

**By the Banking Regulation and Supervision Agency:**

**REGULATION ON BANK INFORMATION SYSTEMS AND BANKING  
PROCESSES AUDIT TO BE PERFORMED BY EXTERNAL AUDIT INSTITUTIONS**

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**SECTION ONE**

**Objective and Scope, Basis and Definitions**

**Objective**

**ARTICLE 1** — (1) The purpose of this Regulation is to lay down the principles and procedures governing the information systems and banking processes audit by authorized external audit institutions.

**Scope**

**ARTICLE 2** — (1) Partnerships under the scope of consolidation, support service institutions which procure information systems services to banks, institutions authorized to conduct information systems and banking processes audit, external audit institutions and outsourcing provider institutions are subject to the provisions of this Regulation to the extent of the purpose stated in article 1 and on condition to be limited with the purpose of preparing report concerning information systems and banking processes with banks.

**Basis**

**ARTICLE 3** — (1) This Regulation has been prepared on the basis of Articles 15 and 93(4) of the Banking Law dated October 19, 2005 and Nr. 5411.

## **Definitions and abbreviations**

**ARTICLE 4—** (1) Following terms used in this Regulation shall have the meanings expressly designated to them below:

- a) External audit: The definition included in article 5 of RAAEA,
- b) External audit institution: The institution to conduct external audit in banks according to the article 18 of RAAEA,
- c) Bank: The bank defined in article 3 of the Law,
- ç) Banking processes: Work processes established concerning the activities of the auditee carried out within the scope of article 4 of the Law,
- d) RAAEA: Regulation on Authorization and Activities of Institutions to Perform External Audit in Banks published in the Official gazette dated November 1, 2006 and Nr. 26333,
- e) ISBPA: Bank information systems and banking processes audit,
- f) COBIT: Current version of Control Objectives Information and Related Technologies (CEBIT) which was published by Information Systems Audit and Control Association (ISACA) Information Technologies Governance Institute (ITGI),
- g) Auditor: Personnel assigned to perform information systems and banking processes audit and of whom titles are listed in article 18 of this Regulation and the financial auditor in banking processes activities,
- ğ) Auditee: Banks and partnerships within the scope of consolidation and support service institutions to the extent which are limited with the purpose of preparing audit report within the scope of this Regulation,
- h) Financial auditor: External auditor defined in article 4 of RAAEA,
- ı) General controls: Controls which aim to establish a sufficient assurance relating to carrying out the functions expected from information systems truly, preventing, determining and correcting undesirable states and to provide a trustworthy environment for functionality of

controls on banking processes and which are applied to all or a major part of bank information systems as well as policies and procedures which enable these controls to be applied,

i) Law: The Banking Law Nr. 5411,

j) Control: All of policies, procedures, practices and organizational structures which aim to establish sufficient assurance relating to fulfilling business purposes, preventing, determining and correcting undesirable states,

k) Control target: Control targets in COBIT which provide a desired result or a target is acquired by making control procedures within a specific information systems activity,

l) Board: The Banking Regulation and Supervision Board,

m) Agency: The Banking Regulation and Supervision Agency,

n) Maturity model: The maturity model in COBIT,

o) Authorized institution: The external audit institution authorized to conduct external audit within the scope of this Regulation,

ö) Managers: The managers defined in article 3 of the Law.

## SECTION TWO

### General Principles Concerning Information Systems and Banking Processes

#### Materiality

**ARTICLE 5** — (1) Materiality is an opinion matter; whereas it is an evaluation of the effect or possible effect of errors, omissions, violations to procedures and unlawful legal acts arise or may arise as a result of control weaknesses on banks to report their financial data and to offer safe and uninterrupted service.

(2) Materiality concept in information systems and banking processes audit may be used for planning supervision, concentrating on necessary fields, evaluating and regulating findings.

(3) Integrity, consistency, when necessary, secrecy, and continuity of data particularly financial data which are sensitive in respect of the auditee are fundamental elements which should be considered within the scope of materiality.

(4) While elements such as value, transaction frequency of the financial transaction carried out by the process or system are used in evaluation of controls effecting financial reports; elements such as criticality of work process, cost of system and operations, size of possible results of errors, number of transaction/inquiry realized in a period of time, quality, timing and scope of files kept and reports produced, requirements of service level contracts and amounts of fine in penalty clauses are used in evaluation of controls relating to non-financial transactions.

### **Control weakness**

**ARTICLE 6** — (1) The auditor uses the criteria below in classifying control weakness and deficiencies subject to the findings he verifies as a result of his analysis:

a) Control weakness: Design or execution of a control not enabling to prevent and determine the errors on time.

1) Lack of control in design, absence of control that shall provide a control target to be acquired or an existing control, even functioning as designed, failing to fulfill the expected control target due to errors in design.

2) Lack of control in operating, a well designed control failing to operate as designed or personnel performing the control being unauthorized and unqualified to execute the control effectively.

b) Noteworthy lack of control: is defined as a control weakness likely to have negative influence on providing integrity, consistency, reliability and when necessary secrecy of financial data of the auditee, and on obtaining the continuity of activities or deficiency which cannot be considered as unimportant arise as a consequence of many control weaknesses gather. Deficiencies which are likely to have negative effect on preventing the errors and

omissions which happen to occur during reliable recording of the financial data of the auditee according to the generally accepted accounting standards and authorizing, processing or reporting the records are also evaluated within this scope.

c) Significant lack of control: One or a number of control weaknesses coming together to prevent a significant error in financial reporting the auditee carries out periodically or highly likely to have negative effect on providing integrity, consistency, when necessary, secrecy, of processes performed within the structure of bank as well as information relating to these processes

### **Efficiency, adequacy and consistency**

**ARTICLE 7** — (1) In order a design of a control can be considered effective, control weakness in design should not be within the structure of this control or even so should not cause a significant control deficiency.

(2) In order an operation of a control can be considered effective, control weakness in operation should not be within the structure of this control or even so should not cause a significant control deficiency.

(3) Sufficiency of controls on information systems and banking processes means;

a) Designs of all controls subject to audit within the scope of materiality principle are effective,

b) These controls have been designed so as to produce the result expected from them within the scope of business purposes and to compensate the risks being exposed.

(4) Effectiveness of controls on information systems and banking processes means;

a) Operations of all controls subject to audit within the scope of materiality principle are effective,

b) These controls execute the functions and control targets expected from them duly.

(5) In order a control can be considered consistent, all subjects and liabilities included in Law on the control and sub-regulations and directives published pursuant to this Law should be fulfilled. Consistency of controls on information systems and banking processes means all controls subject to audit within the scope of business purposes are consistent.

### **Audit risk**

**ARTICLE 8** — (1) Audit risk is the possibility that auditor fails to give accurate opinion depending on the risks stated below:

a) Structural risk: means the risk of presence of at least a noteworthy lack of control, due to the fact that there is no control.

b) Control risk: means the risk of control failing to prevent, disclose or fix on time at least a noteworthy lack of control, due to the fact that it does not function duly.

c) Detection risk: means the risk of auditor failing to disclose at least a noteworthy lack of control in internal control system of the auditee.

(2) Significant or noteworthy lack of control risk: means the risk of presence of at least a noteworthy lack of control in internal control system of the auditee. Significant or noteworthy lack of control risk is derived from structural risk and control risk.

(3) The auditor uses appropriate audit techniques to decrease detection risk in areas which significant or noteworthy lack of control risk is high, so as to decrease audit risk to reasonable level.

## **SECTION THREE**

### **Authorization, Permission and Members of Profession**

#### **Conditions sought in institutions to be authorized**

**ARTICLE 9** — (1) It is obligatory that the institutions to be authorized within the scope of this Regulation shall;

- a) Have the authority to perform external audit in banks,
- b) Employ auditor at adequate number and quality to carry out the activities within the scope of this Regulation.

#### **Information and documents required during application for authorization**

**ARTICLE 10** — (1) The following information and documents relating to the auditors excluding assistant auditor are added to the letter of application to be granted by the external audit institution which intends to operate in ISBPA activity to the Agency:

- a) Detailed CV's covering professional experiences, trainings they received relating to audit, if any, audit operations they participated in and tasks they were assigned in these operations to be drawn up as per the model in annex-1 as well as master or copies certified by the Agency of diplomas/ graduation certificates relating to undergraduate and/or graduate documents,
- b) If any, Certificate of Information Systems Auditor (CISA) or master or copies certified by the Agency of other certificates relating to the scope of this Regulation,
- c) Copies of documents relating to the trainings received or given on subjects that fall within the scope of this Regulation,
- ç) Written declarations that they have no criminal records,
- d) Titles deemed appropriate within the scope of the Regulation,
- e) Written declarations to be drawn up as per the model in annex-2 that they have no partnership in more than one external audit institution,

f) Written declarations to be drawn up as per the model in annex-3 that they are not partner in auditees or external audit institutions of which authority to perform audit in companies subject to Capital Market Law dated July 28, 1981 and 2499 has been terminated nor external auditor or auditor in audit activities causing termination of authority,

g) Written declarations to be drawn up as per the model in annex-4 that they do not work excluding professional activities,

ğ) Written declarations to be drawn up as per the model in annex-5 that they are or will be employed full time in external audit institutions,

h) Provided that is verified by a document to be demanded from the related institution that they have not received a fine to pose an obstacle to conduct external audit as a result of a disciplinary proceeding carried out beforehand or has already been carried out, written declarations to be drawn up as per the model in annex-6 that whether or not legal proceedings were taken about them by other competent authorities; that the Agency shall be informed in seven days at the latest when such a proceeding began; and they shall resign from the office in fifteen days at the latest, in case of receiving a penalty as a result of the proceeding that will pose an obstacle to perform ISBPA,

ı) Written declarations to be drawn up as per the model in annex-7 that they shall undertake to resign from the audit service given to the bank in case of elimination of independence during ISBPA activity.

(2) Declarations that they shall insure professional liability insurance in order to meet the losses that may arise due to the services given by external audit institution are also added to the letter of application.

### **Granting authorization to perform information systems and banking processes audit**

**ARTICLE 11** — (1) In consequence of in-site audit carried out by the Agency for evaluating partners and auditors of external audit institutions who applied to obtain authority to perform ISBPA within the scope of the information and documents defined in article 10 of this Regulation and determining their professional and technical competencies, the said competent authorities are furnished with the authority to perform audit in banks within the scope of this

Regulation and upon the resolution of the Board, in case of a conclusion has been reached that they have the competence to carry out the subjects of activity.

(2) During the process of evaluation of authorization applications, additional information and documents may be demanded, when deemed by the Agency, in order to measure the competence of the external audit institution. Information and documents demanded are taken into consideration in evaluations on furnishing the authority.

(3) Subjects which are considered during authorization processes of external audit institutions may be reviewed by the Agency.

(4) Continuity of elements ensuring authority to perform audit within the scope of this Regulation to be obtained is principal. The Agency may control the presence of these elements when it deems necessary.

(5) Titles of external audit institutions which are furnished with the authority to perform audit within the scope of this Regulation are announced in the web-site of the Agency.

### **Termination of the authority to perform information systems and banking processes audit**

**ARTICLE 12** — (1) Authority of the authorized institution to perform information systems and banking processes audit is terminated permanently by the Board, in cases below:

a) Carrying out information systems and banking processes audit activities without acting in accordance with the article 26 (3) of RAAEA,

b) Failing to take out the professional liability insurance that is obligatory to be insured pursuant to the article 36 of the Law and according to the procedures and principles determined in article 26 (11) and (12) of RAAEA so as to include information systems and banking processes audit,

c) Information systems and banking processes audit to which positive, conditional or negative opinion is given being unable to prove that the authorized institution is not defective in case of situations determined by the Agency which significantly affect protecting the assets of the

auditee, carrying out its activities in accordance with the Law and the related legislation, interbank policies and rules and banking practices, providing reliability, integrity of accounting and financial reporting system and procurement of information on time,

ç) Permanent termination of authority more than once within the scope of the second paragraph,

d) There is no audit contract proceeding within the scope of this Regulation or elements included in audit contract are not fulfilled or fulfilled imperfect according to the audits carried out,

e) A situation contradicting with the article 20 (11),

f) Authorized institution losing the conditions in article 9.

(2) Where one or more of the cases below are determined, the Board is authorized to terminate permanently the authorized institution's authority to perform information systems and banking processes audit in banks on condition that it will not last more than two years:

a) Titles used by auditors failing to be appropriate to the provisions stated in article 18,

b) Changing the auditors without informing the auditees and the Agency beforehand,

c) Repetition or failure to fulfill more than once in one audit period of situations subject to warning by the Agency, due to failure to comply with the procedures and principles determined in this Regulation,

ç) Failing to acquire adequate audit proof,

d) Failing to furnish the information and documents demanded by the Agency.

(3) Before the authority is terminated permanently or temporarily, statement of the related authorized institution is taken. In case no statement is given in one month beginning from the date of notification of the letter on requesting statement, it is accepted that the right of defense has been disclaimed.

(4) Within the scope of this Regulation, termination of the authorized institution's authority to perform audit does not mean the termination of authority to perform external audit. In case the

authorized institution's authority to perform audit is terminated, authority to perform audit within the scope of this Regulation is considered to be terminated without requiring any proceeding.

(5) The Board forbids partners or auditors of the authorized institution, which are determined responsible for failing to abide by the warnings made by the Agency or repetition of the cases subject matter of the warning or who fail to abide by the responsibilities set forth in article 20, to perform ISBPA activities using member of profession titles defined in article 18 of this Regulation.

(6) Titles of external audit institutions of which authority is terminated within the scope of this Regulation are announced in the web-site of the Agency.

### **Performing information systems and banking processes audit through procurement of support services**

**ARTICLE 13** — (1) External audit institution may carry out its activities through outsourcing.

(2) External audit institution is obliged to get permission within the scope of this Regulation so as to carry out ISBPA activity by the auditee through the service it shall receive from outsourcing provider institution/ institutions.

(3) External audit institution is decisively responsible for the related activities and liabilities within the scope of this Regulation on behalf of itself and the outsourcing provider institution/ institutions, in case it carries out audit activity through outsourcing procurement as well.

(4) The same outsourcing provider institution may give service to more than one external audit institution.

(5) One external audit institution may apply for license to perform ISBPA through outsourcing for maximum 3 periods at a time. When the license period is expired, the related external audit institution may apply again for license to perform audit through outsourcing.

### **Conditions sought in support service provider institution**

**ARTICLE 14** — (1) It is obligatory that the institutions from which external audit institution shall receive service to carry out ISBPA activity;

- a) To have auditor with the qualifications defined upon this Regulation,
- b) To employ auditors in audit teams in sufficient number and qualifications,
- c) Should not give management or consultancy service to nor be in a business relationship with the institution under audit for minimum last three years,
- ç) To assign its auditor in information systems and banking processes audit, on condition that he is committed to audit principles or does not harm auditor independence principle
- d) Should not have carried out audit in the same auditee continuously for 7 years or more within the scope of this Regulation.

(2) It is required that the outsourcing provider institution to have enacted a contract with the external audit institution within the scope of this Regulation so as to carry out information systems and banking processes audit. Upon this contract, external audit institution is obliged to provide commitment of the outsourcing provider institution to audit principles, bear all conditions regulated for auditors within the scope of this Regulation and the other related regulations and to comply with the provisions related to audit activity and other subjects.

### **Information and documents required during application for permission**

**ARTICLE 15** — (1) External audit institution which intends to procure outsourcing in ISBPA activity expresses the auditees for which it shall carry out audit activity as well as the audit period clearly in the letter of application it shall furnish the Agency with.

- (2) The following information and documents are attached to the letter of application to be submitted to the Agency;
  - a) Memorandum of understanding received from the banks having external audit relation and which indicates that there is no harm for the said institution to provide outsourcing in performing information systems and banking processes audit in banks,

- b) Documents concerning external audit institution and outsourcing provider institution and partners and auditors which should be included within the scope of article 10 (1) and (2),
- c) Contract enacted between external audit institution and outsourcing provider institution and which responsibilities of the parties and audit plan are expressed clearly, subjects such as the person whom outsourcing provider institution assigned with signing audit report, audit principles, independence of audit/ auditor, confidentiality and conflict of interest, audit teams and hourly audit fee and total service cost have been clarified,
- ç) Addresses of central office or if any, branch and/or branches of outsourcing provider institution,
- d) Balance-sheet of outsourcing provider institution at the date of application,
- e) In case the outsourcing provider institution has a legal relation with a foreign company concerning the area subject to outsourcing procurement, copies of contracts enacted with the said company certified by the authorities of company,
- 1) Written declarations to be drawn up as per the model in annex-8 that the outsourcing provider institution has not procured management or consultancy service to nor be in a business relationship with the institution under audit or its subsidiary for minimum three years,
- g) Written declarations to be drawn up as per the model in annex-9 that the auditors of outsourcing provider institution shall take office in information systems and banking processes audit, on condition that they are committed to audit principles and does not harm confidentiality and auditor independence principle.

**Granting authority to perform information systems and banking processes audit through procurement of support services**

**ARTICLE 16** — (1) In consequence of in-site audit carried out by the Agency by evaluating external audit institutions which apply for license to conduct outsourcing procurement and ISBPA as well as institutions providing outsourcing and partner auditors of these institutions within the scope of the information and documents defined in article 10 of this Regulation and determining their professional and technical competencies, the said competent authorities are

furnished with the authority to perform ISBPA for the periods deemed appropriate and by the auditees deemed appropriate and upon the resolution of the Board, in case of a conclusion has been reached that they have the competence to carry out the subjects of activity.

(2) In case the institution from which external audit institution shall provide outsourcing is an authorized institution within the scope of this Regulation, no Board resolution is sought on license to perform ISBPA through outsourcing procurement, Board evaluations are taken as a basis.

(3) Resource adequacy of the outsourcing provider institution concerning the said services and audit activities it carries out currently within the scope of this Regulation are taken into consideration according to the evaluations to be carried out by the Agency, in case the outsourcing provider institution becomes the authorized institution.

(4) External audit institution which is furnished with the authority to conduct audit through outsourcing procurement and the related outsourcing provider institution on condition it is limited with the service it provides within the scope of ISBPA, unless otherwise stated, are subject to all provisions on authorized institutions, pursuant to this Regulation.

#### **Termination of authority to perform information systems and banking processes audit through procurement of support services**

**ARTICLE 17** —(1) Where one or more of the cases stated in article 12 (1) and(2) in licensed institutions which are determined to have acted against the provisions of this Regulation and institutions from which they provided outsourcing are determined, depending on the character of the conflicts, the Board terminates temporarily and permanently the authority of external audit institution to perform information systems and banking processes audit through procurement of outsourcing upon the evaluation made by the Agency.

(2) In case the contract between external audit institution and outsourcing provider institution is terminated, license to perform ISBPA is annulled by the Board.

## **Titles of member of profession**

**ARTICLE 18** — (1) The auditors assume the titles of responsible information systems external chief auditor, information systems external chief auditor, senior information systems external chief auditor, information systems external auditor and information systems assistant external auditor, according to the order of precedence.

(2) Information systems audit, professional information systems control or security, total time spent in any or several software development subjects on condition that it is limited with the areas relating to banking activities are considered as professional experience according to this Regulation.

(3) Professional experiences of auditors who have the Certificate of Information Systems Auditor (CISA) are considered as Professional experience.

(4) In the evaluation of experience conditions, maximum 5-year period of the experiences are declared null and void with the exclusion of information systems including the third paragraph of this article. Certificate of Information Systems Auditor (CISA) and Certificate of Internal Auditor (CIA) are considered as information systems experience of additional one year each in the evaluation of experience conditions.

(5) It is obligatory that the Information Systems External Auditor shall bear the following qualifications:

a) Having completed 4-year programs of universities or higher education institutions abroad of which accreditation is accepted by competent authorities.

b) Having minimum 3 years of effective professional experience.

(6) It is obligatory that the Senior Information Systems External Auditor shall bear the following qualifications:

a) Having the conditions sought for the title of Information Systems External Auditor.

b) Having minimum 6 years of effective professional experience.

(7) It is obligatory that the Senior Information Systems External Chief Auditor shall bear the following qualifications:

- a) Having the qualifications sought for the title of Information Systems External Auditor.
- b) Having minimum 10 years of effective professional experience.
- c) Having CISA.

(8) Members of profession having the conditions sought in paragraph seven shall have the title of Information Systems External Chief Auditor on condition that it is deemed appropriate as a consequence of the evaluations made by the Agency.

(9) Promotions made to other member of profession titles excluding Information Systems External Chief Auditor title are made by authorized institutions and notified to the Agency pursuant to the procedures and principles set forth by the Agency. Those whose information, ability and competence are not as required for the upper precedence cannot be promoted to the upper title, even if they acquired the experience conditions.

(10) It is obligatory for all members of profession who are assigned with audit of authorized institution within the scope of this regulation to receive or give continuing training on information systems and banking processes audit for minimum twenty hours yearly and minimum one hundred and twenty hours triennially.

## **SECTION FOUR**

### **Responsibilities of Parties**

#### **Responsibilities of the auditee**

**ARTICLE 19** — (1) The auditee is obliged to make the information systems documentation suitable and ready to banking processes documentation and to any record, information, structure and systems.

(2) The auditee is obliged to give any information and documents which the auditor demanded relating to ISBPA, even if confidential.

(3) The auditee is obliged to notify all systems and practices they use in their activities along with the implementation list including usage targets; and submit the work flow diagrams which he prepared pursuant to the article 9 of the Regulation on Internal Systems of Bank published in the Official Gazette dated November 1, 2006 and 26333 as well as documentation concerning control mechanisms and user documents concerning banking practices to the auditors.

(4) The auditee delivers a copy of internal audit reports demanded by the auditor to the auditor and takes the necessary measures so as to provide cooperation between the customers of auditor and auditee within the scope of article 37, provides the investigators to answer and clarifies the questions addressed by the auditors of the authorized institution.

(5) It is the responsibility of the audit committee of the bank to inform the board of directors of the bank about the determinations made by the auditors; and to provide the coordination between external auditors and members of board of directors and the personnel under audit.

(6) In cases where the authorized institution is intended to be changed by the auditee within the contract time or the authorized institution acted against ISBPA contract and/or the audit has not been carried out pursuant to the principles set forth in this Regulation, it is obligatory that the situation is notified to the Agency along with justifications and the assent of the Board is received so as to terminate the audit contract.

(7) The auditee is obliged to submit the management statement which gives assurance on its internal controls as of the audit period and is certified by the board of.

(8) The auditee concludes its commitments relating to the solutions of findings presented in the audit report through an action plan and reports them pursuant to the procedures and principles to be set forth by the Agency. Management of the bank is responsible in providing the action plan is executed and the commitments in this plan are met on time and completely.

## **Responsibilities of authorized institutions and auditors**

**ARTICLE 20** — (1) Auditors and financial auditors with whom they cooperate in ISBPA activity; are obliged to abide by the professional principles the profession requires and the audit principles determined in RAAEA upon this Regulation, to prepare an audit plan having considered risks and weaknesses that may be in information systems and banking processes and within the scope of Professional skepticism and submit it to the auditee and implement it, to refuse to accept the declarations of the managers as adequate audit proof and to prepare the audit report.

(2) Pursuant to the article 13 of RAAEA, quality assurance system which is required to be established by the external audit institution is carried out in a way to include the audit practices performed within the scope of this Regulation as well as the audit reports.

(3) The auditor is obliged to inform in writing the managers of the auditee and audit committee of the auditee concerning errors and abuses in every phase.

(4) It is obligatory that the changes in document and declarations stated in article 10 of this Regulation are notified to the Agency in seven days. Changes in audit staff are notified to the Agency pursuant to the procedures and principles determined by the Agency along with justifications.

(5) Authorized institutions are obliged to provide the information systems auditors they employed to attend training programs continuously.

(6) In cases of withdrawal from ISBPA within contract time or termination of the contract, the authorized institution is obliged to notify the Agency on the situation in five work days along with justifications.

(7) In case transactions which do not abide by the legal provisions taken as a basis or any development which may cause a negative opinion to be formed or failure to give opinion are ascertained during ISBPA activity, even if the auditee removed these, the Agency is notified in writing by the auditor in fifteen days following these situations were ascertained. In cases which constitute crime against the Law and other laws, the situation is submitted urgently to the competent authorities and in addition the Agency is informed in writing.

(8) The auditor informs the managers in writing or orally on any subject he deems important, including those arise during ISBPA and the subjects stated below:

a) General approach and scope of information systems and banking processes audit including possible restrictions and additional studies,

b) Troubles concerning policy making process which has or might has significant influence on information systems and banking processes, problems in policy implementations or changes in policy implementations,

c) Ambiguities which may cause suspicion on the continuity of bank activities,

ç) Disagreements with managers on subjects which may have significant influence on information systems and banking processes or audit report,

d) Significant weaknesses and risks included in information systems and banking processes.

(9) In cases where the information is made orally, the auditor documents the subjects disclosed in working papers and answers received.

(10) The auditors are obliged to protect for the best and without changing the documentation and letters entrusted to themselves by the related parties within the scope of ISBPA during the period their work requires and to return them at the end of the work. Copies of documents which constitute audit proof may be protected by the authorized institution.

(11) Authorized institution and auditors; take the measures concerning the protection of information they learned because of ISBPA activities and which are confidential pursuant to the provisions of the related regulation in the presence of themselves, cannot disclose these information anyone excluding those clearly authorized upon the law and cannot use them directly or indirectly for their own benefit.

(12) In case the information and documents concerning ISBPA are not submitted to the authorized institution by the auditee, this situation is notified to the Agency urgently.

(13) In case the auditors of authorized institutions are changed or auditors are employed excluding assistant auditor, it is obligatory that the decision models relating to assignment or election as well as the documents indicating that these persons bear the qualifications sought

upon the Regulation are submitted to the Agency in twenty days at the latest following the date of change or employment, pursuant to the procedures and principles set forth by the Agency. Changes on which no negative opinion is delivered in forty five days as a result of the evaluation made by the Agency are considered valid.

(14) The authorized institution is obliged to insure professional liability insurance in an extent to meet the risks which may derive from ISBPA.

(15) The authorized institution is obliged to submit the working papers to be prepared within the scope of this Regulation by the auditors it employed as well as any information and documents relating to the audit to the Agency or to the authorized professional personnel of the Agency on demand.

## **SECTION FIVE**

### **Principles for Information Systems and Banking Processes Audit**

#### **Information systems and banking processes audit and purpose**

**ARTICLE 21** — (1) ISBPA is a process constituted of; phases of delivering opinion and reporting as a result of the evaluation of processes relating to information system elements and banking activities such as process, activity, software and hardware included within the scope of information systems management as well as internal controls established within this system and processes this systems and processes.

(2) Fundamental objective of ISBPA is to deliver opinion on conformity, efficiency and adequacy of information systems and banking processes of the auditee as well as its internal controls relating to this system and processes

## **Scope of information systems and banking processes audit**

**ARTICLE 22** — (1) Audit to be carried out within the scope of this Regulation is constituted of information systems audit defined in article 24 of this Regulation and banking processes audit defined also in article 25 of this Regulation.

(2) The auditor specifies in writing the process, system, activity and control mechanisms he shall analyze within the scope of bank information systems and banking processes with a risk-oriented point of view and based on materiality criteria. Nevertheless, the auditor ensures the scope of audit he determined within the scope of materiality criteria to be in a way to obtain sufficient audit proof for providing reasonable assurance to the audit he shall conduct according to this Regulation.

(3) Activities carried out under the structure of its internal systems relating to the internal control system of the auditee are analyzed according to article 26 and within audit of banking processes.

(4) Banking processes audit is conducted every year, while information systems audit is conducted biennially.

(5) The Agency, when it deems necessary, may differentiate the scope and frequency of these audits for any or for all of the auditees.

(6) Institutions to be audited within the scope of consolidated ISBPA are designated pursuant to the provisions taken as a basis in determination of credit institution or institutions having financial institution nature which are included in the regulations made by the Agency on preparation of consolidated financial statements of banks and which shall be included to the preparation of consolidated financial statements.

(7) The auditor specifies in writing the scope of ISBPA he shall carry out in partners to be audited pursuant to paragraph six by using the materiality criteria, in a way to determine the consistency, efficiency and adequacy of the controls on information systems and processes which produce the financial information subject to consolidation.

## **Relation between information systems and banking processes audit and external audit**

**ARTICLE 23** — (1) With external audit, ISBPA is planned and implemented; in an holistic approach due to the fact that they contain considerations to influence the scope and result of each other.

(2) The auditor, while determining the scope of ISBPA and carrying out the activities within this scope; considers obtaining audit proof also to support audit risk evaluations relating to external audit, as well as obtaining audit proof adequate enough to support audit opinion.

(3) Audit subjects expresses in article 35 of RAAEA are taken into consideration while carrying out the activities within the scope of ISBPA, on condition that it is limited with the framework in article 22 of the Regulation.

(4) In case the opinion on information systems and banking processes is “conditional”, “negative” or “avoidance to give an opinion”; opinion and determinations which constitute basis for the opinion are submitted to the financial auditor in writing.

## **Information systems audit**

**ARTICLE 24** — (1) The auditor assesses information systems general controls in respect of consistency, efficiency and adequacy within the scope he determined in accordance with materiality criteria.

(2) General controls are audited according to COBIT, from framework, standards or methodology taken as a basis in their establishment and considering the provisions of the regulations made by the Agency on the principles to be taken as a basis in information systems management in banks.

(3) As a complementary element for analysis studies relating to the consistency, efficiency and adequacy of general controls; maturity level of the process concerning the related control target within the scope of maturity model is also determined. All detailed control targets are taken into consideration while analyzing the maturity level of the process concerning the related control target.

## **Banking processes audit**

**ARTICLE 25** —(1) The auditor assesses banking processes of the auditee and internal controls upon these processes in respect of consistency, efficiency and adequacy within the scope he determined in accordance with materiality criteria.

(2) Processes below concerning banking activities within the scope of audit of banking processes and subjects related to the other required processes are analyzed by considering within the scope of materiality criteria.

a) Deposit Process: transactions on deposit accounts, cheques/bills, fund transfers and collection transactions, calculation controls such as classification of deposit, determining the scope of savings deposit and calculating savings deposit insurance premiums, controls on money laundering, accounting of transactions and other controls in the process,

b) Consumer/Corporate Credit Processes: Receiving credit applications, evaluating them, credit allocation and extension transactions and approvals, indemnification, controls on credit limits and credit refunding statements, transfer process to NPL accounts and provision calculations, classification of credits, preparing aging reports and restructuring transactions, accounting of transactions and other process controls,

c) Accounting Process: Interest, income/expense recognition and rediscount calculations, consistency to uniform chart of accounts in transaction basis, amortization calculations, authorization process on withdrawing accounting check, establishment of balance, presence of authorization on withdrawing retrospective accounting check and integrity and accountability of the related records, providing sequence of transaction numbers, control of transaction limits and authorities, agreements between branch and general directorate, controls on preparing account plan and changes, conformity of ledger accounts with auxiliary sub and provisional accounts, accounting of transactions and other process controls,

ç) Alternative Distribution Canals Process: Authorization on electronic banking/ alternative distribution canals, identity validation, accounting and other process controls,

d) Bank and Credit Cards Process: Bank and credit card application evaluation, limit allocation, card printing and distribution transactions, member office and POS transactions, controls on usage of cards and premier point practices, transfer process to NPL accounts and

provision calculations, preparing aging reports and restructuring transactions, agreement controls such as bank and card center agreements, accounting of transactions and other process controls

e) Financial Reporting Process: Control of usage process of bank records and information resources in financial reporting and other process controls,

f) Payment Systems Process: Payment system controls such as EFT, EMKT, Settlement and Custody Bank, SWIFT transactions and security records concerning them, accounting of transactions and other process controls,

g) Treasury/Securities and Fund Management Process: Control of securities and fund management work processes, derivative products, agreements on nostro, vostro and loro balances and control of correspondent records, accounting of transactions and other process controls.

(3) Efficiency of the controls on banking processes is dependent on efficiency and adequacy of the related information systems general controls. Hence, the auditor, while making analysis on conformity, efficiency and adequacy of the controls on banking processes, takes information systems general controls he deems necessary into consideration. The auditor includes the said general controls within the scope of audit and evaluates their efficiency and adequacy as well as their effect on controls on banking processes.

(4) The auditor tests the controls below, as a minimum, for the processes expressed in paragraph two and which he includes in the audit scope as a result of materiality assessment:

a) Controls which shall prevent or determine the disturbance of controls by the management from being operated effectively,

b) Information systems and general controls of the auditee and risk assessment process concerning the controls in banking processes,

c) Controls such as reviewing, reporting, interrogation and agreement on surveillance of process and transactions,

ç) Controls on surveillance of controls,

- d) Controls upon accounting and financial reporting process concerning the end of period,
- e) Controls on preventing and detecting forgery and irregularities such as repeated information system and double entry systems,
- f) Controls on conformity and reliability of banking information on rates and amounts of interest, expense, commission, stoppage etc. as well as maturity and effective date information with data, transaction and records on other significant banking information,
- g) Controls on implementation of segregation of duties principle,
- ğ) Authorization and access controls and controls on reviewing these controls,
- h) Approval mechanisms which appear/should appear in carrying out transactions which pose risk,
- ı) Controls on confidentiality of data, transaction and records,
- i) Controls on keeping audit trails, providing their security and reviewing and evaluating them on a regular basis.

### **Evaluation on internal control and internal audit system**

**ARTICLE 26** — (1) The auditor assesses the studies he carries out within internal control and internal audit systems of the auditee within the scope of materiality criteria, on condition that it is limited with the controls on information systems general controls and banking processes. Accordingly;

- a) The following cases, as a minimum, are taken into consideration while analyzing the activities carried out relating to internal control system:
  - 1) Situations relating to control environment,
  - 2) Approach and implementation adopted in establishing, operating and supervising an efficient and adequate internal control system by the management,

3) Implementation of ethic principles of which framework was described in article 75 of the Law and awareness level of the employees on this subject.

b) He evaluates the activities and performance of internal audit department carried out relating to surveillance of efficiency, adequacy and consistency of internal control system

c) Information systems activities of the auditee are taken into consideration within the scope of evaluating internal audit department. The following cases, as a minimum, are analyzed while evaluating the information system audit function of the auditee;

1) Position and independence of the staff within the organization,

2) Competency of the personnel in respect of qualification and number,

3) Planned and realized audit studies,

4) Follow-up of audit results.

ç) The auditor evaluates the activities carried out during risk assessment process relating to internal control system of the auditee and his performance.

### **Conducting information systems and banking processes audit activities**

**ARTICLE 27** — (1) Pursuant to this Regulation, it is necessary that the external audit institution to have the authority to perform audit and to have enacted audit contract with the auditee, in order to carry out ISBPA activities.

(2) Authorized institutions are obliged to have also been carrying out external audit activities of the auditee during the period in which information systems and banking processes audit shall be carried out.

(3) Banking processes audit is conducted by the financial auditor assigned by the authorized institution together with information systems auditor.

## SECTION SIX

### Information Systems and Banking Processes Audit Methodology

#### Audit strategy and audit plan

**ARTICLE 28** — (1) For the audit study to be carried out, an ISBPA strategy is formed which regulate the scope, timing and orientation of the audit and forms a basis for improving the audit plan, depending on loyalty degree of activities of the auditee to information systems and of complexity of banking processes, economic, financial expectations and their relation with information systems and the auditor's opinion on the sufficiency of its internal systems.

(2) ISBPA strategy includes subjects such as the scope of the audit, materiality evaluation to be used during audit, important changes that may occur in the processes to be audited during audit.

(3) The auditor develops an audit plan sufficient enough to decrease audit risk to a reasonable level and consistent with ISBPA strategy for obtaining appropriate audit proof.

(4) While developing ISBPA strategy and plan; internal audit reports, ISBPA audit reports and correspondences between the auditee and the Agency are taken into consideration.

(5) While developing and ISBPA planning, a risk evaluation study which is about the system and processes of the auditee is conducted and results of this study are evaluated in respect of materiality criteria.

(6) External information systems and banking processes audit includes, as a minimum, the following,

- a) Definition of type, timing and detail degree of audit techniques,
- b) Definition of type, timing and detail degree of risk assessment techniques used in evaluation of significant or noteworthy lack of control risks and
- c) Planning relating to sending audit team and surveillance of their activities, having regard to personal abilities and competence of the team members to be assigned in ISBPA activity.

(7) ISBPA strategy and audit plan is updated and changed during audit process, when deemed necessary and along with justifications.

(8) The auditor takes the risks on error, abuses and illegal acts into consideration while planning the audit.

### **Testing audit techniques and controls**

**ARTICLE 29** — (1) The auditor uses all or some of the following audit techniques with respect to the right time and detail so as to obtain adequate and necessary audit proofs to provide reasonable assurance to establishing audit proof:

a) Collecting information,

b) Observation,

c) Interrogation and verification,

ç) Re-implementation,

d) Recalculation,

e) Analytical review.

(2) The auditor determines the scope of the controls he shall test by considering the materiality principle and in a way to give him a reasonable assurance about the information systems and banking processes of the control set he shall test and the efficiency, adequacy and consistency about all controls on this system and processes.

(3) In order to give opinion that the controls on information systems and banking processes are efficient, adequate and consistent; efficiency and consistency of design and operation of all controls under analysis should be tested.

(4) The auditor, in order to decrease the audit risk to a reasonable level, details his tests expands the sampling volume and increases the adequacy and reliability degree of his proofs,

so as to decrease the determination risk in areas in which significant and noteworthy lack of control risk related to the control he tests is high.

(5) The auditor, while determining the scope of test relating control, takes control characteristics into consideration such as application frequency of the related control, trusted period in respect of being active, deviation expectation in controls.

(6) The auditor cannot give opinion on efficiency, adequacy and consistency of a control with the audit proof he obtained using information gathering technique.

(7) The auditor determines the time dimension he considers while testing a control in a way to give opinion regarding the entire audit period.

### **Audit sampling**

**ARTICLE 30** — (1) Audit sampling refers to; audit techniques to be applied to less than 100 per cent of a basic mass concerning audit in a way to enable all items to have selective chances. Audit sampling furnishes the auditor with obtaining audit proof and evaluation about the selected samples in order to develop an opinion relating to total data set in which the samples are taken. Statistical or non-statistical approaches can be used in audit sampling.

(2) The auditor, while preparing audit sample, should take into consideration the objective of audit technique and qualities of the basic mass from which the sample shall be selected.

(3) The auditor, while determining the volume of the sample, should take into consideration whether or not the audit risk has been decreased to an acceptable low level. Sample volume is affected from the audit risk level which the auditor may accept. As the risk which the auditor may accept decreases, sample volume should increase at the same rate.

(4) The auditor selects samples with the expectation that all sampling units that can be sampled within basic mass have selective chances. As the objective of the sampling is disclosing results concerning the entire basic mass, the auditor tries to select samples having qualities to represent basic mass and free from bias.

## **Audit proof**

**ARTICLE 31** — (1) Audit proof is the information the auditor uses so as to reach the results that he grounds his opinion concerning efficiency, adequacy and consistency of the controls on information systems and banking processes.

(2) The auditor designs and executes the necessary audit procedures to obtain reliable, adequate and appropriate audit proofs on which he grounded his opinion.

(3) The required audit evidence concerning each control chosen to be tested depends on its possibility to cause any important or significant absence of control in case of failure of the related control.

(4) The information to which the audit techniques used by the auditor are based on shall be complete and accurate for acquiring reliable audit evidence. The auditor may use the information procured by the auditee on condition that he/she has conducted the sufficient investigation that they are complete and accurate.

## **Evaluation of findings**

**ARTICLE 32** — (1) The auditor shall analyze each control weakness he/detected as a result of the audit and shall evaluate the combinations created by these weaknesses separately and all together and shall realize the classification of these weaknesses as significant control weakness or important control weakness by using qualitative or quantitative methods.

(2) While evaluating the control weaknesses, the auditor shall consider fundamentally that, separately or together, these may emanate errors as well as the effects of these errors.

(3) While evaluating the control weaknesses concerning the general controls of information systems, the auditor shall consider the effect of these weaknesses on the controls of banking processes.

(4) If the auditor sees control weakness in any of the following fields during the audit, he/she shall consider it as at least significant control weakness:

- a) Policies concerning the application of the Turkish Accounting Standards,
- b) Controls to see if the requirements within the Banking Law and the sub-regulations and instructions published pursuant to the Law are fulfilled,
- c) Controls and programs preventing fraudulent,
- ç) Transactions which are not routine or systematic,
- d) Year-end financial reporting process.

(5) If the auditor sees any of the following situations, he/she shall consider that they are at least significant control weakness and a strong sign of important control weakness:

- a) Corrections have been made on the financial statements published previously; the assets and liabilities of the auditee are reflected differently because of errors or forgery as to affect the decisions to be made concerning the auditee defined within the legislation and by legal requirements and affecting a healthy financial evaluation,
- b) An important wrong declaration in the financial statements related to current period or data; which was not detected previously by the internal control units of the auditee, is detected by the auditor during the audit,
- c) An inconsistency is detected between the information, documents and data concerning the same subject but coming from different units of the auditee,
- ç) An inadvertent yet important wrong declaration is detected in the declarations given to the auditor by the management of the auditee,

d) The commitments undertaken within the action plan are not fulfilled,

e) In situations where internal audit and risk management functions are necessary for the establishment of an effective internal control environment the profile of the audit is taken into consideration, it is found out that these functions concerning the information systems are absent or not effective,

f) There isn't a unit function providing the control of conformity to the legislation within the scope of processes and systems concerning the information systems and banking activities or the unit is not effective,

g) A forgery is detected in which the manager(s) is (are) included, even if it's a small one,

ğ) A significant control weakness which is communicated to the managers is not corrected after a reasonable time period,

h) An effective internal control environment has not been established and

i) The audit committee did not establish an effective surveillance on the accounting, financial reporting and internal control system.

### **Management declaration**

**ARTICLE 33** — (1) The bank shall present the management declaration, prepared by the board of management by the audit period concerning the internal controls on its information systems and banking processes to the auditor.

(2) The auditor shall analyze the management declaration and the studies to which this declaration is based on before forming his/her audit opinion. If the auditor detects any deficiencies or errors in the declaration, he/she shall state them in the audit report.

(3) If the board of managers of the auditee refuses to give the management declaration, the persons having the authority to sign the Band Information Systems and banking Processes Audit Report (ISBPA) may declare qualified opinion, or may avoid declaring opinions or may offer to resign from the audit to the management of the auditee institution within the framework of the principles and procedures determined in the article 34. If the authorized institution decides to resign, this situation and its justifications shall be notified to the Agency within seven days at the latest.

(4) The principles and procedures concerning the management declaration and its application are determined by the Agency within the scope of this Regulation.

**Composing the audit opinion and the audit letter**

**ARTICLE 34** — (1) The persons authorized to sign the audit letter shall declare positive opinions according to the example on Annex-10 if consequent to the audit conducted, they haven't found any important control deficiencies and if they have not confronted any restrictions or limitations during the audit, after taking the opinions of external audit teams attached to themselves.

(2) After taking the opinions of the external audit teams, the persons authorized to sign the audit report shall declare qualified opinions according to the example in the Annex-II, on following conditions;

a) Even if they have found at least one important control deficiency as a result of the audit conducted, they think that these deficiencies do not affect the whole or a big part of the information systems and banking processes and systems,

b) They have not informed sufficiently about a new established system or process or the presence of any matter limiting the ISBPA activities, even if it's not important enough to give opinions or,

c) They have not acquired sufficient and accurate audit evidences to form an audit opinion.

(3) The persons authorized to sign the audit report shall declare negative opinions, according to the example in the Annex-12, after taking opinions of the external audit institutions attached to themselves and, when the important control deficiencies confronted as a result of the audits conducted are evaluated separately and together and if;

a) They decide that these deficiencies are affecting the whole or an important part of the information systems and banking processes of the auditee or,

b) If there is a difference emanating from the incomplete or wrong transmission of an important control deficiency with all its aspects, afterwards the audit realized by the auditor in the auditee pursuant to the first paragraph of the article 33.

(4) The persons authorized to sign the audit report may avoid to sign the report if they think that the uncertainties and limits they meet during the audit studies are important enough to not declare opinions about the information systems and banking processes, after that they have taken opinions of the external audit teams attached to themselves. In this situation, the audit letter is arranged according to the example within Annex-13. In the report in which the opinion is avoided, it is obligatory to give place to the auditor opinions causing the avoidance.

(5) If within the framework of the provisions determined in the articles 5 and 7 of this Regulation and the opinion types mentioned in this article and as a result of the ISBPA realized in banks and their partners subject to consolidation; the opinion has been made as positive, qualified or negative, audit letter shall be arranged according to the examples given respectively in Annex-14, Annex-15 and Annex-16. If there are conditions requiring the

avoidance of giving opinion, the audit letter shall be arranged according to the example given in the Annex-17.

### **Documentation of audit studies**

**ARTICLE 35** — (1) The Auditor shall prepare his/her working papers during his/her audit study to support his/her opinions within the audit report and to prove that this audit has been planned and realized according to the provisions of this Regulation.

(2) The working papers shall be prepared as to permit that the evidences and audit report may be reviewed and evaluated before the ultimate form.

(3) The Auditor shall prepare the working papers in a way that an experienced auditor having any relationships with this audit study may comprehend:

a) That the audit realized is in accordance with the provisions of this Regulation,

b) The results of audit evidences collected as well as the audit techniques applied,

c) Important matters appeared during the audit and the evaluations concerning those matters.

(4) The working papers may be kept on paper or in electronic environment.

(5) The power of disposition of the working papers belongs to the authorized institution in which the Auditor is employed; if the audit is realized by service purchase from outside, the power of disposition belongs to the related external audit institution. The working papers may not be given or declared to the third parties outside the Agency without the signed permission of the auditee. The confidentiality and the safety of the working papers are under the

responsibility of the authorized institution.

(6) The authorized institution is responsible to bring together all the working papers within 60 days after the date of the audit report. The working papers shall be maintained for at least five years after the date of the audit report.

## SECTION SEVEN

### General Principles and Responsibilities

#### **Information systems and banking processes audit contract**

**ARTICLE 36** — (1) The ISBPA is conducted within the framework of the written contract to be signed between the authorized institution and the auditee. The ISBPA contract is the indicator that the parties have come to a complete agreement about the scope and the content of the audit to be conducted. The ISBPA contract may be included to the contract to be made within the scope of the Part Four of RAAEA.

(2) The ISBPA contracts become operative after that they are approved by the board of managers of the auditee.

(3) The auditee shall notify the information concerning the contract to the Agency within the thirty days following its signing, its principles and procedures will be determined by the Agency; the consolidated ISBPA contracts are excluded.

(4) The authorized institution is obligated to conduct the necessary preliminary investigation to determine the scope and planning of the ISBPA before making the contract with the auditee. Within the scope of the preliminary investigation, if there are conditions that may affect the audit process positively or negatively and if the authorized institution is changed, related information may be demanded from authorized institutions which have conducted the audit

previously. The auditee shall notify the previous authorized institution about the title of the authorized institution conducting the audit currently and give authorization to share the demanded information. The previous authorized institution is obligated to procure the information demanded within this scope.

(5) The ISBPA contracts shall include as a minimum;

a) Regulations to which the auditor is obliged to comply with,

b) Purpose, scope and special reasons if any, of the ISBPA,

c) Services to be procured by the authorized institution within the scope of the contract,

ç) Responsibilities and liabilities of the parties,

d) Auditors and their backups assigned in the audit,

e) Titles of the persons assigned within the audit team, the working periods predicted and the detailed amount of the payment predicted for each of them,

f) Starting and finishing dates of the audit,

g) The form of the special-purpose audit report if the ISBPA report is demanded and the reasons of preparation of these reports,

ğ) Date of deliverance of the audit report.

(6) If the working field of the auditor is limited significantly contrary to the provisions of contract, if the information and documents related to information systems and banking processes are not acquired or if similar situation are formed, the contract may be terminated by the authorized institution, on condition to show written justification and on condition to notify previously to the Agency. The authorized institution shall notify this situation immediately to the Agency with the justification of resigning from the audit. The resigning authorized institution is responsible to provide the working papers and all required information on demand to the authorized institution replacing it as well as the accurate copies concerning these documents. The authorized institution replacing the resigning authorized institution shall be approved by the Agency.

(7) If the auditee conducts some of its activities by the intermediation of a support services institution, the auditor shall ensure that the ISBPA contract includes some extra provisions to conduct audit in the support services institution.

## **SECTION EIGHT**

### **Cooperation in the Information Systems and Banking Processes Audit Process**

#### **Benefiting from studies conducted by other parties and cooperation**

**ARTICLE 37** —(1) The auditor shall personally realize the study sufficient enough to procure fundamental evidences to which his/her opinion will be based on. Nevertheless, to expand the scope of the audit by structure, timing and details, the studies of other authorized institutions, the internal units of the auditee and experts may be used.

(2) To benefit from the studies of other parties does not reduce the responsibility of the auditor. The auditor may not give references for the studies he/she benefited from in the report.

(3) The auditor shall avoid repetition in his/her audit study, considering the internal audit and internal control activities of the auditee, dependent on his/her opinion concerning the sufficiency and independence of internal systems of the auditee.

(4) The external information systems chief auditor shall evaluate at least the following to determine in what level he/she can profit from the studies conducted by other parties;

a) The accuracy of the scope of the study as well as the sufficiency of the audit program,

b) The structures of the controls investigated,

c) Professional competence, care, neutrality and independence of the persons conducting the study and,

ç) Quality of the study by testing a part of it sufficient to evaluate the study in general.

(5) The authorized institution and the auditor which have realized the previous ISBPA are responsible for procuring any kinds of information and documents, fundamental to the audit, to the authorized institution and persons to realize the present ISBPA, within the framework of the confidentiality principle.

(6) The internal controllers and the persons responsible for the internal control activities of the auditee shall give to auditors all information needed, including their own reports.

**Cooperation between the Agency and the authorized institutions**

**ARTICLE 38** — (1) The information procured during the ISBPA activities realized by the Agency in the auditee may be shared with the related auditors is necessary.

(2) The Agency's personnel may attend as observer to every level of the ISBPA process realized by the authorized institution, to develop their skills and knowledge, unless tarnishing the principle of independence of the auditor. The Agency's personnel cannot use the knowledge of the authorized institution to take personal advantage or advantage for another authorized institution. The authorized institution shall make necessary effort and contribution to make the Agency's personnel to participate to the process and to increase their knowledge.

(3) The authorized institution shall notify the audit program in the banks concerning the application of the provisions within the second paragraph to the Agency dependent on the Agency's request, before the start of the audit studies.

**Supervision of the support service institution**

**ARTICLE 39** — (1) The auditor shall consider the effect of the services the auditee realizes by external source on its information systems and banking processes, shall plan the audit according to this effect and develop an effective audit approach.

(2) The auditor may use the documents possessed by the support service institution concerning the service procured, such as audit report not lost its actuality and certificates, within the scope of the Article 37 of this Regulation.

## SECTION NINE

### Information Systems and Banking Processes Audit Report and Notification

#### Information systems and banking processes audit report

**ARTICLE 40** — (1) The ISBPA report is the text in which the evaluations concerning information systems and banking processes, as well as the opinion of the auditor are given clearly in writing. The duty of the auditor is to collect and analyze the audit evidences concerning the controls of information systems and banking processes, to evaluate them and to come through an opinion about the audit upon these evidences.

(2) The auditor is obliged to arrange the ISBPA report after the audit studies. The principles and procedures concerning the report are regulated by the Agency.

(3) The ISBPA report includes all the activities belonging to the period during which the audit was realized. The reports completed are signed by the external chief auditor responsible from the information systems of the authorized institution or; if the information systems audit was realized by external service purchase, by the person authorized to sign by the related company and by a responsible partner chief auditor as defined within the RAAEA. If the authorized institution has assigned a responsible partner chief auditor to conduct the information systems audit on condition that he/she fulfills the experience conditions listed within this Regulation, the audit report may be signed by this person with the other responsible partner chief auditor, instead of responsible information systems chief auditor.

(4) The ISBPA report shall be completed together with the external audit report, unless otherwise specified by the Agency; and shall be transmitted to the chairman of the board of managers of the auditee, to the audit committee and to the Agency with two copies, as an attachment to a text with the signatures of persons authorized to represent the authorized institution and sign. The soft copy of ISBPA report signed with the safe electronic signature

established according to the provisions of Act on Electronic Signature Number 5070 dated January 15, 2004 shall be also sent to the Agency within the same period.

(5) The content of ISBPA report is qualified as confidential information and shall not published in any environment. The confidentiality and the safety of this information are under the responsibility of the Agency, of authorized institutions, of external audit institution within the scope of this Regulation, of institutions providing external services and of the auditee. The auditee cannot make statements including the audit results and cannot use these results for advertisement.

## **SECTION TEN**

### **Miscellaneous and Final Provisions**

#### **Auditors taking charge in banks**

**ARTICLE 41** —(1) The auditors cannot take charge in banks in which they have participated to audit process within the last two years.

#### **Situations not provisioned within the regulation**

**ARTICLE 42** —(1) In case of situations not provisioned within this Regulation; RAAEA, international audit standards and the principles taking place within the COBIT are applied.

#### **Abolished regulation**

**ARTICLE 43** — (1) The Regulation on the Information Systems Audit to be realized in Banks by External Audit Institutions, published within the Official Gazette Number 26170 dated May 16, 2006 is abolished.

### **Transition process**

**PROVISIONAL ARTICLE 1** — (1) External audit institutions authorized before the date of publication of this Regulation are subject to the provisions of this Regulation, the auditors of these institutions (the assistant auditors are excluded) shall fill the declarations within the Annex-4, Annex-5, Annex-6 and Annex-7 and send them to the Agency until May 31, 2010.

### **Exceptional Provision**

**PROVISIONAL ARTICLE 2** —(1) It is accepted that the personnel working as information systems chief auditor in authorized institution as of the date of publication of this Regulation, meet necessary conditions, listed within the paragraphs 7 and 8 of the Article 18.

### **Entry into Force**

**ARTICLE 44** — (1) The Article 33 of this Regulation enters into force as of January 1<sup>st</sup>, 2011; the other provisions of this Regulation enter into force as of December 31, 2009.

### **Enforcement**

**ARTICLE 45**— (1) The provisions of this Regulation are enforced by the Chairman of the Banking Regulation and Supervision Agency.

ANNEX- 1

CV'S OF THE AUDITORS

NAME-SURNAME:

RESIDENT ADDRESS:

EDUCATIONAL STATUS (Detailed):

TITLE AND ADDRESS OF CURRENT EMPLOYER:

PROFESSION AND DUTY TITLE:

TAX ID NUMBER:

PREVIOUS EMPLOYERS:

NAME OF THE ENTREPRISE, DATES OF START-END OF THE DUTY, DUTY TITLE\*

INFORMATION CONCERNING THE AUDITEE:

TITLE OF THE ENTREPRISE, AUDIT PERIOD, DUTY TITLE

TRAININGS AND CERTIFICATES GRANTED ON SUBJECTS WITHIN THE SCOPE OF  
REGULATION:

YEAR AND PERIOD, NAME, SUBJECT, CERTIFICATE

\* In Duty Title section: Shall be indicated as; IT audit, IT Security, IT Control, Finance Audit, IT Manager, IT System-Network- Software personnel/manager or Other. "Other" shall also be explained.

ANNEX-2

**LETTER OF COMMITMENT**

**To the BANKING REGULATION AND SUPERVISION AGENCY**

I hereby declare and commit that I don't have more than one partnership in external audit institutions.

SIGNATURE

NAME-SURNAME

TITLE

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ANNEX-3

**LETTER OF COMMITMENT**

**To the BANKING REGULATION AND SUPERVISION AGENCY**

I hereby declare and commit that I have not taken place as external auditor or auditor, in the auditees or in companies subject to the Capital Markets Act Number 2499, in external audit institutions authorization of conducting audits of which were cancelled or in audit activities causing the cancellation of authorization.

SIGNATURE

NAME-SURNAME

TITLE

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ANNEX-4

**LETTER OF COMMITMENT**

**To the BANKING REGULATION AND SUPERVISION AGENCY**

I hereby declare and commit that I am not engaged in any commercial activities other than professional activities.

SIGNATURE

NAME-SURNAME

TITLE

ANNEX-5

**LETTER OF COMMITMENT**

**To the BANKING REGULATION AND SUPERVISION AGENCY**

I hereby declare and commit that I perform or will perform fulltime in ..... A.Ş.

SIGNATURE

NAME-SURNAME

TITLE

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ANNEX-6

**LETTER OF COMMITMENT**

**To the BANKING REGULATION AND SUPERVISION AGENCY**

I hereby declare and commit that no disciplinary proceedings concerning myself were instituted by authorized institutions, that I will notify the Agency if any disciplinary proceedings are instituted about me within seven days at the latest, if as a result of proceedings, I will be punished which will prevent the information systems and banking processes audit, I will resign from my position within fifteen days at the latest and that I will certify that I haven't got any punishments preventing the external audit as a result of disciplinary proceedings which were or will be conducted, with a document I will receive from the related institution.

SIGNATURE

NAME-SURNAME

TITLE

ANNEX-7

**LETTER OF COMMITMENT**

**To the BANKING REGULATION AND SUPERVISION AGENCY**

I hereby declare and commit that in case of appearance of situations annulling the independence of myself specified within the Article 12 of the Regulation on the Authorization and Activities of the Institutions to Realize External Audit in Banks, during the activities of ..... A.Ş., of which I am an employee, within the scope of the Regulation on the Bank Information Systems and Banking Processes to be Realized by External Audit Institutions, published within the Official Gazette Number ..... dated .....; I will resign from the audit service process conducted by ..... A.Ş. to the related bank.

SIGNATURE

NAME-SURNAME

TITLE

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ANNEX-8

**LETTER OF COMMITMENT**

**To the BANKING REGULATION AND SUPERVISION AGENCY**

I hereby declare and commit that I have not procured any managerial or consultancy services to the institutions to be audited, (..... A.Ş.) at least within three years and that I am not engaged in any commercial relationships with them within this period.

SIGNATURE

NAME-SURNAME

TITLE

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ANNEX-9

**LETTER OF COMMITMENT**

**To the BANKING REGULATION AND SUPERVISION AGENCY**

I hereby declare and commit that I will abide by the principles of audit while conducting the information systems and banking processes audit by ..... A.Ş, and that I will take charge in the information systems and banking processes audit, as long as the confidentiality and independence of the auditor principles are not damaged.

SIGNATURE

NAME-SURNAME

TITLE

**BANK INFORMATION SYSTEMS AND BANKING PROCESSES AUDIT REPORT**

**Positive Opinion**

To the Board of Managers of .....A.Ş.:

We are tasked with the duty to conduct the audit of the (*information systems\**) and banking processes of .....AŞ, within the scope of the Regulation on Bank Information Systems and Banking Processes Audit to be Realized by External Audit Institutions, published within the Official Gazette Number ..... dated .....

*[Explanation concerning the Responsibility of the Bank's Board of Managers:]*

The implementation of the controls on information systems and banking processes by the Auditee, in accordance with the principles and procedures specified within the Regulation on the Internal Systems of Banks, published in the Official Gazette Number ..... Dated .../.../... and within the Communiqué on Principles to be Considered in Information Systems Management in Banks, published in the Official Gazette Number ..... dated .../.../...; as well as their effective exploitation and establishment of a sufficient control environment are under the responsibility of ..... A.Ş. Management.

*[Explanation concerning the Responsibility of the Authorized Audit Institution:]*

As the institution conducting the external audit, our responsibility is to deliver an opinion concerning the audit we have realized. The audit conducted by us was planned as to ensure rationally the detection of the control weaknesses on the information systems and banking processes of the auditee and was realized in accordance with the principles and procedures determined within the Regulation on the Authorization and Activities of the Institutions to Realize External Audit in Banks, published in the Official Gazette Number ..... dated .../.../.... and within Regulation on the Bank Information Systems and Banking Processes Audit to be Realized by External Audit Institution, published in the Official Gazette Number ..... dated .../.../.... The audit is composed of the testing of information systems and banking processes as well as the compatibility and design and operating effectiveness of the controls on these systems and processes, within the framework of the materiality principle,

the evaluation thereof and the application of other similar audit techniques in accordance with your requirements. We believe that the audit we have realized forms an adequate and rational basis to compose our opinion.

*[Natural* *Constraints]*

Control weaknesses may be present on information systems and banking processes due to the constraints found in the nature of controls and they may not be detected. Furthermore, the results obtained based on our findings shall be evaluated as to enclose the future periods. These results carry the risk of changing within time due to causes such as the change of present conditions, making amendments in systems or in controls or deterioration of the effectiveness level of the controls.

*[External* *auditor* *Opinion]*

In our opinion, as of date .../.../...; effective, adequate and consistent controls have been established on the (*information systems\**) banking processes of ..... A.Ş., with all important aspects, according to the principles and procedures determined within the Section Two of the Regulation on the Banks' Internal Systems published in the Official Gazette Number ..... dated .../.../... and within the Communiqué on Principles to be Considered in Information Systems Management in Banks published in the Official Gazette Number ..... dated ...../.../.....

Place and Date of Arrangement of the Report:

Name, Surname and Signature of Responsible Information Systems Chief auditor:  
Commercial Title of the Institution:

Name, Surname and Signature of Responsible Partner Auditor:

Commercial Title of the Institution:

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\* Appropriate expression is preferred according to the scope of the audit realized.

**BANK INFORMATION SYSTEMS AND BANKING PROCESSES AUDIT REPORT**

**Qualified Opinion**

To the Board of Managers of ..... A.Ş.:

We are tasked with the duty to conduct the audit of the (*information systems\**) and banking processes of .....AŞ, within the scope of the Regulation on Bank Information Systems and Banking Processes Audit to be Realized by External Audit Institutions, published within the Official Gazette Number ..... dated .....

*[Explanation concerning the Responsibility of the Bank's Board of Managers:]*  
The implementation of the controls on information systems and banking processes by the Auditee, in accordance with the principles and procedures specified within the Regulation on the Internal Systems of Banks, published in the Official Gazette Number ..... Dated .../.../... and within the Communiqué on Principles to be Considered in Information Systems Management in Banks, published in the Official Gazette Number ..... dated .../.../...; as well as their effective exploitation and establishment of a sufficient control environment are under the responsibility of ..... A.Ş. Management.

*[Explanation concerning the Responsibility of the Authorized Audit Institution:]*  
As the institution conducting the external audit, our responsibility is to deliver an opinion concerning the audit we have realized. The audit conducted by us was planned as to ensure rationally the detection of the control weaknesses on the information systems and banking processes of the auditee and was realized in accordance with the principles and procedures determined within the Regulation on the Authorization and Activities of the Institutions to Realize External Audit in Banks, published in the Official Gazette Number ..... dated .../.../.... and within Regulation on the Bank Information Systems and Banking Processes Audit to be Realized by External Audit Institution, published in the Official Gazette Number ..... dated .../.../.... The audit is composed of the testing of information systems and banking processes as well as the compatibility and design and operating effectiveness of the controls on these systems and processes, within the framework of the materiality principle, the evaluation thereof and the application of other similar audit techniques in accordance with your requirements. We believe that the audit we have realized forms an adequate and rational basis to compose our opinion.

[Natural

Constraints]

Control weaknesses may be present on information systems and banking processes due to the constraints found in the nature of controls and they may not be detected. Furthermore, the results obtained based on our findings shall be evaluated as to enclose the future periods. These results carry the risk of changing within time due to causes such as the change of present conditions, making amendments in systems or in controls or deterioration of the effectiveness level of the controls.

*(Constraints brought to the external audit activity as well as the processes, applications and controls not audited because of this reason; important control weaknesses detected on the auditee's information systems and banking processes and the reasons and justifications for the opinion stating that these weaknesses do not affect entirely or partially the auditee's information systems and banking processes)*

In our opinion, except the *fact(s)* explained above (*Paragraph ....*) and possible effects of these *fact(s)* on the auditee's (*information systems\**) and banking processes; effective, adequate and consistent controls have been established on the (*information systems\**) banking processes of ..... A.Ş., with all important aspects, according to the principles and procedures determined within the Section Two of the Regulation on the Banks' Internal Systems published in the Official Gazette Number ..... dated .../.../... and within the Communiqué on Principles to Considered in Information Systems Management in Banks published in the Official Gazette Number ..... dated .../.../.....

Place and Date of Arrangement of the Report:

Name, Surname and Signature of Responsible Information Systems Chief auditor:  
Commercial Title of the Institution:

Name, Surname and Signature of Responsible Partner Auditor:

Commercial Title of the Institution:

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\* Appropriate expression is preferred according to the scope of the audit realized.

**BANK INFORMATION SYSTEMS AND BANKING PROCESSES AUDIT REPORT**

**Negative Opinion**

To the Board of Managers of ..... A.Ş.:  
We are tasked with the duty to conduct the audit of the (*information systems\**) and banking processes of .....AŞ, within the scope of the Regulation on Bank Information Systems and Banking Processes Audit to be Realized by External Audit Institutions, published within the Official Gazette Number ..... dated .....

*[Explanation concerning the Responsibility of the Bank's Board of Managers:]*  
The implementation of the controls on information systems and banking processes by the Auditee, in accordance with the principles and procedures specified within the Regulation on the Internal Systems of Banks, published in the Official Gazette Number ..... Dated .../.../... and within the Communiqué on Principles to be Considered in Information Systems Management in Banks, published in the Official Gazette Number ..... dated .../.../...; as well as their effective exploitation and establishment of a sufficient control environment are under the responsibility of ..... A.Ş. Management.

*[Explanation concerning the Responsibility of the Authorized Audit Institution:]*  
As the institution conducting the external audit, our responsibility is to deliver an opinion concerning the audit we have realized. The audit conducted by us was planned as to ensure rationally the detection of the control weaknesses on the information systems and banking processes of the auditee and was realized in accordance with the principles and procedures determined within the Regulation on the Authorization and Activities of the Institutions to Realize External Audit in Banks, published in the Official Gazette Number ..... dated .../.../... and within Regulation on the Bank Information Systems and Banking Processes Audit to be Realized by External Audit Institutions, published in the Official Gazette Number ..... dated .../.../.... The audit is composed of the testing of information systems and banking processes as well as the compatibility and design and operating effectiveness of the controls on these systems and processes, within the framework of the materiality principle, the evaluation thereof and the application of other similar audit

techniques in accordance with your requirements. We believe that the audit we have realized forms an adequate and rational basis to compose our opinion.

*[Natural*

*Constraints]*

Control weaknesses may be present on information systems and banking processes due to the constraints found in the nature of controls and they may not be detected. Furthermore, the results obtained based on our findings shall be evaluated as to enclose the future periods. These results carry the risk of changing within time due to causes such as the change of present conditions, making amendments in systems or in controls or deterioration of the effectiveness level of the controls.

*(Reasons for which the controls upon the auditee's information systems and banking processes are not found effective, adequate and consistent)*

*[External auditor Opinion]*

In our opinion, due to the *fact(s)* explained above (*paragraph .....*), as of date *.../.../...*; effective, adequate and consistent controls have not been established on the (*information systems*\*) banking processes of ..... A.Ş., will all its aspects, according to the principles and procedures determined within the Section Two of the Regulation on the Banks' Internal Systems published in the Official Gazette Number ..... dated *.../.../...* and within the Communiqué on Principles to be Considered in Information Systems Management in Banks published in the Official Gazette Number ..... Dated *.../.../.....*

Place and Date of Arrangement of the Report:

Name, Surname and Signature of Responsible Information Systems Chief auditor:  
Commercial Title of the Institution:

Name, Surname and Signature of Responsible Partner Auditor:

Commercial Title of the Institution:

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\* Appropriate expression is preferred according to the scope of the audit realized.

**BANK INFORMATION SYSTEMS AND BANKING PROCESSES AUDIT REPORT**

**Avoidance of the Opinion**

To the Board of Managers of ..... A.Ş.:  
We are tasked with the duty to conduct the audit of the (*information systems\**) and banking processes of .....AŞ, within the scope of the Regulation on Bank Information Systems and Banking Processes Audit to be Realized by External Audit Institutions, published within the Official Gazette Number ..... dated .....

*[Explanation concerning the Responsibility of the Bank's Board of Managers:]*  
The implementation of the controls on information systems and banking processes by the Auditee, in accordance with the principles and procedures specified within the Regulation on the Internal Systems of Banks, published in the Official Gazette Number ..... Dated .../.../... and within the Communiqué on Principles to be Considered in Information Systems Management in Banks, published in the Official Gazette Number ..... dated .../.../...; as well as their effective exploitation and establishment of a sufficient control environment are under the responsibility of ..... A.Ş. Management.

*[Explanation concerning the Authorized Audit Institution:]*  
As the institution conducting the external audit, our responsibility is to deliver an opinion concerning the audit we have realized. The audit conducted by us was planned as to ensure rationally the detection of the control weaknesses on the information systems and banking processes of the auditee and was realized in accordance with the principles and procedures determined within the Regulation on the Authorization and Activities of the Institutions to Realize External Audit in Banks, published in the Official Gazette Number ..... dated .../.../... and within Regulation on the Bank Information Systems and Banking Processes Audit to be Realized by External Audit Institutions, published in the Official Gazette Number ..... dated .../.../.... The audit is composed of the testing of information systems and banking processes as well as the compatibility and design and operating effectiveness of the controls on these systems and processes, within the framework of the materiality principle, the evaluation thereof and the application of other similar audit

techniques in accordance with your requirements. We believe that the audit we have realized forms an adequate and rational basis to compose our opinion.

*(Reasons for which the Auditor did not deliver his/her opinion)*  
*[External auditor Opinion]*

Due to fact(s) explained above (paragraph ...), we do not deliver our opinion concerning the effectiveness, adequacy and consistency of the controls established upon the (*information systems\**) banking processes of ..... A.Ş., as of date .../.../....

Place and Date of Arrangement of the Report:

Name, Surname and Signature of Responsible Information Systems Chief auditor:  
Commercial Title of the Institution:

Name, Surname and Signature of Responsible Partner Auditor:

Commercial Title of the Institution:

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\* Appropriate expression is preferred according to the scope of the audit realized.

**CONSOLIDATED AUDIT REPORT**

**Positive Opinion**

To the Board of Managers of .....A.Ş.:

We are tasked to audit the controls of .....A.Ş. and its partners subject to consolidation upon the information systems concerning the consolidated financial data production and/or other processes within this scope, within the framework of Regulation on the Bank Information Systems and Banking Processes Audit to be Realized by External Audit Institutions published in the Official Gazette number ..... dated .../.../....

*[Explanation concerning the Bank's Board of Managers:]*  
Establishment of controls ensuring that the consolidated financial statements upon the processes and information systems of banks and their partners subject to consolidation are prepared and presented according to the principles and procedures determined within the Communiqué on the Preparation of the Banks' Consolidated Financial Statements published in the Official Gazette number ..... Dated .../.../... and without including any wrong information due to errors or abuses; as to be limited with the scope determined within the Regulation on Banks' Internal Systems published in the Official Gazette number ..... dated .../.../..., is under the responsibility of the Management of .....A.Ş.

*(Explanation concerning the Responsibility of the Authorized Audit Institution:)*  
As the institution conducting the external audit, our responsibility is to deliver an opinion concerning the audit we have realized. The audit we have realized was planned as to ensure rationally the detection of the control weaknesses on the information systems and processes concerning consolidated financial data production, in banks and their partners and was realized in accordance with the principles and procedures determined within the Regulation on the Authorization and Activities of Institutions to Realize External Audit in Banks, published in the Official Gazette number ..... dated .../.../.... and within the Regulation on Bank Information Systems and Banking Processes Audit to be Realized by External Audit

Institutions published in the Official Gazette number ..... dated .../.../.... The audit is composed of the testing of information systems and processes concerning the production of consolidated financial data as well as the compatibility and design and operating effectiveness of the controls on these systems and processes, within the framework of the materiality principle, the evaluation thereof and the application of other similar audit techniques in accordance with your requirements. We believe that the audit we have realized forms an adequate and rational basis to compose our opinion.

*[Natural*

*Constraints]*

Control weaknesses may be present on information systems and processes concerning the production of consolidated financial data, due to the constraints found in the nature of controls and they may not be detected. Furthermore, the results obtained based on our findings shall be evaluated as to enclose the future periods. These results carry the risk of changing within time due to causes such as the change of present conditions, making amendments in systems or in controls or deterioration of the effectiveness level of the controls.

*[External*

*auditor*

*Opinion]*

In our opinion, as of date .../.../...; effective, adequate and consistent controls have been established on the information systems producing the consolidated financial data and the processes within this scope of ..... A.Ş., with all important aspects, according to the principles and procedures determined within the Section Two of the Regulation on the Banks' Internal Systems published in the Official Gazette Number ..... dated .../.../... and within the Communiqué on Principles to be Considered in Information Systems Management in Banks published in the Official Gazette Number ..... dated .../.../....

Place and Date of Arrangement of the Report:

Name, Surname and Signature of Responsible Information Systems Chief auditor:

Commercial Title of the Institution:

Name, Surname and Signature of Responsible Partner Auditor:

Commercial Title of the Institution:

## CONSOLIDATED AUDIT REPORT

### Qualified Opinion

To the Board of Managers of .....A.Ş.:  
We are tasked to audit the controls of .....A.Ş. and its partners subject to consolidation upon the information systems concerning the consolidated financial data production and/or other processes within this scope, within the framework of Regulation on the Bank Information Systems and Banking Processes Audit to be Realized by External Audit Institutions published in the Official Gazette number ..... dated .../.../.....

*[Explanation concerning the Responsibility of the Bank's Board of Managers:]*  
Establishment of controls ensuring that the consolidated financial statements upon the processes and information systems of banks and their partners subject to consolidation are prepared and presented according to the principles and procedures determined within the Communiqué on the Preparation of the Banks' Consolidated Financial Statements published in the Official Gazette number ..... Dated .../.../... and without including any wrong information due to errors or abuses; as to be limited with the scope determined within the Regulation on Banks' Internal Systems published in the Official Gazette number ..... dated .../.../..., is under the responsibility of the Management of .....A.Ş.

*(Explanation concerning the Responsibility of the Authorized Audit Institution:)*  
As the institution conducting the external audit, our responsibility is to deliver an opinion concerning the audit we have realized. The audit we have realized was planned as to ensure rationally the detection of the control weaknesses on the information systems and processes concerning consolidated financial data production, in banks and their partners and was realized in accordance with the principles and procedures determined within the Regulation on the Authorization and Activities of Institutions to Realize External Audit in Banks, published in the Official Gazette number ..... dated .../.../..... and within the Regulation on Bank Information Systems and Banking Processes Audit to be Realized by External Audit Institutions published in the Official Gazette number ..... dated .../.../..... The audit is composed of the testing of information systems and processes concerning the production of

consolidated financial data as well as the compatibility and design and operating effectiveness of the controls on these systems and processes, within the framework of the materiality principle, the evaluation thereof and the application of other similar audit techniques in accordance with your requirements. We believe that the audit we have realized forms an adequate and rational basis to compose our opinion.

*[Natural* *Constraints]*

Control weaknesses may be present on information systems and processes concerning the production of consolidated financial data, due to the constraints found in the nature of controls and they may not be detected. Furthermore, the results obtained based on our findings shall be evaluated as to enclose the future periods. These results carry the risk of changing within time due to causes such as the change of present conditions, making amendments in systems or in controls or deterioration of the effectiveness level of the controls.

*(Limitations brought into the external audit activity and the processes, applications, controls not audited because of these limitations and/or important control weaknesses detected on the information systems concerning the production of financial data and the processes within this scope as well as the reasons and justifications for the opinion stating that these weaknesses do not affect entirely or partially the information systems and banking processes concerning the production of consolidation financial data.)*

*[External* *auditor* *Opinion)*

In our opinion, except the possible effects of process(es) and/or control(s) we couldn't audit because of the *fact/facts* explained above (*paragraph ....*), on the information systems concerning the production of consolidated data as well as the processes within this scope; as of the date *.../.../...*; effective, adequate and consistent controls reflecting the true situation of the financial statements have been established in ..... A.Ş. and its partners subject to consolidation with all their important aspects on their information systems producing the financial information subject to consolidation and/or their processes within this scope; within the framework of the principles and procedures determined in the Section Two titled "Internal Control System" of the Regulation on the Internal Systems of Banks published in the Official Gazette number ..... dated *.../.../...* and within the Communiqué on Principles to be Considered in Information Systems Management in Banks published in the Official Gazette number ..... Dated *.../.../...*

Place and Date of Arrangement of the Report:

Name, Surname and Signature of Responsible Information Systems Chief auditor:

Commercial Title of the Institution:

Name, Surname and Signature of Responsible Partner Auditor:

Commercial Title of the Institution:  
Appropriate expression is preferred.

**CONSOLIDATED AUDIT REPORT**

**Negative Opinion**

To the Board of Managers of ..... A.Ş.:  
We are tasked to audit the controls of .....A.Ş. and its partners subject to consolidation upon the information systems concerning the consolidated financial data production and/or other processes within this scope, within the framework of Regulation on the Bank Information Systems and Banking Processes Audit to be Realized by External Audit Institutions published in the Official Gazette number ..... dated .../.../.....

*[Explanation concerning the Responsibility of the Bank's Board of Managers:]*  
Establishment of controls ensuring that the consolidated financial statements upon the processes and information systems of banks and their partners subject to consolidation are prepared and presented according to the principles and procedures determined within the Communiqué on the Preparation of the Banks' Consolidated Financial Statements published in the Official Gazette number ..... Dated .../.../... and without including any wrong information due to errors or abuses; as to be limited with the scope determined within the Regulation on Banks' Internal Systems published in the Official Gazette number ..... dated .../.../..., is under the responsibility of the Management of .....A.Ş.

*(Explanation concerning the Responsibility of the Authorized Audit Institution:)*  
As the institution conducting the external audit, our responsibility is to deliver an opinion concerning the audit we have realized. The audit we have realized was planned as to ensure rationally the detection of the control weaknesses on the information systems and processes concerning consolidated financial data production, in banks and their partners and was realized in accordance with the principles and procedures determined within the Regulation on the Authorization and Activities of Institutions to Realize External Audit in Banks, published in the Official Gazette number ..... dated .../.../.... and within the Regulation on Bank Information Systems and Banking Processes Audit to be Realized by External Audit Institutions published in the Official Gazette number ..... dated .../.../.... The audit is composed of the testing of information systems and processes concerning the production of

consolidated financial data as well as the compatibility and design and operating effectiveness of the controls on these systems and processes, within the framework of the materiality principle, the evaluation thereof and the application of other similar audit techniques in accordance with your requirements. We believe that the audit we have realized forms an adequate and rational basis to compose our opinion.

*[Natural* *Constraints]*

Control weaknesses may be present on information systems and processes concerning the production of consolidated financial data, due to the constraints found in the nature of controls and they may not be detected. Furthermore, the results obtained based on our findings shall be evaluated as to enclose the future periods. These results carry the risk of changing within time due to causes such as the change of present conditions, making amendments in systems or in controls or deterioration of the effectiveness level of the controls.

*(Reasons for which the controls upon the information systems concerning the consolidated financial data and the processes within this scope are not found effective, adequate and consistent)*

*[External* *auditor* *Opinion)*

In our opinion, because of the *fact(s) explained above (paragraph .....*), as of the date *.../.../....*; effective, adequate and consistent controls reflecting the true situation of the financial statements have not been established in *..... A.Ş.* and its partners subject to consolidation with all their important aspects on their information systems producing the financial information subject to consolidation and/or their processes within this scope; within the framework of the principles and procedures determined in the Section Two titled “Internal Control System” of the Regulation on the Internal Systems of Banks published in the Official Gazette number *.....* dated *.../.../...* and within the Communiqué on Principles to be Considered in Information Systems Management in Banks published in the Official Gazette number *.....* dated *.../.../....*

Place and Date of Arrangement of the Report:

Name, Surname and Signature of Responsible Information Systems Chief auditor:  
Commercial Title of the Institution:

Name, Surname and Signature of Responsible Partner Auditor:

Commercial Title of the Institution:

Appropriate expression is preferred.

**CONSOLIDATED AUDIT REPORT**

**Avoidance to Give Opinion**

To the Board of Managers of ..... A.Ş.:

We are tasked to audit the controls of .....A.Ş. and its partners subject to consolidation upon the information systems concerning the consolidated financial data production and/or other processes within this scope, within the framework of Regulation on the Bank Information Systems and Banking Processes Audit to be Realized by External Audit Institutions published in the Official Gazette number ..... dated .../.../.....

*[Explanation concerning the Responsibility of the Bank's Board of Managers:]*  
Establishment of controls ensuring that the consolidated financial statements upon the processes and information systems of banks and their partners subject to consolidation are prepared and presented according to the principles and procedures determined within the Communiqué on the Preparation of the Banks' Consolidated Financial Statements published in the Official Gazette number ..... Dated .../.../... and without including any wrong information due to errors or abuses; as to be limited with the scope determined within the Regulation on Banks' Internal Systems published in the Official Gazette number ..... dated .../.../..., is under the responsibility of the Management of .....A.Ş.

*(Explanation concerning the Responsibility of the Authorized Audit Institution:)*  
As the institution conducting the external audit, our responsibility is to deliver an opinion concerning the audit we have realized. The audit we have realized was planned as to ensure rationally the detection of the control weaknesses on the information systems and processes concerning consolidated financial data production, in banks and their partners and was realized in accordance with the principles and procedures determined within the Regulation on the Authorization and Activities of Institutions to Realize External Audit in Banks, published in the Official Gazette number ..... dated .../.../.... and within the Regulation on Bank Information Systems and Banking Processes Audit to be Realized by External Audit

Institutions published in the Official Gazette number ..... dated .../.../.... The audit is composed of the testing of information systems and processes concerning the production of consolidated financial data as well as the compatibility and design and operating effectiveness of the controls on these systems and processes, within the framework of the materiality principle, the evaluation thereof and the application of other similar audit techniques in accordance with your requirements. We believe that the audit we have realized forms an adequate and rational basis to compose our opinion.

*[Natural*

*Constraints]*

Control weaknesses may be present on information systems and processes concerning the production of consolidated financial data, due to the constraints found in the nature of controls and they may not be detected. Furthermore, the results obtained based on our findings shall be evaluated as to enclose the future periods. These results carry the risk of changing within time due to causes such as the change of present conditions, making amendments in systems or in controls or deterioration of the effectiveness level of the controls.

*(Reasons for which the Auditor did not deliver his/her opinion.)*

*[External auditor Opinion)*

*Because of the fact(s) explained above (paragraph .....), we do not deliver our opinion concerning the effectivity, adequacy and consistency of the controls upon the information systems producing the consolidated financial data and/or the processes within this scope, and reflecting the true conditions of consolidated financial information and the legal liabilities measures by these information of ..... A.Ş., as of .../.../...*

Place and Date of Arrangement of the Report:

Name, Surname and Signature of Responsible Information Systems Chief auditor:  
Commercial Title of the Institution:

Name, Surname and Signature of Responsible Partner Auditor:

Commercial Title of the Institution:  
Appropriate expression is preferred.

