



Law No. 6085 on

Turkish Court Of Accounts

Date of Enactment

03.12.2010

Official Journal

No: 27790

Date of Issue

19.12.2010

PART ONE

General Provisions

CHAPTER ONE

Purpose, Scope and Definitions

Purpose and scope

ARTICLE 1 - (1) The purpose of this Law is to regulate the establishment of Turkish Court of Accounts, its functioning, audit and judicial procedures, qualifications and appointments of its staff, responsibilities and competences, rights and obligations and other matters pertaining to personnel, the election and security of tenure of the President and members of Turkish Court of Accounts in order to perform audit activities on behalf of the Turkish Grand National Assembly, to take final decision on the accounts and transactions of those responsible, to carry out the duties of examining, auditing and taking final decision stemming from laws, in the framework of accountability and fiscal transparency in the public sector, to ensure that public administrations function effectively, economically, efficiently and in compliance with laws and that public resources are acquired, preserved and utilized in accordance with foreseen purposes, targets, laws and other legal arrangements.

Definitions

ARTICLE 2 - (1) In the enforcement of this Law;

a) Audit by Turkish Court of Accounts: Means regularity and performance audit,

b) Regularity audit: Means financial audit and compliance audit,

c) Financial audit: Means the audit on reliability and accuracy of financial reports and statements in accordance with results of the assessment of accounts and transactions of public administrations as well as their financial activities, financial management and control systems,

d) Compliance audit: Means the audit pertaining to the examination of the compliance of accounts and transactions related to the revenues, expenditures and assets of public administrations with laws and other legal arrangements,

e) Performance audit: Means measurement of results of activities with respect to objectives and indicators determined by public administrations within the framework of accountability,

f) Trial of account: Means taking final decision by judicial procedure on whether the accounts and transactions of those responsible specified in laws are in compliance with the legislation, and the legal remedies related to this,

g) Judicial report: Means the report prepared by auditors regarding public loss identified during the audit of the accounts and transactions of public administrations within the scope of the general government, which shall be taken as basis in the trial to be carried out by the chambers of Turkish Court of Accounts,

h) Audit report: Means the report prepared by headships of audit groups or auditors as a result of audits and examinations, which shall be taken as a basis for Turkish Court of Accounts reports,

i) Report of Turkish Court of Accounts: Means the report prepared as a result of audits and examinations and submitted to the Turkish Grand National Assembly or sent to public administrations by the President of Turkish Court of Accounts,

j) Examination by Turkish Court of Accounts: Means the activities of Turkish Court of Accounts in fields other than taking final decision and auditing,

k) Public administration: Means all administrations, organisations, institutions, associations, enterprises, subsidiaries and companies subject to the audit by Turkish Court of Accounts, regardless of whether they are subject to the provisions of public or private law,

l) Public administrations within the scope of the general government: Means public administrations within the scope of the general government as defined in Law No. 5018 on Public Financial Management and Control, dated 10.12.2003,

m) Public administrations within the scope of the central government: Means public administrations within the scope of the central government as defined in Law on Public Financial Management and Control,

n) Public Loss: Means public loss defined in the Law on Public Financial Management and Control,

o) Public resources: Means the revenues, movable and immovable assets belonging to the public or acquired via public mandate, the places, funds, receivables and rights and all kinds of valuables, including those acquired through borrowing, donations and aids under the jurisdiction and possession of the State,

p) The auditor of Turkish Court of Accounts: Means the principal auditor, senior auditor, auditor and assistant auditor,

q) Performance: Means the level of achievement of the targets and indicators set by public administrations.

CHAPTER TWO

Independence, Audit Area, Duties and Competences of Turkish Court of Accounts

Independence

ARTICLE 3 - (1) Turkish Court of Accounts shall have functional and institutional independence in carrying out its duties of examination, audit and taking final decision conferred by this Law and other laws.

Audit area

ARTICLE 4 - (1) Turkish Court of Accounts shall audit;

a) Public administrations within the scope of the central government budget and social security institutions, local governments, joint stock companies, which are established by special laws or Presidential decrees and have a share of its capital directly or indirectly owned by the public sector and other public administrations (with the exception of professional organizations having a public status);

b) All types of administrations, organizations, institutions, associations, enterprises and companies, which are affiliated to or founded by the administrations listed in point (a) or which they are directly or indirectly partners with;

c) All types of domestic and foreign borrowing, lending, repayments, utilization of foreign grants received, giving grants, Treasury guarantees, Treasury receivables, cash management and other matters related to these, all

transfers of resources and their utilization and the utilization of domestic and foreign resources and funds, including European Union funds;

d) All public accounts, including private accounts, funds, resources and activities regardless of whether these are in the public administrations budget.

Of the companies falling under points (a) and (b); the audit of those companies, their affiliates and subsidiaries, whose public shares are less than 50% directly or indirectly and are subject to independent audit as per the relevant legislation, is performed based on the independent audit reports, which are prepared as per the relevant legislation and sent to the TCA. The TCA submits to the Parliament the report, which it will prepare based on the independent audit reports submitted to it exclusively.

(2) Turkish Court of Accounts shall also audit the accounts and transactions of international institutions and organizations within the framework of the principles set out in the relevant treaty or agreement.

(3) Audit of public institutions, organizations and partnerships within the scope of Article 2 of Law No. 3346 on Regulating the Audit of State Economic Enterprises and Funds by the Turkish Grand National Assembly, dated 02.04.1987, shall be performed within the framework of the procedures and principles indicated in this Law and other laws.

Duties of Turkish Court of Accounts

ARTICLE 5 - (1) Turkish Court of Accounts shall;

a) Audit the financial activities, decisions and transactions of public administrations within the framework of accountability and submit accurate, sufficient, timely information and reports to the Turkish Grand National Assembly on the results of these audits;

b) Audit whether or not accounts and transactions of public administrations within the scope of the general government with respect to their revenues, expenses and assets are in compliance with laws and other legal arrangements, and take final decision on matters related to public loss arising from the accounts and transactions of those responsible,

c) Submit the Statement of General Conformity to the Turkish Grand National Assembly,

d) Perform the duties of examining, auditing and taking final decision prescribed by laws.

Competences of Turkish Court of Accounts

ARTICLE 6 - (1) In performing its duties prescribed by this Law or other laws, Turkish Court of Accounts shall be competent to correspond directly with public administrations and officials; to see required documents, books and records through its assigned personnel; to have these brought over to any location it deems appropriate, with the exception of assets; to call on relevant officials of all grades and categories in order to receive oral information; and to request representatives from public administrations.

(2) Turkish Court of Accounts may request all kinds of information and documents related to its audit works from public administrations and other real and legal persons including banks.

(3) Turkish Court of Accounts shall be competent to examine, on the spot and at any stage of operation and incidence, all related records, goods, properties, practices, transactions and services of those public administrations and institutions within its audit scope, by its assigned personnel or expert witnesses. The legal status, authorities and responsibilities of expert witness shall be subject to general provisions.

(4) Turkish Court of Accounts may also audit the accounts, transactions, activities and assets of public administrations as of the pertaining year or years irrespective of their account or activity period; as well as based on sector, program, project and topic.

(5) If deemed necessary in the course of audits, experts from outside Turkish Court of Accounts may be appointed. The principles and procedures pertaining to the appointment of expert witnesses and experts shall be laid down in a by-law.

CHAPTER THREE

Those Responsible and Responsibilities

Those responsible and cases of responsibility

ARTICLE 7 - (1) With reference to those responsible and cases of responsibility in this Law, those responsible and cases of responsibility indicated in Law No. 5018 and other laws regarding the audit by Turkish Court of Accounts shall be taken into account.

(2) Those assigned duties and vested with authorities for the acquisition and utilization of all types of public resources shall be responsible for their effective, economic and efficient acquisition, utilization, accounting and reporting as well as for taking necessary measures to prevent misuse of these resources. Whether this responsibility has been fulfilled or not shall be stated in the reports of Turkish Court of Accounts to be submitted to the Turkish Grand National Assembly. Cases where public loss is inflicted shall be resolved by taking final decision regarding the indemnity of this loss.

(3) Those responsible shall be obliged either separately or jointly to indemnify the public loss stated in writs created by establishing the causality between the loss and their decisions, transactions or actions contrary to legislation.

(4) Albeit being not duly assigned, those who accrue, collect and spend revenues and approve these transactions, keep and manage assets, and perform any kind of financial activity or transaction by acting, either on their own initiative or by mandate, these persons shall be responsible for their transactions, even if their transactions are not included in an account. Where such cases arise from a written mandate of administrators, they shall share the responsibility as well.

(5) Ministers shall be responsible vis-à-vis the President of the Republic for ensuring effective, economic and efficient utilization of public resources as well as for legal and financial matters

(6) Performance audits performed by Turkish Court of Accounts shall not result in financial and legal responsibility.

Submission of accounts, notification of accounting units and accounting officers

ARTICLE 8 - (1) Accounts of public administrations shall be prepared by accounting officers and preserved for audit by heads of administrations or authorizing officers assigned by them and accounting officers, or sent to the places indicated by Turkish Court of Accounts.

(2) Among books, records and documents that are kept with respect to these accounts in compliance with the related legislation; the types, submission places, periods and the procedures of those to be submitted to Turkish Court of Accounts shall be determined by Turkish Court of Accounts.

(3) The responsibility arising from the failure to submit the accounts shall be attached to the accounting officer and the head of administration, or the authorizing officer assigned by him on duty on the date the accounts are requested by Turkish Court of Accounts.

(4) Public administrations subject to the audit by Turkish Court of Accounts shall be liable to notify Turkish Court of Accounts of their accounting units, and the names and surnames of accounting officers at the beginning of each fiscal year. The changes during the year shall likewise be notified to Turkish Court of Accounts at latest within one month following the date of change.

Responsibilities of public administrations and public officials

ARTICLE 9 - (1) Those responsible and other relevant persons must submit the information, records and documents requested by the auditor, and present the actual and physical condition regarding the transactions, activities and assets without delay.

(2) The documents not submitted or presented by those responsible or other relevant persons shall be requested from relevant public administrations. Those responsible or other relevant persons must present the originals of the documents or their copies, if the originals are not available.

(3) Salaries of those responsible or other relevant persons who do not completely submit the account on time, pursuant to the provisions of this Law, and of officials of public administrations within the audit scope of Turkish Court of Accounts who do not submit all types of information, documents and books demanded from them in the course of audit or trial, and hinder the audit or trial

shall be paid half of their monthly salaries by relevant public administrations upon the demand of Turkish Court of Accounts, until they submit fully the account or the information, documents and books demanded.

As of the date of the deduction of half of their salaries, if accounting officers, at most within three months, and other officials, within a period to be specified by Turkish Court of Accounts, have still not submitted the account or demanded information, documents and books, or to eliminate the causes hindering the audit or trial, they shall be suspended from office by their respective administrations in accordance with the procedure stipulated in their legislation, and shall be subject to investigation or prosecution.

(4) The provisions in the third paragraph shall also apply to those who do not follow up the execution and fulfil the requirements of the writs of Turkish Court of Accounts.

(5) Public administrations and their officials must present all kinds of information, documents and records to the officials authorized to carry out audits and examination; to ensure observation of physical and actual conditions of transactions, activities and assets; to take necessary measures ensuring the orderly fulfillment of this duty and to provide any assistance and facilities.

(6) Relevant public administrations must provide information on the implementation of the provisions of this Article and its results to Turkish Court of Accounts.

(7) Those who do not comply with the provisions above and relevant persons who fail to fulfil the requirements of the first and second paragraph of Article 6 in a complete and timely manner without any rightful reason shall be subject to disciplinary or penal prosecution, upon the request of Turkish Court of Accounts.

PART TWO

Organizational Structure

CHAPTER ONE

Personnel and Organization of Turkish Court of Accounts

Personnel of Turkish Court of Accounts

ARTICLE 10 - (1) Personnel of Turkish Court of Accounts shall be as follows:

- a) Professional personnel,
 - 1) The President of Turkish Court of Accounts,
 - 2) Chairmen of chambers and members,
 - 3) Auditors of Turkish Court of Accounts,
- b) The Chief Prosecutor and prosecutors,
- c) Supporting staff.

The Presidency, judicial and decision-making bodies

ARTICLE 11 - (1) The bodies in the structure of Turkish Court of Accounts shall be as follows:

- a) The Presidency,
- b) Chambers,
- c) The General Assembly,
- d) The Board of Appeals,
- e) The Board of Chambers,
- f) The Board of Report Evaluation,
- g) The High Disciplinary Board,
- h) The Board of Promotion and Discipline of Professional Personnel,
- i) The Board of Auditing, Planning and Coordination,
- j) The Office of the Chief Prosecutor.

CHAPTER TWO

Qualifications, Election and Appointment of the Personnel of Turkish Court of Accounts

Qualifications of the President and members of Turkish Court of Accounts

ARTICLE 12 - (1) The President and members of Turkish Court of Accounts must have served at least sixteen years in public service, after graduating from the faculties of law, political sciences, economics, business administration, economics and administrative sciences, or at least four-year domestic or foreign faculties or schools of higher education whose equivalence to aforesaid faculties be certified by the Council of Higher Education.

(2) Besides the qualifications mentioned in the first paragraph, candidates for the Presidency of Turkish Court of Accounts must have served one year in total as:

- a) Member of Turkish Court of Accounts,
- b) Minister,
- c) Undersecretary or Governor,
- d) Rector,
- e) Director General or Directors of the Prime Ministry, Ministries and affiliates thereof,
- f) Chairman of the Inspection Board of Finance or the Tax Inspectors' Board,
- g) Chairman of the Prime Ministry Inspection Board and ministerial inspection boards,
- h) Chairman of Regulatory and Supervisory Boards.

(3) In addition to the qualifications mentioned in the first paragraph, candidates for membership must have served one year in total:

- a) In the posts indicated in the second paragraph, except for the one mentioned in point (a), and as undersecretary,
- b) Upon being promoted to class one, as auditor of Turkish Court of Accounts, the Chief Prosecutor or prosecutor

- c) As professor,
- d) Upon being promoted to class one, as judicial or administrative judge or prosecutor,
- e) As audit personnel, attached to the respective central audit units of the Prime Ministry, Ministries
and Undersecretariat of Treasury.

(4) Those elected as member from outside Turkish Court of Accounts shall not work for three years on matters related to the administration for which they recently worked.

Election of the President of Turkish Court of Accounts

ARTICLE 13 - (1) The President of Turkish Court of Accounts shall be elected by the General Assembly of the Turkish Grand National Assembly by secret ballot from among two candidates, who shall be determined according to the principles laid down in Article 16 of this Law.

(2) Thirty days prior to the end of the term of office or ten days after the vacancy of the office on any reason, elections for the President of Turkish Court of Accounts shall be commenced, and shall be concluded within thirty days following the beginning date of election. The days of adjournment or recess of the Turkish Grand National Assembly shall not be taken into consideration in the calculation of this period.

(3) In order to be elected as the President of Turkish Court of Accounts, a vote of absolute majority of those present shall be required, provided that the number of votes is no less than a quarter plus one of the total number of members of the Turkish Grand National Assembly.

(4) The term of office of the President of Turkish Court of Accounts shall be five years. He may be elected twice at most. The term of office of the President shall continue until the new President takes office. The President whose term has expired shall continue to serve as a member of Turkish Court of Accounts without seeking for a vacant position; the first member position to fall vacant shall be assigned to him, and he shall be counted as the most senior member.

Election of chairmen of chambers

ARTICLE 14 - (1) Chairmen of chambers shall be elected by secret ballot and an absolute majority of the total number of members by General Assembly

of Turkish Court of Accounts from among the members who have served at least three years as a member. If an absolute majority cannot be reached in the first three ballots, a fourth ballot shall be held between the two candidates, who have received the highest number of votes in the third ballot. The member having the highest number of votes in the fourth ballot shall be the chairman of chamber.

(2) Term of office of chairmen of chambers shall be for four years. Chairmen whose terms of office have expired or who have returned to membership on his will may be re-elected.

(3) The election shall be held within fifteen days as of the end of the term of office or as of the date of the vacancy on any other reason. The duration of any recess shall not be taken into consideration in the calculation of this period.

(4) Chairmen of chambers whose terms of office have expired shall return to membership, without seeking for a vacant position. In that case, the first member position to fall vacant shall be assigned to him.

Election of members

ARTICLE 15 - (1) Three fifths of the members of Turkish Court of Accounts shall be elected from among professional personnel of Turkish Court of Accounts; the remaining among other candidates who have the qualifications specified in Article 12, provided that at least half of these are from among the professional personnel of the Ministry of Finance. Where the position of a member becomes vacant, elections shall be held for the vacant positions including for the positions of chairmen of chambers.

(2) The Presidency of Turkish Court of Accounts shall announce through Official Journal or other means of communication to launch elections within seven days as of the date that the number of vacancies reaches five. The applications shall be submitted to Turkish Court of Accounts. The duration of application for candidacy shall be thirty days following the date of the announcement.

(3) Upon examination on personnel records of applicants, from among the applicants having the qualifications prescribed in this Law, four candidates per vacant seat shall be elected by the General Assembly by secret ballot and by an absolute majority of those present. The election of candidates shall be finalized within thirty days following the deadline for the application. The results of elections, along with a summary of the personnel records of the selected

candidates, shall be submitted to the Presidency of Turkish Grand National Assembly by the Presidency of Turkish Court of Accounts within three days following the date of the election. If the election is not finalized within thirty days, the Presidency of Turkish Court of Accounts shall submit the list of applicants accepted eligible for candidacy to the Presidency of the Turkish Grand National Assembly by attaching the summary of personnel records and indicating the group quotas.

Election procedure

ARTICLE 16 - (1) To make the necessary evaluations and determine candidates for the election of the President and members of Turkish Court of Accounts by the General Assembly of the Turkish Grand National Assembly, "The Pre-Election Ad Hoc Committee for the President and Members of Turkish Court of Accounts" shall be established.

(2) The Pre-Election Ad Hoc Committee shall consist of fifteen members selected by drawing lot from among the members of the Plan and Budget Committee in proportion with the representation of political parties and independent deputies in the Turkish Grand National Assembly. The Chairman of the Plan and Budget Committee shall participate in the Committee from his party's quota and chair the Committee.

(3) The Pre-Election Ad Hoc Committee shall convene with an absolute majority. For the election of the candidates for Presidency, a list of nominees shall be used whereas a combined ballot paper prepared in accordance with the quota groups shall be used for the election of Turkish Court of Accounts membership candidates. Election of candidates shall be held by secret ballot. In order to be elected as candidate, in the first ballot an absolute majority of the total number of the members shall be required; in the second ballot, an absolute majority of those present shall be required. Where a result cannot be achieved in the first two ballots, those having the highest number of valid votes in the third ballot shall be elected. In case of tie vote during the election of candidates, the voting shall be repeated among those who have received equal number of votes.

(4) The Pre-Election Ad Hoc Committee may interview with the candidates, if deems necessary.

(5) The list of the names of candidates, the number of which shall be twice the number of vacancies, determined by the Pre-Election Ad Hoc Committee according to the ratios of quota groups indicated in the first paragraph of Article

15, shall be submitted to the General Assembly of the Turkish Grand National Assembly. A combined ballot paper shall be prepared in the form of separate lists for each group of candidates nominated in accordance with the ratios of quota groups. Candidates shall be voted by secret ballot by marking the special space across their names. Those votes exceeding the number of the members to be elected shall be considered null and void.

Qualifications and appointment of auditors of Turkish Court of Accounts

ARTICLE 17 - (1) Auditors shall start their careers as assistant auditors.

(2) Assistant auditors shall be appointed as nominees by the President of Turkish Court of Accounts

from among the applicants who have graduated from the faculties of law, political sciences, economics, business administration, economics and administrative sciences or at least four-year domestic or foreign faculties or schools of higher education whose equivalence to aforesaid faculties is certified by the Council of Higher Education, and have passed the competitive examination held for the post. In order to sit for the examination, candidates shall not be over the age of thirty-one years (thirty-five for those having a master's degree or a doctoral degree) as of January 1 of the year in which the exam is held and must have the general qualifications indicated in Article 48 of Civil Servants Law No. 657, dated 14.07.1965.

(3) The entrance examination shall be composed of a preliminary examination, a written examination and an interview. Preliminary and written examinations shall be conducted by the Student Selection and Placement Centre in accordance with the protocol undersigned by the Presidency of Turkish Court of Accounts and the said Centre.

(4) The preliminary examination shall consist of questions related to subject matter knowledge, general knowledge and general competency, and be conducted in the form of a multiple choice test. According to the results of the preliminary examination, starting with the highest scoring candidates first, a number of candidates which may be up to five times the number of positions indicated in the announcement of the examination, shall be invited to sit for the written examination, provided that none of these scores are less than seventy.

(5) The written examination shall consist of economics, finance, law and composition as compulsory topics, and commercial law or accounting as optional

topics. According to the results of the written examination, starting with the highest scoring candidates first, a number of candidates which may be up to three times the number of positions indicated in the announcement of the examination, shall be invited to the interview, provided that none of these scores are less than seventy.

(6) The interview shall be conducted through assessing candidates in terms of their:

a) Ability of comprehension and summarizing a subject, ability of expression and power of judgment,

b) Merit, representativeness, compliance of his behaviors and reactions with the profession,

c) Self-confidence, ability of persuasion and credibility,

d) General competency and general knowledge,

e) Openness to scientific and technological developments,

and each of aforementioned criteria shall be scored separately.

Candidates shall be scored by the interview committee on a 20-point scale for each of the qualities mentioned in points (a) to (e) above and each score shall be recorded separately in the minutes. Apart from this, no other recording system shall be applied thereof.

(7) The interview committee, chaired by the President of Turkish Court of Accounts or a chairman of chamber assigned by him, shall consist of two members and three principal auditors; six members in total. In order to be deemed successful in the interview, the arithmetic average of the scores given to the candidate by the chairman and members of the committee must be at least 70 points out of 100.

(8) The list of entrance examination results shall be prepared in descending order beginning with the candidate with the highest score, calculated by taking the arithmetic average of the preliminary examination, written examination and interview scores. According to the ranking in the list of entrance examination results, candidates of a number equal to the number of positions indicated in the preliminary examination announcement shall be appointed.

(9) The vocational training and internship period of assistant auditors shall be two years at minimum and three years at maximum. The probationary period shall be one year at minimum and two years at maximum. At the end of the probationary period, those with a good personnel record shall be appointed as assistant auditors upon the decision of the Board of Promotion and Discipline of Professional Personnel and the approval of the President of Turkish Court of

Accounts. The employment of those unable to obtain good personnel record shall be terminated upon the decision of the Board of Promotion and Discipline of Professional Personnel and approval of the President of Turkish Court of Accounts.

(10) In order to be appointed as auditor, assistant auditors must pass the examination held following the vocational training and internship period and earn a good personnel record. Those who fail to pass the competence exam shall be discharged from employment as professional personnel. Among those who submit a written request shall be appointed as supporting staff upon the approval of the President of Turkish Court of Accounts.

(11) Assistant auditors shall be appointed as auditors upon the decision of the Board of Promotion and Discipline of Professional Personnel and the approval of the President of Turkish Court of Accounts.

(12) Principles and procedures concerning the entrance examination for nominee assistant auditors; curriculum for professional training; the types, conditions and duration of the internship; procedures for the examination at the end of training and internship and other matters shall be laid down in a by-law.

Qualifications and appointments of the Chief Prosecutor and prosecutors

ARTICLE 18 - (1) The Chief Prosecutor whose term expires shall continue to serve as a prosecutor of Turkish Court of Accounts, without seeking for a vacant position, and the first vacant prosecutor position shall be assigned to him.

(3) The Chief Prosecutor shall enjoy the rights of auditors who have been promoted to class one and served for nine years in this class. In the calculation of the period of service of prosecutors, two thirds of their service period outside Turkish Court of Accounts shall be taken into account. The Chief Prosecutor and prosecutors shall be subject to the provisions related to the auditors of equivalent degree and seniority in terms of salaries, allowances, financial and social rights, retirement and other rights, disciplinary matters, penalty investigations, personnel records and security of tenure.

Supporting units and staff

ARTICLE 19 - (1) Administrative affairs of Turkish Court of Accounts shall be carried out by units established upon the proposal of the President of Turkish Court of Accounts and by the decision of the General Assembly of Turkish Court of Accounts.

(2) Supporting staff must have the qualifications indicated in Law No. 657. They shall be appointed upon the approval of the President of Turkish Court of Accounts within the framework of the provisions of Law No. 657. Supporting staff means those who work in the supporting units, subject to Law No. 657. Duties of supporting units, the principles and procedures with regard to performance of these duties and responsibilities of those concerned shall be laid down in a by-law.

CHAPTER THREE

The Organisation, Functioning, Duties and Competences of the Presidency, Judicial, Decision-Making and Other Bodies of Turkish Court of Accounts

The Presidency

ARTICLE 20 - (1) The Presidency shall be composed of the President of Turkish Court of Accounts, deputy presidents, and heads of departments.

(2) Audit and audit supporting groups and supporting units shall directly exercise their duties under the authority of the Presidency.

The President of Turkish Court of Accounts

ARTICLE 21 - (1) The President of Turkish Court of Accounts shall govern and represent Turkish Court of Accounts. The President is the highest-level official of Turkish Court of Accounts, and is responsible for its overall functioning and takes all necessary precautions to ensure that Turkish Court of Accounts properly performs all duties set forth by laws, and the administrative tasks are conducted regularly.

(2) The President of Turkish Court of Accounts is the chairman of the General Assembly, and as he deems necessary, he may chair the Board of Appeals and the Board of Chambers. He shall arrange the tasks to be assigned to these Boards and chair the debates therein.

(3) The President of Turkish Court of Accounts shall inform the Turkish Grand National Assembly Plan and Budget Committee at least twice a year, and where necessary, the related Committees with regard to the activities of Turkish Court of Accounts.

(4) The President of Turkish Court of Accounts or the deputy president assigned by the President shall be present during the discussions on the reports of Turkish Court of Accounts in the Turkish Grand National Assembly.

(5) The President of Turkish Court of Accounts shall determine chambers of chairmen and members; establish specialized chambers; distribute tasks among the chambers; set up audit and audit supporting groups; designate and determine work places of professional personnel; and duties and work places of supporting staff.

(6) The President of Turkish Court of Accounts may assign at most five auditors as the Presidency consultants upon their consent, as he deems necessary.

(7) The President shall designate one of the deputy presidents to stand in for him in his absence. In the event of no such designation or his absence, the senior deputy president, and if there is a vacancy in the office of the President, the most senior chairman of chamber shall act as the President of Turkish Court of Accounts. The date of election as a member or chairman shall be the principle for seniority.

Deputy Presidents

ARTICLE 22 - (1) The President of Turkish Court of Accounts shall assign two deputy presidents; one for audit and the other for administrative tasks, from among its members to assist him. Deputy Presidents shall have the status of chairman of chamber.

(2) Deputy president responsible for audit shall be in charge of executing, reporting and reviewing audit activities, and shall direct the operations of the audit and audit supporting groups on behalf of the President of Turkish Court of Accounts. In order to assist the deputy president responsible for audit activities in performing his duties, at most five heads of departments selected from among professional personnel who have served for at least three years after being promoted to class one shall be assigned upon the approval of the President.

(3) Deputy president responsible for administrative tasks shall direct the supporting units on behalf of the President of Turkish Court of Accounts. In

order to assist the deputy president assigned for administrative tasks in performing his /her duties, at most three heads of department from among the professional personnel at the first to fourth grades shall be assigned upon the approval of the President.

Chambers

ARTICLE 23 - (1) Chambers comprised of one chairman and six members are account courts. Chambers shall convene with the attendance of the chairman and four members; verdicts and decisions shall be rendered by a majority vote.

(2) Chambers shall;

a) As the account court, take final decision on matters related to public loss specified in judicial reports prepared with respect to the accounts and transactions of those responsible,

b) Express opinion on audit reports,

c) Express opinion or decide on the matters that the President demands to be negotiated.

(3) During the negotiations on audit reports in chambers, the head of the relevant group or the auditor who has prepared the report shall participate in the discussions and express his /her opinion. Furthermore, the head of administration of the relevant institution, or an assistant assigned by him may be invited to make explanations.

(4) During the discussions over judicial reports, the head of the relevant group, the auditor who has prepared the report, those responsible and the final recipients of public money¹ may be invited for clarification.

(5) In case of vacancy, in the absence of chairman due to reasons of him being on leave or having an excuse, the most senior member shall act as the chairman of chamber. The date of being elected as a member shall be taken as the basis for seniority.

Chairmen of chambers and members

ARTICLE 24 - (1) Chairmen of chambers shall be responsible for ensuring that judicial reports passed to their chambers by the Presidency are decided on and that the minutes and writs thereof are prepared within at latest six months not including the recess period.

(2) Chairmen of chambers shall carry out the operations regarding the notification of their opinions on audit reports and shall be present in the Turkish Grand National Assembly during the discussions over the reports, for which they have notified their opinions.

(3) The members shall examine, without delay, the files and reports assigned to them by the chairman of their chambers or the chairman of the board of which they are members; shall make the necessary clarifications and notify their opinions and ideas in writing accompanied by their justifications; attend the meetings of their chambers or the boards of which they are members; shall vote and, in case of those who are a minority in the decisions and opinions, they shall notify their justification for a countervote in writing, perform other tasks related to chambers and boards.

(4) The President of Turkish Court of Accounts shall assign an adequate number of auditors as rapporteurs in order to prepare decisions, minutes, writs and opinions of chambers within the framework of decisions and opinions of chambers and boards, and to perform other activities required by these duties.

The General Assembly

ARTICLE 25 - (1) The General Assembly shall be composed of deputy presidents, chairmen of chambers and members under the chair of the President of Turkish Court of Accounts.

(2) The General Assembly shall:

- a) Discuss the Statement of General Conformity,
- b) Decide on the unification of case law,
- c) Express opinion on by-laws to be prepared as required by this law,
- d) Give its opinion on legislative proposals pertaining to the Turkish Court of Accounts,
- e) Give its opinion or take decision on other matters demanded to be examined by the President of Turkish Court of Accounts,
- f) Carry out all other duties prescribed by this Law.

(3) The Chief Prosecutor shall attend the General Assembly meetings provided that he does not have the right to vote.

(4) The General Assembly shall convene with at least two thirds of its component members and take decisions by an absolute majority of those present. In case of tie votes, the President of Turkish Court of Accounts shall have the casting vote.

(5) In case of the absence of the President of Turkish Court of Accounts, the most senior deputy president who is present at the General Assembly meeting shall chair the meeting.

The Board of Appeals

ARTICLE 26 - (1) The Board of Appeals shall consist of four chairmen of chambers and two members from each chamber to be elected by the General Assembly for four years from among the chairmen of chambers and members except those elected to the Board of Report

Evaluation. Every year, one fourth of the members of the Board shall be re-elected. Those whose terms of membership in the Board have ended shall not be re-elected earlier than four years. The most senior chairman shall chair the Board.

(2) The Board shall convene with at least two thirds of its component members. In cases where the quorum is not reached due to an official leave or a vacancy, the chairman of the Board may invite as many members from the chambers in place of the members who are not present, on the basis of seniority, in order to reach the quorum for the session in question, on condition that the quota assigned to the Board for each chamber is not exceeded and that the procedure is exclusive for that session. The Board shall decide by an absolute majority of those present. In case of tie votes, the chairman shall have the casting vote. The chairman and members of the chamber whose decision has been appealed shall not have the right to vote. The prosecutor shall attend the hearings directly; as for the other sessions, upon the invitation of the Board, and shall express his /her opinion.

(3) The Board of Appeals shall be the ultimate authority to take final decision on writs issued by the chambers of Turkish Court of Accounts.

The Board of Chambers

ARTICLE 27 - (1) The Board of Chambers shall consist of chairmen of chamber and members except those elected to the Board of Report Evaluation and the Board of Appeals. The most senior chairman of chamber shall chair the Board.

(2) The Board shall convene with at least two thirds of its component members. In cases where the quorum is not reached due to an official leave or a vacancy, the chairman of the Board may invite as many members from the chambers in place of the members who are not present, on the basis of seniority as to reach the quorum for the session in question, on the condition that the quota assigned to the Board for each chamber is not exceeded and that the procedure is exclusive for that session. The Board shall decide by an absolute majority of those present. In case of tie votes, the chairman shall have the casting vote.

(3) The Board of Chambers shall give its opinion on:

a) The by-laws, and regulatory processes in the nature of by-laws, to be prepared on financial matters by the public administrations within the scope of the general government,

b) The matters demanded to be examined by the President of Turkish Court of Accounts,

and shall carry out other tasks assigned herein.

(4) The by-laws and regulatory processes in the nature of by-laws, to be prepared on financial matters by the public administrations within the scope of the general government shall be put into effect by taking the consultative opinion of Turkish Court of Accounts. Turkish Court of Accounts shall deliver its opinion within at the very latest thirty days as of the date of request, not including the period of recess. The delays shall be notified in the Accountability Report of Turkish Court of Accounts along with justification thereof.

The Board of Report Evaluation

ARTICLE 28 - (1) The Board shall consist of two chairmen of chambers and one member from each chamber elected by the General Assembly for a period of two years and the deputy president responsible for audit. Where the position of a Board member becomes vacant, an election shall be held for the vacant seat by the General Assembly of Turkish Court of Accounts to complete the remaining period.

(2) The President of Turkish Court of Accounts is the chairman of the Board. In the absence of the President, the deputy president responsible for audit shall chair the Board.

(3) The Board shall convene with at least two thirds of its component members. In cases where the quorum is not reached due to an official leave or a

vacancy; the chairman of the Board may invite as many members from the chambers in place of the members who are not present, on the basis of seniority as to reach the quorum for the session in question, on the condition that the quota assigned to the Board for each chamber is not exceeded and the procedure is exclusive for that session. The Board shall decide by an absolute majority of those present. In case of tie votes, the chairman shall have the casting vote.

(4) The Board of Report Evaluation shall give opinion on the reports of Turkish Court of Accounts and the matters demanded to be examined by the President of Turkish Court of Accounts.

(5) During discussions on the reports of Turkish Court of Accounts in the Board, the relevant head of group or the auditor of the report shall attend the sitting and express his opinion.

(6) During discussions on the reports of Turkish Court of Accounts, the head of administration of the relevant public administration, or an assistant assigned by him may be invited to make clarifications.

The High Disciplinary Board

ARTICLE 29 - (1) The High Disciplinary Board shall be composed of five chairmen of chambers and one member from each chamber to be elected for one calendar year by the General Assembly of Turkish Court of Accounts. The most senior chairman shall chair the Board.

(2) The Board shall convene with its component members. The decisions on disciplinary proceedings and penal prosecution shall be taken with two thirds of its component members.

(3) In case of absence of chairman of chamber or any of members, or a vacancy; the most senior member from the chamber to which the chairman or member is attached shall attend the Board meeting. The Board members for whom there is an imputation shall not participate in the meeting.

(4) The Board shall carry out the disciplinary proceedings concerning the President, chairmen and members of Turkish Court of Accounts.

The Board of Promotion and Discipline of Professional Personnel

ARTICLE 30 - (1) The Board of Promotion and Discipline of Professional Personnel shall consist of one chairman of chamber, one member, one principal

auditor and one senior auditor elected by the General Assembly every calendar year and the deputy president of Turkish Court of Accounts responsible for audit. Equal number of substitute members shall likewise be elected. The chairman of chamber shall chair the Board.

(2) The Board shall convene with its component members and decide by a majority vote. The members of the Board shall not attend the meetings, when matters concerning themselves are discussed.

(3) The Board shall execute promotional procedures, disciplinary investigations and penal prosecutions with regard to professional personnel except the President, chairmen and members of Turkish Court of Accounts.

The Board of Auditing, Planning and Coordination

ARTICLE 31 - (1) The Board of Auditing, Planning and Coordination shall be composed of the President, deputy presidents and heads of departments. In the absence of the President, the most senior deputy president shall chair the Board.

(2) The duties of the Board of Auditing, Planning and Coordination shall be as follows:

a) To prepare the strategic plan and annual performance program of Turkish Court of Accounts,

b) To prepare audit strategic plans and annual audit programs in line with the prospective risk

analysis in consideration with the expectations of the Turkish Grand National Assembly, the public and the public administrations subject to audit,

c) To monitor, evaluate and coordinate the implementation of plans and programs, to establish the performance measurement systems, and to prepare the accountability report of Turkish Court of Accounts,

d) To prepare the by-laws, standards, guidelines on audit, and to determine the professional code of ethics,

e) To express opinions on the matters demanded to be discussed by the President of Turkish Court of Accounts.

(3) The Board may invite heads of audit and audit supporting groups to the meetings during discussions on matters related to their fields of work.

(4) During the discussion on matters related to the preparation and monitoring of the strategic plan as well as the preparation of the annual program of Turkish Court of Accounts, one member to be assigned by the President of Turkish Court of Accounts from each chamber and heads of audit and audit supporting groups shall attend the Board meetings as well.

Headships of audit and audit supporting groups

ARTICLE 32 - (1) Headships of audit and audit supporting groups shall consist of one head of group and an adequate number of auditors.

(2) Headships of audit groups shall be established upon the approval of the President of Turkish Court of Accounts so as to ensure sectoral and operational integrity of all public administrations within the audit area of Turkish Court of Accounts and enable to monitor development plans, annual programs and strategic plans.

(3) Headships of audit and audit supporting groups shall perform the duties assigned by the Presidency to ensure that the duties assigned to Turkish Court of Accounts herein and in other legislations are fulfilled in an effective manner.

(4) The auditors shall carry out the audit and examination duties assigned by the President of Turkish Court of Accounts, or by heads of groups on behalf of him, within the framework of principles and procedures provided for in laws, by-laws, standards, circulars and guidelines; shall submit their results to the Presidency by a report, and carry out all other tasks prescribed herein.

(5) In order to assist headships of audit and audit supporting groups in fulfilling their duties, an adequate number of supporting staff shall be appointed.

(6) Upon the proposal of the President of Turkish Court of Accounts and the decision of the General Assembly, headships of audit groups may be established in provinces, as deemed necessary.

(7) The working principles and procedures, duties and responsibilities of the headships of audit and audit supporting groups, the criteria for assignment to the audit groups to be established in provinces and other matters shall be laid down in a by-law.

The Office of the Chief Prosecutor

ARTICLE 33 - (1) The Office of Chief Prosecutor shall be composed of the Chief Prosecutor and prosecutors.

(2) The Chief Prosecutor shall;

a) Transfer to prosecutors the judicial reports, the files regarding the appeal and other duties

conferred to the Office of Chief Prosecutor,

b) Execute the appeal requested by the auditors who have prepared the judicial report pertaining to the writ, or submit to the Presidency the justification of his rejection to appeal request so as to be notified to the relevant auditor. He shall monitor the execution of writs and perform the operations thereof,

c) Follow up on the process regarding those responsible and other relevant persons, of whom

a notification of offence have been placed,

d) Follow up on the accounts not submitted within the period of time specified by Turkish Court of Accounts, and take the necessary actions stated herein against those responsible and other relevant persons who have not submitted the accounts, required information and documents,

e) Carry out other duties stipulated by laws and assigned by the President of Turkish Court of Accounts.

(3) The prosecutor shall:

a) Examine judicial reports, files of appeal and other duties conferred to him and give opinion together with justification.

b) Participate in the account trial and express his opinion, with no right to vote

c) Perform other duties assigned by the Chief Prosecutor.

(4) The working principles and procedures of the Office of Chief Prosecutor shall be laid down in a

by-law.

PART THREE

Auditing and Reporting

CHAPTER ONE

Auditing and Audit Process

Purpose of auditing

ARTICLE 34 - (1) Audit shall be carried out with the purposes of:

- a) Submitting reliable and sufficient information to the Turkish Grand National Assembly and the public concerning the activity results of public administrations, as required by the power of the purse,
- b) Executing public financial management in line with laws, and safeguarding the public resources,
- c) Evaluating the performance of public administrations,
- d) Establishing and extending accountability and fiscal transparency.

General principles of auditing

ARTICLE 35 - (1) The general principles of auditing are:

- a) Auditing means the examination of accounts, financial transactions and activities as well as the internal control systems of public administrations, and the evaluation of effective, economic, efficient and legal usage of public resources. Turkish Court of Accounts shall not undertake propriety audit and shall not render decisions that limit or remove the discretionary powers of administrations.
- b) Audit shall be carried out in accordance with the generally accepted international auditing standards.

c) Turkish Court of Accounts and auditors shall carry out audit activities independently and impartially. Turkish Court of Accounts shall not be given instruction in planning, programming and executing of the audit function.

d) Audits shall be carried out with due consideration to the implementation of the contemporary audit methodologies.

e) For effective fulfillment of audit function, technical and professional competencies of the personnel of Turkish Court of Accounts shall be developed.

f) For maintaining quality assurance, each stage of audit shall be reviewed constantly in terms of its conformity with audit standards, strategic plans, audit programs and professional code of ethics.

(2)The following are observed while conducting the audit and detecting public loss:

a) Regularity audit shall be carried out through determining whether revenues, expenditures and assets of public administrations, as well as all financial accounts and transactions pertaining to those are in compliance with laws and other legal arrangements.

b) While auditing the revenues, expenditures and assets of public administrations, as well as all financial accounts and transactions pertaining to those; it shall not be possible to prepare an audit report, in the form of regularity audit, that includes opinions and suggestions disapproving the necessity, proportionality, (...) (1) from an administrative perspective, although the decisions or operations and transactions made by competent authorities and bodies in due form are in compliance with legislation and objectives and indications determined by the administration. In the audit reports, it shall not be possible to prepare an audit report that includes opinions and suggestions that will limit or eliminate the discretion of a public administration, that will necessitate the implementation of a certain policy or making of a certain operation or transaction by replacing a public administration.

d) The draft audit reports prepared as a result of the regularity and performance audits of public administrations shall be evaluated by the report evaluation commissions consisting of three auditors before being submitted to the Presidency by audit group headships with respect to their compliance with the relevant laws or Presidential Decrees, as well as legislations based on those, and the regulations made and opinions given by the public administrations that

are authorized to direct the application in the relevant laws or Presidential decrees and also the other matters included in this paragraph. The formation of report evaluation commissions and their working procedures and principles are laid out by regulation.

The audit by Turkish Court of Accounts

ARTICLE 36 - (1) The audit by Turkish Court of Accounts shall cover regularity audit and performance audit.

(2) Regularity audit shall be carried out through;

a) Determining whether revenues, expenditures and assets of public administrations, as well as accounts and transactions pertaining to those are in compliance with laws and other legal arrangements,

b) Giving opinion on the reliability and accuracy of financial reports and statements of public administrations, by evaluating all kinds of supporting and necessary documents,

c) Assessing financial management and internal control systems.

(3) Performance audit shall be carried out through measuring the activity results related to the objectives and indicators determined by administrations within the framework of accountability.

(4) As a result of these audits, other matters regarding audit or resulting from audit activities, required to be clarified may be reported as well.

The audit process

ARTICLE 37 - (1) Audits shall be composed of the following stages:

a) Audit planning,

b) Preparation and implementation of the audit program,

c) Reporting of results and recommendations,

d) Submission of reports to the Turkish Grand National Assembly and forwarding them to the relevant public administrations,

e) Following up of reports.

(2) The matters related to the audit process shall be governed by by-laws, standards and guidelines to be prepared considering laws and benefiting from generally accepted international auditing standards.

CHAPTER TWO

Reports of Turkish Court of Accounts

The external audit general evaluation report

ARTICLE 38 - (1) Audit reports prepared by headships of audit groups as a result of regularity and performance audit of public administrations shall be consolidated in respect of administrations, and a copy shall be sent to the relevant public administration by the Presidency of Turkish Court of Accounts. Heads of public administrations shall respond to audit reports within thirty days as of the date of receiving the reports. In order to obtain the opinions of chambers of Turkish Court of Accounts, audit reports that have been revised by taking into consideration these replies shall be submitted to the Presidency of Turkish Court of Accounts until the end of May following the end of the year relevant to the report. The replies of public administrations "shall be annexed to these report. Chambers shall submit their opinions on these reports to the Presidency of Turkish Court of Accounts until July 15. While forming opinions on audit reports, chambers shall examine whether or not these reports comply with the purpose, scope and limits envisaged herein, and convey their opinions to the Presidency of Turkish Court of Accounts on the revision of the reports, which do not comply with these respects.

(2) The external audit general evaluation report which includes audit reports on which chambers have stated their opinions and other financial matters that Turkish Court of Accounts has deemed appropriate to be addressed, shall be prepared, and the opinion of the Board of Report Evaluation shall be taken. The external audit general evaluation report and audit reports on which the Board has given opinion, along with the Statement of General Conformity, shall be submitted to the Turkish Grand National Assembly by the President of Turkish Court of Accounts.

(3) The results of external audit may also be submitted to the Turkish Grand National Assembly as separate reports prepared with respect to administrations or topics.

(4) Within the framework of the external audit general evaluation report, the accountability general evaluation report, reports, and evaluations indicated in Article 42 of this Law, the Turkish Grand National Assembly shall deliberate on the management and accountability of public administrations with regard to the acquisition and utilization of public resources. It shall be compulsory for the President of Turkish Court of Accounts, or the deputy president responsible for audit, and heads of public administrations, or the deputy to be appointed by them to attend these deliberations together with the relevant minister.

(5) The audit of organizations and subsidiaries of which more than half the capital are directly or indirectly owned by public administrations, except the state economic enterprises, shall be carried out concurrently with the audit of these administrations, and the reports prepared as a result of audits shall be submitted to the Turkish Grand National Assembly and forwarded to the information of relevant public administrations for necessary action to be taken.

The accountability general evaluation report

ARTICLE 39 - (1) Accountability reports sent by public administrations, the local governments general accountability report prepared by the Ministry of Interior and the General Accountability Report prepared by the Ministry of Finance shall be evaluated by headships of audit groups via considering audit results.

(2) The accountability general evaluation report prepared on the basis of relevant evaluation reports prepared by headships of audit groups, upon taking the opinion of the Board of Report Evaluation, shall be submitted to the Turkish Grand National Assembly by the President of Turkish Court of Accounts, together with general accountability report, local governments general accountability report and administration accountability reports except those of local governments, and one copy shall be sent to the Ministry of Finance. One copy of Turkish Court of Accounts evaluation on the local governments accountability report shall be forwarded to the Ministry of Environment and Urbanization and to the councils of relevant local administrations as well.

The financial statistics evaluation report

ARTICLE 40 - (1) Annual financial statistics published by the Ministry of Finance shall be evaluated by headships of audit groups in terms of its preparation, publication, accuracy, reliability and conformity to the predetermined standards within the month of March of the following year.

(2) The evaluation report prepared with this purpose, upon taking the opinion of the Board of Report Evaluation, shall be submitted to the Turkish Grand National Assembly and sent to the Ministry of Finance by the President of Turkish Court of Accounts. The Minister of Finance shall take the necessary measures in accordance with the assessments stated in this report.

The statement of general conformity

ARTICLE 41 - (1) Turkish Court of Accounts shall submit the statement of general conformity to be prepared for public administrations within the scope of central government to the Turkish Grand National Assembly within at latest seventy-five days as of the submission date of the proposed Final Account Law.

(2) The draft statement of general conformity shall be prepared by headships of audit groups through considering the audit results and accountability reports. In the conformity evaluation, the implementation results of the central government budget law stated in the proposed Final Account Law shall be compared with the results established on the basis of public administration accounts. Together with the conformity level of these, in this comparison, reliability and accuracy of financial reports and statements that constitute the public administration accounts, the charts and the documents in the annex of proposed Final Account Law shall be evaluated as well. By indicating other matters required to be submitted to the Turkish Grand National Assembly, drafts of statement of general conformity shall be submitted to the Presidency of Turkish Court of Accounts by headships of audit groups.

(3) Drafts of statement of general conformity shall be deliberated and finalized in the General Assembly of Turkish Court of Accounts. During deliberations on the statement of general conformity, the head of the relevant public administration, or a deputy assigned by him may be invited to make clarifications. An authorized person from the Ministry of Finance and the Chief Prosecutor of Turkish Court of Accounts shall as well be present during these deliberations.

(4) Submission of the proposed Final Accounts Law and the statement of general conformity to the Turkish Grand National Assembly shall not prevent Turkish Court of Accounts from auditing or trying the corresponding year's accounts that have not been completed, and shall not be construed as final decision on the accounts is taken. The findings, concerning the final accounts reached after the submission of the statement of general conformity shall be

submitted to the Turkish Grand National Assembly in the appendix of the next statement of general conformity.

(5) A chart displaying the execution rates of the Turkish Court of Accounts writs until the end of the relevant year of the final accounts shall be attached to the proposed Final Account Law.

Other reports

ARTICLE 42 - (1) These are the reports prepared as a result of audits and examinations other than the reports stipulated in other articles herein. The relevant chamber and the Board of Report Evaluation shall express opinion within the period specified by the President of Turkish Court of Accounts.

(2) The President of Turkish Court of Accounts shall submit these reports to the Turkish Grand National Assembly or forward to relevant public administrations.

CHAPTER THREE

Auditing and Reporting of State Economic Enterprises

Auditing and reporting

ARTICLE 43 - (1) Annual audit reports prepared by headships of audit groups at the end of the audit on the organizations within the scope of the final paragraph of Article 4 of this Law shall be sent to the Board of Report Evaluation by the end of September following the end of the year relevant to report. The Board of Report Evaluation shall finalize the report by the end of October. These reports shall be sent to audited organizations and one copy shall be sent to the relevant ministry by the Presidency of Turkish Court of Accounts. These organizations shall send their replies to Turkish Court of Accounts and the related ministry within thirty days as of the receipt of the report, on condition that their replies shall be passed through, if any, their executive boards, or their authorized bodies. The related ministry shall forward these replies to Turkish Court of Accounts together with their opinions within fifteen days at latest.

(2) Annual audit reports pertaining to audited organizations and replies of organizations and ministries shall be submitted to the Turkish Grand National Assembly by the President of Turkish Court of Accounts to be discussed by the relevant committee within the framework of the provisions of the Law No. 3346

until the end of the year following the end of relevant year. These reports shall be sent to the State Planning Organization and the Undersecretariat of Treasury as well.

(3) In this context, the general report encompassing the results of annual activities of audited organizations shall be announced every year to inform the public.

CHAPTER FOUR

Other Matters Related to Auditing and Reporting

Announcement of the reports to the public

ARTICLE 44 - (1) Reports of Turkish Court of Accounts, except for the cases forbidden to be announced by laws, shall be announced to the public by the President of Turkish Court of Accounts or deputy president assigned by him within fifteen days as of the submission of reports to the Turkish Grand National Assembly and related public administrations.

(2) Matters regarding the public announcement of reports to be prepared as a result of auditing, as stipulated herein, the assets owned by public administrations related to defense, security and intelligence shall be laid down in a by-law, that will be prepared by Turkish Court of Accounts upon taking the opinion of the relevant public administrations, and issued by the President of the Republic.

Audit demands from the Turkish Grand National Assembly

ARTICLE 45 - (1) Upon the decision of the Turkish Grand National Assembly research, investigation and specialization committees, provided that the audit shall be limited to the demanded matter, the Presidency of Turkish Grand National Assembly may demand Turkish Court of Accounts to audit the accounts and transactions of all public institutions and organizations, regardless of whether they are subject to audit including privatization, incentive, loan and credit implementations, and by the same procedure, the accounts and transactions of any institution, organization, fund, enterprise, company, cooperative, union, foundation, association or similar enterprise within the framework of the utilization from public resources and opportunities benefited. Results of audits shall be submitted to the Presidency of the Turkish Grand National Assembly.

(2) Audit demands of the Turkish Grand National Assembly shall have priority.

(3) The Presidency of Republic of Turkey shall be excluded from this Article.

Utilization of other audit reports

ARTICLE 46 - (1) Turkish Court of Accounts, in the course of audit activities, shall also benefit from other audit reports on public administrations.

Hiring expert

ARTICLE 47 - (1) If deemed necessary by auditors during audit activities, the President of Turkish Court of Accounts shall be authorized to hire experts from outside Turkish Court of Accounts, provided that the expert works under the coordination of the professional personnel and within the limits of the matter to be examined. The principles and procedures pertaining to the appointment of experts from outside Turkish Court of Accounts shall be laid down in a bylaw.

(2) By the relevant public administration, qualified personnel deemed appropriate shall be assigned and all kinds of assistance shall be provided, upon the written request of the President of Turkish Court of Accounts. Those assigned as such shall be regarded as being on official leave by their administrations during their term of duty and shall continue to benefit from their rights to salary, compensation, perquisite, and to benefit from other personnel and social rights. An additional payment not exceeding the amount to be calculated by multiplying the indicator number (20.000) with the coefficient of the monthly salary of the civil servant shall be paid monthly to these personnel during their term of duty. Regarding the assignments for less than one month, a proportional calculation shall be made. These payments shall not be subject to any deductions except for stamp duty. In cases where a payment as per Law No. 6245 on Travel Allowances is to be made to these personnel, among the payments provided for those mentioned in point (b) of Article 33 of the same law, only travel and accommodation expenses shall be paid.

PART FOUR

Trial of Accounts

CHAPTER ONE

Judicial Reports and Chamber Writs

Judicial reports

ARTICLE 48 - (1) Where a matter resulting in public loss is detected by auditors in the course of audits of the accounts and transactions of public administrations within the scope of the general government, defence statements of those responsible shall be taken, and judicial reports shall be prepared as of the end of the fiscal year. However, it shall not be required to wait until the end of the fiscal year to prepare judicial reports on matters stated in the fourth paragraph of Article 6. In preparation of judicial reports, the defense statements of those responsible who do not reply within thirty days from the date of notification shall not be taken into account.

(2) Judicial reports shall be submitted to the Presidency of Turkish Court of Accounts together with the documents attached. The Presidency shall send these reports to the relevant chamber within at latest fifteen days.

Examining and taking decisions on judicial reports by chambers

ARTICLE 49 - (1) Chairmen of chambers shall take written opinion of the Office of Chief Prosecutor with respect to the judicial reports submitted to their chambers.

(2) Chairman of chamber shall forward the judicial report including the written opinion of the Office of Chief Prosecutor to one of the members to obtain his opinion. The member shall make the necessary examination and return the report to the office of chairman together with his own written opinion, and the trial of the accounts and transactions stated in the report shall be initiated.

(3) The prosecutor as well shall be present during the trial and express his opinion.

Decisions and minutes

ARTICLE 50 - (1) At the end of trials, chambers shall decide on either the compliance of accounts and transactions with legislation, or indemnification of

public loss from those responsible. Apart from these decisions, matters deemed necessary may be decided to be communicated to relevant authorities.

(2) A minute of verdicts and decisions accompanied by justifications shall be drawn up and signed by chairman and members of chamber.

(3) In the course of an account trial, in cases where information and documents are found insufficient based on the facts that transactions under trial lack their supporting documents for the reason that they had been submitted to a court or a relevant administrative authority for an ongoing investigation, and it is deemed necessary to wait until the end of the investigation or the prosecution; the trial of these accounts and transactions may be suspended and excluded from judgment. After remedying the shortcomings concerning the matters excluded from the judgment, the trial of these accounts and transactions shall proceed.

Writs

ARTICLE 51 - (1) Writs shall be prepared together with justifications. After two copies of writs are signed by chairman and members of chamber, one of these signed copies shall be kept at the chamber, the other and the remaining unsigned copies shall be submitted, together with the report file, to the Presidency of Turkish Court of Accounts. After being sealed and signed by the President or by his authorized designees, copies of writs signed by chairman and members of chamber shall be kept by the Presidency.

(2) Writs shall include:

a) Chamber and decision number, name of relevant public administration and audit term,

b) Names and surnames of the auditor who prepared the report, prosecutor, and the rapporteur who prepared the writ,

c) Names and surnames, titles and addresses of those responsible, their designees or representatives, if any,

d) Summary of the matters stated in reports by auditors and their legal grounds, opinion of prosecutor, result of demand and summary of the statement of defence of those responsible,

e) Whether a hearing was held, if so, names and surnames of those present,

f) Legal ground and justification of decision; if decision for indemnification was taken, amount of indemnification and beginning date of interest to be applied,

g) Matters discharged through collection, final recipients of public money, and the amounts collected,

h) If the amounts that were collected upon inquiry are established as to have been collected unduly, the date and the number of documents with regard to collection; names and surnames of those responsible and final recipients of public money as well as justification for refunding,

i) Matters excluded from judgment,

j) Date of decision, whether taken unanimously or by a majority vote, and minute of dissent, if any,

k) Names, surnames and signature of chairman and members of the chamber who took the decision.

Notification, clarification and correction of writs

ARTICLE 52 - (1) Writs of Turkish Court of Accounts shall be communicated to those responsible, the public administrations to which these are affiliated, the Ministry of Finance for administrations within the scope of the general budget, relevant accounting unit and the Office of the Chief Prosecutor.

(2) If decisions rendered by chambers or the Board of Appeals are not clear; any of the parties concerned may request clarification of these decisions or correction of errors regarding their names, surnames, titles and results of claims, and calculation errors in the decision.

(3) Number of petitions issued for clarification or correction shall be one copy more than the number of other party.

(4) The chamber or the Board that have rendered the decision, shall examine the issue and if it deems necessary, communicate one copy of the petition to other party in order to be replied within the period specified. The reply shall be submitted in two copies; one of them shall be sent to the party that has requested the clarification or correction.

(5) Decision of the assigned chamber or the board thereof shall be notified to the parties.

(6) Clarification or correction may be requested until the execution of the decision.

Execution of writs

ARTICLE 53 - (1) Writs of Turkish Court of Accounts shall be executed within ninety days after they become final. Heads of public administrations to which writs are sent shall be responsible for the implementation of the writ.

(2) The amount of indemnification stated in the writ shall be subject to interest, as defined in laws, as of the date of decision, and shall be collected in accordance with the provisions of Law No. 2004 on the Execution and Bankruptcy, dated 09.06.1932.

CHAPTER TWO

Legal Remedies

Recourse to legal remedies

ARTICLE 54 - (1) Request for appeal, retrial and correction of decision shall be made with a signed petition addressed to the Presidency of Turkish Court of Accounts. Petitions shall be delivered, or posted to the Presidency of Turkish Court of Accounts. Confirmation of the receipt of the petition may be given to the persons concerned if requested.

(2) The petitions shall include:

- a) Name, surname, title and address of applicant and of his legal representative or designee, if any,
- b) Date and number of the writ,
- c) Name and year of relevant account,
- d) Subject of application,
- e) The legal remedies applied to, and legal grounds of application,
- f) Request for hearing, if any.

(3) Documents evidencing the objection shall be attached to the petition by related persons. Number of the petition and the attached documents shall be one copy more than the number of other party.

(4) If the Board of Appeals or chambers, according to its relevance, decide that the petition does not include abovementioned matters, holder of the petition shall be notified to complete deficiencies within fifteen days. If deficiencies are not completed within this period, according to its relevance, the Board of Appeals or chambers shall decide rejection of the petition. Nevertheless, the petitions including with adequate precision the identity and signature of holder of the petition, decision for which the application is made and which legal remedies are applied for on which reasons shall be accepted, even if other matters are not indicated.

Appeal

ARTICLE 55 - (1) Writs issued by chambers of Turkish Court of Accounts shall be appealed in the Board of Appeals of Turkish Court of Accounts. Decisions taken by this Board shall be final.

(2) Writs issued by chambers of Turkish Court of Accounts may be appealed by relevant persons stated in the first paragraph of Article 52 on the following grounds:

- a) Violation of law,
- b) Ultra vires action,
- c) Failing to obey legal procedures of account trial.

(3) Period for appeal shall be sixty days from date of notification of writ to the concerned.

(4) Petition for appeal and documents attached thereto shall be communicated to other party. Time for reply shall be thirty days from notification onwards. These replies shall be communicated to the appellant, who may reply it within fifteen days. These replies shall be notified to other party, and they may also respond to it within fifteen days.

(5) After the receipt of replies, or if one of the parties fails to reply within the period specified, the appeal case shall be examined, and decision shall be taken.

(6) If the parties request hearing in their petitions, or if the Board of Appeals deems it necessary, the Board shall invite concerned parties to hear their defence and may ask for clarification. Together with relevant parties, those responsible may make clarifications to the Board. The parties shall have the right to speak twice. In cases where only one party attends, his explanations shall be listened; if none attends, there shall be no hearing, and the examination shall be made on documents.

(7) The Board of Appeals shall approve the decision appealed, as is or by correcting it, cassate or upon the decision of two thirds of its component members, rescind it. In case of cassation, the file shall be sent back to the chamber that has rendered the decision, to be decided again.

(8) If the chamber insists on its first decision, and upon this if the Board of Appeals decides once more to cassate it; the chamber must comply with the Board's decision.

(9) Decisions of the Board of Appeals regarding the rescindment of indemnification shall apply to all those responsible specified in the article of the writ appealed.

Retrial

ARTICLE 56 - (1) In addition to relevant persons specified in Article 52, chambers of Turkish Court of Accounts may directly decide on retrial.

(2) Reasons for retrial shall be as follows:

a) Existence of calculation errors, incorrect or incomplete record of names, incompleteness or duplication in accounts,

b) Detection of falsification in a document that has had an effect on decision,

c) After the judgment, detection of an incorrect or unlawful transaction which was not noticed

during the audit or trial,

d) After the judgment, discovery of some documents, which were unavailable in the course of audit or trial and may have affected the decision,

e) Rescindment of a writ, which constituted the basis of the decision,

f) Discovery of the fact that the expert witness or the expert prepared an inaccurate report.

(3) Time specified for request for retrial shall be five years from notification date of the writ.

(4) Request for revision shall not defer the execution of writs. If the chamber examining this request deems necessary, it may decide to delay the execution in return of a legally accepted guarantee.

(5) Request for retrial shall be examined by the chamber, which originally had taken the decision and this chamber shall decide whether to reject or accept the request for retrial. Where the request is approved, accounts shall be tried within the limits of the matters requested to be revised.

(6) Approval of the proposed Final Account Law by the Turkish Grand National Assembly shall have no effect on personal debts.

Correction of decision

ARTICLE 57 - (1) Relevant persons specified in the first paragraph of Article 52 may request correction of decision against decisions of the Board of Appeals, for once, within fifteen days from the written notification of the decision in the event that:

a) Claims and objections affecting the substance of the decision have not been satisfied,

b) Existence of contradictory decisions on the same matter,

c) Detection of fraud and falsification in the documents affecting the substance of the decision

during the examination by the Board of Appeals,

d) Existence of at least one of the reasons for appeal.

(2) Request for and review of correction of decision shall be carried out within the framework of procedures and principles for appeal.

(3) The Board of Appeals shall be bound with the reasons put forward in the request for the correction of decision. Request for correction of decision shall not delay the execution of the final decision. The decision taken shall be communicated to relevant persons.

CHAPTER THREE

Other Matters Concerning Trial of Accounts

Unification of case law

ARTICLE 58 - (1) Although cases are of the same nature and based on similar documents, if respective writs of chambers or the Board of Appeals are contradictory, the President of Turkish Court of Accounts shall forward these writs to the General Assembly to be unified

(2) The President may also demand change of case law, which has been unified.

(3) Decisions on unification or change shall be published in the Official Journal. Chambers and boards of Turkish Court of Accounts, public administrations and those responsible shall be obliged to abide by these decisions.

Unification of decisions of administrative nature

ARTICLE 59 - (1) If decisions of chambers or two decisions taken by one chamber on the same matter are contradictory; or if deemed necessary to change a decision or to take decisions applicable to all cases of the same nature; the matter shall be discussed and decided in the General Assembly, and the decisions shall be published in the Official Journal. The Chief Prosecutor shall also be present and express his opinion during discussions on this matter. Chambers and the boards of Turkish Court of Accounts shall be obliged to abide by these decisions.

Conflict between the decisions of Turkish Court of Accounts and the Council of State

ARTICLE 60 - (1) Upon application of relevant persons referred to in Article 52 in compliance with the procedures and principles specified in Article 57 for the contradiction between the final decisions of Turkish Court of Accounts and the Council of State regarding taxes or similar financial obligations and duties; Turkish Court of Accounts shall debate the matter by way of "retrial", and the dispute shall be settled in accordance with the decision of the Council of State.

(2) Where relevant persons referred to in Article 52 appeal to the Council of State against the decision rendered by Turkish Court of Accounts regarding the absence of dispute, the decision of the Council of State shall prevail.

(3) Execution of the writ of Turkish Court of Accounts shall be postponed until it is ascertained that there is no contradiction.

Instances where the Law of Civil Procedure applies

ARTICLE 61 - (1) In the event of absence of applicable provisions concerning the trial procedure and legal remedies in this Law, relevant provisions of Law No. 1086 of Civil Procedure, dated 18.06.1927, shall apply.

PART FIVE

Financial Provisions, Personnel and Personnel Affairs

CHAPTER ONE

Budget, Financial, Social and Other Rights

Budget

ARTICLE 62 - (1) Turkish Court of Accounts is within the scope of the general budget.

(2) The Presidency of Turkish Court of Accounts shall submit its budget directly to the Turkish Grand National Assembly by the end of September and forward one copy to the Ministry of Finance.

(3) Operations and transactions pertaining to the budget of Turkish Court of Accounts shall be governed by the President of Turkish Court of Accounts.

(4) In cases where the decision of the President of the Republic is necessitated by various laws, those pertaining to the functioning of Turkish Court of Accounts shall be governed by decisions of administrative nature rendered by the General Assembly of Turkish Court of Accounts.

(5) Accounting services of Turkish Court of Accounts shall be executed by the accounting officer appointed by the Speaker of the Turkish Grand National Assembly.

Rights of the personnel of Turkish Court of Accounts

ARTICLE 63 - (1) In terms of salary, allowances, financial and social rights, retirement and other rights and security of tenure;

a) The President, chairmen of chambers and members of Turkish Court of Accounts shall be subject to the same provisions as the first President, chairmen of chambers and members of Supreme Court of Appeals respectively.

b) Professional personnel other than those mentioned above shall be subject to the same provisions as the judges and prosecutors of class one, promoted to class one, class two and three according to their respective seniority, category and grade. Regarding the additional indicators, the condition of "retaining the right to be elected as a member of Supreme Court of Appeals and Council of State" for the judges and prosecutors who have been promoted to class one shall be applied as "retaining the qualifications to be promoted to class one" for auditors of Turkish Court of Accounts.

(2) Assistant auditors shall be paid salary and additional payment as nominee judges and prosecutors.

(3) Professional personnel other than the President, chairmen of chambers and members of Turkish Court of Accounts shall be classified under four titles as class three, class two, promoted to class one and class one. Classes of these and the conditions and procedures for being promoted to class one shall be specified by the General Assembly of Turkish Court of Accounts in accordance with the provisions of Law No. 2802 on Judges and Prosecutors, dated 24.02.1983.

(4) In the event of absence of applicable provisions concerning salaries, allowances, financial and social rights, retirement and other rights herein, relevant provisions of the Law No.

2802 shall apply.

(5) Auditors shall be appointed and promoted by the decision of the Board of Promotion and Discipline of Professional Personnel and upon approval of the President of Turkish Court of Accounts. The auditors of Turkish Court of Accounts shall be promoted once in two years.

(6) In the promotion of Turkish Court of Accounts auditors who complete their promotion period by taking higher degree salary in their present position or being appointed to a higher position, the competency determined in

accordance with their personnel records shall be the principle. The promotion of those shall depend on their personnel records to be positive twice successively. Those who receive two positive records over a period of three successive record terms may be promoted as well.

(7) If there is more than one equally competent candidate for a higher vacant position, having no disciplinary penalty, having professional studies and publications and seniority shall be the reasons for preference. In the absence of these reasons, those who are successful in the examination shall be promoted.

Leave and recess

ARTICLE 64 - (1) Leaves and secondment of chairmen of chambers and members shall be subject to the approval of the President of Turkish Court of Accounts. Leave and secondment of the President of Turkish Court of Accounts shall be subject to his own discretion.

(2) For the leaves of professional personnel of Turkish Court of Accounts other than chairmen of chambers and members, relevant provisions of Law No.657 on Civil Servants shall apply.

(3) The General Assembly, the Board of Appeals, the Board of Chambers and chambers of Turkish Court of Accounts shall go into recess from August 1 to September 5 every year. Within this period, the Board of Report Evaluation shall continue functioning, and one of the chambers, in succession, shall be assigned to examine and decide on the urgent matters that are brought before Turkish Court of Accounts.

(4) Without prejudice to the provision of Article 66, during recess, performance of those duties of the Board of Chambers, which would be detrimental if delayed, shall be carried out by the chamber on duty.

(5) The President of Turkish Court of Accounts may convene chambers and boards during recess.

(6) Chairmen and members of the chamber on duty during recess may take their annual leave of the same length until the end of the following year.

CHAPTER TWO

Disciplinary and Penalty Affairs

Disciplinary prosecution against the president, chairmen of chambers and members of Turkish Court of Accounts

ARTICLE 65 - (1) In the event that chairmen or members are observed or learned to behave in a manner incompatible with the dignity and honor of his office, or in a manner that causes inconvenience in the performance of his duties, the disciplinary proceeding shall be initiated according to the outcome of examination of the case by the President of Turkish Court of Accounts.

(2) If the President of Turkish Court of Accounts is observed or learned to misbehave as indicated above, chairman of the High Disciplinary Board shall communicate the case to the High Disciplinary Board.

(3) Considering the imputed incidence and existing information and evidence, the High Disciplinary Board shall decide whether there is ground for disciplinary proceeding. If the Board decides a disciplinary proceeding to be initiated, it shall assign three persons from among chairmen and members outside the Board for the investigation.

(4) Those charged with the investigation shall inform the accused regarding the imputation and receive his defence statement; hear under oath those they deem necessary; and collect the relevant information and ascertain the evidence. All public administrations, real and legal persons shall be obliged to supply information asked and fulfill other demands regarding the investigation. Those executing the investigation shall prepare a report including the inquiries they have made and information and evidences they have collected together with their opinion as to whether there is ground for disciplinary punishment, and shall submit this report to the High Disciplinary Board with all supporting documents attached.

(5) Chairman of the Board shall inform the concerned of the result of the investigation in writing and invite him to submit a written defense within a specified period, which shall be no less than seven days. The chairman of the Board shall give the investigation file to one of the members of the Board who will be the rapporteur. The Board shall examine the documents and decide to extend and deepen the investigation, if required.

(6) The High Disciplinary Board shall take additional defence statement of the concerned within a specified period no less than seven days, and shall terminate the investigation on the accused, if it rules that the imputed attitudes and actions are untrue. If the Board decides that these attitudes and actions are true; it shall decide either to warn, or to invite the accused to resign, or to retire depending on the nature and seriousness of the offence.

(7) If decided to warn the concerned; the decision of the Board shall be notified to him by the President of Turkish Court of Accounts. If the decision concerns the President of Turkish Court of Accounts, it shall be communicated by the Presidency of the High Disciplinary Board.

(8) If the High Disciplinary Board decides to invite the concerned to resign or to retire considering his duration of employment, the matter shall be discussed once again at the General Assembly within at latest one week. In the event that the period of one week coincides with an official holiday or recess provided for in Article 64, the period shall start from the end of the official holiday or recess. The General Assembly shall either approve the decision of the High Disciplinary Board, or decide to warn the concerned. In that case, the General Assembly shall convene with two-thirds majority of its component members and shall take decision with two-thirds majority of those present. The member, about whom a disciplinary proceeding is in process, shall not participate in the meeting. The decision of the General Assembly shall be communicated to the concerned within the framework of abovementioned principles.

(9) If the concerned does not comply with the decision of the invitation to retire or resign within one month from the notification date, he shall be considered to have resigned. The concerned shall be regarded as being on leave during this period.

Penal Prosecution against the President, Chairmen of Chambers and Members of Turkish Court of Accounts

ARTICLE 66 - (1) If the President, chairmen and members of Turkish Court of Accounts should be accused of an offence committed in connection with performance of duty, a preliminary investigation shall be conducted by a committee composed of three chairmen of chamber and two members selected by the General Assembly of Turkish Court of Accounts. The report prepared thereafter and other documents shall be submitted to the Board of Chambers in order to be decided whether the person in question shall be allowed to be

prosecuted or not. A decision of the Board which is not in favour of an investigation shall automatically be reviewed by the General Assembly and the decision of the Board taken by a two thirds majority in favour of an investigation shall be reviewed by the General Assembly upon the objection of the concerned. The objection period shall be fifteen days from date of the notification. The decision by the General Assembly, which does not allow the initiation of an investigation, is final. The decision for the initiation of an investigation shall be taken by two thirds majority of those present.

(2) The concerned shall not participate in the selection of investigation committee. Members of the committee of investigation and those concerned shall not attend meetings concerning a decision on whether or not to allow the initiation of an investigation.

(3) Where those mentioned in above paragraph perpetrate a personal offence while on duty but not related with his duty, the procedure for decision on whether it is necessary to sue or not to initiate an investigation shall be governed in accordance with the procedure specified in this Article.

(4) Decisions of the Board of Chambers shall also be notified to individual complainants, if any.

(5) Upon the final decision which allows the initiation of an investigation, the file shall be submitted to the Constitutional Court.

(6) Where the abovementioned officials perpetrate a personal offence not connected with their duties, the prosecution shall be conducted according to the provisions applied to the members of the Supreme Court of Appeals for their offences of the same nature.

Disciplinary prosecution against professional personnel with the exception of the president, chairmen of chambers and members of Turkish Court of Accounts

ARTICLE 67 - (1) Where an attitude of professional personnel, with the exception of the President, chairmen of chambers and members of Turkish Court of Accounts, which do not conform with the dignity and honor of the profession and deter the performance of duty, or constituting disturbance to working order and discipline is observed or determined; the President of Turkish Court of Accounts shall review the case, and in accordance with the result of this review, if deemed necessary, shall convey the case to the Board of Promotion and

Discipline of Professional Personnel to launch a disciplinary prosecution in compliance with provisions herein.

(2) This Board shall decide whether there are grounds for disciplinary prosecution in accordance with the existing information and evidence and the nature of the imputed acts and behaviour.

(3) In the event of a decision to initiate a disciplinary prosecution, investigation shall be carried out by a board composed of one member outside the Board to head the committee, one principal auditor and one senior auditor to be selected by the Board.

(4) Concerning the form of investigation and reporting, the action by the Board of Promotion and Discipline of Professional Personnel upon receiving the report and other matters, provisions of Article 65 shall apply.

(5) After the secret examination and discussion on the file by the Board of Promotion and Discipline of Professional Personnel, if it is decided that there is no ground for the imputed attitude and action, the file shall be closed; if it is ruled otherwise, it shall be decided to apply one of the penalties specified in Article 68.

Disciplinary Penalties

ARTICLE 68 - (1) Concerning the disciplinary penalties applicable to professional personnel, with the exception of the President, chairmen of chambers and members of Turkish Court of Accounts, relevant provisions of the Law No. 657 shall apply.

Penal Prosecution against Professional Personnel except the President, Chairmen of Chambers and Members of Turkish Court of Accounts,

ARTICLE 69 - (1) In case of an allegation that professional personnel except the President, chairmen of chambers and members of Turkish Court of Accounts commit an offence during the performance of his duty, a committee composed of one principal auditor and one senior auditor under the chair of one member to be appointed by the President of Turkish Court of Accounts shall conduct the preliminary investigation and submit the report prepared to the Board of Promotion and Discipline of Professional Personnel. This Board shall decide on whether or not to allow an investigation.

(2) The decision shall be notified to the accused or to the complainant, if any. If the concerned objects to the decision within fifteen days from date of the

notification, the file shall be reviewed again by the High Disciplinary Board as well. If the Board decides to allow an investigation to be initiated, the file shall be delivered to Supreme Court of Appeals. The decision of the Board shall be notified to the concerned. The trial shall be performed by the penal chamber in charge, of the Supreme Court of Appeals.

(3) The authority related to the investigation and prosecution of personal offences of these persons shall be vested in the Ankara Chief Public Prosecutor and High Criminal Court. In provinces where heads of groups are established, such authority shall be vested in the Chief Public Prosecutor and the High Criminal Court thereof.

CHAPTER THREE

Other Matters Regarding Professional Personnel

Security of Tenure of the President, Chairmen of Chambers and Members of Turkish Court of Accounts

ARTICLE 70 - (1) The President, chairmen of chambers and members of Turkish Court of Accounts cannot be dismissed, and they cannot be retired before the age of 65, unless they desire so.

(2) However, the office of those who have been convicted of an offence which results in dismissal from public service shall be terminated automatically; those certified by medical report by an official board of health of a fully equipped hospital that they are incapacitated for reasons of health shall be removed from office upon the decision of the General Assembly of Turkish Court of Accounts.

Suspension of professional personnel with the exception of the president, chairmen of chambers and members of Turkish Court of Accounts

ARTICLE 71 - (1) Professional personnel other than the President, chairmen of chambers and members of Turkish Court of Accounts shall not be dismissed from the office for reasons other than those mentioned herein; they shall not be deprived of their salaries and other rights. They shall not be employed in the positions other than the ones designated for professional personnel.

(2) However, the office of those who have been convicted an offence, which requires dismissal from public service shall be terminated automatically. Those certified by medical report by an official board of health of a fully equipped

hospital that they are incapacitated for reasons of health shall be removed from office upon the decision of the Board of Promotion and Discipline of Professional Personnel and the approval of the President of Turkish Court of Accounts.

(3) Professional personnel other than the President, chairmen of chambers and members of Turkish Court of Accounts regarding whom a disciplinary or penal prosecution is decided, may temporarily be removed from office by the President of Turkish Court of Accounts upon the decision of the Board of Promotion and Discipline of Professional Personnel, if their being on duty has unfavorable effects on the prosecution or the performance of the duty.

(4) Provisions of the Law No. 657 regarding suspension from work shall apply to the matters concerning suspension, reappointment and other relevant matters.

Personnel records of professional personnel and prosecutors

ARTICLE 72 - (1) Personnel records of professional personnel other than the President, chairmen of chambers and members of Turkish Court of Accounts and prosecutors shall be designated at the end of each calendar year through considering their personal and professional qualifications, performance on duty, compliance with rules, regulations and professional code of ethics and report evaluation scores, indicating whether or not they are eligible to be promoted by;

a) related deputy president in the first instance and the President of Turkish Court of Accounts in the second instance for heads of departments and heads of groups and auditors appointed as consultants to the Presidency,

b) one member from related board in the first instance and chairman of related board in the second instance for the most senior auditor assigned duty in boards,

c) one member from related chamber in the first instance and chairman of related chamber in the second instance for the most senior auditor assigned duty in chambers,

d) related head of group in the first instance for principal auditors, senior auditors, auditors and assistant auditors; the most senior auditor in the first instance for those appointed in boards or chambers; in the second instance, related chairman of chamber or chairman of board for those appointed in chambers and boards; and a member for those appointed in other places,

e) The President of Turkish Court of Accounts for the Chief Prosecutor, and the Chief Prosecutor in the first instance and the President of Turkish Court of Accounts in the second instance for prosecutors.

(2) In case of discrepancy between records given in the first and second instances; the personnel record granted by a commission composed of one chairman of chamber and four members selected annually by the General Assembly shall be valid.

(3) Twenty per cent of personnel record score shall consist of report evaluation score given by chambers after taking decision on or discussing reports of auditors.

(4) Those who receive personnel records stating that they have not been successful in performing their duties or that they are not qualified for promotion and despite being found qualified for promotion, those who have not been promoted due to the preference of others shall be informed of their personnel records with a confidential letter by the President of Turkish Court of Accounts by the end of March of the following year.

(5) The superiors responsible for personnel records shall be changed if the personnel in question receives negative records twice in sequence.

(6) The professional personnel who receives negative records three times in sequence shall be requested to retire or to resign, upon the decision of the Board of Promotion and Discipline of Professional Personnel and the approval of the President of Turkish Court of Accounts. Those not complying with this invitation within one month shall be considered to have resigned.

(7) The procedures for implementation of the matters stipulated above shall be laid down in a bylaw.

Prohibition on acceptance of any other duty

ARTICLE 73 - (1) Unless prescribed by a special law, personnel of Turkish Court of Accounts cannot be employed, with or without pay, in any public administrations and real and legal persons and cannot act as expert witness. However, the provisions of this Article shall not apply to those who are assigned to the boards of directors and audit of cooperative companies and charity organizations, give professional lectures concerning the profession at universities and other educational and training institutions upon the approval of

the President, carry out scientific and professional research and publish such works, attend national and international congresses, conferences and meetings on invitation under the cognizance of the Presidency of Turkish Court of Accounts.

(2) Professional personnel of Turkish Court of Accounts may be appointed to duties in public administrations upon the permission of the President of Turkish Court of Accounts. Among them, those who desire to return to Turkish Court of Accounts shall be reappointed upon the opinion of the Board of Promotion and Discipline of Professional Personnel and the approval of the President of Turkish Court of Accounts. Without prejudice to the provisions in special laws, their assignment period outside Turkish Court of Accounts shall be considered as spent in the profession. These persons shall not be assigned for the period of three years to the audit of the administration in which they have formerly served.

(3) Those violating this Article shall be subject to decision of disciplinary boards. General provisions shall be reserved.

Dispatching abroad

ARTICLE 74 - (1) Upon the decision of the President of Turkish Court of Accounts; professional personnel of the Court of Accounts who are selected or who benefit from a national or international scholarship may be sent abroad to enhance their knowledge and experience, carry out research related to their profession, attend courses and training for no more than two years; for those seconded in foreign countries or international organizations, for no more than five years. These terms may be extended up to one fold at most.

(2) Those that go abroad this way and stay there for more than six months shall be obliged to serve for a period of two fold of their time abroad after returning to the country and recommencing their profession. Persons who wish to quit without performing the obligatory service shall be required to pay back twice the amount of the sum paid to them while abroad including salaries, allowances, compensations and any kind of payments in proportion to the amount due for the uncompleted obligatory service.

(3) On matters such as promotion in grades, promotion in steps, retirement, financial rights, obligations, reimbursement of expenses, transfer of salaries and allowances of those sent abroad, provisions concerning civil servants shall apply.

(4) The procedures and principles of dispatching abroad shall be laid down in a by-law.

Training and publication

ARTICLE 75 - (1) Turkish Court of Accounts may provide training and publication services regarding its audit and other activities. Proceeds from pricing of these services shall be recorded as revenue in the budget. The payments to those assigned to these activities, royalties and other matters shall be laid down in a by-law.

Attire

ARTICLE 76 - (1) The official dress of the professional personnel, the Chief Prosecutor and prosecutors of Turkish Court of Accounts, and the occasions to wear such attire shall be laid down in a bylaw.

PART SIX

Other Provisions

Storage of documents

ARTICLE 77 - (1) All kinds of documents and information regarding accounts and transactions of public administrations within the scope of the general budget shall be kept by accounting units of relevant administrations, and all kinds of documents and information regarding accounts and transactions of other public administrations shall be kept by relevant administrations. The principles and procedures regarding sending documents and information to Turkish Court of Accounts and returning these to relevant administrations by Turkish Court of Accounts and storage and destruction of these by relevant administrations shall be laid down in a by-law to be prepared by Turkish Court of Accounts, upon consultation with the Ministry of Finance.

Acts involving guilt

ARTICLE 78 - (1) In the event of encountering an action involving guilt in the course of audits and examinations; the evidence shall immediately be identified and the case shall be reported to the Presidency of Turkish Court of Accounts by the auditor. As a result of the investigation to be carried out within

fifteen days by the chamber assigned by the Presidency of Turkish Court of Accounts, if the collected initial evidence is qualified as subject of public prosecution, the file shall be sent to the Chief Prosecutor of Turkish Court of Accounts either to be handed over to the responsible official's public administration for the necessary action to be taken, or to be sent directly to the Public Prosecution Office for an investigation in accordance with the nature of the offence.

Judgments given by courts of justice, administrative and military courts shall not preclude the audit and decision of Turkish Court of Accounts.

The audit of Turkish Court of Accounts

ARTICLE 79

Authorisation

ARTICLE 80 - (1) The Presidency of Turkish Court of Accounts shall be authorized to make necessary arrangements concerning the implementation of provisions herein.

Miscellaneous

ARTICLE 81 - (1) (Provisions in this Article are concerned with and have been incorporated into Law No. 657 on Civil Servants.)

(2) Audit authority of Turkish Court of Accounts on Central Bank of the Republic of Turkey shall be limited to the accounts and transactions related to the activities other than the main functions and competences mentioned in Article 4 of Law No.1211 on the Central Bank of the Republic of Turkey, dated 14.01.1970.

Repealed provisions

ARTICLE 82 - (1) Without prejudice to the provisions of provisional articles of this Law;

a) Law No. 832 on Turkish Court of Accounts, dated 21.02.1967 and its annexes and amendments,

with the exception of Provisional Article No.11,

b) Decree Law No. 72 on the Prime Ministry Supreme Audit Board, dated 24.06.1983 and its annexes and amendments,

c) Provisions of other laws that stipulate exception or exemption from the audit of Turkish Court of Accounts and other provisions contradictory to this Law, shall be repealed.

PROVISIONAL ARTICLE 1 - (1) The principles and procedures governing deliberations at the Turkish Grand National Assembly on the reports of Turkish Court of Accounts submitted to the Assembly and the audit results prepared in accordance with Article 79 of this Law shall be specified in the Internal Regulation of the Turkish Grand National Assembly.

PROVISIONAL ARTICLE 2 - (1) The by-laws, standards, guidelines and other arrangements prescribed by this Law shall be issued within one year at the latest following the publication date of this Law

(2) The positions in the charts of the Presidency of Turkish Court of Accounts specified in the Decree Law No. 190 on General Positions and Procedures, dated 13.12.1983, shall continue to be used.

(3) The positions referred to in the annexed lists (1) and (2) shall be established and added to the charts (I) and (II), regarding the Presidency of Turkish Court of Accounts, of the Decree Law No.190, and the positions referred to in the annexed list (3) shall be cancelled and removed from the chart (II), regarding the Presidency of Turkish Court of Accounts, of the Decree Law No. 190.

(4) Professional personnel and supporting staff employed in positions of the Presidency of Turkish Court of Accounts on the publication date of this Law shall be considered to have been appointed to the positions of the same title; as for prosecutors, chief assistant prosecutors and assistant prosecutors, they shall be considered to have been appointed to positions of prosecutors.

PROVISIONAL ARTICLE 3 - (1) The President of Turkish Court of Accounts on duty on the effective date of this Law shall complete his term of office which is valid on the date of his election.

(2) The activities of electing, auditing and taking decision, which have been initiated before the effective date of this Law, shall be finalized in accordance with the provisions of the Law No. 832.

(3) Elections for members of the Report Evaluation Board and the Board of Appeals shall be held within at latest three months from the effective date of this Law. As per Article 26, in the first election for renewing a quarter of members of

the Board of Appeals, an election shall be held for the members with the least number of votes in the previous election.

(4) Until the ratio in Article 15 is reached, an election shall be held for the deficient quota for vacant member positions. In the application of these ratios, the fractions of the whole numbers shall be transferred to the quota of the professional personnel of Turkish Court of Accounts.

(5) Any references made in other legislation to the Law No. 832 shall be considered to be made to this Law.

PROVISIONAL ARTICLE 4 - (1) The personnel, equipment, all kinds of movable and immovable assets and the budget of the Prime Ministry Supreme Audit Board shall be transferred to Turkish Court of Accounts. The operations thereof shall be carried out by the President of Turkish Court of Accounts.

(2) With regard to the personnel of Prime Ministry Supreme Audit Board transferred to Turkish Court of Accounts; the President and members on duty on the date of transfer shall be considered to be appointed to the positions of principal auditor, senior auditor, auditor and assistant auditor in accordance with acquired right salary degrees of principal auditor, senior auditor, auditor and assistant auditor who have been promoted to class one, completed nine-years after being promoted to class one and not lost the qualifications for being promoted to class one, without any need for further procedure and without seeking for a specific position. The matters related to the promotion to class one of senior auditor and auditors, who shall be considered to be appointed as principal auditor of Turkish Court of Accounts and implementation matters shall be determined by the General Assembly of Turkish Court of Accounts within the framework of this Law.

(3) Contracted personnel of the Board shall be appointed by the President of Turkish Court of Accounts to the positions appropriate with their acquired right salary degrees by taking into account their service term under the contracted status, the provisions of additional provisional Articles 1, 2 and 3 of Law No. 657 and provisions of Law No.5289 on Granting One Degree to Public Servants and Other Public Officers, dated 02.02.2005, on condition that the maximum degree they might be promoted in respect of their status of education shall not be exceeded.

(4) If total net amount of salaries, additional indicators, any kind of increments and compensations and other financial rights (excluding overtime payments) paid to the personnel in their new position, who be transferred from the Board and appointed to new positions in accordance with this Article, should be less than total net amount of salaries, wages, additional indicators, premiums (corresponding to monthly amount), any kind of increments and compensations and other financial rights paid to these personnel in their previous position on the basis of their positions or positions, the difference shall be paid them as compensation without any deduction until the difference be eliminated and as long as they stay in assigned positions.

(5) Audits initiated by Prime Ministry Supreme Audit Board before the effective date of this Law shall be finalized by Turkish Court of Accounts in accordance with the provisions of the Decree Law No.72.

(6) The references made to the Prime Ministry Supreme Audit Board in the Decree Law No. 233 on State Economic Enterprises, dated 08.06.1984, Law No. 3346 and other legislation shall be considered to be made to Turkish Court of Accounts.

PROVISIONAL ARTICLE 5 - (1) 73 resolutions of the Presidency of Turkish Court of Accounts with merit number from (3/12) to (3/84) published in the resolutions part of Incoming Documents List I attached to the Minutes Bulletin of the 1st Association, dated 01.10.2007, in the 2nd Legislative Year of the 23rd Term of the Turkish Grand National Assembly shall be abolished.

Enforcement

Article 83 - (1) This Law shall enter into force on the date of its publication.

Execution

Article 84 - (1) Provisions of this Law shall be executed by the Speaker of the Turkish Grand National Assembl