public entities and their resources.

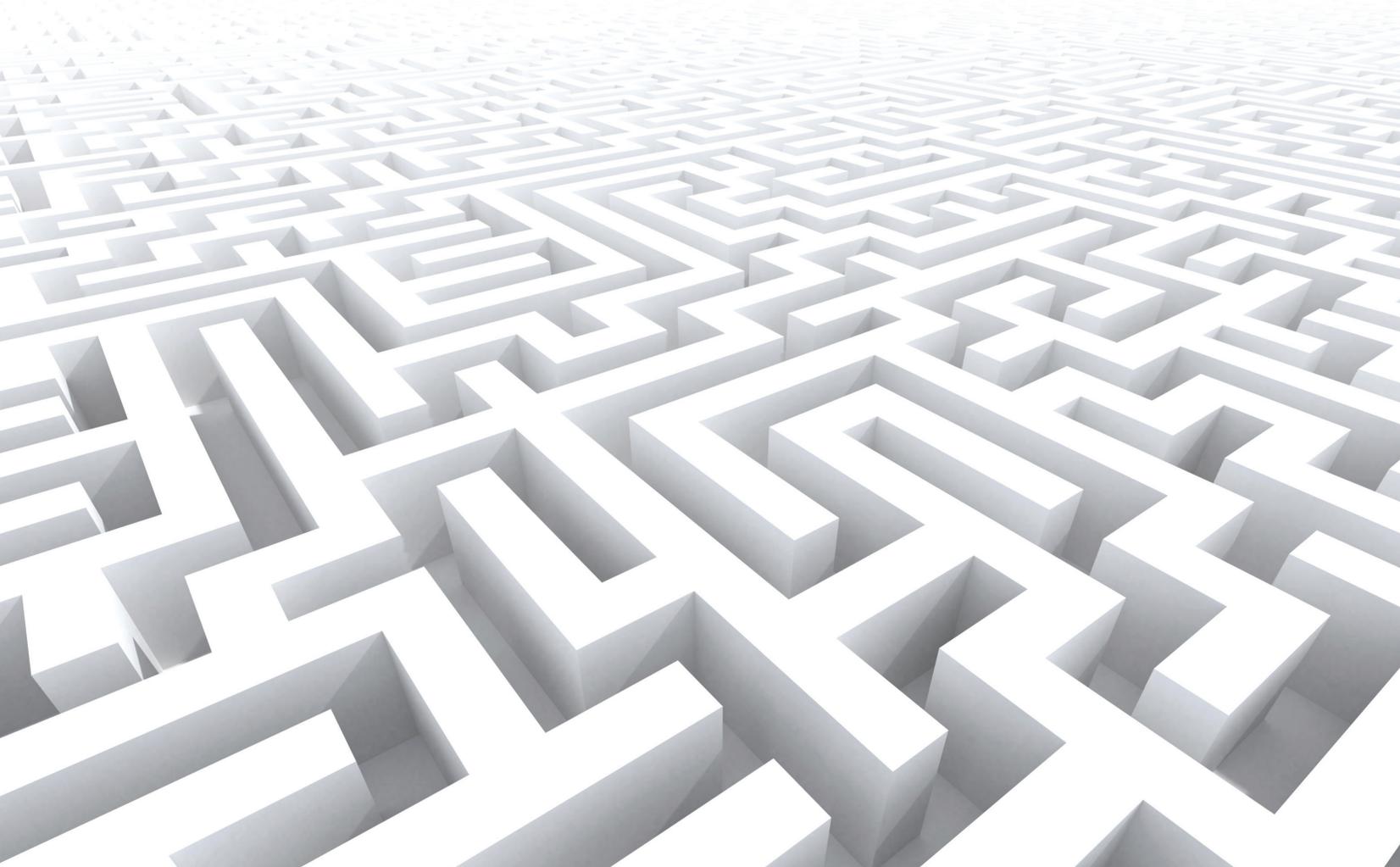
## **THREATS**

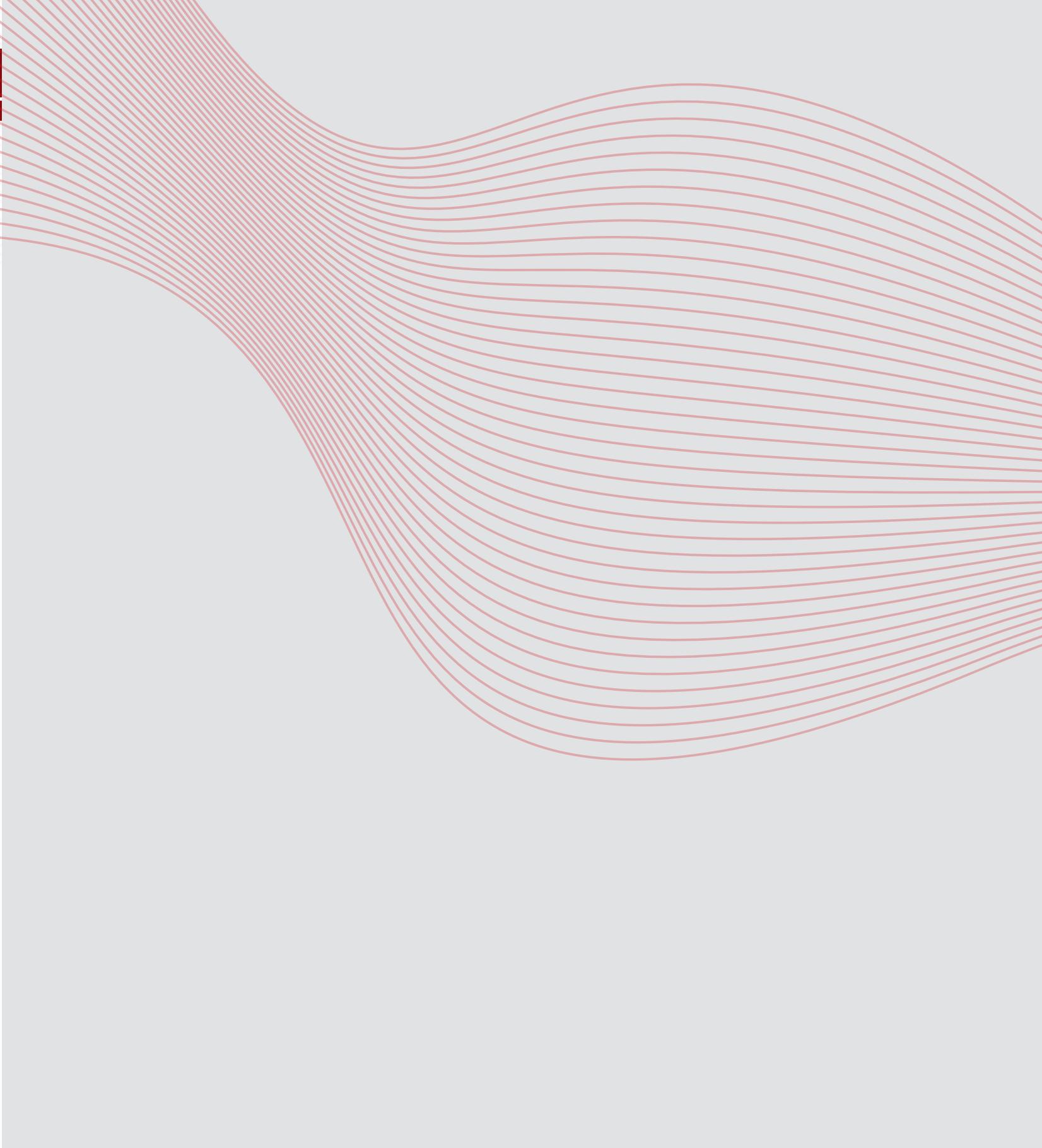
### **The systems foreseen by Law no.5018 have not yet been fully established in the entities**

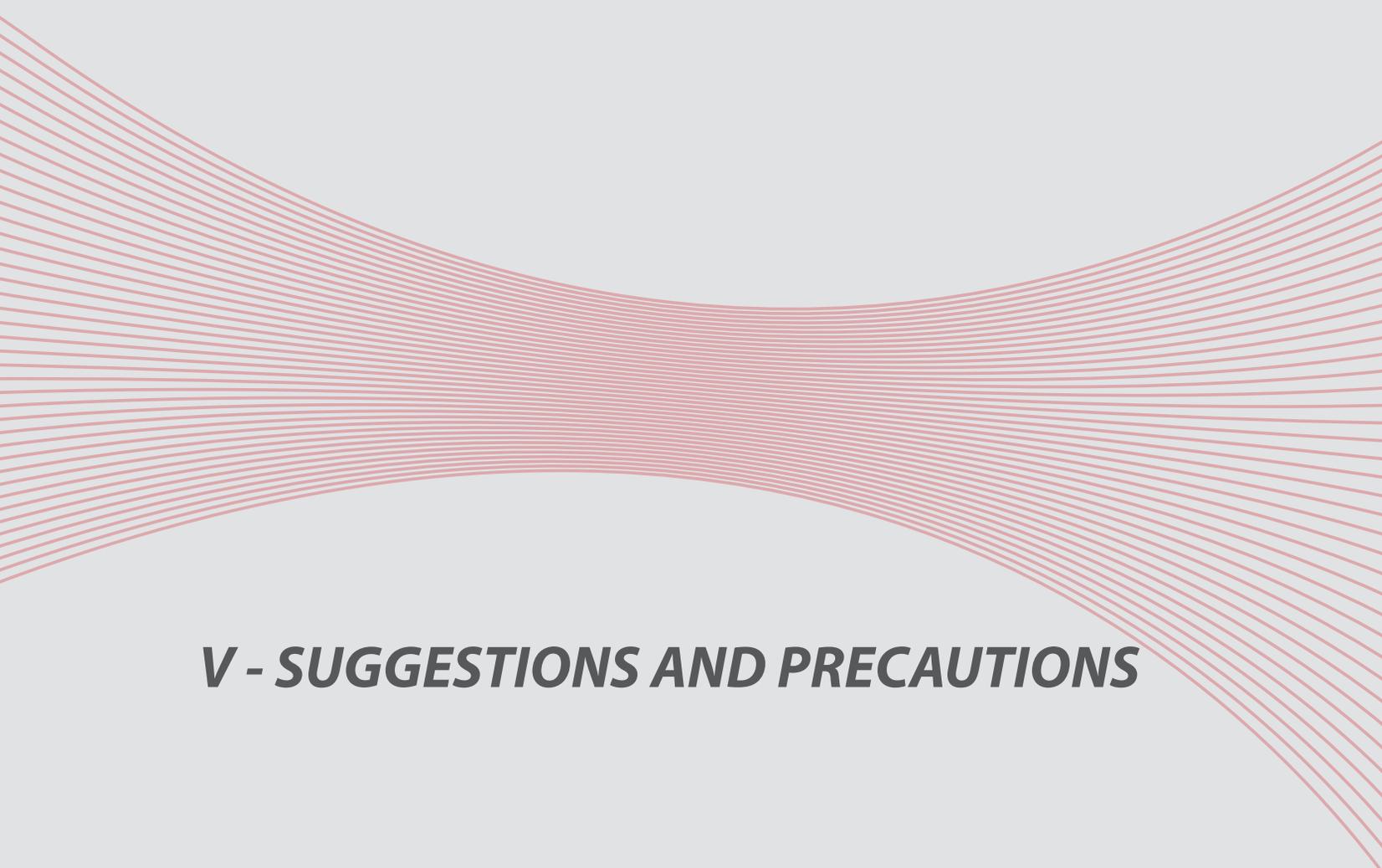
The financial structuring, which would enable the public entities under general budget submit their financial transactions to the TCA on the basis of entities, has not been realised so far, and this makes it impossible for the TCA to perform financial audits in the relevant public entities. Moreover, the entities, in general, have not sufficiently developed their strategic plan practices and information infrastructure, which is a requirement of the system foreseen by the Law no.5018. This is seen as another obstacle in front of the performance of TCA audit within the framework of international standards.

## **The existing status of the audit culture**

The audit culture has not sufficiently been established in the entities, and this can prevent the audits from bearing constructive and positive results. The establishment of a mutual audit language and culture will help the audited entities benefit fully from the TCA Audit. If the relevant public entities prepare all kinds of information and documents systematically before the audit and take the precautions facilitating audit, this will help the audit teams save time and thus increase the effect of the audit, and finally maximize the contribution made by the TCA to public management.





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## ***V - SUGGESTIONS AND PRECAUTIONS***



## **SUGGESTIONS AND PRECAUTIONS**

The TCA audit aims at ensuring compliance with laws in the acquirement, protection and use of public resources and supporting the establishment of accountability and financial transparency in public management. In the globalizing world, the structures of the public entities are also changing as a requirement of the management approach that is citizen-oriented. Conducting audits according to international standards, the TCA is very important for developing the new management approach in the public sector.

For this reason, being aware of its role in the change and significance of its long-standing past and its being a constitutional entity, the TCA will focus on the following:

- ensuring macro discipline more effectively in order to fulfill its primary duties;
- developing the infrastructure necessary for ensuring accountability and financial transparency;
- improving the relations with the TGNA in order to increase the effectiveness of the TCA reports;
- improving the human resource management system;
- providing the public with accurate, timely and reliable information with the spread of information applications in the public; and
- enhancing the audit capacity, approach and understanding in order to be able to conduct effective audits of public entities.

## **INTERNAL CONTROL ASSURANCE STATEMENT**

In my capacity as the head of the administration and within the limits of my authority;

I hereby declare that:

The informations presented herein are reliable, complete and true;

The activities as well as the resources appropriated through the budget were used in line with the planned objectives and in conformity with the principles of good financial management, and the internal control system gives sufficient assurance regarding the legality and regularity of transactions;

This assurance is given based on my knowledge that I have acquired in my capacity as the head of administration as well as the matters such as assessments and internal controls, etc. within my knowledge;

I am not aware of any issues whatsoever that are not reported herein and that compromise the interests of the administration.

ANKARA

26/02/2015

**Assoc. Prof. Recai AKYEL**  
**President of the TCA**

## **INTERNAL CONTROL ASSURANCE STATEMENT**

In my capacity as the authorizing officer and within the limits of my authority;

I hereby declare that:

The information presented herein are reliable, complete and true;

The resources allocated from the administration budget to the spending units for the activities stated herein were used effectively, efficiently and economically; the internal control system gives sufficient assurance regarding the legality and regularity of administrative and financial decisions as well as the transactions related to these and the process controls are effectively implemented at the spending units;

This assurance is given based on my knowledge that I have acquired in my capacity as the authorizing officer as well as the matters such as assessments and internal controls, etc. within my knowledge;

I am not aware of any issues whatsoever that are not reported herein and that compromise the interests of the administration.

ANKARA

26/02/2015

**Mikdat ÖZKAN**  
**Deputy President**

## **STATEMENT OF THE HEAD OF FINANCIAL SERVICES UNIT**

In my capacity as the head of financial services unit and within the limits of my authority;

I hereby declare that:

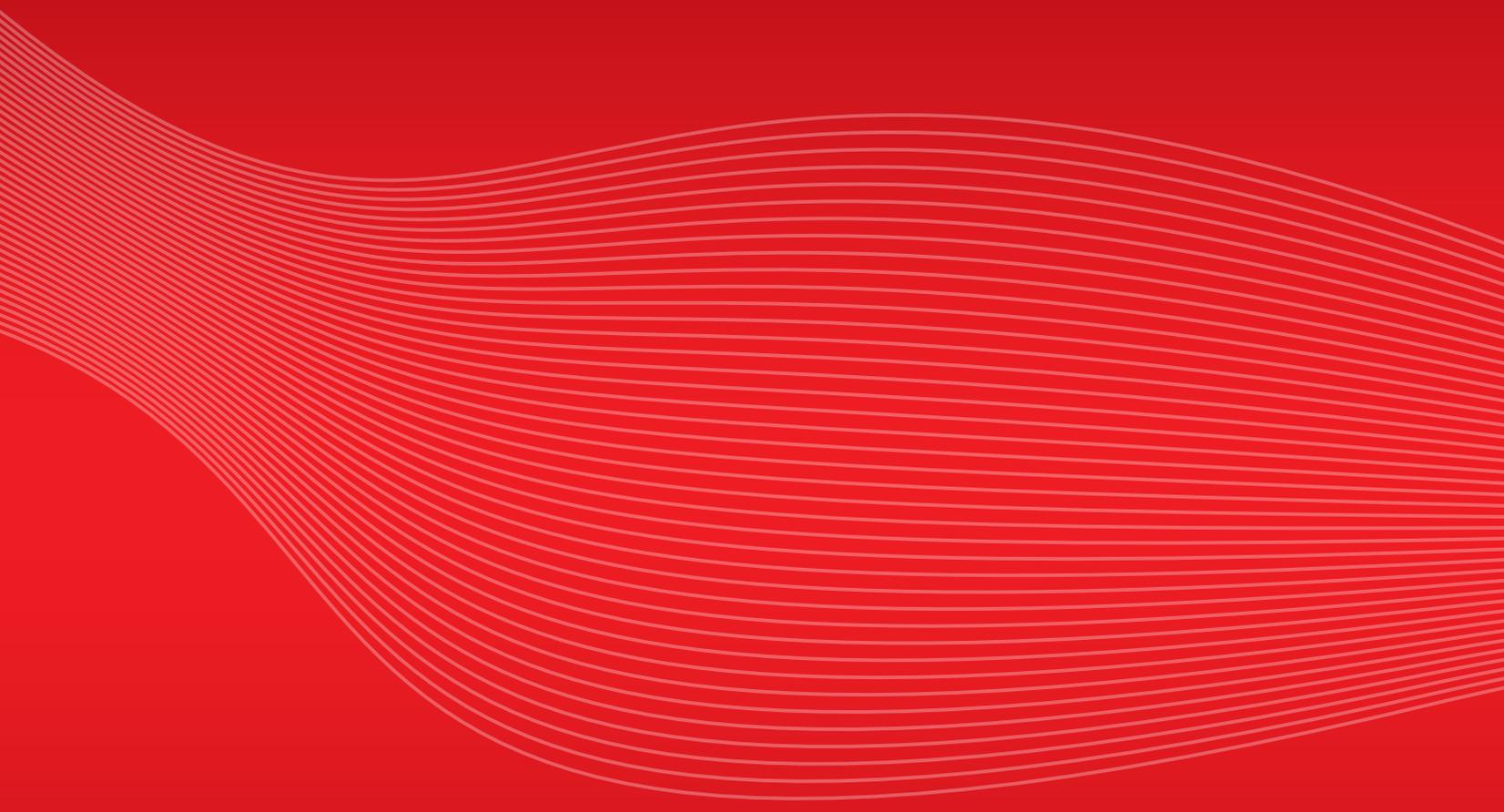
In this administration, the activities are performed pursuant to the legislation regarding financial management and control and other relevant legislation; internal control processes are operated and monitored to ensure the effective, efficient and economic utilization of the public resources; my considerations and recommendations are timely reported to the head of administration for the necessary measures to be taken;

And certify that the information in the "III/A- Financial Information" part of the TCA's Accountability Report for 2014 are reliable, complete and true.

ANKARA

26/02/2015

**Süleyman KARAGÖZ**  
**Head of Strategy Development Department**

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