

PUBLIC INTERNAL CONTROL REGULATION

CHAPTER ONE

Introductory Provisions

Purpose and scope

ARTICLE 1 - (1) The purpose of this Regulation is to determine the principles, methods, procedures and processes for the establishment, implementation, monitoring and development of the internal control system in public administrations within the scope of general administration, excluding the regulatory and supervisory institutions listed in Annex (III) of the Public Financial Management and Control Law No. 5018 dated 10/12/2003.

Rest

ARTICLE 2 - (1) This Regulation has been prepared based on Articles 55, 56 and 57 of the Public Financial Management and Control Law No. 5018 dated 10/12/2003 and Article 220/A of the Presidential Decree No. 1 on the Presidential Organization.

Definitions

ARTICLE 3- (1) In this Regulation;

- a) Ministry: The Ministry of Treasury and Finance,
- b) Spending unit: The public administration unit to which appropriations are allocated in the budget and which has spending authority. units and units to which appropriations are sent with the appropriation transfer document
- c) Spending authority: The authority to allocate funds in the budget or the authority to allocate funds via a fund transfer document. the top executive of each spending unit to which it was sent,
- c) Internal control: The entirety of financial and other controls, including internal audit, established by the administration to ensure that activities are carried out effectively, economically, and efficiently in accordance with the administration's objectives, established policies, and legislation; to protect assets and resources; to ensure that accounting records are kept accurately and completely; and to ensure that financial and management information is produced in a timely and reliable manner.
- d) Administration: Each public administration within the scope of general administration, excluding regulatory and supervisory institutions,
- e) Law: The Public Financial Management and Control Law No. 5018 dated 10/12/2003,
- f) Board: An Internal Committee composed of the spending authorities of the units located in the central organization, chaired by the senior executive, and other persons appointed by the senior executive if deemed necessary. The Control, Monitoring and Steering Committee,
- g) Financial services unit: Strategy development directorates and strategy development departments, as well as directorates where strategy development and financial services are performed, units established in local administrations within the framework of the provisions in the relevant legislation, and in administrations where these units have not been established, the unit that carries out financial services in the existing structures of these administrations.
- g) Financial services unit manager: In strategy development directorates, the head; in strategy development department directorates, the department head; in directorates where strategy development and financial services are performed, the manager of the units established in accordance with the provisions of the relevant legislation in local administrations; and in other administrations, the unit manager who carries out the financial services of the administrations.
- h) Senior Manager: The senior manager as defined in Article 11 of Law No. 5018, It expresses.

PART TWO

The Objectives, Principles, and Components of Internal Control

Central Coordination Task

Objectives of internal control

ARTICLE 4 - (1) The purposes of internal control are;

- a) To ensure the effective, economical, and efficient management of public revenues, expenditures, assets, and liabilities.
- b) Ensuring that public administrations operate in accordance with laws and other regulations,
- c) Preventing irregularities and corruption in all kinds of financial decisions and transactions,
- c) Obtaining regular, timely and reliable reports and information for decision-making and monitoring,

- d) To prevent misuse and waste of assets and to protect them against losses, to provide.

How internal control works

ARTICLE 5 - (1) Public administrations shall comply with the standards, regulations and methods determined by the Ministry;

a) Ensuring that activities are carried out by adequate and competent personnel who have embraced ethical values, within an appropriate organizational structure where duties, authorities, and responsibilities are clearly defined.

b) To identify and assess the risks that may affect the achievement of the objectives and activities, and to develop and implement appropriate control methods for these risks.

c) Establishing and operating an effective information and communication system,

c) Continuous and systematic monitoring and improvement of activities,

By ensuring this, it establishes, implements, monitors and improves internal control systems.

Basic principles of internal control

ARTICLE 6 - (1) The basic principles of internal control are as follows:

a) Internal control activities are carried out within the scope of management responsibility.

b) In internal control activities, regulations, and practices, risky areas are given priority.

c) In establishing and implementing the internal control system, the specific conditions of the administrations, such as their institutional capacities, the nature of the services they are obliged to provide, and their financial situations, are taken into account.

c) Responsibility for internal control encompasses all personnel involved in the activities and processes.

d) Internal control encompasses all financial and non-financial activities, processes, and operations within all units of the administration. It includes transactions.

e) The internal control system is evaluated at least once a year, and necessary measures are determined.

f) Internal control regulations and practices are based on sound financial management principles such as compliance with legislation, transparency, accountability, effectiveness, economy, and efficiency.

Components of internal control

ARTICLE 7 - (1) The components of internal control are as follows:

a) Control environment: Activities are carried out within an organizational structure where duties, authorities, and responsibilities are clearly defined, and by qualified and competent personnel who have embraced ethical values.

To ensure accountability, performance metrics for managers and staff are established, and the necessary authority, duties, and responsibilities for creating and implementing the internal control system are defined.

b) Risk assessment: This consists of identifying, analyzing, measuring the impact and probability, prioritizing, determining decisions to be taken regarding, reporting, and monitoring corporate risks related to the administration's strategic aims and objectives, operational risks related to the activities and processes of spending units, fraud risks, technology-related risks, and similar risks.

c) Control activities: This includes identifying, implementing, and monitoring appropriate control activities to reduce the impact and probability of risks identified in the risk assessment process to acceptable levels. All guiding, preventive, detection, and corrective control activities identified and implemented for risks are incorporated into the administration's internal regulations and implementation processes to ensure continuity.

c) Information and communication: This includes the proper recording, classification, and timely transmission of all information required by the administration to relevant parties, enabling them to fulfill their responsibilities.

d) Monitoring: This involves continuously monitoring the internal control system and its operation, conducting a specific assessment, or evaluating and reporting on it using a combination of both methods.

Internal control center harmonization task

ARTICLE 8 - (1) Standards and methods related to internal control are determined, developed and harmonized by the Ministry. In this context, the Ministry;

a) It establishes public internal control standards and monitors compliance with these standards.

b) It determines the standards and methods for preliminary financial control, as well as the financial decisions and transactions subject to preliminary financial control, and the procedures and principles for their control.

c) Prepares regulations regarding spending authorities, determines the spending authority.

It resolves uncertainties regarding related issues.

c) It ensures coordination among administrations in the field of internal control and provides guidance services to administrations. gives.

d) General and specific regulations regarding internal control and preliminary financial control with the administrations

They cooperate and hold working meetings.

e) It monitors the functioning of systems by obtaining reports and information from administrations regarding internal control and preliminary financial control regulations and practices, evaluates them in terms of compliance with the determined methods and standards, and prepares institutional and consolidated reports.

f) It determines the working procedures and principles of the financial services units of the administrations.

g) It organizes regular annual information and evaluation meetings, as well as seminars, symposiums, panels, and similar events and activities for managers of financial services units of public administrations, other managers, and financial services specialists.

g) It prepares training programs related to internal control and financial management and control systems.

h) It researches national and international best practice examples and directs them towards implementation.

He conducts research.

Public Internal Control Standards

ARTICLE 9 - (1) Public Internal Control Standards aim to establish, implement, monitor, evaluate and develop a consistent, comprehensive and standard internal control system in all administrations.

(2) Administrations shall comply with the Public Internal Control Standards in all their financial and non-financial transactions and It is obliged to fulfill the requirements of these standards.

(3) Public Internal Control Standards; control environment, risk assessment, control activities, information and It consists of standards and general requirements defined within the framework of communication and monitoring components.

(4) The general requirements determined for Public Internal Control Standards include matters aimed at ensuring compliance with those standards. In order to comply with a specific standard, it is essential to fulfill at least the general requirements of that standard.

(5) The senior managers of the administrations shall determine the work to be done to ensure the compliance of the internal control system with the Public Internal Control Standards, create an action plan for this work, and take the necessary measures to ensure that the work is carried out effectively and in a timely manner.

CHAPTER THREE

Authority, Duties and Responsibilities Regarding Internal Control

Key responsibilities regarding internal control

ARTICLE 10 - (1) Senior executives, spending authorities and other managers are responsible, within the scope of their duties and powers, for ensuring professional values and an honest management approach, for assigning financial authority and responsibilities to knowledgeable and competent managers and personnel, for ensuring compliance with established standards, for preventing activities contrary to legislation, and for ensuring a suitable working environment and transparency with a comprehensive management approach.

Authority and responsibilities of the senior manager

ARTICLE 11 - (1) The senior manager ensures the establishment of the internal control system in the administration, monitors its operation, and takes necessary measures. The senior manager defines the duties and responsibilities to ensure the establishment of the internal control system, implements the necessary written procedures, instructions, and action plans for compliance with the Public Internal Control Standards, and monitors the results of implementation. The senior manager fulfills the requirements of this responsibility through the spending authorities, the financial services unit, and internal auditors.

(2) The senior manager shall sign the Senior Manager's Internal Control Assurance Statement (Annex-1) included in the annex to this Regulation every year and attach it to the management activity report.

(3) When signing the internal control assurance statement, the senior manager should take into account the activity reports and attached internal control assurance statements submitted by the spending units, internal audit reports, and the financial services unit.

It also takes into account the annual internal control system evaluation report prepared by [Name of company/institution] and the statement of the financial services unit manager. Issues where sufficient assurance is not provided as a result of monitoring the internal control system, and the measures to be taken, are added to the internal control assurance statement.

Duties and responsibilities of the spending authority.

ARTICLE 12 - (1) The spending authority is responsible for ensuring that the regulations, activities, processes and transactions in its unit comply with the Public Internal Control Standards and for being accountable to the senior managers and the authorized authorities in a hierarchical manner. For this purpose, the spending authority establishes, implements, monitors and reports on the internal control system in its unit. The spending authority ensures the creation of operational guidelines and process flowcharts in its unit and the determination of measures to be taken against the risks identified based on these guidelines.

(2) The spending authority shall annually submit the Internal Expenditure Authority's Report (Annex-2) included in the annex to this Regulation. The employee signs the Control Assurance Statement, attaches it to the unit's activity report, and submits it to the senior manager.

(3) When signing the internal control assurance statement, the spending authority takes into account the information and reports submitted to him/her, as well as the internal audit reports. Issues where sufficient assurance is not provided as a result of monitoring the internal control system and the measures to be taken are added to the internal control assurance statement.

Duties and responsibilities of other managers and staff.

ARTICLE 13- (1) Other managers and personnel at the hierarchical levels of the administration are responsible for fulfilling and implementing the requirements of the internal control system within the scope of their duties and authority. In this context, risk assessment studies are carried out regarding the tasks performed, and risks requiring action are reported to a senior manager at least once a year, together with improvement proposals. Risks requiring immediate action are reported immediately.

Duties and responsibilities of the financial services unit manager.

ARTICLE 14- (1) The financial services unit manager directs, coordinates, provides training and guidance services for the establishment of the internal control system in the expenditure units and compliance with the Public Internal Control Standards, monitors and evaluates the results of the implementation, reports to the senior manager and carries out the preliminary financial control activity.

(2) The financial services unit manager shall prepare the Financial Services Unit (Annex-3) included in the annex to this Regulation every year. The Services Unit Manager signs the statement and attaches it to the administrative activity report.

Duties and responsibilities of the accounting officer.

ARTICLE 15- (1) The accounting officer shall ensure that the accounting records are in accordance with the procedures and standards, They are responsible for keeping it transparent and accessible.

Duties and responsibilities of internal auditors

ARTICLE 16- (1) Internal auditors are responsible for auditing the internal control system within the scope of the Law and other relevant legislation and reporting to the senior management. In the reports they prepare, internal auditors develop recommendations by relating their findings to the requirements of internal control, Public Internal Control Standards and other relevant regulations.

Duties and responsibilities of the Internal Control Monitoring and Steering Committee.

ARTICLE 17 - (1) The Internal Control Monitoring and Steering Committee is responsible for monitoring, guiding, and reporting to the senior management on the internal control system and compliance efforts with the Public Internal Control Standards. The Committee meets at least twice a year.

(2) The secretariat services of the Board are carried out by the financial services unit.

CHAPTER FOUR

Compliance Studies with Public Internal Control Standards

Compliance with Public Internal Control Standards

ARTICLE 18- (1) Compliance studies with Public Internal Control Standards in administrations are carried out under the responsibility of the expenditure units, under the leadership and supervision of the senior manager, with the technical support and coordination of the financial services unit. If deemed necessary, the consultancy support of internal auditors can be utilized with the approval of the senior manager.

(2) The procedures and principles for initiating, conducting and monitoring compliance studies with Public Internal Control Standards in administrations are determined by the senior manager of the administration.

(3) Units authorized to make expenditures with the appropriation transfer document are responsible for complying with the Public Internal Control Standards, but, with the exception of the Higher Education Council and the units of universities and high technology institutes, they are not obliged to prepare the Public Internal Control Standards compliance action plans stipulated in this Regulation. If the preparation of such action plans is foreseen by the senior manager for these units, the procedures and principles regarding this are determined by the financial services unit.

(4) Municipalities with a population not exceeding 50,000 according to the latest address-based population registration system results announced by the Turkish Statistical Institute are responsible for complying with the Public Internal Control Standards, but they are not obliged to prepare the Public Internal Control Standards compliance action plans stipulated in this Regulation. If the preparation of such action plans is foreseen by the senior manager, the procedures and principles related to this are determined by the financial services unit.

Action plan for compliance with Public Internal Control Standards in spending units.

ARTICLE 19- (1) The spending authority shall evaluate the compliance of the current situation of the unit's activities with the Public Internal Control Standards with the participation of the sub-unit managers and personnel of the spending unit, under the coordination of an assistant whom he/she will appoint as the internal control and risk coordinator, or if there is no assistant, an officer at the hierarchical level closest to him/her, and shall put into effect the unit's Public Internal Control Standards compliance action plan which includes measures to ensure or strengthen compliance.

(2) The spending authority ensures that the actions included in the unit's Public Internal Control Standards compliance action plan and within its authority are implemented within the timeframe foreseen in the plan and monitors the results.

(3) Actions that concern the entire administration or that fall within the scope of the unit's duties but require the approval of the senior manager are included in the administration's Public Internal Control Standards compliance action plan. This information is then reported to the financial services unit.

(4) The procedures and principles regarding the preparation, implementation and monitoring of the unit's Public Internal Control Standards compliance action plan are prepared by the financial services unit and enter into force with the approval of the senior manager.

Risk control action plan for spending units

ARTICLE 20- (1) The spending authority shall implement the unit risk control action plan, prepared to ensure the identification and evaluation of risks that may negatively affect the activities and processes carried out in the unit, and to take measures to reduce the impact and probability of these risks, with the participation of the sub-unit managers and personnel of the spending unit, under the coordination of an assistant whom he/she will appoint as internal control and risk coordinator, or if there is no assistant, an officer at the hierarchical level closest to him/her.

(2) The spending authority shall take action on the risk control plan of the unit and within its authority. It ensures that the actions are implemented within the timeframe stipulated in the plan and monitors their results.

(3) Operational risks related to the activities and processes of spending units that may negatively affect the aims and objectives included in the administration's strategic plan are reported to the financial services unit to be included in the administration's risk control action plan.

(4) Procedures for the preparation, implementation and monitoring of the unit risk control action plan. The guidelines are prepared by the financial services unit and come into effect with the approval of the senior management.

Administrative Public Internal Control Standards compliance action plan and administrative risk control action plan

ARTICLE 21- (1) The financial services unit submits the actions communicated by the expenditure units to the Internal Control Monitoring and Steering Committee for evaluation, to be included in the Public Internal Control Standards compliance action plan. The Committee may decide to add a new action, re-evaluate the actions or remove them.

(2) The action plan is put into effect after any changes deemed appropriate by the senior manager are made. The action plan may be revised at any time with the approval of the senior manager in line with the needs that arise during the implementation of the activities foreseen in the action plan.

(3) The action plans for compliance with Public Internal Control Standards are prepared by the financial services unit for periods of up to two years, at the latest by the first of January of the first year of the period covered.

It comes into effect as of week [date]. The administration's action plan for compliance with Public Internal Control Standards is sent to the Ministry within ten working days following the approval of the senior manager.

(4) The results of the actions foreseen in the Public Internal Control Standards compliance action plans of the administrations are monitored regularly by the financial services unit of the administrations at least once every six months and are presented to the senior manager in two periods at the end of June and December of each year in the form of an action plan.

(5) The financial services unit prepares the administrative risk control action plan, which consists of the corporate risks related to the aims and objectives included in the administration's strategic plan and the risks reported by the expenditure units to be added to the administrative risk control action plan, and submits it to the Board. The administrative risk control action plan, evaluated by the Board, is submitted to the senior executive for approval. The implementation of the administrative risk control action plan, which comes into effect with the approval of the senior executive, is monitored by the financial services unit at periods determined by the administration and the results are reported to the Board.

Monitoring the internal control system in the administration.

ARTICLE 22- (1) The spending authority monitors the compliance level of the regulations, activities, processes and transactions in its unit with the internal control components and Public Internal Control Standards by making continuous evaluations and reports the results to the financial services unit.

(2) The spending authority ensures that the information requested by the financial services unit for monitoring the internal control system is provided and that the internal control system evaluation methods are implemented in the unit.

(3) The financial services unit monitors and evaluates the results of the implementation of the internal control system in the administration, taking into account the opinions of the administration's managers and other personnel, the requests and suggestions of individuals and/or administrations, the evaluations of the spending units, the results of the implementation of the action plans and the reports prepared as a result of internal and external audits, and submits the internal control system evaluation report it has prepared to the senior manager in order to provide evidence for the assurance statements. The internal control system evaluation report approved by the senior manager and the results of the implementation of the administration's Public Internal Control Standards compliance action plan are sent to the Ministry by the administrations listed in the annexes (I), (II) and (IV) to the Law no later than March 15 of the following year, and by local administrations no later than May 15 of the following year.

(4) The senior manager monitors the results of the implementation and takes the necessary measures.

Monitoring of the internal control system by the Ministry

ARTICLE 23- (1) The compliance efforts and compliance level of the administrations with the Public Internal Control Standards are monitored and evaluated by the Ministry within the framework of the Law, this Regulation, the Public Internal Control Standards and other relevant regulations. The monitoring and evaluation activities to be carried out by the Ministry are performed by regularly monitoring the internal control documents and other information sources prepared by the administrations and by conducting on-site monitoring and evaluation within a specific plan.

(2) The tools and methods for planning, conducting, reporting and publishing the results of the monitoring and evaluation to be carried out within the scope of this article, the information and documents to be sent to the Ministry by the administrations and other matters are determined by the Ministry.

(3) The administrations shall monitor the Ministry through regular monitoring and on-site monitoring and evaluation. They are obliged to provide all information and documents requested by them.

CHAPTER FIVE

Miscellaneous and Final Provisions

Regulations to be made by the administrations

ARTICLE 24- (1) Regulations that are put into effect by the senior executives of the administrations in accordance with this Regulation and other relevant regulations are sent to the Ministry within ten working days following the approval of the senior executive.

Regulation and coordination task

ARTICLE 25 - (1) The Ministry is responsible and authorized to ensure coordination regarding the methods and standards related to internal control, to make the necessary arrangements and to issue guiding manuals in practice, within the framework of the Law and this Regulation.

Eliminating doubts

ARTICLE 26 - (1) The Ministry shall address any doubts that may arise in the implementation of this Regulation.
is authorized to remove it.

Business and transactions carried out electronically.

ARTICLE 27 - (1) The works and transactions included within the scope of this Regulation shall also be carried out electronically.
realizable.

Procedures and principles that have been abolished

ARTICLE 28- (1) In the Official Gazette dated 31/12/2005 and numbered 26040 third supplement
The published Procedures and Principles Regarding Internal Control and Preliminary Financial Control have been repealed.

(2) References made to the provisions of the repealed Internal Control and Preliminary Financial Control Procedures and Principles relating to internal control shall be deemed to be made to this Regulation; and references made to the provisions relating to preliminary financial control shall be deemed to be made to the Public Preliminary Financial Control Regulation.

Adaptation process

TEMPORARY ARTICLE 1- (1) Unit Public Internal Control Standards compliance action plans shall be prepared and put into effect in all units of the administration, starting from the beginning of the year following the publication of this Regulation, in at least three expenditure units to be determined by the administration each year, and at the latest by 1/1/2028. Until the Unit Public Internal Control Standards compliance action plan is prepared, the units shall continue to send their actions to the financial services unit to be included in the administration's Public Internal Control Standards compliance action plan.

(2) The timetable for the gradual transition of all expenditure units in accordance with the first paragraph is the financial
It is prepared by the services unit and put into effect with the approval of the senior management.

(3) Risk control action plans referred to in Articles 20 and 21 of this Regulation
Preparation work will begin no later than January 1, 2026.

Force

ARTICLE 29 - (1) This Regulation shall enter into force on the date of its publication.

Executive

ARTICLE 30 - (1) The Minister of Treasury and Finance shall execute the provisions of this Regulation.

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