

**SEFFAFLIK DERNEGI
(TRANSPARENCY
INTERNATIONAL TURKEY)**

01.01.2012- 31.12.2012

**REPORTING PERIOD AUD
(BALANCE SHEET TABLE
AND INCOME TABLE)**

**NAMIK KEMAL KOÇ
Chartered Accountant**

İSTANBUL – 22.05.2013

SUPERVISOR'S:

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Chamber : CHAMBER OF SWORN-IN CERTIFIED PUBLIC ACCOUNTANTS
OF ISTANBUL

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ASSOCIATION'S:

Name/Title : ŞEFFAFLIK DERNEĞİ

Objective : Democratic, social and economic development of country;
Establishing the transparency, integrity and accountability in all
sections of a society.

Adress : 19 Mayıs Mahallesi Operatör Raif Bey Sokak Niyazi Bey
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TO THE BOARD OF DIRECTORS OF TI-TURKEY ASSOCIATION

SUPERVISION'S

TOPIC : 31.12.2012 Dated, Supervision of Statement Table

TERM : 01.01.2012- 31.12.2012

In consequences of that supervision, whose topic and term stated above; of the Association's accounts, documents, association books consist of those document records, and bank statements (Banka Ekstresi); we come up with a conclusion below.

1. INTRODUCTION

The investigation involves the term of 01.01.2012-31.12.2012. It's been investigated by us whether 31.12.2012 dated statement table is in accordance with the legal association books; then whether documents recorded in association books are in accordance with "Tax Procedural Law" (Vergi Usül Kanunu) or not; and whether the Association's activities in between 01.01.2012-31.12.2012 are in accordance with 04.11.2004 dated, 5253 numbered "Association Law" (Dernekler Kanunu); and with 31.03.2005 dated, 25772 numbered, published in Official Gazette "Associations Regulations" (Dernekler Yönetmeliği); and with the regulations "2007/2 numbered Notification About the Information, required to be present in the Minute Book, Document Record Book, Plant Ledger and Operating Account Book and About the Form of Books" which are published in Official Gazette on the date of 02.08.2007, number 2661; or not.

The Findings of our investigation are presented in the CONCLUSIONS.

2. PROCEDURAL INVESTIGATIONS

2.1. Book-keeping Procedure of Association

Association keeps income and expense accounts in view of Balance Sheet Account Principle (Bilanço Hesabı Esası); and records income-expense documents on Ledger Journal (Yevmiye Defteri)

In accordance with 31 numbered Associations Regulations; Associations, whose amount of gross income exceeds 500,000,00 (the amount determined???????) **belirlenen bu tutar yine Yönetmeliği'nin 101 maddesi gereğince; izleyen yıllarda Vergi Usul Kanunu gereğince her yıl yeniden değerlendirilerek artırılarak dikkate alınacaktır**) in 2005, required to keep book in accordance with the Balance Sheet Account Principle.

The Board of Directors has taken a decision on 07.12.2012 with decision number 17 to switch the Association's accounts from operating account to balance sheet account system

Associations keep Minute Book, Plant Ledger, Member Registry, Certificate of Receipt Registry, Document Record Book, Ledger Journal, Ledger Book and Inventory Book in view of Balance Sheet Principle and in accordance with 32 numbered Association Regulation.

Information related with the approval and approval position of books that have been used and are kept being used by Association in 2012 is below

2.2 Books Kept by Association

Name of Book	Approval Position	Approval Date and Number
Minute Book	Governorship of Istanbul Provincial Directorate of Associations	29.08.2008-1410
Plant Ledger	Governorship of Istanbul Provincial Directorate of Associations	04.09.2008-1410
Member Registry	Governorship of Istanbul Provincial Directorate of Associations	04.09.2008-1410
Certificate of Receipt Registry	Governorship of Istanbul Provincial Directorate of Associations	04.09.2008-1410
Document Record Book	Governorship of Istanbul Provincial Directorate of Associations	04.09.2008-1410
Ledger Journal	Beyoglu 40 th Public Notary	12.12.2011-57775
Ledger Book	Beyoglu 40 th Public Notary	12.12.2011-57776
Inventory Book	Beyoglu 40 th Public Notary	12.12.2011-57777

It's been fixed that the Association, legally on time, had "Governorship of Istanbul Provincial Directorate of associations" (İstanbul Valiliği İl Dernekler Müdürlüğü) and Beyoglu 40th Public

Notary approved the books which have to be kept and approved indispensably, according to "Association Regulation"(Dernekler Yönetmeliđi).

The approval times of books which are used by associations are regulated by the 36 numbered Associations Regulations

The books mentioned above has not been finished and they are kept being used

Bilanço usulüne göre tutulan defterler (Yevmiye, Defter-i Kebir ve Envanter) ise; yine yönetmeliđin aynı maddesi düzenlemesi geređince; kullanılacağı yıldan önce gelen son ayda her yıl yeniden tasdik ettirilmesi zorunludur. It's obligatory thatBooks kept in accordance with the balance sheet method (The Ledger Book, The Ledger Journal and Inventory Book)

Beyođlu 40th Public Notary had approved; The Ledger Book, the Ledger Journal and Inventory Book that are used by the Association for term 2013, on the date of 17.12.2012 with the 56170, 56171, 56172 document numbers.

2.3 Printed Documents, used by the Association

2.3.1 Association income Certificate of Receipt:

It's been fixed that 1st Volume was printed and recorded in Certificate of Receipt book in previous terms. By way of the 03.10.2010 dated, 16 numbered decision of Board of Directors, it has been assigned to print plus 10 piece of 000051-0000550 numbered Association Income Certificate of Receipt. It's also been fixed that 000001-000050 numbered 1st Volume and 000051- 000100 numbered 2nd volume printed in previous term was used and finished completely; and later on printed and started with 000101 numbers, 3rd Volume was last used on the date of 02.05.2013 and the page of 000116 while the examination. The page of 000117 was cancelled and the other certificate of receipts numbered 000118-000550 was examined and were found to be empty. The 3rd volume of the documents are continued to be used.

2.3.2 Expense Voucher/ Note

It's been fixed that Note of Expenses was one-volume and used thereby the approval of Beyođlu 37th notary with the date of 18.09.2009 and the number of 24307.

Afterwards, it's been confirmed that as of the date of supervision, 1st volume, starting with 038651, which was printed by Erka Printing House (Şaban Kara) ,was used by the date of 19.04.2013 and the page of 038693.

It's been fixed that the numbers between 038694- 038700 of 1st volume have not been used and 2nd volume-10th volumes are completely empty and unused.

Besides, it's been confirmed that the used or unused Notes of Expenses belonging to Association were preserved.

1st volume of Note of Expenses is continued to be used.

2.4. Declarations and Proclamations, necessary to arrange and get by Association.

2.4.1. Obligations to the Tax Office

Association, with regard to examination period of the employees;

It's fixed that Association had realized the "withholding tax return" (Muhtasar Beyannamesi) whose term is 2012 /January- February- March, on the date of 16.04.2012 and made payment of 2.382,13 TL original tax on the date of 26.04.2012 with the Garanti Bank's (Online Banking) OÇ 32001 numbered Tax Receipt.

It's fixed that Association realized the withholding tax return whose term is 2012/April- May- June, on the date of 20.07.2012; and had paid 2.815,79 TL original tax with penalty of 12,18 TL for delay with the 000161 numbered Tax Receipt(Vergi Alındı Makbuzu) from Mecidiyeköy Tax Office.

It's also fixed that Association had realized the withholding tax return whose term is 2012/ July-August- September, on the date of 15.10.2012; and had paid 2.849,26 TL original tax on the date of 18.10.2012 with the Garanti Bank's (Online Banking) OÇ 71791 numbered Tax Receipt.

It has been fixed that Association had realized the correction withholding tax return whose term is 2012/ July- August- September, on the date of 11.12.2012, and made payment 1.750,74 TL original tax on the date of 14.12.2012 with the Garanti Bank's (online Banking) OÇ 87825 numbered Tax Receipt.

It also has been fixed that association had realized the withholding tax return whose term is 2012/ October- November- December, on the date of 18.01.2013, and had paid 2.414,95 TL original tax on the date of 28.01.2013 with the Garanti Bank's (online Banking) OÇ 5752 numbered Tax Receipt.

2.4.2. Obligations to Social Security Institution

It's fixed that, Association had realized, legally on time, the Social Security Institution Monthly Premium and Service Document Declaration (Sosyal Güvenlik Kurumu Aylık Prim ve Hizmet Belgesi Prim Bildirgeleri) whose term is 2012/ January- February- March- April- May-June- July- August- September- October- November and December, concerning Investigation term for employees.

January 2012 premium which is 1.401,81 TL, had been paid to T.C.Ziraat Bank A.Ş. Salıpazarı Branch on the date of 15.03.2012.

June 2012 premium which is 1.303,13 TL, had been paid to T.Vakıflar Bank T.A.O. Salıpazarı Branch on the date of 09.08.2012.

SGK (Social Security Institution 'SSI') insurance premiums whose term is 2012/ January- February- March- April- May June- July- August- September- October- November and

December are paid by the Association's Garanti Bank Deposit account through online banking. The table about the declaration and payments to SSI is below:

DECLARATION	REALIZATION		DATE of	BANK and BRANCH
PERIOD	DATE	AMOUNT	PAYMENT	PAYMENT MADE TO
January 2012	10.02.2012	1.183,45	15.03.2012	T.C.Ziraat Bank A.Ş.
February 2012	06.03.2012	1.127,69	30.03.2012	Garanti Bank Ortaklar Cad.
March 2012	09.04.2012	1.132,73	26.04.2012	Garanti Bank Ortaklar Cad.
April 2012	09.05.2012	1.137,14	28.05.2012	Garanti Bank Ortaklar Cad.
May 2012	05.06.2012	1.118,24	27.06.2012	Garanti Bank Ortaklar Cad.
June 2012	04.07.2012	1.101,86	09.08.2012	T.Vakıflar Bank T.A.O.
July 2012	07.08.2012	1.090,21	09.08.2012	Garanti Bank Ortaklar Cad.
August 2012	07.09.2012	1.062,80	26.09.2012	Garanti Bank Ortaklar Cad.
September 2012	02.10.2012	559,12	11.10.2012	Garanti Bank Ortaklar Cad.
December 2012	07.01.2013	1.217,68	07.01.2013	Garanti Bank Ortaklar Cad.

2.5. Bank Accounts, used by the Association

It's fixed that the Association deposits board of directors' income obtained from members to the bank accounts which are opened by the name of the Association according to

The Association has accounts before Garanti Bank Ortaklar Caddesi Branch;

- 6296557 Numbered, Drawing TL Account from 2010 to the extent CIMAP Project,
- 6297033 Numbered, Drawing TL Account from the beginning of the Association,
- 9086615 Numbered, Drawing Euro Account for the sake of EURO aid from TRANSPARENCY INTERNATIONAL from 2009,
- 6296537 Numbered, ALAC Drawing TL Account from 2010,
- 6295920 Numbered, Drawing TL Account from 30.10.2011 to the extent of Transparent Society Project,
- 9081472 Numbered, Drawing euro account from 30.10.2011 to the extent of Transparent Society Project.

31.12.2011- dated balance of 6296557 Numbered, Drawing TL Account is 0,42 TL; the last account activity is on 05.09.2011.

31.12.2012- dated balance of 6297033 Numbered, Drawing TL Account is 1.802,16 TL; balance as the last account activity is on 29.04.2013 while the investigation date, is 4.225,44 TL.

31.12.2012- dated balance of 9086615 Numbered, Drawing Euro Account is 51.011,70 € balance as the last account activity is on 29.04.2013 while the investigation date, is 184,79 €..

31.12.2012- dated balance of 6296537 Numbered, Drawing TL Account is 0,00 TL; the last account activity is on 27.12.2012.

31.12.2012- dated balance of 6295920 Numbered, Drawing TL Account is 215,95 TL; balance as the last account activity is on 02.05.2013 while the investigation date, is 124,49 TL.

31.12.2012- dated balance of 9081472 Numbered, Drawing Euro Account is 0,00 € balance as the last account activity is on 02.05.2013 while the investigation date, is 31.492,00 €.

2.6. Expense Documents, used by the Association

It's regulated by the "Associations Regulations" and "2007/02 Numbered Notification" that Expense Documents, used by the Associations shall fit the documents, regulated in the Tax Procedural Law. Due these regulations, the Association, about its expenses, can use Bill (Fatura) Retail Sales Slip (Perakende Satış Fişi), Self Employment Receipt (Serbest Meslek Makbuzu), Note of Expenses (Gider Pusulası), Expense Voucher (Gider Makbuzu) and monthly wage Payrolls drawn for employees as expense documents. In consequence of investigation, it's fixed that for the expenses recorded in balance sheet ledger by the Association; complaint-to-statute documents are obtained and redemised the records.

2.7. Number of Members of the Association

It's been fixed that the Association has registered 37 members in total and 3 of them are corporate members as of investigation date.

It's been fixed that 09.04.2013 dated, 34 numbered Board of Directors' Decision was made about latest membership registration of Ahmet Coşkun at 09.04.2013

3.ACCOUNT EXAMINATION

Financial information fixed from 31.12.2012 dated balance sheet, bank statements and 2012 association declaration are below.

4- Active (Assets TL)	
4.1. Current Assets	
4.1.1. Liquid Assets	: 122.003,01
4.1.1.1. Case	: 20,27
4.1.1.2. Bank	: 121.982,74

4.1.8. Other Current Assets	:	
Total Current Assets	:	122.003,01
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4.2. Fixed Assets		
4.2.1. Trade Receivables	:	1.600,00
Total Fixed Assets	:	1.600,00
Total Active Assets	:	123.603,01
TOTAL	:	

5- PASSIVE [ASSETS TL]

5.1. Short Term Foreign		7.182,31
5.1.2. Commercial Debts	:	
5.1.3. Other Debts	:	3.595,48
5.1.6. Taxes to be Paid and Liabilities	:	3.586,83
TOTAL FOREIGN RESOURCES	:	7.182,31
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5.3. OWN RESOURCES		
5.2.4. Previous Years Benefits	:	82.649,54
5.2.5. Previous Years Loss (-)	:	
5.2.6. Net Benefit/Loss	:	33.771,16
Total Own Resources	:	116.420,70
Total Passive Assets	:	123.603,01
TOTAL	:	

6- INCOME [TL]

6.1. Total Income	:	
6.1.1. Membership Fees	:	25.850,00
6.1.2. Foreign Funds	:	139.926,10
6.1.3. Income from Public Institutions	:	
6.1.4. Other Donations	:	4.901,02
6.1.5. Income from Enterprises	:	
6.1.6. Financial Income	:	

TOTAL : 170.677,12

7- EXPENDITURE [TL]

7.1. Total Expenses	: 136.905,96
7.1.1. General Expenses	: 34.182,61
7.1.2. Human Resources	: 39.406,51
7.1.3. Objective and Service Expenses	: 62.286,08
7.1.3.6. Economic, Social and Community Development	: 62.286,08
7.1.3. Other Expenses	: 1.030,76
7.2. Income Surplus	: 33.771,16
	TOTAL : 170.677,12

3.1. TERM INCOME (01.01.2012- 31.12.2012)

Incomes fixed from 31.12.2012 dated balance sheet, bank statements, and 2012 association declaration are below.

Membership Fees	: 25.850,00 TL,
Other Donations and Aid	: 4.901,02 TL,
<u>Transparent Society Project Income</u>	: 139.926,10 TL
Total Amount of Income	: 170.677,12 TL'dir.

At this stage, total income becomes 170.677,12 TL as of the investigation term of .01.2012-31.12.2012

3.1.1. Assets Transferred from the Previous Term

Below is the transfers from 2011 term. Amounts are both 2011 and 2012 term associations declaration (dernekler Beyannamesi)

31.12.2011 term Case transfer	;	1,50 TL,
31.12.2011 term Bank transfer	;	89.413,88 TL,

2011 total transfer ; 89.415,03 TL,

3.1.2. Term Membership Fees

25.850,00 TL amounted membership fee and donation income is generated in term of investigation. That amount is recorded in operation ledger as income and declared in 2012 term associations' declaration income.

3.1.3. Donations and Aid

In term of investigation, the Association has received 55.000,00 Euro from Swedish Consulate and 6.000,00 Euro from Netherlands Consulate to the extent of Transparent Society Project

Above mentioned aid, received from abroad is asserted to Directorate of Associations (Dernekler Müdürlüğü).

In 2012 term, details of donations and details of aids/monies, received from abroad to the extent of several projects and recorded in balance sheet ledger as income; are such in following table with dates. This amount is asserted as aid, received from abroad with 2012 Associations' Declaration

Date	Source of Income	Name of Project	Currency	Amount of foreign Currency	Central Bank's Buying Rate of Exchange	Amount in TL
10.07.2012	Consulate of Sweden	Transparent Society	Euro	10.000,00	2,2419	22.419,10
22.11.2012	Consulate of Sweden	Transparent Society- Youth-Media	Euro	45.000,00	2,3016	103.572,00
03.12.2012	Consulate of Netherlands	Transparent Society	Euro	6.000,00	2,3225	13.935,00
				61.000,00		139.926,10

3.2. TERM EXPENSES (01.01.2012 -31.12.2012)

According to 30.04.2013 dated ASSOCIATION'S DECLARATION, balance dated 31.12.2012, and bank statements, the Association has asserted a sum of **34.182,61 TL General Expenses, 39.406,51 TL Human Resources Expenses, 62.286,08 TL Objective and Service Expenses (Project Expenses), 1.030,76 TL Other Expenses;** in total sum of **136.905,96 TL.**

3.3. Year-End Assets (Turnover to 01.01.2013)

Year-End Assets fixed from 31.12.2012 dated balance sheet, bank statements and 2012 associations' declaration are below.

Total amount which is transferred to 2013 from the case is **20.27 TL**; and the amount in bank is **2.018,53 TL** in Turkish Lira account and 51.011,70 € in Euro account which is equal to **119.964,21 TL**, in total 121.982,74 Turkish Liras. The details of the bank accounts are shown in the below table.

Bank	Branch	Account No	Currency	Amount of Foreign Currency	Amount in TL
Garanti Bank	Ortaklar Cad.	6296557	TL	0,42	0,42
Garanti Bank	Ortaklar Cad.	6296537	TL	0,00	0,00
Garanti Bank	Ortaklar Cad.	6297033	TL	1.802,16	1.802,16
Garanti Bank	Ortaklar Cad.	6295920	TL	215,95	215,95
Garanti Bank	Ortaklar Cad.	9086615	Euro	51.011,70	119.964,21
Garanti Bank	Ortaklar Cad.	9081472	Euro	0,00	0,00
					121.982,74

These amounts are determined by investigating bank assets and bank account statements. Cash count in association's case has not been done on the date of 31.12.2012 because of the fact that supervision is made in May 2013 by our Accountancy.

4. STATE OF ASSOCIATION'S ACTIVITIES WITHIN the ASSOCIATION STATUTE AND ASSOCIATION CHARTER

It's been investigated by whether the association activities within 01.01.2012-21.12.2012 term is in accordance with 04.11.2004 dated, 5253 numbered "Association Law"(Dernekler Kanunu); and with 31.03.2005 dated, 25772 numbered, published in Official Gazette "Associations Regulations"(Dernekler Yönetmeliği); and with the regulations "2007/2 Numbered Notification About the Information, required to be present in Minute Book, document Record Book, Plant Ledger and Operating Account Book and About the Form of Books" which published in Official Gazette on the date of 02.08.2007, number 26601; and with the regulations, which are determined by 01.07.2008- established and 34-302711 registry numbered TI-TURKEY Association's Charter or not.

Thereby;

4.1. It's fixed that the Board has recorded so called arbitrariness in the matter of initiation and resignation in Minute Book and Member Registry

4.2. It's fixed that the Association had received aid from abroad according to bank statements and balance sheet ledger records and notified Directorate of Associations about this aid according to associations statute. .

4.3. It's fixed that Supervised Association Books are in accordance with the regulations, determined in Associations Statute and approved on time; approved books' pages are not run out of and used continuously; decisions of Board are written in minute Book with respect to date and number sequence, members' id information and membership entrance date are recorded in member Registry; coming-going documents are recorded in Document Record Book and document samples are classified.

4.4. It's fixed that investigated expenditures of Association are in accordance with objectives, determined in the association charter and there is no spending out of purpose.

4.5. It's fixed that in (2.2)-titled part of our report; books, kept by the Association are at present and protected while report date; and records in the books are obvious clear.

4.6. ANNEX-21 Associations Declaration, regulated in Associations Regulation and situated in the addition of this regulation; is electronically drafted on the date of 30.04.2013 and asserted legally on time; and a copy of so called declaration is given to local authority with the date of 30.04.2013 and the number of 3.

4.7. In the term of investigation, it's not fixed that the Association made charity collection activity and gained income from activity and placed on records.

5. CONCLUSION

In consequence of supervision of operating Account Table of 01.01.2012-31.12.2012 period; on the Association's books and documents; we come up with a conclusion below;

- a) Association books are in accordance with "Association Law" (Dernekler Kanunu), and with "Associations regulations"(Dernekler Yönetmeliği); and approval of books are done legally on time in accord with Association Law and Association Regulations; and records in the book are made in accord with the regulations, determined in " 2007/2 Numbered Notification About the Information, required to be present in the Minute Book, document Record Book, Plant Ledger and Operating Account Book and About the Form of Books" and "Tax Procedural Law" (Vergi Usül Kanunu),
- b) Documents recorded in association books; are in accord with the regulations determined in "Associations Regulations" and "2007/2 Numbered Notification" and "Tax Procedural Law",

- c) In accord with Associations Regulations, accounts of the Association are kept in compliance with Balance Sheet Account basis and that has regulatory compliance,
- d) According to operating ledger, bank statements and association declaration; total income of the Association in 01.01.2012- 31.12.2012 period is 170.677,12 TL; and total expenditures in same period is 136.905,96 TL; and transferred amount to 2013 from the case is 20,27 TL and 121.982,74 TL from the bank
- e) As a result of examination over minute book, coming going documents book, member registry, Decisions of Board of Association and meetings-correspondences-communications, within the members or relevant institutions and organizations; are concordantly consistent with the area of activity, indicated in the Association Charter about the goal and to achieve goal ,

Those are conviction or comment and conclusion, reached by ourselves.

NAMIK KEMAL KOÇ

CHARTERED ACCOUNTANT

EKLER

1. 01.01.2012- 31.12.2012 BALANCE SHEET
2. 31.12.2012 DATED INCOME TABLE
3. 2012 TERM ASSOCIATION DECLARATION