



**TURKISH COURT OF ACCOUNTS  
ACTIVITY GENERAL EVALUATION  
REPORT - 2015  
(SUMMARY)**



## GENERAL INFORMATION

2015 Activity General Evaluation Report was prepared according to Article 41 of Law no.5018 and Article 39 of Law no.6085 and Activity Reports Evaluation Manual. It was prepared by detecting whether the information included in:

- 2015 Administrative Activity Reports, which were prepared by the senior managers of public entities to show their activity results within the framework of accountability,
- 2015 General Activity Report, which was prepared by the Ministry of Finance (MoF) to include the general evaluations regarding the financial structures of local administrations and the 2015 activity results of the social security institutions and administrations under central government,
- 2015 Local Administrations General Activity Report, which was prepared by the Ministry of Interior (MoI) to indicate the general status of local administrations based on the activity reports prepared by local administrations,

met the process requirements and presentation criteria identified by laws and other legal regulations and by evaluating the accuracy and reliability of the information in the relevant reports by considering the results of the 2015 external audits.

The basis of the evaluations were: Law no.5018 on Public Financial Management and Control, TCA Law no.6085, By-Law on the Activity Reports to be prepared by Public Entities, TCA Audit By-Law, and the TCA audit and evaluation manuals.

The aim of the evaluations was to give assurance about the accuracy of financial information and performance information disclosed by senior managers to the public by giving a statement of assurance in the context of the strategic plan, performance program and budget information.

In line with this aim, the evaluations were made according to the TCA Activity Reports Evaluation Manual with respect to the reliability and accuracy of the information included in the Administrative Activity Reports, General Activity Report and Local Administrations General Activity Report and their compliance to the process requirements and presentation criteria identified by By-Law on the Activity Reports to be prepared by Public Entities and Law no.5018.

## EVALUATION OF ADMINISTRATION ACTIVITY REPORTS

The evaluations were made by considering the audit results and activity report evaluations of 453 public entities including: 44 public administrations with general budget, 105 universities, 41 other administrations with special budget, 2 social security institutions, 51 provincial special administrations, 210 municipalities. In this scope, below is the list of the findings and general shortcomings that we have identified:

- Of the public entities audited by the TCA, 16 entities did not publish activity reports. Of the 437 public entities that had published activity reports, 77 entities did not comply with legislative requirements of the publication date;
- 241 public entities did not include in their activity reports the basic financial statements and their explanations;
- 169 public entities did not include in the activity report the information on the unions, entities and institutions that they assisted;
- 159 public entities did not disclose all their assets and obligations in their activity reports;
- 46 public entities did not provide information in their activity reports on the resources they used;
- Of the public entities that prepared activity reports; 307 entities did not make an explanation on the reasons of the deviations that occurred between budget targets and realizations;
- Of the public entities that prepared activity reports; 111 entities did not show in their activity reports the resources such as donations, aids, external project loans, special allocations provided for the use of the administration, apart from the allocations made with budget;
- Of the public entities that prepared activity reports; 78 entities did not show the budget allocations separately as starting and end-of-year allocations;
- Of the public entities that prepared activity reports; 52 entities did not show the budget targets accurately when compared to the allocation tables;
- Of the public entities that prepared activity reports; 40 entities did not record the end-of-year allocations accurately;

- Of the public entities that prepared activity reports; budget realizations of 34 entities did not give a true view when they were checked with the regularity audit results;
- Of the public entities that prepared activity reports; 171 entities did not report the realizations regarding the objectives and indicators identified in the performance program;
- Of the public entities that prepared activity reports; the information given in the activity report of 169 entities were not measurable or did not comply with the final data obtained from the verification sources;
- Of the public entities that prepared activity reports; 262 did not make an explanation on the reasons of all deviations that occurred between performance objectives and indicators and the realizations, or the existent explanations were not based on valid and convincing reasons.

### **EVALUATION OF GENERAL ACTIVITY REPORT**

The MoF prepared the 2015 General Activity Report, made it public in June in line with By-Law provisions, and sent it to the TCA. When we evaluated the 2015 General Activity Report with respect to presentation and content, we found the following:

- 2015 Central Management Balance Sheet included duplications due to system weaknesses such as the fact that the entities' detailed account plans were not suitable for elimination, and there was no reconciliation between the amount and record times between the entities' mutual transactions. In other words, the covered entities included some mutual transactions that should have been eliminated.
- The scope of the balance sheet included in the report did not overlap with the social security institutions defined by Law No.5018, and the balance sheet included the data of the Unemployment Insurance Fund as well.
- A part of the financial information presented in the scope of public debt management did not comply with the accounting records of the Treasury.
- **EVALUATION OF LOCAL ADMINISTRATIONS GENERAL ACTIVITY REPORT**
- MoI prepared the 2015 Local Administrations General Activity Report, made it public, and sent it to the TCA in August with delay. When we evaluated the 2015 Local Administrations General Activity Report with respect to presentation and

content, we found the following:

- The report did not include any evaluation that was made by combining the financial information, performance information and other information included in the activity reports of local administrations.
- The report did not include any information or evaluation regarding the budget revenues and expenditure targets.
- The report included only the information on the aids made from the local administration budgets and social service expenditures, and it did not include any evaluation regarding the aids and social service expenditures that were made.
- The report did not include a general evaluation that should have been made about the strategic planning and performance-based budgeting practices of local administrations based on the activity reports of local administrations.
- The report did not include open and understandable information that comply with openness principle regarding the investments made within the year and the contracts that spread over years.
- The report did not include any information or evaluation regarding the results of internal audits on local administrations.
- The published Local Administrations Balance Sheet and information on the Activity Revenues and Expenditures of Local Administrations did not include the financial data of affiliated administrations, and it included the financial data of the provincial directorates of youth and sports and development agencies, which were not covered.
- The debt stocks of municipality partnerships and the entities and enterprises affiliated to local administrations were not published.
- 2015 Local Administrations Balance Sheet included the mutual transactions of covered entities, which should have been eliminated.