



**TURKISH COURT OF ACCOUNTS
EXTERNAL AUDIT GENERAL EVALUATION
REPORT – 2015
(SUMMARY)**

2015 External Audit General Evaluation Report was prepared and submitted to the Turkish Grand National Assembly in line with the Article 68 of the Law no.5018 on Public Financial Management and Control and the Article 38 of the Law no. 6085 on the TCA.

General Information About the Report

A. External Audit General Evaluation Report is prepared in a manner to include the matters that are deemed material or the materials that are generally found in the audit reports of the public entities, the general information about the audits conducted as well as the other financial matters that are found appropriate to be addressed, submitted to the Turkish Grand National Assembly and made public as per the Article 38 of the TCA Law no. 6085.

B. External Audit General Evaluation Report is a significant tool contributing to the taking of the necessary measures by those responsible and authorised for obtaining and using public funds to ensure that the funds are obtained, used, recognized and reported in an effective, economic, efficient and lawful manner and are not misused. The Lima Declarations, in which the basic principles of the International Standards on the Supreme Audit Institutions (ISSAIs) are specified, also clearly points out the importance of the reports through which the audit results are submitted to the parliament annually. Within this scope, the External Audit General Evaluation Report prepared by the TCA which is the only supreme audit institution in our country has a crucial role in contributing to the obtaining and use of the public funds in an effective, economic and efficient manner.

C. In the preparation of the External Audit General Evaluation Report, the findings in the audit reports of the public entities within the central administration, social security institutions, municipalities and the other public entities which are not covered by the Law no. 5018 but fall into the scope of the TCA audit are taken as basis.

D. The draft report was prepared after the matters proposed by the headships of audit groups at the end of the audits conducted within the scope of the 2015 Audit Program to be included in the external audit general evaluation report were evaluated in terms of the criteria of materiality, generality and necessity of the submission to the Turkish Grand National Assembly as well as the common procedures determined for the public entities at the beginning of the audit process, and the report was finalized after the opinion of the Report Evaluation Board was received.

E. With the External Audit General Evaluation Report, the TCA targets to provide the Turkish Grand National Assembly, on behalf of which it conducts its independent and objective audits, with sufficient and reliable information and recommendations about the financial situations and activities of the public entities for the use of the power of the purse, to guide the public entities and to inform the public.

Titles of Findings Included in the Report

1. General Issues about the Public Entities

1.1 General Evaluation on the Internal Control System

1.2 Findings on Immovables

1.3 Evaluation of the Status of Circulating Capital Enterprises Following Regulations Introduced by The Public Financial Management and Control Law No 5108.

1.4 Findings on Revenue Recognition and Collection

1.5 The Failure to Allocate the Provisions for Termination Indemnities

1.6 The Failure to Close Off the Advance Payments Transferred to the Set-Off Period in Due Course

1.7 The Detection of Practices against the Law no. 5510 on Social Insurance and Universal Health Insurance

1.8 The Issues to be Found on the Audit of Social Security Institution

1.9 The Failure to Transfer the Tangible Assets Followed in the Account of Construction-in-Progress to the Relevant Asset Accounts Despite the Completion of the Temporary Admission

1.10 The Difficulty of Following the Limit for the Direct Procurement and Negotiated Procedure

1.11 Although Not Forming the Condition of the Article 21 of the Law no. 4734 on Public Procurement Laws, Tendering with Negotiated Procedure.

1.12 Promulgation of Regulations on Financial Matters without Taking the Consultative Opinion of the TCA

2. Matters related to the General Budget Public Entities

2.1 Finding on Transfer of the Right to Organize Horse Race

2.2 Existence of Some Special Accounts in the Use of Some Public Entities under General Budget against the Provisions of the Law no. 5018 on Public Financial Management and Control

2.3 Loss of the Treasury due to Contradictions to the Legislation in the Process of Issuing Tax, Drawing and Fee Exemption Documents

2.4 Causing Tax Loss Because of the Separate Taxation While to Need to Merge Income

2.5 Findings Related to Accounting Programs to be Used by Public Institutions

3. Matters related to the Special Budget Public Entities

3.1 Finding on the De Facto Idle Faculties, High Schools and Institutes

3.2 Opening Bank Account Outside of the Accounting System.

3.3 Treasury Properties Allocated to The University not Taking Part in the Financial Statements of the University

3.4 Revenues of the Circulating Capital Enterprises of the University Application and Research Hospitals Cannot Meet the Expenses and Deterioration of the Financial Structure of Enterprises.

4. Matters related to the Local Administrations

4.1 Findings on the Municipal Revenues

4.2 Not Obtaining Fee from The Companies Which is Granted Concession for the Collection of the Packaging Wastes

4.3 Finding Unlawful Practices on Food Aid for Civil Servants.

4.4 Non-negotiation of the TCA Audit Reports in the Municipal Council.

4.5 Payments Exceeding the Social Stability Ceiling.

4.6 Findings on the Municipal Estates

4.7 Findings on Accounting Programs Using by the Municipalities

4.8 Erroneous Use of the Deductible Value Added Tax Account

4.9 Practices against the Parking Regulations.

4.10 Lack of Permission from the Council of Ministers for the Companies that are Taken Over by the Municipalities through Grants.

5. General Evaluation on the Strategic Planning and Performance

Management System

5.1 Evaluation of the Strategic Plans

5.2 Evaluation of the Performance Programs

5.3 Evaluation of the Data Recording Systems

5.4 Evaluation of the Activity Reports