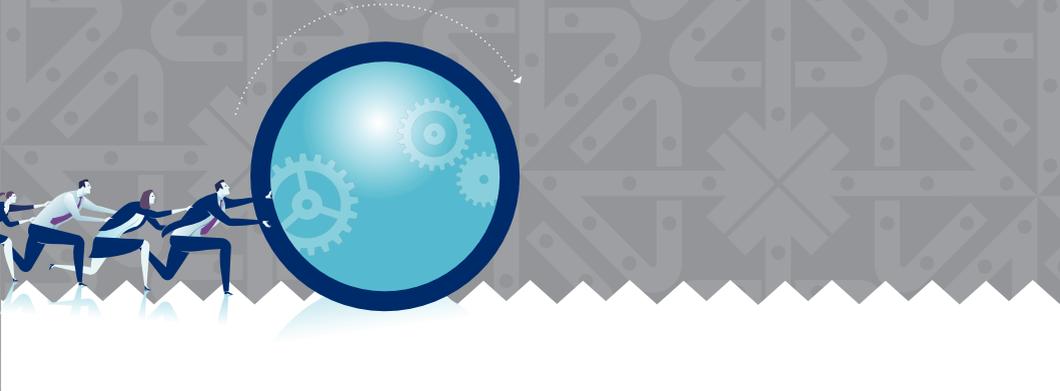


# Good Governance For Quality Of Life

Argüden Governance Academy  
Integrated Report 2016



# Good Governance For Quality Of Life

# Argüden Governance Academy Integrated Report 2016

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## ABOUT THIS REPORT

This Integrated Report covers the activities carried out by the non-profit Argüden Governance Academy that operates under the aegis of Boğaziçi University Foundation throughout 2016.

The Report is prepared in accordance with the fundamental concepts, guiding principles, and structure of the International Integrated Reporting <IR> Framework of International Integrated Reporting Council (IIRC).

Integrated Reporting helps both internal and external stakeholders comprehend the mission, vision, and strategy of the organization and improves their governance. Through Integrated Reporting, the institutions communicate with their stakeholders more **transparently**, increase the **continuity** of their activities, and by providing indicators about the **effectiveness** of their performance to improve the utilization of resources in a **responsible, fair, and consistent** way. This results in better **deployment** of their strategy and improve their **accountability** towards their stakeholders.

Our Academy constitutes an example particularly for the other NGOs by publishing the first Integrated Report in Türkiye, in 2015. We shared our experience globally as being among the first 10 non-profit organizations who adopted International Integrated Reporting <IR> Framework.

This Report exhibits comparative data for 2016 versus 2015, as well as plans for the next year.

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## ABOUT US

Argüden Governance Academy was founded in İstanbul Türkiye, as a non-profit initiative dedicated to help improving the quality of governance in public, non-profit, private, and international organizations.

We conduct our operations under the aegis of Boğaziçi University Foundation (BÜVAK). Boğaziçi University is a leading Turkish university that was founded in 1863 (formerly Robert College). Argüden Governance Academy Fund was established with an agreement (2014) between the Boğaziçi University Foundation and ARGE Consulting, a leading management consulting firm based in İstanbul. ARGE is focusing on improving quality of management for quality of life.

This Integrated Report shows the mobilization and utilization of our resources to improve awareness, understanding, and implementation of good governance. The Report includes our financials and Impact Report which were subject to an independent third-party audit by Ernst&Young.

Our Academy also emphasized the importance of the integrated thinking as the founding member of the Integrated Reporting Network of Türkiye (ERTA) and co-chair of the Education Commission.

## FROM THE CHAIRMAN OF THE BOARD



Dear Stakeholders,

“Good Governance” is the key for inclusive development. As Argüden Governance Academy, we performed a fruitful year promoting the quality of life through inclusive development. We conducted education, research, and communication activities both at national and international level to inspire good governance for public, civil society, and private institutions.

We educated 264 participants in 8 training programs with the contribution of our stakeholders. We reached 5,681 people via 13 publications. We connected face-to-face with more than 5,393 people in 29 different events and accessed 2,542,745 readers with our emphasis on good governance improving the quality of life.

In 2016, we congratulated our first graduates of “Good Governance in Public Sector” Certificate Program in which we aimed to raise awareness of the future public-sector leaders to adopt good governance principles in policy making process, in collaboration with public institutions and Civil Society Organizations founded by public sector experts. We organized the “Good Governance in State-Owned Enterprises Conference” in cooperation with Republic of Türkiye Prime Ministry Undersecretariat of Treasury, Corporate Governance Association of Türkiye, and Union of Turkish Public Enterprises. Our recommendations on the OECD Outlook Report 2015, which we shared with the participants in “Decision Making in the Public-Sector Conference” in collaboration with Turkish Industry & Business Association and the World Bank, were appreciated and registered by OECD.

We conducted a research project enriched with surveys and workshops, and with broad stakeholder engagement to identify the problems of civil society and to formulate a solution set as recommendation. We compiled the results in our study in the “Participatory Democracy: Empowering the NGOs” and shared it with the relevant public institutions. We organized good governance education programs for public, civil society and private sector in Anatolia accompanied with round-table sessions. We enriched our education programs with workshops to disseminate the culture of collaboration and brainstorming to solve problems together.

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We completed and shared “Social Responsibilities of Board of Directors” publication which summarizes the proposals regarding the path which companies may follow for sustainable development. We emphasized the gender equality principles in private sector also by training and mentoring women to be involved more in Boards.

In global arena, we brought together more than 400 Turkish business world professionals, Prof. Mervyn E. King -Chairman of the International Integrated Reporting Council (IIRC), and Sir Marc Moody-Stuart -Chairman of the Global Compact Foundation in the “Responsible Leadership and Integrated Reporting Panel”. In 2017, we plan to organize education programs on Integrated Reporting in collaboration with Integrated Reporting Türkiye Network (ERTA), in which we are the co-chair of the Education Committee.

We paid special attention to share our activities in the most efficient and accurate way highlighting our donors’ and stakeholders’ support. We also put in an extra effort to utilize each activity in the most effective way with the least resource allocation in the light of “Integrated Thinking” and in line with our mission, vision, and strategy. We strongly believe that “Integrated Reporting” is a powerful tool to improve transparency and governance in all kinds of institutions. As a result, we benefit from this philosophy to be able to improve our performance continuously as a team. In this manner, we serve as an example for many NGOs and provide guidance to organizations seeking to prepare an Integrated Report. Thus, we find many opportunities to improve ourselves during this experience. We desire to be the center of excellence for governance becoming a reference institution. We believe that governance is a culture and should be disseminated at all levels of the society. For this reason, we are eager to prepare training programs for kids who shape our future; about universal rights, democracy and the spirit of civil society. We are aware that we should continuously improve our infrastructure and collaborations to be able to widen our education programs and become a good example globally.

We particularly appreciate for the support of our donors for our mission, especially TIRSAN, Garanti Bank, ARGE Consulting, and numerous individual contributors. We will continue our efforts to fulfill our mission for a better future with better quality of life.

*Prof. Dr. Metin Çakmakçı*  
MD Chairman

## THE ACADEMY 2016 - AT A GLANCE



### EDUCATION

191 HOURS OF EDUCATION WITH  
264 PARTICIPANTS IN 8 PROGRAMS

### RESEARCH

13 PUBLICATIONS, REPORTS, ARTICLES  
5,681 PUBLICATION DISSEMINATION



### COMMUNICATION

5,393 PEOPLE CONTACTED  
INDIVIDUALLY IN 29 EVENTS



## OUR MISSION AND VISION

Our mission is to improve governance quality in public institutions, NGOs, corporations, and international organizations to create sustainable value for the institutions and society. Our vision is to become a “center of excellence” as a reference institution in governance.

We encourage institutions and society to work and create together for a more sustainable and inclusive future. We bring together world-class expertise, adopt a holistic view of governance across institutions, and form partnerships to improve quality of life for current and future generations.

In accordance with our targets, our programs aim to:

- **Improve awareness** about the role of good governance for sustainable and inclusive development by education, research, dissemination of successful examples, and awards;
- **Create a knowledge platform** to enable representatives of government, civil society, and business to be informed about the recent global developments on governance through education programs, seminars, and peer to peer learning;
- **Conduct research** in cooperation with international organizations, universities, public agencies, and non-governmental organizations on various governance related subject areas;
- **Cooperate** with other similar initiatives both locally and globally through joint projects to raise the understanding of the key role of good governance in improving quality of life and sustainability of the planet.

### THE “CRAFTED” PRINCIPLES OF GOVERNANCE



## OUR BUSINESS MODEL AND OUR STRATEGY

We perform education, training, and communication activities to achieve our mission.

### Why good governance, for which sector?

We increase the awareness in good governance, share our knowledge and experience with each sector for different aims.



#### **PUBLIC**

- Become more capable on application of democratic governance principles to be more engaged in evidence-based public policy making process.
- Encourage active participation of stakeholders in public policy decision-making processes thereby improving transparency and accountability within the sector.



#### **CIVIL SOCIETY**

- Become more consistent, responsible, accountable, fair, transparent, effective and participant, in other words trustworthy civil society organizations via improving their governance quality.
- To be better partners for the government through participative decision-making processes.
- Mobilize all types of resources in the most effective way.
- Foster and benefit from collaboration opportunities.



#### **PRIVATE SECTOR**

- Contribute to the sustainability of the companies by operating in a trustworthy environment.
- Establish culture of trust through proper guidance and oversight.



#### **GLOBAL**

- Become “the right cooperation partner” for the leading institutions in the world, creating common solutions for global issues.
- Dissemination of our opinions and suggestions regarding good governance practices.
- Disseminate our Advisory Board’s international experience to increase “good examples” on governance.



We create value for all our stakeholders to expand our resources and partnership opportunities by sustaining our reputation, visibility, and recognition both nationally and internationally.

We plan our training, research and communication activities in line with our “strategy.” We care for our own sustainability as well as our stakeholders. We take advantage of the “leverage effect” at its maximum extent by mobilizing the most economical (low cost) resources for each party. Besides employing a core full time team at the Academy, we additionally benefit from highly competent experts’ knowledge and experience periodically for ad-hoc projects.

We endeavor to benefit more from our Advisory Board and Academic Board’s competencies.

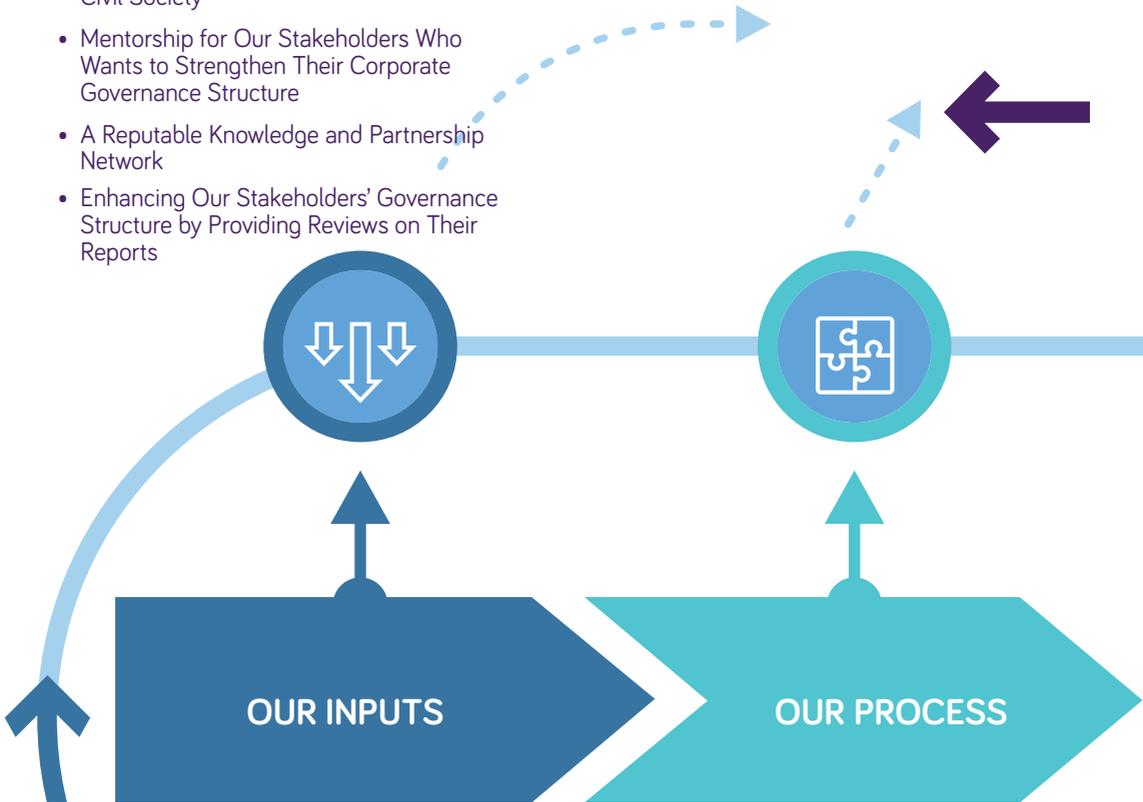
We conduct education, research, and communication activities in order to increase awareness of the importance of governance, train future leaders, and promote best practices by spreading and awarding. We believe that good governance is a “climate” and “culture”. To disseminate the good governance culture for both individual and organizational level, we adopt a wholistic approach. We create value in the short, medium and long term by contributing to the improvement of the life quality of citizens by inspiring and promoting good governance implementations (consistency, responsibility, accountability, fairness, transparency, effectiveness, and deployment.)

## FOR OUR STAKEHOLDERS



- Dissemination of Good Governance Implementations and Supporting Individuals Doing Research in this Field to Improve the Quality of Life
- Preparing Recommendations to Empower Civil Society
- Mentorship for Our Stakeholders Who Wants to Strengthen Their Corporate Governance Structure
- A Reputable Knowledge and Partnership Network
- Enhancing Our Stakeholders' Governance Structure by Providing Reviews on Their Reports

## VALUES



- Syllabus
- Materials
- Lecturers
- Experts

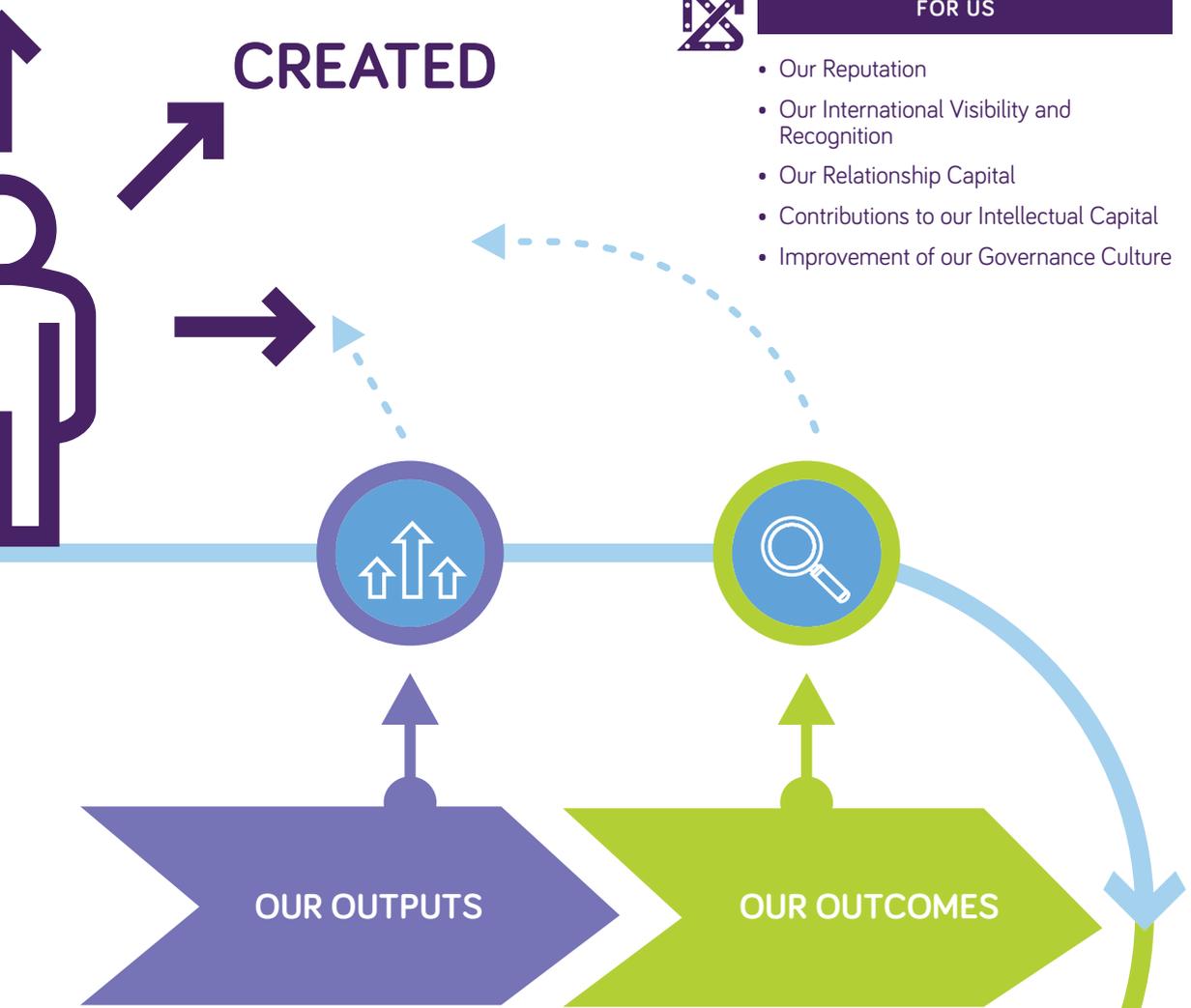


- Literature Search
- Survey Questions
- Experts
- Reviews
- Workshops
- International Outstanding Sources



- Speakers/Experts
- Presentation Materials
- Social Media Interactions
- Newsletter Interactions
- Press Releases
- Dissemination of the Integrated Report





**FOR US**

- Our Reputation
- Our International Visibility and Recognition
- Our Relationship Capital
- Contributions to our Intellectual Capital
- Improvement of our Governance Culture

**OUR OUTPUTS**

**OUR OUTCOMES**



- Results of Program Evaluations
- Number of Graduates
- Number of Participants Who Get Participation Certificates
- Increased Governance Knowledge of Participants



- Publications
- Articles
- Survey Analysis
- International Sources Translated to Turkish
- Increased Governance Knowledge of People Who Follow our Research
- Number of People whom we shared our Publications as hard copy
- Reviews about the Research of International Institutions (OECD, IFC, etc.)



- Presentations
- Knowledge Partnership Protocols
- Number of People Reached via Social Media
- Number of People Reached via Newsletters
- Number of People Reached via Printed Media
- Increased Governance Knowledge of Participants
- Publications of our Scholars

**Improvement in Our Stakeholders' Awareness**

**Registration of Our Review Reports by Related Institutions (OECD, etc.)**

**Citations**

**Impact Created by our Knowledge Partnerships**

**Network of Governance Experts**

**Our Team Members' Studies on Governance**

**Supporting Students Who are Eager to Do Research on Governance**

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## OUR CAPITALS

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Our capitals which we turn into value for corporate and social life in order to conduct our public, civil society, private sector, and global activities are:



### Intellectual Capital

- The governance principles we adopt
- Diversity of our team and our network
- Our culture of inclusive collaboration
- Our knowledge and experience
- Our national and international publications



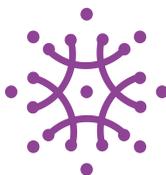
### Financial Capital

- Corporate and individual donations
- Resources provided by grant projects
- Our achievements from “leverage effect”
- Income within our economic enterprise



### Human Resources Capital

- Our Advisory Board
- Our Board of Directors
- Our Academic Board
- Our Team
- Our Volunteers
- Our Lecturers



### Social Capital

- Our partnerships with stakeholders
- Our knowledge partnerships
- Synergy derived from our relationships

We gain more knowledge, resources, and impact through “collaborations” rather than “acting alone”.

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## OUR MATERIALITY

An internal process with our Board of Directors and our operational Team took place to discuss the material issues of previous year and 2016, in a comparative way. We formed our “Materiality Matrix” based on the issues which are low, medium, and high material for us as well as the issues which have low, medium and high impact for our stakeholders. In addition, we have integrated those material issues with our capitals and risks, and emphasized how we manage the corresponding risks.

In the process of the evaluation of our “material” issues and related impact level, we considered the below principles, the related risks and how we manage them:

- Issues in our mission and vision which have the potential to create value.
- Issues with high effect on our capitals as determined by the <IR> Framework.
- Competencies which are key requirements for us.

In the following years, we plan to review our materiality matrix with the engagement of our stakeholders.

MATERIALITY MATRIX				
High Impact Level				1 Corporate Culture 
	4 Relations with Stakeholders 		3 Appropriate Use of Donations 	2 Quality 
Medium Impact Level		5 Leveraging Other Resources 		
			6 Quality of Internal Process 	
Low Impact Level			7 Diversity in Board of Directors 	
		8 Internal Education 		
	Lower Material Ranking	Medium Material Ranking	Higher Material Ranking	

CODE	MATERIAL ISSUE	DESCRIPTION	RELATED RISK	RELATED CAPITAL
M1	Corporate Culture	Good governance is a culture, a climate and set of behaviors that are exhibited throughout the organization. Thus, we pay special attention to adopt good governance principles and deploy the culture within our Academy.		
M2	Quality	All the activities and research conducted by our Academy should have solid academic and evidence base.	 	 
M3	Appropriate Use of Donations	Efficient and effective use of available resources to reach our goals and to realize vision and mission is required.	  	
M4	Relations with Stakeholders	Each stakeholder must ensure that the cooperation may create value for both sides. Relationship between participants of a project will be based on fairness.	 	
M5	Leveraging Other Resources	Effective use of stakeholders' resources in spreading good governance culture by using their time, their support, their financial resources, their means of communication, their media facilities to reach more people. This will create an important in-kind resource which will leverage the outcome.	 	
M6	Quality of Internal Process	It is important to have a corporate structure both in our activities and the internal process of related activities. High quality internal process is important to sustain trust.		
M7	Diversity in Board of Directors	The diversity in the organizational structure strengthen the corporate culture. For this reason, we accept having a diverse Board of Directors and an independent Chairman of the Board of Directors as a significant issue.		
M8	Internal Education	We find it significant to create value for our employees. For this reason, on-the-job training and talent acquisition is a requirement for us. We accept developing our institutional capacity as equal to create value for ourselves.	 	

**Our Capitals**

 Our Intellectual Capital  
 Our Financial Capital  
 Our Human Resources Capital  
 Our Social Capital

**Our Risks**

 Operational Risks  
 Political Risks  
 Reputational Risks  
 Financial Risks  
 Compliance Risks  
 Strategic Risks

## RISK MANAGEMENT

Defining our low, medium and long-term risks and the way to manage them is defined as one of our main responsibilities.

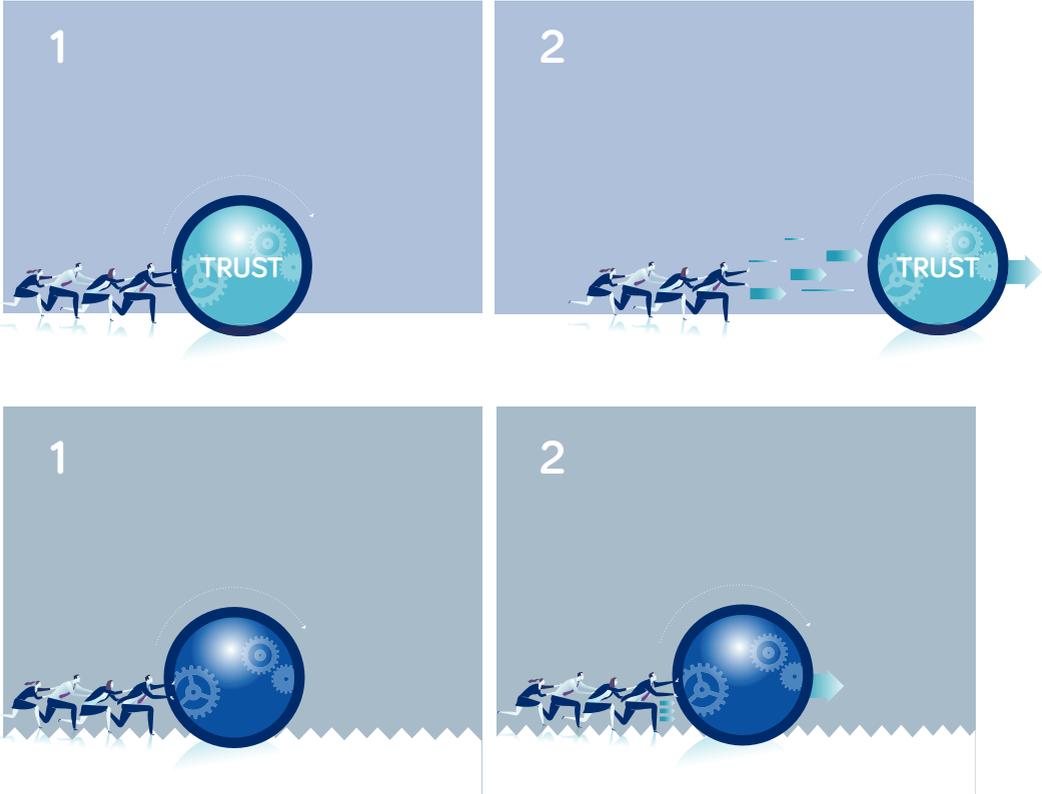
The risks that may cause damage to the Academy were evaluated by our Board of Directors at the end of 2016. The risks that may occur in 2017 are also identified and consulted.

RISKS	DESCRIPTION	TERM	RISK MANAGEMENT
 Reputational Risks	The weakening of trust towards our Academy and loss of reputation.		Pay special attention to have transparent, effective, accountable and participatory decision-making mechanism, build a varied range of areas/stakeholders, control the quality of projects, improve awareness of the team on importance of reputation.
 Strategic Risks	Withdrawal of donors, decline in the intention to support good governance		Search for other donors, always find different and interesting ways to underline the importance of governance and its contributions to the quality of life in the community and implement them.
 Political Risks	Stakeholders (institutions and individuals) may decide not to collaborate due to changes in political climate		Search for substitute collaborators and enrich the list of activities to perform collaboration, convince political actors and foster communication.
 Financial Risks	Volatility in exchange rates, withdrawal of donation commitments, too much over-deviation in estimated budget, fiscal imbalance.	 	Avoid transactions in other currencies, search for other donors, prepare alternative budgets, review and update activities and planning.
 Compliance Risks	Compliance to different legislation that non-profit organizations are subject to, damage on reputation and operation due to non-compliance.	 	Pay special attention to compliance rules and improve the knowledge of our team on the implementations of compliance, follow updates on legislations.
 Operational Risks	Abdication of lecturers, transportation risks (flight cancelation and delay, etc.), delays in publication process, inconsistencies with project time-plans.		Keep substitute lecturers' lists, arrange make-up courses for postponed lectures, contact with different publishers and designers, finish the reviews in publication process as soon as possible, review and update project time-plans based on new conjuncture.



In addition to our risks, we focus on our opportunities to create sustainable value:

- New donors and potential donors
- Emerging demands for governance activities widening our area of impact
- New incentive & grant programs announced by the donors, government, NGOs, etc.
- New volunteers
- New stakeholders to collaborate



## OUR KEY PERFORMANCE INDICATORS (KPIs)

We believe that we should measure our performance for continuous improvement. Therefore, we always value the planning process and set challenging goals, considering our main areas of operations.

We consistently check and update our targets. The data of our KPIs is gathered and registered via empirical and scientific methods. We identify areas for improvement as comparing our KPIs with the previous year's results. Consequently, in 2016;



- Our trainings that we developed in 2015 continued and 23 public sector leaders graduated and received certificates in our training programs.
- We increased diversity in our lecturers and conveyed the expertise to our participants.
- We increased the share of in-kind contributions in education activities to **46.2%**.



- We contributed to local and international platforms with our research and published **13 publications / reports**.
- We increased **diversity** of our experts who contribute to our research.
- We made considerable progress in the number of people we reached with our publications, we accessed more than **5,681** people via our printed and digital publications.



- We increased the number of participants of our communication activities focusing on good governance from 135 to **516**.
- We believe in the power and influence of work 'done together'. We increased the **number of institutions that we collaborated with** for communication activities from 12 to 33 which is in-line with our materiality criteria.
- We have significantly improved our social media performance compared to 2015. In 2016, we engaged with **14,614** people on social media.
- We have refined our contact list and have more target list that we communicate via our newsletters.
- We increased the share of in-kind contributions in our communication activities to **79.1%**.



Our  
Materiality  
pg.18

Additionally, we published and shared our Impact Report and Integrated Report of 2015 both in English and Turkish in 2016 to increase our accountability.

As a team, we give feedback to each other on how to improve our individual and cumulative performance. Moreover, we appreciate advice and criticism as they provide us a chance to develop new ideas, resolve problems, and improve the quality of work.



Our Materiality  
pg.18



2016  
2015

EDUCATION 	RESEARCH 	COMMUNICATION 	MANAGEMENT 
Number of education programs we developed 9 (3)	Number of publications 7 (13)	Number of "Knowledge Partnerships" established 3 (4)	Number of reports published 0 (4)
Number of education programs delivered 13 (8)	Number of research conducted 9 (17)	Number of conferences & discussion panels organized or contributed 16 (27)	Mobilizing resources (donations, grants, in-kind contributions) ✓ (✓)
Number of participants 315 (264)	Number of experts contributed to research/publications 3 (6)	Number of participants to conferences & discussion panels organized 135 (516)	Ensuring appropriate use of donations ✓ (✓)
Number of graduates* 0 (23)	Number of surveys conducted 1 (1)	Number of panelists participated to the conferences & discussion organized 47 (29)	Stakeholder relations ✓ (✓)
Number of lecturers in education programs 54 (97)	Number of respondents to the surveys 51 (94)	Number of communication activities we made contribution 17 (9)	Registering all the traceable data (volunteer hours, in-kind contributions, etc.) ✓ (✓)
Number of participation certificates delivered 131 (97)	Number of institutions collaborated for research 5 (10)	Number of institutions collaborated for communication activities 12 (33)	
Number of institutions collaborated for education 20 (21)	Percentage of in-kind contribution used to realize research 22.8% (11.3%)	Number of volunteers 10 (11)	
Percentage of in-kind contribution used to realize education programs 27.1% (46.2%)	Number of people reached via research / publications 2,000 (5,681)	Percentage of in-kind contribution to realize communication activities 28.3% (79.1%)	
Quality of education material developed ✓ (✓)	Quality of research / publication / survey ✓ (✓)	Number of people reached via newsletters 20,563 (15,001)	
Effort for building collaborations with other institutions ✓ (✓)	Quality of translation ✓ (✓)	Number of social media interactions 2,861 (14,614)	
		Percentage of open rate in our newsletters 22.8% (16.0%)	

\* Graduates who are entitled to receive Certificate.

- ✓ is assessed as performed by Board of Directors.
- ✗ is assessed as not performed by Board of Directors.

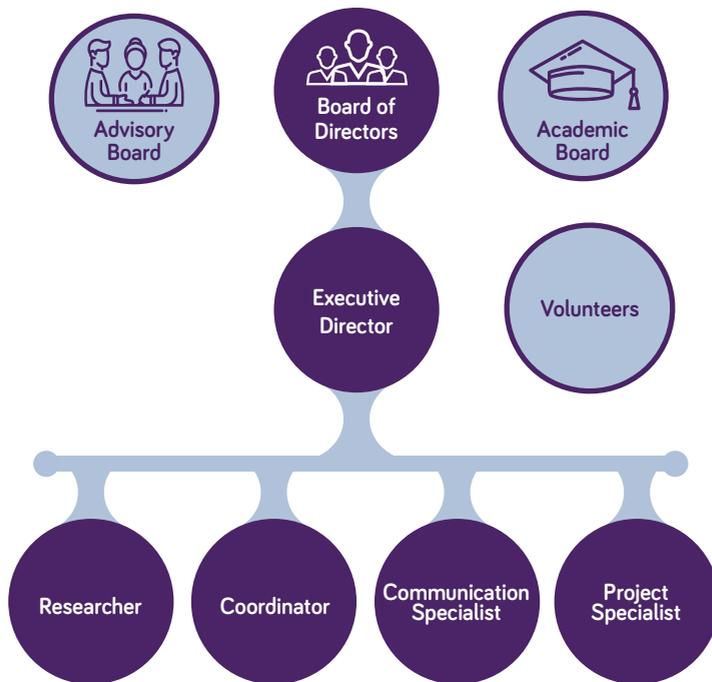
What gets measured, gets improved.

## OUR PEOPLE



The most important component of our intellectual capital is “our human resources”. We gain value from the experience and knowledge of our Board of Directors, Advisory Board and Academic Board in every step of our work.

In 2016, we benefited from our Academic Board and Advisory Board’s guidance and contribution, particularly in the training programs and discussion panels we organized about “Integrated Reporting”. Moreover, we got invaluable support from both of our Boards for the conferences and round-table meetings we organized to measure good governance perceptions in the public sector, responsible leadership, integrated reporting and decision-making process in the public sector.



- Provides expert guidance on governance topics.
- Consists of internationally renowned members with varied backgrounds.



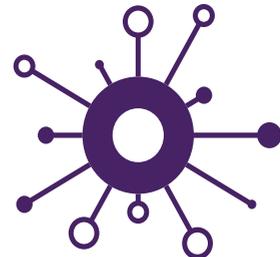
- Responsible for the organization’s assets and activities.



- Provides expert guidance on education and research programs.
- Consists of local academic experts.



We prosper with  
differences and diversity.





## OUR ADVISORY BOARD

We believe that following global trends enables us to develop and disseminate our experience more effectively. As an exemplary non-governmental organization operating in the four main areas of good governance, we aim to spread and communicate our Advisory Board's studies, publications, and contributions about governance, especially studies related to Türkiye and neighboring area.

Our Advisory Board is composed of important academicians and implementers of good governance. Moreover, in 2016, we are honored by the participation of Boğaziçi University Former President Prof. Gülay Barbarosoğlu to our Advisory Board.

Prof. Charles Wolf, whom we are honored with his existence in our Advisory Board, pass on into eternal life in 2016. We will remember him with respect. We value his inheritance of knowledge and experience, and continue to develop.

We were delighted to welcome Nick Malyshev, Head of the OECD Regulatory Policy Division, for "Decision Making in the Public-Sector Conference". We also hosted Prof. Mervyn E. King, Chairman of the International Integrated Reporting Council (IIRC), and Sir Marc Moody-Stuart, Global Compact Foundation President, in the panel of "Responsible Leadership and Integrated Reporting". We created value for all our stakeholders by organizing activities that we have brought together over 500 public, civil society and private sector leaders. At these events, we took the opportunity to convey their global knowledge and experiences to Turkish professionals.



**Dr. Yılmaz ARGÜDEN**  
ARGE Consulting,  
Chairman



**Sir Mark MOODY-STUART**  
Global Compact Foundation,  
Chairman



**Prof. Mervyn E. KING**  
International Integrated  
Reporting Council, Chairman



**Prof. David R. BEATTY**  
Coalition for Good Governance,  
Founder



**Prof. Gülay BARBAROSOĞLU**  
Boğaziçi University  
Former President



**Sandra GUERRA**  
Better Governance - Brazil,  
Founding Partner



**Philip ARMSTRONG**  
Global Corporate Governance  
Forum, Head



**Dr. Darrell M. WEST**  
Governance Studies, Vice  
President and Director



**Dr. Daniel KAUFMANN**  
Natural Resource Governance  
Institute, Founder and President



**Prof. Charles WOLF**  
*We remember with love*  
Pardew Rand Graduate School,  
Distinguished Chair  
in International Economics



**Nick MALYSHEV**  
OECD Regulatory Policy  
Division



**Dr. Yaga Ramesh Konda REDDY**  
Academy of Corporate Governance,  
Founder and President



## OUR ACADEMIC BOARD

As a non-profit institution, we create overwhelming value by conveying our Academic Board's experience, opinion, work, and publications through conferences, education programs, seminars or our web site to the right audiences. We highlight the importance of diversity in our Academic Board composed of academicians.

In 2016, our Academic Board, which is composed of nationally and internationally successful academicians, provided us guidance on many occasions particularly for new applications and methodology development. We organized a comprehensive meeting for the Academic Board in 2015, informing them about our activities accomplished and planned, our strategy, and our role for the society. We additionally received suggestions during this meeting, which we implemented in 2016. We benefited from their experience and knowledge particularly on "Integrated Reporting" and "Perceptions of the Public on Good Governance". We initiated comprehensive research projects together.



**Prof. Ali ÇARKOĞLU**  
Koç University



**Prof. Güler ARAS**  
Yıldız University



**Prof. Nur İrem NUHOĞLU**  
Boğaziçi University



**Prof. Ünal ZENGİNOBUZ**  
Boğaziçi University



**Prof. Vedat AKGİRAY**  
Boğaziçi University



**Dr. Erkin ERİMEZ**  
ARGE Consulting



## OUR BOARD OF DIRECTORS

We value implementing good governance throughout our own process in order to promote good governance practices. We emphasize the importance of diversity in every occasions. Our Board of Directors is composed of an independent president, representatives of our founding donors, representative of Boğaziçi University Foundation, and one independent member. Our Board members have experience in at least 2 sectors, which broadens our vision and enhances our strategy.



Our  
Materiality  
pg.18

Our Board of Directors, formed in a “diversified” structure, has the mission to shape our strategy and built the mind-set and future path of the Academy consulting with the Team through 4 Board meetings in 2016.



### **Prof. Dr. Metin ÇAKMAKÇI**

Chairman (Independent member)

Our Chairman is an active physician. He was also the Founding Chairman and Board Member of the Turkish Ethics and Reputation Society, the Quality in Healthcare Association, the Surgical Infection Association. He served on the board and also as Chairman of the Surgical Infection Society of Europe as Chairman, to name a few past duties. All this gave him the “spirit of civil society”. He was on the Board of Hacettepe Medical School, and is now a Board Member of Anadolu Medical Center, having managerial experience in the state and private sector.



### **Pınar ILGAZ**

Vice Chairman (Representative of founding donor, ARGE Consulting)

She is the Managing Partner at ARGE Consulting, who is our founding donor. She is an expert on HR systems, organizational structure and corporate culture, and Total Quality Management. Moreover, Mrs. Ilgaz, who served as the Vice-Chair of the Management Consultants Association and is one of the founders of Corporate Volunteers Association, conducts projects about NGOs and volunteerism. She participated “Women On Board Program” and works in “Women on Board Association’s Strategic Alliance Committee”. She is the co-author of “ARGE Corporate Governance Model©” and “Management of Volunteer Organizations”.



### **Prof. Dr. Ünal ZENGİNOBUZ**

Board Member (Representative of Boğaziçi University)

Ünal Zenginobuz is Professor of Economics, the Director of the Center for Economic Design, and the Director of the Institute for Graduate Studies in Social Sciences at Boğaziçi University.

He served as the Secretary General of the Association of Southern European Economics Theorists ASEET. His academic as well policy oriented research on public economics, industrial economics, tax policy, competition policy, regulation, and independent regulatory agencies have been published in many national and international journals and edited volumes.

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### **Gizem ARGÜDEN**

Board Member

Gizem Argüden, who is the representative of founding donor family, serves as management consultant at McKinsey & Company. She is specialized on the strategy, sustainability, organization and operational structure of non-profit organizations, while at

Wharton, wrote her thesis on ‘Cross-National Differences in Corporate Governance’. She took a year of leave-of-absence to lead and coordinate the founding efforts of Argüden Governance Academy, primarily focusing on development of education and research programs, managing partnerships, and establishing the organization voluntarily.

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### **Barış DİNÇER**

Board Member and Executive Director of our Academy

Our independent member Barış Dinçer, serves as Public Sector Leader at PricewaterhouseCoopers and as the Executive Director at Argüden Governance Academy. He had significant role in public sector relations in Ankara and served as a Board Member

of Corporate Governance Association of Türkiye (TKYD) and an Advisory Board Member of Corporate Social Responsibility Association of Türkiye. He started his career as Associate at Prime Ministry Privatization Administration, and continued at the World Bank, Harvard University, OECD and in the consulting sector. He had his bachelor degree at Galatasaray University in Business Administration, master degree at City University of London in Economic Regulation and Competition. He completed the MBA program at Bilkent University and conducted post graduate work in Public Policy at Hacettepe University and Harvard Kennedy School. He was selected as “Rising Star of Corporate Governance”, which is entitled to young professionals succeeded on corporate governance, by Ira M. Millstein Center for Global Markets and Corporate Ownership at Columbia University in New York.



## OUR TEAM

Each member of our team is an expert in their field and experienced in all the sectors we operate. We take the opportunity to deliver these operations in the most effective way with our qualified, enthusiastic, and professional colleagues.

We strongly believe that governance is a culture and pay extra attention to embrace good governance principles within our work environment. We plan all our activities together, always brief each other and keep updated, prioritize “internal communication and coordination”.

We promote their specialization related to their areas of focus by encouraging them to take more responsibility and initiative. We create value for our team by supporting them to join training programs to improve their knowledge.



### F. Müjde ÇETİN

Coordinator

F Müjde Çetin is responsible for managerial structure, budgetary activities and finance, donor relations, cooperation building, and operation of training programs. Her international and relevant experiences and competencies make her highly appropriate for the job. She is an accredited corporate consultant of European Bank for Reconstruction and Development (EBRD), independent reviewer of grant projects, an experienced corporate consultant and trainer. She has worked as a General Manager in European Turkish Business Centres Network for EU and as a Coordinator in the United Nations Population Fund for UN in several regions of Türkiye, with NGOs, public, and private sector institutions. She holds a B.A. degree in International Relations and M.A. degree in Law of Economics with a major of Labor Law with honor degree from Galatasaray University, and received a certificate of “SME Management” and “Good Governance in Public Sector” from Boğaziçi University.



### Fatma ÖĞÜCÜ ŞEN

Researcher

Fatma Öğücü Şen is responsible for research projects, publications, program development in education programs and overall content quality. In accordance with her job, she contributed to cited various national and international research studies about governance. She was a senior managing editor in an international journal and she has been invited to various conferences to present her studies about “corporate governance”. Prior to her corporate governance and process development consulting experience in Mazars Denge, she was contributed to research studies in University of Greenwich and TÜBİTAK. She holds a B.S. degree with honor scholarship in Manufacturing Systems Engineering from Sabancı University and M.A. degree in Economics and Finance from Boğaziçi University. She is a PhD candidate in Business Administration with her thesis on corporate governance and financial reporting.



## Yılmaz KURTULMUŞ

Project Specialist

Yılmaz Kurtulmuş started his career at Boğaziçi University Alumni Association (BUMED) as Event Manager and continued as Quality Development Manager. He then had worked at Women Entrepreneurs Association of Türkiye (KAGİDER), as Administrative and Financial Manager where he had worked in many projects as a specialist and coordinator.

He completed his education at Boğaziçi University in the Business Administration Program and Electronic Program. He participated to the certificate program of Turkish Quality Association on Process Assessment and Enhancement, of Turkish Ethical Values Association on Internal Ethic Management and of the Turkish Foundation for Combatting Soil Erosion for Reforestation and the Protection of Natural Habitats (TEMA) on Corporate Ecological Literacy.

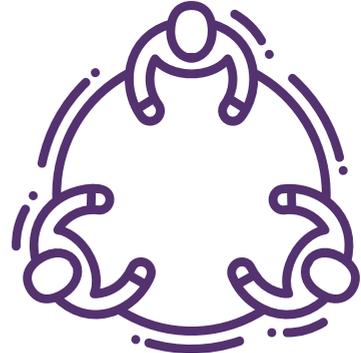


## Tuba DOKUR

Communication Specialist

Tuba Dokur is responsible for communication activities and she supports research projects in the Academy. She holds a B.A. degree in International Relations from Koç University and a master's degree of Business Administration from Galatasaray University. Additionally, Tuba earned a double master's degree in public diplomacy from Syracuse University, majoring in International Relations and Public Relations. Tuba has a Political Psychology certificate from the Summer Institute of the Stanford University.

**We plan all our activities together and prioritize “internal communication and coordination”.**



## OUR VOLUNTEERS

We highly value the individual or corporate contribution of our volunteers from different occupations and different specializations. Most of them are senior people aiming to contribute to the dissemination of consistency, responsibility, accountability, fairness, transparency, effectiveness, and deployment. We aim to promote “the role of civil society and volunteerism” for good governance. To do so, we pay attention to emphasize volunteer work and calculate “the equivalent value to the value-added” which is created by our volunteers. We always recognize and support their contribution in all occasions; in our Reports, Publications, Conferences and Events. We systematically register the volunteers’ in-kind-contributions in terms of time and value. We register the accuracy of this data in the audit process and provide justification.

 Audit Report 2016 pg.80

 Financial Highlights pg.75

### VOLUNTARY CONTRIBUTIONS



VOLUNTEER	SPECIALTY	VOLUNTEERED WORK
Özhan Binici	Programming, website design and software internet strategies	Website maintenance and updating
Fikret Toksöz	Good governance for public and civil society implementations	Training curriculum development and guidance
Prof. Dr. Ali Çarkoğlu	Behavioral politics, public opinion and party politics	Creating research design and methodology and guidance
Dr. Erkin Erimez	Corporate governance, sustainability	Training curriculum development and guidance
⋮	⋮	⋮

We create value for our volunteers by raising their awareness on good governance implementations, enabling them to join a reputable network. We create platforms where they can enhance knowledge and increase awareness within the society. We also try to justify their aims for their social responsibility ideas to boost the value created.

COMPANIES WHO HAS IN-KIND CONTRIBUTION	FIELD OF WORK	TYPE OF IN-KIND CONTRIBUTION
Myra Communication and Design Agency	Social benefit advertising	Publication identity creation sponsorship
Deloitte	Auditing, tax, consulting, corporaterisk management	Impact Report audit
ARGE Consulting	Management and strategy consultancy	The Academy's corporate film, accommodation and transportation costs of the Advisory Board members, the fixed costs of the Academy's office
Friedrich-Ebert-Stiftung (FES)	Support democracy and pluralism, strengthen the environment of international cooperation and understanding	Meeting room and catering expenses
Nildem Printing House	Printing	Prints of invitations and posters
⋮	⋮	⋮



In 2015, we were focused on structuring of the basic working principles of our volunteers. Since “2015” was the year of our foundation, some of our members of the Board of Directors devoted much of their time and effort to working as a full-time employee. For this reason, in 2015 our “Volunteer Contributions - Hours” was more than the following year. In 2016, we found the chance to get support from volunteers operating in different business lines. Thereby, we oriented ourselves to utilize from diverse volunteer work.

We aim to promote  
 “the existence of civil society”  
 and the idea of volunteerism  
 in Türkiye.



## STAKEHOLDER RELATIONSHIPS

Governance entails all stakeholders rather than only the policy makers. To achieve our mission, we believe in long-term collaborative partnerships and joint-initiatives. We create value for our stakeholders by disseminating their methodology and experience, providing them the right audience (participants), raising their awareness on good governance implementations, contributing to their network, improving their visibility and recognition, enriching their knowledge and resources.

In our business model, we mainly build 3 kinds of partnerships:

**Knowledge:** We serve as a knowledge resource for our partners and learn from them mutually. We have “Knowledge Partnership Relations” with Turkish Ethics and Reputation Society (TEİD) and Corporate Governance Association of Türkiye (TKYD). We plan to enlarge our knowledge partnerships through new agreements.

**Impact:** We create an added value for and with our partners on dissemination of good governance to different segments of the society. We try to announce all our cooperation partners’ activities on “governance” through our channels. Moreover, we provide content and speaker support to augment their impact while we draw attention the benefit of collaboration culture.

**Resource:** We create resources in kind or cash through either being resourceful or benefiting from our partners’ resources for the activities.

The partnerships established usually consist of the combination of these three. Thus, we form a method which enables all types of leverage at the same time and mutually: knowledge, impact, resource. We embrace to prioritize using the most effective resources as well as the most coherent ones with our budget allocation strategy.

By mobilizing these resources, we benefit from many services without real budget allocation (leverage effect) and thus create more value. Since we always prefer “to do together” rather than “doing alone”, we have specialized international and local stakeholders/knowledge partners in different sectors.

 Financial Highlights  
pg.75

 Our Impact Report  
pg.37



We prefer to work with the most suitable partners for the reputation and sustainability of our programs:

 Good Governance in Public Sector Certificate Program pg.49



We demonstrate “best practice” models that we create synergy with our stakeholders (public / civil society / private sector):

 Public Governance pg.47



Our Academic Partners contribute much in developing cutting-edge knowledge and disseminate governance best practices in public, non-profit, and corporate sectors:



To achieve our mission, we believe in long-term collaborative partnerships and joint-initiatives.



We are eager to collaborate with International Organizations and NGOs to promote the understanding, implementation and effectiveness of good governance practices within and across public, non-profit, and private institutions. Our joint initiatives include workshops, surveys, awareness-building activities and implementation projects:

NGO Governance pg.55



We receive donations from independent organizations, foundations, and individuals who are committed to support our mission of improving governance quality at all levels of society. We appreciate the generous donations of TIRSAN on the first hand, Garanti Bank and ARGE Consulting, letting us pursue our goals:



Our Impact Report pg.37

Financial Highlights pg.75

We cooperate with good governance volunteers for a better future. Throughout 2016, our volunteers invested 874 hours (equivalent to TL 185,542). We succeeded in mobilizing the resources as in-kind contribution, which were supposed to be paid in cash (such as communication expenditures, training hall fees, lecturer fees, airline ticket fees, accommodation fees, service fees, etc.) equivalent to TL 497,347.

CATEGORY	LEVERAGE TL	VOLUNTARY CONTRIBUTION	
		TL	HOURS
EDUCATION	118,938	39,038	171
RESEARCH	30,896	27,944	128
COMMUNICATION	263,674	77,116	383
MANAGEMENT	83,839	41,444	192
<b>TOTAL</b>	<b>497,347</b>	<b>185,542</b>	<b>874</b>

## OUR IMPACT REPORT

We have shared our Impact Report with our donors and stakeholders at the end of 2016 as we did in 2015. The Report exhibits our activities performed in 2016, including the impact we created with a certain real budget and an invaluable leverage effect which regularly registered.

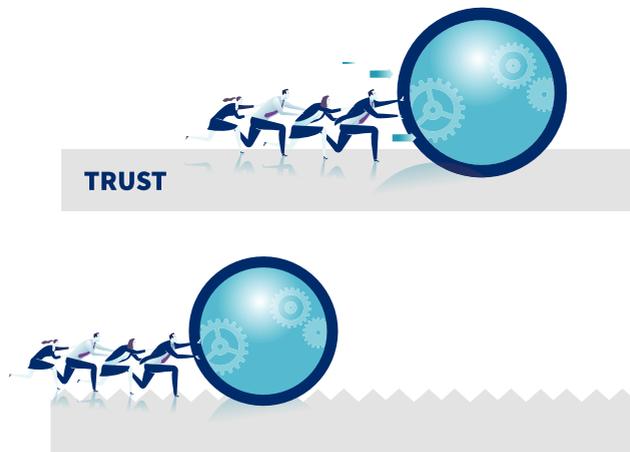
As to reflect our accountability, we periodically visit our donors to explain how we utilize their donations via sharing our Impact Report. The Report was audited pro-bono by one of big four audit companies “Ernst & Young” and assessed as reliable. We are glad to share it to inform about our future path with our network.

Our Impact Report is prepared and shared both in Turkish and English, and helps us to;

- Concretize how governance culture and climate progressed,
- Increase our accountability,
- Enhance our capacity to measure outputs we deliver,
- Maintain sustainable improvement and progress,
- Motivate our donors and stakeholders to support deployment of governance culture,
- Encourage future donors to support the activities of the Academy.

The Report showed us that we created 1.8 times of additional value through leverage and voluntary contributions.

**Trust for institutions is the key for development.  
Deficiency of governance is like a friction coefficient. When friction is high, much more energy is needed to accomplish the same amount of work.  
Therefore, in communities where there is a lack of trust, the competitiveness suffers.**



## IMPACT REPORT 2016

Dear Stakeholders,

We have performed various activities to raise awareness and dissemination of "Governance", with your supports since the foundation of the Academy. We are glad to present our Impact Report including our activities performed in 2016.



### COOPERATIONS



**874**  
VOLUNTARY HOURS



**48**  
NATIONAL AND INTERNATIONAL COOPERATIONS



### DONORS

**TIRSAN**

**Garanti**

**AKKÖK  
HOLDING**

**ARGE**  
Helping You Succeed

Argüden Governance Academy is a non-profits initiative, operating under the aegis of Boğaziçi University Foundation.

## ACTIVITIES

■ Activities Completed ■ Ongoing Activities ■ Activities Participated E: Education R: Research C: Communication

### PUBLIC

- E 01 Good Governance in Public Sector Certificate Program (Module 3 & Module 4)
- R 02 Good Governance in Public - Publication (2<sup>nd</sup> & 3<sup>rd</sup> Publications)
- R 03 OECD Guidelines on Corporate Governance of State-Owned Enterprises Publication - Official Translation
- R 04 Quality of Regulatory Policy and Quality of Life - Publication (In Turkish)
- R 05 Quality of Regulatory Policy and Quality of Life - Publication (1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup> Publications)

- C 06 Good Governance in State-Owned Enterprises Conference
- C 07 OECD Regulatory Policy Outlook Report 2015 - Decision Making in the Public Sector Conference
- C 08 Anatolian Seminars - Bursa, Ankara & Adana Meetings
- C 09 Good Governance Perceptions in the Public Sector Roundtable Meeting 2016
- C 10 Graduation Ceremony of Good Governance in Public Sector Certificate Program

### CIVIL SOCIETY

- R 11 Participatory Democracy: Empowering NGOs - Publication
- R 12 Corporate Governance Rating for NGOs - Publication
- R 13 Good Governance for Kids - Publication
- C 14 Participatory Democracy: Empowering NGOs - Adana, Ankara & İstanbul Workshops

- I 15 Surviving the Flood - 6th International Ethics Summit
- I 16 Roundtable Meeting on Civil Society Legislative Framework
- I 17 7<sup>th</sup> Sivil Düşün Advisory Board Meeting

### CORPORATE

- E 18 More Women for Board Membership Program
- E 19 Gender Equality Education Program
- E 20 Leading in a Global World - Boğaziçi University Executive Education Abroad Program
- E 21 Leading in the New Telecom World - Boğaziçi University Executive Education Abroad Program
- E 22 Good Governance and Responsibilities of Board of Directors Education
- R 23 Social Responsibilities of Board of Directors - Publication
- R 24 Good Governance for Sustainable Future - Article
- R 25 Guide for General Counsel on Corporate Responsibility Publication - Official Translation
- R 26 Responsible Boards for a Sustainable Future - Publication
- C 27 Trust for Institutions is the Key for Development - Turkish Business Daily Dünya

- C 28 Corporate Governance and the Role of Internal Audit - 20<sup>th</sup> International Internal Audit Conference
- C 29 Board of Directors Membership Panel - Corporate Governance Association of Türkiye (TKYD)
- C 30 Sustainable Business Awards 2016 - Sustainability Academy
- C 31 2016 Sustainability Awards - Yaşar Holding
- C 32 Recommendations from 100 Global Leaders' Good Governance for Quality of Life - EDUPLUS 15<sup>th</sup> Management Summit
- C 33 15<sup>th</sup> Anniversary of SAP Türkiye - SAP Executive Summit
- C 34 VUCA: World of Change - 17<sup>th</sup> Seeking Excellence Symposium
- C 35 TAIDER 4<sup>th</sup> National Family Business Summit
- C 36 TÜYD Investor Relations Summit 2016

### GLOBAL

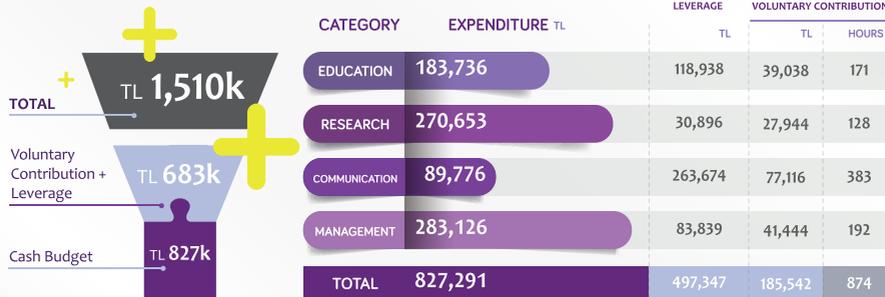
- R 37 Good Governance Recommendations for G20 - Publication (In Turkish) (2<sup>nd</sup> & 3<sup>rd</sup> Publications)
- R 38 Good Governance Recommendations for G20 - Publication (2<sup>nd</sup> Publication)
- C 39 Responsible Leadership and Integrated Reporting - Panel
- C 40 Türkiye Very Weak in Good Governance in Public Sector - Hürriyet Daily News

- C 41 UN Global Compact Leaders Summit
- C 42 30<sup>th</sup> Anniversary Conference of Boğaziçi Journal
- C 43 Unleashing Public Sector Innovation - OECD Conference
- C 44 Conference on Preschool Education

- 45 Integrated Reporting 2015 (In Turkish)
- 46 Integrated Reporting 2015 (In English)
- 47 Argüden Governance Academy: A Change Agent to Build Trust for Institutions - IIRC Post

- 48 H. Orhan Argüden Governance Scholarship
- 49 UN Global Compact Membership
- 50 Sustainable Development Knowledge Platform Membership
- 51 Global Alliance Membership

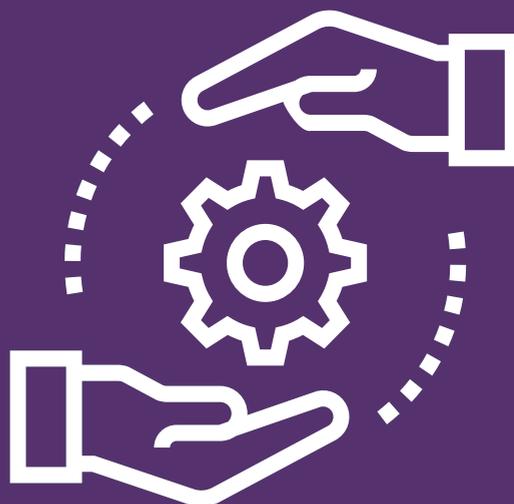
We have achieved **1.8** times resource mobilization.





## OUR ACTIVITIES IN 2016

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## OUR ACTIVITIES IN 2016

In 2016, we performed education, research and communication activities to raise the awareness of “good governance”, as we did in 2015.

In 2016, with the activities focusing on sustaining and increasing the trust for the institutions in public sector, non-governmental organizations, and private sector:

- We trained **264** people, in **8** education programs.
- We reached **5,681** people with **13** printed publications.
- We contacted to **5,393** people face-to-face, in **29** different events.

### 2016 MONTHLY ACTIVITY PLAN



	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
EDUCATION												
RESEARCH												
COMMUNICATION												



	EDUCATION	RESEARCH	COMMUNICATION
PUBLIC	Good Governance in Public Sector Certificate Program (Module 3)	OECD Guidelines on Corporate Governance of State-Owned Enterprises Publication - Official Translation	Good Governance in State-Owned Enterprises Conference
	Good Governance in Public Sector Certificate Program (Module 4)	Quality of Regulatory Policy and Quality of Life - Publication (in Turkish)	OECD Regulatory Policy Outlook Report 2015 Decision Making in the Public Sector Conference
		Quality of Regulatory Policy and Quality of Life - Publication (in English)	Anatolian Seminars Bursa, Ankara & Adana Meetings
			Good Governance Perceptions in the Public Sector Roundtable Meeting 2016
CIVIL SECTOR			Graduation Ceremony of Good Governance in Public Sector Certificate Program
		Corporate Governance Rating for NGOs Publication	Participatory Democracy: Empowering NGOs Ankara Workshops
		Participatory Democracy: Empowering NGOs - Publication	Participatory Democracy: Empowering NGOs Istanbul Workshops
			Participatory Democracy: Empowering NGOs Adana Workshops
			7th Sivil Düşün Advisory Board Meeting
			Surviving the Flood - 6th International Ethics Summit
PRIVATE	Gender Equality Education Program	Social Responsibilities of Board of Directors - Publication	Trust for Institutions is the Key for Development Turkish Business Daily Dünya Interview
	More Women for Board Membership Program	Good Governance for Sustainable Future Article	Board of Directors Membership Panel - Corporate Governance Association of Türkiye (TKYD)
	Leading in the New Telecom World Boğaziçi University Executive Education Abroad Program	Responsible Boards for a Sustainable Future Publication	Corporate Governance and the Role of Internal Audit - 20th International Internal Audit Conference
	Leading in a Global World Boğaziçi University Executive Education Abroad Program		Sustainable Business Awards 2016 Sustainability Academy
	Good Governance and Responsibilities of Board of Directors Education Program		2016 Sustainability Awards - Yaşar Holding
			Recommendations from 100 Global Leaders! Good Governance for Quality of Life - EDUPLUS 15th Management Summit
			SAP Executive Summit 15th Anniversary of SAP Türkiye
		TAIDER 4th National Family Business Summit	
GLOBAL			TÜYİD Investor Relations Summit 2016
		Good Governance Recommendations for G20 - Publication (In Turkish)	Responsible Leadership and Integrated Reporting - Panel
		Good Governance Recommendations for G20 - Publication (In English)	Türkiye Very Weak in Good Governance in Public Sector - Hürriyet Daily News
			UN Global Compact Leaders Summit
			Unleashing Public Sector Innovation OECD Conference
		Conference on Preschool Education	



We pay extra attention to make our activity plan in autumn for the following year to use our resources effectively and create high utility and impact. Our activity plan for 2016, which was constructed on the basis of our needs and contemporary proceedings, was approved by our Board of Directors at the end of 2015.

We share our activities with our stakeholders via our newsletters twice a year both in English and Turkish. Additionally, we communicate our trending activities via special newsletters. It is important for us to share our newsletters with our donors and stakeholders to be "accountable". We measure our impact in this communication channel with analyzing opening rates and report these results to our Board of Directors, regularly. As a result of our special effort, our opening rates for newsletters in 2016 were above the average of the sector rates.

In 2017, we plan to be more active in social media as well to share our activities.



Our Expectations for the Future pg.82

#### ARGÜDEN YÖNETİŞİM AKADEMİSİ



YAZ '16



#### ARGÜDEN YÖNETİŞİM AKADEMİSİ



KIŞ '17

#### ARGÜDEN GOVERNANCE ACADEMY



WINTER '17



#### ARGÜDEN GOVERNANCE ACADEMY



SUMMER '16



#### Good Governance in State-Owned Enterprises Conference

In cooperation with Corporate Governance Association of Türkiye and with the contribution of Republic of Türkiye Prime Ministry Undersecretariat of Treasury and Union of Turkish Public Enterprises, the significance of implementing Corporate Governance principles in the State-Owned Enterprises for sustainable success was highlighted.

[Read More](#)

#### OECD Regulatory Policy Outlook Launched in Istanbul

In collaboration with TÜSİAD (Turkish Industry & Business Association), decision making process in the public sector was analyzed with the participation of Niki Malyshev, Head of OECD Regulatory Policy Division and our Advisory Board Member, Prof. Dr. Erkin Kalyonçuoğlu, Prof. Dr. Muhtetin Acar, Dr. Emin Dedeoğlu, and Eray Adıgüç.

[Read More](#)

#### İ Düzeneleme Kalitesi ve n Düzeyi

Regulatory Policy Outlook 2015' in giriş konuşması ve Prof. Dr. Kalyonçuoğlu ve Dr. Erkin Erimezin "İstanbul'da karar alma süreçleri" sunumlarına ilişkin yayımlanan bir İngilizce özet paylaşıldı.

[Read More](#)

#### PUBLICATIONS



**Dünya Gazetesi'nde Söyleniş Yayımlandı**  
Dr. Argüden, yeni çıkan 'Yüksek Kalite' Yayımlanmış Etiket ve İyi Yönetişim' isimli raporuna ilişkin bir söyleşiyi yaptı.

[Devletlere Oku](#)

**6. Uluslararası Etik Zirvesi: Türkiye'de Hayata Geçti**  
Türkiye'de ilk kez düzenlenen 6. Uluslararası Etik Zirvesi, 2016 yılında İstanbul'da gerçekleştirildi. Zirve, Türkiye'de etik konularında ilk kez gerçekleştirildi.

[Pazara Oku](#)

**UN Global Compact İnceleme Güncelendi**  
Dünya'nın en büyük sürdürülebilirlik platformu UN Global Compact, 2016 yılında ilk kez İyi Yönetişim kategorisinde değerlendirildi.

[Devletlere Oku](#)

**Congratulations to Our First Graduates!**  
The graduation ceremony of Good Governance in Public Sector Certificate Program was held in Ankara with wide attendance of top public sector officials. Certificates were presented to the public sector leaders who successfully completed the 96 hours education program.

[Read More](#)



#### The First Turkish Integrated Report is Launched

We prepared the first Turkish Integrated Report covering our first full year of operations, making us one of the pioneer NGOs in the world adopting the IR Framework. International Reporting Council (IRC) shared our experience from their website with a post titled "Argüden Governance Academy: A Change Agent to Build 'Trust' for Institutions".

[Read the Report](#)

[Read the Post](#)



#### Responsible Leadership and the Importance of Integrated Reporting was discussed in a panel with the Academy's Advisory Board Members.

Prof. Mervyn E. King, Chairman of the International Integrated Reporting Council (IIRC), Sir Mark Moody-Stuart, Chairman of the Global Compact Foundation (UNGC) and Dr. Yilmaz Argüden, founder of the Academy.

[Watch the Panel](#)

**Türkiye'nin İlk Entegre Raporunu Yayımladık!**  
İlk operasyonel çalışmaya yitimizde aile faaliyet raporumuzu Entegre Rapor olarak yayımladık, kır amacı gütmeyen dünyadaki ilk 10 kuruluş arasında yer aldık.

[Read More](#)

#### Uluslararası Entegre Raporlama Konseyi (IIRC), "Argüden Yönetişim Akademisi: Kurumlar için Güven Yaratın Değişimin Öncüsü" haberiyle Entegre Raporlama deneyimimizi takipçilerine paylaştı.

[Rapor için tıklayın](#)

[Haber için tıklayın](#)

#### Danışma Kurulu üyelerimizden Uluslararası Entegre Raporlama Konseyi (IIRC) Başkanı Prof. Mervyn E. King, Global Compact Foundation (UNGC) Başkanı Sir Mark Moody-Stuart ve Kurucumuz Dr. Yilmaz Argüden'in katıldığı panelde Sorumlu Liderlik kavramı ve Entegre Raporlamamın önemi vurgulandı.

[Panelli Olmak için tıklayın](#)

[Panelli Olmak için tıklayın](#)

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# PUBLIC GOVERNANCE

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## PUBLIC GOVERNANCE

We contextualize governance with a holistic approach across public sector, NGOs, private sector, and global arena.

Promotion of good governance in the public sector:



Our Business Model and Our Strategy pg.12

- Creates consistent, transparent, and accountable public administration,
- Ensures fairness, effectiveness in the decision-making process and implementation of decisions,
- Encourages participation,
- Enables participation, predictability, and transparency in the formulation of public policies.

We perform education, research, and communication activities to increase awareness of public governance.



Our Business Model and Our Strategy pg.12

### Our Outstanding Activities in 2016:

- Future public service leaders graduated from “Good Governance in Public Sector Certificate Program” organized in collaboration with Boğaziçi University Lifelong Learning Center (BULLC) which operates under one of the leading universities in Türkiye.
- We released our “Quality of Regulatory Policy and Quality of Life” publication including an extensive summary of “OECD Regulatory Policy Outlook 2015 Report” and an assessment for the regulatory policy quality, both in English and in Turkish. We discussed this publication in “Decision-Making Process in the Public-Sector Conference”, organized in collaboration with Turkish Industry & Business Association (TÜSİAD), with the participation of national and international experts.
- We published the Turkish translation of “OECD Guidelines on Corporate Governance of State-Owned Enterprises 2015 Edition”, in collaboration with Corporate Governance Association of Türkiye (TKYD). We shared and discussed this publication in the “Good Governance in State-Owned Enterprises Conference”, organized with the contributions of Republic of Türkiye Prime Ministry Undersecretariat of Treasury and Union of Turkish Public Enterprises (TKİB).

**Trust is the essence of good governance and foundation of development.**



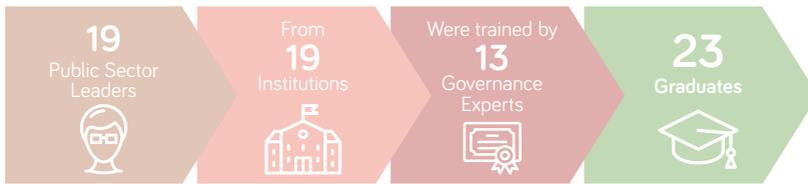
## OUR ACTIVITIES IN 2016

We promote to improve the governance knowledge of the public-sector leaders.

We completed the third and fourth module of the Good Governance in Public Certificate Program, with the participation of 47 public sector leaders from 19 different institutions. Our **first graduates** of our program received their “Certificates of Expertise”.



The Graduation Ceremony for our “Good Governance in Public Sector Certificate Program” took place with the participation of the leading public officials. After accomplishing 96-hour intensive education in collaboration with BULLC, Prime Ministry Experts Association, Association of Information Technology Experts, Association of Energy Experts, Association of Public Sector Internal Auditors, Association of Finance Experts, Association of Competition Experts, Association of Tobacco and Alcohol Market Experts, Legislative Association, and Association of Legislative Experts, our participants graduated and received their “Certificate of Expertise”.



We are thankful to Ministry of Youth and Sports who profoundly supported us in realizing our education program and graduation ceremony by providing halls for activities.

Our Materiality pg.18



We contributed to our human capital which is important for our business model via bringing 13 lecturers and our participants together in this certificate program.

With this program, we aimed to:

- Build awareness on the importance of governance and sustainability,
- Raise the participatory approach and analytical methods in policy design and implementation,
- Increase the service quality for current and future leaders in public sector.



Our Capitals  
pg. 16



The program, which designed for Public Sector Leaders organized in association with BULLC, consists of 4 modules where each module is 24 hours and focusing on;

- Good Governance in the Public Sector
- Regulatory Reform and Empirical Methods in Policy-Making
- Participatory Democracy and Open Government
- Effectiveness and Innovation in Public Service Delivery and Innovation

We share the lecture notes, syllabus, additional resources, reading lists of the courses on our website for free, to enable the participants benefit from them all, to be used throughout their daily practices in public service.

In our education programs, we use 360° performance evaluation to continuously improve our implementation. Right after the completion of each module, we make a survey among the participants to receive feedback regarding the quality levels of the education, the organization, and the lecturer. Additionally,



we request the lecturers to rate us on the quality of the organization and the participants.

We adopt the holistic approach that consists of education, research and communication activities to raise awareness on governance. In 2016, we underlined



the importance of good governance with our 3 books published in cooperation with OECD. We shared and discussed our publications in conferences and panels. We released the Turkish translation of “OECD Guidelines on Corporate Governance of State-Owned Enterprises 2015 Edition” as “Good Governance in State-Owned Enterprises” in collaboration with Corporate Governance

Association of Türkiye (TKYD).

The publication underlines the social and economic key role of State-Owned Enterprises and assesses a regulatory role to the public in the market and being the main provider of the public services. Good Governance of State-Owned Enterprises is crucial to ensure the competitiveness and fairness of the market, both at national and international level.

We shared this publication in the “Good Governance in State- Owned Enterprises” Conference which is organized in cooperation with TKYD and contributions of Republic of Türkiye Prime Ministry Undersecretariat of Treasury and TKİB. With 131 participants, we have evaluated the importance of implementing Corporate Governance principles to the State – Owned Enterprises for:

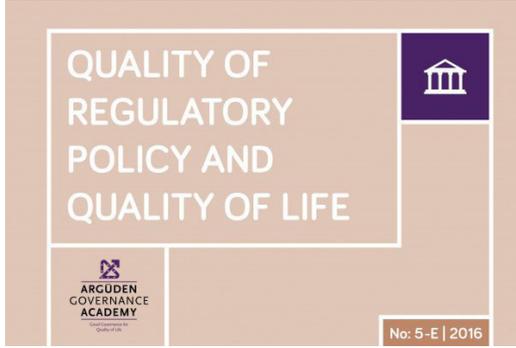
- The quality of life,
- The sustainable success,
- The significance of national economy.

Our founder, Dr. Yılmaz Argüden; Hürşit Zorlu (President of Board of Directors of Corporate Governance Association of Türkiye), Halil Alış (Chairman of Union of Turkish Public Enterprises) and Taşkın Temiz (Deputy Undersecretary of Undersecretariat of Treasury) made the opening speech. Prof. Dr. Vedat Akgiray (member of Our Academic Board) made the closing speech.



Barış Dinçer (Our Executive Director), Selim Yeşilbaş (Advisory of Türkiye Prime Ministry), Mediha Açar (Senior Economist at World Bank), Ömer Yıldız (CEO at İstanbul Transportation Co.), Ramazan Özcan Yıldırım (the Head of İstanbul Metropolitan Municipality (IBB) Corporate Development and Management Systems Department), and Cem Kozlu (author and manager) discussed what “OECD Guidelines on Corporate Governance of State-Owned Enterprises” can bring, the need for reform, and the problems faced during implementations.

In the second session, Sevdil Yıldırım (Board Member at KOTEDER), Ramazan Özcan Yıldırım (the Head of IBB Corporate Development and Management Systems Department), Cem Kozlu, Aclan Acar (Chairman of Doğu Otomotiv) shared their experiences on corporate governance. In the last session, accountability in public companies, performance evaluation systems, and the management of the risks of misuse were discussed by Ayşegül Akşit (Executive Vice President at Capital Markets Board of Türkiye); İlhami Koç (Chairman of the Corporate Governance Association of Türkiye (TKYD), Fikret Sebilcioğlu (Board Member at ACFE), and Dr. Erkin Erimez (Our Academic Board Member).



We released an extensive summary of “OECD Regulatory Policy Outlook 2015 Report” in “Quality of Regulatory Policy and Quality of Life” which is written by Dr. Erkin Erimez. Additionally, we published an analysis for the quality of regulatory policy by Prof. Dr. Ersin Kalaycıoğlu in Turkish and in English. We shared our publication in “Decision-Making

Process in the Public-Sector Conference”.



Our Academic Board  
pg. 27

In the Conference, Cansen Başaran-Symes (the President of TÜSİAD) and Prof. Dr. Metin Çakmakçı (Chairman of Argüden Governance Academy) made the opening remarks. Nick Malyshev who is Head of OECD Regulatory Policy Division and Our Advisory Board Member shared his insights as a keynote speaker. Moreover, Prof. Dr. Ersin Kalaycıoğlu (Professor of Sabancı University Faculty of Art and Social Sciences), Dr. Erkin Erimez (Our Academic Board Member), Dr. Yılmaz Argüden (our Founder), Prof. Dr. Muhittin Acar, (Professor of Hacettepe University), Dr. Emin Dedeoğlu, (Director of the Governance Studies in TEPAV), and Eray Akdağ (Permanent Representative of TÜSİAD in Ankara) shared their opinions.

Our Board of  
Directors  
pg.28

Our Advisory  
Board  
pg.26

Our Academic  
Board  
pg. 27



## We shared our knowledge on public governance in the printed press and in other institutions' activities.



- In collaboration with IRI, we organized a round-table meeting for “The Perception of Good Governance in Public Sector”. Public sector experts, local authorities, political party representatives, academicians, and researchers participated the meeting.
- At the Freedom of Research Association’s meeting on ‘Political Systems in the Context of New Constitutional Debate’, our founder, Dr. Yılmaz Argüden shared his opinions on “Parliamentary and Presidential Systems and Constitutions”.

After completing our certificate program in the public sector, in 2017, we planned education, research, and communication activities focusing on good governance in local governments.



# NGO GOVERNANCE

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## NGO GOVERNANCE

We create value for public sector, civil society and private sector by contributing to empowerment of NGOs.

NGOs have a pioneering role for the participation of companies and individuals in governance mechanism to improve quality of life and increase the contribution to decision-making process. Based on our business model:

- In public sector, NGOs raise awareness of the society by participating in decision making process. By cooperating with NGO, the state may also benefit from civil society's experience, know-how and demands in dealing with national and local issues. The state also enhances the trust to its institutions by involving civil society to decision-making, resultantly increase quality of life of the society.
- The adoption of good governance principles in the operations of civil society organizations will contribute to their capacity building, increase quality of policy-making by participating decision-making process of public sector, and thus they increase the level of trust in the society.
- Companies adopt participatory, transparent, and accountable form of management if they cooperate with NGOs, whereas trust for institutions is sustained via the adoption of these good governance principles.

  
Our Business  
Model and  
Our Strategy  
pg.12

In our business model, we -as a non-profit organization- believe that cooperation with other civil society organizations, both at local and global level, is crucial to deploy good governance culture in the society. We seek knowledge, impact and resource partners in the civil society. Thus, we prefer to sign partnership memorandums with them. We support this reality by making partnership agreements with numerous NGOs.



Our KPIs pg.22

**NGOs are the key actors  
for empowerment of  
participatory democracy.**



## **Our Outstanding Activities in 2016:**

- We contributed to sustain the participatory democracy via developing recommendations to empower NGOs. We shared and discussed our recommendations in the workshops held in Adana, Ankara, and İstanbul which are supported by Friedrich-Ebert-Stiftung, in cooperation with Turkish Economic and Social Studies Foundation (TESEV) and The Economic Policy Research Foundation of Türkiye (TEPAV). In 2017, we plan to disseminate this publication.
- Since we value the dissemination of corporate governance culture in civil society, we continue the “Corporate Governance Rating for Non-Governmental Organizations” project, which we started in 2015 in collaboration with KOBIRATE and Corporate Governance Association of Türkiye (TKYD). We finalized the rating of the Educational Volunteers Foundation of Türkiye (TEGV) and plan to conduct our research in other NGOs in 2017, as well.
- We raised the awareness to improve cooperative approach of NGOs and public institutions in our Anatolian Seminars held in Bursa, Adana, and Ankara. We created a platform where all local stakeholders come together and contribute to trigger the local synergy. Resultantly, we created value for local government (public), civil society, and private sector.

## Activities in 2016

Strengthening civil society is crucial in transition from representative democracy to participatory democracy; dissemination of good governance practices in the society; and promotion of sustainable development. From this point of view, we prepared bundle of recommendations to empower NGOs. We completed our research project named after “Participatory Democracy: Empowering NGOs” with the funding of Friedrich-Ebert-Stiftung (FES) and in cooperation with TESEV and TEPAV. We organized events to share the results of our research.



tepav



We conducted a survey which included the questionnaires about the problems NGOs face and solution suggestion, with 94 NGOs from 19 cities. We collected feedbacks about the conclusion of the survey from the NGO representatives in the workshops held in Adana, Ankara, and İstanbul. We compiled the recommendations enriched during the NGO workshops held in participatory environment and survey results in “Participatory Democracy: Empowering NGOs” publication. We shared our book with all stakeholders in this environment which includes a comprehensive literature review and current situation analysis of civil society in Türkiye and the world.



We organized our workshops;  
in collaboration with **Adana City Council** in Adana,  
hosted by **Sivil Düşün** EU Program in Ankara,  
supported by **Friedrich-Ebert-Stiftung (FES)** in İstanbul.



Financial Highlights pg.75



Adana Workshop



Ankara Workshop



İstanbul Workshop

## Governance Rating for NGOs

We value the strengthening of corporate structure of NGOs as well as empowering them with regulatory policies. We believe that this is only possible with the implementation of the corporate governance principles in non-governmental organizations (NGOs), thus we perform

Corporate Governance Rating for NGOs to evaluate them. The assessment is based on the revised Corporate Governance Principals issued by Capital Markets Board of Türkiye in which we aim NGOs to be more transparent, accountable, fair, consistent, responsible, and effective. This project is implemented in collaboration with KOBIRATE and TKYD. The Educational Volunteers Foundation of Türkiye (TEGV) rating became an example for the counterparts in 2016. We plan to continue our Corporate Governance Rating for NGOs project in 2017 with more NGOs.



[Our Expectations for the Future pg.82](#)



One of our remarkable activities in 2016 was “Anatolian Seminars” where we brought together the representatives of public and private sector with civil society and discussed on common operating fields. We organized our first meeting in Bursa in collaboration with TKYD and Turkish Ethics and Reputation Society (TEİD). Second meeting was held in Adana and was hosted by Adana City Council. In the workshops, our governance expert Fikret Toksöz discussed good governance in Türkiye via providing historical examples and latest trends, and all of the representatives from different stakeholders shared their opinions and suggestions.



**TEİD**  
Etik ve İtibar Derneği  
Ethics & Reputation Society



**We created value by sharing our good governance knowledge via different communication activities organized by civil society organizations.**



We participated the panel held in the “6th International Ethics Summit: Surviving the Flood” and highlighted the responsibilities of Boards on implementing corporate ethics policies.



We shared our publications and discussed good governance for civil society at the “7th Sivil Düşün Advisory Board Meeting” organized with the participation of Ministry for EU Affairs, Delegation of the European Union to Türkiye and leading Turkish NGOs.



## We developed education programs for the civil society.

We concluded the curriculum for “Good Governance in Civil Society” education program and finalized it with NGOs engagement. We are glad to share that this program will be launched in 2017.



We developed the content of our education program “Good Governance for Kids” for primary school students, which are planned to be started in 2017 in collaboration with Corporate Volunteers Association (ÖSGD). We designed activities which will guide children to be raised as responsible individuals who make decisions in an accountable, transparent, fair, consistent, effective manner. Additionally, we plan to organize “pilot” training program for private sector volunteers in this project, in cooperation with ÖSGD.



# CORPORATE GOVERNANCE

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## CORPORATE GOVERNANCE

Companies who implement governance principles within the entire organization, enhance their quality of management which leads them to gain trust of the community and stakeholders. This helps them mobilize more resources throughout their value chain to achieve sustainable success.

### Our Outstanding Activities in 2016:

In 2016, we created value by supporting responsible behavior in corporate sector in various platforms, as we did in 2015. In these platforms, we;



- Emphasized the significance of Board diversity, the adoption of good governance principles by Board of Directors, and dissemination within the company for a sustainable future.
- Highlighted that the companies who adopt “Integrated Reporting” framework could enhance their transparency and accountability.
- Underlined the significance of accepting the and signing responsible business practices in cooperation with UN Global Compact.
- Contributed to United Nations’ (UN) Sustainable Development Goals (SDGs) by continuing our education programs focusing on Gender Equality.

We mentioned the importance of good governance in Board of Directors with our publications, both at national and international level:

- Our “Social Responsibilities of Board of Directors” publication guides Board of Directors on sustainability.
- We shared our knowledge for sustainability of Board of Directors via Dr. Yılmaz Argüden’s chapter, who is the only Turkish expert invited to the “All-Star” contributor list of “The Handbook of Board Governance”.

In 2016, we increased the awareness of good governance in private sector by our activities we initiated in 2015:

- We emphasized and supported Gender Equality in various platforms. Empowering all girls and women, gender equality, takes place in Sustainable Development Goals (SDGs) #5.
- 50 women graduated from “More Women for Board Membership” Program in which we disseminated gender equality. In this program, we trained and mentored women to be seated more on Boards and in line with our strategy we cooperated with leading institutions PRAESTA, Boğaziçi University, Bilgi University, Koç University, and Özyeğin University.
- Our education program focusing on “Performance Evaluation Criteria of Boards” continued in 2016, which we conducted in cooperation with TKYD.

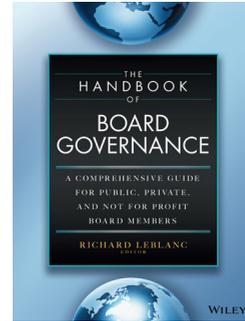


## H.Orhan Argüden Governance Scholarship

We are committed to supporting post-graduate students specializing on good governance as a mission for a sustainable future. In 2016, we initiated H. Orhan Argüden Governance Scholarship for post graduate students preparing their thesis or dissertations on governance in public, non-profit, private, and international organizations. We would like to congratulate our 2016 scholar, who writes her thesis on “Sustainability in Turkish Business World”, for her contribution to “Ethics and Sustainability in Global Supply Chain Management” book with the “Sustainability Reporting and Sustainability in the Turkish Business Context” chapter.

## Our Activities in 2016

In 2016, we focused on adoption of corporate governance in the Board of Directors level as it is significant for dissemination of the culture within the company.



We shared our publication “Social Responsibilities of Board of Directors” which is a guideline for Board of Directors to build a sustainable future. In our book, we shed light on the key ethical and moral responsibilities of companies and their Boards of Directors representing them to fulfill their fiduciary role. Our book published in cooperation with Turkish Ethics and Reputation Society and Integrity (TEİD) offers an opportunity for executives to properly evaluate their sustainability with a checklist of questions on Sustainability for Board Members.

Moreover, we drew attention to this topic internationally in “The Handbook of Board Governance”. Dr. Yılmaz Argüden was the only Turkish expert to be invited to the “All-Star” contributor list of the book. We shared Sustainability Checklist which provides a very practical guideline for executives internationally in the book which is tremendously utilized as a reference. We shared our interpretations for “The Handbook of Board Governance” and good governance as a whole during the interview with Turkish Daily Business, Dünya.

## Sürdürülebilir bir gelecek için iyi yönetim

2017 yılı sürdürülebilirlik için gelecek için önemli bir yıl oldu. Birleşmiş Milletler'in "Sürdürülebilir Kalkınma" hedefleri ile birleşince, birçok kurum başkanının hedeflerini gerçekleştirmeye yönelik önemli iş birlikleri kuruldu. Bu bağlamda, iyi yönetim kurullarına ilişkin sorulara yanıt verildi.

Günlük yaşamın ve sürdürülebilirlik kurulumun, şirketlerin başarıları için önemli bir rol oynuyor. İyi yönetim kurullarının, şirketlerin başarıları için önemli bir rol oynuyor. İyi yönetim kurullarının, şirketlerin başarıları için önemli bir rol oynuyor.



Dr. YILMAZ ZEYNELOĞLU  
AKİS Danışmanlık  
Yönetim Kurulu Başkanı  
Açıkdeniz Yönetim  
Akademi Kurucusu

İyi yönetim kurullarının, şirketlerin başarıları için önemli bir rol oynuyor. İyi yönetim kurullarının, şirketlerin başarıları için önemli bir rol oynuyor.

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We brought upon sustainability in private sector. We shared our article, "Good Governance for Sustainable Future" published on the TKYD's monthly journal, with Turkish business leaders.

Our education program focusing on "Performance Evaluation Criteria of Boards" continued in 2016, which we started in 2015 in cooperation with TKYD. We focused on contributions, culture, and behaviors of Board of Directors via this education program.

We created value with the dissemination of Gender Equality, which contextualizes empowering all girls and women, and takes place in UN's Sustainable Development Goals (SDGs) #5, via our education programs.



50 women graduated from "More Women for Board Membership" Program in which we promoted Gender Equality. We contributed to develop the content for the education program which trained and mentored women to be involved more in Boards. In parallel with our strategy, in this project we cooperated with leading institutions PRAESTA, Boğaziçi University, Bilgi University, Koç University, Özyeğin University.



Another education program on gender equality is the Gender Equality Training Program for private sector. The program is designed to raise awareness of the professionals on gender equality with a perspective of good governance culture. Our education has started with Eczacıbaşı Group (founded in 1942, a prominent Turkish industrial group with 49 companies, over 13,300 employees) in November 2015, and 41 employees benefited from it in 2016 as well.

## We shared our know-how and experience on corporate governance in various events and trainings:



We emphasized the importance of guidance, oversight and internal audit to create value and build trust at the “20th International Internal Audit Conference” held in İstanbul.



As a Borsa İstanbul Sustainability Platform member, our Academic Board Member Dr. Erkin Erimez and our Coordinator Müjde Çetin attended to the 8th Roundtable Meeting and shared their opinions.

 Our Academic Board  
pg. 27  
 Our Team  
pg.30



We provided “Good Governance and Responsibilities of Board of Directors” education in collaboration with Bursa Chamber of Commerce and Industry. Our Founder, Dr. Yılmaz Argüden shared his knowledge and experience about duties and responsibilities of the Board of Directors in TKYD’s “Board of Directors Panel”. He underlined the importance of guidance, observance, and audit functions from the sustainability point of view.



As the keynote speaker at the “15th Anniversary of SAP Türkiye”, Dr. Yılmaz Argüden provided guidelines for a sustainable success with examples from national and global developments in recent years.



At the “EDUPLUS 15th Management Summit”, we shared our experience on good governance with global business leaders.



At the opening session of the “17th Seeking Excellence Symposium”, our founder presented “VUCA: World of Change”, shared his views and experience to guide leaders in uncertain social and technological climates.



# GLOBAL GOVERNANCE

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## GLOBAL GOVERNANCE

We believe that the adoption of good governance by governments, NGOs, and international organizations is crucial to overcome global challenges. For this aim, the collaboration of independent actors is a must. We believe that this synergy should be built via embracing holistic approach to good governance.

### Our Outstanding Activities in 2016:

- We committed to conduct activities supporting UN Sustainable Development Goals UN Global Compact and Sustainable Development Knowledge Platform. In addition to these, we strengthened our communication network with our membership to Global Alliance, which has a network with more than 160,000 communication and public relations experts.



- Our approach in global governance is to contribute in the global decision-making mechanism and promote the awareness on good governance. From this point of view, we build valuable partnerships in the global arena with world's leading institutions. We shared our opinions and interpretations on global platforms by means of our partnerships with international institutions like OECD and UN Global Compact.



We share our knowledge on global governance.



## Our Activities in 2016

We became a member of the largest voluntary corporate sustainability initiative, UN Global Compact (UNGC). UNGC leads the organizations to build their strategies considering human rights, labor, development, and anti-corruption issues and encourages them to support Sustainable Development Goals (SDGs).



**United Nations**  
Global Compact

We supported SDGs as a UNGC signatory in 2016, as well as in 2015.



We highlighted our support for SDGs #16 - Peace and Justice - and #17 - Partnerships for the Goals- in the UN Global Compact Leaders Summit gathering key opinion leaders whose competencies are globally recognized.



In the OECD Conference held in Paris, Dr. Yılmaz Argüden highlighted the importance of innovation climate to achieve sectoral targets. The conference with the presidency of OECD was hosted by Observatory of Public Sector Innovation (OPSI) and Public Governance and Territorial Directorate. The conference focused on how system principles enhance regulatory policy and public service via governance processes. Public leaders, key opinion leaders, experts and researchers participated the event.





Our advisory Board Members, Prof. Mervyn E. King and Sir Mark Moody-Stuart, and our founder, Dr. Yılmaz Argüden, came together in the “Responsible Leadership and the importance of Integrated Reporting Panel”. The importance of the “Integrated Reporting” which reflects responsible business approach was discussed in the panel organized for the 25th anniversary celebrations of ARGE Consulting, our founding donor.



Prof. Dr. Metin Çakmakçı, our Chairman shared his opinions on our recent publication “Quality of Regulatory Policy and Quality of Life” and implementation of Good Governance principles in Türkiye with Barçın Yinanç from Hürriyet Daily News.



Dr. Yılmaz Argüden envisaged the role of Good Governance for the Quality of Life at the 30th Anniversary Conference of “Boğaziçi Journal: Review of Social, Economic and Administrative Studies”, organized by Boğaziçi University and CEE. He pointed out the essence of mutual interaction amongst the civil actors and the public authorities with his quotation “Trust for institutions is the key for development.” He also guided business professionals on 21st century leadership.

## Argüden Governance Academy: A Change Agent to Build Trust for Institutions

Posted  
12 October, 2016

It was such a beneficial experience for us to prepare the [Argüden Governance Academy's Annual Report](#) for its first full year of operation, in line with the International <IR> Framework.

Institutions generally share their financials, operations, sustainability position in their annual reports in different sections, in a separate manner. However, an integrated report seeks the integrated thinking between all tasks and components of the institution to be set in terms of their business model, strategy, outcomes, impact, and value creation relevance. Even though it was a demanding process in which we had to review all our activities in different perspectives, we realized that this was also a very valuable process to clarify and prioritize our goals. Since the beginning of our operations, we put special emphasis on keeping the records of not only all our activities, but also economic costs and benefits in details. Through the process of Integrated Reporting we have analyzed all this data, reviewed our Impact Report and had an independent audit of not only our financials but also the data that formed the basis of our Impact Report.

### It was "a team work" for us

When we decided to prepare our annual report according to the International <IR> Framework, we realized that the Framework itself was easy to adopt and sufficient to lead one to create a unique integrated report.

We got together all the team members to analyze each sector, related functions, and connections with our mission, vision, and strategy. This led us to question the interconnections through the 'value creation process' which consists of inputs, outputs, outcomes, and values created for all stakeholders at the end.

The reporting process enabled us as a team to internalize our business model and our philosophy better than ever. We are pleased to hear that our Integrated Report received attention from other institutions and encouraged them to go ahead with adopting the Framework.

By becoming a founding member of the "Integrated Reporting Turkish Network (ERTA)", we feel responsible to disseminate our experience through training programs for corporate sector and

Author: F.Müjde Çetin and Fatma Ögücü Şen, Argüden Governance Academy

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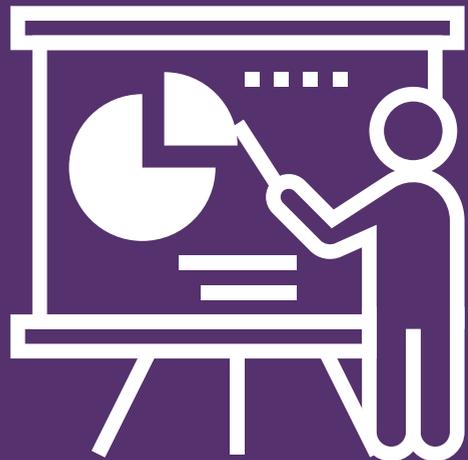


In 2016, we launched and published the first Turkish Integrated Report covering our first full year of operation, namely 2015. International Reporting Council (IIRC), whom we consulted face-to-face and obtained feedbacks for our report, shared our experience on the IIRC website with a post titled "Argüden Governance Academy: A Change Agent to Build Trust for Institutions".



# FINANCIAL HIGHLIGHTS

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## FINANCIAL HIGHLIGHTS

FINANCIAL HIGHLIGHTS		
	2015 (TL)	2016 (TL)
<b>REVENUES</b>	<b>1,182,521</b>	<b>1,223,838</b>
<b>EXPENDITURES</b>	<b>480,227</b>	<b>827,291</b>
Education	127,760	183,736
Research	114,991	270,653
Communication	109,061	89,776
Management	128,415	283,126
<b>REMAINING</b>	<b>702,294</b>	<b>396,547</b>

In 2016, 98% of our revenue, which is TL 1,223,838 in total, was from corporate and individual donors and 2% was from our economic enterprise, which we earned through service provision. We spent TL 827,291 of our revenue efficiently to finance our activities shown in the table above. We transferred the rest of our revenue which is TL 396,547 to our next year budget. We strive to establish new relationships to gather new donations or grants. We target a sustainable model where our revenue from our economic enterprise is increased and is sufficient to meet our management expenditures.



**We always try to leverage in every activity to be able to use our resources provided by our donors more effectively.**

EXPENDITURES BASED ON OUR ACTIVITIES			
ACTIVITY	2015 (TL)	2016 (TL)	Change (%)
EDUCATION	127,760	183,736	44
RESEARCH	114,991	270,653	135
COMMUNICATION	109,061	89,776	-18
MANAGEMENT	128,415	283,126	120
<b>TOTAL</b>	<b>480,227</b>	<b>827,291</b>	<b>72</b>

Since we started to operate in April 2015 (8 months of yearly operation) and for the whole of 2016, our financial highlights on activity basis are as follows:

- We provided 156 hours of training in 2015 and 191 hours in 2016. Proportionally, the budget we have allocated for education has also increased.
- We published 7 books in 2015 and 13 books / research reports / articles in 2016. We launched Türkiye's first Integrated Report. The resource we allocated in 2016 increased accordingly compared with the previous year.
- We participated in 16 events in 2015 and 29 events in 2016. In 2015, we communicated face-to-face with 2,000 people while with approximately 5,000 people in 2016. Hence, we increased the awareness of governance principles. In this light of information, increase in communication expenditures should be expected. On the contrary, it decreased since communication is the field we "mobilized our resources (leverage effect) most efficiently", which means we succeeded to allocate other's resources much more than our own.
- Because two new colleagues joined our team, our management expenses increased.

 Our Impact Report pg.37

 Our Impact Report pg.37

 Total Economic Cost pg.79

RESOURCES FROM GRANT PROJECTS		
ACTIVITY	2015 (TL)	2016 (TL)
EDUCATION	0	0
RESEARCH	0	21,645
COMMUNICATION	0	0
MANAGEMENT	0	0
<b>TOTAL</b>	<b>0</b>	<b>21,645</b>

In 2015, we did not apply for grant projects since the year 2015 was our first year of operation. We particularly focused on institutional structuring processes. In 2016, we applied for grants of FES and we received an activity support of TL 21,645 for publication our "Participatory Democracy: Empowering NGOs" research report.

 Our Expectations for the Future pg.82



LEVERAGE EFFECT (VOLUNTARY & IN-KIND CONTRIBUTION)			
ACTIVITY	2015 (TL)	2016 (TL)	Change (%)
EDUCATION	164,400	157,976	-4
RESEARCH	110,675	37,195	-66
COMMUNICATION	235,332	340,790	45
MANAGEMENT	147,210	125,283	-15
<b>TOTAL</b>	<b>657,617</b>	<b>661,244</b>	<b>1</b>

We conducted activities with a real budget of TL 827,291 with 1.8 times resource mobilization. As a result we achieved a total budget of TL 1,510,180 for our activities. We register 3 different price proposals for every in-kind contribution type (e.g. transportation ticket fee, meeting hall fee, consultation fee to value voluntary hours etc.) and pick the “lowest price” to determine the cash value of in-kind contribution for our records. Additionally, our volunteers invested 874 hours and contributed to the budget TL 185.542 equivalent, to support us for dissemination of good governance principles. We regularly collected data for volunteers’ hours and in-kind contribution. We benefited from opportunities and platform where they can take active action to deliver their know-how and experience to improve quality of life of the society. This behavior of us served an example for the civil society and several NGOs consulted us on how to benefit this “leverage effect” and how to measure the impact of leverages on the real budget.

Our Impact Report  
pg.37

CATEGORY	VOLUNTARY CONTRIBUTION 	
	TL	HOURS
EDUCATION	39,038	171
RESEARCH	27,944	128
COMMUNICATION	77,116	383
MANAGEMENT	41,444	192
<b>TOTAL</b>	<b>185,542</b>	<b>874</b>

We tried to promote invaluable contributions and support of our donors either by announcing their contribution or thanking them on our publications and in our events to be an example for the society and demonstrate the value created for us. Considering we are dependent on the resources of our donors, we are highly sensitive on expenditures, keeping always in mind how to leverage from other's resources which are mostly costless for them. In line with this responsible behavior, we give an **account** of our budget and series of events, to our donors periodically, without their demand.



- In 2015, we benefited more from volunteer support for our publications. In 2016, our volunteers contributed to review of our publications. This difference resulted in decrease in “leverage effect” for our research activities.
- In 2016, we mobilized more of our resources from our stakeholders in our communication activities compared with 2015. Therefore, we conducted more activities with less real budget. We benefited more from leverage effect.
- Since 2015 was our first year of operation, we focused on establishing institutional (corporate) structure, we received more voluntary support for our administrative activities compared with 2016.

TOTAL ECONOMIC COST			
ACTIVITY	2015 (TL)	2016 (TL)	Change (%)
EDUCATION	292,160	341,712	17
RESEARCH	225,666	329,493	46
COMMUNICATION	344,393	430,566	25
MANAGEMENT	275,625	408,409	48
<b>TOTAL</b>	<b>1,137,844</b>	<b>1,510,180</b>	<b>33</b>

We pay attention to calculate our “**Total Economic Cost**”, which is the sum of our real budget and voluntary plus in-kind contributions since we have mobilized resources to carry out our activities. The “total economic cost” was 2.7 times of our real budget in 2015 and 1.8 times of our real budget in 2016. In line with our budget allocation strategy, we mobilized our logistics and other fees from our stakeholders’ budget while we allocated our real budget to intellectual services.

## AUDIT REPORT 2016

To be accountable, our financial data and Impact Report is audited by a third party and we share the report with our donors periodically, without their demand. In 2015 Deloitte audited our data pro-bono, and in 2016 our data was audited by Ernts & Young pro-bono, both assessed as “reliable”. An independent auditing company and T.R. Prime Ministry Directorate General of Foundations as a regular procedure audit Boğaziçi University Foundation. Thereby, our academy was audited three times on different occasions and by different companies.



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(Convenience translation of the report of applying agreed upon procedures originally issued in Turkish)

### Report of independent auditors on Applying agreed upon procedures

To the Board of Directors of Argüden Yönetişim Akademisi,

We have performed the procedures based on the agreement dated on December 8, 2016 and enumerated below with the respect to the operations of Argüden Yönetişim Akademisi (Academy) throughout 2016, set forth in the accompanying schedules. Our engagement was undertaken in accordance with the Turkish Standards on Related Services 4400 "Engagements to Perform Agreed-Upon Procedures Regarding Financial Information" applicable to the agreed upon procedures engagements.

The procedures were performed solely to assist you in evaluating the validity of operations of the Academy, the data/information recorded and the validity of the "Resources" table disclosed and published in the Annual Impact Report of the Academy and are summarized as below;

1. Understanding the business and operations conducted, during the study to have detailed discussions with the process owners, the Impact Report for the financial information /data was verified on selected samples and supporting written information/documentation were examined.
2. We have requested the confirmations of bank accounts with the Academy's records as of December 31, 2016. In accordance with "Conditional Donation Agreement" signed between the Academy and Boğaziçi University Foundation (BÜVAK) in December 1, 2014, BÜVAK has been authorized to collect donations under the "Argüden Governance Academy Conditional Donation Fund". All monetary transactions such as received donations and expenses incurred are carried out through banks. Selected donations and expenses are matched with provided bank statements. Since all of the accounting related and financial transaction are conducted by the staff of BÜVAK and all the donations to the Academy are transferred to BÜVAK's bank account; the audit of balances were performed through reports presented by BÜVAK and it is observed to be in accordance with the tables. No procedures has been applied by us on BÜVAK's records. BÜVAK has been audited by Directorate General of Foundations and another independent auditor.
3. The numbers listed in the "Resources" table of the Impact Report consists of two groups; namely "Expenditures" incurred in real terms and "Voluntary Contributions" calculated based on the estimations. "Expenditures" incurred for the group have been tested and confirmed by randomly selected 25 invoices amounting to TRY 55.560. Calculations of the "Voluntary Contributions" group is based on "the estimated monetary value of the activity" have been determined/ verified by written quotes obtained for similar activities or declared by volunteers and registered by the Academy staff and monetary value of the volunteer time is calculated according to the standards set by the Board of Directors' Decision of the Academy dated December 12, 2015. Regarding "Voluntary Contribution Hours", five projects were selected by sampling from the Voluntary Hours of "Management, Public Sector, Private Sector and Civil Society" among the classifications made on sectoral basis by the Academy and monetary value of the volunteer time has been verified by the Decision of the Board of Directors.

Our operations are also reviewed through the audit process. Our fast evaluation of suggestion brought by Ernst&Young also contributed to our development. We are also glad to learn that it was the first time for our independent audit team to audit an NGO and the whole process enhanced their experience and vision.



Because the above procedures do not constitute either an audit or review made in accordance with Turkish Standards on Auditing or Turkish Standards on Review Engagements (or relevant national standards or practices), we do not express any assurance on the "Resources" table as of December 31, 2016.

Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with Turkish Standards on Auditing or Turkish Standards on Review Engagements, other matters might have come to our attention that would be reported to you.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose. This report relates only to the accounts and items specified above and does not extend to any financial statements of Academy, taken as a whole.

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



Engem Kutulular  
Engagement Partner

April 26, 2017  
Istanbul, Turkey

## OUR EXPECTATIONS FOR THE FUTURE

As Argüden Governance Academy, we conducted activities to increase quality of life for a participatory inclusive development in 2016. We carried out our education, research, and communication activities to sustain and promote trust for public sector, civil society, and private sector. To highlight that “good governance is a culture and climate”, we aim to conduct activities in collaboration with various institutions at all levels of society via using our resources in the most efficient way in 2017.

We have become a role model for many institutions particularly for NGOs by publishing the first Integrated Report in Türkiye in 2015. We continue to develop this pioneering role with our 2016 Integrated Report. As a founding member of the Integrated Reporting Türkiye Network (ERTA), we completed the preparation for our first Integrated Report Training Program in collaboration with TÜSİAD. We aim to raise awareness of “Integrated Reporting” by sharing our experience and know-how via this education program which will also be held in 2017. Additionally, in order to increase awareness about “Integrated Thinking”, we plan to translate and publish our Advisory Board Member Prof. Mervyn E. King’s publication “Integrate: Doing Business in the 21st Century” into Turkish.

In 2016, we were proud to graduate public sector leaders from our first “Good Governance in Public Sector” Certificate Program. We plan to re-organize this education program in 2017 and start civil society and private sector education programs focusing on fundamentals, as well. We also plan to concentrate on good governance in local governments. Thereby we plan to highlight the significance of transparency, participatory decision-making, and accountability in municipalities with our “Governance Scorecards of İstanbul Municipalities” project. Within this project, we plan to publish two books -one of them belonging to OECD- organize a panel and a conference.

We value the dissemination of good governance culture in Anatolia. In 2016, we organized Anatolian Seminars in Adana, Ankara, and Bursa. In 2017, we will organize three events with the name of “Good Governance Meetings in Anatolia” with the participation of representatives of public sector, civil society and private sector.

We prioritize supporting children to be raised as responsible individuals as well focusing on today’s leaders. We started to develop the content of “Good Governance for Kids” education program in 2016. We plan to complete the pilot implementation of the first module which consists of democracy, human rights, children’s rights, civil society spirit and conduct the program with 4th grade students in primary school in 2017.

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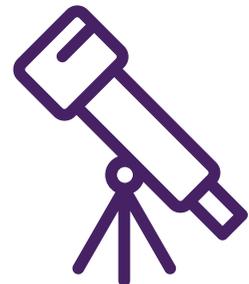
In 2016, we finalized the curriculum of “Good Governance in Civil Society” education program. We plan to launch this program in 2017. Moreover, we aim to continue our project in different NGOs focusing on Governance Evaluations of NGOs in collaboration with KOBIRATE and TKYD.

We initiated the partnership with International Finance Corporations (IFC) to spread good governance implementations in private sector, as we did in public sector and civil society. We expect to organize “Good Governance in Private Sector” training program to be presented by our Academy and IFC trainers, which will be conducted for the first time in Türkiye. We get prepared for publication of “Guide for General Counsel on Corporate Sustainability” which focuses on the strategic and crucial role of the General Counsels for the sustainability of institutions. Additionally, we plan to organize a panel where we bring the experts of the subject together. In 2017, we will prioritize Sustainable Development Goals, as we did in 2016. Gender Equality is still one of our trending topics and we will conduct activities in this goal in 2017.

We will continue to contribute to global governance in international platforms in 2017 as we have done since our foundation. We plan to contribute to the leading organizations such as OECD, BIAC and IIRC by reviewing their documents or by participating in their communication activities. Moreover, we will spread knowledge and experience of our Advisory Board by strengthening our network with them, who are well-known international governance leaders.

We will find the fundamental contacts to contribute to global experience and to announce the activities of our Academy by participating in international conferences as a panelist to provide training in international events, in 2017.

We will continue work for our vision to become a “center of excellence as a reference institution” about governance and to spread it at all levels of society as a culture of governance in the following years. We are constantly improving our enthusiasm and ability to reach our goals by strengthening our infrastructure and communication in social media, via planning effectively, keeping team communication and spirit alive.



# 2017 SECTORAL ACTIVITY PLAN

 PUBLIC

 CIVIL SOCIETY



EDUCATION



RESEARCH



COMMUNICATION

	PUBLIC	CIVIL SOCIETY	
	Good Governance Training Program for Mukhtars	Good Governance in Civil Society Certificate Program	
	Good Governance in Public Sector Certificate Program	Good Governance for Kids Education Program	
		Integrated Reporting Training Program	
	Governance Scorecard of İstanbul Municipalities		
	Governing the City Publication	Good Governance for Kids Education Activity Book & Volunteer Guide	
	Governance Scorecard of İstanbul Municipalities Conference	Good Governance Meetings in Anatolia	

 PRIVATE

 GLOBAL

	Good Governance in Private Sector Training Program	
	Integrated Reporting Training Program	
	Gender Equality Education Program	
	More Women for Board Membership Program	
	Guide for General Counsel on Corporate Sustainability Publication	Integrated Thinking Publication
	Consultation: Stakeholder's Engagement to Decisions Publication	
	Consultation: Stakeholder's Engagement to Decisions Conference	Integrated Thinking Conference
	Guide for General Counsel on Corporate Sustainability Conference	Contribution and Participation to International Conferences
	Luminary Talks	

# 2017 MONTHLY ACTIVITY PLAN

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	
 <b>EDUCATION</b>							
							
							
							
 <b>RESEARCH</b>							
							
 <b>COMMUNICATION</b>							
							

 PUBLIC

 CIVIL SOCIETY

 PRIVATE

 GLOBAL

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
						
						
						
						
						
						
						
						
						

## ACRONYMS

<b>&lt;IR&gt;</b>	Integrated Reporting
<b>ACFE</b>	Association of Certified Fraud Examiners
<b>ALCE</b>	The Association of Listed Companies' Executives
<b>ASEET</b>	Association of Southern European Economics Theorists
<b>B20</b>	Business 20
<b>B4ROL</b>	Business for Rule of Law
<b>BCSD</b>	Business Council for Sustainable Development
<b>BIAC</b>	Business and Industry Advisory Committee
<b>BULLC</b>	Boğaziçi University Lifelong Learning Center
<b>BÜVAK</b>	Boğaziçi University Foundation
<b>C20</b>	Civil Society 20
<b>EBRD</b>	European Bank for Reconstruction and Development
<b>ERTA</b>	Integrated Reporting Türkiye Network
<b>EU</b>	European Union
<b>FES</b>	Friedrich-Ebert-Stiftung
<b>IFC</b>	International Finance Corporation
<b>IIRC</b>	International Integrated Reporting Council
<b>IRI</b>	International Republican Institute
<b>KalDer</b>	Turkish Society for Quality
<b>KOBIRATE</b>	International Credit Rating and Corporate Governance Service Inc.
<b>KPIs</b>	Key Performance Indicators
<b>NGO</b>	Non-Governmental Organization
<b>OECD</b>	Organization for Economic Co-Operation and Development
<b>OPSI</b>	Observatory of Public Sector Innovation
<b>SDGs</b>	Sustainable Development Goals
<b>SMEs</b>	Small and Medium-Sized Enterprises
<b>TAİDER</b>	Turkish Family Business Association
<b>TEİD</b>	Turkish Ethics & Reputation Society
<b>TEGV</b>	The Educational Volunteers Foundation of Türkiye
<b>TEMA</b>	Turkish Foundation for Combatting Soil Erosion for Reforestation and the Protection of Natural Habitats
<b>TEPAV</b>	The Economic Policy Research Foundation of Türkiye
<b>TESEV</b>	Turkish Economic and Social Studies Foundation
<b>TKYD</b>	Corporate Governance Association of Türkiye
<b>TL</b>	Turkish Lira
<b>TÜSİAD</b>	Turkish Industry and Business Association
<b>TÜYİD</b>	Turkish Investor Relations Society
<b>UN</b>	United Nations
<b>UNGC</b>	United Nations Global Compact

**Good Governance  
For Quality Of Life**

