SEOUL METROPOLITAN GOVERNMENT ORDINANCE ON THE OPERATION OF AGENCIES INVESTED OR FUNDED BY THE SEOUL METROPOLITAN GOVERNMENT

Enactment No. 5963, Jul. 30, 2015
Amendment of Other Laws No. 6016, Oct. 08, 2015
Partial Amendment No. 6164, Mar. 24, 2016
Partial Amendment No. 6701, Jan. 04, 2018
Amendment of Other Laws No. 7217, Jul. 18, 2019
Partial Amendment No. 7228, Jul. 18, 2019
Partial Amendment No. 7299, Sep. 26, 2019
Amendment of Other Laws No. 7423, Dec. 31, 2019
Partial Amendment No. 7448, Jan. 09, 2020
Partial Amendment No. 7787, Dec. 31, 2020
Partial Amendment No. 8382, Mar. 31, 2022

Article 1 (Purpose)

The purpose of this Ordinance is for the Seoul Metropolitan Government to provide for matters delegated by the Act on the Operation of Institutions Provided with Investments or Funds by Local Governments and the Enforcement Decree of the same Act as well as matters necessary for the enforcement thereof.

Article 2 (Definition of City-Invested or City-Funded Agencies)

The term "City-invested or City-funded agency" as used in this Ordinance means an agency established with investments or funds provided by the Seoul Metropolitan Government (hereinafter referred to as the "Seoul Government") and designated and publicly announced under Article 5 of the Act on the Operation of Institutions Provided with Investments or Funds by Local Governments (hereinafter referred to as the "Act").

Article 3 (Operation of Organizations and Human Resources)

The head of a City-invested or City-funded agency shall operate the relevant agency using minimally required organization and human resources for the rationalization of management.

Article 4 (Composition and Operation of Committee for Deliberation on Operation of City-Invested or City-Funded Agencies)

(1) The Committee for Deliberation on Operation of City-Invested or City-Funded Agencies (hereinafter referred to as the "Deliberation Committee") defined in Article 6 (2) of the Act and Article 4 (4) of the Enforcement Decree of the Act on the Operation of Institutions Provided with Investments or Funds by Local Governments (hereinafter referred to as the "Decree") shall be comprised of up to 15 members, including one Chairperson. <Amended by Seoul Metropolitan Government Ordinance No. 6016, Oct. 8, 2015; Seoul Metropolitan Government Ordinance No. 6164, Mar. 24, 2016>

(2) The members of the Deliberation Committee prescribed in paragraph (1), shall be appointed or commissioned by the Mayor of the Seoul Metropolitan Government (hereinafter referred to as the "Mayor") from among those falling under any of the following: <Amended by Seoul Metropolitan Government Ordinance No. 6164, Mar. 24, 2016>

1. Up to three persons recommended by the Seoul Metropolitan Council (hereinafter referred to as the "Seoul Council");
2. Vice-MayorI, Deputy Mayor for Planning and Coordination, and Director-General of Financial Planning;
3. Up to nine persons recommended by the Chairperson, from among those engaged in the fields of law, economy, journalism, academia, labor, civic organizations (referring to non-profit, non-governmental organizations under Article 2 of the Assistance for Non-Profit, Non-Governmental Organizations Act; hereinafter the same shall apply), etc.

(3) The Vice-Mayor I shall act as the Chairperson of the Deliberation Committee.

(4) Each member of the Deliberation Committee who is not a public official under Article 6 (4) of the Act shall hold office for a term of two years and may be re-appointed consecutively only once: Provided, That the term of office of a newly commissioned member due to the resignation of a member, etc. shall be the remainder of his/her predecessor's term of office. <Amended by Seoul Metropolitan Government Ordinance No. 6016, Oct. 8, 2015>

(5) Where any member of the Deliberation Committee pursuant to paragraph (2) 1 is removed or dismissed under Article 5 of the Decree, the Mayor shall request recommendation of a member from the Seoul Council. <Amended by Seoul Metropolitan Government Ordinance No. 6016, Oct. 8, 2015>

(6) The Mayor shall, when he/she commissions a member of the Deliberation Committee under paragraph (2), consider the gender of such member. <Amended by Seoul Metropolitan Government Ordinance No. 6016, Oct. 8, 2015>

(7) The head of a division in charge of the overall affairs related to City-invested or City-funded agencies shall serve as the executive secretary of the Deliberation Committee, and conduct the following duties: <Amended by Seoul Metropolitan Government

Ordinance No. 6016, Oct. 8, 2015>
1. Preparation of, and reporting on, materials for meetings;
2. Preparation, keeping, and publication of meeting records.

Article 5 (Meetings and Operation of Deliberation Committee)

(1) Meetings of the Deliberation Committee shall be convened either directly by the Chairperson or by the Chairperson at the request of its member, to deliberate on matters prescribed in Article 6 (1) of the Act or Article 4 (1) of the Decree. <Amended by Seoul Metropolitan Government Ordinance No. 6016, Oct. 8, 2015>
(2) Where the Chairperson intends to hold a meeting, he/she shall announce the time, date, venue, and agenda of the meeting to each of the members in a written document seven days before the opening of the meeting: Provided, That the method or period of such announcement may be determined differently when they are inevitable reasons such as emergency, etc.
(3) Where the matters to be considered are minor matters or when it is deemed as necessary by the Chairperson, a written resolution may be made. In such cases, the Chairperson shall notify the members of the relevant reasons in writing: Provided, That when no less than 1/4 of the members request the convocation of a meeting with regard to the matters of the written resolution, the Chairperson shall comply therewith. <Amended by Seoul Metropolitan Government Ordinance No. 6016, Oct. 8, 2015>
(4) A subcommittee may be established under the Deliberation Committee for the purpose of efficiently conducting its duties. In such cases, the chairperson and members of the subcommittee shall be appointed from among the members of the Deliberation Committee by the Chairperson of the Deliberation Committee.

Article 6 (Fixed Number and Composition of Executive Officers)

(1) The fixed number of the executive officers of a City-invested or City-funded agency under Article 9 (1) of the Act, shall be determined by ordinance pursuant to Article 4 (3) of the Act or by the articles of incorporation of the relevant City-invested or City-funded agency. <Amended by Seoul Metropolitan Government Ordinance No. 6016, Oct. 8, 2015>
(2) A City-invested or City-funded agency shall endeavor to secure diversity in the composition of its board of directors through the participation of interested parties, etc. <Amended by Seoul Metropolitan Government Ordinance No. 6016, Oct. 8, 2015>

Article 7 (Appointment of Executive Officers)

(1) The head and an auditor of a City-invested or City-funded agency shall be appointed by the Mayor from among those who have professional knowledge and expertise in the operation of agencies provided with investments or funds. <Amended by Seoul Metropolitan Government Ordinance No. 6016, Oct. 8, 2015>
(2) The directors of a City-invested or City-funded agency (excluding those appointed as ex officio directors pursuant to ordinance or the articles of incorporation) shall be appointed by the Mayor or the head of the relevant agency as prescribed by ordinance pursuant to Article 4 (3) of the Act or the articles of incorporation.
(3) Where an executive officer of a City-invested or City-funded agency is to be appointed under paragraph (1) or (2), the executive officer recommendation committee may be established and operated in order to enhance the fairness, advancement, and transparency of the appointment process.
(4) The Mayor may dismiss the head of an agency during his/her term of office or consecutively appoint the head of an agency after the expiration of his/her term of office depending on his/her performance records. In this case, the Mayor shall take into account the following matters:
1. Records of Implementing a performance agreement prescribed in Article 11 of the Act;
2. Results of established of management performance prescribed in Article 28 of the Act.
(5) Where the Mayor intends to appoint the head of an agency for a consecutive term under paragraph (4), the appointment procedures prescribed in paragraph (3) shall apply mutatis mutandis.
(6) Where other statutes, including Acts which empower the establishment of agencies provided with investments or funds, etc., provide for the appointment of executive officers, the provisions of the relevant statutes shall apply.

Article 8 (Executive Officer Recommendation Committee)

(1) Where the executive officer recommendation committee is established and operated under Article 7 (3), the committee shall be comprised of the following persons: Provided, That in the case of establishing a City-invested or City-funded agency, it shall consist of four persons recommended by the Mayor and three persons recommended by the Seoul Council: <Amended by Seoul Metropolitan Government Ordinance No. 6016, Oct. 8, 2015>
1. Two persons recommended by the Mayor;
2. Three persons recommended by the Seoul Council;
3. Two persons recommended by the board of directors of the relevant City-invested or City-funded agency.
(2) No executive officer or employee of a City-invested or City-funded agency or public official of the Seoul Government (including the members of the Seoul Council) shall become a member of the executive officer recommendation committee. <Amended by Seoul Metropolitan Government Ordinance No. 6016, Oct. 8, 2015>
(3) Any determination of the executive officer recommendation committee shall require the concurring vote of a majority of its incumbent members.

(4) The chairperson of the executive officer recommendation committee shall be elected by and from among its members, and the chairperson shall represent the executive officer recommendation committee and preside over its meetings.
(5) Where a City-invested or City-funded agency intends to newly appoint an executive officer due to the expiration of the term of office of an executive officer or other reasons, it shall form the executive officer recommendation committee without delay, and ask the Mayor and the Seoul Council to recommend a member of the executive officer recommendation committee. <Amended by Seoul Metropolitan Government Ordinance No. 6016, Oct. 8, 2015>
(6) The executive officer recommendation committee shall be maintained until the appointment of a recommended person as its member.
(7) Matters necessary for the operation of the executive officer recommendation committee, the recommendation of a candidate member, etc., other than those prescribed in this Ordinance, shall be determined by Rule of the Seoul Government.

Article 9 (Request for Dismissal of Executive Officers, etc.)

(1) Where the Mayor dismisses an executive officer, or intends to request the dismissal of an executive officer, under Article 9 (4) of the Act, he/she shall examine whether such member has complied with Article 9 (3) of the Act.
(2) Where the head of a City-invested or City-funded agency has demanded compensation under Article 9 (4) of the Act, he/she shall report its progress to the Mayor.

Article 10 (Payment for Expenses for Project Executed by Agents)

(1) Where the Mayor requires a City-invested or City-funded agency to perform a project as agent pursuant to Article 21 (1) of the Act, it shall be done within the budget. <Amended by Seoul Metropolitan Government Ordinance No. 6016, Oct. 8, 2015>
(2) The scope of expenses required for the duties of local governments pursuant to the proviso to Article 21 (2) of the Act shall be as follows:
1. Expenses required for the establishment of a project plan, prior investigation, services, etc.;
2. Facility costs, labor costs, and incidental expenses incurred in the execution of a project;
3. Expenses incurred in the management of facilities, etc. during a period prior to the settlement of accounts or the hand-over of facilities, etc. after the completion of a project;
4. Agency fees when a project is performed by an agent;
5. Other essential expenses incurred in the execution of a project.

Article 11 (Instruction and Supervision)

The Mayor may provide instruction or supervision regarding the following projects in accordance with Article 25 (1) 2 of the Act or Article 18 (1) 4 of the Decree:
1. Projects provided with investments, funds, or subsides from a City-invested or City-funded agency;
2. Projects payment-guaranteed by a City-invested or City-funded agency.

Article 12 (Reasons for Dissolution of City-invested or City-funded Agencies)

Other reasons for dissolution under Article 24 (2) 1 of the Act shall be as follows:
1. Revocation of permission of establishment;
2. Failure of achieving the objective of establishment.

Article 13 (Evaluation Principles)

For an evaluation defined in this Ordinance, objectivity, fairness, and the equitable treatment of City-invested or City-funded agencies shall be secured to the maximum degree possible by using objective evaluation indexes and professional evaluation methods.

Article 14 (Types of Evaluation)

The Mayor may conduct the following evaluations with respect to an agency:
1. Evaluation of the results of the implementation of a performance agreement by the head of an agency under Article 11 of the Act;

2. Evaluation of management performance under Article 28 of the Act;
3. Management diagnosis under Article 30 of the Act;
4. Citizen satisfaction survey.

Article 15 (Preparation, Evaluation, etc. of Performance Agreements)

(1) The Mayor shall conclude a performance agreement within one month from the new appointment of the head of a City-invested or City-funded agency pursuant to Article 11 (1) of the Act.
(2) The period of a performance agreement for each fiscal year under Article 11 (1) of the Act shall be from January 1 (or the date of appointment if the appointment is made after January 1 of the relevant year) to December 31 of each year: Provided, That when the period of service is less than three months, no performance agreement for the relevant year shall be made after the deliberation and resolution by the Deliberation Committee.

(3) The head of a City-invested or City-funded agency shall submit the implementation records of his/her performance agreement and evidential documents to the Mayor by the end of March each year.
(4) The Mayor shall evaluate the implementation of the contractual obligations under a performance agreement by the end of June each year, and reflect the results thereof in the remuneration for the relevant year.
(5) Where any of the following grounds arise, the Mayor may amend a performance agreement (excluding matters related to remuneration):
1. When necessary to revise management goals due to such reasons as changes in the policies of the Government or the Seoul Government, business environment, etc.;
2. When there are significant errors or defects in a performance agrement;
3. When amendment of a performance agreement is deemed necessary due to changing conditions, etc.

Article 16 (Evaluation and Diagnosis of Management Performance)

(1) The Mayor shall establish an evaluation plan for management performance/diagnosis which shall contain the basic direction-setting, methods, utilization of results, etc. for and of the evaluation or diagnosis of the management performance of a City-invested or City-funded agency.
(2) A management performance evaluation plan established under paragraph (1) shall be notified to a target agency by the end of December each year, and a management diagnosis plan within one month from the selection of a targe agency as an agency subject to management diagnosis.
(3) A management performance evaluation plan shall include an assessment of a City-invested or City-funded agency, covering its achievement of management goals, management performance results, operational efficiency, promotion of public interest, service for citizens, evaluation of the implementation of a performance agreement by its head, capacity, etc.
(4) The Mayor may, when it is necessary for the evaluation of management performance under paragraph (2), require employees of a City-invested or City-funded agency to state their opinions or conduct on-sight investigations. <Amended by Seoul Metropolitan Government Ordinance No. 6016, Oct. 8, 2015>
(5) "Matters prescribed by ordinance concerning the evaluation of management performance" under Article 20 (2) 2 of the Decree shall mean the following:
1. Budget bill for the previous year;
2. Project operation plan for the previous year;
3. Accounting audit report (excluding agencies that do not conduct accounting audit);
4. Financial statements and supplementary documents.

Article 17 (Selection of Agencies Subject to Management Diagnosis)

(1) With respect to a City-invested or City-funded agency with reasons specified in any of the subparagraphs of Article 30 (1) of the Act, the Mayor shall request the deliberation and resolution by the Deliberation Committee for its selection as an agency subject to management diagnosis by the end of September each year.
(2) After receiving a request under paragraph (1), the Deliberation Committee shall report the result of its deliberation and resolution to the Mayor within one month from the date of receiving such request.

Article 18 (Composition and Operation of Management Evaluation Team)

(1) The Mayor may organize and operate the management evaluation team with persons falling under any of the following in order to efficiently conduct the evaluation of the implementation of a performance agreement by the head of an agency under subparagraph 1 of Article 16, the evaluation of management performance under subparagraph 2 of Article 16, and management diagnosis under subparagraph 3 of Article 16:
1. Public official in charge of the duties related to a City-invested or City-funded agency;
2. Person holding the position of an assistant professor or higher at a university or college who has expertise in fields related to local public enterprises or management evaluation;
3. Certified public accountant, lawyer, or management consulting specialist with experience of practice for at least three years;
4. Other persons who has good knowledge and experience in the management evaluation of public institutions, etc.
(2) The management evaluation team may, in order to conduct an evaluation or diagnosis pursuant to paragraph (1), request a relevant City-invested or City-funded agency to submit related documents. In such cases, a person in receipt of the request for the submission of documents shall comply therewith unless there is a compelling reason not to do so.
(3) Where the management evaluation team conducts an evaluation or diagnosis pursuant to paragraph (1), it shall report the results thereof to the Mayor within 15 days from the date of completion.
(4) Allowances, travel expense or other necessary expense may be paid to civilian members of the management evaluation team within the budget.
(5) The management evaluation team shall be deemed to be dissolved when the missions assigned are completed.

Article 19 (Entrustment of Evaluation of Management Performance, etc.)

(1) The Mayor may entrust the duties specified in subparagraphs 2 through 4 of Article 14 to a specialized institution or corporation

falling under any of the following:
1. Corporation which defines the management evaluation of public institutions or organizations as its core business area and has at least five experts with an academic degree equal to or higher than a master's degree;
2. Accounting firm with experience in conducting management evaluation on public institutions or organizations within the recent three years;
3. Juristic person for business consultation established under Article 78-3 of the Local Public Enterprises Act;
4. Institution recognized as meeting the qualification requirements by the Deliberation Committee under Article 6 of the Act.
(2) The Mayor may require two or more institutions to jointly conduct the duties prescribed in paragraph (1).

Article 20 (Utilization of Evaluation)

(1) Where the Mayor conducts an evaluation under any of the subparagraphs of Article 16, he/she shall report evaluation plans, results, etc. to the competent Standing Committee of the Seoul Council.
(2) The Mayor may use the results of the evaluation of management performance under subparagraph 2 of Article 16 as grounds for the payment of performance-based pay by City-invested or City-funded agency within the budget. In this case, a report shall be made to the competent Standing Committee of the Seoul Council regarding the payment rate of performance-based pay, etc.
(3) The Mayor shall reflect in the budget to the maximum degree possible the results of various evaluations on agencies subject to evaluation.

Article 21 (Corrective Orders, etc.)

(1) With respect to matters recognized as in need of correction according to the results of evaluation, the Mayor may order the head of a City-invested or City-funded agency to correct them.
(2) The head of a City-invested or City-funded agency in receipt of a corrective order under paragraph (1) shall take necessary actions without delay, and report the results thereof to the Mayor. <Amended by Seoul Metropolitan Government Ordinance No. 6016, Oct. 8, 2015>
(3) The Mayor may, when it is necessary, examine and inspect the implementation status regarding the corrective order prescribed in paragraph (1).
(4) Where the Mayor intends to conduct an inspection under paragraph (3), he/she shall notify an inspection plan to the head of a City-invested or City-funded agency in advance: Provided, That this shall not apply in cases of emergency or when doing so is likely to defeat the objective of the inspection.
(5) With respect to matters found requiring further improvement as a result of the examination and inspection of implementation status, the Mayor may require a City-invested or City-funded agency, etc. to take complementary measures.

Article 22 (Cooperation Including Submission of Related Documents, etc.)

In order to secure the management transparency and financial soundness of a City-invested or City-funded agency, the Mayor may notify necessary matters to the head of a City-invested or City-funded agency or require him/her to submit relevant documents. In such cases, the head of a City-invested or City-funded agency in receipt of a notice or a request for the submission of relevant documents shall comply therewith unless there is a compelling reason not to do so.

Article 23 (Enforcement Rule)

Necessary matters concerning the enforcement of this Ordinance shall be prescribe by Rule of the Seoul Metropolitan Government.