

**AUDITING OF A WAQF
IN THE OTTOMAN EMPIRE
IN THE BEGINNING OF 19th CENTURY**

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ABSTRACT

When Turks came to Anatolia, they started to establish waqfs (foundations) within the framework of Turkish–Islamic synthesis. Those waqfs undertook important tasks in the social environment for centuries. It is understood that these waqfs were founded upon solid legal infrastructure and due to their importance in Ottoman economy and social order, waqfs were subject to very strict audit and control procedures performed with due diligence. It can be concluded that because of solid legal infrastructure and audit and control policies, waqfs in Ottoman Empire had a long life cycle.

With Tanzimat Edict (1839), the organization dealing with the administration of accounting and auditing of state founded waqfs was titled *Harem Dairesi*. The administrators of this organization were known as *Darus saade Agalari* (Masters of Harem). These individuals established an accounting organization called *hamereyn accountants* for the auditing of both imperial waqfs and the ones founded by Ottoman dignitaries and wealthy individuals.

This paper examines the audit reports of a major waqf in Istanbul for the year 1230 Hegira (1814-1815 AC). The audit report was prepared and signed by Master of Harem, (*Darus saade Agasi*) in charge. The report shows the annual income-expenditures and prepared with the *mardiban* method. Also, it is observed that the *Darus saade Agasi* prepared two copies of reports and sent one of them to *Sadrizam* (prime minister).

It is observed that the annual auditing reports including related details are submitted to Sultan, which gives us an opinion that auditing had great importance in the administration of waqfs under Ottoman influence.

Keywords: Waqf in the Ottoman Empire, Anatolia, Administration of waqfs, foundations, auditing of waqfs.

Jel code: M41, M42.

1. INTRODUCTION

Waqfs as institutions of beneficence, providing a wide range of social and cultural services to citizens of Islamic empires and states in Middle East, South East Asia, North Africa as well as the Balkans is a well-known concept among Islamic scholars and had been very important components of social and economic orders from the beginning of 8th century until the end of 19th century (Isin, 2011; Orbay, 2006)). Similarly, waqfs, established according to Turkish-Islamic synthesis, by Turks in Anatolia, had been a very important part of social and economic lives for centuries by undertaking a very important social task of transferring funds raised through endowments and revenues earned through activities to mosques, schools, cookhouses for poor, roads, bridges and various social services.

Activities of Ottoman waqfs, promoting social benefit continued not only in Anatolia but also in other areas under Ottoman influence, continued until second half of 19th century. Ottoman waqfs were

operated within a very well designed legal framework over a very solid legal foundation. However, real success and long duration of waqfs stem from not only a solid legal system governing them but also from a very effective accounting and auditing system investigating income and expenditures as well as other related financial and operational activities of waqfs with due diligence.

Academic researches and studies of waqf as Islamic endowment institutions were quite marginal compared to other fields of Islamic studies. This was mainly due to difficulties in accessing to archival documentation and researchers being concerned with legal aspects of waqfs; therefore missing social and economic aspects that are actually the more important features and main reason of their emergence. However, towards the end of 20th century, waqfs started to gain attention of researchers and even have been included in both undergraduate and graduate curriculums of well-known universities (Hoexter, 1998, Orbay, 2006).

Both Turkish and foreign researchers have published valuable conference papers, articles and books about waqfs regarding their political, social economics aspects as truly very important components of social and economic welfare of Islamic Nations. Orbay (2006) analyzed economic importance of imperial waqfs and the reasons prevented them from getting involved in commercial activities. Isin (2011) analyzed roles and activities of waqfs as an act of citizenship in that era and provided valuable insights of social and economic aspects of waqfs. Dilek et al (2012) and Apak et al. (2010) analyzed accounting applications of Ottoman Waqfs. The researches of Orbay (2006), Dilek et al. (2012) and Apak et al. (2010) are extremely important in terms of showing not only economic and social roles of waqfs, but also the scales of operations and budgets as well as well-designed organizational

structure. Other researchers and academicians such as Ozturk (1983), Cizakca (2006), Toraman et al. (2006), Kilicalp (2008), Ozcan (2008) have analyzed social, legal and economic aspects of waqfs including cash waqfs and provided valuable information related to their importance and Ottoman social and economic order.

Foreign researchers and academicians have contributed to literature related to waqfs with valuable studies regarding political, legal, social and economic aspects of waqfs. Anderson studied the religious element within waqf concept in his researches as early as 1951 and 1952. Peri (1992) viewed Ottoman waqfs as a very important component of enhancing the empire's influence over people. Waqfs are undoubtedly very important political instruments performing various social and economic services. Gerber (1983), Bonine (1987) and Lambton (1997) all analyzed the role and importance of waqfs in social and economic order in Islamic nations. Baer (1981) analyzed the roles and activities of waqfs in Islamic nation and compared them to similar institutions in other cultures.

Waqfs righteously deserve attention of all these researchers. They were very well organized and performed crucial social services, Also, they were performing services that would trigger economic welfare as well as seen in study of Heywood (1998) describing the impact of Ottoman waqfs on economic activities in the Middle East. Waqfs can definitely be considered political instruments for enhancing public policies, state influence and authority as well.

In this study it is aimed to understand financial and audit system waqfs operated in. Financial data and audit reports of a state owned waqf called waqf of Kaptan Hasan Pasha is be analyzed through original archival documents. In the second part of the study, literature related to waqfs will be reviewed. In the third part types of waqfs and in the fourth

part audit and control system related to waqfs in the Ottoman Empire will be explained briefly. In the fourth part, *merdiban* accounting system as an important component of audit procedures of waqfs will be explained along with other aspects of waqf audits. The fourth part also includes translations and explanations related to original archival documents. Conclusion of the study will be given in the fifth part.

2. TYPES OF WAQFS AND WAQFS

Because of statist approach of Ottoman Empire, imperial waqfs and waqfs, founded either by high level government officials or wealthy individuals, had very important roles in allocation of resources to poor and needy as well as contribution to other areas of social and economic order (Dilek et al., 2012).

Every waqf had an *alms deeds* called “wakfiyye” and a *board of trustees* called mutewelli that will run waqf accordingly. Boards were not fully independent while operating waqf. Types and scopes of waqfs’ operations as well as number of employees and other important details, sets of rules and constraints were stated in wakfiyye. Sometimes, even quality standards were included in wakfiyye for certain operations i.e. operations of bakery shops and imarets. Boards of trustees as well as head of board of waqfs founded by state were assigned by state itself. On the other hand, head of board of waqfs founded by wealthy individuals were either the founders or from one of their kin. Head of board was solely responsible from operations of waqf. Upon death of waqf’s founder and absence of his/her kin, state itself would appoint a new head of board, since this position required undertaking important responsibilities and duties.

Waqfs can be classified into two main categories (Ozturk, 1983). The first group of waqfs called “mazbut waqfs” was state owned ones

including imperial waqfs, founded and financed by emperors as well as other high level government official such as prime ministers, ministers, high ranked army officers. The boards of mazbut vakılar were assigned directly by state. Also, administration of private waqfs upon death of founder and absence of an eligible individual to replace him/her were taken under control of state and a new head of board was assigned to them also by state, so that they could continue their services. Waqfs in the second category were the ones founded by wealthy individuals including successful state officials and soldiers rewarded by state upon their successful services with allotment of land and other forms of real estate. Services of these types of waqfs were financed by rent, interest earned through waqf operations and properties possessed as well as other revenues of founding wealthy individuals. Audit of both types of waqfs were performed by state accountants and auditors.

Imperial waqfs, in particular, were social instruments of enhancing state influence (Peri, 1989), symbols of legitimization of social and economic activities and welfare, besides being very efficient redistributive institutions that raise funds from various agricultural and commercial activities and channeling these funds to economy in forms of purchases from local markets, promoting educational institutions and activities, operating public kitchens called “imaret”, building roads, bridges, hospital, schools etc. or simply wage payments to their employees. Imperial waqfs and waqfs founded by dignitaries possessing vast agricultural lands, other forms of income generating real estates, thousands of shops and workshops, were especially important in social and economic order of the Empire. For example, waqf of Suleymaniye in Istanbul and waqf of Beyazid in Amasya, two of the well-known imperial waqfs had control and over incomes of hundreds of villages. The annual income of Suleymaniye was around five million akças (silver coin) and annual income of Beyazid II was around one million akças towards the end of 16th century (Orbay, 2006).

3. CONTROL AND AUDIT SYSTEM FOR WAQFS IN THE EMPIRE

Audit of financial statements is an indispensable component of today's business life. Audits provide the users of financial statements an assurance regarding the financial statements are prepared properly in compliance with an established criteria, reflects the actual amounts of assets, liabilities, equity as well as revenues and expenses and free from any material misstatement that will mislead users during their decision making processes. An independent and competent individual need to gather evidence in order to form an opinion about whether financial statements are accurate and free of any material misstatement (Cossierat and Rodda, 2004). As progressed through the audit procedures of Ottoman waqfs, most of the aspects of in definition modern time financial audits can be seen. However, it will be helpful to describe state's central control mechanism and organization for waqfs briefly:

Although, control and audit of waqfs were performed very carefully and efficiently, there was not a formal department in state until Sultan Mahmud II centralized imperial endowments and endowments of other state officials under control of the Ministry of Waqf Affairs (Evkaf Nezareti) in 1826. Tanzimat Reforms of 1839, controlling power and responsibilities of the Ministry of Waqf Affairs were improved to a level where the ministry was granted authority to collect waqf revenues.

Ministry of Waqfs Affairs first founded in 1826 and reorganized in Tanzimat period, brought a well-designed and uniform procedure to audit of waqfs. Waqfs were no longer autonomous and the *boards* had become state officials. As mentioned previously waqfs played a major role in socially benefitting services in Ottoman Empire, therefore it was very common among members of dynasty and high rank state official

to found waqfs that would provide work of charity and contribute to social and economic welfare of society. Because of their importance, board of state owned waqfs were usually selected among very reliable, experienced and successful state officials. For example, Sinan Pasha a very high status state official was assigned as head of board to a waqf founded by Orhan Ghazi, the second emperor of Ottomans, in Bursa, the capital of Ottoman Empire in 1358. In a similar way, Fatih Sultan Mehmet assigned Mahmut Pasha, his most successful and reliable prime minister, as head of board to a waqf founded in his time. This tradition changed slightly during throne of Kanuni Sultan Suleyman, better known as Suleyman the Magnificent among Europeans, as empire expanded geographically. Women in harem starting with Hurrem Sultan got involved in charity work by founding waqfs and assigned their boards since the harem systems were composed of many well trained and educated members and officials. Palace officials called Masters of Harem (Darus Saade Agasi), the head directors in harem, were assigned to control accounting and auditing processes of state owned waqfs, in a way, promoted to a higher status. They became officials mainly responsible from operations of waqfs after women in harem got involved in the system. This promotion in their status is an indicator of the importance given to charity works and the people in this system. After harem took the responsibility of waqfs in the empire, the Ministry of Waqf Affairs called Evkafi Haremeyn was created and administrations of waqfs were institutionalized. This system has evolved in years and built its own accounting and auditing systems and departments that would enable Evkafi Haremeyn to control the waqfs founded by state.

Evkafi Haremeyn was solely responsible from state owned waqfs' operations as well as their accounting and auditing procedures. Also, waqfs founded and operated by wealthy individuals of the empire were similarly subject to very strict accounting and control mechanisms.

The audits of private waqfs' financial reports were performed by Hazine-i Amire (Treasury) accountants in a similar manner.

Today, various accounting documents and reports of Ottoman waqfs are filed in Ottoman Archive of Turkish Prime Ministry in Istanbul. These documents include income-expenditure records and operating reports along with audit reports of waqfs prepared by Evkafi Haremeyn and Hazine-i Amire (Treasury) accountants. Unfortunately there are few copies of accounting records as prepared by local accountants of area where waqfs founded. In these copies, it can be seen that a simpler version of *merdiban* method was used by local accountants before these reports were sent to states accounting departments. As seen in these documents the main sources of funds for waqfs are incomes through real estates and agricultural activities. Waqfs' reports prepared towards and after of the midst of 16th century show that interest incomes included too as another source of cash waqfs operated as some sort of credit institutions. Operations of waqfs seemed to have a broad range including building schools, mosques, hospitals, cookhouses for poor, repairing buildings, roads, bridges and helping people in need and helping other waqfs. The documents disclose very high income and expenditure totals, where most of the time income exceeding expenditures and maintained for coming years. The amount of income and expenditure explains the reason of state's close control and audit of waqfs.

A. Merdiban Accounting System As An Audit Tool

At this point, it is worth to explain *merdiban* accounting method that had been used in Ottoman Accounting System for five hundred years. This accounting method was created and used by Abbasid Empire. Upon termination of Abbasid Empire by Moguls in 1258, intellectuals immigrated to Tabriz, the capital of Ilkhanid Empire and

merdiban method taught by Abbasid immigrants had been improved and successfully used by accountants of Ilkhanid Empire for many years. Four books explaining *merdiban* method, the most famous being *Risale-I Felekiyye* (Mazenderani, 1363), were published between 1309 and 1363 in Ilkhanid Empire. This method had been adopted and efficiently used by Ottoman State Accountants until adaptation of double entry bookkeeping method in 1879. Recording transactions in *merdiban* system required a special writing and numerical system called “*siyakat*” that were known by elite state accountants. The reason of this system being called *merdiban* (stairs) is due to its form where a total balance of an account was written to top followed by details of that total listed underneath resembling steps of a stair.

Besides account records of state, the only area *merdiban* method used was waqfs’ accounting systems, which is thought to be due to pressure of state rather than waqf founders’ will in order to strengthen a centrally control state system and promote audit process related financial matters of waqfs. Central control structure of Ottoman Empire had been a real obstacle for development of private sector and entrepreneurship, therefore, well designed and detailed accounting systems such as *merdiban* were of interest of state and never really needed by private businesses usually operating at small scale.

At the end of each fiscal year, head of board would have an accountant to prepare a report including incomes and expenditures of that year. The report was then submitted to kadi (judge) of the region who were the local authority of law in Ottoman legal structure. Kadi would then have an expert audit the accounting report and submit it to Hazine-i Amire (Treasury), where the report including incomes and expenditures of waqf would be reassessed and a final report of income-expenditure would be prepared according to *merdiban* (stairs) accounting method.

By this process, the accounting report of waqfs prepared according to *merdiban* method would become more formal and understandable and the accounting experts of state would be compelled to audit the operations of waqf. In cases of material misstatements and/or complaints received, state would interfere and take necessary precautions.

As mentioned before, components of modern audit procedures can be found in audit procedures of Ottoman waqfs. Auditing of today can be described as “the accumulation and evaluation of evidence about information to determine and report on the degree of correspondence between the information and established criteria” (Arens et al., 2003). Moreover, there are ten Generally Accepted Auditing Standards (GAAS) that determine the framework of auditing process today and main purpose stated in these standards today seemed to be followed by officials of Ottoman Empire in audits of waqfs by then.

The list annual incomes and expenditures of waqfs are recorded by accountants appointed by kadi of the region. Later these accounting records are sent to state accountants who were totally independent from the accountants and board of the waqfs as it is mandatory today. State accountants were very competent in *merdiban* accounting system being the established criteria that financial statements have to be in compliance with. Employing competent and independent individuals to perform audit satisfies the first standard of GAAS.

The whole recording process by using *siyakat* and *merdiban* method requires a very careful analysis of every single record that satisfies the second general standard of due diligence according to GAAS. Moreover, investigating sources of incomes and the items of expenditures as well as their amounts requires cross check between types and scopes of operations and set of rules and constraints related

to these operations in wakifiyye, that correspond to thorough analysis and understanding of internal control structure and gathering sufficient amount of evidence standards of today's modern financial audits.

Finally reports are prepared and carefully studied by Darus Saade Agasi and Sadrazam before submitted to Emperor, being a very good example of peer review or concurring partner review audit quality standards. The reports as, seen in Appendixes 1 and 2 are titled, signed and list totals of incomes and expenses along with ending cash balances state a opinion related to financial data including any material issue needed to be disclosed. The report is produced as multiple copies, one sent to board and one kept in files so that years of financial data can be saved and compared.

B. Waqf Of Kaptan Hasan Pasha

Waqf to be analyzed here was founded by Kaptan Hasan Pasha a very high ranked officer in Ottoman Navy. He was assigned to this mission by state and became the first head of board to his waqf. Upon his death, state took control and through decisions of Evkafi Haremeyn assigned his daughters Esmâ, Necibe and Serife Hatice as head of boards respectively. Main source of funds were rent and income of agricultural land owned by this waqf. As it has been mentioned before, it was particularly important to verify that waqfs, especially with very high income, were carrying on their operations and fulfilled their responsibilities properly and within the frame defined in their alms of deeds upon foundation. Therefore, accounting and auditing processes were emphasized and performed strictly and with due diligence. In Appendix 1, income expenditure data of Hegira 1230, prepared with mardiban system and signed by head of board Serife Hatice to be submitted to Master of Harem-Darus Saade Agasi is presented. In Appendix 2, the report of Master of Harem, including his comments

and opinions, to be submitted to Prime Minister-Sadrazam¹ and in Appendix 3, the report of Prime Minister, including his comments and opinion about waqf, to be submitted to Ottoman Emperor-Padisah are seen. Since Kaptan Hasan Pasha Waqf had a high budget surplus according to report and was run by state (Evkafi Haremeyn), close attention of high level officials and emperor himself were necessary. However, it is worth to mention again that waqfs that were not owned by state were also subject to very same strict accounting and auditing procedure. If audited reports did not have any material problem, then income expenditure records along with audit reports including reports of Master of Harem and Prime Minister were kept in files with previous years' accounting and audit reports. However, in cases of wrong acts and misleading data discovered through audits and/or complaints received, auditors of state would investigate the operations and related accounting records thoroughly.

a. annual income and expenditure report of kaptan hasan pasha waqf

As it was mentioned before, accountants other than ones employed by Evkafi Haremeyn and Hazine-i Amire (Treasury) did not have sufficient knowledge of *merdiban* accounting method. Therefore, income and expenditure data and records prepared by waqf accountants needed to be reviewed by state accountants who had qualifications to prepare accounting reports with *merdiban* method written in *siyakat* letters and numbers. Only after preparation of a new version of accounting records including income and expenditure recorded according to *merdiban* method, the report would be submitted to opinions of Master of Harem, Prime Minister and Emperor. In the beginning of 19th century

¹ Darussaade Agasi: A high ranked official in Harem, Midhat Sertoglu Osmanli Tarih Lugati, 1986, Istanbul.

merdiban method had already been perfected and were efficiently used by state accountant. This process enabled researchers to understand and interpret related accounting documents today.

The document in Appendix 1 is a version of Kaptan Hasan Pasha Waqf accounts prepared with *merdiban* accounting method by state accountants assigned by Master of Harem. This process could be perceived as a mean of financial audit as well, since it required a thorough analysis of each item of income and expenses, journal books, documents and other related details. During this process, classification of transactions and accounts, mathematical accuracy, existence and completeness of accounts and cut offs are checked and recorded properly. Certain terms such as *receipts*, *uncollected* that were mentioned in report of state accountant, but not in original version of records are indicators of a careful investigation and classification of items by state accountants.

In the income and expenditure report of waqf, total cash balance at the beginning of the related period was presented first and cash collected during the period was listed totaling to 607.194 Akcas. After deducting uncollected income of 61.374 Akcas, total cash available amounting to 540.820 Akcas was calculated and then expenses of the same period accumulating to 205.540 Akcas were listed and deducted from total cash available and finally reached to ending cash balance of 340.280 Akcas for the end of the period. Ending cash balance to be transferred to next year was also stated as Kurus. Accountants of Evkafi Haremeyn prepared their accounting report and had it signed by head of waqf board Serife Hatice in order to prove that everything on their report was presented to knowledge of Serife Hatice and verified by her.

In report of Master of Harem in Annex 2, issues related to waqf and board such as name and location of waqf and genealogy of board, beginning and ending days of accounting period audited were clearly mentioned. The ending cash balance that would be transferred to next year was stated in writing in order to avoid any numerical mistake and prevent attempts for alteration. The short report of Master of Harem can be considered an audit report submitted to opinion of Prime minister. The date on this report is Rebiulevvel 1231 (Hegira) showing that control and audit had been completed within three months after end of the accounting period investigated.

Report of Prime Minister in Annex 3 is composed of three main paragraphs. In the first paragraph, name and location of waqf as well as genealogy of board are stated. It was also mentioned that related accounting records and documents of waqf were analyzed and reassessed by state accounts employed in Evkafi Haremeyn. In the second paragraph, types of incomes of waqf are explained and totals were stated in writing. In the third paragraph, types of expenses were explained and totals of expense groups along with total ending cash balance to be transferred to next year were stated in writings. The most emphasized part of third paragraph is where permission of emperor to submit the related documents to authorities and any other order of emperor were asked; for showing the direct involvement of highest level official and emperor's involvement in audit process of waqfs.

As understood, Prime Minister's report is positive. At the end of this process, the reports and all other related documents were returned to Master of Harem to be kept in files. Also, copies of reports and all related documents including details were submitted to Serife Hatice, head of board, so that they could be kept in files of waqf as well.

Annex I

Translation of document

Transcription.....

Income report of Kaptan Hasan Pasha Waqf, responsible from maintenance and other needs of Hasanpasa Mosque and Schools, located in Gedikpasa in Istanbul, headed by Serife Hatice after Esmâ and Necibe from same family of Hasan Pasha for the period through beginning of Muharrem until end of Zilhice in Hegira 1230

(December/14/1814- December/2/1815)

*Akca*¹.....

607.194

Receipts.....

545.820

Uncollected.....

61.374

Retained Earnings of Previous Years.

In safe

Akca...

19.560

Retained Earnings of Previous Years.

Petty cash

Akca.....

288.000

Income of Current year.....

Akca.....

299.634

¹ Ottoman Currency

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<i>Receipts.....</i>		<i>Uncollected....</i>
<i>Akca.....</i>		<i>Akca.....</i>
252.300		47.334
<i>Income.....</i>	<i>Income.....</i>	<i>Income.....</i>
<i>Rent income of real estate</i>	<i>Income of dairy farm</i>	<i>Rent Income of far</i>
<i>Annual.....</i>	<i>Annual</i>	<i>Annual.....</i>
<i>Akca....</i>	<i>Akca.....</i>	<i>Akca.....</i>
56.634	194.400	3.000
<i>With Receipts..</i>	<i>Without Receipts</i>	<i>45.630 increment</i>
<i>Akca....</i>	<i>Akca....</i>	-----
12.300	44.334	240.000
	<i>Expenses.....</i>	
	<i>Akca....</i>	
	205.540	
	<i>Salary payments.....</i>	
	<i>Payroll of permanent staff</i>	
	<i>Annual....</i>	
	<i>Akca....</i>	
	72.000	
	<i>Other payments.....</i>	
	<i>Akca.....</i>	
	133.540	

*Payments for trip to
Mecca for Pilgrimage
Annual.. .
Akca....
17.820*

*Payments for Great
Ayasofya Waqf
Annual...
Akca....
1.195*

*Payments for
Gedikpasa Waqf
Annual.....
Akca....
1.080*

*Payments for Sehzade
Mehmet Waqf
Annual....
Akca....
400*

*Payments for Ibrahim
Pasha canal
Annual...
Akca...
120*

*Payments for Gazi
Mehmet Han Waqf
Annual...
Akca...
50*

*Payments for
Dairy Farm
Annual.....
Akca....
1.000*

*Payments for Commander
of Rumeli Castle
Annual....
Akca....
1.500*

*Payments for Rumeli
Castle from Income
Of Dairy Farm*

Annual....

Akca.....

5.000

Payments for Asure

Annual ..

Akca....

1.500

*Payments for Waqf's
Stationary and
other supplies*

Annual...

Akca...

1.500

*Payments for candle
olive oil for mosque*

Annual

Akca...

3.200

*Payments for candle
And olive oil for
Kefeli Mosque*

Annual..

Akca...

3.200

*Payments for mat,
oil lamp and broom
for Kumkapi Mosque*

Annual..

Akca..

920

*Payments for
Gedikpasa
school books*

Annual..

Akca...

2.000

*Payments for
Sinanpasa
school books*

Annual..

Akca...

8.400

*Payments for
heating material of
Gedikpasa Mosque*

Annual...

Akca...

1.820

*Payments for
heating material of
Sinanapasa Mosque*

Annual ..

Akca...

900

*Payments for
Sanitation and
cleaning*

Annual...

Akca....

720

*Payments for
salaries of
school staff*

Annual....

Akca...

600

*Payments for
Repair of hamams
In Filibe and Kefeli*

Annual

Akca...

14.050

*Payments for
woodcutters*

Annual

Akca...

600

*Payments for
carpets and mats
of Gedikpasa Mosque*

Annual

Akca...

600

*Payments for
other daily
expenses of Waqf*

Annual

Akca...

6.000

*Payments for
repair of
drinking fountains
Annual
Akca...
7.200*

*Payments for
taxes of
dairy farm
Annual
Akca...
24.000*

*Payments for
previous debt
Annual
Akca...
5.760*

*Payments for
repair work
for schools
Annual
Akca...
3.073*

*Payments for
Repair of Hasan
Pasha school
Annual
Akca...
2.467*

*Payments for
repair of
Hasanpasa Mosque
Annual
Akca...
4.869*

*Payments for sewerage services
for mosques mentioned above
and repair of pavements
Annual
Akca....
996*

*Salary of Waqf
Accountants
Annual.
Akca....
600*

*Salary of Waqf cashier
and secretary
Annual....
Akca....
40*

Sum up (Trial Balance).....

<i>Akca</i>	
<i>545.820 total income</i>	
<i>205.540 total expenses</i>	
<i>340.280 current cash balance</i>	
<i>Cash balance in Kurus¹</i>	
<i>Kurus</i>	<i>Akca</i>
<i>2.835, 5</i>	<i>20</i>

It is verified that a cash surplus of 2.835,5 Kurus and 20 Akcas has been made up

by Waqf through the period starting at the beginning of Muharrem and ending at the end of Zilhicce in Hegira 1230 (December/12/1814 – December/2/1815)

Serife Hatice
Head of Board of Waqf
(Signature)

b. report of master of harem (darus saade agasi) to prime minister (sadrazam)

Annex II

Translation of document

18 Rebiulevvel 1231 (February/2/1816)

Accounting books and records prepared by waqf accountant for the period between beginning of Muharrem and end of Zilhicce in 1230 of Kaptan Hasan Pasha Waqf, one of waqfs we are responsible of, run by

¹ Another Ottoman currency equivalent of 120 Akca

Serife Hatice, representative of late Hasan Pasha the founder and his late daughters Esma and Necibe, as head of board, have been analyzed and compared to records of previous years' accounting records. As a result of our analysis, it is understood that there is an ending cash balance of two thousand eight hundred thirty five and a half Kurus and twenty Akcas in waqfs account. We crave your permission for starting necessary work to transfer current cash balance to next fiscal year and submit copies of related documents to authorities.

*Your Obedient Servant
Assigned Master of Harem
(Signature)*

c. report of prime minister (sadrazam) to emperor (padisah)

Annex III

Translation of document

Propounded to admission,

Accounting books and records prepared by waqf accountant for the period between beginning of Muharrem and end of Zilhicce in 1230 of Kaptan Hasan Pasha Waqf, among the waqfs we are responsible of, run by Serife Hatice, representative of late Hasan Pasha, the founder and his late daughters Esma and Necibe, as head of board, have been analyzed and compared to records of previous years' accounting records.

During mentioned period, total income of five hundred forty five thousand eight hundred thirty five and a half Akcas had been raised including rent revenues of farm and other real estates' and income from additional charges imposed on tax collector (multezim¹) of dairy farm of waqf.

¹ In tax system of Ottoman Empire, income taxes of a region were collected by tax collectors called multezim who knew economic potential of the region. Multezims were chosen among the highest bidders in tax biddings.

From this income, total expense of two hundred five thousand five hundred forty Akcas including two thousand Akcas of annual salary paid to waqf staff, one hundred thirty three thousand five hundred forty five Akcas paid for ordinary activities of waqf had been paid. Therefore, after deducting total expenses from total income and verifying totals and details through a sum up (trial balance), a cash surplus of three hundred forty thousand two hundred eighty Akcas, that is, two thousand eight hundred thirty five and a half Kurus and twenty Akcas were realized and ordered to be transferred to waqf's accounts for the next fiscal year. We crave your order and firman (imperial edict) for submitting copies of related documents to authorities.

To be submitted to Sultan, the Master of Blessings

4. CONCLUSION

Ottomans paid very close attention to operations of waqfs that played a major role in social and economic areas by providing socially benefitting services. Waqfs were also very efficient means of enhancing state's influence, creating loyalty among different nations living together, promoting acceptance of political ideas in addition to contributing social welfare and economic prosperity. Waqfs had lasted for a very long period in Ottoman Empire as they had in other Islamic nations. Waqf activities were reassessed and continued within a cultural aspect rather than socially benefitting work due to changing state system that promote sparing allowances from state budget for social and economic activities previously performed through waqfs. In Turkish Republic, social assistance has become state obligation and the local municipalities have burdened the responsibilities of social services previously performed by waqfs.

Waqfs, that had served as very important social, financial, political and economic units in Ottoman Empire were forgotten for years. Fortunately, both foreign and Turkish academicians and researchers have started their analysis and researches about this very important component of economic and social order of the empire (Hoexter, 1998). Various researches conducted for analyzing and understanding types and scopes of activities, legal infrastructure, political influence, contribution to social welfare and economy have almost all bring up the notion that they were very well organized and therefore long lasted institutions that performed very important tasks under control of state. They were not commercial ventures designed for profit maximization, although they could. They were mainly redistributive institutions and poor relief agents (Orbay, 2006).

Due to getting involved in financial matters they operated in a very solid legal system as well as a well-designed control and audit mechanism were structured in order to closely monitoring waqfs. Therefore, procedures regarding accounting and audit applications of waqf of Kaptan Hasan Pasha with a considerable scale of operations and budget have been searched in this study within the context of audit system back then. The findings can be briefly summarized as follows:

Audit of waqfs in the empire had always been a major concern. Therefore reforms related to waqf audits starting with Sultan Mahmut II in 1826 and followed by Tanzimat Edict, led to the audit and control mechanism to be institutionalized and formation of Evkafi Haremeyn, the Ministry of Waqf Affairs. This institution, under control of Master of Harem (Darus Saade Agasi) founded a special state accounting department, where accountants whose sole responsibility were analyzing waqfs' records. Haremeyn accountants and specialized in mardiban accounting methods as well as siyakat system helped to design more

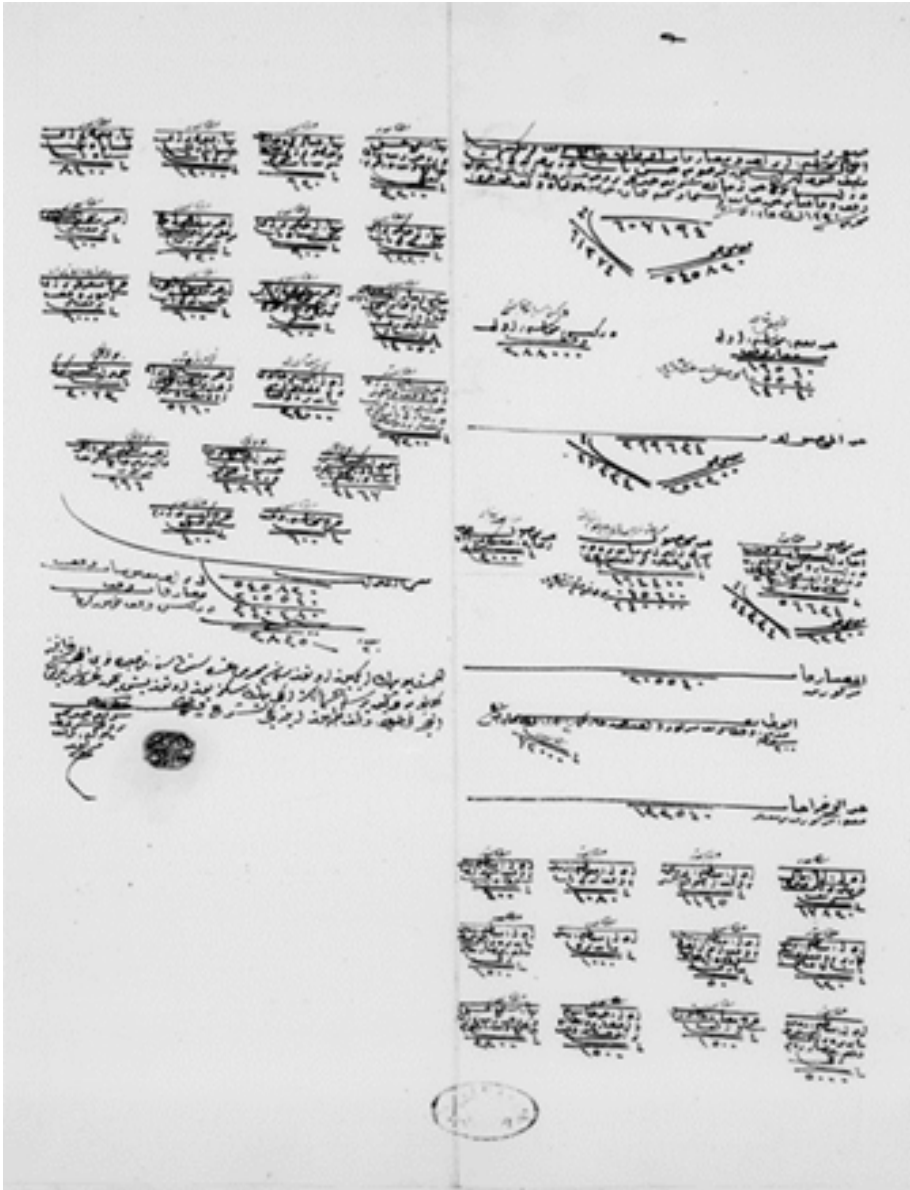
formal and uniform methods for more thorough control and audit of waqfs. Also, highest authorities of Ottoman Empire including emperor himself were closely involved in monitoring waqfs' operations.

Also, it believed to be quite important that audit procedures applied by state auditors and the audit system in general are similar to the ones of modern times. Therefore, it is quite possible to explain the long duration and efficiently provided services of Ottoman Waqfs by very well designed, seriously and diligently applied solid accounting and audit systems. Hopefully, more researches related to waqfs will be available, since there is always a lesson to learn from past.

Annex I

Annual Income and Expenditure Report of Kaptan Hasan Pasha Waqf

Hegira 1230 (1814-15) (Prime Ministry Archives D.HMH 21784)



Annex II

*Report of Master of Harem (Darus Saade Agasi) to Prime Minister
(Sadrazam)*

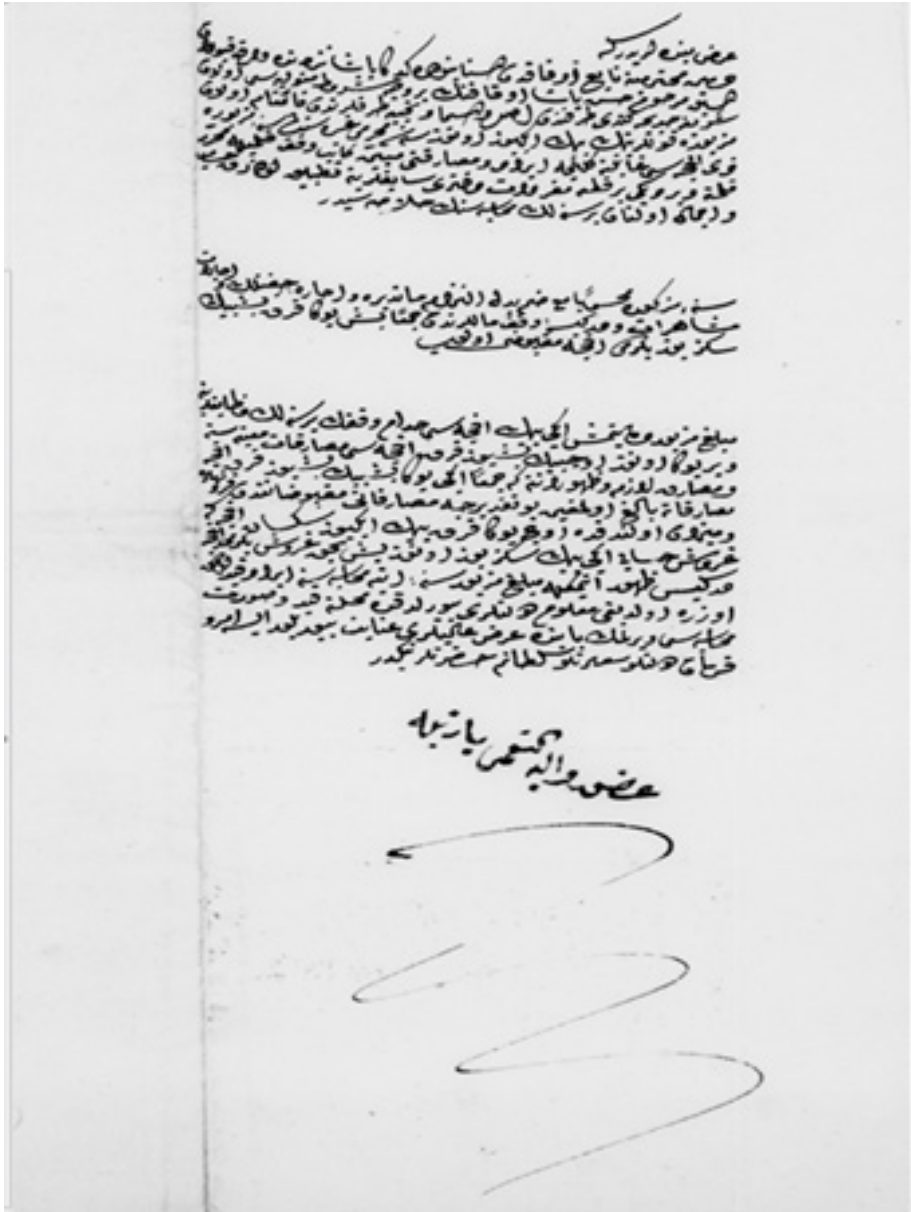
Hegira 1230 (1814-15) (Prime Ministry Archives D. HMH) 21784



Annex III

Report of Prime Minister (Sadrazam) to Emperor (Padisah)
Hegira 1230 (1814-15)

(Prime Ministry Archives D. HMMH 21784)



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***HÜSEYİN COŞKU’NUN DERLEMESİNDEN 2017
M. KEMAL ATATÜRK’DEN ÖZLÜ SÖZLER - I***

- Akıl ve mantığın halledemeyeceği mesele yoktur.
- Öğretmenler! Cumhuriyet sizden düşünceleri hür, irfanı hür nesiller ister.
 - Okul sayesinde, okulun vereceği ilim ve fen sayesinde ki, Türk milleti, Türk sanatı, Türk iktisadiyatı, Türk şiir ve edebiyatı bütün güzellikleriyle gelişir.
 - Milletleri kurtaranlar yalnız ve ancak öğretmenlerdir. Öğretmenden, eğiticiden mahrum bir millet henüz bir millet adını alma yeteneği kazanmıştır.