

MANUAL FOR SETTING THE CATEGORISATION, CLASSIFICATION AND REMUNERATION OF GOVERNMENT-APPOINTED BOARDS AND COMMITTEES

July 2026



GOVERNMENT OF MALTA
CABINET OFFICE

Table of contents

1.0 Introduction	3
2.0 Categories of boards and committees	4
2.1 Definition of boards	5
2.2 Scoring System to determine classification	6
2.3 Remuneration levels	9
2.4 Revisions to the categorisation, classification and remuneration of existing boards	13
2.5 Deputy Chairperson	13
2.6 Ex-officio	14
2.7 Board secretaries	14
2.8 Consolidation of boards and creation of new ones	15
2.9 Standing Committee	16
2.10 Procedure	16
2.11 Appointments	17
3.0 Applicability of the Manual	18
4.0 Conclusion	19
Annex 1 – Scoreboard to be utilised for each category of boards and committees	20
Annex 2 – Code of ethics for members of boards and committees in the public sector	26

1.0 Introduction

This manual is intended to serve as a guideline to permanent secretaries to establish the categorisation, classification and remuneration of government-appointed boards and committees.

Permanent secretaries are being delegated the responsibility to establish the categorisation, classification and remuneration of boards which fall within their respective ministries.

Government-appointed boards and committees were formerly regulated by OPM Circular OPM193/1958/II which was issued way back in December 1998 and the Guidelines for Board Appointments issued in May 2013. The need to revamp both the procedure for evaluating responsibilities of boards and committees, the approval process and also the remuneration levels themselves was felt. In this respect, a new framework was designed to cater for current and future needs.

The new framework established structures and remuneration levels, while introducing a different procedure for assessment and approval. Most importantly, the new arrangement ensured that remuneration of boards continued to adjust in accordance with the Public Service Schedule of Grades' salary scales.

The manual is being reviewed for the first time following the conclusion of the categorisation and classification exercise of government-appointed boards and committees across all ministries. Amendments to the manual are being made to address issues encountered during such an extensive process. Changes also include important clarifications which make the manual easier to apply.

2.0 Categories of boards and committees

Boards and committees are diverse in terms of terms of reference, core functions and responsibilities, their composition and the way in which they function.

Some boards are established by law, for example constitutional bodies, regulatory boards and appeals boards, while others are set up on the basis of administrative policy or ministerial direction.

Others constitute boards of directors as set out in the Companies Act (Cap. 386) and run commercial companies that are wholly or partially owned by Government. Other boards are established to run government authorities which serve a regulatory function. Boards may also be set up to manage and give strategic direction to government entities.

Other committees constitute ad hoc appointments specific to a project or task and with an established timeframe like, for instance, task groups.

Considering these differences, the framework includes seven different categories of boards and committees, categorised as follows:

- Commercial
- Regulatory
- Constitutional
- Adjudication
- Managerial
- Administrative
- Advisory

2.1 Definition of boards

The first step in establishing the categorisation, classification and remuneration of a government-appointed board or committee is for the permanent secretary to establish the category of such board or committee. Consultations were held with the then Office of the Attorney General to establish the following definitions for each category of boards and committees:

Commercial board

Commercial board means any board of directors of a limited liability company, whether public or private, wherein the Government holds the majority ownership and control as well as any board of a corporation or agency set up by law and where the object of such company, corporation or agency is predominantly of a commercial nature.

Regulatory board

Regulatory board means any board, panel or committee of an authority established by law with the main function of the authority being that of issuing permits, licences, establishing standards and advising the Minister responsible for a particular sector on policies and standards applicable to that sector.

Constitutional Board

Constitutional board means any commission or authority established by the Constitution, whatever its function.

Adjudication Board

Adjudication board means any tribunal, appeals board and review board, whether established by law or appointed by Government in terms of any contract or an expression of interest, with its function being judicial or quasi-judicial in nature.

Managerial Board

Managerial board means the board of any agency, corporation, enterprise, office or any other entity, whatever its designation, with its main function being operational in nature and which functions include, but are not limited to, the execution, the promotion, advisory, formulation of policy, coordination and performance of the functions assigned to such an agency, corporation, enterprise, office or entity by the Minister responsible for that particular sector.

Administrative Board

Administrative board means any board, panel or committee with its functions being operational in nature and which duties include, but are not limited to, the taking of decisions and execution of specific duties assigned to them by means of law, policy or ministerial direction. There could be instances where a board of an agency, corporation, enterprise, office or entity could be categorised as administrative.

Advisory Board

Advisory board means any board, committee, panel, commission or any other body, whatever its designation, with its main function being that of advising the Minister in establishing policies, enacting legislation and amending existing legislation. Such boards are composed of experts in different fields appointed by the Minister responsible for a particular sector.

2.2 Scoring System to determine classification

Once the board or committee has been categorised, the next step is to classify the board to determine in which level such a board or committee falls. Classification refers to the level assigned to a board or committee within its category, based on the scoring system and related checklist established in this Manual.

A scoring system for each category enables such classification and the framework introduces parameters against which boards and committees will be assessed. It determines the relative complexity, responsibilities, expected workload and governance intensity of the board.

The scoring system does not apply to constitutional boards since remuneration to board members is governed by a constitutional framework.

The parameters for each category are listed below as follows:

Commercial boards

Commercial boards, unlike the other categories, has five levels of remuneration and uses a scientific formula for assigning a level of remuneration based on these three factors:

- i. Entity's income,
- ii. The number of employees (translated in full-time equivalent),
- iii. Total value of assets.

The definition of income of a commercial entity is the income declared in its financial statements according to general accounting practices and standards. Current and long-term liabilities may distort the size of the entity, and these should not be considered during the assessment.

Details provided by ministries in relation to the classification and remuneration of commercial boards should not include information pertaining to subsidiaries which are represented by a separate board.

Regulatory boards

Regulatory boards have three levels of remuneration and these are set on the basis of whether it qualifies for the following checklist of eight questions:

- i. Level of impact on the economy;
- ii. Level of influence on a reform, industry, sector of the government, community or profession;
- iii. Regulatory powers;
- iv. Investigative powers;
- v. Registration responsibilities;
- vi. Licensing responsibilities;
- vii. Accreditation responsibilities;
- viii. Addresses complaints regarding the conduct of a professional, an industry or a business and deciding on disputes referred to it under a specific legislation.

Constitutional boards

Constitutional boards are not included in this framework as they are governed by a constitutional framework. The constitutional boards established by the Constitution of Malta are the following five: (i) Public Service Commission, (ii) Broadcasting Authority, (iii) Electoral Commission, (iv) Employment Commission, and (v) Commission for the Administration of Justice.

Adjudication

Adjudication boards have three levels of remuneration and these are set on the basis of whether it qualifies for the following checklist of eight questions:

- i. Exercise powers which have a state-wide impact and a broad focus, including but not limited to the giving of binding decisions
- ii. Board set up by statute or legislation
- iii. Level of influence on a particular industry or sector
- iv. Decisions or determinations by the board are binding and may not be appealed
- v. Level of influence on whole of government policy
- vi. Level of impact on individuals, a particular industry, profession or other standards of importance in the community
- vii. Conducts appeals or disputes resolution activities
- viii. Appointed members require specialised medical, legal or other higher qualifications and experience according to the law governing the body.

Managerial boards

Managerial boards have three levels of remuneration and these are set on the basis of whether it qualifies for the following checklist of eight questions:

- i. Level of impact on the State
- ii. Responsibility for executing government's policy
- iii. Level of resources managed by the government body related to the board

- iv. Level of decisions or recommendations which have a level of influence on a particular industry or sector of the economy
- v. Level of influence on a reform, decisions or recommendations for government policies
- vi. Board set up on the strength of any legislation
- vii. Board meets regularly and holds at least one sitting every two weeks
- viii. Appointed members require specialised medical, legal or other higher qualifications and experience.

Administrative boards

Administrative boards have three levels of remuneration and these are set on the basis of whether it qualifies for the following checklist of eight questions:

- i. Level of impact on the State
- ii. Responsibility for executing government's policy
- iii. Level of resources managed by the government body related to the board
- iv. Level of decisions or recommendations which have a level of influence on a particular industry or sector of the economy
- v. Level of influence on a reform, decisions or recommendations for government policies
- vi. Board set up on the strength of any legislation
- vii. Board meets regularly and holds at least one sitting every two weeks
- viii. Appointed members require specialised medical, legal or other higher qualifications and experience.

Advisory boards

Advisory boards have three levels of remuneration and these are set on the basis of whether it qualifies for the following checklist of eight questions:

- i. Board set up on the strength of any legislation
- ii. Level of advice provided to Government on issues of importance to the State
- iii. Level of advice provided to the Government on core strategies having a direct impact on the State's financial standing or on national and international reputation
- iv. Level of strategic or operational, scientific, technical, legal or commercial advice provided in a key segment of government policy at the highest level
- v. Providing advice with a long-term impact on the national interest by providing advice related to Government's policy
- vi. Level of recommendations which have significant influence on a reform or Government policy
- ix. Board meets regularly and holds at least one sitting every two weeks
- x. Appointed members require specialised medical, legal or other higher qualifications and experience.

A checklist for each category needs to be applied to determine the classification of the board or committee depending on the scores assigned to each parameter. A template of each checklist can be found in Annex 1 of this Manual.

The electronic version of the checklist shall be used since it determines the level at which the board or committee is classified automatically. The scoring system is in fact provided in a separate sheet with easily accessible drop-down menus. The latter are not available for the commercial category since specific data related to the total income, number of employees and total asset value of the entity would need to be entered. In case of new commercial entities for which no such data applies, estimates are to be used.

2.3 Remuneration levels

Based on the classification level, the corresponding remuneration would be established. Each category has three levels of remuneration, except for the commercial category which has five levels of remuneration. The remuneration of the chairperson, deputy chairperson and board members would be set according to the respective category and classification level within which the board or committee is established, based on the scoring result derived from the previous step.

Each category is pegged to a particular salary scale and remuneration is capped at a percentage of the Public Service Schedule of Grades' salary scales. Remuneration levels for each category have been established as follows:

Commercial Category - Pegged to Salary Scale 2

Commercial		Level 1	Level 2	Level 3	Level 4	Level 5
Remuneration	Non-Executive Chairman	53%	45%	33%	25%	10%
	Director	23%	18%	13%	9%	5%

Regulatory Board - Pegged to Salary Scale 3

Regulatory		Level 1	Level 2	Level 3
Remuneration	Non-Executive Chairman	49%	27%	11%
	Governor or member	19%	10%	5%

Adjudication Board - Pegged to Salary Scale 2

Adjudication		Level 1	Level 2	Level 3
Remuneration	Chairman	25%	15%	8%
	Member	9%	6%	4%

Managerial Board - Pegged to Salary Scale 4

Managerial		Level 1	Level 2	Level 3
Remuneration	Chairman	39%	30%	12%
	Member	15%	11%	6%

Administrative Board - Pegged to Salary Scale 5

Administrative		Level 1	Level 2	Level 3
Remuneration	Chairman	20%	16%	13%
	Member	10%	8%	6%

Advisory Board - Pegged to Salary Scale 5

Advisory		Level 1	Level 2	Level 3
Remuneration	Chairman	20%	16%	13%
	Member	10%	8%	6%

In certain cases, for example when a board meets occasionally (e.g. once every quarter), it would be more appropriate to set remuneration based on the number of hours of the meetings instead of a fixed honorarium. Hourly rates are to be used solely when sittings are to be held occasionally. In any case, the maximum amount payable per year must not exceed the remuneration set as an annual honorarium. Rates have been pegged to the Public Service Schedule of Grades' salary scales to reflect the technical and expert requirements of chairpersons, deputy chairpersons and the members respectively:

Regulatory	Level 1	Level 2	Level 3	It is unlikely to use hourly rates for boards of government authorities; the rate is to be pegged to a salary scale as indicated.
Chairman	Hourly rate of SS3	Hourly rate of SS4	Hourly rate of SS5	
Member	Hourly rate of SS4	Hourly rate of SS5	Hourly rate of SS6	

Adjudication		Level 1	Level 2	Level 3	Levels 2 and 3 would include appeals boards
Chairman		Hourly rate of Judge Salary + fixed training/ work allowance	Hourly rate of SS1	Hourly rate of SS6	
Member		Hourly rate of Magistrate Salary + fixed training/ work allowance	Hourly rate of 85% of SS1	Hourly rate of SS8	

Managerial		Level 1	Level 2	Level 3	Levels 1 and 2 apply for government foundations and/or agencies
Chairman		Hourly rate of SS4	Hourly rate of SS5	Hourly rate of SS6	
Member		Hourly rate of SS5	Hourly rate of SS7	Hourly rate of SS8	Level 3 would mostly apply to government boards

Administrative		Level 1	Level 2	Level 3	Level 1 mostly applies to government agencies
Chairman		Hourly rate of SS5	Hourly rate of SS7	Hourly rate of SS8	
Member		Hourly rate of SS7	Hourly rate of SS9	Hourly rate of SS10	Level 3 would mostly apply to government boards

Advisory	Level 1	Level 2	Level 3	
Chairman	Hourly rate of SS4	Hourly rate of SS5	Hourly rate of SS7	Level 1 to reflect required technical expertise
Member	Hourly rate of SS6	Hourly rate of SS7	Hourly rate of SS9	Level 3 would mostly apply to government boards

2.4 Revisions to the categorisation, classification and remuneration of existing boards

Ministries should revise remuneration levels only when a board's term expires. The salary scales applicable at the time of reappointment should apply and remuneration shall remain fixed for the whole duration of the term. Any reference to the Public Service Schedule of Grades' salary scales should be interpreted as the maximum step in the salary scale.

There are exceptional circumstances, such as changes or additions to existing functions, whereby a change in the category or classification of a particular board or committee would be required. Ministries are required to carry out such revisions following the expiry of the current term of the board or committee.

2.5 Deputy Chairpersons

Several government-appointed boards require the appointment of a deputy chairperson for reasons emanating from legislation and/ or particular functions of the board. The remuneration of a deputy chairperson should be set at two-thirds of the non-executive chairperson's honorarium.

2.6 Ex-officio

Public officers and employees of corporations, authorities or companies appointed to government boards and committees, including public officers appointed as secretaries, are considered as acting in an ex-officio capacity if the appointment is a direct function of their substantive position and/or responsibility or is a requirement by law. The same approach shall be adopted for appointments in sub-committees or subsidiaries of parent companies in which the appointee is also a chairperson or member. Appointees serving in an ex-officio capacity are not remunerated for board appointments.

At times, public officers and public sector employees attend board meetings during office hours. It is recommended that the time spent for such meetings could be compensated for after office hours unless vacation leave is availed of. However, officers acting in an ex-officio capacity are not remunerated and would therefore not be required to make up for the hours spent at the board meetings.

2.7 Board secretaries

Ministries are encouraged to utilise internal resources for secretarial duties of administrative nature, wherever possible. A board secretary may be remunerated if (i) the appointment is not a direct function of a public officer's substantive position or public officer's requirement by law, or (ii) the appointment is made from outside the Public Service.

The remuneration paid to board secretaries must not exceed the remuneration paid to board members. Requests for remuneration which exceed the honorarium paid to board members shall be reviewed and assessed by the Standing Committee. The assessment will be conducted on a case-by-case basis and upon the justifications provided by the responsible ministry, ensuring that each case is considered on its own merits.

2.8 Consolidation of boards and creation of new ones

To avoid duplication of responsibilities and overlapping of tasks, while at the same time minimizing expenditure, line ministries should, prior to appointing new boards, check existing boards which might be performing similar duties or have similar terms of reference, responsibilities, or even have the necessary expertise and experience, to take up the duties and responsibilities of a new board with similar terms of reference.

If it is found impossible to assign additional functions to an existing board, ministries may seek the authorisation of the Cabinet Office to set up a new board. Requests for the establishment of new boards must include:

- i. Legal framework regulating the new board. If such a legal framework does not exist, detailed terms of reference outlining the role, term, duties and responsibilities of the board/ committee.
- ii. Other important details on the need to set up a new board and the reasons why it was not possible to assign the functions of the proposed board to an existing one.
- iii. The proposed category and classification level of the new board. A complete checklist for the chosen category must be provided with the request for authorisation. Detailed justifications for each score as proposed in the checklist need to be submitted with the document itself.
- iv. The number of members who will form part of the board. The number of members composing the board must be kept to a minimum and determined according to the category, classification and functions of the board.
- v. Estimated number of sittings to be held by the board every month. The number of sittings should reflect the category, classification and proposed remuneration level.

Ministries shall also adopt a prudent approach during the drafting of new legislation which may entail the creation of new boards. Requests to merge or consolidate existing boards and committees shall be considered more favourably by the Cabinet Office.

Unless determined by means of legislation or policy, permanent secretaries shall decide upon the duration of the term of a particular board or committee.

2.9 Standing Committee

A Standing Committee chaired by the Cabinet Office and composed of a representative from the People and Standards Division and a representative of the Ministry for Finance will meet periodically to assess the categorisation, classification and remuneration of new and revised boards as proposed by the ministries.

The information required in section 2.8 will be vetted by the Standing Committee to give advice upon the level of remuneration to be awarded to the board.

To help in its assessment, the Standing Committee may request ministries to further explain their motivations to categorise, classify and/or set a level of remuneration for a particular board. Where the Standing Committee does not agree with the ministry's assessment, it shall recommend a revision to the proposed board's categorisation, classification and/or remuneration to the Cabinet Secretary.

If the Cabinet Secretary agrees with the Standing Committee's recommendation, the said board and committee will be re-categorised and/or reclassified with remuneration adjusted accordingly.

The Standing Committee shall also have the power to request information and monitor the implementation and adherence to this Manual, including verifications on the existing categorisation, classification and remuneration awarded to boards and committees.

2.10 Procedure

Where government-appointed boards and committees are newly established or revised - and only in those cases where the ministry deems the payment of a remuneration appropriate and justified – the ministry's permanent secretary, the office responsible for corporate services or any other designated officer within the ministry shall define the category of the board according to the categories' definitions.

No such procedure should take place without the approval and full visibility of the ministry's permanent secretary. The responsible officer must use the checklist to determine the classification level of the board and determine the remuneration level. Once the said process would be completed, the responsible permanent secretary will make a recommendation to the Cabinet Office. The Cabinet Secretary has the final say on the categorisation, classification and remuneration of the board.

Where the proposed configuration of a board exceeds what is considered necessary, the Cabinet Office may direct the responsible ministry to amend the number of members on a board. Such modifications ensure that the composition of the board remains appropriate to facilitate its effective functioning.

Once a final decision is taken on all the above matters, the Cabinet Office is to inform the office of the permanent secretary involved and provide the relevant justifications. Appointment letters of chairpersons, deputy chairpersons and board members may state the remuneration once the office of the responsible permanent secretary would be informed of the final decision.

Cabinet Office is designated as the one-stop shop for the appointment, categorisation, classification and remuneration of government-appointed boards and committees. Any queries which line ministries might encounter throughout the process should be addressed to Cabinet Office.

2.11 Appointments

Chairpersons and members of boards and committees shall be appointed in accordance with the relevant laws regulating each one of these boards. Where there is not a law regulating the board, the responsible minister has the discretion to appoint chairpersons, deputy chairpersons and members. Individuals appointed to boards and committees shall be able to contribute effectively to the implementation of the government's policies and programme.

Having due regard to the need to advance equality of opportunity for all persons, ministries shall do their utmost to ensure fair representation of both men and women in the appointments made to boards and committees.

Chairpersons and board directors are expected to maintain high standards of personal and professional conduct in line with the Code of Ethics for Public Employees and Board Members available in the First Schedule to the Public Administration Act (Cap. 595). They are also expected to adhere to the Code of Ethics for Board Directors in the Public Sector available in Annex 2 of the Manual.

Appointments made to boards established by law shall be published in the Government Gazette if the same law requires the publication of the appointments. Likewise, resignations of members from such boards should be published in the same notice publishing the appointment of the new member.

Public officers, especially officers occupying a headship position, are required to seek the authorisation of their ministry's permanent secretary before accepting to be appointed to Government boards and committees which are not related to their official duties.

3.0 Applicability of the Manual

The framework entered into force on the 1st January 2017. Line ministries were authorised to start utilising this manual, procedures contained within and categorisation, classification and remuneration levels accordingly.

The Manual applies to all government-appointed boards and committees. Internal boards and sub-committees within ministries should not be remunerated and these shall be deemed as acting in an ex-officio capacity. The Manual does not apply to (i) boards and committees whose remuneration is specifically determined by law, and (ii) boards and committees which adopt specific procedures (e.g. payment-per-case basis) to fulfill their functions in the best possible manner. In both examples, the relevant ministries are still required to consult the Cabinet Office and adhere to the provisions of this Manual as much as possible.

Ministries may also require setting up boards and committees on ad-hoc basis for a specified period. These are often necessary to perform a particular task. In such instances, ministries are still required to seek the authorisation of the Cabinet Office and use the framework as guidance to determine the remuneration level. The same approach should be adopted to determine the remuneration awarded to members of sub-committees or subsidiaries of existing companies.

Updated remuneration levels apply immediately after the categorisation and classification processes are completed and the remuneration level is approved by the Cabinet Office. In this respect, no changes to the remuneration levels shall be paid retrospectively. Any changes in the remuneration levels of boards and committees brought about by updates to the Manual should only be applied once a board's term expires.

Any queries and communication should be directed to Cabinet Office on the following email address: cabinet.office@gov.mt

4.0 Conclusion

The framework is intended to harmonise and regulate the remuneration for boards and committees under a single framework. Ministries are empowered to allocate remuneration according to the importance being given to a particular board or committee. Nevertheless, they are also expected to maintain uniformity in remuneration levels between the different boards and committees under their remit.

Justifications must be provided for the setting up of new boards or for the revisions in remuneration to ensure that public funds are utilized efficiently.

Annex 1 – Scoreboard for each category of government-appointed boards and committees

Commercial								
				60	120	180	240	300
Insert Income:	€	-		<=1,000,000	<=8,000,000	<=14,000,000	<=100,000,000	>100,000,000
Insert Total Assets:	€	-		<=2,000,000	<=20,000,000	<=49,000,000	<=300,000,000	>300,000,000
Insert No. Of Employees:		-		<=20	<=100	<=199	<=999	>=1000
Level 5								
Please do not change anything below this line								
Proposed Level	Income	Points - Income - (formula)	Total Assets	Points - Assets (formula)	No. of employees	Points - Employees (formula)	Total Points	
5	-	60	-	60	-	60	180	

Adjudication			
a	Exercise powers which have a state-wide impact and a broad focus including but not limited to the giving of binding decisions	no yes	
b	Board set up by statute/legislation	no yes	
c	Level of influence on a particular industry or sector.	Low Medium High	
d	Decisions or determinations by the Board are binding and may not be appealed	no yes	
e	Level of influence on whole of Government policy	Low Medium High	
f	Level of impact on individuals, a particular industry, profession or other standards of importance in the community.	Low Medium High	
g	Conducts appeals or disputes resolution activities	no yes	
h	Appointed members require specialised medical, legal or other higher qualifications and experience according to the law governing the body	no yes	
Please do not change anything below this line			
Scoring System		2	
Level		3	

Regulatory			
a	Level of impact on the Economy	Low Medium High	
b	Level of influence on or reform of a particular industry, sector of the government or community or a profession	Low Medium High	
c	Regulatory powers	no yes	
d	Investigative powers	no yes	
e	Registration responsibilities	no yes	
f	Licensing responsibilities	no yes	
g	Accreditation responsibilities	no yes	
h	Addresses complaints regarding the conduct of a professional, an industry or a business and deciding on disputes referred to it under an Act	no yes	
Please do not change anything below this line			
Scoring System		0	
Level		3	

Managerial

a Level of impact on the State

Low	
Medium	
High	

b Responsibility for executing Government's policy

no	
yes	

c Level of resources managed by the Government body related to the board

Low	
Medium	
High	

d Level of decisions or recommendations which have a level of influence on a particular industry or sector of the economy

Low	
Medium	
High	

e Level of influence on a reform, decisions or recommendations for Government policies

Low	
Medium	
High	

f Board set up on the strength of any legislation

no	
yes	

g Board meets regularly (Note: The term "regularly" is to be understood that the Board meets for at least 1 sitting every 2 weeks)

no	
yes	

h Appointed members require specialised medical, legal or other higher qualifications and experience

no	
yes	

Please do not change anything below this line

Scoring System

2

Level

3

Administrative

a Level of impact on the State

☐ Low
☒ Medium
☐ High

b Responsibility for executing Government's policy

☐ no
☒ yes

c Level of resources managed by the Government body related to the board

☐ Low
☒ Medium
☐ High

d Level of decisions or recommendations which have a level of influence on a particular industry or sector of the economy

☐ Low
☒ Medium
☐ High

e Level of influence on a reform, decisions or recommendations for Government policies

☐ Low
☒ Medium
☐ High

f Board set up on the strength of any legislation

☐ no
☒ yes

g Board meets regularly (Note: The term "regularly" is to be understood that the Board meets for at least 1 sitting every 2 weeks)

☐ no
☒ yes

h Appointed members require specialised medical, legal or other higher qualifications and experience

☐ no
☒ yes

Please do not change anything below this line

Scoring System

0

Level

3

Advisory

a Board set up on the strength of any legislation

no	
yes	

b Level of advice provided to Government on issues of importance to the state

Low	
Medium	
High	

c Level of advice provided to the Government on core strategies having a direct impact on the State's financial standing or on national and international reputation

Low	
Medium	
High	

d Level of strategic or operational, scientific, technical, legal or commercial advice provided in a key segment of government policy at the highest level

Low	
Medium	
High	

e Providing advice with a long term impact on the national interest by providing advice related to Government's policy

no	
yes	

f Level of recommendations which have significant influence on a reform or Government policy

Low	
Medium	
High	

g Board meets regularly (Note: The term "regularly" is to be understood that the Board meets for at least 1 sitting every 2 weeks)

no	
yes	

h Appointed members require specialised medical, legal or other higher qualifications and experience

no	
yes	

Please do not change anything below this line

Scoring System

0

Level

3

Annex 2 - CODE OF ETHICS FOR MEMBERS OF BOARDS AND COMMITTEES IN THE PUBLIC SECTOR

1. Introduction

This Code of Ethics establishes the standard of behaviour expected of members of boards and committees in the public sector and is a guide to solving ethical issues which arise in the carrying out of the related duties. This document sets out the minimum standards of ethical behaviour expected from board members appointed as members in government boards and committees, in full cognizance that no set of standards can provide answers to all ethical questions.

This Code is applicable to all individuals appointed to government-appointed boards and committees, including board members of statutory organisations, limited liability companies in which Government has a shareholding interest, as well as governing bodies of other organisations.

The Code of Ethics is based upon several values that board members are expected to uphold:

- i. Integrity
- ii. Honesty
- iii. Loyalty
- iv. Equity
- v. Justice
- vi. Confidentiality
- vii. Compliance
- viii. Commitment
- ix. Transparency
- x. Professionalism
- xi. Responsibility.

2. Principles

Board members should perform their duties according to the highest standard of integrity, honesty, loyalty, confidentiality, commitment, transparency, accountability, and professionalism, and in a manner that treats all stakeholders fairly, equitably and promptly.

Attendance to board meetings is mandatory, except when members are not available due to sickness. In those instances where board members would be abroad, arrangements could be made for them to join the meeting electronically. Such arrangements may be made only if they are acceptable to the board. Ministers may dismiss a member of a board or committee from their position if the member fails to attend meetings without a proper justification.

Ministries may refrain from awarding any remuneration to board members if the board fails to convene at least once in the preceding three months.

Without prejudice to the Constitution or where any other law otherwise provides, board members should ensure that their actions are inspired by loyalty to the policies of the Government of the day. Their actions should also be inspired by faithfulness to their organisation and to all stakeholders. This is especially important where the organisation has an overall regulatory function and or enjoys a monopoly or dominant position in its area of operation.

Members of boards governing a particular organisation should ensure that their organisations are not only economically efficient, making the best use of available resources, but that they are also socially responsible in terms of their contribution to the fulfilment of the country's policies. This means that the achievement of economic, social and environmental objectives of the organisation is balanced.

Board members are also expected to provide impartial and accurate advice to the Government of the day.

3. Fiduciary duty and duty of care

Board members of a particular organisation owe both a fiduciary duty and a duty of care towards the organisation and the owner of the organisation – the Government. Fiduciary duty relates to the accord of loyalty, honesty, avoidance of conflicts of interest, confidentiality and acting in good faith and interests of the public sector organisation and its owner.

Duty of care relates to the exercise of care, diligence and skill in doing the job properly. As the organisation's agents, board directors must use their discretion to ascertain that decisions are taken in the best interest of the organisation within the parameters, policies and priorities of the Government. Decisions should never be made for any collateral purpose, nor for personal interest. The interests of the organisation should be taken to mean the attainment of its functions whether statutory or otherwise.

Board members shall exercise appropriate oversight to ensure that sound governance, risk management and responsibilities are in place. Where applicable, this includes oversight of financial reporting, auditing processes, risk management and the safeguarding of public resources. Board members shall obtain the information necessary to discharge their responsibilities and formally raise any concerns or deficiencies identified to the respective permanent secretary.

4. Compliance with the law

Members of boards and committees must ensure that individually, and collectively as a board, act in full compliance with the letter and spirit of all the relevant legislation. They must ascertain that they commit themselves to always act ethically and legally. They must also avoid situations which could be perceived as improper. Board members must be conversant with the relevant legislation and regulations in force and expected to seek professional advice whenever in doubt. They must also ensure that the board's records are accurate and faithful.

5. Fairness and equity

Members of boards and committees should ensure that they deal with issues or cases with consistency, promptness and fairness. This involves dealing with matters in accordance with approved procedures quickly and without discrimination on any grounds.

In using their discretionary powers, board members should ensure that they take all relevant facts into consideration and have regard to the merits of each case. Board members of a particular organisation should also ensure that the same procedure is followed by the management and staff of the organisation in dealing with similar cases.

6. Public comment and confidentiality

Members of boards and committees enjoy the right to make public comment and enter into public debate on political and social issues as long as such action does not bring them into conflict with their primary duties. They are expected to refrain from publicly criticising the policy of the Government of the day with regard to their functions, the organisation or ministry they represent.

Board members may disclose official information which is normally given to members of the public seeking that information, provided it is not prejudiced against the interest of the Government.

Board members should only disclose other official information or documents acquired during their term of office when (i) required to do so by law or in the course of duty, or (ii) when required to give evidence in court. An authorisation to make such disclosure may be required by law. In such cases, comments made by board members should be confined to factual information and should not express opinion on the official policy or practice adopted by the Government.

Board members should not disclose confidential information to outside persons during their appointment as directors or after the termination of their appointment. Such

confidential information includes technical, business, strategic, financial, legal, personal data and any other data acquired through their position as directors which is deemed as restricted information. They should not use any confidential information gained through their position for personal, family, friend, associates, or business or any other interest.

7. Personal and management attributes

Members of boards and committees must not use their position for an improper purpose, take personal advantage of the organisation's opportunities, allow their personal interest to conflict with those of the organisation or misapply the organisation's assets. They must adhere to the highest standards of personal attributes and act with integrity, commit themselves to fulfil their responsibilities in a professional manner and provide leadership to the organisation, where applicable.

Individuals appointed to a board of a particular Government organisation must ensure that it applies the highest standards of management: ensure accountability, requiring everyone to be held responsible for their actions, ascertain transparency in the decision-making process and instil the principles of good governance within the organisation's culture.

8. Conflicts of interest

A conflict of interest arises when a board member's ability to faithfully discharge his/ her duties, is or can reasonably be, called into question on account of occupations, activities or interests that they or their close relations may have, including instances where the board member is placed in a position to be biased or is seen as potentially being biased. In this respect, members of boards and committees are required to abide by the Framework for Preventing and Managing Conflicts of Interest in the Public Administration.

Board members should not use their position to promote their interests, interests of related persons, business associates, corporations, unions, partnerships or friends. They should not only avoid situations that may give rise to conflicts of interest but should also avoid those situations where there is a perceived risk that conflicts of interest may arise.

Board members of regulatory and adjudicatory boards shall exercise their functions independently and free from improper political, commercial or personal influence. They shall avoid any behaviour that may compromise, or reasonably appear to compromise, their impartiality.

It is the responsibility of the individual board member to inform the responsible permanent secretary of any actual, potential, or apparent conflict of interest and

immediately recuse themselves from all related deliberations and decisions until guidance is issued by the respective permanent secretary. Prospective board members are to report any known actual, potential or apparent conflicts of interest prior to assuming office or accepting an appointment.

Board secretaries shall ensure that declarations of conflict of interest and recusals are recorded in the minutes, including the nature of the conflict and confirmation that the member took no part in deliberations or decisions on the item.

Board members are duty bound to reject totally and immediately any undue pressure they experience to influence their behaviour or decisions and should disclose such instances to the chairperson and the board. The latter must decide on the most appropriate action, giving due consideration to disclosing the matter and seek advice from the responsible permanent secretary.

9. Gifts, hospitality and other benefits

Members of boards and committees must abide by the provisions of the Framework for Preventing and Managing Conflicts of Interest in the Public Administration regarding gifts, hospitality and other benefits.

Board members, or any member of their respective household, shall not accept any gifts, benefits, hospitality or any promises of such either for themselves, any members of their families, or any other persons or bodies, which could create an obligation, real or perceived. Any gift which creates an obligation, or may seem to create any obligation, should not be accepted, irrespective of its market value.

Members of boards and committees should not offer entertainment, gifts, benefits, or favours in their role of board members to solicit preferred treatment for themselves, their families, their friends or their businesses.

Board members are required to report to the permanent secretary all offers of gifts, hospitality and other benefits whose value exceed the market value threshold for reportable gifts indicated in the Framework, even in those instances where the benefit is refused.

10. Procurement and use of public resources

In all procurement practices, including the establishment of procedures for tendering, board members must adhere to the applicable public procurement regulations. They must bear in mind that the expenditure involves public funds, therefore the highest possible level of accountability and transparency should be reflected in every stage of the decision-making process.

Board members should seek to ensure the best value for money in drawing up the specifications and the conditions of procurement and in the adjudication of the offer or offers.

Members in boards and committees are expected to be efficient and economical in the use and management of public resources. They are also required to be conscientious in their use of government property, goods and services, and are duty bound to avoid their abuse by other parties.

Members of a board of a particular Government organisation are required to seek the approval of the chairperson and the board to use the organisation's property for personal purposes. The rules applying for members of the public regarding the use of Government's property shall be followed.

11. Personal and professional behaviour

All members of boards and committees should perform any duties associated with their positions diligently, impartially, and conscientiously to the best of their ability. They must:

- i. Strive to obtain the best value for public money spent and avoid waste and extravagance in the use of public resources;
- ii. Not take or seek to take improper advantage of any official information gained in the course of their term of office;
- iii. Neither wilfully nor negligently supply the Minister, the Permanent Secretary, public authorities or any member of the public with incorrect or misleading information;
- iv. Not indulge in favouritism, corruption or nepotism;
- v. Provide objective advice to the Minister which is strictly in the interest of the Government and the public.

They are expected not to act outside the performance of their duties in such a way as to discredit their position or to reflect adversely on their organisation. In the performance of their duties, board members are expected to support and implement the policy of the Government of the day. When implementing Government policy, board members' own value judgements should not take precedence over interests which are explicitly or implicitly addressed in Government policy. They must not take retaliatory action against persons who raise concerns, make complaints or report wrongdoing in good faith.

Board members should ensure that their organisation does not harass or discriminate in work practices on the grounds of sex, marital status, pregnancy, age, race, colour,

nationality, physical or intellectual impairment, sexual preference, religious, political and or other convictions or allegiances when dealing with staff and members of the public. Board Directors should ensure that the legal requirements regarding employment of disabled persons are observed by their organisation.

Board members, individually and collectively, are required to act honestly and in good faith. They should seek the best interests of the organisation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In this regard, membership in a secret society is incompatible with the exercise of a public function.

Collectively, members of a board of a particular Government organisation are ultimately responsible for the governance and management of the business, activities and other affairs of the organisation.

12. Outside business interests, employment and associations

At the time of appointment, board members nominees should declare in writing any outside business interests, investments, positions of employment or associations that could potentially give rise to conflicts of interest. Once they are appointed, board members should not allow any external activities affect the fulfilment of their duties.

Board members of a particular Government organisation should not hold: any financial interest, either directly or indirectly; or hold any position of employment, ownership, directorship or partnership; in any business or other entity with a material relationship with the public sector organisation they represent. They should not, directly or indirectly, acquire or dispose of any investments while having internal confidential information obtained through their role and responsibilities as a board member of the public sector organisation.

Board members should not accept positions of employment, directorships, ownership, partnership or association in any organisation that could lead to a conflict of interest or bring them into conflict with their duties. Such offers should be discussed with the chairperson or the responsible permanent secretary and decided upon accordingly.

Board members appointed in an ex-officio capacity shall adhere to this Code to the extent applicable to their statutory or administrative role, recognizing that their appointment arises directly from their substantive public position.

13. Relationships with stakeholders

The relationship with stakeholders is at the heart of public administration. Members of government boards and committees should exhibit care and diligence in their dealings

with stakeholders, acting in good faith and fairness in their rapport with them.

Ministers are accountable to the Government, Parliament and the public, therefore chairpersons and board members must ensure that ministers are provided with the accurate and up to date information. At the same time, they should seek to be well informed about Government's policies, parameters and priorities as they fulfil their responsibility to implement government policies and manage government organisations.

In specific instances, particularly where the commercial interests of an organisation have to be subordinated to national or social considerations, the board may seek the Minister's directives in writing as to the policy which should be followed by the organisation in carrying out its functions and exercising its statutory powers. The board should give effect to all such directives and should conduct its affairs accordingly.

In line with the provisions of the Constitution and other laws which empowers permanent secretaries to supervise government entities, board members should seek to establish a harmonious working relationship with permanent secretaries and other officials in government departments. They must provide all the assistance required to ministries, divisions, departments, commissions, and any other bodies set up under any legislation, directive, or guideline, or set up in an administrative capacity by the relative authorities. Such assistance is required, but not exclusively, by the office of the relative permanent secretary, the Internal Audit and Investigation Directorate (IAID), the National Audit Office (NAO) and other commissions, divisions, directorates and units which are empowered with supervisory jurisdiction.

Board members of government entities must ensure that their organisation treats members of the public and other members of their organisation with courtesy and sensitivity to their rights. In case of monopolistic situations, or where the organisation enjoys a dominant position, board members have an even more serious obligation towards the public. Besides efficiency and effectiveness of service, board members must ensure that the quality of the services provided to the public is of the highest standard.

14. Political activity

Board members should ensure that their political interest does not compromise the conduct and public perception of the duties of their office. To this end, members of Government boards and committees should avoid:

- i. political activity at their corporate place of business and the use of public resources for those activities, and
- ii. activities which the employees, suppliers and customers of the organisation related to the board or committee may interpret as influence to support a political party.

15. Responsibility

Members of Government boards and committees should review and declare adherence to this Code upon nomination. Chairpersons are responsible to ensure that board members adhere to this Code throughout their term of appointment. In this respect, the following declaration must be filled up, signed and delivered to the responsible permanent secretary before the appointment:

Declaration

I _____ (name and surname in block letters), having identity card number _____, declare that I have read and understood the Code of ethics for members of boards and committees in the public sector, and agree to conduct myself in accordance with the Code.

I also declare that there are no issues which conflict, may be perceived to conflict or could potentially give rise to conflicts of interest in relation to my appointment to the board.

Signature: _____

Date: _____

Ministries may dismiss board members found in breach of this Code, notwithstanding any other legal action, or otherwise, that may be taken.

Chairpersons or the board must ensure that breaches are reported to the responsible minister or permanent secretary immediately after they have come to their attention.

Board members should seek guidance from their chairperson and the board regarding the application and adherence to this Code. In cases of doubt, the chairperson or the board may seek the guidance of the responsible permanent secretary.

