

Outcome Assessment of Application of Turkish Accounting and Financial Reporting Standards (TAS/TFRS): A Survey on Audit Firms Authorized by POA*

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ABSTRACT

This study was conducted to carry out, within the framework of the independent auditing firms, an assessment of the application results of Turkish Accounting Standards and Turkish Financial Reporting Standards, known by acronyms TAS/TFRS, respectively. In order to acquire investigational data, a survey method was used. The data derived from the survey were put through a frequency-factor analysis. The participants were of the opinion that the applications of TAS/TFRS could positively affect firm operating activities, enhance the efficiency of accounting applications and have a positive impact on financial reporting processes. It was also deduced that such standards would bring flexibility to accounting applications as per tax applications, and that they would reflect credit upon business organizations.

Keywords: Accounting Standards, International Accounting and Financial Reporting Standards, Empirical Study.

Jel Classification: M41, M42, M49.

Türkiye Muhasebe ve Finansal Raporlama Standartlarının Uygulama Çıktılarının Değerlendirilmesi: KGK Tarafından Yetkilendirilen Denetim Firmaları Üzerine Bir Araştırma

ÖZET

Bu çalışmada TMS/TFRS'lerin bağımsız denetim firmaları çerçevesinde uygulama sonuçlarının değerlendirilmesi yapılmıştır. Araştırmaya ilişkin verilerin elde edilmesinde anket yöntemi uygulanmıştır. Araştırmadan elde edilen veriler frekans ve faktör analizine tabi tutulmuştur. Katılımcılar, TMS/TFRS uygulamalarının; işletmenin faaliyetlerini olumlu yönde etkileyeceği, muhasebe uygulamalarının etkinliğini artıracacağı ve finansal raporlama süreçlerini pozitif yönde etkileyeceği yönünde görüş bildirmişlerdir. Ayrıca bu standartların vergi uygulamalarına göre muhasebe uygulamalarına esneklik getirmesi, işletmelere olumlu yansıtacağı sonucuna ulaşılmıştır.

Anahtar Kelimeler: Muhasebe Standardı, Uluslararası Muhasebe ve Finansal Raporlama Standartları, Ampirik Çalışma

JEL Sınıflandırması: M41, M42, M49.

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1. INTRODUCTION

Throughout the adaptation process of accounting applications worldwide, IFRS seemed to assume considerable importance. Those in favour of the utilization of these accounting standards specify that the primary objective of IFRS is to improve the quality level of financial reporting knowledge and to protect investors' rights (Chunhui, Lee, Nan, & Ling, 2001:659).

The accuracy and reliability of the data, which, needless to say, have been culled from financial statements, carry a lot of weight with the decisions to be taken regarding business and those concerned. It is important to ensure that the financial data should be of high quality, which is to immediately enable financial statements to be accurate, comprehensible, trustworthy and comparable. In the sense of financial reporting, IAS/IFRS come to the fore in using accounting as a common language. From this point forth, TAS/TFRS full-compatible with IAS/IFRS have been made mandatory in presenting financial statements in Turkey since 2005 for those companies whose stock certificates are traded on the stock exchange. As per the related articles of the Turkish Commercial Code enacted on July 1, 2012, the obligation to apply TAS/TFRS was imposed on business organizations which have certain conditions.

Independent auditing firms and independent auditors play an important role in assessing the effects of TAS/TFRS on accounting applications and financial statements. As of the date of March 2016, there are 196 independent auditing firms authorized by Public Oversight Accounting and Auditing Standards Authority (POA) to carry out independent audits. This study also aimed to evaluate the stance of independent auditing firms on such standards and assess the application results.

Within the scope of this study, a literature review was the first to be included. As such, the literature was referred to in **designing the survey** questions whilst putting to the test the application results of the study both in theory and in practice to check whether or not they are compatible with the literature. In the furtherance of the study, the remaining chapters were organized to inform about the methodology of the study and to make statistical interpretations based on the results available. A result section is provided at the end of the study.

2. A LITERATURE REVIEW

It is seen in the literature that the studies aimed at Turkish Accounting and Financial Reporting Standards have mainly been conducted through a survey. Besides, the literature also includes the analyses that comprise the examples of applications as part of related standards. The literature with regard to Turkish Accounting and Financial Reporting Standards (TAS/TFRS) is as below:

Yenigun & Aydemir (2015) intended to reveal the effects of TAS/TFRS applications on timetables and ratio analysis. In their study, model applications directed towards the standards were shown and the levels of interactivity between fiscal ratios were analysed

pursuant to dissimilar standards. At this phase, it was propounded that while the application of one standard might culminate in an increase at one ratio, the application of another standard might lead to a decrease at the very same ratio. In addition, it was also stated that any standard aligned with firm operating activities might engineer any ratio both to increase and to reduce. Yel & Erdem (2015) in their study examined the awareness levels directed towards IFRS of 93 members of profession registered at Chamber of Certified Public Accountants of Bolu. Accordingly, the awareness levels of members of the accountancy profession are as high as their knowledge level as well as their expectations of these standards.

Dizman (2015), in his study, reviewed within the scope of TAS/TFRS the accounting for financial assets having been purchased especially for long-term goals. In his study, application-oriented information is provided. Kaya & Uzay (2014), in their study, indicated that firms had not yet prepared financial statements compatible with IFRS, save for the fact that they had embraced tax-based system, and that they were not ready to accept making their companies directly subject to an operational audit for some other reasons.

Yılmaz & others (2014), in their study, conducted a survey taking into account the three groups from within the members of profession, namely students, academia and accountants. Their study was conducted to ascertain the extent to which the awareness of TAS/TFRS and education are of importance in Turkey; it was established as a research result that the last year students of business had no awareness about TAS/TFRS.

Demirkutlu (2014), in his study, delved deeply into the interest level, expectations and awareness of the last year students of business about TAS/TFRS. Following the research, it was determined that those students who were interested in accountancy and would like to practise in the field had much greater awareness of TAS/TFRS.

Abdioglu & others (2014), made a study, over the course of the application of the accounting standards, of the stance adopted towards these standards and professional literacy achieved by independent accountants and financial advisors then in service in the city of Balıkesir. It was confirmed in his study that such parameters as the professional experience, educational status, book-keeping style and type and number of the training activities undertaken by the members of the accountancy profession could be decisive factors over the course of the application of the accounting standards. Also, their research result revealed that the course of the application of the accounting standards had a positive effect on the level of professional performance and encouraged increased participation by the members of the accountancy both in profession academic activities and in various trainings.

Seay's study (2014) calculated the ratio under the IFRS and US GAAP of the foreign companies listed on The New York Stock Exchange Market. Such are the dissimilarities in the liquidity, profitability, activity and debt level of the companies which had been evaluated from the point of both IFRS and US GAAP. Boumediene & others (2014), in their study, examined the financial reports of the 96 companies that were active in France and came to the

conclusion that as of 2005, the year in which IFRS began to be applied, financial manipulation was reported to have subsided.

Bozkurt & others (2013), in their study, emphasized that the standards would provide substantial benefits to the efficiency of both accounting applications and auditing applications. The accountants and auditors who participated in this research study were of the opinion that IFRS should enhance the reliability and understandability of financial statements and curtail deception in accounting applications.

Uyar & Gungormus (2013) referred, in their study, to the lack-of- knowledge level for the key differences between IFRS for SMEs and a full set of IFRS, adding an explanation about raising the knowledge level related to them. It was concluded as a result that the level of professional experience and education had, albeit partially, a positive impact on the level of knowledge aimed at the standards. Hatunoglu & others (2013), in their study, inquired into the knowledge level related to TFRS of SMEs and accounting managers who were in service in the city of Kahramanmaras and the stances towards their influence on financial statements prior to the training service provided by Union of Chambers of Certified Public Accountants and Sworn-in Certified Public Accountants of Turkey (TURMOB). It was established that the accounting managers who had been included in this research study did by no means have full knowledge of the standards, but that they had a good perspective on their benefits being provided.

Terzi & Sen (2013), in their study, pointed out that from among the non-public companies, those with specific criteria may affect shareholders' equities due to the obligation for them to keep accounting records compatible with IAS/IFRS, adding that while such an effect weakened the shareholders' equities in some companies, it strengthened them in others. Terzi, Sen & Ucoglu (2013), IAS/IFRS measured the effects of the transition to IAS/IFRS on the 121 manufacturing companies listed on the IMKB (The Istanbul **Stock Exchange**). As such, their study confirmed that transition to IAS/IFRS achieved statistically significant impact upon the items of shareholders' equities and that the standards made it possible for capital stock to be maintained.

Fidan & Cinit (2013), in their study, explored the relationship between the perception level of accounting standards and professional experience on the basis of accounting occupational groups who were in service in Marmara region. It was established that the more professional experience, the more positive stance towards accounting standards.

Akgun (2013), in his research study, asserted that the applications of Turkish Accounting Standards (TAS) and Turkish Financial Reporting Standards (TFRS) brought about important effects in respect of the fact that the data on financial statements of business organizations as well as the data in their financial analysis should be financially accurate, comprehensible and comparable in such a way to meet the needs of these data users.

Akturk & Akcanlı (2013), in their study, intended that the stances, adopted by accounting academicians who were serving in state-run universities and foundation universities, towards accounting standards should be revealed. In this nexus, those polled in this study demanded that more intensive training be provided in the standards.

Yildiz & Yanik (2013), in their study, analysed the relationship between the level of perception of TAS/IFRS and that of interest in the profession taken by undergraduate students, their professional and internship/employment status, their educational status as to whether they were a graduate from commercial high school, their order of preference as to which school they wanted to go to, and whether they were last year students. Taking into account the students' perception of the standards, Yildiz & Yanik thus pinpointed considerable perceptual differences between the students having high levels of interest in accounting profession and those having low levels of interest.

Zehri & Chouaibi (2013) conducted their research on the compatibility of developing countries with IFRS, including 74 developing countries in the scope of the research. This research study emphasised that economic growth, legal system and educational level had come to the fore as major factors in terms of compatibility with IFRS.

Ozkan & Ozsahin (2012) aimed both to ascertain the opinions being held by the members of accounting profession who were in service in the city of Kayseri about IFRS for SMEs and to set forth whether there was a difference of opinion in regard to demographic features. They accordingly came to conclusion that related standards would increase the importance of accounting profession.

Iatridis & Dalla (2011), by their study, measured the effects of IFRS on the industrial companies listed on the Athens Stock Exchange. This research study concluded that IFRS had a positive impact upon profitability but a negative impact upon liquidity. Zeghal & others (2011), in their study conducted on the 353 French companies, confirmed that earning management applications decreased following the transition to IFRS.

Tsalavoutas & Evans (2010), in their study on the 238 companies listed on the Athens Stock Exchange, examined the effects of IFRS on financial statements. By this research study, the effects of IFRS were observed upon the financial indicators, such as shareholders' equity/debts, liquidity and net profit. Callao & others (2009), in their study, compared the traditional and IFRS-based accounting systems in European Union Countries and it was through clustering analysis that they measured the effects of IFRS at various levels.

Jaruga & others (2017) viewed the financial statements belonging to the 255 companies listed on the Warsaw Stock Exchange and determined that IFRS had an impact upon the components of companies such as income and capital stock. Cairns (2004), in his study, discussed in detail the effects of British companies during the transition to IFRS. By this study research it was specified that IFRS would bring about substantial changes in

preparing financial reports about hedge accounting, merger and acquisition, retirement, severance payment and the like.

This study research is considered a valuable contribution to the literature in a way to disclose the perception level of TAS/IFRS and the application efficiency of standards from independent auditors' perspective.

3. AN EMPIRICAL STUDY

In the research section of this study, an in-depth analysis of the findings was carried out shortly after stipulating a window of critical assessment of the aim, emphasis, scope, method and findings.

3.1. The Research Topic and Purpose

The area of research is an empirical study aimed at the assessment of the application results of Turkish Accounting Standards and Turkish Financial Reporting Standards in the business world. The aim is to assess the application results of Turkish Accounting Standards and Turkish Financial Reporting Standards.

3.2. The Emphasis of Research

Within the context of the aim, the emphasis of the research study can be thus specified:

- The perception levels regarding TAS/ IFRS of independent audit members were measured,
- The stances towards the application results of TAS/IFRS adopted by independent audit members and the efficiency achieved through the related standards were in turn revealed,
- The stances of independent audit members who were then in service throughout Turkey and had been authorized by Public Oversight Accounting and Auditing Standards Authority were received conducting a survey and the surveys were subjected to statistical interpretations.

3.3. The Scope of Research

Within the context of the study content, the data being derived from the survey were subjected to a comparative analysis in consideration of theoretical information. 196 independent audit companies (by the end of the year 2015) authorized by Public Oversight Accounting and Auditing Standards Authority were included within the scope of the study (kgk.gov.tr, 2015). By a literature review undertaken within the scope of the study, the stances adopted by 196 independent audit companies towards Turkish Accounting Standards and Turkish Financial Reporting Standards were measured, and in consideration of an assessment

process the opinions being held by independent auditors, who are essential parts in the business world, were received about the related standards.

3.4. The Research Method

A TAS/IFRS survey into independent audit companies was conducted, the results of which were obtained from a combination of survey techniques like Web-based, face-to-face, e-mail and cargo. In preparation for the survey forms and in the analysis of the data, a large-scaled literature review was carried out. The data being derived from the survey forms were first subjected to a statistical analysis and then to essential analyses incrementally.

A Web-based survey method was employed in this research study. The participants in the survey were sent survey links via e-mail. The participation rate was reported to be hovering around 30 percent (58/196). At this point, in order to increase the participation rate, face-to-face contacts were established, and as a result the participation rate reached up to 59 percent (116/196).

3.5. An Assessment of Research Findings and Results

3.5.1. Frequency Analysis

The frequency, weighted average and standard deviation values for the statements expatiated on a five point Likert scale are given in Table 1. The statements in the survey read: 1: strongly disagree; 2: disagree; 3: neither disagree / nor agree; 4: agree; 5: strongly agree;

Table 1. Frequency, standard deviation and weighted average values

Ques- tion	Statements	1		2		3		4		5		St.D ***	W. A ***
		f*	%	f*	%	f*	%	f*	%	f*	%		
Q1	TAS/IFRS increase the trust level of investors in business organisations.	2	1,7	5	4,3	15	12,9	44	37,9	50	43,1	0,93	4,16
Q2	TAS/IFRS increase the trust level of credit institutions in business organisations.	3	2,6	5	4,3	15	12,9	47	40,5	46	39,7	0,96	4,1
Q3	TAS/IFRS make a positive contribution to the institutionalization process of business organisations.	2	1,7	7	6	17	14,7	49	42,2	41	35,3	0,95	4,03
Q4	TAS/IFRS have been recognised and approved.	9	7,8	32	27,6	33	28,4	27	23,3	15	12,9	1,16	3,06
Q5	TAS/IFRS improve tax acts and the reporting quality congruent with TTK.	1	0,9	10	8,6	18	15,5	51	44	36	31	0,95	3,96
Q6	TAS/IFRS have increased the importance of the accounting and financial reporting departments in business organisations.	2	1,7	6	5,2	19	16,4	49	42,2	40	34,5	0,94	4,03
Q7	TAS/IFRS have made a positive contribution to the development of the accounting profession in Turkey.	2	1,7	9	7,8	20	17,2	47	40,5	38	32,8	0,99	3,95
Q8	TAS/IFRS help build a glossary for common terms in the business world in terms of reporting and accounting.	1	0,9	9	7,8	20	17,2	51	44	35	30,2	0,93	3,95

Ques- tion	Statements	1		2		3		4		5		St.D ^{**}	W. ^{***} A
		f*	%	f*	%	f*	%	f*	%	f*	%		
Q9	TAS/TFRS improve the quality over the course of accounting and information system.	1	0,9	5	4,3	20	17,2	51	44	39	33,6	0,87	4,05
Q10	A set of financial prepared within the fame of TAS/TFRS is enough to meet the needs of a financial user.	-	-	8	6,9	16	13,8	53	45,7	39	33,6	0,87	4,06
Q11	TAS/TFRS allow for an efficient financial reporting system in business organisations.	1	0,9	7	6	22	19	49	42,2	37	31,9	0,91	3,98
Q12	TAS/TFRS allow an international comparability of the financial statements drawn out by business organisations.	2	1,7	7	6	12	10,3	38	32,8	57	49,1	0,98	4,22
Q13	TAS/TFRS contribute to quotations in the capital market in order for business organisations to find funds.	-	-	7	6	22	19	57	49,1	30	25,9	0,83	3,95
Q14	TAS/TFRS have brought about extra workload in accounting practices in business organisations.	11	9,5	17	14,7	27	23,3	29	25	32	27,6	1,3	3,47
Q15	The applications aimed at TAS/TFRS are inadequate in terms of comprehensibility.	14	12,1	30	25,9	30	25,9	20	17,2	22	19	1,3	3,05
Q16	TAS/TFRS have brought flexibility into accounting practices in business organisations in terms of taxation and other legislative regulations.	9	7,8	20	17,2	34	29,3	36	31	17	14,7	1,15	3,28
Q17	TAS/TFRS allow room for a realistic presentation of assets and resources.	3	2,6	6	5,2	18	15,5	54	46,6	35	30,2	0,95	3,97
Q18	TAS/TFRS improve the quality level of auditing activities in business organisations.	2	1,7	11	9,5	18	15,5	46	39,7	39	33,6	1,02	3,94
Q19	The analyses of cash flow based on TAS/TFRS provide reliable and in- depth financial information.	2	1,7	7	6	22	19	50	43,1	35	30,2	0,94	3,94
Q20	The applications directed at TAS/TFRS enhance the level of reliability of financial analysis results of business organisations.	3	2,6	8	6,9	15	12,9	56	48,3	34	29,3	0,97	3,95
Q21	TAS/TFRS provide accurate and trustworthy information regarding cost for business organisations in a strategic decision-making process.	-	-	10	8,6	25	21,6	50	43,1	31	26,7	0,91	3,88
Q22	TAS/TFRS enable the items of income and expense to be reflected on financial statements realistically.	-	-	9	7,8	18	15,5	49	42,2	40	34,5	0,9	4,03
Q23	TAS/TFRS make it possible for financial highlights concerning business organizations to be realistically registered in the accounting process.	2	1,7	8	6,9	18	15,5	46	39,7	42	36,2	0,98	4,02

* F: frequency ** St.D: Standard Deviation *** W.A: Weighted Average

Examined individually, the questions with the highest average are Q12 (4,22), Q1 (4,16) and Q2 (4,10), but the questions Q15 (3,05), Q4 (3,06) and Q16 (3,28) have the lowest average. When assessed, the answers revealed that TAS /TFRS had made it possible for

companies' financial statements to achieve an international comparability (Q12=4,22), and not only that TAS /TFRS enhanced the level of credibility to business organizations (Q1=4,16), but also that they raised the trust level of credit institutions to business organizations (Q2=4,10). It can therefore be concluded with ease that TAS/TFRS increased the level of credibility to business organizations. The statement 3 on the scale means neutral, viz. 'neither disagree / nor agree'. The values below 3 denote 'not the supporting' (not the joining) the value judgements that lie in the questions whereas the values above 3 signify the supporting the value judgements in these questions; despite this:

- The support for the view, that the applications for TAS/TFRS are inadequate in recognition of understandability, seemed to have fallen short (Q15= 3,05).
- A weak base of support is provided about TAS/TFRS being internalised and supported in the business world (Q4= 3,06).

Examined individually again, the questions Q15, Q4, Q16, Q14 and Q22 received the most negative judgements, and the most positive judgements made by the participants were obtained from the responses to the questions Q12, Q1, Q2 and Q10.

3.5.2. Reliability and Factor Analysis

In relation to the 23 statements in the survey listed on the Table 2, the fact that the value of Cronbach's Alpha is 94,3 percent and Sign. being 0,0005 (<0,05) will ensure that the scale has high reliability.

Table 2. Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
,943	,952	23

Looked at from the standpoint of being loaded on the factors and because KMO is 0,934 (>80) and Sign. is 0,000 (Table 3), the statements prove to be highly suitable for factor analysis.

Table 3: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	,934
Approx. Chi-Square	2487,797
Bartlett's Test of Sphericity df	253
Sig.	,000

Based on the factor analysis results, the statements in the survey were found to divide into four factors. Accordingly, below is what each successive factor accounts for:

factor 1: the efficiency of TAS/TFRS applications in the activities undertaken by business organisations and those concerned; factor 2: the efficiency of TAS/TFRS applications in financial reports and analyses made by business organisations; factor 3: the negative impacts of TAS/TFRS applications on business organisations; factor 4: the recognition level of TAS/TFRS applications in business organisations

With the results garnered from the factor analysis being examined, the rate at which the statements pertaining to factor 1 could explain this factor measured 73,5 percent; the rate at which the statements pertaining to factor 2 could explain this factor measured 62,2 percent; the rate at which the statements pertaining to factor 3 could explain this factor measured 84,2 percent and the rate at which the statements pertaining to factor 4 could explain this factor measured 97,8 percent. (Table 4)

Table 4: Component Transformation Matrix

Component	1	2	3	4
1	,735	,656	-,033	,170
2	-,559	,622	,535	,120
3	,379	-,385	,842	,005
4	-,061	-,189	-,065	,978

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

As far as Table 5 is concerned, the scale comprised of 23 statements is seen to be a four-factor scale. In Rotated factor analysis, all the 4 factors can explain for 74,63 percent of total variance. Factor 1 explains for 33,338 percent, factor 2 explains for 28,036 percent, factor 3 explains for 6,797 percent, and factor 4 explains for 6,459 percent of variance (Table 5). The factor loads about each statement are provided on Table 6.

Table 5: Total Variance Explained

Component	Extraction SIAS of Squared Loadings	Rotation SIAS of Squared Loadings		
	Cumulative %	Total	% of Variance	Cumulative %
1	55,302	7,668	33,338	33,338
2	63,523	6,448	28,036	61,373
3	69,680	1,563	6,797	68,170
4	74,629	1,486	6,459	74,629

Extraction Method: Principal Component Analysis.

Table 6 being examined closely, the questions about the factors were framed:

- The questions that constitute **Factor 1** (*the efficiency of TAS/IFRS applications in the activities undertaken by business organisations and those concerned*) are: Q1, Q2, Q3, Q5, Q6, Q7, Q8, Q9, Q11, Q12, and Q13.
- The questions that constitute **Factor 2** (*the efficiency of TAS/IFRS applications in financial reports and analyses made by business organisations*) are: Q10, Q17, Q18, Q19, Q20, Q21, Q22, and Q23.
- The questions that constitute **Factor 3** (*the negative impacts of TAS/IFRS applications on business organisations*) are: Q14, Q15.
- The questions that constitute **Factor 4** (*the recognition level of TAS/IFRS applications in business organisations*) are: Q4, Q16.

Table 6: Rotated Component Matrix^a

	Component			
	1	2	3	4
q1	,815			
q2	,769			
q3	,712			
q4				,560
q5	,770			
q6	,761			
q7	,724			
q8	,635			
q9	,806			
q10	,592	,607		
q11	,810			
q12	,786			
q13	,629			
q14			,802	
q15			,884	
q16				,851
q17		,789		
q18		,812		
q19		,878		
q20		,834		
q21		,753		
q22		,792		
q23		,785		

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 6 iterations.

Following the general assessment of Table 5 and 6, the participants expressed their opinion that TAS/ TFRS should enhance their efficiency in the activities undertaken by business organisations and those concerned. At this point, those who took part in the survey are of the opinion that investors, creditors, business managements and other related parties will be positively affected by TAS/ TFRS applications. As a matter of fact, such an interpretation is backed up by the results stemming from the statements embedded in Factor 1. As far as Factor 2 is concerned, it transpires that TAS/ TFRS, especially during the issues like financial reporting and analysis, are supposed to bring flexibility into accounting practices and that a fair presentation on financial statements is due to increase the level of reliability to them.

The participants, on the other hand, within the frame of the statements in Factor 3, entertain the idea that the applications aimed at TAS/ TFRS will reflect badly on business organisation in the sense of understandability and work-load that may be brought about. As for the results from Factor 4, the participants, albeit irresolute at the recognition level of TAS/TFRS in the business world, are of the opinion that TAS/ TFRS will, as per tax applications, provide greater flexibility and benefit for business organisations.

4. CONCLUSION

This research study propounded the stances adopted by independent auditing firms towards TAS/TFRS. Besides, independent auditors have a large part to play in ensuring basic requirements such as the reliability, accuracy, comprehensibility and comparability of financial statements. It is therefore that the efficiency of TAS/TFRS applications was approached within the scope of independent auditors. To begin with, a frequency value for each statement in the survey was estimated. According to the frequency values, the participants conveyed their own opinions saying that TAS/TFRS were allowing room for the financial statements drawn up by companies to be comparable on an international basis.

To cope with the data garnered from this study, a reliability analysis and a KMO test were carried out as a beginning. Cronbach's Alpha value of the statements in the survey is 94,3 percent, KMO 0,934 and the value of significance 0,000. These results proved that the data were congruent with factor analysis.

As a result of the factor analysis, it was concluded that the data branched off into four factors. These can be thus employed to measure the efficiency of TAS/TFRS applications in the activities undertaken by business organisations and those concerned (**Factor 1**), the efficiency of TAS/TFRS applications in financial reports and analyses made by business organisations (**Factor 2**), the negative impacts of TAS/TFRS applications on business

organisations (**Factor 3**) and the recognition level of TAS/IFRS applications in business organisations (**Factor 4**). The participants here gravitate towards believing that TAS/IFRS will be making valuable contributions both to business organisations and those concerned, and to the process of financial reporting and analysis. Besides, from the participants' point of view, the flexibility that TAS/IFRS have brought into accounting applications pursuant to tax applications can be received favourably. Be that as it may, the fact that the recognition level of these standards in business organisations is low has ensued.

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