

**AUTUMN ISSUE**



**ECOSAI**  
CIRCULAR-2023

**Economic Co-operation Organization  
Supreme Audit Institutions**



ECOSAI is regional forum of Supreme Audit Institutions encompassing countries from Europe, Caucasus Central Asia, Middle East and South Asia. Founded in 1994, the ECOSAI aims to promote the public sector auditing profession in member countries through exchange of ideas, experiences and by holding seminars, conferences, workshops and training courses.

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President ECOSAI,  
President Supreme Audit Court,  
Islamic Republic of Iran (SAI Iran)



**Muhammad Ajmal Gondal**  
Secretary General ECOSAI,  
Auditor General,  
Islamic Republic of Pakistan (SAI Pakistan)

### **ECOSAI Governing Board Members**

- SAI of Iran
- SAI of Turkiye
- SAI of Pakistan
- SAI of Kyrgyz Republic
- SAI of Kazakhstan

The term of the Governing Board Members will expire during 10th ECOSAI Assembly to be held in 2025. The ECOSAI Circular is the official organ of ECOSAI and has the objective of providing member SAIs with the forum of sharing experiences in different areas of public sector auditing.

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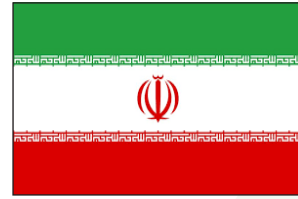
# MEMBERS ECOSAI



**Afghanistan**



**Azerbaijan**



**Iran**



**Kazakhstan**



**Kyrgyzstan**



**Pakistan**



**Tajikistan**



**Turkish Republic of  
Northern Cyprus**



**Turkmenistan**



**Türkiye**



**Uzbekistan**

# OBSERVERS ECOSAI



**Belarus**



**Kuwait**



**Palestine**



**Qatar**

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## Message of the Secretary General ECOSAI



I am delighted to share the ECOSAI Circular 2023, Autumn Issue with ECOSAI member countries. This circular presents articles and news items which contribute to develop a comprehensive understanding of the audit landscape of ECOSAI member countries.

I appreciate the insights and reflections portrayed in the circular by showcasing the current audit practices and highlighting the emerging trends in the field of auditing. The exploration of these new trends reflects a proactive approach for staying ahead in the ever-evolving landscape of auditing. Public sector auditors can benefit from staying informed about these emerging technologies and exploring how they can be integrated into their audit processes to enhance efficiency, effectiveness, and overall audit quality.

I express my sincere gratitude to all the authors who made this edition possible for disseminating knowledge and promoting a culture of continuous improvement within our audit community. I hope that all the members of Supreme Audit Institutions (SAIs) will foster close collaboration for knowledge and experience sharing and to strengthen ECOSAI as an effective body for promoting excellence in Public Sector Auditing.

MUHAMMAD AJMAL GONDAL  
(AUDITOR GENERAL OF PAKISTAN)



## **NEWS FROM THE SAIs**



## Auditor General of Afghanistan Biography



**Alhaj Mawlawi Mohammad Mohsin Hashmi**

**Auditor General**

**Supreme Audit office Afghanistan**

**Mawlawi Mohammad Mohsin Hashmi**, Son of Mohammad Hashim was born in 1970 in Farkhar District, Takhar province, is a prominent figure in Afghanistan. He completed his primary and higher education in Islamic studies.

Mr. Hashimi has held various significant positions throughout his career. He served as the governor of Takhar, Logar, and Baghlan provinces under the Islamic Emirate of Afghanistan for several years. Additionally, he was a member of the military commission responsible for overseeing 21 provinces of the Islamic Emirate of Afghanistan.

With the victory of the Islamic Emirate of Afghanistan, Mr. Hashimi continued to contribute to his country. He held positions such as Deputy General Director at the intelligence agency, Deputy of the Ministry of Internal Affairs, and Governor of Panjsher province.

He has spent much of his life as a politician, academic and cultural figure. During the holy Jihad, he has been an active Mujahid of the Islamic Emirates of Afghanistan and fought for the freedom and prosperity of his people and country.

Recently, on the basis of decree number [ 3599 ] dated [ 16/01/1444 ] from the Amir-ul-Momenin, Mawlawi Hashimi has been appointed as the Auditor General of Afghanistan.

Mawlawi Mohammad Mohsen is fluent in Arabic and Urdu and speaks official languages; Dari and Pashtu.



### 3rd SDG Dialogue in Azerbaijan

The 3rd Sustainable Development Goals (SDG) Dialogue on "Reflections on the Outcome of the Global SDG Summit 2023 and the role of Supreme Audit Institutions in SDGs implementation" was held on **October 24, 2023 in Baku, Azerbaijan.**



The Sustainable Development Goals (SDG) Dialogues series aim to serve as a platform for key stakeholders – the Government, the UN, private sector, civil society, International Financial Institutions, and development partners- to catalyze knowledge, bring international best practices, and facilitate innovative solutions to provide hands-on support to the Government of Azerbaijan, and the National Coordination Council for Sustainable Development in the implementation of national priorities within the Azerbaijan 2030 Strategy and the Agenda 2030.

The management and employees of SAI Azerbaijan, members of the Government, deputies of the Milli Majlis (Parliament), representatives of international organizations, the delegations of experienced SAIs in the implementation of SDGs, including SAIs of Brazil, Türkiye, Kyrgyzstan, Poland, Russia, Belarus and Kuwait, as well as the representatives of various stakeholders participated in the meeting. In total, more than 150 participants attended the event.



Mr. Vugar Gulmammadov, the Chairman of SAI Azerbaijan emphasized the growing importance of SAIs in the implementation of the Sustainable Development Goals, including the purposeful and efficient use of allocated funds, as well as ensuring transparency and accountability.

He mentioned that the number of performance audits on SDGs has been increased, by paying attention to the work carried out by SAI Azerbaijan in this field recently. He added that in 2021-2022, 6 SDGs were the criteria for selected audit topics, there was an increase in the indicators covered by audits, and a more progress evaluation approach was preferred in audits.

He also added that, INTOSAI developed a new "INTOSAI SDG ATLAS" to reflect the performance audits on SDGs of and SAI Azerbaijan ranks among the leading SAIs in the said Atlas.

The Chairman noted that SAI Azerbaijan applies a generalized analysis of the results of performance audits on SDGs and commented on the identified characteristic weaknesses. These include poor organization of strategic planning work or lack of long-term planning in some institutions, lack of budgeting criteria for programs, lack of coordination of budget implementation with SDGs, and potential gaps in institutions involved in the implementation of SDGs.

Mr. Gulmammadov talked about the future measures to be taken in this field and informed that SAI Azerbaijan plans to conduct government-based audits on SDGs, and at the same time, to consider the adequacy of state budget expenditures for the relevant goals in the next audits.

Representatives of different international organizations and state authorities as well as SAIs of Brazil, Kyrgyzstan, Poland, Russia, Belarus and Türkiye made speeches on the topics and answered the related questions. The panel participants discussed the issues on SDG financing, as well as the role of SAIs in quality assurance of this process and exchanged views on the topic.

## 27th ECOSAI Governing Board Meeting held in Tehran on 18-19 October 2023

27th ECOSAI Governing Board Meeting was participated by SAIs of Iran, Pakistan, Türkiye, Kazakhstan, Kyrgyzstan. During the meeting, matters regarding effectiveness of audit in bringing transparency in the government operations, continuous professional development of human resources in emerging areas of audit, and the use of AI in audit were discussed. On the sidelines of the event, various bilateral meetings of the heads of SAIs of GBM member countries were held.





22nd Training Committee Meeting of ECOSAI was also held on Oct 18, 2023 in Tehran, Iran. Follow-up on the 21st Training Committee Meeting decisions was taken during the meeting. Technical points regarding posting of news items on ECOSAI Website were discussed. Participants explored the possibility of signing of MoU between ECOSAI members on bilateral co-operation including training related matters and exchange of visits of small group of experts among SAIs. Report on ECOSAI Training Courses held during 2022-23 was also presented by SAI Pakistan.

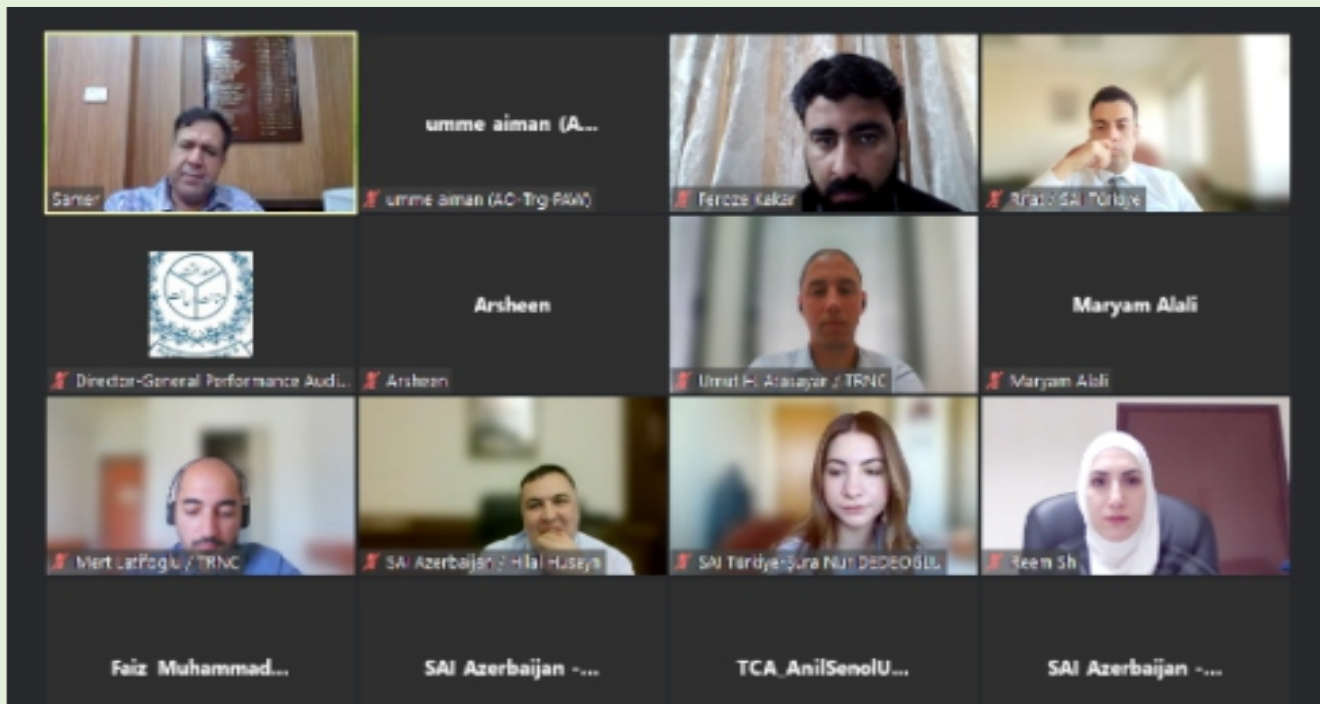
## MOU on Bilateral Cooperation Signed Between SAI Pakistan and SAI Azerbaijan

Mr. Muhammad Ajmal Gondal, Auditor General of Pakistan and Mr. Vugar Gulmammadov, Chairman of the Chamber of Accounts of Azerbaijan signed MoU on Bilateral Cooperation between the Chamber of Accounts of Azerbaijan and the Office of Auditor General of Pakistan in Shusha, Azerbaijan on **August 03, 2023**.



## SAI Pakistan Organized Two Days Online Training Course on Financial Audit/ Risk Based Audit, on 3-4 May, 2023 for ECOSAI Member Countries

SAI Pakistan organized two days online training course on Financial Audit/Risk Based Audit on 3-4 May, 2023. The course was attended by 22 participants from eight (08) SAIs including Afghanistan, Azerbaijan, Belarus, Palestine, Qatar, Turkish Republic of Northern Cyprus, Türkiye and Pakistan. The training modules covered introduction to Financial Audit, fundamentals of financial risk, risk-based auditing, risk-based audit approach and methodologies to conduct risk-based audit.



## Online training course on Forensic Audit from 5 to 6 September, 2023 for ECOSAI Member Countries organized by SAI Pakistan

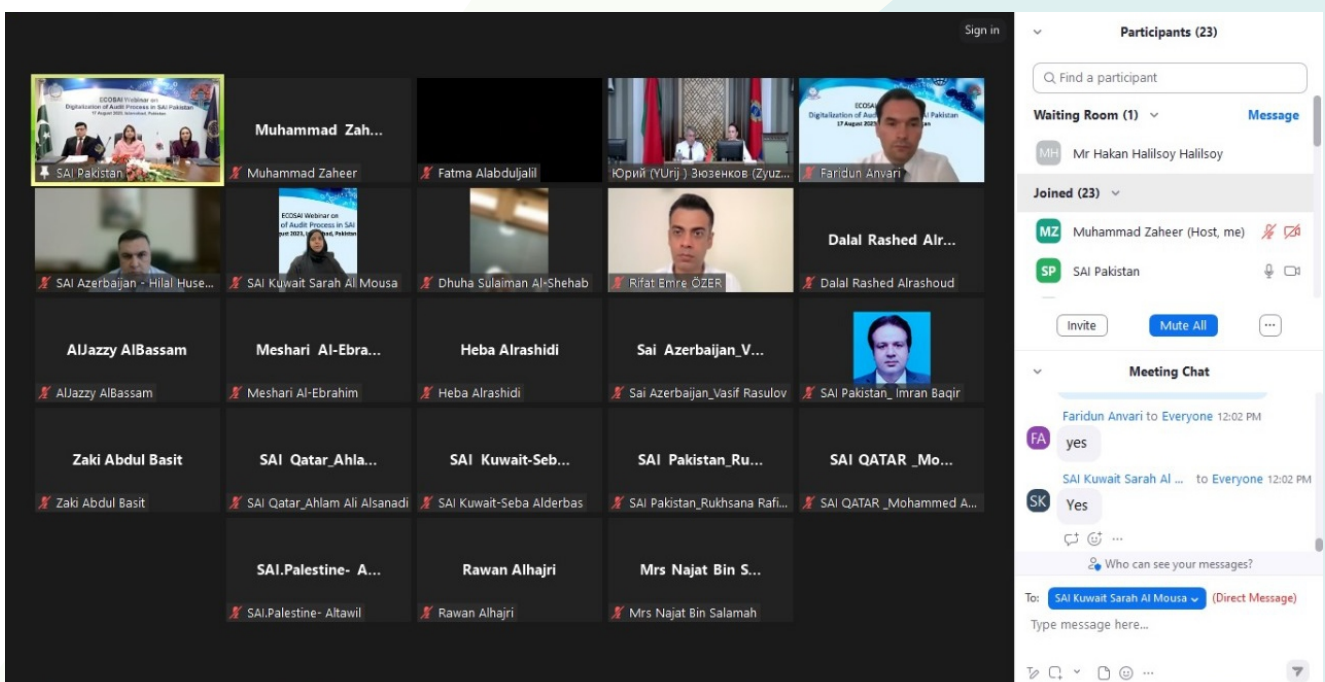
SAI Pakistan arranged second online training course on Forensic Audit from 5 to 6 September, 2023. The course was actively participated by 28 participants from SAIs of Belarus, Iran, Palestine, Turkish Republic of Northern Cyprus, Türkiye and Pakistan. This course was well planned and covered almost all the topics related to the Forensic Audit. Course contents were designed to ensure a logical order keeping in view the conduct of Forensic Audit. Case studies, short scenarios and practical exercises were also discussed to engage the participants and to make the learning experience more interactive and meaningful.





## ECOSAI Webinar on Digitalization of Audit Process on 17 August, 2023 conducted by SAI Pakistan

SAI Pakistan conducted ECOSAI webinar on Digitalization of Audit Process in SAI Pakistan on 17th August 2023 for sharing of experience and learning from the experiences of the member countries. 35 participants from ECOSAI countries including Afghanistan, Azerbaijan, Belarus, Turkish Republic of Northern Cyprus, Kuwait, Pakistan, Palestine, Qatar, Tajikistan and Türkiye participated in the webinar. During question answer session, the participants asked questions about the implementation of digitalization process and also shared the experiences of their SAIs in digitalization of audit process.

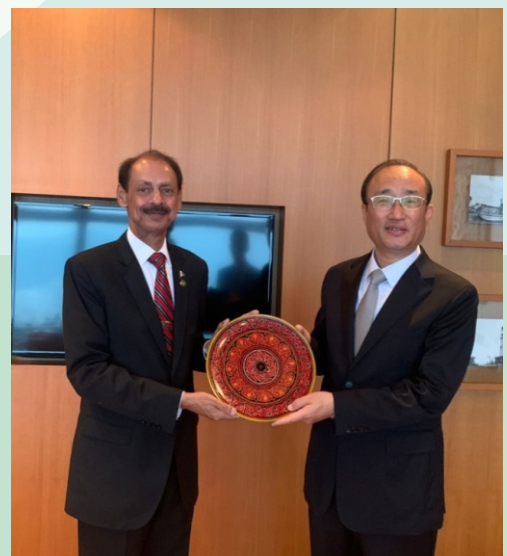


## SAIs of Pakistan, Azerbaijan, Kazakhstan and Türkiye from ECOSAI region attended the event of **59th ASOSAI GBM**

Heads of SAIs, Senior officials and programme officers of SAIs of Azerbaijan, Kazakhstan, Pakistan and Türkiye participated in the event in Korea on 21-22 September, 2023.

### THE 59<sup>th</sup> ASOSAI GOVERNING BOARD MEETING

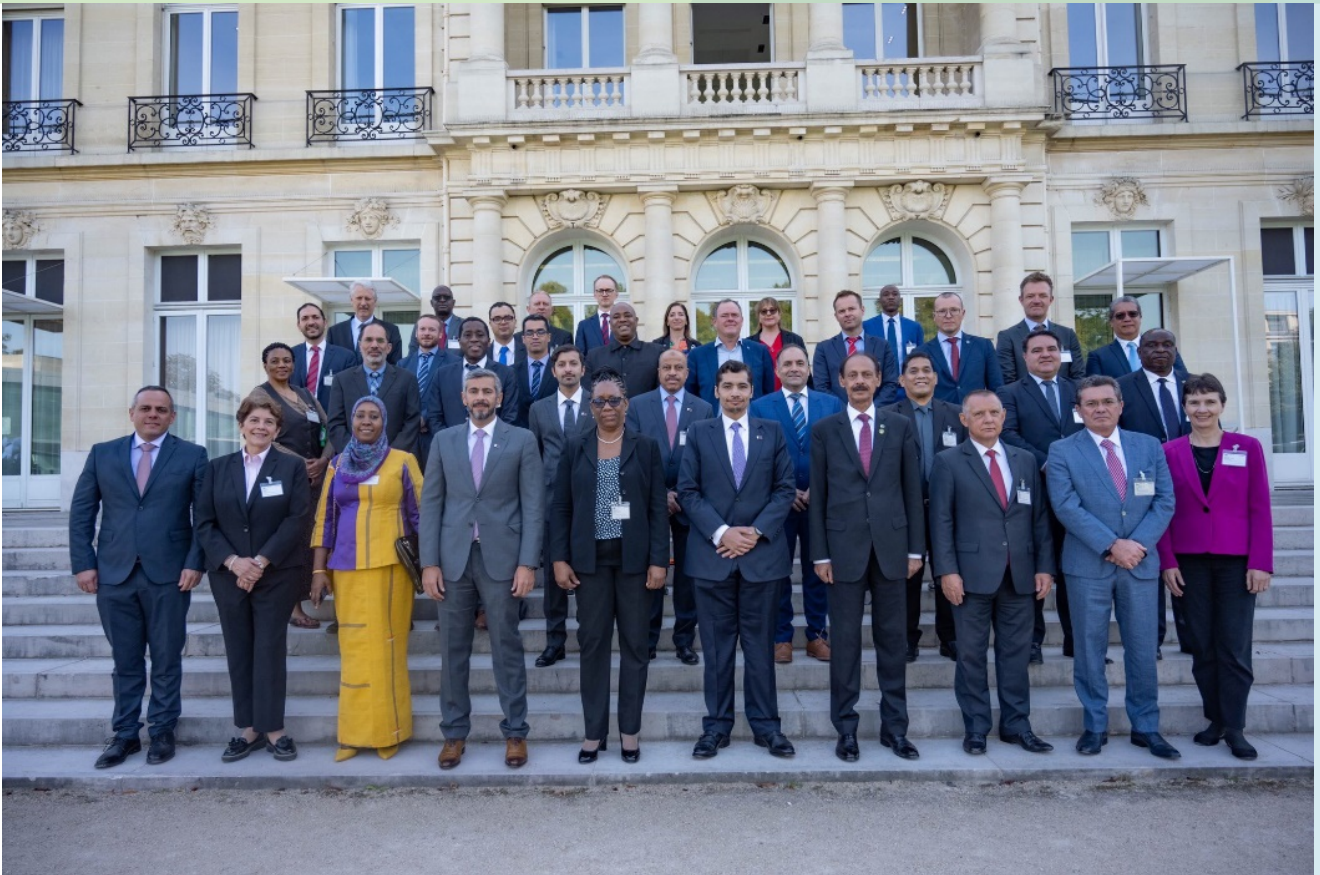
Busan, Republic of Korea, 21-22 September 2023



## The Auditor General of Pakistan participated in the Masterclass on SAI Independence



The INTOSAI IDI and OECD convened interactive sessions provided different perspectives on strategies, advocacy tools, and potential partners to enable SAIs to address internal and external risks and threats.



## Simulation Exercises to Improve Presentations skills of auditors for Public Accounts Committee meeting conducted by SAI Pakistan



Performance Audit Wing (PAW) of SAI Pakistan provides an appropriate platform to impart training to field audit officers in various disciplines of public sector audit. Since SAI Pakistan follows the Westminster or Parliamentary model of public accountability, therefore it is a routine task of auditors to present audit findings to the Public Accounts Committee (PAC) of the parliament. The PAC gives its recommendations and decisions based on its understanding of these audit findings.

Communication and presentation skills of auditors in narrating, defending and justifying their audit findings, therefore, become the basis for this decision making and by this virtue assume great significance. In the financial year (2021-22), PAW started to conduct Simulation Exercises meant to enhance the presentation and communication skills of auditors who attend PAC sessions.

The main objective of these exercises was to train senior level auditors to be able to present their audit findings to the PAC in a more articulate and coherent manner. In the interest of better decision making by PAC, the auditors are expected not only to be comprehensible but also expressive, eloquent, precise and fluent while narrating audit paras, confronting questions /answers from PAC members and countering responses from Principal Accounting Officers (PAOs).

The Simulation exercises were designed in a way that involved mimicking real environment of a PAC meeting. During these exercises, trainees were made to engage in discussing audit reports, financial practices, adequacy of internal controls within concerned government departments, potential irregularities, and probable corrective measures. By participating in simulated debates and discussions, trainees practiced presenting their findings, defending their positions, and reaching consensus on appropriate courses of action. Focus of these interactive simulations was also on strengthening of the committee's (PAC) overall effectiveness by fostering a collaborative environment that encouraged constructive dialogue, exchange of diverse perspectives and ability to reach a final verdict through mutual accord. The exercises were designed to help facilitate the development of critical skills such as analytical thinking, problem-solving, and effective communication among trainees.

The Simulation exercises for PAC were held at almost all major cities i.e., Lahore (2), Peshawar (1), Karachi (2), Gilgit (1) & Islamabad (1) in order to optimize coverage. The exercises at all stations were chaired by the senior most officer of the Pakistan Audit and Accounts Service (PA&AS), who was given the role of chairman PAC for purpose of these exercises.

The session at Lahore was chaired by Deputy Auditor General (Central), Lahore on 21.12.2022 and the one at Karachi was chaired by Deputy Auditor General (South), Karachi and Accountant General (Sindh), Karachi on 15-16 March, 2023 respectively.

Each session was recorded for feedback/ improvement. The participants for each exercise comprised of a Chairman PAC & three members PAC. The Director General (DG), Director & Deputy Director (DD) of a Field Audit Office (FAO) assumed the role of DG / Director / Deputy Director Audit. The Director General, Director & Deputy Director of another FAO were given the role of PAO of Auditee organization. The DG/Director/DD PAW were the observers of the session. All FAOs had been made to select and forward copies of working papers of audit observations that were to be discussed during the mock session along with audio recordings of the observations. Teams of both FAOs playing the role of audit and auditee were instructed to come well prepared for an exhaustive discussion on the selected observations. Audio recording of each audit observation was played at the start of discussion. The acting Chairman PAC officially started & moderated the session. Each session lasted for 45 minutes in which the DG Audit and his team presented audit observations and the Auditee organization contested the same. A healthy and thorough debate then ensure between both FAO teams with input / queries from chairman PAC and his team where required concluding at the announcement of a decision by the chairman PAC on each observation. This whole exercise was recorded. After a break of 10 minutes, the recording of the session was played in the presence of all the participants and discussion was held on how and where the presentation by DG audit could be improved that would lead to more effective decision making. The involvement of the senior most officers of PA&AS at each station made the exercise more productive as he gave his feedback on the session based on his experience.

The Auditor General of Pakistan (AGP) i.e head of SAI-Pakistan himself chaired the session of S.Es at Islamabad. The AGP talked about the lack of background information and understanding of the pertinent laws. Understanding the laws pertaining to audit paragraphs is crucial. As the conclusion of all on-site audit activities, he underlined the significance of the audit presentation. The AGP advised to auditors to write a paragraph of at least six or seven lines, and to confidently and eye contact with the person defending their paragraph in the PAC. All of their predecessor's hard work was shadowed by your false statements. This ought to be clear and not need to be read more than once.

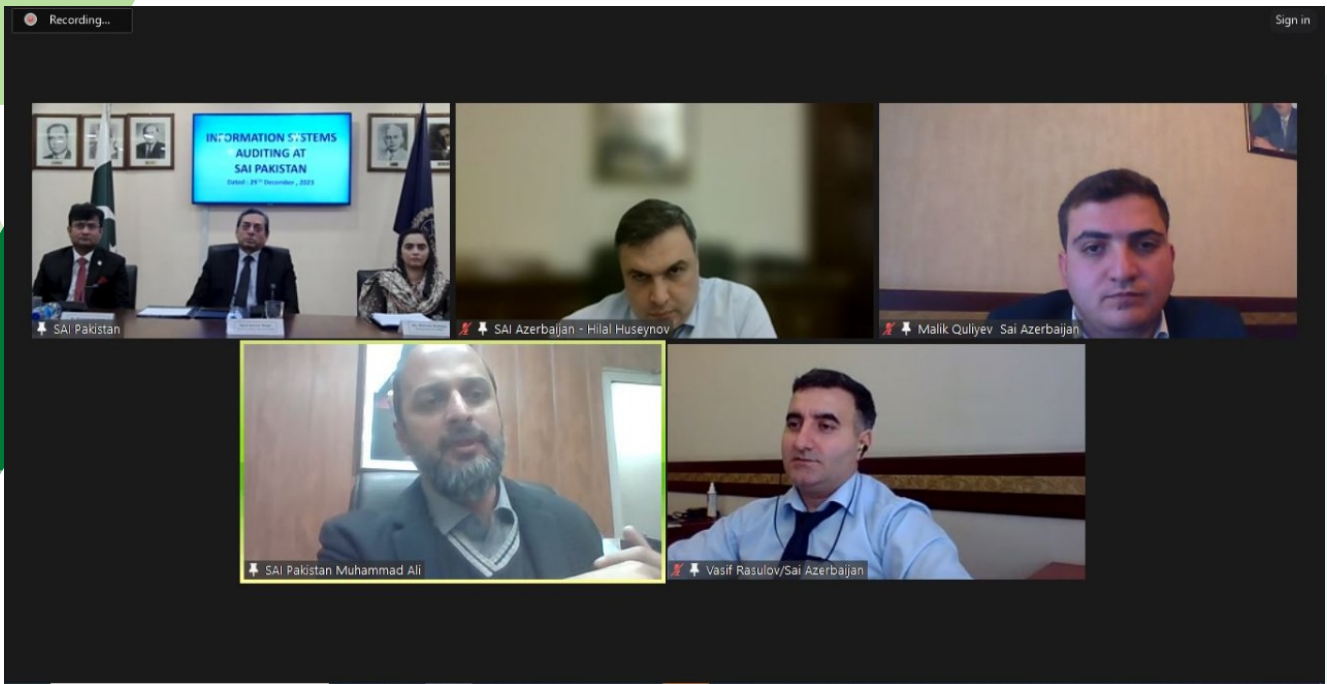
The AGP appreciated the efforts of performance audit wing in his review of the training sessions on “Simulation Exercises for PAC”. Auditor General of Pakistan in his address further highlighted the purpose of this activity along with key points that must be kept in mind while presenting audit observations before PAC. He instructed the FAOs to also have available with them copies of relevant rules, regulations and rules of business of the respective entity whose observations are being presented in PAC. The AGP also emphasized that speaking & presentation of audit observations effect their materiality and longevity. At the end, he encouraged Performance Audit wing for conducting successful Simulation Exercises for PAC members.

## Experience Sharing Meeting in the field of IT audit and IS audit held between SAI Azerbaijan and SAI Pakistan

A meeting for purpose of sharing experiences in the field of IT Audit and IS Audit was held between SAI Azerbaijan and SAI Pakistan on December 29, 2023. From SAI Azerbaijan, Mr. Hilal Huseynov, Board Member of SAI Azerbaijan and Mr. Vasif Rasulov, Head of IT Section, participated in the meeting. From SAI Pakistan, Deputy Auditor General Special Sector Audit (SSA), Mr. Syed Ammar Naqvi, Mr. Muhammad Ali Farooq Gheba, Additional Director (Program), Civil Services Academy, Ms. Mahvish Shafique, Deputy Director (International Relations and Coordination Wing) and Mr. Muhammad Imran, Assistant Auditor General (P) were present.



Issues related to the provisions of the relevant legislation on the mandate of the IT audit, areas of the IT audit, IT Audit guidelines, factors to be considered in the preparation of a work plan for IT audit and obtaining access to information systems of auditees were discussed during the meeting. Both the sides had a fruitful discussion on the topics and resolved to schedule more meetings for learning from each other's experiences. The meeting ended with thanks to all the participants.





## Election of the New Deputy President of Supreme Audit Institution of Turkish Republic of Northern Cyprus

**Mrs. Ece ÇELIKDAL ALAS** has been elected as a Deputy President (Member) of Court of Audit of Turkish Republic of Northern Cyprus at the 52nd meeting of the General Assembly of TRNC Parliament on **15 May 2023**.



Mrs. Ece ÇELIKDAL ALAS was born in Nicosia in 1974. She graduated from Department of Economics, Faculty of Business and Economics, Eastern Mediterranean University in 1997.

She started her career as an Assistant Auditor at the SAI TRNC in 2000. After that, she worked as a Senior Auditor from 2012 to 2018, then as a Senior Auditor from 2018 to 2021 and finally as an Expert Auditor from 2021 until she was elected as a Deputy President.

She received her master's degree from Department of Economics, Faculty of Business and Economics at Eastern Mediterranean University when she started working at SAI TRNC in 2000. She also completed Public Finance Degree at Economics Faculty of TC Anadolu University in 2016. In addition, she still continues her education at the Justice Department of TC Anadolu University.

She made contributions to establishment of the Financial Crimes Unit within TRNC Police Department as a trainer within the scope of the "Project of Fighting Against Financial Crimes" and she presented her paper titled "Audit of Supreme Audit Institution of TRNC and The Role and Effectiveness of SAI TRNC in the Prevention of Financial Crimes" during Combating Financial Crimes in TRNC Symposium and Graduation Ceremony of the Financial Police Training Program.

She is the first female auditor who represented SAI TRNC abroad during ECOSAI Performance Audit training course which was held at SAI Pakistan. She attended many trainings about international financial and performance audit standards and she represented the SAI TRNC at the international level. In addition to this, she provided in-service training to auditors who joined the Court of Audit in 2012 about both financial and performance audit.

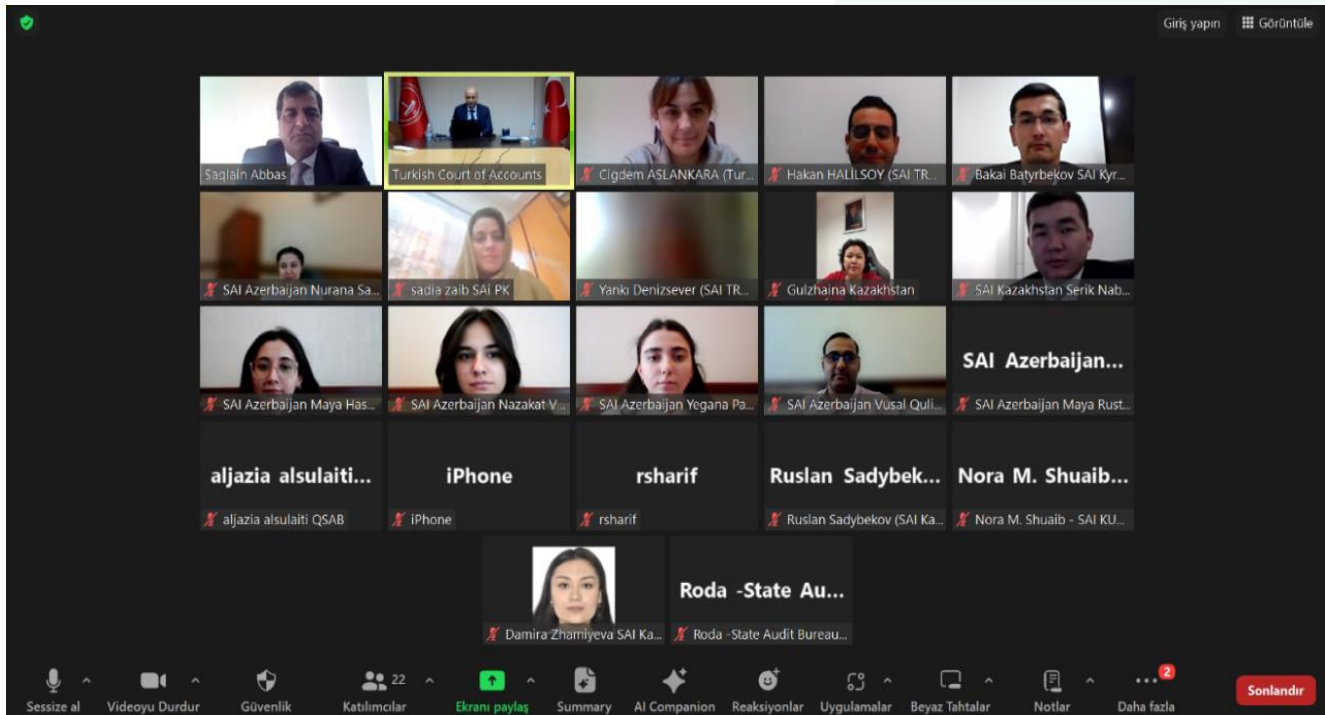
She is married and has a child and her foreign language is English.

## Online Training Program on Quality Management for SAIs (28-29 November 2023)

Turkish Court of Accounts virtually conducted “Quality Management for SAIs” training program for ECOSAI member and observer SAIs on November 28–29, 2023.

TCA auditors Mr. Ferhat Aksoy and Ms. Çiğdem Aslankara presented on the following topics to approximately 22 participants in the program:

- Quality Management for SAIs (ISSAI 140- QM in SAI Level& ISSAI 2220- QM in Engagement Level)
- TCA Experience in QM (Quality Control& Quality Assurance)







## **ARTICLES FROM THE SAIs**



## OPERATIONAL PLANS AS A PART OF STRATEGIC MANAGEMENT AND EXPERIENCE OF SAI AZERBAIJAN



**Ms. Gulnar Hajiyeva, Deputy Head of Department**

### **Strategic Management:**

Today, almost all organizations in the world have become active participants in the strategic management process to achieve their goals. Of course, SAIs are not an exception and are on the list of institutions that successfully apply strategic management. Strategic management is a process that includes the planning and implementation of the organization's activities in order to achieve its goals and objectives, as well as the assessment and analysis of its existing and potential needs. This process helps the organization to adapt to the changing environment and achieve success by allowing to assess the current situation, establish strategic plans for improvement, implement them and finally measure the effectiveness of the implemented Strategic plans.

Strategic management calls upon the management of the organization responsible for this process to plan for future action and thereby create a road map for both management and staff. The peculiarity of this process is that it must continue the current situation, including the internal and external factors affecting the activity, must be regularly evaluated, and each completed strategic plan must form the basis for a new one.

Strategic management is a system that combines strategic elements with tactical or operational elements. Strategic elements include mission (what is the purpose of the organization), vision (how does the organization see itself in the future), values (what is most important to the organization), areas of focus (ultimate goals), and tactical elements are short-term goals (actions to improve), monitoring indicators (key performance indicators) and initiatives (additional projects required to achieve goals).

### **Strategic Planning:**

As it is known, the main goal of the SAIs is to contribute to the improvement of the standard of living of citizens. If strategic planning, which is an important element of the strategic management process, is implemented in an advanced form, it can play leading role to achieving this goal for the SAI.

The Strategic Plan helps SAIs to sustainably develop their activities, to further increase their contribution to society, in other words, to make a difference in the lives of citizens by going beyond the main activity of auditing. These plans, which include the institution's 3 or 5-year action plan, allow the institution to benefit from its institutional, organizational and professional potential by defining final results and

intermediate results serving them. While results are targeted by the institution but not fully under its control or depend on the decisions of stakeholders, intermediate results are fully under the control of the SAI, and the SAI is identified as the entity fully responsible for their implementation.

### Operational Plans:

Since strategic plans are drawn up for the medium term and cover more global goals, these plans do not list specific measures (Table 1). This requires the preparation of operational plans that serve tactical goals, determine the annual scope of the strategic plan, and help each structural unit or employee draw up an annual activity map.

**Table 1. Comparison of strategic plan and operational plans**

Comparison criterion	Strategic plan	Operation plan
<b>Definition</b>	It is designed to achieve its goals according to the organization's vision.	It is a plan of actions necessary to achieve the goals set in the strategic plan.
<b>Duration</b>	Long term	Short term
<b>Participation in the arrangement</b>	In a limited way	All staff are involved
<b>Scale</b>	Broad	Narrow
<b>Held in attention</b>	Values, vision and mission	Annual activity of the institution

Well-designed operational plans can make a significant contribution to eliminating the potential gaps identified by the SAI, to developing activities and thereby achieving the goals approved in the Strategic Plan. Operational plans, which integrate the final and intermediate results of the strategic plan, answer the questions of when, at what frequency and to what extent, covering both audit and non-audit activities of the SAI. The operational plan, which allows to inform the executives about the work to be done during the year, should be comprehensive, the intended actions should be clearly and accurately described, must contain the information on the activities, measures, responsible executive sides, implementation period, required human and financial resources, as well as probable risks for each intermediate result.

### Strategic Management Experience of Azerbaijan SAI:

In 2020, the Chamber of Accounts of the Republic of Azerbaijan prepared its new "2021-2025 Strategic Plan", and during the preparation of the Strategic Plan, it tried to be guided by the requirements of the existing international standards and principles in this field. So, unlike the previous plan, during the preparation of this document, the current situation was analyzed both through SAI PMF assessment and SWOT analysis. During the determination of the final and intermediate results for the next mid-term period, along with the gaps identified by these tools, the areas in which the SAI can contribute in the

country, the expectations of the stakeholders from the SAI in this direction were taken into account. In addition to the above, the more important point that distinguishes the new Strategic Plan from the previous plans is the preparation of the Operational Plan, which allows for annual action planning in order to achieve medium-term goals, as well as the Monitoring Framework, which allows to evaluate these processes based on quantitative and qualitative indicators.

It should be noted that since 2020, the institution has a department dealing with strategic analysis. This department has the responsibilities of preparing and submitting the Strategic Plan, operational plans and monitoring framework to the management, monitoring the implementation of the listed documents and providing accountability on the implementation status. Determining the department responsible for strategic analysis is proof that the management is interested in the process of applying and implementing the strategic management framework according to international standards.

During the preparation of the operational plan, which guarantees the integration of the Strategic Plan into the annual activities, its compatibility with the Strategic Plan and the defined final and intermediate results was one of the main conditions that were taken into account. Each activity (phase) included in the Operational Plan, including audit and non-audit areas, linked to the Strategic Plan (Table 2). In addition, when drawing up operational plans for the thematic strategic documents of the institution (covering the activities of more than one department), the Operational Plan of the Strategic Plan was taken as a basis, and the activities provided for in this plan were reflected in detail in other annual plans. The mentioned facts allow us to say that the activity of the institution is based on a single operational plan.

**Table 2. Structure of the Operational Plan**

The strategic objective to which it belongs													
The intermediate result to which it belongs	Be active	Measure	Stage	Start time	Expiry date	Period covered (Days)	Main executive unit	Other executors	Budget	No. of personnel involved	Operational risks	Risk management	
	Action 1	Measure 1	Stage 1										
			Stage 2										
	Action 2	Measure 2	Stage 1										
			Stage 2										

In addition to acting as a supporting tool in the achievement of strategic goals, the annual operational plans drawn up by the SAI serve as a road map for the entire staff of the Chamber of Accounts and perform the following functions:

- The Operational Plan includes both time and financial resources, which allows to accelerate the optimal allocation and coordination of resources during annual activities.
- Determining the start and end period for each stage in the plan together with the executive departments created conditions for ensuring the timely execution of the planned works, as well as monitoring.
- Where necessary, the SAI's Operational Plan identifies other executive in addition to the executive in charge, which both encourages interdepartmental cooperation in joint work processes and ensures appropriate distribution of work by emphasizing that not just one department is responsible for the workload, but other departments as well.
- The Operational Plan drawn up at the beginning of the year provides flexibility by allowing changes to be made during the year, taking into account real resources and opportunities, as well as updated priorities. In this case, the proposed additions and changes are approved by the Board's decision if they are considered appropriate.
- The Operational Plan also supports the division of activities among the SAI's departments, including employees, and enables their accountability. So, twice a year, detailed information about the implementation status of the Operational Plan, completed works, encountered obstacles, and existing problems is presented to the management of the Accounting Chamber at the Board meetings.

#### **Operational Plan and Digitalization:**

In order to improve the accountability of the Operational Plan, electronic monitoring of the implementation of the operational plan was started by the Chamber of Accounts in 2023, and for this purpose, the "Tasks" module was implemented at the expense of internal resources. The module shows the defined action for each intermediate result in the operational plan, its implementation period, as well as the number of days until the end of the period (Figure 1). In order to ensure the convenience of using the module, a simple and understandable interface was created; an executor was included for each event.



◆ **Figure 1. The module created for the purpose of monitoring the implementation of the Operational Plan of the Chamber of Accounts**

#	Tədbirin nömrəsi	Tədbirin (Mərhələnin) adı	Tədbir	Sənəd	Sənədin bandı	İcra müddəti	Əsas icraçılar	Digər icraçılar	İcra vəziyyəti	İcra qeydləri
534		Strateji Planın yekun layihəsinin Tacikistan AAO-su ilə hazırlanması	Xarici AAO üçün strateji idarəetmə çərçivəsinin təkmilləşdirilməsinə dəstək	"2021-2025-ci illər üzrə Strateji Plan"ın 2023-cü il üzrə Əməliyyat Planı - 2-3/3-2-15/2023	AN7	30/12/2023 39 gün qalıb	Dövlət büdcəsi və strateji təhlil şöbəsi		İcra edilməyib	
533		Strateji Planın Ikin layihəsinin Tacikistan AAO-su ilə hazırlanması	Xarici AAO üçün strateji idarəetmə çərçivəsinin təkmilləşdirilməsinə dəstək	"2021-2025-ci illər üzrə Strateji Plan"ın 2023-cü il üzrə Əməliyyat Planı - 2-3/3-2-15/2023	AN7	30/11/2023 9 gün qalıb	Dövlət büdcəsi və strateji təhlil şöbəsi		İcra edilməyib	
532		SAI PMF hesabatının hazırlanması	Xarici (Tacikistan) AAO-nun fəaliyyətinin qiymətləndirilməsi	"2021-2025-ci illər üzrə Strateji Plan"ın 2023-cü il üzrə Əməliyyat Planı - 2-3/3-2-15/2023	AN7	30/10/2023 Gecikib 22 gün	Dövlət büdcəsi və strateji təhlil şöbəsi		İcra edilməyib	
531		SAI PMF qiymətləndirilməsinin aparılması	Xarici (Tacikistan) AAO-nun fəaliyyətinin qiymətləndirilməsi	"2021-2025-ci illər üzrə Strateji Plan"ın 2023-cü il üzrə Əməliyyat Planı - 2-3/3-2-15/2023	AN7	30/09/2023	Dövlət büdcəsi və strateji təhlil şöbəsi		İcra edilib	Dövlət büdcəsi və strateji təhlil şöbəsi
530		Tələb edilən sənədlərin AAO-dan alınması və ilkin təhlillər	Xarici (Tacikistan) AAO-nun fəaliyyətinin qiymətləndirilməsi	"2021-2025-ci illər üzrə Strateji Plan"ın 2023-cü il üzrə Əməliyyat Planı - 2-3/3-2-15/2023	AN7	10/09/2023	Dövlət büdcəsi və strateji təhlil şöbəsi		İcra edilib	Dövlət büdcəsi və strateji təhlil şöbəsi
529		Tacikistan AAO-sunun nümayəndə heyətinin qəbulu və ilkin müzakirələr	Xarici (Tacikistan) AAO-nun fəaliyyətinin qiymətləndirilməsi	"2021-2025-ci illər üzrə Strateji Plan"ın 2023-cü il üzrə Əməliyyat Planı - 2-3/3-2-15/2023	AN7	30/06/2023	Dövlət büdcəsi və strateji təhlil şöbəsi Rüquqə təminat və kəşfiyyat nəzarət şöbəsi Səmərəlilik audit şöbəsi Beyməxalq fəaliyyət, təlim və metodoloji tədarük şöbəsi		İcra edilib	Dövlət büdcəsi və strateji təhlil şöbəsi Dövlət büdcəsi və strateji təhlil şöbəsi

In the module, it is also possible to filter measures according to their implementation status, so that through this filter, you can easily be acquainted with fully implemented, partially implemented and delayed implementation measures. After the relevant information and confirmation document is entered by the executor about the implementation of the measure, the department responsible for the Strategic Plan gives the implementation status to that measure and color selection is provided according to the status (green - full implementation, yellow - partial implementation, red – implementation with delay). The digitization of the Operational Plan and the provision of accessibility to this module by all the staff of the SAI not only ensures that all the staff are aware of the plan, but also forms the opportunity for the management to get acquainted with the progress of the processes, not only during the reporting period (twice a year), but at any time.

**Compliance with international standards, principles and guidelines:**

Not surprisingly, INTOSAI's Framework for Professional Statements also recommends that SAIs base their activities on a strategic basis. In order to support SAIs in this difficult and important process, INTOSAI created the SAI Strategic Management Framework (SSMF) through the IDI organization and approved the Manual that regulates the strategic management process and implementation in SAIs.

Principle 5 of INTOSAI-P 12 states that SAI should incorporate stakeholder expectations and risks into its strategic plans. Guided by this provision, when the Strategic Plan was drawn up, the expectations of the interested parties were included in the Plan by the SAI of Azerbaijan, and possible risks and risk levels were assessed.

Following principle 8 of INTOSAI-P 12 (as well as principle 2 of INTOSAI-P 20), the Strategy is posted in its entirety on the official website of the SAI, providing openness and transparency to the public, thereby fulfilling the mandate of the SAI.

According to principle 2 of INTOSAI-P 20, AAOs should publish key information about their strategy in one of the official languages of INTOSAI in addition to the national language. Complying with the provisions of this principle, the Chamber of Accounts has published the main information on the Strategic Plan in English on its official website.

In addition to the above, it should be noted that the strategic management framework currently applied in the Chamber of Accounts includes all dimensions (content of the Strategic Plan, content of the Operational Plan, Planning organization of the process, Monitoring and activity accountability) fully meets the criteria reflected.



## COMMEMORATING THE 100TH ANNIVERSARY OF NATIONAL LEADER HEYDAR ALIYEV: REFLECTIONS ON THE ESTABLISHMENT OF THE CHAMBER OF ACCOUNTS



**Mr. Vugar Gulmammadov,**  
**Chairman Chamber of Accounts of the Republic of Azerbaijan**

After the collapse of the former Union of Soviet Socialist Republics (USSR) on October 18, 1991 the national independence of the Republic of Azerbaijan was restored and Azerbaijan could have an opportunity to pursue an independent policy through the realisation of its sovereign economic and political rights, and switch to a free market economy. Azerbaijan struggled to carry out the transformation processes necessary for the future development of the country in the first years of its independence, facing very serious political, economic and military cataclysms. In this complex and contradictory time, National Leader Heydar Aliyev, returned to Baku, Azerbaijan from exile in the summer of 1993 to take on the reform challenges. On October 3, 1993, Heydar Aliyev was elected as the President of the Republic of Azerbaijan according to the popular confidence. National Leader Heydar Aliyev regained stability of the country in a short period and laid the fundamental foundation for the future development. To achieve future development of the country and solve the problems ahead primarily it was necessary to save an economy from crisis. National Leader Heydar Aliyev, who had many years of management experience, wasted no time in launching a series of economic reforms.

Under the National Leader Heydar Aliyev's chairmanship, the Republic of Azerbaijan adopted its new Constitution in November 1995, and laid the legal basis for large-scale national economic programs, which is now the main source of all existing normative legal framework (legal act framework) for economic legislation. Azerbaijan embarked on a new stage of development. During that period, Azerbaijan recovered the potential losses due to economic growth and achieved results, such as a significant reduction in the unemployment rate. In addition, the country's strategic currency reserves were formed, trust in the banking system was restored, and a stable source of funding for the state budget were identified. Azerbaijan embarked on a number of cooperative infrastructure construction projects as well, including the *Baku-Tbilisi-Ceyhan oil export pipeline*.

The growing economic development of Azerbaijan and increase of foreign exchange reserves in the country from year to year created the need to improve existing mechanisms in the field of financial control. National Leader Heydar Aliyev acted as the main initiator in determining the constitutional status of the Azerbaijan Chamber of Accounts by adding the institution to Article 92 of the Basic Law, which deals with the "*Organization of the work of the Milli Majlis of the Republic of Azerbaijan*", in drafting the first national Constitution of the Republic of Azerbaijan.

National Leader Heydar Aliyev, taking into account the need to rebuild and improve the system of financial control of the state, began to implement measures of great importance in the creation, implementation and development of the state control mechanism. In this regard, National Leader Heydar Aliyev signed two important documents: dated June 17, 1996 "*Regulation of the public control on the production, service, and financial-credit activity and prohibition of unreasonable controls*" Decrees No. 463, and; dated January 7, 1999 "*On the improvement of State control system and elimination of artificial obstacles to development of entrepreneur activity*" Decrees No. 69 on improving the system and eliminating artificial obstacles in the field of entrepreneurship development.

The reforms of economic content carried out by *Heydar Aliyev* are internal: they made it necessary to implement foreign state financial control by the Ministry of Finance of the Republic of Azerbaijan as the relevant executive authority, and the Chamber of Accounts of the Republic of Azerbaijan subordinate to Milli Majlis (or, the National Assembly, which serves as the legislative branch of government in Azerbaijan), which is the highest representative body of the State, which is not included in the executive body of the State.

For this purpose, in 1999, with the adoption of the Law "On the Chamber of Accounts" of the Republic of Azerbaijan, the foundation of the foreign state financial control institute was laid. After that, in 2001, National Leader Heydar Aliyev, as the head of state, used the right of legislative initiative and proposed additions and changes to the Law with the aim of adapting the activity of the Chamber of Accounts to international standards. With these additions and amendments, provisions reflected that the Chamber of Accounts should have organizational and functional independence as a permanent state budgetary-financial control body subordinate to the Milli Majlis of the Republic of Azerbaijan. The provisions also expanded the scope of its activity and raised the legal status of the members of the Chamber.

In that period, with the purpose of determining the basics of organizing and regulating the work of the Chamber of Accounts of the Republic of Azerbaijan, the Internal Regulations of the Chamber of Accounts of the Republic of Azerbaijan were approved by the Law of the Republic of Azerbaijan on March 5, 2002, and updated in 2008.

An updated law, "On the Accounting Chamber" was adopted in 2018. The law regulates the status of the Chamber of Accounts, the legal bases of its activity, the structure of management and organization, as well as external objects of state financial control and relations with other parties in the field of providing state supervision of the efficient, legal, purposeful use of state funds and other state property. This law has increased the responsibility of the Chamber of Accounts for the protection of State funds and the effective and economical use of these funds, providing a legal platform for the regulation of the activities of the Chamber Accounts in accordance with international practice.

The Chamber of Accounts carries out external state financial control activities in accordance with the methodological documents prepared by the Chamber of Accounts based on the Law "On the Chamber of Accounts" of the Republic of Azerbaijan and the International Standards of the Organization of Supreme Audit Institutions (INTOSAI). This legal mechanism was the basis for taking necessary measures

in the direction of adapting and integrating the Chamber's activity to international audit standards more effectively. International cooperation is also outlined in this law as one of the four main activities of the Chamber. For this reason, the Chamber of Accounts is a member of international audit organizations, such as INTOSAI (International Organization of Supreme Audit Institutions), EUROSAI (European Organisation of Supreme Audit Institutions), ASOSAI (Asian Organization of Supreme Audit Institutions) and ECOSAI (Economic Cooperation Organization of Supreme Audit Institutions), and closely cooperates with them.

The Chamber of Accounts of the Republic of Azerbaijan, established in 2001 on the initiative of the National Leader Heydar Aliyev, has successfully fulfilled the tasks assigned to it by exercising its legal rights for more than 20 years of activity, and continues its activities within the framework of the policy successfully implemented by the current the President of the Republic of Azerbaijan, Ilham Aliyev.

In the year 2023, which has been declared as the "Year of Heydar Aliyev" by the Presidency, the Chamber of Accounts of Azerbaijan responsibly declares that it will try to fulfil all the duties assigned to it as the supreme audit institution. With this, the Chamber aims to strengthen the application of the principles reflected in INTOSAI-P 12, which envisages creating value for society and bringing positive changes to the lives of citizens by the supreme audit authority.



## THE ROLE OF STABILIZATION FUNDS IN ENSURING FOOD SECURITY OF THE REPUBLIC OF KAZAKHSTAN



**B. Nakisheva**



**A. Kuanysheva**

### «Food security is a basic condition for the country's progress» K.Tokayev, President of the Republic of Kazakhstan

Ensuring food security is an integral part of national safety and an important condition for the sustainability of Kazakhstan's economic growth. One of the criteria for ensuring food security is economic accessibility through the activities of regional stabilization funds. These are operational stocks of food products intended to regulate the agri-food market.

The predecessors of the regional stabilization funds were the state resources of food products (2010-2012), and before that, procurement operations and price interventions (2005-2009), the implementation of which was within the competence of the Government.

Currently, the formation and use of regional stabilization funds is carried out by local executive bodies through specialized organizations – social and entrepreneurial corporations (*hereinafter - SEC*). SECs carry out procurement interventions by concluding contracts with agricultural producers at low prices during the harvest period. And in the off-season period, products are sold during commodity interventions through the SEC's own sales outlets, or retail facilities at below-market prices.

In general, the activities of regional stabilization funds are aimed at preventing shortages of socially important food products and smoothing out inter-seasonal fluctuations in prices for the end consumer.

In order to assess the implementation of measures to ensure food security, the Supreme Audit Chamber of the Republic of Kazakhstan held a thematic expert and analytical event in 2023, within which issues of the effectiveness of stabilization funds were considered.

According to the results of the expert-analytical activity, it was found that since its establishment in 2012, regional stabilization funds have attracted significant financial resources totaling about 60 billion tenge, more than half of which were allocated to 6 regions, which indicates the active application and effectiveness of this mechanism in certain regions.

At the same time, according to the Ministry of Agriculture, in the period from 2018 to 2022, in order to mitigate the impact of seasonality on fluctuations in food prices, about 200 thousand tons of basic foodstuffs (*oils and fats, meat, vegetables, sugar, bakery products and cereals*) and about 17 million eggs from regional stabilization funds were sold, which is 0.2-0.7% of the average annual consumption of these goods by the population over the past five years.

When analyzing certain socially significant goods, such as flour, sugar, eggs and onions, it was revealed that when they are sold from regional stabilization funds, SECs set prices 10% or more below the official market values of retail prices. This helps to curb inflationary processes and strengthen the economic stability of the regions.

Along with this, systemic problems in the activities of stabilization funds have been identified:

- weak coordination on the part of local executive bodies;
- risks of misuse of budgetary funds;
- insufficient transparency in procurement processes.

In this regard, it is recommended to review the list of socially significant food products, ensure transparency of their procurement and sale processes, as well as strengthen coordination and control of the functioning of stabilization funds at the regional level.

All these measures, according to the Supreme Audit Chamber of the Republic of Kazakhstan, will significantly improve the efficiency of regional stabilization funds and, as a result, the economic accessibility of food products for the population.



## MEASURING AUDIT IMPACT – A NEW INITIATIVE BY THE AUDITOR GENERAL OF PAKISTAN



**Mr. Muhammad Raza Shah, Director General**

Supreme Audit Institutions (SAIs) are the lead public sector auditing institutions in the respective jurisdictions. According to INTOSAI P-12, *'The Public sector auditing, as championed by the Supreme Audit Institutions (SAIs), is an important factor in making a difference to the lives of citizens.* The INTOSAI P-12 also provide that once SAIs' audit results have been made public, citizens are able to hold the custodians of public resources accountable. In this way SAIs promote the efficiency, accountability, effectiveness and transparency of public administration leading to creating a considerable impact in the lives of the citizens of the respective jurisdictions.

INTOSAI Development Initiative (IDI) describes audit impact as the contribution of the SAI's audit work to positive effects on people and planet (a society/on a group/area), especially those left behind, or at risk of being left behind. SAIs make a difference by contributing to value and benefits for all and the SAI's audit impact helps them make that difference<sup>1</sup>. The main purpose of SAIs is to provide value and benefits for all through their audit work. Such value and benefits can be provided only when the audit work of the SAI leads to intended outcomes and contribution to impact.

Measuring and reporting audit impact has been a subject of discussion in the Department of the Auditor General of Pakistan (DAGP) since last two years. The Auditor General of Pakistan has time and again emphasized upon measuring and highlighting impact created as a result of audit activity. Such direction at the level of head of SAI and discussion at various levels has created awareness among the Field Audit Offices (FAOs) and the concept is gaining momentum as the FAOs are increasingly involved in adopting innovative approaches and focusing on audit impact throughout the audit process.

In a broader sense, 'audit impact' is the ability of the audit carried out by DAGP to support the organizations and entities in achieving their strategic objectives and goals. In this regard the following considerations are important in the context of impactful auditing by the DAGP:

- Mainstreaming audit impact in the annual planning process of FAOs is required to be done. This can be achieved by including a section on audit impact in the respective Audit Plans in order to disclose strategy and methodology towards increasing audit impact of the FAO in the areas of jurisdiction.
- Strengthening audit follow-up is key to creating impact by DAGP. Follow-up on the

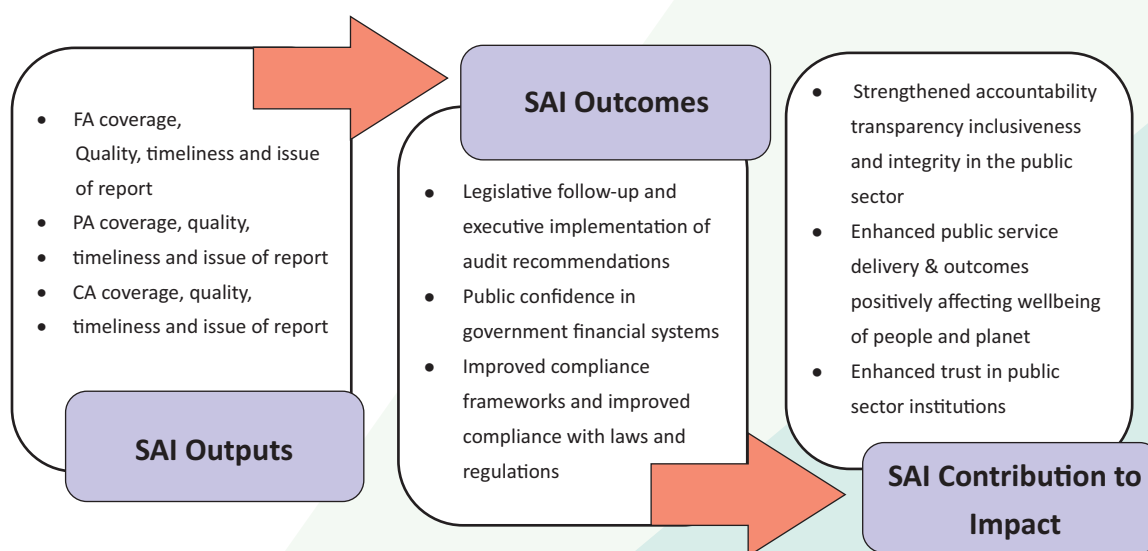
<sup>1</sup> FAI Strategy 2021-2023



implementation of recommendations of AGP, to ensure that the correct action has been taken, is an essential step in the process of enhancing impact of audit reports<sup>2</sup>

- In order to measure the audit impact a qualitative approach could be an appropriate first step where impact could be described as actions that the auditee entities have taken. In a quantitative approach, the DAGP may quantify the number or percentage of recommendations implemented and savings/recoveries in monetary terms.
- Monitoring and reporting on audit impact in a timely manner is essential as more time passes since the report was published it becomes more difficult to find out whether the effects were the result of the AGP report's recommendations.
- Strong stakeholder coalitions are required to be developed for impactful auditing by DAGP. This includes effective coordination with audited entities, Public Accounts Committee (PAC), Community Based Organizations (CBOs) and citizens.
- DAGP can continue to make an impact by auditing relevant and emerging issues such as those resulting from the disasters, climate change, social safety, poverty etc. This involves identifying appropriate focus areas and carefully designing audits.
- Lastly, swift audit activity in shape of concurrent audits in a short time frame and to report findings and recommendations to facilitate immediate improvement is also a tool for creating impact. One such example is the recent forensic audit of funds released for relief of flood affectees 2022 by the AGP.

The DAGP's proposed audit impact cycle is outlined below:



**Source: IDI Facilitating Audit Impact Strategy 2021-2023**

To conclude, the Field Audit Offices (FAOs) should take into consideration the element of audit impact in all its Compliance with Authority Audits as well as other audit activities. More specifically, the FAOs should provide opportunities for public participation by civil society organizations and the citizens to engage, influence and support the entire audit process leading to positive impact through the audit activity. Similarly, more resources in terms of person hours should be allocated towards audit follow-up and implementation of audit recommendations of the previous years. The FAOs of DAGP should identify focus areas as well as design and select audits on the basis of proper risk analysis leading to enhanced audit impact in the respective areas of responsibility. In a nutshell, a forward looking approach based on selection of pertinent issues affecting government, organizations and citizens will help achieve the goal of impactful audits in DAGP. The lessons learnt in the process will pave the way for introducing the concept as a regular feature of DAGP's audit practice.

<sup>2</sup> INTOSAI CBC 'How to increase the use and impact of audit reports - A guide for Supreme Audit Institutions'



## PERFORMANCE AUDIT IN IT ENVIRONMENT



**Mr. Sammer Ahmad, Director**

International Standards of Supreme Audit Institutions (ISSAIs) are the authoritative standards on public sector auditing. ISSAI 300-399 series shows the elements and principles of performance auditing; whereas, ISSAI 3000-3899 series deals with the standards of performance auditing in conformity with the principles of performance auditing. As per ISSAIs, “performance auditing carried out by SAIs is an independent, objective and reliable examination of whether government undertakings, systems, operations, programs, activities or organizations are operating in accordance with the principles of economy, efficiency and/or effectiveness and whether there is room for improvement”<sup>1</sup>.

Performance audit is related to the audit of economy, efficiency and effectiveness of a program, project, process, function or entity as a whole. Whereas 'Information Technology (IT) Environment' is pertaining to the governance and management of IT on one hand, and the hardware and software an entity uses to support its business operations to achieve its business objectives on the other. This paper tries to establish how the core elements of performance audit are linked with the IT environment.

Considering the term 'IT environment' of an entity, we usually come across with the following concepts:

- Governance and management of IT.
- Information systems acquisition, development and implementation.
- Information systems operations and business resilience.
- Protection of information assets.<sup>2</sup>

It is pertinent to mention here that governance of IT is different from management of IT. This difference is in accordance with the Segregation of Duties (SoDs) principle, which is the bottom line of internal control. Governance is performed by the Board of Directors (BoDs) and are accountable to the shareholders; whereas, the C-level executives/managers perform management function. Governance tier is headed by the Chairperson; whereas, management tier is headed by the Chief Executive officer. The task of governance function is to give strategic direction; whereas, and the task of management is to perform functions in accordance with the strategic direction. While performing the IT audit, the auditor will review the strategic direction in the form of policies directed by the BoDs and the implementation of those policies by the management and try to find out the differences in compliance of those policies.

<sup>1</sup> ISSAI-3000 (Chapter-3)

<sup>2</sup> CISA Review Manual, ISACA, 27<sup>th</sup> Edition

IT environment can include purchasing of hardware (IT equipment/ appliances) along-with some software and then implement those hardware/software to perform a specific task or a series of tasks. As far as hardware is concerned, it is usually purchased from any of the renowned brands available in the market. Similarly, for normal business operations, standard software are available in the market. So, off-the-shelf (OTS)<sup>3</sup> hardware and software are used for normal business operations of an entity. OTS is also called turnkey system. However, not all the business operations can be performed by OTS software so we get customized-off-the-shelf (COTS) or BESPOKE<sup>4</sup> software developed from any of the renowned software development firms by apprising them our business requirements. Software can either be purchased or developed but hardware can only be purchased. Keeping in view of the requirements of an organization, information systems can be acquired and/or developed and finally implemented.

Next are the operations of information systems and their maintenance as well as their resilience towards any unforeseen incident. Here we pay attention to each hardware component of the infrastructure e.g. servers, switches, routers, modems, IDS, IPS, firewalls etc. and their configuration according to the need of the organization.<sup>5</sup> Moreover, to deal with any mishap in future, proper arrangement of the backups and recovery sites are arranged. In other words, all the data, software, hardware are well managed during normal operations of the business and proper arrangements are proactively made to cope with any future negative incident.

Security or protection of information systems comes at the last and is very important ingredient to support the IT environment. Information systems comprise of human resources, data, software, applications, and hardware. One of the most important assets for any organization is the data so it requires reasonable security. Security revolves around 'CIA' triad that means confidentiality, integrity and availability. Therefore, this triad<sup>6</sup> is applied to information systems (e.g. software, hardware, and data). There needs to be various mechanisms and staff awareness trainings and tools (hardware and software tools) to maintain the CIA for any organization for ultimately protecting the IT environment.

As per requirement of audit objectives of performance auditing in ISSAI-3000, the auditor shall set a clearly defined audit objective(s) that relates to the principles of economy, efficiency and/or effectiveness. So, while conducting the performance audit we apply the concepts of economy, efficiency and effectiveness on all matters/phases of an entity, process, project or a program e.g. we apply the three E's in procurement, operations and maintenance etc.<sup>7</sup> and we check whether all these phases are aligned with the business objectives of the organization or not. Similarly, we can apply three E's in IT environment as well. For example, we pay attention on system development, acquisition and implementation and apply three E's on each of these phases. Likewise, we can apply three E's individually on operations and business resilience and protection of information assets.

The literal meaning of these three words (economy, efficiency and effectiveness) is well known to every auditor. ISSAI-300 describes that principle of economy means minimizing the costs of resources. The

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<sup>3</sup> OTS: Not designed or made to order but taken from existing stock or supplies (ready-made software).

<sup>4</sup> Bespoke software: tailor made software as per business requirements.

<sup>5</sup> IDS: Intrusion Detection System. IPS: Intrusion Prevention System.

<sup>6</sup> CIA triad: It is a renowned information security model comprising three components i.e. confidentiality, Integrity and availability.

<sup>7</sup> Three E's: Economy, Efficiency and Effectiveness.

resources used should be available in due time, and of appropriate quantity and quality and at the best price. The principle of efficiency means getting the most from the available resources. It is concerned with the relationship between resources employed and outputs delivered in terms of quantity, quality and timing. The principle of effectiveness concerns meeting the objectives set and achieving the intended results.<sup>8</sup>

However, let us focus the nature of each of these words by considering a scenario. We usually shift from manual system to a computerized system because we want to increase the efficiency. We know that if a person maintains a manual register/system for performing a business operation, then (s)he has to do a lot of manual work and a lot of time is required and consumed. However, we know that work can be done easily in a very short span of time in a computerized environment.

If we take the example of AG offices/AGPR/DAOs<sup>9</sup>, can somebody imagine performing all the business operations manually? Even bank reconciliation of AG offices/AGPR/DAOs with the State Bank (Central Bank) of Pakistan (cheques issued and paid/cleared) cannot be done manually. But with the help of IT system, it can be done in very short span of time. Even thousands of transactions can be processed and reconciled in short span of time. If those functions are to be processed manually, time and labor of days are required. So, what we obtained by shifting from manual system to computerized system is 'Efficiency'. We can say without a pinch of doubt that efficiency of processing increased hundreds of time by using the computerized/IT system instead of using the manual system.

The point I want to explain is that computerized systems are nearly 100% efficient because processing can be done in almost no time. Efficiency issue arises, when people/staff are involved in a workflow of a process because people cannot work as fast as computer can. Again, the working of AG offices/AGPR/DAOs may be quoted as an example. In the business process of these offices, bills/payments are delayed due to human beings/staff, not due to the information system (SAP-ERP System). So, while conducting the performance audit of IT environment, efficiency should be not be focused because electronic<sup>10</sup> machines (computers and other allied hardware) are efficient and their processing efficiency is approaching to 100%. Hence, we are left with only two aspects of performance auditing while conducting audit of IT environment and those are 'economy' and 'effectiveness'.

It is pertinent to mention here, as indicated earlier, that the efficiency of an ordinary IT system is up to the mark (about 100%) except the efficiency of the system where the system is very old and does not cope with the speed of the other peripheral devices/software. The common example to comprehend this fact is video games. Old systems with the fewer capacity of hard drive, RAM, and processor cannot run the latest video games or if can, the speed would be much slower than the required speed. So, the latest systems can process the latest operations as specified by the manufacture of the hardware. In other words, if the hardware and software requirements meet the operational/processing requirements of a process then the efficiency aspect of the processing becomes irrelevant for auditors to review because efficiency reaches at the level of almost 100%.

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<sup>8</sup> ISSAI-300 (Chapter-3)

<sup>9</sup> AG offices: Accountant General Offices of Punjab, Sindh, KP, Baluchistan and AK. AGPR office: Accountant General Pakistan Revenue office, Islamabad.

DAOs: District Account Offices located in all the districts of Pakistan.

<sup>10</sup> However, mechanical machines or engines have efficiency (Output/Input) less than 100% rather some have efficiency less than 10% or even lower.

'Economy' is a matter of consideration for auditors to review the development and/or procurements of software and hardware; and their maintenance and effectiveness are considered to check whether these hardware and software are configured in such a way that business objectives are being met in letter and spirit or not. Same is the case with maintenance of security of information assets (e.g. data, applications, software, hardware and personnel etc.)

In other words, 'economy' should be observed while making the decisions at the time of acquisition or development, implementation of information systems and at the time of decision making regarding maintenance of information systems. It should be noted that to buy any software (or development of any software) or hardware at the lowest price is not fulfilling the real meaning of 'economy' because every hardware and software has a life cycle. After a specific time (life cycle) period each hardware and software becomes irrelevant/outdated. Thus, up-gradation of hardware and software is the need of hour. Old hardware and software cannot cope with the processing of increased load of data. Moreover, manufacturers of hardware as well as developers of software do not provide support after a specific time period (i.e. after the life cycle of hardware and software). So, every organization has to cope with the latest trends of software and hardware for smooth functioning of its operations. Again, the example of AG offices/AGPR/DAOs is relevant. SAP-ERP software that was originally implemented on a specific hardware has been upgraded many times along-with hardware.

In a nutshell, while conducting the performance audit in IT environment, all the above mentioned and/or other similar issues must be kept in mind before commenting on the 'economy' in the IT environment. Considering the security/protection of information assets, similar issues must be known while checking the 'economy' of hardware and software tools implemented for managing security.

Awareness trainings/workshops and reading manuals are obligatory to maintain the security because there are certain attacks like social engineering attacks (e.g. phishing and pharming)<sup>11</sup> which cannot be controlled with any software or hardware tool. Therefore, to manage the risk of social engineering attack, the only tool is to educate the staff. For example, staff should be trained not to share password with anybody because, no IT controls/tools exist that can prevent the risk of attack.

Effectiveness in IT environment can be checked/reviewed through control testing and to perform that, understanding the business operations of auditee is necessary. As discussed earlier, the principle of effectiveness concerns meeting the objectives set and achieving the intended results. So, for checking the 'effectiveness' of IT systems, focus should be given to configuration of hardware and software. It is pertinent to mention here that adequate configuration is indispensable to make the system effective. Effectiveness can be explained by using checkboxes and radio buttons for making proper selection. Checkboxes allow user to choose items from a fixed number of alternatives; whereas, radio buttons allow user to choose exactly one item from a list of several predefined alternatives. Selection of appropriate checkboxes and/or radio buttons are actually the effective configuration setting as per company policy. If, for example, a firewall (hardware firewall and/or software firewall) is not configured (e.g. inward traffic is allowed only if it is coming in the response of previously sent outward traffic) as per company's policy

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<sup>11</sup> Phishing: It is a type of social engineering attack often used to steal user data, including login credentials and credit card numbers mostly through email.  
Pharming: It is a type of attack that hackers use to steal personal and sensitive information from victims on the internet mostly through fake websites.

then security can be compromised easily rather disaster may be happened. In brief, while conducting the performance audit in IT environment, understanding of the governance and management of IT along with the business operations are essential. After getting understanding of governance, management and business operations, list of hardware and software (installed) should be made and those can be reviewed against the relevant elements of performance auditing (i.e. economy and effectiveness, not efficiency because it is almost irrelevant) one by one or in groups keeping in view the availability of human resources and/or time constraint.



## UNDERSTANDING THE AUDIT ENTITY- A PRACTICAL APPROACH

**Mr. Muhammad Aamir Usman, Director General**

Risk-based auditing is an approach that focuses on identifying and assessing an organization's operational risks, leading to the development of an audit plan that prioritizes high-risk areas. In the public sector, where the responsible management of public funds and essential services is crucial, this method becomes especially vital. Risk assessment, the initial step in risk-based auditing, involves evaluating risks associated with organizational objectives, processes, and systems. The effectiveness of this process is contingent upon the auditor's understanding of the audit entity.

"Understanding the entity" is a critical step in risk-based auditing in which auditors gain a comprehensive understanding of the organization's operations, processes, and systems. This understanding is essential for identifying and assessing the risks associated with these areas and developing an effective audit plan.

When auditors are "understanding the entity," they are typically gathering information about the organization's objectives, strategies, policies, procedures, and control systems. Some key areas that auditors may focus on when "understanding the entity" include:

- **Governance:** This involves understanding the roles and responsibilities of the organization's leadership and the mechanisms in place for overseeing and controlling its operations.
- **Financial reporting:** This involves understanding the organization's accounting and financial reporting practices, including the systems and processes used to prepare financial statements.
- **Operations:** This involves understanding the organization's core business processes and the systems and controls in place to ensure their efficiency and effectiveness.
- **Compliance:** This involves understanding the organization's compliance obligations, such as regulatory requirements or contractual obligations, and the controls in place to ensure compliance.

By gaining a comprehensive understanding of the entity, auditors are better equipped to identify and assess the risks associated with the organization's operations and develop an audit plan that addresses these risks. Additionally, understanding the entity helps auditors tailor their audit approach to the specific characteristics of the organization, which can lead to more effective and efficient audits.

Risk-based auditing has been incorporated into the audit procedures of the SAI Pakistan through the adoption of the Financial Audit Manual (FAM) under the "Project for Improved Financial Reporting and Auditing" (PIFRA) reforms initiated from 2004 onwards. The Financial Audit Manual (FAM) offers a

systematic approach to formulating and documenting the planning, execution, reporting, and follow-up stages of an audit. The planning phase commences with the "Understanding the Entity" stage, which is to be documented in the permanent file created for the audit entity.

Over successive audit cycles, auditors have increasingly recognized the importance of gaining a clear understanding of the audit entity during the planning stages. This understanding is crucial for efficiently utilizing scarce audit resources, focusing specifically on high-risk audit able areas. Consequently, the documentation of pertinent information related to the audit entity has steadily improved. This enhancement has resulted in permanent files becoming more meaningful and valuable in the process of designing an effective audit.

During the "Understanding the Entity" phase, objectives and compliance requirements for the audit entity are typically readily available from the entity's documentation. However, the true challenge lies in identifying and analyzing the associated processes, procedures, and control activities. Recognizing its pivotal importance in a risk-based audit approach, this article introduces a practical model for documenting and analyzing this understanding.

The model incorporates a template specifically designed for documenting the audit entity's key business processes. It places emphasis on crucial elements, including the objectives of the business process, documentation used, process description, associated risks and controls, and any identified weaknesses in the control design. The key components of this model encompass the documentation of:

1. Objectives of the audit entity.
2. Governing legislation, rules, and regulations.
3. Relevant information concerning the main business process aimed at achieving the overall objectives of the entity.
4. Identification of risks and the assessment of the adequacy of related control systems.

The template, provided below, is self-explanatory. This information is intended to be incorporated into the Permanent File of the audit entity. The details presented in this template are hypothetical and are solely intended for the purpose of illustrating this model.

### **OPERATIONAL PROCESS DESCRIPTION**

**Objective:** This information set pertains to the comprehension of business operations, identification of operational risks, and exploration of how management has endeavored to mitigate these risks through internal controls. This serves as the foundation for pinpointing risks, formulating internal control questionnaires for control testing, and devising audit procedures for substantive testing of details.

#### **ENTITY: Income Tax Department**

1. **Objective:**  
*Collection of due amounts of Direct taxes: Income Tax, Workers' Welfare Tax and Capital Value Tax.*
2. **Governing Legislation, Rules and Regulations:** *(Names only; Copies to be attached with permanent file)*



- Income Tax Ordinance, 2001
- Income Tax Audit Handbook
- Etc.

### 3. **Main Business Processes:**

#### 3.1 **Business Process No1: (Name and purpose to be served)**

- **Name:** AUDIT.
- **Purpose:** To verify that the correct amount is assessed and paid by the selected taxpayer through a sampling approach.

##### 3.1.1. **Standard documents being used in the process** (*Blank copies of forms and/or a few pages of hardcopies of data to be attached as specimen*)

- Data of Income Tax Returns filed during the period: Software containing total population of income tax returns filed during the period under audit.
- Data of complaints received: Software for recording date wise definite information/complaint regarding tax evasion.
- Sampling Criteria: To enable selecting unbiased sample from the population of tax returns for auditing.
- Income Tax Returns: Software keeping record of all returns submitted by the taxpayers showing details of assessment along with supporting documents.
- Etc.

##### 3.1.2. **Description of Operational Activities** (a comprehensible and lucid description of operations)

###### **Following is only for demonstration purpose and not the actual process;**

There are two ways in which the sample is selected for auditing;

- Deputy Commissioner (DC) Income tax obtains data on a CD-drive from Data Processing section and run the computer program for selecting samples for auditing. Selected samples are reported to concerned commissioner through proper channel and approval is sought for starting the audit of the selected sample.
- Upon receiving definite information regarding a particular taxpayer (for example short filing) DC income tax calls for the tax return submitted by the said tax taxpayer for examination. If information is found to be correct on preliminary examination the shortcoming found in the return along with definite information received is put up to the Commissioner for approval of starting audit. Selected returns are audited in accordance with Income Tax Audit Handbook. Audit findings are reported to DC. If discrepancies are found the DC issues notices and transfer cases for pursuance to Enforcement Division.

### **3.1.3. Risks**

- There is a concern about the possibility that complete data may not be made available for sampling. In other words, records of certain taxpayers may be intentionally deleted from the dataset, preventing them from being selected for auditing on a random sampling basis.
- Audit procedures are conducted without obtaining approval from the competent authority, indicating an intention to potentially blackmail the taxpayer.
- The Competent Authority has granted approval without ensuring that the selection criteria were unbiased. This oversight could lead to potential blackmailing of certain taxpayers.
- Audit findings are not adequately scrutinized or approved by the appropriate authority. This oversight may lead to either blackmailing or granting undue relaxation to a taxpayer.
- Etc.

### **3.1.4. Existing Controls to Mitigate Risks** (checking existence of controls on identified risks)

- Ensuring the completeness of data becomes challenging when it is presented in a CD. Data obtained directly from a live source is considered more reliable. In accordance with standard procedure, the Deputy Commissioner(DC) utilizes online data directly from main server.
- The selected audit sample is submitted to the Commissioner, and the audit process commences only after the sample receives approval.
- Commissioner is informed about the definite information regarding tax evasion after it is checked by the DC and formal approval to start audit is sought from the Commissioner.
- Etc.

### **3.1.5. Further Controls Required for Safe Operations** (checking adequacy of control system)

- Commissioner is being sent only the selected sample of taxpayers' returns. Detailed criteria for sample selection and computer report thus generated should also be sent so that the commissioner can ensure transparency.
- Regarding definite information against a taxpayer complete list along with action taken should be sent to the commissioner on regular basis to ensure that all the information tips are being dealt with properly. Alternatively information tips should be received directly in the Commissioner's office who then send these to the DC Audit for appropriate action under intimation.
- Etc.

**NOTE:**

- (Potential error/irregularity conditions can be identified easily by considering risk conditions.
- Significant Controls and Control weaknesses/Risk situations identified above will form basis of developing ICQs for control testing).

**3.2. Business Process No.2:** *(Name and purpose to be served)*

Similarly, other business processes can be described and analyzed under the same headings.



## SUPREME AUDIT INSTITUTIONS OPERATING WITHIN THE FRAMEWORK OF THE CONSTITUTION, INTERNATIONAL LAW AND FAIR TRIAL PRINCIPLES; TCA AS AN EXAMPLE OF PRACTICE IN THE CONTEXT



**Assoc. Prof. Dr. Recai AKYEL,**  
**Member of the Constitutional Court, Former president of TCA**

### I. INTRODUCTION

Supreme Audit Institutions (SAIs) with jurisdictional powers shall operate in accordance with the Constitution, international conventions and fair trial principles. The Constitution and international law safeguard the rights of individuals. The responsible persons have the right to appeal against the compensation decisions made by the SAIs having jurisdictional powers before the Constitutional Court and international judicial bodies. As a result, when performing their duties, the SAIs should take into account the Constitution, international conventions and fair trial principles. This article examines this issue by analysing the case of the Turkish Court of Accounts (TCA) as an example.

TCA, which carries out account trials, is required to operate in line with the Constitution of the Republic of Türkiye, as well as international treaties; conduct account trials within the framework of fair trial principles; and ultimately pass fair judgments.

### II. SUPREMACY AND BINDING FORCE OF THE CONSTITUTION

In our country, the Constitution is of binding nature and has supremacy. As per Article 11 of the Constitution of the Republic of Türkiye, “The provisions of the Constitution are fundamental legal rules binding upon legislative, executive and judicial organs, and administrative authorities and other institutions and individuals. Laws shall not be contrary to the Constitution.” According to the said Article, the legislative, executive and judicial organs, as well as the administrative authorities and other institutions and individuals are obliged to act in accordance with the Constitution. In addition, laws and Presidential decrees cannot be contrary to the Constitution.

Pursuant to Article 2 of the Constitution, the Republic of Türkiye is a constitutional state. As it is generally recognized, the primary principle of a constitutional state is that all governmental activities must adhere to the rules of law. A constitutional state is one that respects human rights and establishes a fair legal order protecting these rights, feels obligated to maintain this order, and abides by the Constitution and laws in all of its activities. In a constitutional state, the law should have total supremacy over all state organs, and state organs should always be bound by the Constitution and higher legal principles.

Article 2 of the Constitution requires all public institutions and organisations to conduct their actions, activities and operations in accordance with the law, particularly the Constitution. As a requirement of the rule of law principle, no authority or organ may use an authority that is not based on the Constitution in line with the Constitution.

### **III. CONSTITUTIONAL COURT**

The Constitutional Court checks the extent to which public institutions comply with the premise of binding force and supremacy of the Constitution. In our country, the Constitutional Court is the assurance and guarantee of the existence of the Constitution and the implementation of its provisions. The authorities of the Constitutional Court, which is entrusted with the duty of upholding the supremacy and binding force of the Constitution in our country, are established by the Constitution. As per Article 148 of the Constitution, “The Constitutional Court shall examine the constitutionality, in respect of both form and substance, of laws, presidential decrees and the Rules of Procedure of the Grand National Assembly of Türkiye, and decide on individual applications. Constitutional amendments shall be examined and verified only with regard to their form.” The Article in question clearly demonstrates the significance of the mission assigned to the Constitutional Court.

In our country, the decisions of the Constitutional Court are final and binding. As stipulated in Article 153, “The decisions of the Constitutional Court are final. Decisions of the Constitutional Court shall be published immediately in the Official Gazette, and shall be binding on the legislative, executive, and judicial organs, on the administrative authorities, and on persons and corporate bodies.” As understood from this Article of the Constitution, the legislative, executive and judicial organs, administrative authorities, and real and legal persons must abide by the decisions of the Constitutional Court.

The Constitutional Court conducts two types of reviews to determine to what extent the legislative, executive and judicial organs, administrative authorities, and real and legal persons respect and implement the premise of supremacy and binding force of the Constitution.

#### **A. REVIEW OF NORMS**

The most effective way to ensure the supremacy of the Constitution is a review of the constitutionality of laws. The constitutionality review of laws is made in two ways: abstract review of norms and concrete review of norms. In the review of norms, the Constitutional Court adjudicates applications for annulment through annulment actions. Through the review of norms, the Constitutional Court examines the constitutionality, in respect of both form and substance, of laws, presidential decrees and the Rules of Procedure of the Grand National Assembly of Türkiye. The constitutional amendments, on the other hand, are examined only with regard to their form.

Article 150 of the Constitution regulates an annulment action. As per the relevant Article, The President of the Republic, the two political party groups having the largest number of members in the Grand National Assembly of Türkiye, and at least one-fifth of the total number of members of the Grand National Assembly of Türkiye shall have the right to apply for annulment action directly to the Constitutional Court, based on the assertion of the unconstitutionality, in form and in substance, of laws,

of presidential decrees, of Rules of Procedure of the Grand National Assembly of Türkiye or of certain articles or provisions thereof.

Article 152 of the Constitution regulates the applications for annulment under the title of claim of unconstitutionality before other courts. Accordingly, if a court hearing a case finds that the law or the Presidential decree to be applied is unconstitutional, or if convinced of the seriousness of a claim of unconstitutionality submitted by one of the parties, it shall postpone the consideration of the case until the Constitutional Court decides on the issue.

## **B. INDIVIDUAL COMPLAINT**

The Constitutional Court also decides on individual complaints. Through individual application, the Constitutional Court checks the constitutionality of actions and operations of public institutions and organisations. The mechanism of individual application is outlined in Article 148 of the Constitution among the functions and powers of the Constitutional Court. Accordingly, through individual application, everyone may apply to the Constitutional Court on the grounds that one of the fundamental rights and freedoms within the scope of the European Convention on Human Rights, which are guaranteed by the Constitution, has been violated by public authorities. In order to make an application, ordinary legal remedies must be exhausted. In the individual application, judicial review cannot not be made on matters required to be taken into account during the process of legal remedies.

## **C. INTERNATIONAL TREATIES**

As per Article 90 of the Constitution, “international agreements duly put into effect have the force of law. No appeal to the Constitutional Court shall be made with regard to these agreements, on the grounds that they are unconstitutional. In the case of a conflict between international agreements, duly put into effect, concerning fundamental rights and freedoms and the laws due to differences in provisions on the same matter, the provisions of international agreements shall prevail.” As it can be understood from this article of the Constitution, institutions should act in accordance with the relevant international treaties, if any, in their actions and operations.

The Constitutional Court's duty to hear individual applications has a dimension related to international treaties, as well. Because, in individual application cases, the Court takes the European Convention on Human Rights into account along with the Constitution. There are many international treaties to which the Republic of Türkiye is a party. In their actions and operations, public institutions are required to take into account the provisions of international treaties to which the Republic of Türkiye is a party. While assessing a case, international courts such as the European Court of Human Rights attach importance to determining whether countries comply with the provisions of the international treaties that they are bound by.

As a result, the functioning of the Constitutional Court can be summarized as such: it decides on normative rules related to public institutions and organizations through norm reviews on the one hand, and determines whether or not the actions and operations performed by public institutions and organizations are consistent with the premise of supremacy and binding nature of the Constitution through individual applications on the other hand.

#### **D. CONSTITUTIONAL COURT REVIEWS AND TURKISH COURT OF ACCOUNTS**

In the context described above, the Constitutional Court decides on normative rules (laws, Presidential decrees, etc.) pertaining to the TCA through its norm review, which includes actions for annulment and contention of unconstitutionality, and also determines whether the actions and operations of the TCA are consistent with the premise of supremacy and binding nature of the Constitution through individual application.

The Constitutional Court's acceptance of TCA's appeal application implies that the Constitutional Court recognizes the TCA as a judicial authority (court). This is also clear from the fact that, while discussing the appeal cases, the Constitutional Court characterizes the TCA's institutional nature as a judicial authority (court).

The acceptance of individual applications to the Constitutional Court against the TCA decisions also means that the Constitutional Court recognizes the TCA as a judicial authority (court). Because an individual application to the Constitutional Court can only be made against a judicial decision after all domestic remedies have been exhausted.

#### **IV. TURKISH COURT OF ACCOUNTS**

- TCA is the sanction enforcer of the Turkish Public Financial System.
- TCA is the guarantee and assurance of a well-functioning Turkish Public Financial System.
- TCA is the only surviving example of the Divan Model from the Ottoman administrative system.
- The TCA unites three separate institutions that are functionally independent of one another under a single name, a single structure, and a single presidency. The first is the independent Supreme Audit Institution, the second is the First Instance Court of Accounts, and the third is the Supreme Court of Accounts for Appeal.
- The TCA has two main functions. The first one is, as a supreme audit institution, auditing all revenues, expenditures and assets of public institutions on behalf of the Turkish Grand National Assembly, and submitting the audit reports prepared as a result of those audits to the Turkish Grand National Assembly and the relevant institution, as well as making these reports public.
- Secondly, the TCA, in its capacity as a court of accounts, decides on the accounts and transactions of those responsible through its Chambers, each of which acts as a separate court of accounts within the TCA, based on the "judicial reports" prepared at the end of audits, and also, in the event of objections, takes final decisions on the accounts and transactions of those responsible by means of its Board of Appeal.

Article 160 of the Constitution is about the TCA. Accordingly, "TCA is charged with taking final decisions on the accounts and acts of the responsible officials and exercising other functions prescribed in laws in matters of inquiry, auditing and judgment. Those concerned may file, only for once, a request for reconsideration of a final decision of the TCA within fifteen days of the date of written notification of the decision." As it is seen, the Constitution considers the TCA decisions as passing judgment and taking final decisions. Passing judgment and taking a final decision are two terms used for court verdicts.

As per Article 161 of the Constitution titled “Budget and Final Accounts”, the TCA submits the Statement of General Conformity of the relevant year to the Turkish Grand National Assembly to form the basis of discussions to be held on the Draft Central Government Final Accounts Bill of the year in question in the General Assembly and the related commission.

The same Article also stipulates that: “The submission of the final accounts bills and the statement of general conformity to the Grand National Assembly of Türkiye shall not preclude the auditing and trial of the accounts for the relevant fiscal year that have not been concluded by the TCA, and shall not mean that a final decision has been taken on these accounts.” This article refers to the trial of accounts, and this is also a reference to the TCA's status as a court of accounts.

## **V. CONCLUSION**

Individuals can file an application to the Constitutional Court to challenge the final judgments of the TCA on the accounts and transactions of those responsible. Therefore, while carrying out its activities, the TCA should adhere to the requirements of the individual application mechanism in terms of the examination criteria. Also, the TCA should comply with the principles of the Right to a Fair Trial when drafting judicial reports, holding account trials and taking decisions at the end of these trials.

As a court of accounts, the TCA is required to conduct audits, draft judicial reports, hold account trials, and make decisions at the end of the trials in accordance with the Rights and Freedoms outlined in the Constitution and the European Convention on Human Rights as well as the principles of the Right to a Fair Trial.

With its distinctiveness, originality, and specialization, TCA's jurisdiction should review and enhance itself in accordance with the principles of the Right to a Fair Trial. Through the individual application procedure, the Constitutional Court may decide on a violation in the TCA's judgments. In this respect, the TCA must be sensitive and prepared for such decisions.

At this point, the TCA should organize programs to inform its staff about the rights subject to individual application, especially the Right to a Fair Trial. Rights that are subject to individual application apply to all TCA members, including auditors, rapporteurs, prosecutors, members, and chairmen of chambers. In light of the information provided thus far, the TCA should consider the individual application mechanism seriously, prepare for any risks, and perform the required tasks.

To further explain the issue, I can provide several examples referring to some of the rights that are subject to individual application in the TCA audit, the drafting of judicial reports, the holding of trials before the chambers and the Board of Appeal, and the decisions taken by chambers and Board of Appeal. In the indemnification decisions of the TCA, principles such as the application of the criterion of proportionality, the right of property, the right to a reasoned decision, and the absence of case law differences may be present. During the trial processes before the chambers and the Board of Appeals, the principles of equality of arms and adversarial proceedings may be important. In terms of use of language and expressions in the audit process as well as the drafting of the judicial report, the principle of innocence may draw attention.







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