

## 3.6 Audit at the CBRT and Audit Reports

### 3.6.1 Audit at the CBRT

The activities of the CBRT are audited by both internal and external auditors in compliance with the legislation laid out in the CBRT Law No. 1211.

#### Audits Conducted by the Bank

In accordance with Article 15 of the CBRT Law, the General Assembly examines and resolves whether to approve the Annual Report submitted by the Board of the Bank, the report of the Auditing Committee, the CBRT's balance sheet and the income statements. Through this procedure, the General Assembly completes the monitoring of the activities of the Bank every year by discharging the Board of the Bank and the Auditing Committee.

The Auditing Committee, on the other hand, audits, in accordance with Article 24 of the CBRT Law, all the operations and accounts of the CBRT and submits to the General Assembly a report to be drawn up on operations and accounts of the Bank at the end of the year. With the authorization entrusted by the CBRT Law, the Auditing Committee submits its written opinions to the Board and also presents a copy thereof to the Turkish Presidency.

Article 64 of the Main Regulation on the Organization and Duties of the CBRT gives the authority and responsibility for auditing the Bank's usual operations to the Audit Department.

Within the scope of the authorities and duties granted by the CBRT Law No. 1211 and the related legislation, the Audit Department has the duty and authority to conduct audits, examinations and research, and also to carry out investigations and consulting services when needed in the departments, branches and representative offices of the CBRT and also at institutions and organizations other than the Bank.

According to Article No. 6 of the "Audit Regulation of the CBRT", audits carried out can be classified into four activities: internal audit, investigation, examination and consultancy, and external audit activities.

Pursuant to Article 21 of the Audit Regulation of the CBRT, one or several of the operational, financial, compliance and information systems audits can be conducted simultaneously in all departments, branches and representative offices of the CBRT. In 2022, a total of 28 internal audits, 15 of which were in information systems, were conducted at the CBRT Head Office. Additionally, 26 compliance audits were conducted across 12 branches of the Bank.

As part of the external audit conducted pursuant to Article 36 of the Audit Regulation of the CBRT, the Bank carried out on-site and real time audits at banks and financing institutions on various issues subject to the CBRT's regulation. These audits took place based on the opinions and requests of the members of the Executive Committee, as well as CBRT departments in charge of regulation and oversight, and upon the Approval of the Governor's Office. In 2022, adopting a pro-active approach in external audit, the CBRT pursued a communication policy to improve the comprehensibility of the CBRT regulations by the financial sector, and the pace at which these regulations are put into implementation. The aim of external audits is to monitor the effective implementation of decisions and measures taken in cooperation with the CBRT's other units to achieve the CBRT's strategic goals, as well as to ensure compliance with the legislation. Accordingly, 50 reports and many information notes were prepared and submitted to the CBRT executives and related departments.

With the amendment made to Law No. 6493 on Payment and Securities Settlement Systems, Payment Services and Electronic Money Institutions in 2019, the CBRT was entrusted with the authority to audit payment institutions and electronic money institutions, and the Bank started to audit these institutions in 2020. Regulated by Law No. 6493, the payments ecosystem has been evolving day by day offering innovative solutions to its clients, and is expected to develop and become even more important in the years ahead. Audits play a major role in enabling this field to gain a corporate identity and develop a suitable structure, as well as in protecting the rights of clients. The audits carried out in cooperation with the CBRT departments in charge of regulation and oversight contribute significantly to the development of the sector. In 2022, the CBRT prepared 45 reports as part of such audit activities conducted at relevant institutions.

The CBRT audited a total of 16 institutions operating in the field of payment services in terms of their compliance with the Obligations Regarding Prevention of Laundering Proceeds of Crime and Financing of Terrorism, upon the request of the Financial Crimes Investigation Board (MASAK) and the approval of the Minister of Treasury and Finance.

The Audit Department has a total of 73 audit staff composed of 13 head inspectors, four chief auditors, two IT inspectors, 26 inspectors, five authorized assistant IT inspectors, seven authorized assistant inspectors, one assistant IT inspector and 15 assistant inspectors.

Periodic evaluation of internal audit activities is carried out every year by an assigned inspector, who, at the end of the evaluation made in terms of quality and conformity, submits an evaluation report to the Audit Department.

#### **Audits Conducted by External Audit Firms**

In accordance with Article 42 of the CBRT Law, the Governor submits to the President a report on the operations of the Bank and the current and future monetary policy, in April and October each year. The CBRT furnishes information regarding its operations to Plan and Budget Committee of the Grand National Assembly of Türkiye twice a year.

Pursuant to Article 42 of the CBRT Law, the CBRT may have its balance sheet and income statements audited by independent audit firms. Believing that independent external audit activities are one of the most effective instruments with respect to the transparency and accountability principles adopted by central banks, the CBRT first started to receive external audit services in 2000. The reports prepared at the end of the audit engagements each year are made public via the CBRT's website.

In addition to the audits mentioned above, the Ministry of Treasury and Finance, the State Supervisory Council, the Turkish Court of Accounts, certain ministries and other authorized government agencies may conduct audits at the CBRT via their auditors on the issues related to their duties, if deemed necessary by the relevant authorities.

### 3.6.2 The Report of the CBRT's Auditing Committee

#### CENTRAL BANK OF THE REPUBLIC OF TÜRKİYE JOINT STOCK COMPANY 2022 AUDITING COMMITTEE REPORT FOR THE NINETY-FIRST ACCOUNTING YEAR

The Auditing Committee has audited the activities and resulting statements of the 2022 Accounting Year of the Central Bank of the Republic of Türkiye within the framework of the provisions of the related legislation, and concluded that:

1. Gold holdings, and cash, foreign exchange banknotes, coins and securities in the service and reserve vaults of the Head Office and Branches, which were subject to stock-taking at the end of the year, are in conformity with the accounting records as well as the inventory records, and these values are kept and administered in accordance with the regulations and instructions,
2. The conformity of books related to the Bank's accounts with accounting records was examined and it was ascertained that the records were kept in a timely and orderly manner, properly and per legislation, and that the Bank's operations were in conformity with the Central Bank Law,
3. The balance sheet dated 31.12.2022 and the Income Statement for the period between 01.01.2022 and 31.12.2022 are in compliance with the Turkish Commercial Code and the Central Bank Law,
4. The financial statements compiled to present the financial position of the Central Bank of the Republic of Türkiye on 31.12.2022 and the results of activities relating to the same accounting year that ended on the same date are presented in an accurate, correct and clear manner pursuant to the legislation in force in Türkiye and the Central Bank Law,
5. The decisions, dissents and abstaining votes of the Board have been deliberated and no action was deemed necessary,
6. The trial for the legal liability lawsuit filed by the Bank continues.

In conclusion, we hereby submit the "Balance Sheet" and the "Income Statement" dated 31.12.2022 for approval of the General Assembly.

Ankara, 06/03/2023

Mehmet BABACAN  
Auditing Committee Member

Mehmet KAYA  
Auditing Committee Member

Hayrettin KURT  
Auditing Committee Member

Suat SARIGÜL  
Auditing Committee Member

### 3.6.3 Independent Audit Report Drawn up in Compliance with the Central Bank Law and Related Legislation\*

#### Independent Auditor's Report

To the Board of the Central Bank of the Republic of Türkiye  
Ankara

#### A) Audit of the Financial Statements

##### Opinion

We have audited the financial statements of the Central Bank of the Republic of Türkiye ("the Bank", and "CBRT"), which comprise the balance sheet as at 31 December 2022, the statements of profit or loss, changes in equity and cash flows for the year then ended, and notes, to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2022, and its financial performance and cash flows for the year then ended in accordance with the Law of the Central Bank of the Republic of Türkiye and related legislation (Note I. A. (2)).

##### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We declare that we are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Türkiye. We have fulfilled our other ethical responsibilities in accordance with IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Bank management is responsible for the preparation and fair presentation of the financial statements in accordance with the Law of the Central Bank of the Republic of Türkiye and related legislation (Note I. A. (2)), and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless General Assembly either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

##### Auditors' Responsibilities for the Audit of Financial Statements

The responsibilities of independent auditors in an independent audit are as follows:

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance; but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. (The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.)
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi  
*A member firm of Ernst & Young Global Limited*

Tolga Özdemir, SMMM  
Partner

İstanbul, Türkiye

<sup>(\*)</sup> The full text of the Report is accessible at the Bank's website ([www.tcmb.gov.tr](http://www.tcmb.gov.tr)), under About the Bank / Organization / Independent Audit Reports.

### 3.6.4 Independent Audit Report Drawn up in Compliance with IFRS\*

#### Independent Auditor's Report

To the Board of the Central Bank of the Republic of Türkiye  
Ankara

#### Audit of the Financial Statements

##### Opinion

We have audited the financial statements of the Central Bank of the Republic of Türkiye ("the Bank"), which comprise the statement of financial position as at 31 December 2022, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

##### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We declare that we are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"). We have fulfilled our other ethical responsibilities in accordance with IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Other Matter

As mentioned in Note 3.a, US Dollar amounts presented in the accompanying financial statements are translated from TL at the official US Dollar bid rates announced by the Bank at 31 December 2022 and 2021 for the statement of financial position; and the average of daily official US Dollar bid rates announced by the Bank for the years ended 31 December 2022 and 2021 for the statement of profit or loss, and they do not form part of these financial statements.

##### Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Bank management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless General Assembly either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

## Auditors' Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. (The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.)
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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*A member firm of Ernst & Young Global Limited*

Tolga Özdemir, SMMM  
Partner

Istanbul, Türkiye

<sup>(\*)</sup> The full text of the Report is accessible at the Bank's website ([www.tcmb.gov.tr](http://www.tcmb.gov.tr)), under About the Bank / Organization / Independent Audit Reports.