



**MINISTRY OF TREASURY AND FINANCE  
BOARD OF TREASURY CONTROLLERS**

**SUPPORT FOR TRANSITION TO LABOUR MARKET**

**Implemented by  
TURKISH EMPLOYMENT AGENCY (ISKUR)**

**Financed Under International Bank of Reconstruction and Development Grant  
Agreement Numbered TF-B7815**

**As of December 31, 2023 and For the Year Then Ended**

**Meryem KOŞAR  
Senior Treasury Controller**

**Prepared by  
Adem TÜRKYILMAZ  
Treasury Controller**

**Melda Nur NOGAY  
Treasury Controller**



**Report's Number  
107/14 - 94/4 - 48/12**

**INDEPENDENT AUDITOR'S REPORT**

**June 14, 2024**





REPUBLIC OF TÜRKİYE  
MINISTRY OF TREASURY AND FINANCE  
The Board of Treasury Controllers

## CONTENTS

EXECUTIVE SUMMARY.....	3
A. Project Summary.....	3
B. Objectives of Audit.....	3
C. Scope of Audit.....	4
D. Audit Methodology.....	4
E. Audit Results.....	5
F. Management Recommendation.....	5
INDEPENDENT AUDITOR'S REPORT & FINANCIAL STATEMENTS OF THE PROJECT.....	6
Opinion.....	7
Basis for Opinion .....	7
Emphasis of Matter in the Financial Statement.....	8
Going Concern .....	8
Responsibilities of Management and Those Charged with Governance or other appropriate terms for the Financial Statements.....	8
Auditor's Responsibilities for the Audit of the Financial Statements.....	8
Report on Other Legal and Regulatory Requirements .....	110
ANNEX I: FINANCIAL STATEMENTS .....	121

## **EXECUTIVE SUMMARY**



## EXECUTIVE SUMMARY

### A. Project Summary

Grant Agreement numbered TF-B7815 of “Support for Transition to Labor Market Project” was signed between Ministry of Labor and Social Security of the Republic of Türkiye and International Bank of Reconstruction and Development (IBRD) on May 5, 2022

Support for Transition to Labour Market Project (Project) is implemented by the Ministry of Labour and Social Security (MoLSS), the Turkish Employment Agency (ISKUR), and the Turkish Red Crescent (TRC) under the European Union Facility for Refugees in Türkiye (FRIT-2) to increase the employability and support the transition to the labor market of Syrians under Temporary Protection (SuTPs), International Protection Status holders and applicants (IPSHA), and Turkish citizens.

Grant Agreement’s amount, numbered TFB7815, signed between IBRD and Ministry of Labor and Social Security of the Republic of Türkiye (MoLSS) is € 61.000.000 (sixty one million Euro).

In terms of project, in 2023 € 1.177.615,80 was disbursed from ISKUR’s portion.

### B. Objectives of Audit

The objective of the audit is to express an opinion on the Financial Statements of the Support for Transition to Labour Market Project for the period ended 31 December 2023. The audit includes but not limited to the following tasks.

In evidencing compliance with agreed project financing arrangements, we are expected to carry out tests to confirm that:

- (a) All funds have been used in accordance with the conditions of the Grant agreements, with due attention to economy and efficiency, and only for the purposes for which the financing was provided.
- (b) Goods, works, and services financed have been procured in accordance with Grant agreement, including specific provisions of the World Bank Procurement Guidelines.
- (c) All necessary supporting documents, records, and accounts have been maintained in respect of all project activities, including expenditures reported using Statements of Expenditure (SOE).



- (d) Respective reports issued during the period were in agreement with the underlying books of account.

### **C. Scope of Audit**

The audit was conducted in accordance with International Standards on Auditing. Those Standards require that the auditor plans and performs the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. The audit included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. The audit also included assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

There was no limitation in our scope for the Project's audit.

### **D. Audit Methodology**

#### **Financial Statements**

Verified that the financial statements have been prepared in accordance with International Public Sector Accounting Standards.

Audited all SOE submitted to the IBRD in support of requests for periodic replenishment of the project designated account.

Examined expenditures for eligibility based on criteria defined in the terms of the financing agreement and detailed in the disbursement letter. In addition, we examined;

- (a) the SOEs have been prepared in accordance with the provisions of the Grant agreement;
- (b) expenditures have been made wholly and necessarily for the realization of project objectives;
- (c) information and explanation necessary for the purpose of the audit have been obtained;
- (d) supporting records and documents necessary for the purpose of the audit have been retained, and
- (e) the SOEs can be relied upon to support the related withdrawal applications.





### **Review of designated accounts**

During the audit of the project financial statements, we reviewed the activities of the project's designated account such as deposits received, payments made, interest earned, and reconciliation of period-end balances.

### **Internal controls**

Evaluated significant internal controls to obtain a sufficient understanding of the design of relevant controls, policies and procedures and whether they have been in operation during the period under review.

### **Compliance with agreement terms and applicable laws and regulations**

Reviewed, assessed and reported on compliance with the terms and conditions of the grant agreement.

### **Representations by implementing agency**

Obtained specific written representations from management.

### **E. Audit Results**

For the financial statements of Project; our audit resulted with unmodified opinion. In addition, other reporting responsibilities about the project is included under the Report on Other Legal and Regulatory Requirements heading of the report.

### **F. Management Recommendation**

Since we have not identified any material deficiencies in internal control during our audit, we have not issued a Management Letter.

**INDEPENDENT AUDITOR'S REPORT &  
FINANCIAL STATEMENTS OF THE PROJECT**



## INDEPENDENT AUDITOR'S REPORT

### TO MINISTRY OF LABOR AND SOCIAL SECURITY

### Directorate General of International Labor Force

### ANKARA

### Opinion

We have audited the Withdrawal Application Summary, Statement of Sources and Uses of Funds, Statement of the Comparison of Budget and Actual Amount, Special Account Statement of the “Support for Transition to Labor Market Project” as of December 31, 2023, and for the period then ended, and notes to the financial statements including a summary of significant accounting policies. The financial statements have been prepared by Turkish Labor Agency (ISKUR) in accordance with cash basis International Public Sector Accounting Standards and financial reporting provisions outlined in Grant Agreement Numbered TF-B7815.

In our opinion;

The accompanying financial statements present fairly, in all material respects, the financial position and cash flows of the “Support for Transition to Labor Market Project” as of December 31, 2023 and for the period then ended in accordance with cash basis International Public Sector Accounting Standards and financial reporting provisions outlined in Grant Agreement Numbered TF-B7815.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Financial Statements” section of this report. We are independent of the Turkish Labor Agency (ISKUR) within the meaning of “*IFAC Code of Ethics for Professional Accountants*” and have fulfilled our other responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.





### **Emphasis of Matter in the Financial Statement**

The financial statements are prepared to assist ISKUR to comply with the financial reporting provisions of the contract referred to above. As a result, the financial statements may not be suitable for another purpose.

### **Going Concern**

The Projects financial statements have not been prepared using the going concern basis of accounting. The closing date for this Project is December 31, 2024.

### **Responsibilities of Management and Those Charged with Governance or other appropriate terms for the Financial Statements**

ISKUR is responsible for the preparation and fair presentation of these financial statements in accordance with Grant Agreement Numbered TF-B7815, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than



REPUBLIC OF TÜRKİYE  
MINISTRY OF TREASURY AND FINANCE  
The Board of Treasury Controllers

for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We are also required to provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguard





### Report on Other Legal and Regulatory Requirements

The conclusions drawn from audits conducted within the scope of other reporting requirements are as follows:

a) The Turkish Employment Agency, as of December 31, 2023 has complied with, in all material respects, the requirements of the Grant Agreement numbered TF-B7815.

b) With respect to SOEs, adequate supporting documentation has been maintained to support claims to the IBRD for reimbursement of expenditures incurred, and these expenditures are eligible for financing under the Grant Agreement numbered TF-B7815.

Okan SÜLER  
Acting Chairman of  
The Board of Treasury Controllers

Akif Bülent BOYACIOĞLU  
(Audit Partner)  
Vice Chairman

Meryem KOŞAR  
Senior Treasury Controller

Adem TURKYILMAZ  
Treasury Controller

Melda Nur NOGAY  
Treasury Controller

Date: 14/06/2024

Address: Ministry of Treasury and Finance

The Board of Treasury Controllers, ANKARA/TÜRKİYE

## **ANNEX I: FINANCIAL STATEMENTS**



GENERAL DIRECTORATE OF TURKISH EMPLOYMENT AGENCY  
SUPPORT FOR TRANSITION TO LABOR MARKET PROJECT  
TF87815

NAME OF IMPLEMENTING AGENCY  
NAME OF PROJECT  
LOAN/GRANT NO.  
Withdrawal Application Summary  
For the Period: 01.11.2022-31.12.2023

Withdrawal application number	Date	Category 1 Applied Training Program Payments	Category 2 Goods	Category 2 Consulting Services	Category 3 Non-Consulting Services	Category 4 Training and Operating Cost	Category 5 Small Works	Total	Requested Advance	Value date	Rejected by WB	Net reimbursed
In Designated Account currency - Euro												
Section A: Payment method - Advance/Reimbursement												
Approved withdrawals												
BSKUR-001 (Advance)	10.11.2022	-	-	-	-	-	-	0,00	2.620.000,00	10.11.2022	0,00	2.620.000,00
BSKUR-002 (Reimbursement (S4))	6.04.2023	0,00	0,00	39.027,47	0,00	947,11	0,00	39.974,58	0,00	13.04.2023	0,00	39.974,58
BSKUR-003 (Reimbursement (S4))	18.04.2023	0,00	42.551,03	39.794,04	0,00	6.256,62	0,00	88.551,69	0,00	24.04.2023	0,00	88.551,69
BSKUR-004 (Reimbursement (S4))	1.06.2023	0,00	0,00	37.948,48	0,00	27.819,56	0,00	65.768,04	0,00	14.06.2023	0,00	65.768,04
BSKUR-005 (Reimbursement (S4))	12.06.2023	0,00	71.870,78	38.704,13	0,00	27.578,43	0,00	138.153,32	0,00	15.06.2023	0,00	138.153,32
BSKUR-006 (Reimbursement (S4)) - Additional Advance	17.07.2023	0,00	0,00	38.263,72	0,00	23.034,38	0,00	61.318,10	7.380.000,00	25.07.2023	0,00	7.441.318,10
BSKUR-007	CANCEL											
BSKUR-008 (Documentation of Prior Advance (S4))	21.08.2023	0,00	0,00	30.601,88	0,00	12.410,37	0,00	43.012,25	0,00	21.08.2023	0,00	0,00
BSKUR-009 (Documentation of Prior Advance (S4))	25.09.2023	0,00	0,00	33.274,87	0,00	23.275,35	0,00	56.550,22	0,00	4.10.2023	0,00	0,00
BSKUR-010 (Documentation of Prior Advance (S4))	24.10.2023	7.025,90	0,00	43.409,00	0,00	10.621,71	0,00	61.056,70	0,00	24.10.2023	0,00	0,00
BSKUR-011 (Documentation of Prior Advance (S4))	20.11.2023	59.880,92	0,00	42.848,55	0,00	12.645,50	0,00	115.484,97	0,00	20.11.2023	0,00	0,00
BSKUR-012 (Documentation of Prior Advance (S4))	22.12.2023	138.416,37	44.787,63	37.634,89	14.955,68	14.247,62	0,00	250.046,19	0,00	22.12.2023	0,00	0,00
Pending Submission												
Sub-Total (A)		205.333,28	159.189,42	381.595,03	14.955,68	158.839,65	0,00	919.914,06	10.000.000,00		0,00	10.393.783,73
Section B: Payment method - Reimbursement												
Approved withdrawals												
Pending Submission												
Sub-Total (B)		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00		0,00	0,00
Section C: Payment method - Direct Payment												
Approved withdrawals												
Pending Submission												
Sub-Total (C)		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00		0,00	0,00
TOTAL (A+B+C)		205.333,28	159.189,42	381.595,03	14.955,68	158.839,65	0,00	919.914,06	10.000.000,00		0,00	10.393.783,73

Prepared by  
Songül GEMREK KAHIRAMAN  
Financial Management Consultant

Controlled by  
Aydin ALABAŞ  
Head of Department

Controlled by  
Oğuzhan KUTULLI  
Acting Head of Department

Approved by  
Dr. Varol DUR  
Deputy Director General

**GENERAL DIRECTORATE OF TURKISH EMPLOYMENT AGENCY**  
**SUPPORT FOR TRANSITION TO LABOR MARKET PROJECT**  
**STATEMENT OF SOURCES and USES of FUNDS**  
**As of December 31, 2023 and For The Year Then Ended.**  
**(In EURO)**

	Notes	Current Period	Previous Period	Cumulative
<b>I-SOURCES OF FUNDS</b>				
C-IBRD Grant		7.773.763,73	2.620.000,00	10.393.763,73
1-Direct Payments		0,00	0,00	0,00
2-Special Account		7.773.763,73	2.620.000,00	10.393.763,73
a) Advance (Net)		6.853.849,67	2.620.000,00	9.473.849,67
a.1) Advance (Gross)		7.380.000,00	2.620.000,00	10.000.000,00
a.2) Recovery of Advance (-)		(526.150,33)	0,00	(526.150,33)
b) SOE Procedures		919.914,06	0,00	919.914,06
<b>Total Funds Received</b>		<b>7.773.763,73</b>	<b>2.620.000,00</b>	<b>10.393.763,73</b>
<b>II-A USES OF FUNDS by COMPONENT</b>				
<b>I-Investment Costs</b>				
Component 1: Support for Counseling Services and Employment Support		400.867,80	0,00	400.867,80
Component 2: Institutional Support for the Delivery of Employment Services and ALMP		776.748,00	0,00	776.748,00
<b>Total Investment Costs</b>		<b>1.177.615,80</b>	<b>0,00</b>	<b>1.177.615,80</b>

 S. K.



**II-Recurring Costs**

A- Front-End-Fee

0,00	0,00	0,00
<b>0,00</b>	<b>0,00</b>	<b>0,00</b>

**Total Recurring Costs**

**Total Uses of Funds by Component**

**II-B USES OF FUNDS by CATEGORY**

1.Goods

159.189,42	0,00	159.189,42
------------	------	------------

2.Consulting Services

418.249,95	0,00	418.249,95
------------	------	------------

3.Non-consulting Services

17.767,91	0,00	17.767,91
-----------	------	-----------

4.Applied Training Program Payments

400.867,80	0,00	400.867,80
------------	------	------------

5. Training and Operating Cost

181.540,72	0,00	181.540,72
------------	------	------------

6. Small Works

0,00	0,00	0,00
------	------	------

**Total Uses of Funds by Category**

<b>1.177.615,80</b>	<b>0,00</b>	<b>1.177.615,80</b>
---------------------	-------------	---------------------



Cash at the beginning of the period 01.01.2023

2.620.000,00

Cash at the end of the period 31.12.2023

9.216.147,93

Prepared by

13.06.2024

Songüi ÇEMREK KAHRAMAN

Financial Management Consultant

Controlled by

13.06.2024

Aydin ALABAŞ

Head of Department

Controlled by

13.06.2024

Oğuzhan KÜPELİ

Acting Head of Department

13.06.2024

Approved by

13.06.2024

Dr.Varol DUR

Deputy Director General



STATEMENT OF COMPARISON BUDGET AND ACTUAL AMOUNT GENERAL DIRECTORATE OF TURKISH EMPLOYMENT AGENCY Grant No : TEB7815 SUPPORT FOR TRANSITION TO LABOR MARKET PROJECT 01.01.2023-31.12.2023 Reporting Rate (Euro)										
		Current Period				Cumulative				
	NOTES	Actual 1	Final Budget 2	Original Budget	Progress % 3=1/2	Actual 4	Planned 5	Progress % 6=4/5		
	Sources of Funds									
	World Bank Grant	7.773.763.73	58.000.000.00	58.000.000.00	13.40%	10.393.763.73	58.000.000.00	17.92%		
	<b>Total Sources of Funds</b>	<b>7.773.763.73</b>	<b>58.000.000.00</b>	<b>58.000.000.00</b>	<b>13.40%</b>	<b>10.393.763.73</b>	<b>58.000.000.00</b>	<b>17.92%</b>		
	Uses of Funds									
1	By components	1.177.615.80	58.000.000.00	58.000.000.00	2.03%	1.177.615.80	58.000.000.00	12.73%		
	Component 1: Support for Counseling Services and Employment Support (Part 1 a implemented by ISKUR)	400.867.80	51.500.000.00	51.500.000.00	0.78%	400.867.80	51.500.000.00	0.78%		
	1.A JOB SEARCH SUPPORT	0.00	100.000.00	100.000.00	0.00%	0.00	100.000.00	0.00%		
	1.B APPLIED TRAINING PROGRAMS	400.867.80	51.400.000.00	51.400.000.00	0.78%	400.867.80	51.400.000.00	0.78%		
	Component 2: Institutional Support for the Delivery of Employment Services and ALMP	776.748.00	6.500.000.00	6.500.000.00	11.95%	776.748.00	6.500.000.00	11.95%		
	2.A INSTITUTIONAL SUPPORT to ISKUR	776.748.00	6.500.000.00	6.500.000.00	11.95%	776.748.00	6.500.000.00	11.95%		
	<b>Total</b>	<b>1.177.615.80</b>	<b>58.000.000.00</b>	<b>58.000.000.00</b>	<b>2.03%</b>	<b>1.177.615.80</b>	<b>58.000.000.00</b>	<b>12.73%</b>		
2	By expenditure category	1.177.615.80	58.000.000.00	58.000.000.00	2.03%	1.177.615.80	58.000.000.00	11.95%		
	Component 1: Support for Counseling Services and Employment Support (Part 1 a implemented by ISKUR)	400.867.80	51.500.000.00	51.500.000.00	0.78%	400.867.80	51.500.000.00	0.78%		
	Applied Training Program Payments	400.867.80	51.500.000.00	51.500.000.00	0.78%	400.867.80	51.500.000.00	0.78%		
	Component 2: Institutional Support for the Delivery of Employment Services and ALMP									
	Goods	776.748.00	6.500.000.00	6.500.000.00	11.95%	776.748.00	6.500.000.00	43.53%		
	Consulting Services	159.189.42	1.455.000.00	1.455.000.00	10.94%	159.189.42	1.455.000.00	10.94%		
	Non-consulting Services	418.249.95	2.285.500.00	2.285.500.00	18.30%	418.249.95	2.285.500.00	18.30%		
	Training and Operating Cost	17.767.91	305.000.00	255.000.00	5.83%	17.767.91	305.000.00	5.83%		
	Small Works	181.540.72	2.144.500.00	2.214.500.00	8.47%	181.540.72	2.144.500.00	8.47%		
		0.00	310.000.00	310.000.00	0.00%	0.00	310.000.00	0.00%		
	<b>Total</b>	<b>1.177.615.80</b>	<b>58.000.000.00</b>	<b>58.000.000.00</b>	<b>2.03%</b>	<b>1.177.615.80</b>	<b>58.000.000.00</b>	<b>12.73%</b>		

Prepared by  
Songül ÇEMREK KARAHAN  
Financial Management Consultant

Controlled by  
Aydin ALABAŞ  
Head of Department

Controlled by  
Oğuzhan KURBANLI  
Acting Head of Department

Approved by  
Dr. Varol DUR  
Deputy Director General

13.06.2024

GENERAL DIRECTORATE OF TURKISH EMPLOYMENT AGENCY  
SUPPORT FOR TRANSITION TO LABOR MARKET PROJECT  
SPECIAL ACCOUNT STATEMENT

For the year ended, December 31, 2023  
(In EURO)

	Note	
Opening Balance		2.620.000,00
Reimbursements to SA	8	7.773.763,73
Available Funds		10.393.763,73
Payments Made for Expenditures		1.177.615,80
Bank fees charged		0,00
Transfer of Interest and Exchange Difference Income to Trust Account		0,00
Total Project Investments		1.177.615,80
Refunds to the World Bank (-)		0,00
Closing Balance (31.12.2023)	7	9.216.147,93

Prepared by

13.06.2024

Songül ÇEMREK KAHRAMAN  
Financial Management Consultant

Controlled by

13.06.2024

Aydemir ALABAŞ  
Head of Department

Controlled by

13.06.2024

Oğuzhan KUTPELİ  
Acting Head of Department

Approved by

13.06.2024

Dr. Varol DUR  
Deputy Director General

**GENERAL DIRECTORATE OF TURKISH EMPLOYMENT AGENCY**  
**SUPPORT FOR TRANSITION TO LABOR MARKET PROJECT-ISDEP2**  
**NR. TFB7815**  
**NOTES RELATED TO PROJECT FINANCIAL STATEMENTS AS OF THE**  
**PERIOD ENDING ON 31.12.2023**

**1- PROJECT OBJECTIVES AND STRUCTURE**

Syrians Under Temporary Protection (SuTP), International Protection Status Holders and Applicants as well as Turkish citizens are supported in increasing their employability and accessing the labor market through the Social Cohesion Assistance (ESSN) program, which is carried out by the Ministry of Labor and Social Security's Directorate General of International Labor (UİGM), Turkish Red Crescent (TRC), and İŞKUR. The aim of the program is to support the beneficiaries' transition to the labor market. Additionally, the project aims to enhance the institutional capacities of UİGM, İŞKUR, and TRC.

The entire project is financed by an 80 million Euro grant (58 million for İŞKUR, 14 million for TRC, 3 million for UİGM, and 5 million from the World Bank), provided under the Grant Agreement signed between the Republic of Türkiye and the International Bank for Reconstruction and Development (IBRD) on May 5, 2022, and effective as of 2 August 2022.

**Beneficiaries of the Project**

The beneficiaries of the project are Syrians Under Temporary Protection (SuTP), International Protection Status Holders and Applicants as well as Turkish citizens. The implementation region covers eight provinces: Gaziantep, Adana, Istanbul, Şanlıurfa, Bursa, Konya, Kocaeli, and Izmir.

The project is planned as the second phase of the "Employment Support Project for Syrians Under Temporary Protection and Turkish Citizens (İSDEP)" implemented during the FRIT 1 period, with the addition of the Turkish Red Crescent (TRC) as a project partner. Within the project, Turkish Red Crescent will provide essential guidance services, Turkish language programs, and support in acquiring soft and social skills necessary for transitioning from social assistance to the labor market for SuTP.

The maximum duration of ATP is 6 months, with no minimum duration. The targets include providing consultancy to 17,000 individuals and having 17,000 participants in





ATPs. Additionally, the goals include ensuring that 20% of UEP participants find employment and that 20% of the participants are women.

The Project has two main components:

Component 1 – Employment Services and Active Labour Market Programmes (ALMP)

Component 2 – Institutional Support for Employment Services and ALMPs

Component 1 ALMPs, Turkish Citizens, IPSHAS and SuTP, various active labour market measures such as covering work permit fees of project beneficiaries who are employed, and support for employment services such as evaluation, counselling and matching.

Component 2 will give institutional support to İŞKUR and Ministry of Labor and Social Security (MoLSS) for the services which will be rendered for SuTP. This support includes human resources support for project coordination and implementation, IT support, support for communication, monitoring and evaluation and activities such as improvement of physical infrastructure.


## **2- MAIN ACCOUNTING POLICIES**

(a) Transactions related to the project are accounted on cash basis. On this basis, funds are recorded as resource when they are received, and recorded as expenditure when they are used.

(b) Eligible expenditures can be made through designated account (advance) in accordance with the disbursement letter. For withdrawal with advance method, a Designated Account in Euro currency (with upper-limit of 10.000.000,00 Euros and managed by Turkish Employment Agency PIU (İŞKUR-PIU)) was opened in Vakıf Bank which is one of the commercial banks acceptable by the World Bank. Advance balance ceiling for the account managed by İŞKUR PIU was determined as Euro in the Disbursement Letter.

(c) Transactions related to the project are recorded as and followed in terms of EURO. Transactions realised in other currencies are converted into EURO using valid buying exchange rate of the Central Bank of the Republic of Türkiye on the transaction date.

(d) Chart of accounts for the Project, which is used within the scope of the project and has been formed to follow fund resources and disbursements in detail required in the project reporting, was created via chart of accounts offered in Accounting Principles and Policies on Projects Financed by the World Bank and Chart of Accounts and Financial Statements Draft Manual which were published by the Board of Treasury Controllers. In this context, since İŞKUR is in the scope of the 4th chart of the Law no. 5018, the Agency has its own



regulations of accounting applications. Relevant account descriptions were made in this chart of accounts. Fund resources and disbursements related to the project are kept in computerised record system in accordance with this determined chart of accounts. Transactions related to all parts of the project are recorded in the books of the project in the system and the project financial statements and reports are produced by the system.

The funds received within the scope of the project are kept in a designated account and no cash at hand is held. The Euro bank account with iban number TR49 0001 5001 5804 8021 8480 36 opened at Vakıf Bank Ankara Corporate Branch was opened on 26.10.2022.

Advance balance ceiling has been determined as 10.000.000,00 Euros in the disbursement letter, on 10.11.2022 2.620.000,00 Euro advance payment has been transacted to İŞKUR's account. and as of the end of the review period, a total of 7.773.763,73 Euros have been received into the designated account and 1.177.615,80 Euros have been spent from the designated account.

For all resource withdrawals from the World Bank, an electronic form is filled in via the World Bank Client Connection system and the application is electronically signed by the authorities and sent to the World Bank. Authorized Signatures for the withdrawal applications were filled in the form attached to the Letter of Disbursement and notified to the World Bank. In the withdrawals, additional forms mentioned in the Disbursement Letter and bearing authorized signatures and certain supporting documents depending on the nature of the withdraw are presented to the World Bank.

To report eligible expenditures paid from the Designated Account:

- i. Statement of Expenditure prepared in the format provided for expenditures / contracts related to the purchase of goods and services, education and operating costs,
- ii. Statement of Expenditure prepared in the format provided for payments within the scope of Active Labour Market Programs (ALMP),
- iii. Designated account reconciliation notification and related bank account statement are submitted.

Eligible expenditures made from Designated Accounts are reported quarterly or more frequently if needed. Guidance on financial transactions guide has been published and necessary revisions have been made for the payment transactions made from the grant





sources in the Designated Account for activities and expenditures, which are considered appropriate for the project components.

The guidance covers all processes related to financial management at the central and local level and the practitioners carry out transactions in accordance with these rules.

Within the scope of the project, due to the Ruling dated 09.01.2023 and numbered KDV.IPA.CERT 2023/2 VAT Exemption Certificate received from the Revenue Administration, invoices or documents equivalent to invoice made out by the relevant parties for payments are issued without VAT.

### **3- FINANCIAL STATEMENTS**

In accordance with the provisions of the relevant Agreement, the use of funds provided within the scope of the project is limited to the project purpose. At the end of the project, unused project funds are returned to the World Bank in accordance with the relevant provisions of the contract. Unaudited interim financial statements covering each three-month calendar period regarding the use of project funds are prepared and submitted to the World Bank.

### **4- SUPPORT FOR TRANSITION TO LABOR MARKET PROJECT-ISDEP2**

The entire project will be funded by a Grant of 80.000.000,00 Euros provided by European Union within the scope of EU FACILITY which is a special fund for supporting Turkish Government during the socio-economic integration of SuTP. The Grant in question will be managed as a composite Trust Fund with sections run by the Recipient Ministry of Labor and Social Security (MoLSS) and the World Bank (the Bank). In accordance with the Administrative Agreement for Trust Fund, total amount of usable fund is 61.000.000,00 Euros, after deducing an administrative fee of 4 per cent for the Bank.

The Recipient-executed Trust fund (RETF) will amount to 61.000.000,00 Euros and finance the activities stated in the Grant Agreement and the Project Appraisal Document (PAD). 58.000.000,00 Euros of the Grant amount is allocated to İŞKUR by the Recipient as per the Subsidiary Agreement stipulated in the Grant Agreement. 3.000.000,00 Euros is allocated to the General Directorate of International Labor Force (DGILF), and 14.000.000,00 Euros is allocated to TRC and 5.000.000 Euros is paid to the World Bank as administrative operation cost.





## 5-SOURCES OF FUNDS

2023	
Opening Balance	2.620.000,00 Euros
Advance Withdrawal	7.773.763,73 Euros
Closing Balance	9.216.147,93 Euros
Payments Made for Expenses	1.177.615,80 Euros
Total Project Expenditures	1.177.615,80 Euros

## 6- PENDING APPLICATIONS

There is no pending application as of December 31, 2023.

## 7- CASH BALANCES

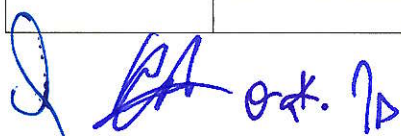
Cash balance on the date of January 1, 2023 and December 31, 2023 in dollar includes the following;

Opening Balance	2.620.000,00
Reimbursements to SA	
a) Advance	7.380.000,00
b)Recovery of Advance	-526.150,33
c) SOE Procedure	919.914,06
Available Funds	10.393.763,73
Payments Made for Expenditures	1.177.615,80
Bank fees charged	0,00
Transfer of Interest and Exchange Difference Income to Trust Account	0,00
Total Project Investments	1.177.615,80
Closing Balance (31.12.2023)	9.216.147,93

## 8- WITHDRAWAL APPLICATION

01.01.2023-31.12.2023

Application Date	Application No	Amount Requested (€)	Paid		Date
			SOE Method	Advance	
6.04.2023	ISKUR-002	39.974,58	39.974,58		13.04.2023
18.04.2023	ISKUR-003	88.551,69	88.551,69		24.04.2023

 04. 7. 20

1.06.2023	ISKUR-004	65.766,04	65.766,04		14.06.2023
12.06.2023	ISKUR-005	138.153,32	138.153,32		15.06.2023
17.07.2023	ISKUR-006	7.441.318,10	61.318,10	7.380.000,00	25.07.2023
CANCEL	ISKUR-007				
21.08.2023	ISKUR-008		43.012,25		21.08.2023
25.09.2023	ISKUR-009		56.550,22		4.10.2023
24.10.2023	ISKUR-010		61.056,70		24.10.2023
20.11.2023	ISKUR-011		115.484,97		20.11.2023
22.12.2023	ISKUR-012		250.046,19		22.12.2023
<b>TOTAL</b>		<b>7.773.763,73</b>	<b>919.914,06</b>	<b>7.380.000,00</b>	

## 9- REFUNDS TO THE ACCOUNTS

There are no refunds as of December 31, 2023.

## 10 - AMOUNTS WITHDRAWN NOT CLAIMED YET

While the expenditure amount reported using the SOE method from the project account is € 919,914.06, the current year expenditure amount is € 1,177,615.80. The difference of € 257,701.74, although spent during the period, has not been requested for settlement. It will be requested in the next settlement period (18.01.2024).

**Prepared by**

13.06.2024

Songül ÇEMREK KAHRAMAN

Financial Management Consultant

**Controlled by**

13.06.2024

Aydın ALABAŞ

Head of Department

**Controlled by**

13.06.2024

Oğuzhan KÜPELİ

Acting Head of Department

Approved by

13.06.2024

Dr.Varol DUR

Deputy Director General