PRIME MINISTER OF THE REPUBLIC OF ARMENIA

DECISION

No 696-L of 11 June 2018

ON APPROVING THE CHARTER OF THE STATE SUPERVISION SERVICE OF THE REPUBLIC OF ARMENIA


Approve the Charter of the State Supervision Service of the Republic of Armenia according to the Annex.

Prime Minister
of the Republic of Armenia

N. Pashinyan

11 June 2018

Yerevan

Annex

to Decision of the Prime Minister
of the Republic of Armenia

No 696-L of 11 June 2018
CHARTER
OF THE STATE SUPERVISION SERVICE
OF THE REPUBLIC OF ARMENIA

I. GENERAL PROVISIONS

1. The State Supervision Service of the Republic of Armenia (hereinafter referred to as “the Service”) is a body subordinate to the Prime Minister of the Republic of Armenia acting in the field of state supervision prescribed by the Laws of the Republic of Armenia “On state administration bodies” and “On State Supervision Service”.

2. The Service shall be established, reorganised, and its activities shall be terminated by law.


4. The name of the Service is:
   
   (1) in Armenian – Հաստատություն էվրոպական սեփականատերի պաշտոնը;
   
   (2) in Russian — Служба государственного надзора Республики Армения;
   
   (3) in English — State Supervision Service of the Republic of Armenia;
   
   (4) in French — Service de surveillance de l’état de la République d’Arménie.

5. The Service shall have a round seal, forms, a symbol and other identification means with the image of the Coat of Arms of the Republic of Armenia and the inscription of its name in Armenian.

6. The Service shall consist of the Head of the Service, Deputy Heads of the Service, advisors to the Head of the Service, assistants to the Head of the Service, assistants to the Deputies Heads of the Service, General Secretary, Deputy General Secretary, main and supporting professional structural subdivisions of the Service.
7. The Service may be vested — as prescribed by the legislation of the Republic of Armenia — with the competence to possess state stocks or shares.

8. The Service shall be located in Yerevan, Republic of Armenia.

(point 8 amended by No 997-L of 25 July 2019)

II. PURPOSE AND OBJECTIVES OF THE SERVICE

9. The purpose of the activities of the Service shall be ensuring the exercise of the supervisory powers vested in the Prime Minister of the Republic of Armenia by the Constitution and laws of the Republic of Armenia.

10. Based on the mentioned purpose, the Service shall:

   (1) conduct examinations in state administration bodies and state institutions for the purpose of:
       a. supervision over the execution of decisions of the Government of the Republic of Armenia, decisions and assignments of the Prime Minister of the Republic of Armenia, action plans of the Government of the Republic of Armenia, including anti-corruption programmes and measures,
       b. supervision over the legitimacy and effectiveness of their activities,
       c. supervision over effectiveness and legitimacy of the management and formation of state funds;

   (2) conduct examinations in bodies, established by the Constitution and laws of the Republic of Armenia, which are not considered to be state administration bodies, for the purpose of supervision over legitimacy of the management of state funds;

   (3) conduct examinations in local self-government bodies for the purpose of assessing reliability of the information serving as grounds for providing state funds;

   (4) conduct examinations at authorised persons performing the function of formation of state funds for the purpose of supervision over legitimacy of the formation of state funds;

   (5) conduct examinations at legal persons with participation of the Republic of Armenia for the purpose of exercising supervision arising from the participation of the Republic of Armenia and deriving from the powers of the authorised body, as well as representative of the
Republic of Armenia in the highest management and supervising body;

(6) conduct examinations at persons — with participation of the Republic of Armenia — acting as a party to civil law transactions for the purpose of exercising supervision deriving from civil law transactions with the participation of the Republic of Armenia and over the fulfilment of the conditions thereof, except for giving instructions based on the contract, which shall be implemented through the authorised body acting on behalf of the Republic of Armenia under the contract;

(7) conduct examinations at legal persons having received means in the form of donation or grant from the State, community, or state or community non-commercial organisations, organisations with more than 50% of state or community shares for the purpose of exercising supervision over the observance of the requirements of the legislation regulating the procurement process;

(8) conduct examinations at persons having received a subsidy or grant from the Republic of Armenia for the purpose of assessing reliability of the information serving as a ground for providing state funds;

(9) upon the consent of the Prime Minister of the Republic of Armenia, be authorised to propose to terminate the execution of the transaction, as well as the procedures and actions aimed at conclusion thereof, for the purpose of identifying, assessing the reasonability of risks of unlawful actions of management and formation of state funds, threat of abuse and possible damages, and minimising them in the cases of such risks;

(10) carry out disciplinary proceedings upon the assignment of the Prime Minister of the Republic of Armenia;

(11) address the received applications, complaints and recommendations to competent state administration bodies and supervise their process;

(12) conduct parallel examinations in the cases and in the manner prescribed by the Law of the Republic of Armenia “On State Supervision Service”;

(13) submit recommendations on the required measures deriving from the results of the supervision and exercise control over the implementation thereof;

(14) co-operate with state and local self-government bodies, international organisations and relevant structures of foreign countries;

(15) submit recommendations on draft legal acts and amendments (supplements) in the field of
state administration;

(16) carry out other tasks prescribed by law.

*(point 10 supplemented by No 997-L of 25 July 2019)*

### III. FUNCTIONS OF THE SERVICE

11. The Service shall perform the following functions:

(1) the Service shall conduct examinations based on the letters of instruction of the Head of the Service in coordination with the Prime Minister of the Republic of Armenia. The letters of instruction shall prescribe the name of the body conducting examination, the full name, place of location of the facility under supervision, sector with regard to which the examination shall be conducted or the relevant part thereof, period under consideration, time limits and place for conducting examination, details on the official(s) conducting examination (title, name and surname).

In case of necessity to conduct examinations or inspections in the sectors under supervision of state administration bodies and local self-government bodies, the Service may, as prescribed by the Prime Minister of the Republic of Armenia, file a motion to the competent body for performing supervisory functions deriving from the powers of the given body by informing the Service of the results.

The examination may be conducted both in and out of the Service through requiring materials related to the examination, as well as through providing examination in electronic systems. The examination shall be conducted through requiring materials, objects, documents and information, as well as, where necessary, making an inventory of goods and materials, and through examination thereof.

In the course of the examination, the person conducting examination shall have the right to require written clarifications, which shall be subject to provision within the time limits prescribed by the claim filed.

The results of the examination shall be summarised in the relevant statement of information (hereinafter referred to as “the Statement of Information”). The statement of information shall be provided to the entity under supervision for giving an opinion thereon. The results of the examination shall include the Statement of Information and all the materials obtained within the framework of the examination, including the opinion given in
relation to the Statement of Information.

The results of the examination shall be reported to the Prime Minister of the Republic of Armenia and may serve as a ground for the Prime Minister of the Republic of Armenia to give relevant assignments and apply liability measures or give assignments on the application thereof;

(2) the Service shall conduct parallel examinations at the other party to the transaction based on the letter of instruction of the Head of the Service, in coordination of the Prime Minister of the Republic of Armenia.

The Service shall conduct parallel examinations in local self-government bodies exclusively upon the assignment of the Prime Minister of the Republic of Armenia.

The Service shall conduct parallel examinations at the other party to the transaction only in the cases when the information necessary to the Service within the framework of the examination conducted at the entity under supervision is incomplete, and it is impossible to assess the transaction under examination without conducting a parallel examination.

The Service shall conduct parallel examinations in local self-government bodies exceptionally in the cases when the information necessary to the Service within the framework of the examination being conducted in state administration bodies is incomplete, and it is impossible to assess the legitimacy and effectiveness of the activities of the state administration body under examination without conducting a parallel examination in the local self-government body.

The parallel examination at the other party to the transaction shall be limited to the examination of the conditions of actual performance of obligations, documents and other carriers as of the moment of examination of the transaction and, for that purpose, by requiring and receiving materials, objects, information and clarifications from persons, as well as, where necessary, making an inventory of goods and materials without disrupting the normal functioning of such persons;

(3) the Service shall carry out monitoring for the purpose of examination, analysis and summarisation of the received information, applications, complaints, recommendations, documents and reports, for submitting recommendations to the Prime Minister of the Republic of Armenia through the comparison of the annual action plans of the Government of the Republic of Armenia and that of the inspection body with inspections conducted, as
well as through the analysis of information obtained from information systems and databases and data on the results of the activities of inspection bodies. Access to information systems and databases, as well as receipt of information on the results of the activities of inspection bodies shall be provided as prescribed by the Prime Minister of the Republic of Armenia;

(4) based on the results of the supervision conducted, the Service shall analyse the recorded violations, issues, their causes, circumstances and consequences, by submitting to the Prime Minister of the Republic of Armenia statements of information and reports thereon, as well as recommendations on subjecting to disciplinary liability or giving assignment thereon;

(5) recommendations on analysis of the results of the supervision, as well as on increasing the effectiveness of the activities, on eliminating the omissions and shortcomings existing shall be submitted to the Prime Minister of the Republic of Armenia and entities under supervision;

(6) when exercising supervision, the Service, within the scope of powers vested therein by the Law of the Republic of Armenia “On State Supervision Service”:

a. shall receive gratuitous and free access to all paper and electronic information databases and systems, information and documents that are in the entity under supervision or with its official and pertaining to the powers of the Service, as prescribed by the Prime Minister of the Republic of Armenia,

b. shall have access to the areas of the entity under supervision, including areas under special control,

c. shall be competent for requiring and receiving information, documents, statements of information, clarifications relating to the functions of the Service, from the entities under supervision and the officials thereof,

d. shall be competent, where necessary, for involving internal auditors of the entity under supervision (upon the consent of the given organisation), professionals, experts and representatives of scientific institutions as participants of the supervision and for forming ad-hoc working groups,

e. shall, in compliance with requirements prescribed by the Law of the Republic of Armenia “On protection of personal data”, collect information through electronic or paper carriers, surveys or other means not prohibited by law, as well as receive and classify the collected information through online access to the existing electronic information databases,
f. shall systematically summarise the information received on-line, through surveys, as well as through other means not prohibited by law and compare them with the subject of analysis or the actual status of the phenomenon to be analysed for the purpose of establishing the existing realities and providing an assessment thereto,

g. shall make visits for the purpose of receiving information on the phenomena, events, realities and assessing them,

h. shall conduct an inspection, site survey of premises, buildings, transportation means, objects, documents, equipment (including electronic), during which photographing, video recording, carbon copying of documents may be conducted,

i. may make a procurement of goods, works and services aimed at comparison of prices for factual acquisition of the same or similar goods, works, services, as well as at clarification of sales standards of goods prescribed by the legislation of the Republic of Armenia,

j. based on the necessity of clarifying the issues requiring special expert assessment, shall undertake an examination through taking objects, samples and documents, where necessary,

k. shall compare the results — obtained through the secondary data collection method — of the performed and completed actions or their phases with the results reflected in the record keeping;

(7) shall, as prescribed by the Prime Minister of the Republic of Armenia, collect, summarise operational information received from state administration bodies in accordance with the form and procedure prescribed and shall submit it to the Prime Minister of the Republic of Armenia;

(8) shall ensure improvement of professional knowledge and working skills of the employees of the Service, organisation of the training processes prescribed by the legislation of the Republic of Armenia, assistance and performance evaluation (attestation);

(9) shall carry out the assignments of the Prime Minister of the Republic of Armenia, as a result of which it shall draw up statements of information or submit recommendations or information;

(10) carry out control activities over notifying the relevant employees of the draft orders of the Head of the Service and of the General Secretary with regard to mobilisation and civil defence, over mobilisation preparation of the Service, development of mobilisation
preparation projects and plans, scientific and methodical, information, methodical and organisational activities, registration of conscripts and enlisting of conscripts in the reserve subject to special military registration, conducting training exercises, development of civil defence plans and performing duties with regard thereto.

*(point 11 supplemented by No 997-L of 25 July 2019)*

**IV. MANAGEMENT AND ADMINISTRATION OF THE SERVICE**

12. The management of the Service shall be carried out by the Prime Minister of the Republic of Armenia.

13. Prime Minister of the Republic of Armenia shall:

   (1) approve the Charter of the Service and amendments made thereto;

   (2) approve the structure of the Service and changes made thereto;

   (3) establish the main directions of the activities of the Service in compliance with the purposes and objectives of the Service;

   (4) exercise supervision over the activities of the Service;

   (5) hear reports on the activities of the Service and examine the results of inspections of its activities;

   (6) approve the annual balance sheet, unless otherwise provided for by law;

   (7) give recommendations and instructions to the Head of the Service;

   (8) suspend or repeal the orders, directives, executive orders, instructions and assignments of the Head of the Service that contradict the requirements of the legislation of the Republic of Armenia;

   (9) exercise other powers provided for by law.

14. The Service shall be managed by the Head of the Service (hereinafter referred to as “the Head”) who shall be appointed to and removed from his or her office by the Prime Minister of the Republic of Armenia.

   The Head shall have deputies who are appointed to and removed from office by the Prime Minister of the Republic of Armenia upon consultation with the Head.
In the course of his or her activities, the Head shall be guided by the Constitution of the Republic of Armenia, the laws of the Republic of Armenia, this Charter, other legal acts and international treaties of the Republic of Armenia.

Positions of the Head and deputy heads shall be administrative positions. Deputy heads, General Secretary, heads of subordinate institutions, organisations, assistants to the Head and heads of structural subdivisions shall be directly accountable and subordinate to the Head.

15. The Head shall be directly accountable and subordinate to the Prime Minister of the Republic of Armenia.

16. The Head of the Service:

   (1) shall be responsible to the Prime Minister of the Republic of Armenia for the implementation of the objectives and functions set before the Service;

   (2) shall act on behalf of the Republic of Armenia without a letter of authorisation, as well as issue letters of authorisation to act on behalf of the Republic of Armenia, including letters of authorisation with the power of substitution;

   (3) shall exercise the administration of organisations and institutions transferred to the subordination of the Service;

   (4) shall appoint and dismiss the advisor and assistant thereto, as well as the assistants to the Deputy thereof;

   (5) shall appoint and dismiss relevant employees of the Service, apply incentive measures thereto and impose disciplinary penalties thereon in cases provided for by law;

   (6) shall submit recommendations with the aim of granting state awards to the employees of the Service;

   (7) shall approve the staff list of the Service;

   (8) shall submit the number of employees, structure, as well as recommendations on making changes therein to the Prime Minister of the Republic of Armenia for approval;

   (9) shall define the competences of the structural subdivisions, by approving their charters;

   (10) shall approve the internal disciplinary rules of the Service;
(11) shall establish working groups and advisory bodies adjunct thereto;

(12) shall suspend or repeal the orders of the General Secretary that contradict the requirements of the legislation of the Republic of Armenia;

(13) shall suspend or repeal the assignments of his or her Deputy and the General Secretary;

(14) shall suspend or repeal the orders, directives, executive orders, instructions and assignments — contradicting the requirements of the legislation of the Republic of Armenia — of the heads of organisations and institutions transferred to the subordination of the Service;

(15) shall hear the reports of structural subdivisions, organisations and institutions transferred to the subordination of the Service, examine the results of the inspection of the activities thereof, unless otherwise provided for by law;

(16) shall submit the annual financial statements on the activities of the Service and the annual balance sheet to the Prime Minister of the Republic of Armenia, approve the estimate of the annual maintenance costs of the Service and the results of the audit of reliability of the financial statements;

(17) shall, within the scope of the powers vested in the Service, adopt legal acts, issue orders, give assignments, instructions, publish letters of instruction, supervise their process, hear complaints filed against the actions of the employees of the Service;

(18) may, in specific cases, vest in the advisor and assistant the performance of particular activities with regard to supporting in the exercise of powers of the Head, for the implementation of which the latter shall have the right to receive information necessary for performance of the given activities from structural subdivisions, organisations and institutions transferred to the subordination of the Service;

(19) shall exercise supervision over the maintenance and alienation of the state property attached to the Service;

(20) shall, upon relevant order, vest in the General Secretary the coordination of activities in the organisational, personnel management, financial and economic, civil and legal relations and activities of the supporting professional structural subdivisions;

(21) shall, upon relevant order, vest the coordination of separate spheres, functions and the activities of structural subdivisions ensuring them, organisations and institutions
transferred to the subordination of the Service therein, as well as in the deputy heads, shall carry out distribution of duties among his or her deputies, advisors, assistants and heads of structural subdivisions;

(22) upon the consent of the Prime Minister of the Republic of Armenia, shall submit recommendations on terminating the execution of the transaction or the procedures and actions aimed at conclusion thereof, for the purpose of identifying, assessing the reasonability of risks of unlawful actions of management and formation of state funds, threat of abuse and possible damages and minimising them in the cases of such risks;

(23) shall represent the Service in the Republic of Armenia, as well as in foreign states and international organisations;

(24) shall require necessary information and materials, written or oral clarifications from other bodies and their officials;

(25) shall fulfil separate assignments of the Prime Minister of the Republic of Armenia;

(26) exercise other powers vested in the head of the body subordinate to the Prime Minister of the Republic of Armenia by law.

17. In case of the absence of the Head, one of the deputy heads shall perform the duties of the Head, upon the consent of the Prime Minister of the Republic of Armenia.

18. The Deputy Head of the Service shall:

(1) co-ordinate the activities in the field assigned thereto;

(2) forward the assignments of the Head to the structural subdivisions, organisations and institutions transferred to the subordination of the Service within the scope of his or her powers to co-ordinate, or give assignments within the scope of his or her powers to co-ordinate, and exercise supervision over the execution thereof, report to the Head about the results;

(3) co-operate with the General Secretary, other bodies and organisations within the scope of his or her powers to co-ordinate;

(4) submit recommendations to the Head within the scope of his or her powers to co-ordinate;

(5) carry out the instructions and assignments given by the Head.

19. The Service shall, within the scope of its competence, obtain property and personal non-property
rights, as well as other civil law obligations and shall exercise them through the General Secretary (hereinafter referred as “the General Secretary”), the position whereof is a civil service position. The General Secretary shall, as prescribed by law, be appointed and dismissed by the Prime Minister of the Republic of Armenia.

20. The General Secretary:

(1) shall be responsible, as prescribed by the legislation of the Republic of Armenia, for the organisation of exercise of the powers, personnel management, financial and economic functions of the Service;

(2) supporting professional structural subdivisions shall be directly accountable to the General Secretary;

(3) shall, as prescribed by law, bear property liability for the damage caused to the State due to his or her fault. The termination of powers of the General Secretary shall not be a ground for failing to fulfil the obligations for compensating the damage caused;

(4) shall, within the scope of his or her competences, act on behalf of the Republic of Armenia and represent the interests thereof, conclude transactions, issue letters of authorisation with regard to the matters reserved to his or her competence, without a letter of authorisation;

(5) shall dispose the state property attached to the state body, including the financial means, as prescribed by law and other legal acts;

(6) shall appoint and dismiss relevant employees of the Service, apply incentive measures thereto and impose disciplinary penalties thereon in cases provided for by law;

(7) shall submit the annual balance sheet to the Service;

(8) shall submit recommendations on the issues concerning the organisation of activities of the structural subdivisions of the Service;

(9) shall submit to the Head the activity reports of supporting professional structural subdivisions, as well as information, falling under his or her competence, on the other subdivisions, and in cases provided for by the legislation of the Republic of Armenia — also a report;

(10) shall co-operate with the deputy heads, other state bodies and organisations within the scope of his or her powers to co-ordinate;
shall forward the assignments of the Head to the structural subdivisions, organisations and institutions transferred to the subordination of the Service within the scope of his or her powers to co-ordinate, or give assignments within the scope of his or her powers to co-ordinate, and shall exercise supervision over the execution thereof and inform the Head about the results;

shall seal the documents prepared by structural subdivisions, as well as those prepared on his or her behalf, on behalf of the Head, or on behalf of the deputy head within the scope of his or her powers to co-ordinate;

shall make appointments to the civil service positions within the Service and dismiss from the positions held;

shall approve the job descriptions of civil servants of the Service;

shall organise the process of training of the employees of the Service;

shall appoint an official investigation upon the application of another person or publications in the media concerning the rules of conduct of a civil servant, incompatibility requirements, other restrictions applied to a public servant and conflict of interests;

shall organise office work and maintenance of the Service;

shall exercise other powers provided for by the Law of the Republic of Armenia “On civil service” and other laws.

21. The General Secretary shall have one deputy who shall substitute him or her during the absence thereof. The General Secretary shall be the immediate supervisor of his or her deputy. The Deputy General Secretary shall be directly accountable to the General Secretary.

22. The service shall have a chief financier, the duties of which shall be ex officio performed by the General Secretary. The Chief Financier of the Service shall manage the financial and accounting services of the Service, act under the direct subordination of the Head and exercise powers reserved to him or her by the Law of the Republic of Armenia "On treasury system".

23. The Chief Financier of the Service shall be responsible for the maintenance of accounting, timely drawing up of financial, budgetary, tax, statistics, and mandatory payments reports.

V. STRUCTURAL SUBDIVISIONS OF THE SERVICE

24. The main professional structural subdivisions of the Service shall be the following:

(1) Department for Supervision of Economic Sector;
(2) Department for Supervision of Territorial Administration and Infrastructure;
(3) Department for Supervision of Social Sector;
(4) Department for Supervision of State and Legal Sector;
(5) Department for Supervision over Procurement Processes;
(6) Department of Monitoring and Analysis;
(7) Department of Applications and Reception of citizens;
(8) Division of Discipline and Internal Control;
(9) Division of Internal Audit;
(10) Legal Department.

(point 24 amended by No 997-L of 25 July 2019)

25. The professional structural subdivisions supporting the Service shall be the following:

   (1) (sub-point repealed by No 997-L of 25 July 2019)
   (2) Division of Administrative Service and Organisation of Procurement;
   (3) Accounting Division;
   (4) Division of Personnel Management;
   (5) General Division;
   (6) First Division.

(point 25 amended by No 997-L of 25 July 2019)

VI. PROPERTY OF THE SERVICE

26. The Service shall have an independent balance sheet.

27. The property of the Service shall consist of the property assigned (attached) to the Service for the possession and use, as prescribed by the legislation of the Republic of Armenia.

28. The Service shall possess, use and — in cases provided for by other legal acts — also dispose the property assigned thereto.

VII. ACCOUNTING AND REPORTS

*(Annex amended, supplemented by No 997-L of 25 July 2019)*

Chief of Staff of the Prime Minister
of the Republic of Armenia

E. Aghajanyan