

## Turkey Clarifies System For Auditing Contractor Performance in Health-Related PPP Construction Projects

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Turkey has introduced clarifying provisions with regard to auditing contractor performance for construction and renovation of existing facilities in public-private partnerships. Legislation previously empowered the Ministry of Health to establish an audit system to assess contractor performance, but did not outline how to set up such a system. Accordingly, a list of documents and information has now been introduced for determining the eligibility of auditors.

The Law on Supporting Investments on Project Basis and Amending Certain Laws and Decrees numbered 6745 was published in Official Gazette number 29824 on 7 September 2016 ("**Amendment Law**"). The Amendment Law makes changes to Law No. 6428 Concerning the Construction of Facilities, Renovation of Existing Facilities and Purchasing Service by the Ministry of Health by Public Private Partnership Model.

Several sanctions will apply if an authorized auditor does not meet its contractual obligations. These include a delay fine (as specified in the tender documents), registration of performance guarantees as revenue, as well as contract termination without appeal.

Authorized auditors will be liable to the administration and third parties for any damages incurred as a result of false and misleading information on the audit reports. Auditors are also responsible for submitting their audit report (including information, documents, reports and tables) in line with related regulations and contracts. Auditor responsibility in this sense extends for fifteen years.

Please see this [link](#) for the full text of the Amendment Law (only available in Turkish).

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