

**MINISTER OF FINANCE AND ECONOMY OF THE REPUBLIC OF
ARMENIA**

6 September 2005

N 930 I

Yerevan

ORDER

**ON APPROVING THE CHARTER OF THE QUALIFICATION COMMISSION
OF AUDITORS IN THE REPUBLIC OF ARMENIA**

Having regard to Article 22(1)(a) of the Law of the Republic of Armenia on Auditing, as well as point 5 of the Procedure for conducting qualification examinations for auditors by the authorised body, approved upon the decision of the Government of the Republic of Armenia No. 123-N of 3 February 2005 on Approving the procedure for conducting qualification examinations for auditors and the examination programme,

I hereby order:

1. To approve the charter of the qualification commission of auditors in the Republic of Armenia pursuant to the Annex.

2. To repeal:

(a) the order of the Ministry of Finance and Economy of the Republic of Armenia No. 361 of 29 October 1998 on Approving the programme of qualification examinations of auditors in the Republic of Armenia;

(b) Annexes Nos. 1, 3 and 4 approved by point 1 of the order of the Ministry of Finance of the Republic of Armenia No. 287 of 29 July 1999 on Approving the qualification procedure for general auditors in the Republic of Armenia, the composition and charter of the qualification commission, as well as point 2 thereof;

(c) the order of the Ministry of Finance and Economy of the Republic of Armenia No. 188 of 31 May 2001 on Amending the order of the Ministry of Finance and Economy of the Republic of Armenia No. 361 of 29 October 1998;

(d) the order of the Ministry of Finance and Economy of the Republic of Armenia No. 212 of 19 June 2001 on Approving the qualification procedure for the applicant certified as a general auditor in the Republic of Armenia.

V. KHACHATRYAN

**to the order of the Minister of Finance and
Economy of the Republic of Armenia No. 930-I
of 6 September 2005**

CHARTER

OF THE QUALIFICATION COMMISSION OF AUDITORS IN THE REPUBLIC OF ARMENIA

I. General Provisions

1. This Charter defines the main tasks, functions and rules of procedure of the qualification commission of auditors (hereinafter referred to as “the Commission”) in the Republic of Armenia and other issues related to qualification of auditors.

2. The Commission shall be guided by the legislation of the Republic of Armenia and this Charter in the course of its work.

II. Main Tasks and Functions of the Commission

3. The main tasks of the Commission shall be the following:

(a) arranging and conducting qualification examinations (hereinafter referred to as “the examination”) for natural persons who have applied to the authorised body for obtaining a qualification of an auditor (hereinafter referred to as “the applicant”) in line with the requirements of the procedure for qualification examinations for auditors by the authorised body (hereinafter referred to as “the qualification procedure”), approved upon the decision No. 123-N on Approving the procedure for qualification examinations and the programme of examinations for auditors;

(b) considering issues on withdrawal of a qualification certificate for auditors (hereinafter referred to as “the certificate”) and providing conclusions thereon in cases prescribed by Article 241(1) of the Law of the Republic of Armenia on Auditing;

(c) providing conclusion on declaring the certificate invalid in cases defined by the qualification procedure;

(d) preparing recommendations on the activities of the Commission, on arranging examinations, and on improvement and clarification of the qualification procedure and of this Charter.

4. The Commission shall adopt decisions on:

(a) considering the applicant as having failed to attend the examination;

(b) asking the applicant to leave the examination room;

(c) passing of an applicant to the second stage of the examination;

(d) granting an applicant a qualification of an auditor;

(e) determining the number of tests on specific topics in each section of the programme of examinations within the scope of quantitative proportions envisaged in point 14 of the qualification procedure;

(f) other issues, within the scope of its competence, related to arranging and conducting qualification examinations;

(g) withdrawing a certificate and declaring a certificate invalid.

5. The Commission shall submit a report to the Minister of Finance and Economy of the Republic of Armenia on the activities performed within the previous year until 15th of February of the following year.

III. Rules of Procedure of the Commission

6. Activities of the Commission shall be carried out through sittings which shall be convened on a regular basis within the provided time limits determined upon the decision of the Chairperson of the Commission or the member authorised by the Chairperson (hereinafter referred to as “the Chairperson of the Commission”), but not later than once in six months, where at least one application has been submitted.

7. The discussion of the issues within the Commission shall be recorded in the minutes indicating the following:

- the date and venue of holding the sitting of the Commission;
- the composition of the Commission;
- the subject matter of the issue in question;
- the content of the decision (conclusion) of the Commission;

- particulars of the participants to the discussion;
- data on the points scored by applicants;
- particulars of the applicants having passed to the second stage;
- explanations of participants to the discussion, their motions and results of discussions thereof;
- the documents examined during the discussion of the issue and other evidence;
- other data on the issues in question.

8. The sittings of the Commission shall have a quorum if attended by at least 50 percent of the total number of members of the Commission. Decisions of the Commission shall be adopted by simple majority of votes of the members participating in the sitting. In case of a tie of votes, the decision shall be deemed adopted in favour of the applicant (in relevant cases in favour of an auditor).

9. The decision provided for by point 4(c) of this Charter shall be made on the same day following the first stage of the examination after the examination papers of applicants have been checked.

10. The results of the first stage of the examination shall be published at least one hour before commencing the second stage.

11. The decision provided for by point 4(d) of this Charter shall be made within two working days after the end of the examination, in a separate room (behind closed doors) wherein only members of the Commission may be present at that time.

12. For the purpose of ensuring the adoption of decisions provided for by the qualification procedure and of organising the activities of the Commission, the Chairperson of the Commission shall:

- determine the time limits for conducting examinations;
- convene and chair the sittings of the Commission;
- sign the minutes of the sittings of the Commission and the certificates;
- submit for discussion the issue on the expediency of retaining the member - having failed to participate in the sittings of the Commission for three consecutive times - within the Commission or the issue on making changes in the composition of the Commission and submit a relevant recommendation to the Minister of Finance and Economy of the Republic of Armenia;
- allocate duties among the members of the Commission;
- adopt other decisions within the scope of his or her powers.

13. The Secretary of the Commission or, in case of absence thereof, another member of the Commission performing the duties of the Secretary upon the decision of the Chairperson of the Commission (hereinafter referred to as “the Secretary of the Commission”) shall:

- (a) prepare the sittings of the Commission;
- (b) introduce the examination procedure to the applicants and the consequences of the breach thereof, and shall answer their questions relating to the examination procedure;
- (c) draw up the minutes of the sittings of the Commission and the excerpts therefrom, and sign them;
- (d) perform other activities related to the activity of the Commission in accordance with the qualification procedure and the decisions of the Commission, upon the assignment of the Chairperson of the Commission.

14. Other members of the Commission shall:

- (a) participate in the sittings of the Commission; perform other activities related to the activity of the Commission upon the assignment of the Chairperson of the Commission in accordance with the qualification procedure and the decisions of the Commission;
- (b) give a prior notice to the Chairperson or the Secretary of the Commission about the inability to participate in the sittings of the Commission.

15. The members of the Commission shall perform their duties on a voluntary basis. The expenses related to the activities of the Commission shall be financed from the maintenance expenditures of the Staff of the Ministry of Finance and Economy of the Republic of Armenia.

16. For the purpose of carrying out activities aimed at ensuring the preparation of the sittings and execution of decisions of the Commission, as well as ensuring the receipt of necessary information related to the applicant, the Commission shall cooperate with the respective structural subdivision of the staff of the Ministry of Finance and Economy which arranges admission, scrutiny, maintenance of the applications and necessary documents and ensures the submission thereof to the Commission in a concise manner.

IV. Winding up of the Commission

17. The winding up of the Commission shall be effected in the manner prescribed by the legislation of the Republic of Armenia.

18. Following the winding up of the Commission, the documents and other materials related to the activity of the Commission shall be maintained in the manner prescribed by the legislation of the Republic of Armenia.