



TURKISH COURT OF ACCOUNTS (TCA)





TURKISH COURT OF ACCOUNTS (TCA)



From Past to Present, Turkish Court of Accounts Buildings and Logos



Finance Ministry
(1862-1865)



Tashan
(1926)



Daru'l-Funun
(Ottoman University)
(1865-1867) (1879-1908)



Court of Accounts Palace
(1926-2002)



Rauf Pasha Mansion
(1885)



TCA Building
(2002-)

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The Tughra of Sultan Abdul-Aziz Han

I. An Institution with Rooted History and Constitutional Basis

The Turkish Court of Accounts has a rooted history dating back to the Court of Control and integrity, audit body of historical Turkish states namely Karahanids, Gaznavids and Seljukies, and to the Court of Accounts established in 1862 during the Ottoman Empire. The latter laid the foundations of today's institution, the Turkish Court of Accounts (TCA).

Before the Ottoman Period

Within the Turkish state administration experience exceeding one thousand years, documents concerning the state revenues and expenditures, registry order and accounting system as well as the audit of revenues and expenditures have undergone significant changes. Intoday's system, the establishment of Divan-ı Muhasebat (Court of Accounts) is of particular importance, and while the Seljuks had a significant impact on the Ottoman state organisation, the previous Turkish states and the contemporary Turkish and Muslim states were influential on the state organisation of the Seljuks.



Ottoman Period

Influenced significantly by the Seljuks and the Ilkhanids in terms of the financial system, the Ottoman Empire had “Başbaki Kulluğu (Court of Audit)” for the financial control in the time between the 16th century and the establishment of the Ministry of Finance. It was replaced by more modern institutions at the beginning of the 19th century. Following 1838 when the Ministry of Finance was established, various councils and commissions were established in order to solve the problems related to the collection of tax revenues and to control the revenue and expenditure items of the state as well as the financial transactions.

In 1862, the Court of Accounts was established with the name of “Divan-ı Muhasebat”. Becoming a constitutional institution of the state by being defined in the Constitution, the Court of Accounts started to audit the revenues and expenditures of the institutions affiliated to the Treasury as well as the accounting records and the other transactions on an annual basis and to perform the approvals of the expenditures before spending.



The Period of the Republic of Turkey

With the establishment of the Republic, the Court of Accounts took its place in the state structure and was included in Constitutions of Turkey accordingly 1924, 1961 and 1982.

In parallel to the developments in the world, the public management reforms in Turkey were at the top of the agenda and intensified in 1990s. With an amendment to the TCA Law No.832 in 1996, the TCA was authorized to conduct performance audit. With the reflections of the European Union accession process, the public management reforms gained impetus in 2000s; the new public management approach as adopted in the world was for the first time phrased in the Five-Year Development Plan for 2001-2005 as “pursuing citizen satisfaction in the delivery of public services”.

Within the framework of the reforms, the public financial management was reviewed; the PFMC Law No.5018, which came into force in 2003, terminated the use of extra-budgetary funds; all the revenues, expenditures and liabilities of the state were included within the scope of the budget, and thus, their legislative oversight was guaranteed. Internal audit units were established within each public administration. A significant step was taken towards transforming the TCA into an institution that focuses on the financial structure of auditees rather than individual transactions and produces reports that are more comprehensive. With the TCA Law No.6085 enacted in 2010, all uses of public funds are covered in the audit scope of the TCA. With this Law, the Prime Ministry High Auditing Board, responsible for the audit of state economic enterprises, was transferred to the TCA, terminating the dual structuring in the external audit mechanism.



Independence

Independence is accepted as the prerequisite of the presence of the TCA as the supreme audit and judicial body and the delivery of its services in an impartial manner. Conduct of audits in a decent, prejudice-free and impartial manner and compliance with Professional ethical rules are indispensable elements of institutional reliability. Therefore, the independence of the TCA is guaranteed by law.

TCA fulfils all criteria of operational, functional and financial independence.

✓ The TCA President and Members have tenurial safeguard and cannot be compelled to retire until the age of 65 unless they want to retire voluntarily. Professional staff have the safeguards that the judges and prosecutors have.

✓ TCA conducts audit on behalf of the Parliament and submits its reports to the Parliament as well as the public. However, it does not have an organic connection with the Parliament.

✓ It carries out the planning, execution and reporting of its audits on its own. It determines the procedures and methodology of the audit through the manuals it prepares. TCA and its Professional staff conduct audits in an independent and impartial manner.

✓ Its budget is not subject to the approval of the Ministry of Finance and is sent directly to the Parliament.

Management Structure Based on Strategic Planning Approach

According to the modern management theory, institutions need to be managed with an approach based on strategic planning for the efficient and effective conduct of the activities. TCA has prepared strategic plans and conducted its activities with this understanding since 2000.

Within the framework of the new Strategic Plan entering in force in 2019, the mission of the TCA is **“to audit, give judgement and guide with the aim of contributing to accountability and financial transparency in public”**.

In addition to the strategic plan prepared in accordance with the expectations of the internal and external stakeholders, a five-year audit strategy was prepared. Audit strategy determines the priorities and scope of the audit activities to be carried out in the upcoming five-year period.

✓ Active participation in the works for seeking global solutions for global problems through joint and parallel audits encouraged and supported by INTOSAI and other international-regional organisations within the framework of 2030 targets of the UN,

✓ Conducting its activities in line with the international audit standards,

✓ Conducting works for the delivery of the judicial services faster and more effectively for the sake of the right to a fair trial and

✓ Cooperation with other national and international professional institutions and relevant agencies.

Strong Organisational Structure

Senior management of the TCA consists of the President, one Vice President responsible for the audit issues and one Vice President responsible for administrative issues and 8 Director Generals who assist the Deputy Presidents in their duties.

Supreme Decision Bodies

General Assembly
Board of Appeals
Board of Chambers
Board of Report Evaluation

By the end of 2019;

Structure of Audit Section

Board of Auditing, Planning and Coordination

1 President
2 Deputy Presidents
8 General Directors
551 Auditors (in 29 audit groups)
72 Auditors, 48 Assistant Auditors and 44 Probationary Assistant Auditors (in 7 support groups)

Structure in Judicial Side

1 President
8 Judicial Chambers
8 Chairman and 48 Members,
1 Chief Public Prosecutor and 10 Public Prosecutors,
53 Rapporteurs (from auditors)
979 Supporting Staff Members

In total, 1836 people work at the TCA.

TCA has always been one of the favourite and preferred public institutions of Turkey, and this tradition has continued in recent years. Therefore, TCA has the most competent human resources in its field. The competent and qualified personnel of the TCA is key for the fulfilment of its duties and responsibilities in the most accurate and effective manner.

Age averages of the professional and support staff of the TCA are low, and this is one of the most important elements for successful and effective works to be conducted by the TCA in the future. Having young and dynamic human resources, TCA has taken the necessary actions for an effective use of these resources and will continue doing so during the period of the next strategic plan.

386 of those have master's degree while 25 of them have doctoral degree.

Out of the TCA personnel,

✓ Nearly 250 auditors have Independent External Auditor Certificates/Certified Public Accountant Certificates,

✓ 38 auditors have IDI certificates (ISSAI Financial Audit and Compliance Audit Trainer Certificate, SAI Performance Evaluation Program Certificate and Risk-Based Approach in Financial Audit Certificate)

✓ 3 have INTOSAIN Moderator Certificates.

Having judicial powers, the TCA conducts its works through its boards having duties and responsibilities in different areas:

✓ General Assembly, the highest decision-making body of the TCA,

✓ Report Evaluation Board where the reports of the TCA are discussed for final quality control before submission to the Parliament and public,

✓ Board of Appeals where appeals against the decisions of the TCA chambers are evaluated and settled,

✓ Board of Chambers where decisions are taken concerning the regulations adopted by the public entities on financial matters as well as the regulatory processes in the nature of regulations.

✓ Board of Audit, Planning and Coordination, which prepares and monitors the strategic plan and annual programs of the TCA.

Communication and Cooperation with the Stakeholders

The understanding of “Good Governance and Sensitivity to Expectations”, which is one of the main values of the TCA, is found in all activities of the TCA. TCA has a multi-year communication strategy covering all of its stakeholders.

Within the scope of communication and cooperation with the stakeholders, the TCA President informs the Planning and Budget Committee of the Parliament at least twice a year and the other relevant committees when needed about the activities of the TCA. On such occasions, the TCA informs the Parliament, one of the most important stakeholders of the TCA, about the works that it conducts.

During the budget discussions held in the Parliament, ministers explain the findings in the audit reports as well as the steps taken with respect to these findings in their budget presentation speeches. In these discussions, TCA reports are generally the most discussed points. Representatives from the senior management or audit teams certainly attend the discussions and contribute when needed.

TCA communicates with the auditees, another important stakeholder of the TCA, through various mechanisms and receives their opinions. Every year, TCA hosts executives of almost 100 auditees, and ideas are exchanged on various areas including audit.

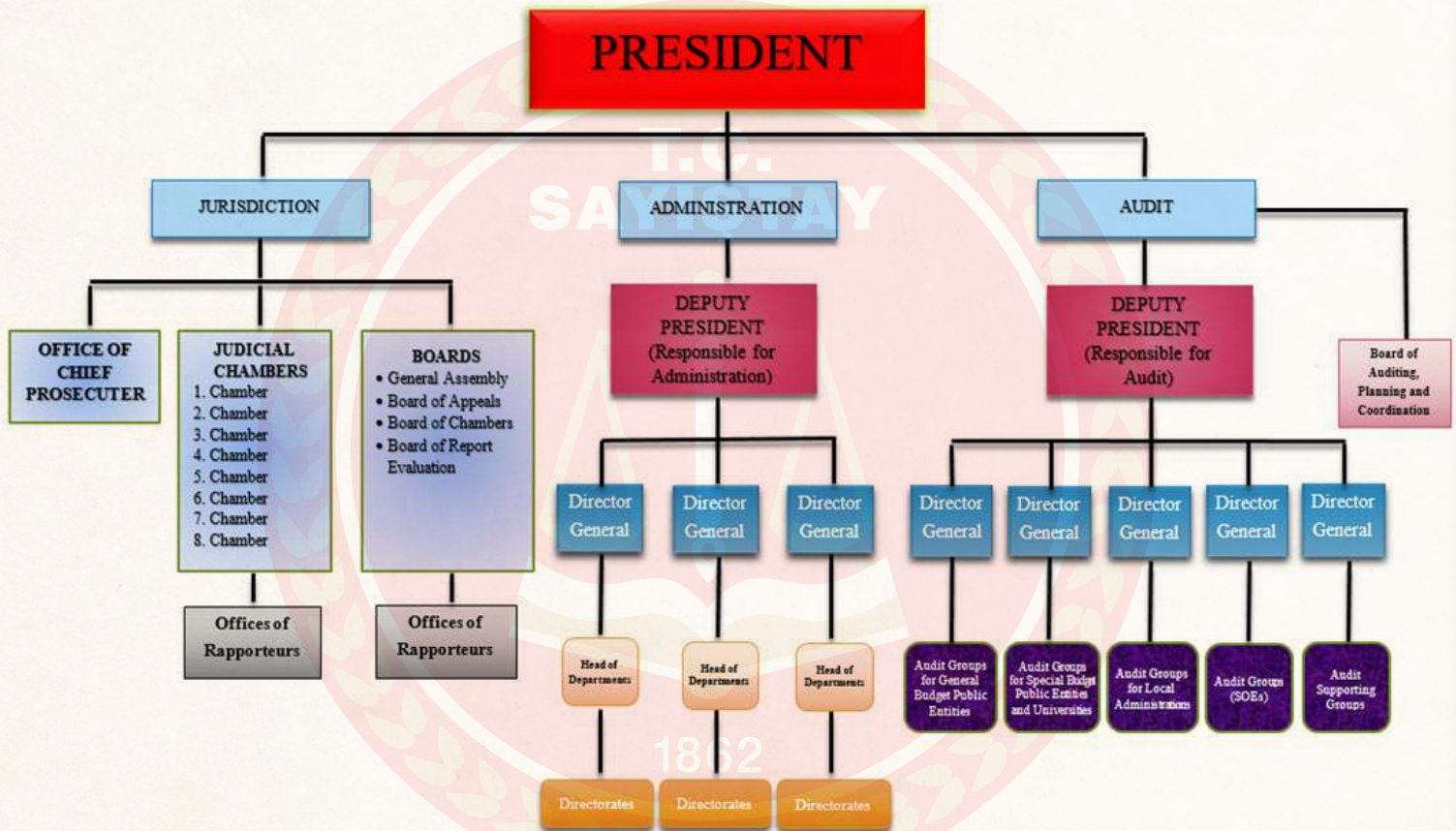
2019-2023 Communication Strategy

The objective of 2019-2023 Communication Strategy is to ensure that the goals and objectives determined in the 2019-2023 Strategic Plan of the TCA are achieved and contribute to accountability and transparency in the public sector by increasing the impact of TCA’s audit, judicial and guidance tasks.

In this strategy to be implemented in the current strategic planning period, communication has been designed with a proactive approach as a system, which goes beyond the reporting function between the TCA and its stakeholders, highlights feedback mechanisms and works in a two-way system. In the strategy, communication strategies complying with the steps to be taken by the TCA for assuming an effective role in the fulfilment of the Sustainable Development Goals (SDGs) adopted by UN in 2015 have been developed, institutional risks of the TCA have been taken into consideration, and the necessary communication channels have been developed to eliminate or mitigate the potential negative impacts of these risks on the audit and judicial activities of the TCA.

The prepared communication strategy aims to help the citizens with the power of the purse use their rights to audit their administrators and public entities and ensure that the audit and judicial activities of the TCA are conducted more effectively.

Organization Chart



Audit Approach Based on Standards

The TCA Law states that the audits will be carried out in accordance with the international auditing standards and with due consideration to the implementation of the contemporary audit methodologies. In this scope, the TCA adopts an approach based on international standards in all its works.

✓ The auditing manuals of the TCA are prepared and updated based on the INTOSAI Framework of Professional Pronouncements (IFPP) (previously known as ISSAI Framework).

✓ Almost all INTOSAI standards have been translated and made available to auditors in English and Turkish languages to increase awareness on international auditing standards among the TCA personnel.

✓ A significant part of the annual training program of the TCA focuses on understanding the standards. For example, main training topics of the 2020 training plan include auditing and accounting standards.

✓ On the one hand, the TCA tries to align its field works with auditing standards and, on the other hand, contributes to the preparation of audit standards by working in the relevant working groups of INTOSAI. In this framework, the TCA auditors pioneered the preparations of documents of ISSAI 5510 Audit of Disaster Risk Reduction and ISSAI 5520 Audit of Disaster-Related Aid.

In the audits carried out by Turkish Court of Accounts; in addition to the international audit standards mentioned above, the following general standard settings that the public sector is obliged to comply with are taken into account as a requirement of the financial reporting framework.

✓ International Public Sector Accounting Standards (IPSAS) : Governmental Accounting Standards Board issued 30 Government Accounting Standards based on IPSAS as of February 2019. Therefore, IPSASs are used by the public entities in Turkey with the name of State Accounting Standards.

As of 2020, the Turkish public accounting system adapted to IPSAS and it has become compulsory for the public entities to prepare their financial statements in line with international standards.

Having the authority to audit all public entities, the TCA audits the accounting transactions carried out by the public entities in line with IPSAS. As a result of these audits, about 600 reports are prepared and submitted to the parliament in a year.

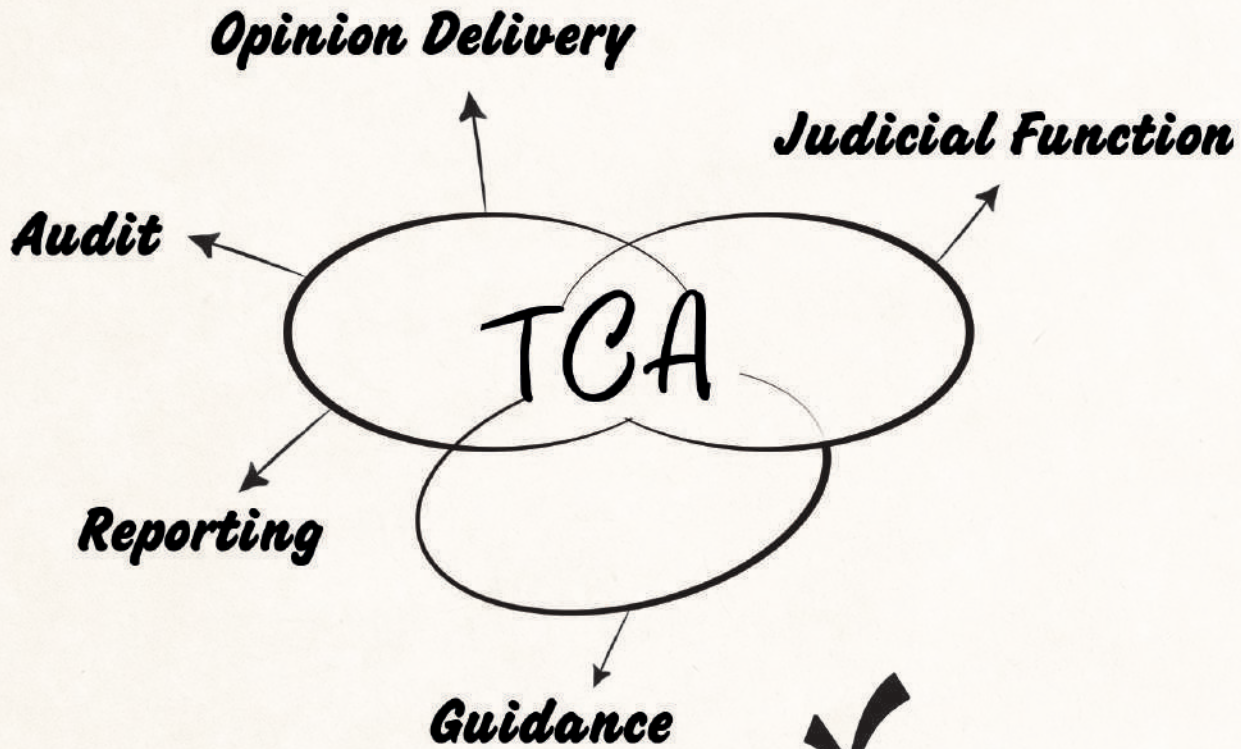
In order to ensure that the accounting transactions carried out in accordance with IPSAS are properly audited, trainings are organized for the TCA personnel on the content and how to use them during audits on a regular basis.

✓ International Accounting Standards (IAS): International Accounting Standards have been translated into Turkish and published in the Official Gazette since 2005. The TCA carries out its audits taking into account these standards.

✓ International Financial Reporting Standards (IFRS) : International Financial Reporting Standards have been translated into Turkish and published in the Official Gazette since 2005. The TCA carries out its audits in accordance with the relevant standards.

II. Duties of the TCA

TCA has the following five main duties to ensure accountability and financial transparency in public sector:



TCA Audit

Financial Audit

Financial audit conducted for providing reasonable assurance on reliability and accuracy of financial reports and statements in accordance with results of the assessment of accounts and transactions of public administrations as well as their financial activities, financial management and control systems.

- ✓ General Budget Entities
- ✓ Special Budget Entities
- ✓ Regulatory And Supervisory Entities
- ✓ Social Security Institutions
- ✓ Municipalities
- ✓ Special Provincial Administration
- ✓ The Administrations and Public Enterprises Affiliated to those Administrations

In the audit reports;

- ✓ Opinions are given to the financial statements in accordance with international auditing standards.
- ✓ The control environment of the public administration and the accounting system are evaluated.
- ✓ In terms of compliance with the issues that are prominent in the audit and the compliance with the legislations, recommendations are made to the public administrations.
- ✓ Evaluations and recommendations on strategic planning and performance information are included.

Compliance Audit

It is the audit pertaining to the examination of the compliance of accounts and transactions related to the revenues, expenditures and assets of public administrations with laws and other legal regulations.

In general, compliance audit and financial audit are conducted together and called as regularity audit.

According to the Regularity Audit Manual:

- ✓ Accounts, financial transactions and activities as well as internal control systems of the public entities are examined; and effective, efficient, economic and legal use of public resources is evaluated.
- ✓ Audit is carried out in line with the international audit standards.
- ✓ TCA and auditors carry out audit activities independently and impartially.
- ✓ TCA is not given instruction in planning, programming and execution of the audit function.
- ✓ Audits are carried out with due consideration to the implementation of the modern audit methodologies.
- ✓ For maintaining quality assurance, each stage of audit shall be reviewed constantly in terms of its conformity with audit standards, strategic plans, audit programs and professional code of ethics.
- ✓ Propriety audit cannot be carried out; and decisions limiting or removing the discretionary powers of entities cannot be taken.

Audit of Performance Information

This audit is conducted through the measurement of results of activities with respect to objectives and indicators determined by public administrations within the framework of accountability.

Performance information audit is based on the performance information to be provided by the auditees. Findings obtained about the institutional performance at the end of the measurement of the performance information of the entities are reported through performance information audits.

Thematic Audit

Based on the mandate granted by the Law no. 6085, subject matter audits were initiated on the issues concerning many public entities, and in this scope, audits were conducted in 2019 on the subjects given below. Within the scope of subject matter audits, audit works in which planning phase was completed and implementation has been continuing are as follows:

- ✓ Preparation Works for the Implementation of Sustainable Development Goals
- ✓ Flood Risk Management Activities (Environmental Audit)
- ✓ Effectiveness of Tax Collection Processes
- ✓ Effectiveness of Social Security Premium Collection Processes,
- ✓ Effectiveness of Scientific Research Projects of Universities
- ✓ Management of Municipal Properties
- ✓ Collection of Taxes, Duties, Charges and Fees in the Municipalities
- ✓ The subject matter audits in the planning stage are as follows:
 - ✓ Audit of Activities for the Development of Domestic and National Software Sector
 - ✓ Audit of Activities for the Development of Domestic Pharmaceutical Industry

- ✓ Audit of Activities for the Development of Livestock Sector in Turkey

IT Audit

The extensive use of information technologies (IT) has changed the managerial processes and the nature of internal control environment inevitably. Realizing the effect of this change on audit, the TCA attaches a specific importance to IT audit.

In the following period, works were launched on the IT audit methodology. Adopting a risk-based audit approach, the TCA prepared its Information Systems Audit Manual.

The TCA has an IT Audit Group, which is tasked with carrying out IT audits and supporting other audit teams in IT audits when necessary.

The TCA carries out the IT audits in the scope of regularity audits or independently.

The focus of the IT audits, which are carried out as a part of regularity audits, is the accounting data and the information systems that directly or indirectly affect the financial statements. In this scope, the main area of interest for the auditors is the IT controls regarding the security and reliability of the said systems. For this purpose, the TCA Regularity Audit Manual contains a control set for assessing the IT controls at a basic level, and it is applied in all regularity audits. In addition, if necessary, IT auditors perform extensive IT audit activities within the regularity audits.

The IT audits, which are carried out independently by the IT auditors of the TCA, focus on the assessment of the security, efficiency and effectiveness of identified information systems/projects and/or public entities.

Turkey's National e-State Strategy and Action Plan gives the TCA the responsibility of "Ensuring the Effective Audit of e-state Projects in Public". In this scope, the TCA has prepared the audit model and manual for the e-State projects and started to carry out the audits of e-state projects.

Annual Audit Program

Auditees are determined through annual audit program. In the annual audit program, auditees, audit subjects, types of audits, ongoing audit activities planned to be finalized in that year are specified.

While preparing the audit program, the following issues are taken into consideration:

Annual audit program is prepared by the Board of Audit, Planning and Coordination in line with the Audit Strategy Document prepared and risk analyses carried out by the relevant Audit Group in consideration of the expectations of the Parliament, public and auditees as well as the opinions and recommendations of the heads of audit groups and judicial chambers. Preparation of the audit program is completely controlled by the TCA.

“ Risk situation determined as a result of the analysis of all data related to the public entities, ”

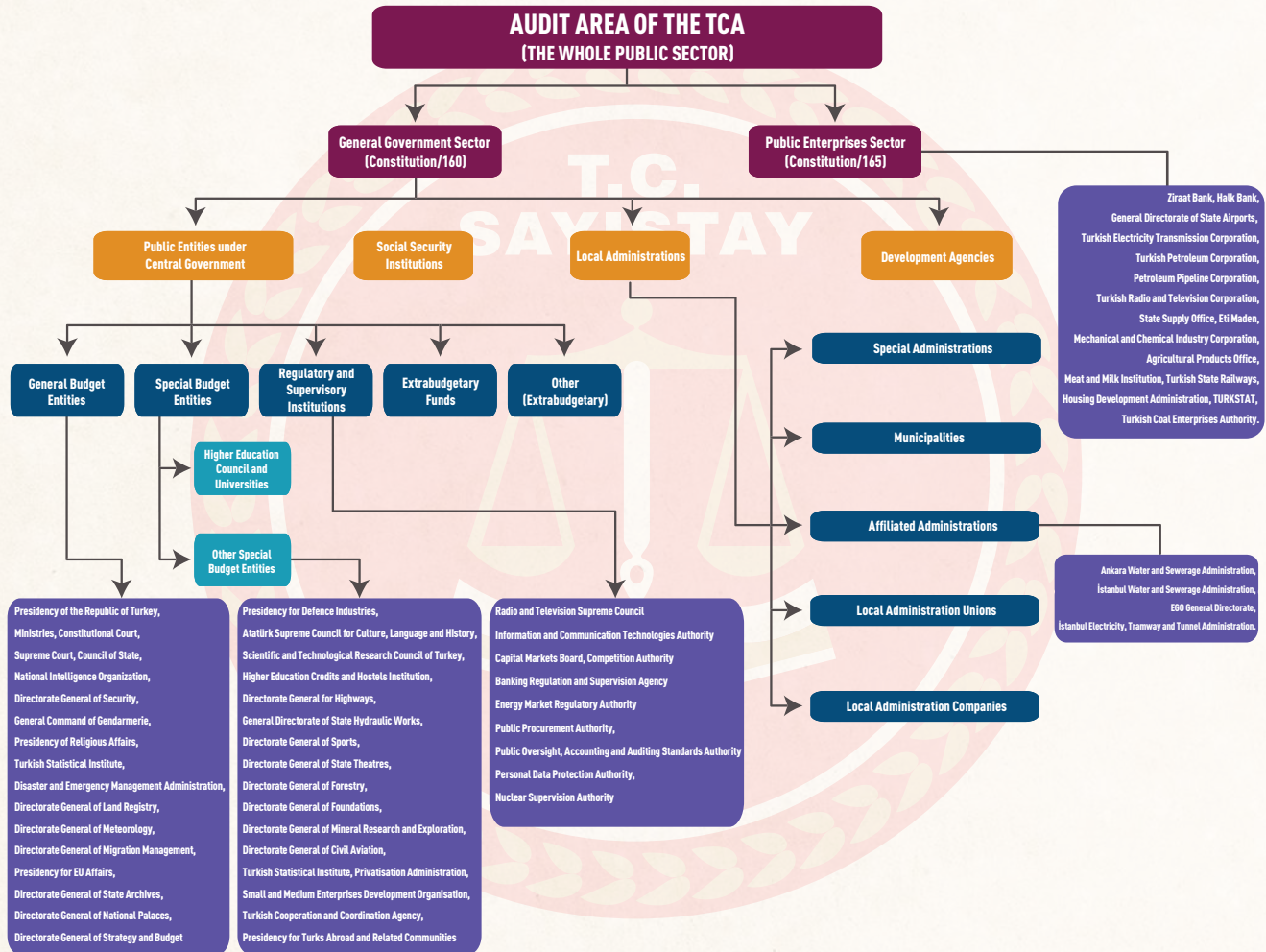
“ Whether an entity was audited in previous years, ”

“ findings of previous years ”

“ Assessments concerning the internal control environment and accounting system and points needed to be improved in accordance with these assessments. ”

Wide Audit Mandate Encompassing Public Entities and Resources

The TCA audits all entities and resources within the Turkish public administration unless otherwise indicated.



Audit of State Enterprises

TCA audits public enterprises and subsidiaries of which more than half the capital are directly or indirectly owned by the state.

Reports including a proposal on whether the governing board is acquitted as well as opinions on whether the annual reports, balance sheets, operating accounts and governing boards of the auditees are acquitted or presented to the general discussion are submitted to the Parliament for the control of the Committee of the State Economic Enterprises.

Financial Audit of Political Parties

Assessment of the lawfulness of the property acquisitions as well as revenues and expenditures of the political parties by the Constitutional Court, relevant audit methods and sanctions to be imposed in case of in compliance with law are specified in law. TCA assists the Constitutional Court in the performance of this duty. Assessments made by the TCA are compiled in a report and sent to the Constitutional Court.

Audit of E-Government Projects

According to the 2016-2019 Turkey National e-Government Strategy and Action Plan, "Effective Audit of e-Government Projects in Public Sector" is the responsibility of the TCA.

In this scope, the works for designing an audit model for the e- Government projects and preparing an audit manual have been completed, and pilot audits were carried out in three e- Government projects between September 2017 and July 2018 for testing the draft manual.

An "Implementation Plan" was prepared in 2019 to disseminate the audits of e-government projects.

Reporting

TCA submits 5 general reports to the Parliament every year.

Statement of General Conformity

This is the audit and evaluation opinion delivered by the TCA on the draft final account law, which is prepared by the Ministry of Finance in line with the central government budget law in consideration of the accounting records and is the tool of the Parliament to use its authority to approve the implementation results of budget law.

External Audit General Evaluation Report

This report includes general information concerning audit, matters that are deemed general and important in the audit reports and other financial matters found to be appropriate.

Activity General Evaluation Report

This is the report including the evaluations made on the accountability reports sent by the public entities, local administrations general accountability report prepared by the Ministry of Interior and general accountability report prepared by the Ministry of Finance in consideration of the audit results.

Financial Statistics Evaluation Report

This is the report containing the evaluations made on the financial statistics published by the Ministry of Finance in terms of preparation, publication, accuracy, reliability and compliance with the pre-determined standards.

Development Agencies General Evaluation Report

This is the report containing the matters deemed important and general in the audits on the development agencies.



Apart from general reports, in the scope of 2019 audit program, regularity audits were performed in 395 public entities, and 395 regularity audit reports were prepared. The resulting TCA Reports are submitted to the Parliament or relevant public entities according to the legislation.

In the scope of 2019 audit program, regularity audit process continues in 420 public entities.

In 2019, audited public entities by budget sizes:

- ✓ 99,98 % of public entities under general budget
- ✓ 90,32 % of public entities with special budgets
- ✓ 97,87 % of regulatory and supervisory public entities
- ✓ 100 % of social security institutions
- ✓ 100 % of metropolitan municipalities

In the scope of the audit of performance information;

In the scope of 2019 audit program, audits were performed in 36 public entities and 36 reports were prepared.



Judicial Activities

TCA is a supreme audit institution, which performs audit on behalf of the Parliament with the aim of ensuring the power of the purse and has judicial authority.

Judicial reports concerning the public losses detected in the course of audits are decided on by the chambers of trial, each of which is a court of accounts. There are 8 chambers in the TCA. The final decision body of the writs issued by the chambers is the Board of Appeals of the TCA. Appeal is possible against the decisions of the chambers. Office of the Chief Prosecutor of the TCA takes part in the trial process, as well.

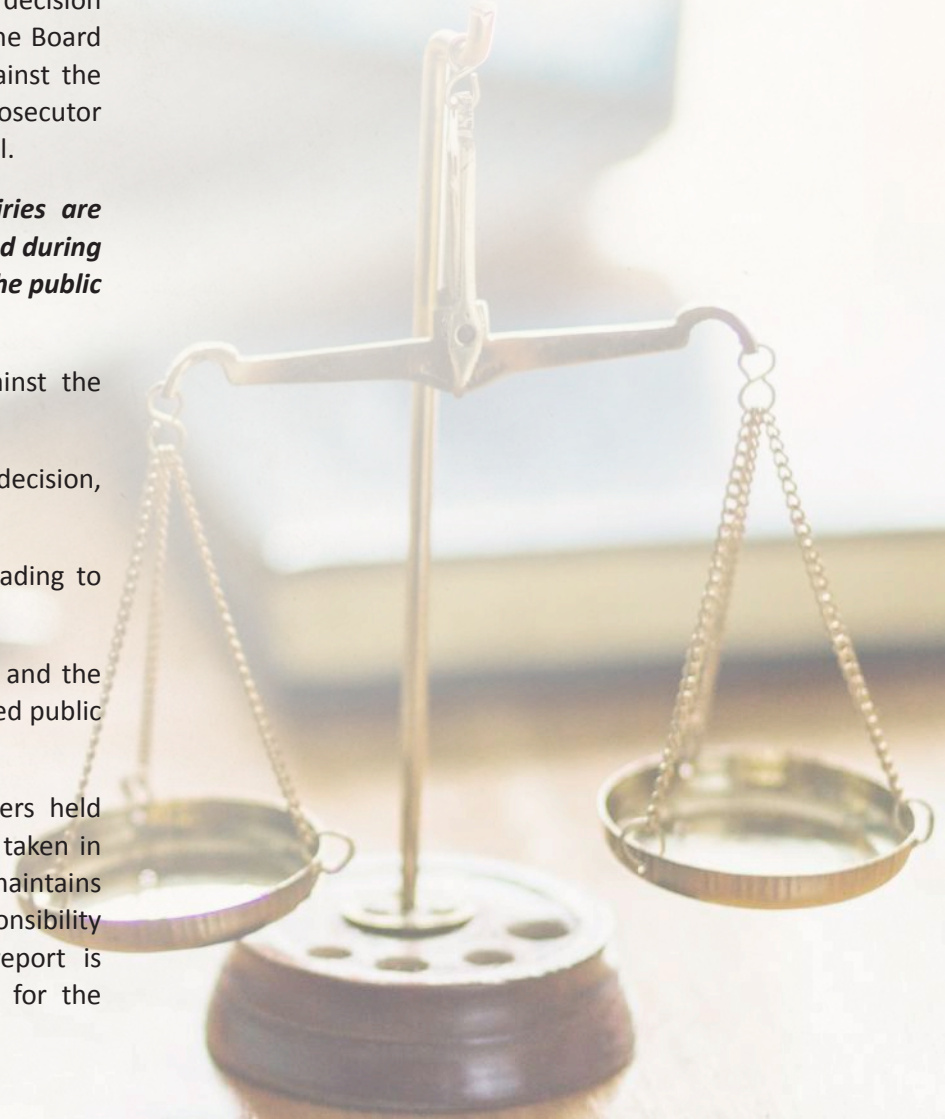
Judicial reports are prepared and inquiries are initiated in case that the following are detected during the audit of the accounts and transactions of the public entities:

- ✓ A decision, transaction or action against the legislation,
- ✓ A public loss resulting from a decision, transaction or action against the legislation,
- ✓ Determination of the public officer leading to this public loss,
- ✓ A connection between the public loss and the decision, transaction or action of the determined public officer against the legislation.

Inquiries are notified to the public officers held responsible and their defence statements are taken in the legal period. Provided that the audit team maintains the same conviction on the public loss and responsibility after they assess the statements, judicial report is prepared and sent to the relevant chamber for the initiation of the trial process.

Activities related to TCA's Authority of Delivering Opinions

The TCA gives opinions on the by-laws and regulatory processes in the nature of by-laws to be prepared on financial matters by the public administrations within the scope of the general government. The TCA gave 220 opinions in 2018 and 198 opinions in 2019 on the said topics.



Guidance

TCA implements a three-phase systematic method with the aim of creating a better public administration, facilitating the functioning of the public entities and strengthening their institutional structures.

1. Phase

Effectiveness of the internal control systems of the public entities and their functioning in financial management and performance management are assessed through the answers given to certain questions uploaded in the SayCap Audit Management Program by the audit teams during the audits carried out by the TCA. By this means, public entities are assessed in terms of internal control, financial management and performance management.

2. Phase

Within the scope of the classification of findings carried out by the TCA, annual audit findings concerning the public entities are classified in detail, and the deficiencies and weaknesses of each public entity in the abovementioned systems are determined. Classification of findings informs the TCA about the areas which the auditors should focus on in the audit of a specific public entity.

3. Phase

TCA monitors the issues identified in the audits and use the data obtained from monitoring to shape the audit plans of the next year. With the help of this system, TCA determines the focus of audits for improving the internal control, financial management and performance management systems of the public entities and also plans trainings for the improvement of these systems through its findings.

Development of the Quality Assurance System

A two-phase quality control system, which is in compliance with the “elements” and “application guidance for SAIs” of ISSAI 140: Quality Control for SAIs that is based on the International Standard on Quality Control (ISQC 1), has been established with the aim of ensuring quality in audits. The first phase consists of the quality control works conducted during the execution of the audit and before the audit report is finalized. In these quality control works, respectively, team leader, head of group, report evaluation commission, trial chambers and the Report Evaluation Board are responsible. The controls made by the report evaluation commission, trial chambers and the Report Evaluation Board, which are not the part of engagement team, are carried out before the date of the auditor’s report, and they constitute a part of engagement quality control review process in this aspect.

The second phase of the quality control system includes quality assurance works. Quality assurance works are carried out with the aim of assessing the effectiveness of quality control processes and the compliance of completed audits with the audit manuals and determining the necessary actions for capacity building. As of 2019, quality assurance works were initiated, and six auditors were commissioned for these works.

Within the scope of the quality assurance works, first, an assessment framework was prepared on the basis of financial audit manual requirements and of professional pronouncements to some extent. The framework in question was prepared by the quality assurance team and finalized after the auditors specialised in this field reviewed it. The audits files, which were randomly selected and represented the population in terms of quality and quantity, were examined and their compliance with the requirements in the framework assessed.

Works for the assessment, generalisation and reporting of the findings obtained in the examination of the audit files continue, and after they are finalized, the results of the quality assurance works will be submitted to the top management.”

Training Activities Focusing on Continuous Development

The TCA organizes in-house, external and international trainings to increase institutional capacity in itself and in other public entities under Turkish public management and other SAIs and to develop personnel’s professional knowledge and competencies. The TCA has a multi-purpose training center in Ankara.

Internal Training Activities

Inservice training activities are performed with an innovative and continuous approach for ensuring the personal and professional development of all TCA personnel.

In the scope of inservice training activities; trainings on personal development, thinking and reasoning theory, psychology, ethics, audit standards, accounting, financial statements analysis, account judgment, public private partnership, computer-aided audit techniques, cyber security, emerging issues, IT audit, citizen engagement, sustainable development goals etc. and conferences on various subjects are organized.

In the scope of trainings for auditors, a system of receiving annual 49 hours/credits have been introduced to increase auditors’ professional and other types of knowledge.

Training Activities for Other Public Entities

Upon the request of the public entities within Turkish public management, the TCA gives training to them on the topics falling under its mandate. In this scope, 40 auditors were assigned in 2018, and 53 auditors were assigned in 2019. Through these trainings, contribution is made to public entities for their capacity development. These trainings also present an opportunity for the TCA to ensure a strong communication with the public entities, which are one of the most important stakeholders of the TCA

In the scope of the trainings, guidance is provided to public entities on many requested areas such as:

- ✓ Public Procurement Regulation,
- ✓ Immovable and Movables Management,
- ✓ Revenue Management,
- ✓ Borrowing,
- ✓ Personnel Legislation,
- ✓ Procedures and Principles Regarding Expenditure,
- ✓ Financial Audit,
- ✓ Law no.5018 on Public Financial Management and Control,
- ✓ Findings in TCA Reports,
- ✓ Legal Status of Municipality Companies,
- ✓ Public Loss and Responsibility,
- ✓ Social Facilities Accounting System,

With a project initiated in 2018, a training program is organized based on the requests of universities, and it is currently implemented. Universities are brought together based on their regions, and trainings are

conducted on specified topics. In these university trainings, approximately 1000 public officers working at universities benefited from those trainings in 2018 and approximately 380 public officers benefited from them in 2019.

Request from universities or student clubs are considered; support is given to their career day programs; and orientation programs are conducted for the student groups visiting our institution. In 2018, orientation programs were organized for 23 student groups visiting our institution, and 758 people participated in those activities. In 2019, orientation programs were organized for 23 student groups visiting our institution, and 764 people participated in those activities.

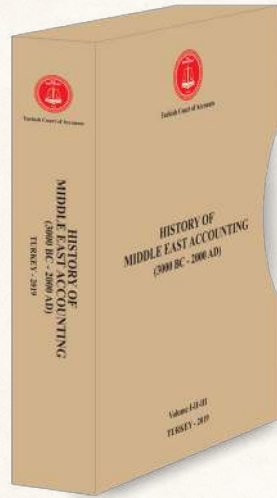


TCA Journal and Book Publication Activities

“TCA Journal” is published quarterly as a peer-reviewed national journal. It contains professional and academic studies particularly related to social sciences such as audit, management and judgment, written by the TCA staff, academicians and the managers and experts of public entities.

In addition, the TCA also publishes the books of its staff, academicians and NGOs working in the fields of audit and accounting. In this scope, books published in recent years are as follows:

- ✓ History of Middle East Accounting
- ✓ Institutional Structure and Financial Performance of SAIs
- ✓ Judicial Accounting by TCA
- ✓ Ethic and Ethical Rules



III. Application of IT in Audits

The TCA is in a continuous modernising process renewing and enhancing the usage of innovations and new technologies in auditing processes. The aim of TCA is to develop its auditing capability by making audit procedures more manageable and using resources more efficiently.

For accomplishing this objective, auditors and other staff members are continuously provided with feedback and training programmes about these changes.

The widening digitalisation in the audit area and the widening data volumes bring forth the need to use IT in the processes for collecting data, storage, processing, reporting and decision making. In this respect, the TCA has established some IT tools mentioned below in order to benefit from digitalisation in its audit work to increase its impact.

Audit Management System (SAYCAP)

TCA has an audit management program, called SayCAP which provides remote access for audit teams. This program guarantees that audit works are planned, executed, documented, and managed in line with the audit manuals and international standards.

This system is constantly updated and improved in consideration of the changing reporting requirements.

Regularity Audits, Performance Audits, State Economic Enterprises Audits by TCA are performed by means of SayCap.

SayCap helps TCA to:

- ✓ Increase the audit effectiveness,
- ✓ Strengthen audit management by using IT,
- ✓ Develop an Audit Management System for planning, documenting and analyzing the audits,

- ✓ Conduct the procedures of planning, executing, reporting and quality control phases of the audits in an IT environment,
- ✓ Consolidate the audit results and
- ✓ Support TCA to carry out the overall reporting responsibilities on time.

Data Analysis System (VERA)

TCA has a data analysis program , called VERA. With the help of this system, risky areas are determined by evaluating financial records and also the previous year audit results and those areas are prioritized in the overall annual audit programs.

This system, which has also remote access, aims at:

- ✓ Receiving the data sent by the public entities via electronic environment,
- ✓ Determining the qualities of the data to allow for risk analysis,
- ✓ Identifying the standard analyses required for audit and developing audit scenarios for conducting analyses on the basis of accounting and nonaccounting data,
- ✓ Increasing quality and efficiency in audit by contributing to audit management and audit processes.

Additionally, sampling analysis has been created over VERA for calculation of sample size and selection of samples from the identified population. The auditor fills in the assurance level, acceptable error level and expected error rate and the analysis makes calculations based on that information. Analyses cover three sampling methods; random sampling, monetary unit sampling and stratified sampling.

The analyses are centralised data processing functions by which the management identify the risks earlier before the annual audit programming/ planning process and set the audit strategy. Also with development of predefined analysis scenarios, the data is being reviewed on a regular basis with respect to the predetermined parameters during the audit process bringing automation and standardisation to the audits.

Analysis scenarios that work on the data submitted by the auditees are designed to crosscheck a wide range of data sets and to detect risks and accounting errors. Not only risk-detecting scenarios but also iterative and time taking procedures that fall upon the auditor while conducting audits are being identified and computerized. All data in the data warehouse system is being controlled for both data integrity and compliance.

Scenarios putted forward are in fact primary controls imposed by the management. Systems containing adequate controls and security are executed and sustained. The results provide the auditors with an assurance to some degree about the veracity of the data. If they see it necessary, further investigation will be done by auditors.

Data and Document Back-up and Sharing System (SAYDRIVE)

The TCA has a secure file-server system, which is used for document sharing and data back-up. This system is designed to enable users to connect from inside and outside the institution via their mobile devices/computers.

In the scope of the Covid-19 pandemic measures that started in Turkey as of March 2020, the users needed distant (outside the institution) access to the data in the file system. In this scope, SAYDRIVE was taken into operation. The documents in the file server system of the units that wanted to have distant access to data were transferred to SAYDRIVE. Users connected to the institution's VPN, then they connected to the SAYDRIVE system and they could access their documents and the documents in the joint folders they are authorized to.

The TCA Moves Online a Step Further

During the Covid-19 pandemic, another work implemented by the TCA is the updating of the regulation for obtaining all documents that should be given to the TCA by the public entities in the electronic environment and providing the technical infrastructure necessary for this.

One of the difficulties presented by Covid-19 pandemic for audits is the problems in obtaining the documents and information from the public entities in the physical environment. Therefore, the TCA revised the current “Procedures and Principles Regarding the Delivery of Public Entity Accounts to the TCA and Informing Accounting Units and Accounting Officials”.

The information about the tables, lists, documents and the data forming the information included in the public entity accounts and the methods of sending this data to the TCA in the electronic environment were differentiated according to the characteristics of public entities. The said data were defined in the TCA Integrated Data Transfer System (BVAS) prepared by the IT unit of the TCA at the level of every public entity.

While obtaining data via database connection method from big systems such as the information system of the Ministry of Finance, which processes and stores the data of public entities subject to central management, the data that should be sent to the TCA individually such as the financial statements of public entities will be received via BVAS.

This work aims to ensure the technical infrastructure for communication between machines, minimize the information-document receipt from public entities in the physical environment and move human resource to other necessary areas by using it less in this area.



IV. International Activities

The TCA is in a close collaboration with the international and regional organizations of SAIs.

The TCA is a member of;

- ✓ International Organisation of Supreme Audit Institutions (INTOSAI)
- ✓ European Organisation of Supreme Audit Institutions (EUROSAI)
- ✓ Asian Organization of Supreme Audit Institutions (ASOSAI)
- ✓ Economic Cooperation Organization Supreme Audit Institutions (ECOSAI).

The TCA carries out the following duties for these organizations:

- ✓ President of EUROSAI Governing Board (GB) (2017-2020)
- ✓ Member of ECOSAI Governing Board (2019-2022)
- ✓ Member of ASOSAI Audit Board (2018-2021)

The TCA also takes an active part in different working groups of international organizations including Jurisdictional Forum. Every year, the TCA hosts international events and activities, and participates in many activities such as meetings, courses, seminars and organized abroad on various platforms as well as internship programs.



EUROSAI Presidency

The TCA is the President and a Governing Board member of EUROSAI, which is the European regional organization of INTOSAI, aiming to promote professional cooperation among its members and strengthen public sector audit and public financial management with its 50 members.

In the IX EUROSAI Congress hosted by the SAI of the Netherlands on 16–19 June 2014, decision was made to organize the X Congress in Turkey in 2017, for the TCA to take over the EUROSAI Presidency for the period of 2017 - 2020 and act as the First Vice President of EUROSAI between 2014-2017.

In the X EUROSAI Congress organized on 22-25 May 2017 in Istanbul, the new EUROSAI Strategic Plan for 2017-2023 was approved. Portfolio (activity area) responsibilities and projects became important in

implementing the new Strategic Plan. The Governing Board consists of the SAIs of 8 countries (Czech Republic, Finland, the Netherlands, Spain, Latvia, Moldova, Poland, Turkey), and 7 countries have different activity areas in auditing and governance areas. In those activity areas, the TCA is the leader of Overall Governance and Culture Portfolio. In addition to the administrative and strategic activities deriving from Presidency, TCA is represented in many Working Groups and Task Forces: Environmental Audit, Disaster Audit and IT Working Groups and Ethics Audit Task Force and Municipality Audit Task Force.

The activities performed by the TCA under EUROSAI can be grouped as follows:

a. Duties and Activities stemming from the task of the Presidency

As the President of EUROSAT, the TCA, in summary, performs the duties of chairing all meetings of the Congress and Governing Board, ensuring that EUROSAT conducts activities suitable for its objectives, following those activities' compliance with charter and other EUROSAT secondary regulations, and fulfilling any other duties entrusted by the Congress or Governing Board.

In this scope, 50. EUROSAT Governing Board Meeting was held in Jurmala on 12-13 June 2019 and hosted by the SAI of Latvia. In the 50. Governing Board, EUROSAT's strategic and administrative topics were addressed; reports were presented regarding the general implementation of strategic objectives and governance portfolios; annual reports of EUROSAT Working Groups and Task Force were discussed; and EUROSAT action plan was updated.

b. Duties and Activities as the Head of the Coordination Team

Coordination Council is a small unit within the EUROSAT Governing Board; it contains a part of the Board members; it aims to facilitate the decision-making of the Governing Board and the regular monitoring of the implementation of the Strategic Plan. In addition to those objectives, as the head of the Coordination Team, the TCA has the following main responsibilities: approving training activities, approving the establishment of Project Groups and approving the financial support from the EUROSAT budget for members for the EUROSAT activities they will host.



c. Duties and Activities performed as the leader of Overall Governance and Institutional Identity Portfolio

The main goal of portfolio is to ensure that EUROSAl acts in line with its mission, vision, values and objectives and contribute to the development of an organizational structure that operates effectively and efficiently.

In this context "General Procedures" which is the main legislation identifying the necessary procedures for implementing, coordinating, monitoring, and reporting the Strategic Plan and realizing its objectives successfully, was prepared by the Project Group headed

by the TCA. The Action Plan for 2017-2023 Strategic Plan was prepared under the leadership of the TCA with the contributions of strategic objective leaders and portfolio leaders.

The TCA initiated a Project on "Reaching out to all EUROSAl Members: Visualization of the EUROSAl Operational Plan and Encouraging Members' Participation" and designed a web page to visualize EUROSAl Operational Plan to convey projects and activities to more countries and increase participation (www.eurosaio.org).





ECOSAI Presidency

The TCA acted as the Chairman of the ECOSAI Governing Board in the period of 2013-2016. In the 7. ECOSAI General Assembly held in Ankara on 17-19 October 2016, the TCA was re-elected for the same position. The said period covers the period of 2016-2019.

The TCA hosted the ECOSAI Seminar on “Challenges in the Routine Audit of Public Sector” on 3-6 September 2018 in Istanbul. In addition, it hosted the training organization on ‘Ethics Audit’ held in April 2018 in Antalya. The activities performed in the scope of ECOSAI are much sought after by non-member countries as well. In this scope, necessary preparations were made

for enabling the participation of the SAIs of Qatar, Palestine and Kuwait in ECOSAI activities.

In addition, the TCA hosted the 8. ECOSAI General Assembly Meeting on 21-23 October 2019 in Istanbul as well as 19. ECOSAI Training Committee Meeting, 24. ECOSAI Governing Board Meeting and 8. ECOSAI Symposium. In the said meeting, the Presidency of the ECOSAI Governing Board was transferred to the SAI of Kazakhstan. In addition, the TCA was elected as a member of ECOSAI Governing Board for the period of 2019-2022; and the SAIs of Belarus, Palestine, Qatar and Kuwait gained the status of “Observer SAIs”.





ASOSAI Membership

The TCA was the GB member of ASOSAI between 2015 and 2018, and in the 14th ASOSAI General Assembly hosted by Vietnam SAI in Hanoi, it was elected as an Audit Board member in the first round by receiving 24 out of 38 votes.

As a member of the Audit Board, the main duty of the TCA is to audit the accounts of the organization every three years and render its report to the Assembly.

In addition, the TCA actively participates in the various working groups and research projects of ASOSAI. Recently, the TCA, as one of the participators of the 12. ASOSAI Research Project with the theme of SDG audit, requested to host a meeting in 2020 and became a member of sub-working group on Sustainable Development Goals that will undertake all projects and activities related to SDGs until 2030.



In the scope of bilateral cooperation, Memoranda of Understandings (MoU) were signed with 32 SAIs and international organizations for developing collaboration. The activities conducted under MoUs form the basis of the mutual exchange of information and international trainings. As the SAI of Turkey, which is a bridge between the East and West, the TCA also acts as a bridge in the world of SAIs in accordance with its country's overall policy.

International Training Activities for other SAIs

With its deep-rooted history, the TCA formed a structure to contribute the other SAIs in the international area by conducting trainings for them. With its team consisting of expert auditors, it gives trainings to different country SAIs in the following areas.

- ✓ Financial audit
- ✓ Performance audit
- ✓ International audit and reporting standards and SAI Practices
- ✓ Audit of State Owned Enterprises
- ✓ Computer assisted audit techniques
- ✓ IT audit



In the scope of the said programs, the following trainings were held in 2019 and 2020:

<p>14-18 January 2019</p> <p>Financial Audit SAI of Moldova Ankara</p> <ul style="list-style-type: none"> ✓ Financial Audit Standards ✓ Financial Audit Application and Experience of the TCA ✓ SayCAP Audit Management Programme 	<p>15-16 May 2019</p> <p>Economic Efficiency of Investment Funds SAI of Qatar Qatar</p> <ul style="list-style-type: none"> ✓ Definitions ✓ Categories ✓ Indicators of the Economic Efficiency of Investment Funds ✓ Audit of the Financial Statements of Investment Funds 	<p>24-28 June 2019</p> <p>Audit of State Owned Enterprises SAI of Palestine Ankara</p> <ul style="list-style-type: none"> ✓ International Standards in the Audit of Public Enterprises ✓ The Application and Experience of the TCA on Public Enterprises 	<p>9-13 September 2019</p> <p>Financial Audit SAI of Afghanistan Ankara</p> <ul style="list-style-type: none"> ✓ Basic IT Concepts ✓ IT Risks ✓ IT Controls ✓ Relevant Standards and Basic Control Areas
<p>15-26 September 2019</p> <p>IT Audit SAI of Kuwait Kuwait</p> <ul style="list-style-type: none"> ✓ Planning ✓ Execution ✓ Reporting ✓ Monitoring 	<p>30 September 4 November 2019</p> <p>Financial Audit SAI of Afghanistan Ankara</p> <ul style="list-style-type: none"> ✓ Basic IT Concepts ✓ IT Risks ✓ IT Controls ✓ Relevant Standards and Basic Control Areas 	<p>21-25 September 2020</p> <p>Role of Public Sector Audit in Establishing Good Governance SAI of Turkmenistan and Uzbekistan</p> <ul style="list-style-type: none"> ✓ INTOSAI Standards ✓ Application and Experience of the TCA ✓ New Public Audit Methodologies 	<p>5-9 October 2020</p> <p>IT Audit SAI of Somali Ankara</p> <ul style="list-style-type: none"> ✓ Planning ✓ Execution ✓ Reporting ✓ Monitoring

Audit of International Organizations and Funds Provided by International Organizations

Audit of Funds provided by UNICEF to Turkish Public Entities

The protocol concerning the audit of funds provided by UNICEF to public entities by the Turkish Court of Accounts (TCA) was signed on 17.04.2017 between the TCA and the UNICEF Turkey Country Office. Within the framework of the protocol, the audits of the TCA aimed at detecting whether the expenditures made from the funds granted by UNICEF comply with the contract of partnership signed with between UNICEF and relevant public entities as well as the objectives specified in the annual plans or programs and delivering opinion of the accuracy and reliability of financial statements related to the expenditures made from these funds.

In this scope, it has been three years since the audits on the UNICEF funds were initiated, and a decision was taken for conducting audits on the funds used by nine public entities in 2019. Within the framework of the said cooperation, audits and reporting processes are completed. Audited entities are as follows:

- ✓ Ministry of Family, Labour and Social Services Directorate General for Child Services,
 - ✓ Ministry of National Education Directorate General for Teacher Training and Development,
 - ✓ Ministry of National Education Directorate General for Basic Education,
 - ✓ Ministry of National Education Directorate General for Secondary Education,
 - ✓ Ministry of National Education Directorate General for Lifelong Learning,
 - ✓ Directorate General of Migration Management,
 - ✓ Post and Telegraph Corporation
-
- ✓ Ministry of Youth and Sports,
 - ✓ Ministry of Family, Labour and Social Services Directorate General for Family and Public Services,





Audit of Funds Granted by the UN High Commissioner for Refugees to Public Entities

A protocol was signed between the Turkish Court of Accounts (TCA) and the UN High Commissioner for Refugees (UNHCR) on 17.04.2019 for the audit of funds provided by UNHCR to the public entities.

Within the framework of the protocol, the audits of the TCA aimed at detecting whether the expenditures made from the funds granted by UNICEF comply with the contract of partnership signed with between UNHCR and relevant public entities as well as the objectives specified in the annual plans or programs and delivering opinion of the accuracy and reliability of financial statements related to the expenditures made from these funds.

In this respect, funds used by three public entities were audited and audit reports were prepared in 2019. The public entities audited in 2019 are as follows:

Ministry of Interior Directorate General of Migration Management

Presidency for Turks Abroad and Related Communities

Ministry of Family, Labour and Social Services
Provincial Directorate in Ankara



The TCA Participated in the International Public Audit of Energy Charter Treaty

The TCA participated in the international public audit of the Secretariat of the Energy Charter Treaty (ECT), in which our country is signatory. ECT is an international agreement, which includes the arrangements for the protection and promotion of energy investments, energy trade and energy transit, and our country is signatory to it. The main duties of the Energy Charter Conference, which is the main organ of the ECT, are to carry out the duties assigned to it by the ECT and any Protocols, keep under review and facilitate the implementation of the principles of the ECT, authorize and approve the terms of reference for the negotiation of Protocols.

The overall objective of the audit, which was carried out in the headquarter of the Secretariat in Brussels on 10-23 October 2019, was to provide the Energy Charter Conference with reasonable assurance on whether the Secretariat used the funds allocated in accordance with the principles determined by the signatory countries. The audit report prepared at the end of the public audit was submitted to the Strategy Group, as one of the subsidiary boards of the ECT, for final evaluation and provision of information to the Energy Charter Conference.