

Investigating the Perception of Internal Audit in Women's Cooperatives: The Case of Isparta Province *

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Abstract

Today, women's cooperatives, whose numbers are increasing, are among the organizations whose establishments are supported in Turkey. The main subject of our study is to investigate the internal audit perceptions of the partners of women's cooperatives, which have encountered various problems in their operation after their establishment. The study covers women's cooperatives in Isparta center and its surroundings. In this regard, a qualitative research was conducted with women's cooperatives that agreed to participate in the study. Qualitative data obtained with the semi-structured interview form were analyzed with the MAXQDA 2020 program and code schemes were created and interpreted. As a result of the study, it was concluded that the concept and mechanisms of internal audit are not fully known and are not carried out effectively. In addition, it has been concluded that the members do not have full information about the main organs of the cooperative, that cooperatives are generally reluctant to recruit partners, that organ activities generally remain on paper, that risk management is weak, and that there may be erroneous or fraudulent behavior in some cooperatives.

Keywords: *Women's cooperative, internal audit, Isparta, cooperatives.*

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1. INTRODUCTION

Cooperatives are organizations established for a common goal based on cooperation and solidarity. These organizations are established by people coming together to meet the common needs of individuals or businesses and for economic, social or cultural purposes. Cooperativeism; It stands out as an important business model that aims to support social and economic development around the world, reduce income inequalities and strengthen local communities. The first place of modern cooperatives in their current sense is the European continent. It first emerged in England and Germany with the industrial revolution and spread all over the world (Bijman et al., 2014; Prinz, 2002). It is accepted that Rochdale started the first cooperative movement in the world by establishing the “Consumer Cooperative” on 24 October 1844 (Fairbairn, 1994). Cooperatives are also quite common in Germany, a European country (Prinz, 2002). In Germany, one in every four individuals has a cooperative membership (Guinnane, 2001) and there are approximately 19.4 million cooperative members (Ministry of Commerce, 2015, p. 9). Cooperatives are seen as an important business model widely used worldwide and operates in various sectors. Especially in developing countries such as Turkey, cooperatives are seen as an important tool to promote local economic empowerment, improve income distribution and increase social solidarity.

Cooperatives in Turkey can be examined in two ways: before the Republic and during the Republic. Mithat Pasha during the Ottoman Empire and Mustafa Kemal ATATÜRK during the Republic period took important steps regarding cooperative structures (İnan, 2008). It is seen that the Ahi structures in the pre-Republic period are similar to cooperatives. The Ahi organization, founded by Ahi Evran, includes the rules of today's modern cooperatives such as solidarity, education, cooperation, equal work and fair price policy (Serinikli, 2017). In addition, the “Memleket Funds”, founded by Mithat Pasha in 1863 regarding pre-Republican cooperatives, is the first cooperative movement (Erçin, 2002) and its field of activity is agricultural credit (Serinikli, 2017).

Today, cooperatives operate within the Ministry of Commerce, Ministry of Agriculture and Forestry, Ministry of Environment, Urbanization and Climate Change. Cooperatives in our country are generally divided according to their field of activity. While in the early days, cooperatives in the fields of production, housing, consumption, development and supply distribution constituted the majority, today it is observed that the establishment of sector-oriented cooperatives is increasing. In this sense, new types of cooperatives are encountered in the fields of women, agricultural sales, press, education, health and transportation. Current cooperative data in Turkey obtained through CİMER and in the World Cooperative Monitor (WCM) report published by the International Cooperatives Alliance (ICA) in 2023 are given in Table 1.

Table 1. Cooperative Data in the World and Turkey

	World*	Türkiye**
Starting year	1844	1863
Number of Cooperatives	3 Million	52,034
Number of Partners	1 Billion	2,302,387
Number of Employees	280 Million	100,000

Source: *ICA, 2023, **Data prepared by the KOOP-BIS system dated 06.03.2024 is presented through CİMER.

According to International Cooperative Alliance (2023) data; Approximately 20 years after the start of the cooperative movement in England, the first studies in the field of cooperatives began in Turkey. Additionally, there are around 3 million cooperatives in the world. These cooperatives have approximately 1 billion members. In this regard, it can be thought that one in every seven people in the world is a cooperative partner. In addition, around 280 million people obtain all or part of their income from cooperatives. Currently, 10% of the world's working population is employed in cooperatives. There are 52034 cooperatives in Turkey, which corresponds to 1.73% of the cooperatives worldwide. Additionally, there are around 2 million cooperative partners in Turkey. Therefore, one in every 40 people in Turkey is a cooperative partner. In addition, 100 thousand people work in cooperatives and cooperative subsidiaries in Turkey. However, the share of this employment in the total working population in Turkey is below 1%. In other words, the employment level created by cooperatives in Turkey is quite low compared to the employment level created by cooperatives around the world.

Women's cooperatives play an important role in empowering women in economic and social life, ensuring gender equality and supporting sustainable development in Turkey. Women are seen as a disadvantaged group that may struggle to meet their social and economic needs and create their own business areas (Kara, 2020). Today, there are reasons that have a negative impact on the sustainability of women's cooperatives in almost every province. The problems experienced in women's cooperatives and affecting these cooperatives negatively are the same as the basic problems related to cooperatives (Duguid et al., 2015). In addition to these problems, the International Labour Organization (2022) report contains findings that overlap with the literature on the main problem areas of women's cooperatives. These; weakness of solidarity and partnership structures, weak capital base and difficulties in accessing finance, insufficient preparation processes and sudden establishment, insufficient capacity regarding business and organization management, weight of non-tax financial liabilities related to organization management, problems related to the cooperative type, informalization and fake the danger of regression to cooperative status is the limits on women's representation and activities in mixed cooperatives (p. 48).

In addition to supporting the internal control systems of women's cooperatives, internal auditing contributes to the effective execution of risk management and governance processes. The concept of internal auditing, which holds significant importance in this context, is defined as "an independent and objective assurance and consulting activity designed to evaluate, improve and add value to an organization's operations" (Korkmaz, 2007). On the other hand, risk management is described as the

process of identifying, assessing, and managing risks directly related to an organization's mission and objectives, which may impact the achievement of these goals. Within this scope, internal auditing assists organizations in managing potential risks by conducting preliminary evaluations of the risks associated with the activities under review (Acar, 2024). The results of an internal audit and the benefits it provides to management vary depending on the purpose of the internal audit and the support and expectations of managers in this regard (Lazarus et al., 2021, p. 104). Internal audit must be properly integrated into the strategic management system to use internal audit as an effective management tool (Alic and Rusjan, 2011). Thus, internal audit; it helps organizations achieve financial, operational and strategic goals with a systematic and disciplined approach and contributes to sustainable success and growth by adding value to their core functional areas (Lazarus et al., 2021, p. 104).

Today, women's cooperatives, whose numbers are increasing and are faced with many problems, are in danger of closing for some reasons (Gök and Öztürk, 2024, p. 58). Reasons such as the weakness of cooperative economic management, the inability to balance income and expenses, and weak internal audit effectiveness are major obstacles to women's cooperatives' progress. In our study, the perception of internal control of women's cooperatives in Isparta province was investigated using qualitative research methods.

2. MATERIAL AND METHOD

2.1. Method and Approach of the Research

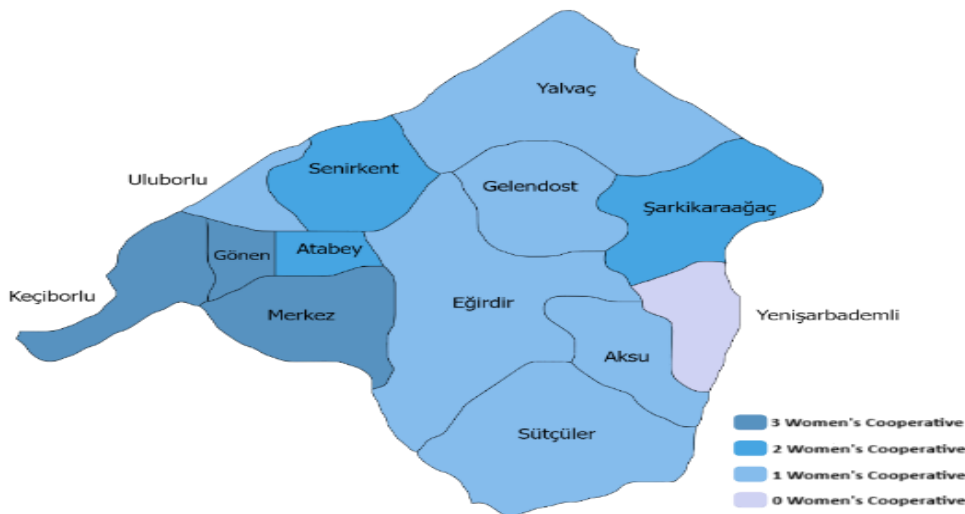
Qualitative research explains complex events and perceptions by using experiences. It is explained as an interpretive and explanatory research method that aims to examine the formation stages of events, which helps to discover decision-making processes and what affects these processes (Creswell, 2013). The phenomenological approach, one of the qualitative research methods, was preferred in the research. The phenomenological approach is an approach that includes text analysis focusing on meanings and context, discourse analysis and understanding how the process occurs (Chigbu, 2019, p. 1). The phenomenological approach is theoretically based on qualitative research. Qualitative research, on the other hand, adopts a holistic perspective and examines the research questions with an interpretive approach (Karataş, 2015, p. 63). In this regard, this research was carried out within the framework of the phenomenological approach, one of the qualitative research methods, as it provides an in-depth understanding of the situation as a method suitable for its subject and purpose. In the phenomenological approach, the researcher tries to understand “what is”, “what it means”, “how it is” and “with what common meanings it is represented by experiences” the social phenomenon or process he is researching (Çelik et al., 2020, p. 383). In this regard, the main data source of the study is obtained through interviews (Günbayı and Sorm, 2018, p. 65). The research was carried out within the framework of semi-structured interview technique.

2.2 Population and Sample

Most researchers who prefer the hermeneutic phenomenological approach are able to select people who closely experience a certain situation or event that is the focus of the research question using the purposeful sampling method (Tindall, 2009). In this regard, “criterion-based sampling” was chosen among the purposeful sampling types when determining the participants in the study, as people who could guide the study and help shed light on the subject under investigation were preferred. In criterion-based sampling, people who have experience with the phenomenon under investigation are represented, and this type of sampling is seen as a very useful method in phenomenological research (Tashakkori and Teddlie, 2010).

Some researchers in the literature argue that the number of participants should be in different ranges in phenomenological research. Tindall (2009) state that the number of participants should be between 4-10, and Creswell (2013) states that the number of participants can be between 5-25. Charmaz (2011) and Wilson (2015) suggest that this number should be at least 10. However, in qualitative research, in order to determine the ideal sample size rather than the number of samples (Wilson, 2014), it should be taken into consideration whether the information has reached the saturation point or whether it has become repetitive (Baltacı, 2018, p. 262) and the number of samples should be terminated accordingly (Wilson, 2014). In this regard, after it was determined that the data obtained from the participants in the study became repetitive and the saturation point was reached, the study was stopped and the sample size was determined. Figure 1, the universe of the study, including the field research, is presented graphically.

Figure 1. Provincial Center and District Locations Where Field Research Was Conducted



Women’s cooperatives, which contribute to the social and economic development of women and are seen as a key role in local development, were determined as the study group of the research. Only cooperatives founded and run by women were considered in the study. In this regard, the research focused on women's cooperatives established in Isparta Province as the study group. Isparta Province

was chosen because of the increase in the number of women's cooperatives over the years and the lack of a comprehensive study on women's cooperatives specifically in Isparta Province. According to the data received from official institutions as of January 2024, the population of the study consists of 20 women's cooperatives established in Isparta Province. 8 women's cooperatives out of 20 women's cooperatives refused to participate in the study for various reasons. For this reason, the study was continued with 12 women's cooperatives and the sample size was terminated with 16 participants from 5 cooperatives being included in the study due to the repetition of participant responses and reaching the saturation point.

2.3. Data Collection Tool and Analysis

The interview was conducted by preparing the questionnaire in a semi-structured manner using the in-depth interview method, one of the qualitative research methods, and addressing it to the participants face to face. An in-depth interview is a data collection technique that allows collecting information through one-on-one, face-to-face interviews in which all dimensions of the subject under investigation are addressed, mostly open-ended questions are asked, and detailed answers are obtained (Tekin, 2006, p. 101). In the semi-structured interview type, an interview form includes a set of predetermined questions. Therefore, before the data collection process, domestic and foreign literature was researched in detail and the questions asked to the participants in qualitative studies conducted in women and women-dominated cooperatives were examined. As a result of the review, questionnaires were created to include the COSO Model (COSO, 2024) fraud triangle and red flags theories. In this context, in the study, the "Semi-Structured Interview Survey Form Applied to Women's Cooperatives Partners" prepared by the researcher to women's cooperatives partners, cooperative presidents, vice presidents, cooperative board members, cooperative audit board members was directed to the participants along with probing (detailing) questions. The participants' answers to the questions were recorded with a voice recorder by the consent of the participants. Additionally, in addition to the answers given by the participants, observations were made and notes were taken during the field research. The researcher concluded the research by asking the participants if there was anything else they would like to add at the end of the interview. The research was applied to 16 participants starting on January 11, 2024 and ending on February 10, 2024. Accordingly, in this study, field research was conducted with participants who were determined through criterion-based sampling and played a key role in the study. The research questions were tried to be answered.

In the analysis given, firstly, the voice recordings obtained as a result of in-depth interviews of 16 participants were deciphered and transcribed. The approximately 80-page text obtained as a result of interviews ranging from approximately 30 minutes to 1.5 hours was read several times in line with the objectives of the research, formal errors and spelling errors were corrected, and all introductory information in the interview texts was anonymized before starting the coding process. Afterward, based on descriptive analysis, coding and data analysis were carried out with the help of the MAXQDA 2020

program, which included adhering to the original formats of the data in the interview transcripts and presenting the data to the other party with a descriptive approach by directly quoting the expressions used by the participants (Kümbetoğlu, 2017, p. 152). In this direction, the data were examined within the framework prepared according to the literature with a deductive thematic analysis approach (Saldana, 2019: 75) and the research results were mapped with code schemes. The codes in the emerging themes are presented with code matrices.

2.4. Information on Women's Cooperatives and Participant Profile

Anonymous information of the 16 participants in the study is given in Table 2.

Table 2. Anonymous Participant Profile

Code	Age	Educational Status			
P ₁	55	Associate Degree			
P ₂	51	High School			
P ₃	62	High School			
P ₄	57	Associate Degree			
P ₅	58	Associate Degree			
P ₆	52	High School			
P ₇	67	Primary School			
P ₈	65	High School			
P ₉	53	Primary school			
P ₁₀	54	High School			
P ₁₁	62	High School			
P ₁₂	29	Associate Degree			
P ₁₃	37	High School			
P ₁₄	46	Primary School			
P ₁₅	50	Primary School			
P ₁₆	38	Bachelor Degree			
$\bar{X}=52,25$ year age		Primary School	High School	Associate Degree	Bachelor Degree
		4 Person	7 Person	4 Person	1 Person

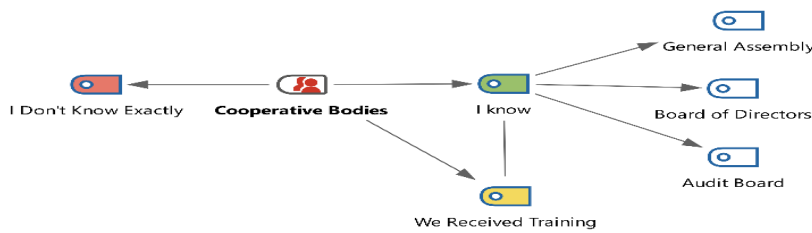
When Table 2 is examined, it is observed that the average age of the participants is 52.25 years and 4 of the participants are primary school graduates, 7 are high school graduates, 4 are associate degree graduates and 1 is a bachelor's degree graduate.

3. RESULTS

3.1. Cooperative Bodies Information Status

The 16 cooperative partners interviewed in the field research asked, “Do you have any information about cooperative bodies?” (Detailing question: Have you heard of the general assembly, board of directors, audit board?), the code scheme in Figure 2 was created by examining their answers to the question.

Figure 2. Cooperative Bodies Information Status

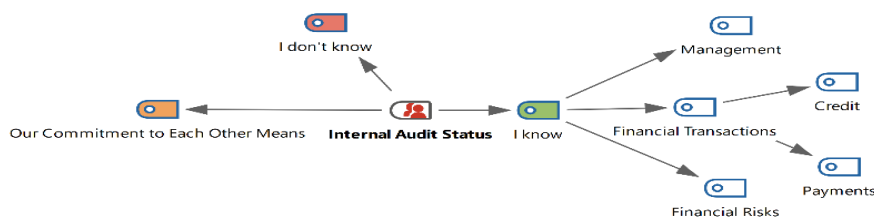


When Figure 2 is examined, some of the participants stated that they knew the names of the cooperative bodies but did not have full knowledge of their functioning. Some of the participants stated that they received informational training on cooperative bodies during the establishment stages of the cooperative. In this regard, participants organize cooperative bodies; They expressed it as the board of directors, audit board and general assembly. It was observed that the participants agreed on the common idea that the board of directors consists of three people who are authorized to manage, and that it is the board where those at the forefront of cooperative management gather. Participants' thoughts about the general assembly; They stated that board must meet once a year and all members must participate. Some participants also stated that it is a board in which a person from the provincial directorate to which the cooperative is affiliated and accountants participate. While some participants see the board of auditors as supervising all cooperative activities, others see it as supervising the expenditures and monetary transactions. In addition, participants think that these boards are mandatory in terms of legislation. During the field studies, it was observed that some members participated in these boards with the direction of the management.

3.2. Internal Audit Concept Information Status

The question “What do you know about the concept of internal audit in cooperatives?” was asked by 16 cooperative partners interviewed in the field research. The code scheme in Figure 3 was created by examining their answers to the question.

Figure 3. Internal Audit Concept Information Status



When Figure 3 is examined, it is seen that the participants responded to the concept of internal audit as “I do not know” or “I know”. Participants who answered “I don't know” mostly expressed it literally as inspecting the inside of the cooperative. Participants who said they knew stated that internal auditing is the auditing of financial risks, auditing financial transactions and auditing the affairs of management. Participants who stated that financial transactions are audited explained that what they

mean by financial transactions is auditing payments and loan withdrawal situations. In addition, a participant explains the concept of internal audit as “it means our commitment to each other”.

3.3. Effectiveness of Internal Audit

The question “Do you think the internal audit carried out in the cooperative is effective?” was asked by 16 cooperative partners interviewed in the field research. The code scheme in Figure 4 was created by examining their answers to the question.

Figure 4. Effectiveness of Internal Audit

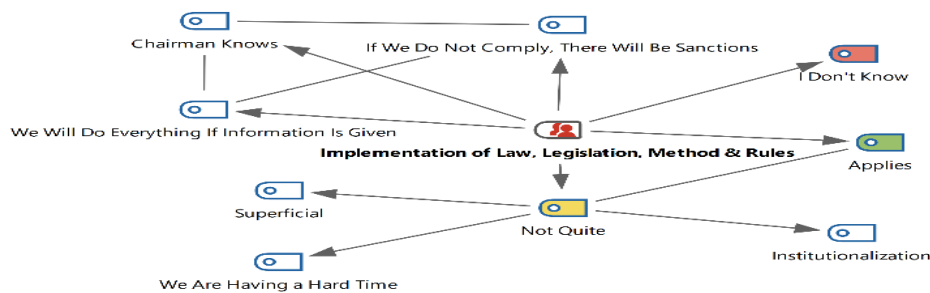


When Figure 4 is examined, participants evaluate internal auditing in cooperatives as “effective”, “no, not effective” and “not very active”. Some of the participants who thought it was effective stated that internal auditing was beneficial in finding errors, while others stated that it was effective because it was done voluntarily. In addition, some participants do not see auditing as the sole activity of the audit board. In this regard, they believe that each member carries out the audit activity voluntarily, with the awareness of an auditor. In addition, the participants think that selecting the internal audit board from reliable partners makes the audit activity effective, as one of the reasons why it is effective. Those who stated that internal auditing was not effective stated that the reason for this was that they were not professional in auditing. Some of the participants working in the internal audit body think that the reason for its ineffectiveness is that they do not have enough information about internal auditing. Some participants think that they are not very active. During the field interviews, it was observed that some participants did not have sufficient knowledge about the effectiveness of internal auditing. It has been observed that the process mostly remains on paper, it does not operate very actively, and in some cooperatives, the internal auditor does not have knowledge about internal auditing.

3.4. Implementation of Law, Legislation, Method and Rules in the Cooperative

16 cooperative partners interviewed in the field research were asked the question “Do you think that the law, legislation, methods and rules are applied in your cooperative?”. The code scheme in Figure 5 was created by examining their answers to the question.

Figure 5. Implementation of Law, Legislation, Method and Rules in the Cooperative

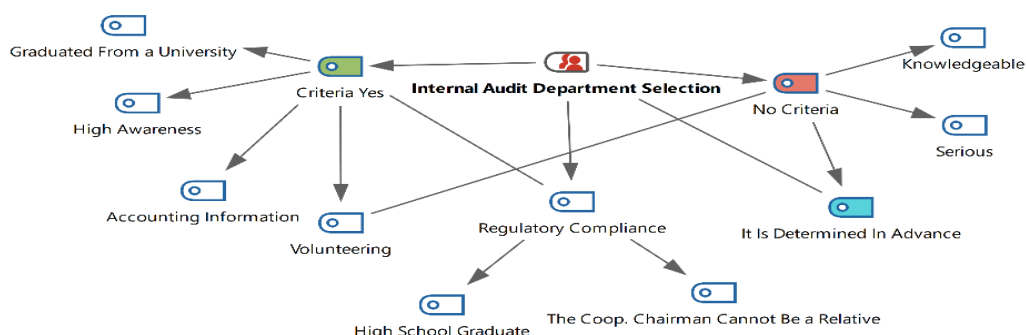


When Figure 5 is examined, some participants stated that the law, legislation, methods and rules are applied in the cooperative, some participants stated that they did not have information about whether they were implemented or not, and some participants stated that they were not fully implemented. Participants who thought that it was not fully implemented stated that the reason for this was that they were not yet institutionalized, that they could not implement it superficially and effectively, and that they had difficulty. In addition, some participants state that there is a sanction for not implementing the law, legislation, methods and rules, so they implement it. Some participants stated that the cooperative president would know the answer to this question better. Some participants stated that if they were informed about this issue, they would be more knowledgeable about such issues and be careful about their implementation. During the field interviews, it was observed that there was a lack of information on this issue and that such issues were left to the initiative of the president.

3.5. Internal Audit Department Selection

The 16 cooperative partners interviewed in the field research asked, “What do you think about the selection of the cooperative internal audit body?” The code scheme in Figure 6 was created by examining their answers to the question “(Detailing question: from outside or from the members? Are you looking for certain criteria? Are those chosen from the heart?)”

Figure 6. Internal Audit Department Selection



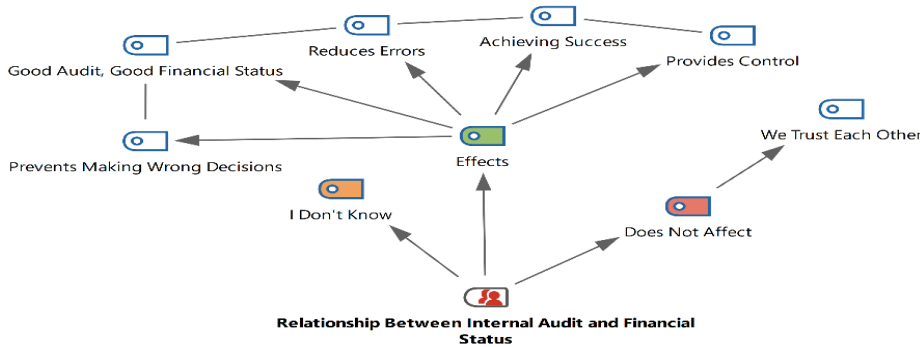
When Figure 6 is examined, some participants stated that it is mandatory to act in accordance with the legislation in the selection of the internal audit body. Therefore, they require candidates to have at least a high school diploma. They also emphasized ensuring that the internal auditor is not someone close to the board of directors. Other participants mentioned that they do not look for specific criteria in

the selection but prefer individuals who they believe are knowledgeable and will take the role seriously. Some participants also stated that volunteers for the internal audit body are determined beforehand, and the selection is made from among these volunteers.

3.6. Internal Audit and Financial Status

The question “Do you think that the internal audit system affects the financial situation of the cooperative?” was asked by 16 cooperative partners interviewed in the field research. The code scheme in Figure 7 was created by examining their answers to the question.

Figure 7. Internal Audit and Financial Status

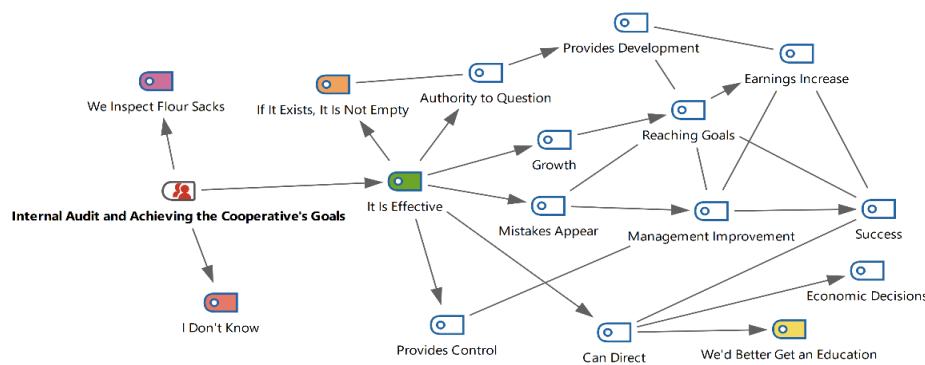


When Figure 7 is examined, some participants think that the internal audit system “affects” the financial situation of the cooperative, “does not affect” and “they have no information” about it. Participants who think that the internal audit system affects the financial situation of the cooperative have different opinions; they think that internal audit reduces errors, prevents making wrong decisions, provides control of the cooperative, and is a tool for the cooperative to achieve success. In addition, some participants state that the effect of internal audit on the financial situation of the cooperative is through a good audit activity, in other words, a good financial situation can be achieved with a good audit. Participants who think that the internal audit system does not affect the financial situation of the cooperative stated that they trust each other as cooperative partners. The reasons for this, based on field observations are; It can be stated that the participants do not have knowledge about internal audit, they do not consider internal audit as an activity, they think that cooperative internal audit is provided based on trust, and they think that there is no connection between the financial situation and internal audit. It is thought that the participants who stated “I do not know” whether the internal audit system affects the financial situation of the cooperative do not have knowledge about internal audit based on field observations.

3.7. Internal Audit and Achieving the Cooperative’s Goals

The question “Is internal audit effective in achieving the goals of the cooperative?” was asked by 16 cooperative partners interviewed in the field research. The code scheme in Figure 8 was created by examining their answers to the question.

Figure 8. Internal Audit and Achieving the Cooperative's Goals

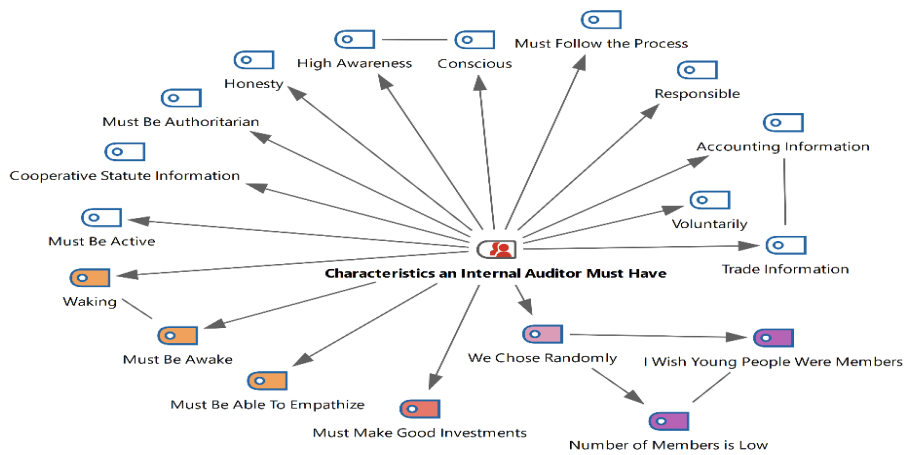


When Figure 8 is examined, participants responded with main themes such as “internal audit is effective” in achieving the goals of the cooperative, “I do not know” and “If it exists, it is not in vain”. Some of the participants who think that internal audit is effective in achieving the goals of cooperatives stated that internal audit provides control, thus improves management, and achieves success by increasing profits. In addition, some participants stated that internal audit has a guiding effect, thus enabling correct economic decisions. In addition, some participants who think that it is effective think that the cooperative can grow due to this effect and thus achieve its goals. Some of the participants stated that this effect would positively contribute to the development of the cooperative as it provides the auditing board with the authority to question, thus making it easier to achieve the goals. Some participants stated that they had no idea whether internal auditing would impact the cooperative's achievement of its goals. Some of the participants stated that they only inspected flour sacks as an auditing activity and that they did not know any other auditing activities, so they could not answer whether internal auditing was effective in achieving the goals of the cooperative. It is thought that this answer is due to the lack of information in the field interviews and an incompatibility between the concept of internal audit and the perceived concept of internal audit.

3.8. Characteristics an Internal Auditor Must Have

The 16 cooperative partners interviewed in the field research asked, “What kind of characteristics should the internal auditor have in order to carry out internal audit activities effectively?” Do you think this is taken into consideration in your cooperative? The code scheme in Figure 9 was created by examining their answers to the question.

Figure 9. Characteristics an Internal Auditor Must Have

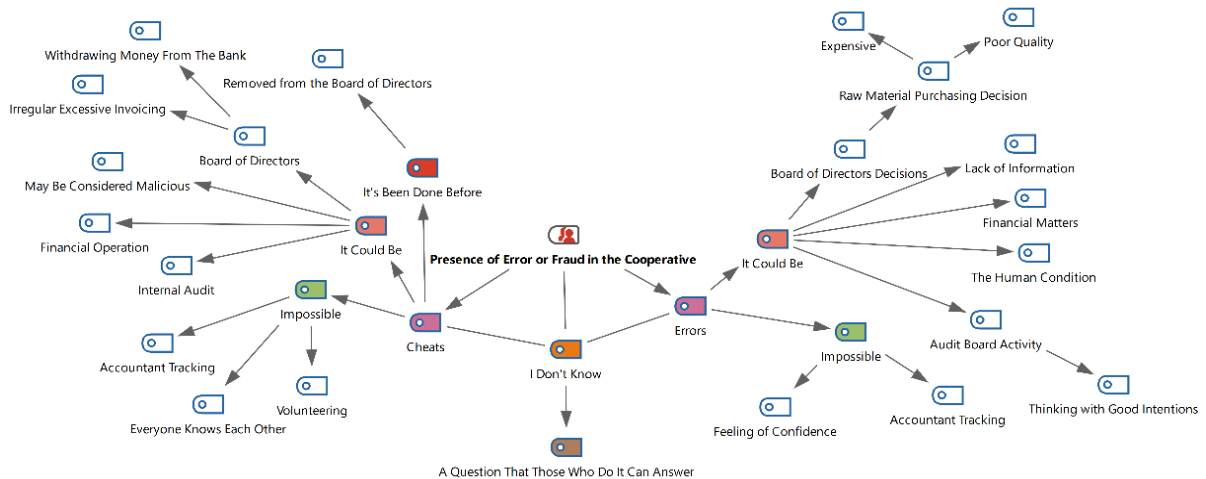


When Figure 9 is examined, the participants list the characteristics that an internal auditor should have. They stated that they should be active, have knowledge of the cooperative statute, be authoritarian, be honest, have high awareness and consciousness, follow the cooperative process, be responsible, have accounting and trade knowledge, and be a volunteer. In addition, 3 participants, who are members of the same cooperative, stated that they chose internal auditors randomly, and the reason for this was the small number of members. However, the same cooperative does not welcome new members. Some participants emphasized that the cooperative should have young members as internal auditors. Some participants stated that, in addition to these characteristics, the internal auditor should be open-minded and alert. In addition, one of the participants stated that the internal auditor should show empathy and another participant stated that the internal auditor should make good investments. When the answers given and field interviews are evaluated, it is important for the participants that the internal auditor should be knowledgeable as well as the characteristic features he should have.

3.9. Presence of Error or Fraud in the Cooperative

The 16 cooperative partners interviewed in the field research asked, “Do you think there is or could be a mistake or fraud in the cooperative?” “What kind of errors and frauds have occurred or are they occurring in which organs or cooperatives?” The code scheme in Figure 10 was created by examining their answers to the question.

Figure 10. Presence of Error or Fraud in the Cooperative

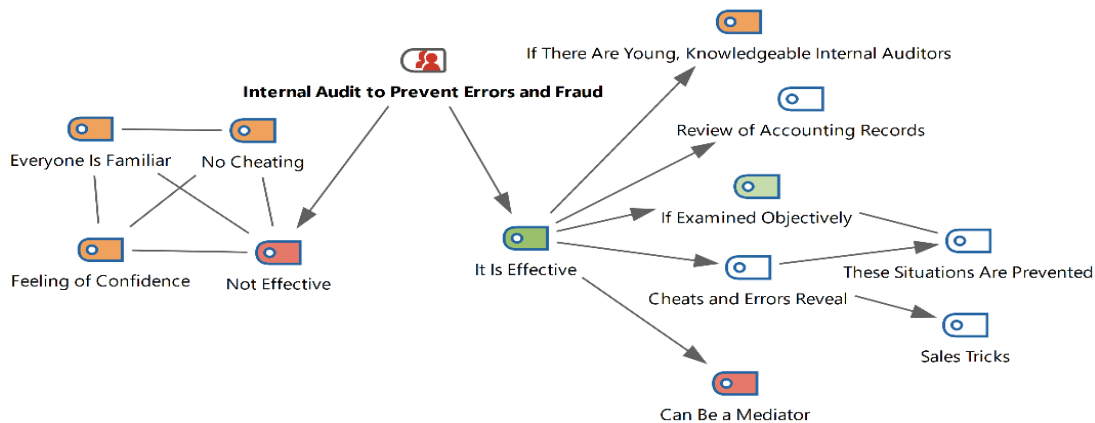


When Figure 10 is examined, the answers given regarding the existence of error or fraud in the cooperative are “it could be an error”, “it cannot be an error” and “I don't know”. Participants who thought there might be a mistake stated that this mistake could be in the board of directors, audit board and financial matters. There is also the idea that the decision to purchase raw materials may be wrong in the board of directors. In this regard, the participants also stated that the decision to purchase expensive or poor-quality raw materials could be made by the wrong decision by the board of directors. Some participants stated that wrong decisions could be made by not questioning the issues that should be questioned in the activities of the audit board, thinking that they were made in good faith. Participants who thought that there would be no mistakes in the cooperative explained the reason for this as the sense of trust between them and the fact that the accountant follows all transactions.. P₁₀, one of the participants who answered “I do not know if there is any mistake or cheating in the cooperative”, stated that those who make mistakes or cheats could answer this question. Regarding the existence of fraud in the cooperative; In addition to the participants who say that there is no cheating, there are also participants who say that cheating can happen and that cheating has been done. Three participants in the same cooperative, who stated that fraud was committed, stated that as a solution, the partner who exhibited fraudulent behavior was removed from the board of directors, but his partnership continued. It was a field observation that when asked about the fraud, they did not want to give information about this issue. Participants who think that fraud may occur in the cooperative stated that this fraudulent behavior may occur due to bad intentions. They stated that fraudulent behavior can occur in the board of directors, financial activities and internal audit activities. Fraudulent behavior on the board of directors was explained as irregular over-invoicing and irregular withdrawal of money from the bank. In addition, the participants who thought that there was no or would not be cheating stated that the reason for this was that everyone in the cooperative knew each other and that they would not dare such behavior, that they were in the cooperative voluntarily and that their accountants would not allow such a situation.

3.10. The Effect of Internal Audit in Preventing Errors and Frauds

The question “Is internal audit effective in preventing or detecting errors and frauds?” was asked by 16 cooperative partners interviewed in the field research. How can it be effective?” The code scheme in Figure 11 was created by examining their answers to the question.

Figure 11. Internal Audit to Prevent Errors and Fraud

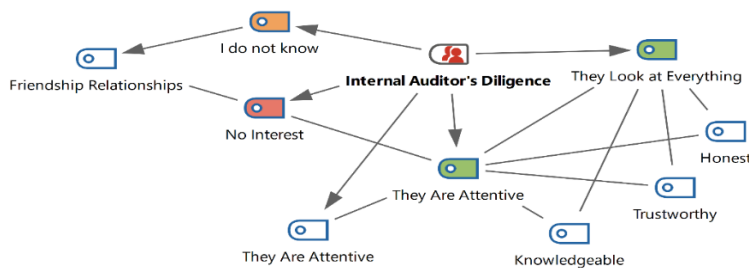


When Figure 11 is examined, it is observed that participants hold differing views on whether internal auditing is “effective” or “ineffective” in preventing errors and fraud. Participants who believe it is effective stated that internal auditors are more likely to detect or prevent errors and fraud by reviewing the information and documents obtained from accounting records. These participants emphasized that conducting detailed examinations during the internal audit process helps identify errors and potential fraudulent transactions in cooperative activities at an early stage. Additionally, some participants highlighted the presence of young and knowledgeable internal auditors as playing a significant role in preventing errors and fraud. Furthermore, they pointed out that conducting the internal audit process impartially and objectively is a critical factor in preventing errors and fraud. Thus, they argued that objectively conducted internal audit activities could effectively prevent errors and fraud. On the other hand, participants who believed that internal auditing is ineffective in preventing errors and fraud emphasized the strong social bonds and trust among cooperative members as factors that naturally deter such behaviors. These participants noted that cooperative members usually know each other for a long time and have a trust-based relationship, which they believe prevents individuals from engaging in fraudulent behavior. Therefore, they argued that internal auditing does not have a direct impact on preventing errors and fraud, as the trust relationships among cooperative members primarily ensure this. In conclusion, while participants held differing views on the effectiveness of internal auditing in preventing errors and fraud, those who believed it to be effective emphasized the importance of detailed examinations and impartiality in audit processes. Conversely, those who deemed it ineffective focused on the social bonds and trust relationships among cooperative members as the key factors in preventing errors and fraud.

3.11. Internal Auditor's Diligence

The 16 cooperative partners interviewed in the field research were asked, “Do you think that the internal audit staff takes the necessary care to detect fraudulent or erroneous transactions?” The code scheme in Figure 12 was created by examining their answers to the question.

Figure 12. Internal Auditor's Diligence

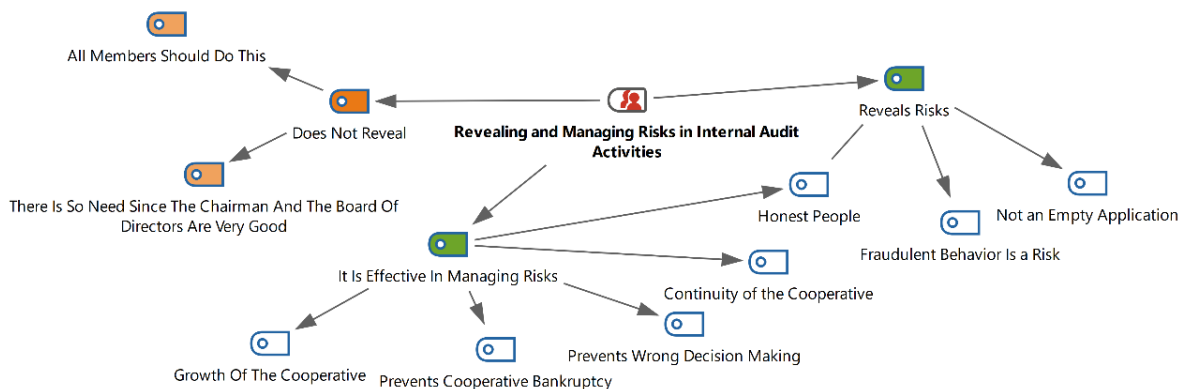


When Figure 12 is examined, some participants think that the internal auditor takes the necessary care while performing the audit activity, as well as participants who answer this question with “I don't know.” Participants who stated that the internal auditor showed care explained this as follows: a meticulous internal audit can be achieved if internal auditors show the required reaction during the audit, perform their activities honestly and reliably, and reveal their knowledge about auditing. Some participants attributed the internal auditor's diligence to his lack of interest and not including friendships in the auditing activity. Participants who answered, “I don't know whether the internal auditor showed the necessary care” said; They stated that everyone in the cooperative knows each other, even relatives, and that they do not know how to ignore these issues and carry out the audit activity objectively.

3.12. Internal Audit and Risk Emergence and Management

The question “Do you think that internal audit activities have an impact on revealing and managing risks?” was asked by 16 cooperative partners interviewed in the field research. The code scheme in Figure 13 was created by examining their answers to the question.

Figure 13. Internal Audit and Risk Emergence and Management



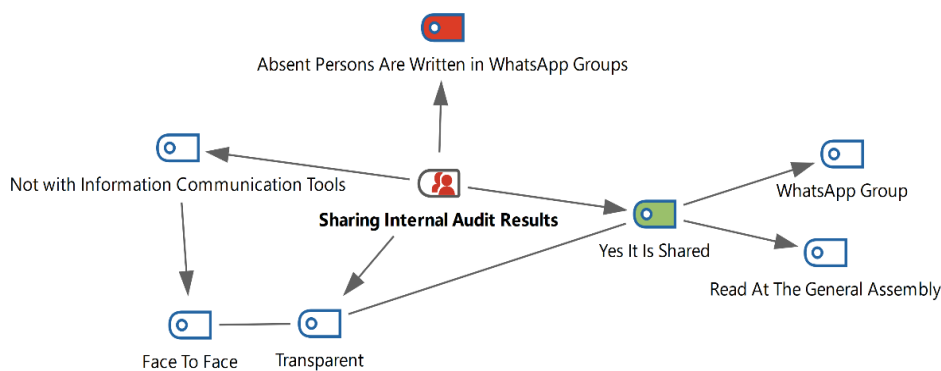
When Figure 13 is examined, some participants give the main answers that internal audit activities “reveal risks”, “are effective in managing risks” and “do not reveal” in revealing and managing

risks. The participants who responded that it would not reveal the activity stated that it would only be possible if every partner participated, as not all members actively participated in the activity. Another participant stated that the chairman and the board of directors carry out the audit, so there is no need for the internal audit activity to reveal the risks. Participants who think that internal audit activities reveal risks think they can reveal risks because they are a mandatory practice. In addition, some participants think that risks can be revealed by performing auditing activities by honest people. Some participants consider fraudulent behavior as a risk and state that these fraudulent behaviors can be detected through internal audit activities. Some participants think that internal audit activities are effective in managing risks. It is thought that by managing risks, wrong decisions in the cooperative will be prevented, its continuity will be ensured, the cooperative will grow and its closure will be prevented. When field observations and participants' statements were examined, it was observed that the prevailing opinion was that the all members of the cooperative should carry out the internal audit activity and should not be left only to the names on paper. In this regard, it has been observed that cooperative partners are willing to participate in activities that are not within their scope of duty.

3.13. Sharing the Results of Internal Audit

The 16 cooperative partners interviewed in the field research asked, “Are internal audit problems or results shared with you through information and communication tools in your cooperative?” The code scheme in Figure 14 was created by examining their answers to the question.

Figure 14. Sharing Internal Audit Results



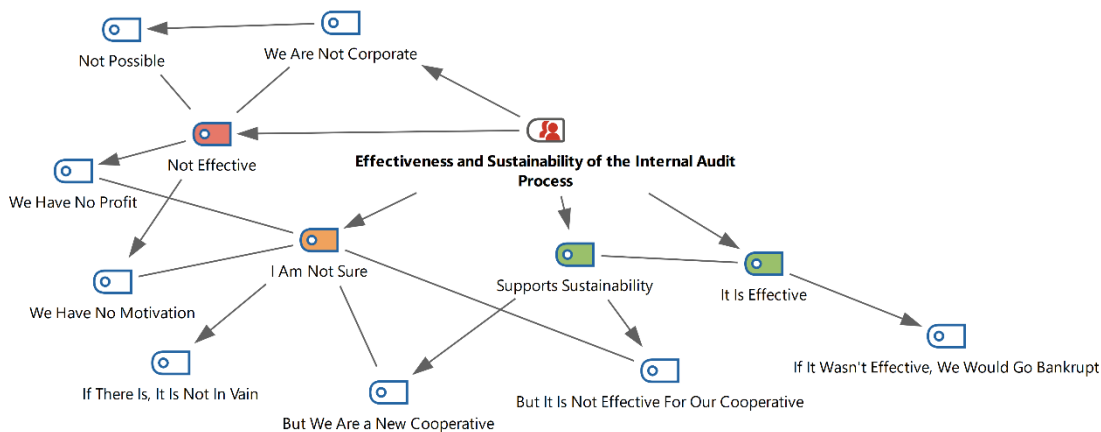
When Figure 14 is examined, it is observed that the results they perceive as internal audit results are shared in all cooperatives. However, this type of sharing may differ in cooperatives. In this regard, some participants stated that the internal audit results were read at the general assembly to be explained to all members. Some participants stated that current internal audit results were shared in WhatsApp groups. In addition, some participants state that internal audit results are shared face-to-face in weekly meetings. Some of the participants stated that the internal audit results are disclosed annually in written form to all partners at the general assembly. Based on the answers to the question and field observations, it has been observed that internal audit activities are not carried out within a standardized framework, in

some cooperatives, audit activities are discussed weekly, and in some cooperatives, these activities are presented to the general assembly only once a year in the form of a report. Within the framework of the answers given and field observations, it is evaluated that the results of internal audit cannot be distinguished from the results of other activities. Therefore, there is a lack of information about internal audit and its results.

3.14. Effectiveness and Sustainability of the Internal Audit Process

The question “Do you think the internal audit process in your cooperative is effective and sustainable?” was asked by 16 cooperative partners interviewed in the field research. The code scheme in Figure 15 was created by examining their answers to the question.

Figure 15. Effectiveness and Sustainability of the Internal Audit Process

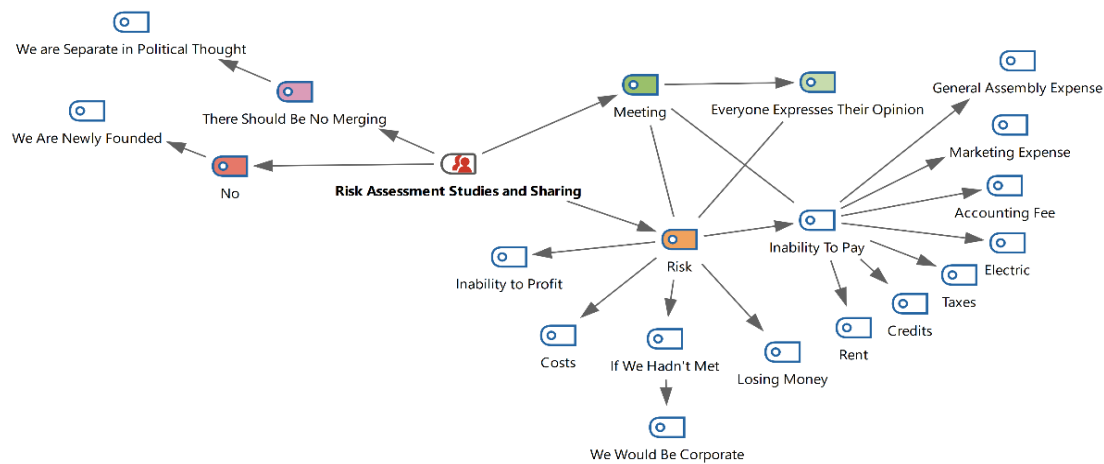


When Figure 15 is examined, the answers given regarding the effectiveness and sustainability of the internal audit process are “it is effective”, “it ensures sustainability”, “I am not sure”, “it is not effective”. Participants who thought it was effective explained the reason for this by saying that the audit supports sustainability and if it were not effective, it would lead to the closure of the cooperative. Participants who answered “I’m not sure” stated that the establishment of an internal audit body within the framework of the law was a necessity and interpreted it as “if it exists, it is not in vain.” Some participants stated that they were not sure because they were a very new cooperative. Participants who answered “not effective” stated that their Earnings were not high and that effective control would not be possible because they were not a corporate business. In addition, they stated that being a small and low-earning cooperative reduced their motivation therefore they did not have an effective internal audit process.

3.15. Risk Assessment and Sharing

The 16 cooperative partners interviewed in the field research asked, “Are there any studies on risk assessment in your cooperative?” Is it shared with you? The code scheme in Figure 16 was created by examining their answers to the question.

Figure 16. Risk Assessment Studies and Sharing



When Figure 16 is examined, some participants stated that risk assessment studies and sharing were carried out, as well as participants who stated that this was not done because they were newly established. Participants stated that risk assessment studies and sharing were carried out. It has been observed that they perceive situations such as not being able to make a profit, costs, being far from corporate, and losing money as risks. They also stated that failure to pay expenses such as rent, loans, accounting fees, marketing expenses, taxes, general assembly expenses, and electricity costs is a risk. They also stated that they discussed the statements they defined as risks in the meetings with all partners' participation within the information sharing framework. When the code scheme and field observations were evaluated, it was observed that the cooperative partners were cautious about risks and exchanged ideas with each other. In cooperatives where risk assessment studies or information exchange are carried out, meetings are held on this issue and everyone expresses their opinion regarding risky transactions. After analyzing a large number of studies, Byrnes et al. (1999) concluded that female respondents were more risk-averse than their male counterparts. In his study, Niessen-Ruenzi (2015), using data on professional investment fund managers in the USA, stated that female managers adopted more risk aversion strategies than their male counterparts. In this regard, when the participants' statements and field observations were evaluated, it was observed that the participants cared about risk assessments, avoided risks and mostly mentioned financial risks in risk assessment.

4. CONCLUSION

When the findings obtained as a result of the study were evaluated in general, similar results were found with the literature. According to Schultz (2019); educating women increases productivity. It ensures that women's social environment opens up to the outside world, eliminates intergenerational differences by providing children with access to good education and health opportunities, and offers equal opportunities between low and high incomes. Bubolz (2001) comments that educating a woman is equivalent to educating a family and a society. Although it is known that women's education

contributes positively to the development of society, it is not taken into account that more importance should be given to women's education, especially in developing countries (Yumuşak, 2004).

Cooperatives have been established in various branches of activity in Turkey and the world. The size of the number of cooperatives and partners reveals the importance of the cooperative sector in Turkey. However, Turkish cooperatives are inadequate in calculating the contributions of cooperatives to the country's economy. The reason for this is that quantitative data on cooperatives is limited; that is, economic indicators are almost non-existent (Everest, 2018, p. 1008). Altman (2015) argues that the standard of rules and regulations aimed at providing benefits (high income) to members attract many members and determines the success of cooperatives. This ultimately helps promote economic growth. The state has a significant impact on cooperatives. The dominant systems and ideologies of the countries where cooperative activities are implemented directly or indirectly affect cooperatives. The idea dominating the economic, political, cultural and social structures also affects how the cooperative activity is implemented (Ültanır, 2019, p. 28). In his study, Masabo (2015) argues that cooperatives are good mechanisms that offer the advantages of economies of scale to bring together women's resources and raise their living standards. Cooperative membership improves women's capacity to make strategic choices in their lives and increases their self-esteem and decision-making ability. In addition, the study reveals how complex and conditional the process of women's empowerment through cooperatives is. Although cooperatives have been found as a tool to initiate this process, they are not universally seen as an effective method (Masabo, 2015). Beyond providing employment or an income-generating activity, the fact that cooperatives influence women's skills, knowledge and self-confidence enables them to shift voluntarily, as it allows them to use their resources and networks in times of scarcity. The study by Paudel and Acharya (2022) also reveals that policymakers' attention is needed to ensure that the current capital mobilization in the cooperative sector makes a positive contribution. In this regard, it has been concluded that the priority areas and working scopes of cooperatives need to be re-examined and developed. Aju and Adeosun (2021) emphasize that women's cooperatives should take measures to encourage increased participation of female members and develop their capacity with their own economic resources.

Jamaluddin et al (2023) stated that it would be interesting to investigate the effectiveness of internal auditors appointed from among members, especially in cases limited to certain segments of the society, such as farmers' or fishermen's cooperatives. Internal audit, a tool of internal governance and control, is perceived as a detection mechanism to detect internal control weaknesses in microfinance institutions' processes, procedures and policies. Some studies in the literature suggest that internal audit activities can strengthen board policies and procedures through systematic monitoring and reducing the likelihood of various risks arising (Ayayi, 2012; Omidiji et al. 2023). Internal audit provides independent assurance on enterprise risk management and internal control framework (Institute of Internal Auditors, 2013). Therefore, the collaborative efforts of both female managers and the internal auditor can be an

effective governance mechanism to reduce agency and asymmetric information problems in organizations (Adams, 1994; Goodwin-Stewart and Kent, 2006; Isern et al., 2007; Mbeba, 2008; Adams and Ferreira, 2009; Okello et al., 2021; Omidiji et al., 2023). The interesting situation stated by Jamaluddin et al. (2023). In their study was actually observed in our field study. Jamaluddin et al. (2023) stated in their study that the majority of board members are appointed from among the members, and in the cooperative environment, little importance is given to the effectiveness of committees affiliated with the board of directors, such as nomination and remuneration, as well as audit and sustainability committees. In the fieldwork observations made in this direction, it was observed that the low number of members due to the closeness to the outside world limited the elections of the cooperative body to a narrow area and most officials were determined in advance.

When field interviews were analyzed, it was seen that women's cooperatives were in a vicious circle. The results obtained in the study on the internal audit axis of the cooperatives interviewed showed that there were issues on which the partners and management lacked knowledge and that this affected the cooperative activities. Many women's cooperatives cannot rise economically or stagnate. The examined internal audit phenomenon is seen as a legal obligation in cooperatives and remains on paper. The problems observed in field studies are the inability to provide economic benefit and sustainability. The focus of this study on a specific region significantly contributes to understanding the local dynamics of women's cooperatives; however, it is recommended that similar studies be conducted in different regions to achieve universal generalizations. Regular training programs should be implemented, focusing on internal auditing, risk management, and financial analysis to enhance the internal audit processes of women's cooperatives. An independent and impartial internal audit mechanism should be established to ensure auditors operate within professional ethical standards. Integrating technological tools and software into auditing processes will enhance their efficiency, and internal audit standards should be defined at national or local levels. Audit results should be shared with members, and feedback mechanisms should be established by adopting a transparency principle. Regular external audits should complement these efforts, while technical support and guidance from governmental and non-governmental organizations remain critical. These recommendations aim to improve the internal audit capacities of cooperatives, fostering a more sustainable and effective operational structure.

Ethics committee approval for the study was obtained from the Süleyman Demirel University Ethics Committee on January 10, 2024, with document number 144-34.

The study has been crafted in adherence to the principles of research and publication ethics.

The authors declare that there exists no financial conflict of interest involving any institution, organization, or individual(s) associated with the article. Furthermore, there are no conflicts of interest among the authors themselves.

The authors declare that they all equally contributed to all processes of the research.

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