

Bylaw On The Working Procedures And Principles Of The Strategy Development Units

SECTION ONE

Purpose, Scope, Legal Basis and Definitions

Purpose and Scope

Article 1-The purpose of this Bylaw is to determine the working procedures and principles of the strategy development units.

This Bylaw covers the public administrations within the scope of general government, excluding regulatory and supervisory agencies.

Legal Basis

Article 2-This Regulation has been prepared based on Article 60 of the Public Financial Management and Control Law No. 5018 dated 10/12/2003 and on Article 15 of Law No. 5436.dated 22/12/2005.

Definitions

Article 3 - The following terms included in this Bylaw are defined as follows;

- a) Ministry: Ministry of Finance,
- b) Spending unit: The unit for which appropriation is allocated within the budget of the public administration and which is authorized to spend,
- c) Administration: Each public administration within the scope of general government, excluding regulatory and supervisory agencies,
- d) Law: Public Financial Management and Control Law No. 5018 dated 10.12.2003,
- e) Director: Director of the directorates where strategy development and financial services are performed,
- f) Strategy development units: Presidencies and departments of strategy development and directorates where strategy development and financial services are performed,
- g) Head of public administration: Respectively, in ministries the undersecretary, in the Ministry of National Defense the Minister, in other public administrations the highest administrator, in special provincial administrations the governor and in municipalities the mayor.

SECTION TWO

Functions, Duties and Structure of the Strategy Development Units

Strategy development units

Article 4- Duties of the strategy development units shall be carried out within the scope of below-mentioned functions:

- a) Strategic management and planning,
 - 1) Determination of the mission,
 - 2) Setting out organizational and individual goals,
 - 3) Data analysis and research and development,
- b) Establishing criteria for performance and quality,
- c) Management information system,
- d) Financial services,
 - 1) Budget and performance program,
 - 2) Accounting, final account and reporting,
 - 3) Internal control.

These functions are carried out by the sub units in accordance with the duty field and organizational structure of the administrations. These functions may be combined and carried out by one or more sub units or a single function may be carried out by more than one sub unit. However it is obligatory that internal control activity carried out within the scope of financial services function is performed by a separate sub unit and personnel other than the sub unit and personnel performing other activities. In the administrations outside the scope of general budget, the duty as accounting officer shall be carried out by the manager of the sub unit responsible for the function of accounting-final account and reporting of strategy development unit.

Duties of strategy development units

Article 5 – Duties of strategy development units are as follows:

- a) Within the framework of national development strategy and policies, annual program and government program, to determine medium and long term strategy and policies of the administration, to conduct necessary studies in order to determine the objectives of the administration,
- b) Establishing performance and quality criteria in issues within the duty field of administration, to carry out other duties entrusted within this scope,
- c) Collecting, analyzing and interpreting the data and information on management of administration, improvement of the services and performance,
- d) In issues within the duty field of the administration, analyzing the external factors which will affect services, conducting capacity research within the institution, analyzing the effectiveness of the services and level of satisfaction by these services and doing a general research in that sense,
- e) Rendering services related to management information systems,
- f) If established within the administration, executing the secretariat services of Strategy Development Committee,
- g) Coordinating the preparation of the strategic plan and performance program of the administration and carrying out the works for consolidating the results,
- h) Preparing the administration budget, which includes the budget estimations for the following two years, in accordance with the strategic plan and annual performance program and monitoring and evaluating the compliance of the administration activities with these,

- i) Preparing a detailed expenditure program within the framework of budget principles and basics to be determined as per legislation and to provide that the appropriation is sent to relevant units by taking into account the service requirements,
- j) Recording the budget, collecting and evaluating the data regarding the budget implementation results and preparing the budget final account and financial statistics,
- k) Having the administration's revenues accrued within the framework of related legislation, carrying out follow up and collection procedures of revenues and receivables,
- l) Carrying out accounting services at administrations outside the scope of the general budget,
- m) Preparing the accountability report of the administration by taking the unit accountability reports as basis, which have been prepared by the spending units,
- n) Preparing summary charts regarding the movable and immovables possessed or used by the administration,
- o) Coordinating the preparation of the investment program of the administration, following up the implementation results and preparing the annual investment evaluation report,
- p) Carrying out and finalizing the financial works and transactions of the administration which are to be followed up at other administrations,
- r) Providing necessary information and consultancy to the head of the administration and authorizing officers regarding the implementation of financial laws and other related legislation,
- s) Performing ex ante financial control activity,
- t) Performing activities on the subjects of establishment of the internal control system, implementation and development of standards, to make necessary preparations in order to increase the effectiveness and efficiency of the function of higher administration regarding internal audit,
- u) Carrying out other duties assigned by the Minister and/or head of administration.

Strategic management and planning function

Article 6- Duties to be carried out within the scope of strategic management and planning are as follows:

- a) Developing a preparatory program regarding strategic planning works of the administration, providing training and consultancy services which will be required during the strategic planning process of the administration or ensuring that they are provided, coordinating strategic planning works,
- b) Carrying out other support services with regard to strategic planning,
- c) Preparing administration accountability report,
- d) Carrying out the works for the determination of administration's mission,
- e) In issues within the duty field of the administration, examining the external factors which shall have an effect on services,
- f) Determination of new service opportunities, taking measures against threats which endanger effectiveness and efficiency,
- g) Carrying out a capacity research within the organization, analyzing the effectiveness of the services and the beneficiary satisfaction and conducting general researches,
- h) Determination of the weaknesses and strengths of the administration,
- i) Carrying out research-development activities on duty field of the administration,
- j) Collecting, classifying and analyzing information and data on administration activities,

Establishing performance and quality criteria function

Article 7- Duties to be carried out within the scope of function of establishing performance and quality criteria are as follows:

- a) Establishing performance and quality criteria on issues within the duty field of administration,
- b) Collecting, analyzing and interpreting the information and data on administration's management, improvement of the services and performance,
- c) Evaluating the compliance of the administration and/or units with the defined performance and quality criteria, presenting the related results to the head of the administration.

Management information system function

Article 8 - Duties to be carried out within the scope of function of management information system are as follows:

- a) Rendering the services pertaining to management information system in cooperation with the relevant units, if any relevant unit exists,
- b) Carrying out the works on the development of management information system,
- c) Taking statistical records and performing quality control transactions.

Financial services function

Article 9 - Duties to be carried out within the scope of financial services function are as follows:

- a) Budget and performance program;
 - 1) Coordinating the preparatory works of performance program,
 - 2) Preparing the budget,
 - 3) Preparing detailed expenditure or financing program,
 - 4) Realizing budgetary transactions and keeping records thereof,
 - 5) Issuing appropriation dispatch document,
 - 6) Carrying out the accrual of the revenues and following of the transactions of revenues and receivables,
 - 7) Coordinating the preparations of investment program, following the implementation results and preparing annual investment evaluation report,
 - 8) Reporting budget implementation results, finding measures which shall prevent the occurrence of the problems and increase the effectiveness,
 - 9) Following and evaluating the compliance of administration activities with strategic plan, performance program and budget,
- b) Accounting, final account and reporting;
 - 1) Carrying out accounting services in administrations outside the scope of general budget,
 - 2) Preparing the budget final account,
 - 3) Preparing summary charts pertaining to property management period,
 - 4) Preparing the financial statistics,
- c) Internal control;
 - 1) Establishing of the internal control system, working on the implementation and improvement of its standards,
 - 2) Determining standards pertaining to the duty field of the administration,
 - 3) Carrying out the duty of ex ante financial control,
 - 4) Proposing measures which shall remove the discrepancies between objectives and results and which shall increase the effectiveness.

THIRD SECTION

Operations and Transactions of Strategy Development Units

Coordination of strategic planning works

Article 10- Duty of coordination during the preparation, updating and renewal of strategic plan shall be carried out by the strategy development units. Participation of the representatives of other units of administration to the strategic plan preparatory studies carried out by the strategy development units is ensured. During the strategic planning works, the arrangements done in accordance with the Article 9 of the Law are also abided by.

Coordination of the preparations for performance program

Article 11- Duty of coordination during the preparation and modification of performance program shall be carried out by the strategy development units. Documents and charts to be used in these works and the necessary documents shall be sent to the other relevant units of administration by the strategy development units.

Unit performance programs shall be prepared by the units and sent to strategy development units in due time. Taking the unit performance programs as a starting point, strategy development units shall prepare administration performance program. Participation of the representatives of the relevant units of administration to the performance program preparatory works carried out by strategy development units is ensured. During the performance program preparation phase the arrangements done in accordance with the Article 9 of the Law are also abided by.

Preparation of the Budget

Article 12 – Documents and charts to be used in the preparation of the budget and other necessary documents shall be sent to the relevant units of the administration by the strategy development units. Each spending unit shall prepare the budget proposal and send it to the strategy development units along with the unit performance program. Following the deliberations done with the representatives of the spending units, budget proposal of the administration shall be prepared by the strategy development units.

Budget proposals of public administrations within the scope of central government shall be sent to the Ministry whereas administration performance programs thereof shall be sent to the Ministry and Undersecretariat of State Planning Organization with the signatures of the head of the administration and the minister that the administration is affiliated, related or associated to on it. During the preparation of the budget proposals of the administrations, medium term program, medium term fiscal plan, strategic plan of the administration, budget call, budget preparation guide, investment circular and investment program preparation guide are taken as basis.

Organization laws and other relevant legislation shall be taken into consideration in the preparation of budgets of social security institutions and local administrations.

Coordination of the preparations for investment program

Article 13 – Documents and charts to be used in the preparation of the investment program of the administrations and other necessary documents shall be sent to the relevant units of the administration by the strategy development units. Spending units shall prepare the proposals pertaining to investment program and send it to the strategy development units. Following deliberations with the representatives of spending units, investment program proposal of the administration shall be prepared by the strategy development units.

During the preparation of the investment program proposals, medium term program, medium term fiscal plan, strategic plan of the administration, budget call, budget preparation guide, investment circular and investment program preparation guide are taken as basis.

The Law, Organization laws and other relevant legislation shall be taken into consideration in the preparation of investment program proposals of social security institutions and local administrations.

Preparation and implementation of detailed expenditure and financing program

Article 14 – Taking into account the proposals of spending units, detailed expenditure and financing programs shall be prepared by strategy development units and approved by head of the administration.

Public administrations within the scope of the general budget shall prepare their detailed expenditure programs, and submit them to the Ministry to be visaed. On the basis of the principles determined by the Ministry, budget appropriations shall be utilized according to the release rates and detailed expenditure programs visaed by considering cash planning.

Special budget agencies and social security institutions shall prepare their detailed financing programs and make their expenditures according to this program.

During the preparation, visaing, application and monitoring of application of detailed expenditure and financing programs, procedures and principles determined by the Ministry of Finance shall be abided by.

Detailed expenditure and financing programs of local administrations shall be prepared in accordance with the provisions of the relevant legislation and approved by the head of administration.

Realization and recording of the budget transactions

Article 15- Budget transactions shall be carried out by strategy development units, by means of ensuring coordination with spending units, and records thereof shall be kept and monitored.

Administrations that are within the scope of the general budget and special budget agencies shall realize, record and monitor their budget transactions in accordance with the Law, central government budget law and arrangements done by the Ministry whereas local administrations and social security institutions shall realize, record and monitor their budget transactions in accordance with the relevant legislation.

Budget recording and transactions shall be realized by the approval of the head of strategy development unit or the personnel authorized by him/her and shall be made open to all spending units of the administration.

Issuance of appropriation dispatch documents

Article 16- Approved appropriation dispatch documents issued by the authorizing officers of the central organization shall be sent to the strategy development units. Strategy development units shall control approved appropriation dispatch documents and send them to decentral units. However, in the administrations, the budgets of which do not allow for institutional classification and whose units cannot be allocated with appropriation, appropriation dispatch documents may be issued by the strategy development units upon the approval of the head of public administration.

Preparation, approval, sending, registration, reduction transactions of appropriation dispatch documents in the public administrations within the scope of central government shall be carried out according to the procedures and principles set forth by the Ministry.

The said transactions of the local administrations and social security institutions shall be realized within the framework of their relevant legislations.

Accrual of revenues, follow-up and collection of revenues and receivables

Article 17- Accrual of administration revenues, follow-up of revenues and receivables and collection transactions of the revenues and receivables of the administrations outside the scope of general budget shall be carried out by the strategy development units provided that there is no special arrangement in its legislation.

As a result of the transactions of the administrations, in the event that there is a requirement for any kind of revenue accrual or follow-up and collection of revenues and receivables, the situation shall be notified to the strategy development units by the relevant unit in order to ensure that necessary transactions are carried out..

Ex ante financial control transactions

Article 18- Duty of ex ante financial control shall be carried out by spending units and strategy development units. Ex ante financial control process is composed of the preparation of financial decisions and transactions, making commitments, realization and documentation of operations and transactions.

Administrations shall take ex ante financial control measures required for the effective, economic and efficient utilization of the resources pursuant to their purpose and legislation. Administrations shall be responsible for the establishment of an efficient ex ante financial control mechanism.

Standards and methods in relation to ex ante financial control, procedures and principles of financial decisions and transactions to be subject to ex ante financial control by strategy development units, minimum controls to be performed in spending units shall be set forth by the Ministry of Finance.

Administrations shall carry out ex ante control transactions in accordance with the arrangements to be made by the Ministry. An arrangement may be made so that financial decisions and transactions that are outside the scope of the financial decisions and transactions determined by the Ministry shall be controlled by the strategy development units within the framework of the same procedures and principles. In arrangements to be made by the administrations, financial decisions and transactions to be subject to the ex ante financial control of strategy development units shall be determined as per type, amount and subject by taking into account the risky fields.

Arrangements pertaining to internal control and ex ante financial control done by the administrations within the framework of their duty fields shall be put into force upon the approval of the head of administration and shall be notified to the Ministry within ten days a of its approval.

Outcome of the ex ante financial control carried out by the strategy development units shall be notified to the concerned spending unit by a written letter of opinion or annotating the document taken as basis. It is obligatory that the letter of opinion issued after the ex ante financial control is kept in its file arranged in relation to the relevant financial transaction and a copy of it is attached to the payment order. In the event that no positive opinion is granted as a result of ex ante financial control carried out by strategy development units, transactions carried out by the authorizing officers shall be recorded and be notified to the head of public administration in monthly periods. Said records shall be provided to auditors too, in the course of internal and external audit.

Keeping records of movable and immovables

Article 19- The movable and immovables that are owned by the administration or that are allocated thereto or used by the administration and the records of transactions in relation

to these shall be maintained by those who are determined in its relevant legislation. Records of movables shall be arranged on unit basis and sent to the strategy development units within the due period set forth in the relevant legislation. These records shall be consolidated by the strategy development units on administration basis and by adding the records of immovables as well, summary charts shall be prepared.

Performing accounting services

Article 20 – Without prejudice to the provisions of Law No. 4059 dated 9/12/1994 accounting services of the administrations within the scope of general budget shall be performed by the Ministry whereas the accounting services of public administrations outside the scope of general budget shall be performed by the strategy development units of these administrations. Within the framework of the Law and relevant legislation, accounting services shall be performed by the accounting officers.

Administrations shall notify Turkish Court of Accounts and Ministry of Finance on accounting units, assigned or appointed accounting officers, their duty fields and changes made thereto, no later than five working days as of the starting date of their duty or date of the changes realized.

Preparation of budget final account

Article 21- Budget final account of the administration shall be prepared by the strategy development units taking into account the budget implementation results.

Budget final accounts of the administrations within the scope of the central government shall be prepared by the strategy development units within the framework of procedures and principles determined by the Ministry and be approved by the head of public administration and affiliated, related or associated minister and be sent to the Ministry in order to be included into the draft final account law.

Budget final accounts of local administrations and social security institutions shall be regulated pursuant to the provisions in its relevant laws.

Reporting of budget implementation results

Article 22- All kinds of reports, charts and documents in relation to budget implementation results shall be prepared by the strategy development units. In administrations within the scope of general budget, a copy of the financial tables arranged as a result of accounting services shall be sent to the strategy development units by the accounting officers.

Preparation of administration accountability report

Article 23 – Accountability reports shall be prepared in accordance with the Article 41 of the Law and arrangements done on the basis of this provision. Unit accountability reports prepared by the spending units shall be sent to the strategy development units in order to form a basis in the preparation of the administration accountability report. Coordination between spending units shall be ensured by the strategy development units and administration accountability report shall be prepared. Administration accountability report shall be approved by the head of administration and the minister that the administration is affiliated, related or associated to.

Accountability reports of local administrations and social security institutions shall be prepared by taking into consideration the arrangements in the relevant legislation.

Preparation of investment evaluation report

Article 24 - Spending units which implement investment projects shall send the information and documents which shall form a basis to the preparation of annual investment evaluation report to the strategy development units. Annual investment evaluation report on the realization and implementation results of investment projects shall be prepared by the strategy development units and submitted to the Turkish Court of Accounts, Ministry of Finance and Undersecretariat of State Planning Organization until the end of March in the following year.

Preparation of financial statistics

Article 25 – Statistical information which shall form a basis for the preparation financial statistics pertaining to public administrations within the scope of central government shall be prepared by strategy development units and submitted to the Ministry.

Financial statistics of public administrations outside the scope of central government shall be prepared in accordance with the procedures and principles set forth by the Ministry and submitted to the Ministry in due time.

Monitoring of the administrations' financial operations and transactions by the other administrations

Article 26- Financial operations and transactions of the administrations which need to be monitored by other administrations shall be monitored and finalized by the strategy development units through ensuring coordination among the spending units. To this end, necessary correspondences shall be carried out by the strategy development units.

Providing consultancy service and the liability of informing

Article 27 - Strategy development units are obliged to provide the information required by spending units with regard to their units and to provide consultancy in financial subjects to the spending units. With this purpose necessary information and documentation on financial management and control as well as auditing shall be composed and monitored by strategy development units within the framework of their authorization and duties.

Spending units shall be informed by strategy development units through appropriate means in terms of amendments made on financial legislation.

Strategy development units may carry out written correspondences to enlighten and direct the implementation of financial arrangements and decisions by taking the opinion of relevant administrations when necessary.

System and standards of internal control

Article 28 – Strategy development units shall carry out studies for the establishment of internal control system, implementation and improvement of its standards and submit results thereof to the head of the administration.

On condition that they are not contrary to the Law and the standards defined by the Ministry, standards on all kinds of methods, processes and transactions with a specific feature shall be prepared by the strategy development units and submitted to the approval of the head of administration.

SECTION FOUR Other Provisions

Local administrations and administrations without strategy development units

Article 29 – In accordance with the provisions of this Regulation; in local administrations, duties apart from those stated in the subparagraphs (a), (b), (c), (d), (e) and (f) of Article 5 shall be carried out by the units to be established within the framework of the provisions of the relevant legislation whereas in administrations without strategy development units, the said duties shall be carried out by the units that were already performing financial services within these administrations.

Heads of strategy development units

Article 30 – Heads of Strategy Development Presidencies, Heads of Strategy Development Departments and Directors shall be the head of the strategy development units and shall be responsible for the timely and accurately performance of the duties of the units against the head of the administration.

Heads of strategy development units, upon the approval of the head of administration, may delegate some of their duties and authorities to the heads of sub units on condition that the limits of the duties and authorities delegated are clearly defined, duties and authorities are delegated in a written form and this delegation is in conformity with the Law. Delegation of authorities shall be notified to the relevant parties through appropriate means.

Cooperation and compatibility during the operations

Article 31 — In order to evaluate the activities and operations of strategy development units and take necessary measures, regular meetings shall be held not less than once a month, under the chairmanship of head of strategy development unit, with the participation of sub unit administrators. In these meetings, information sharing, cooperation and compatibility are ensured by evaluating the activities of strategy development units, transactions realized, problems, opinions and suggestions provided.

Segregation of duties

Article 32 — Duties as authorizing officer and accounting officer shall not be entrusted to the same person. Those carrying out the duty of ex ante financial control in strategy development units shall not be entrusted any duty during the stages of preparation and implementation of financial decisions and transactions such as the preparation of approval document, annexes thereof and draft specification and contracts, documentation of financial decisions and transactions, receipt of goods and services and they shall not be the chairman or member of Tender Commission, Examination and Admission Commission.

Books, records, and documents to be used in strategy development units

Article 33 — Books, records, and documents to be used in strategy development units can also be arranged in electronical medium in a way that the same information shall be included. However, the print-outs of the books, records and documents that will be kept in this way shall be taken and kept in files to be arranged according to their subjects after being given a page number and signed by the authorized persons.

Document registration system and correspondences

Article 34 — Each incoming and outgoing document in the strategy development units shall be registered without any delay and be monitored in the incoming and outgoing document book. The correspondences shall be classified, filed according to a standard file plan and saved according to the archive system.

Enforcement

Article 35 — This Bylaw shall enter into force on the date of its publication to be valid as of 1/1/2006

Execution

Article 36 — Council of Ministers shall execute the provisions of this Bylaw.