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**L.N. 344 of 2016**

**CO-OPERATIVE SOCIETIES ACT  
(CAP. 442)**

**Central Co-operative Fund Regulations, 2016**

IN exercise of the powers conferred by article 108 of the Co-operative Societies Act, the Minister for the Economy, Investment and Small Business, has made the following regulations:-

Citation.                   **1.**   The title of these regulations is the Central Co-operative Fund Regulations, 2016.

Interpretation.           **2.**   (1)   In these regulations, unless the context otherwise requires -

Cap. 442.                   "Act" means the Co-operative Societies Act;

"Chair" means the Chairperson of the Committee of the Central Co-operative Fund;

"Committee" means the Committee of the Central Co-operative Fund;

"Co-operatives Board" means the Board established by article 3 of the Act;

"Fund" means the monies of the Central Co-operative Fund as established by article 91 of the Act;

"Malta" has the same meaning assigned to it in article 124 of the Constitution;

"Minister" has the same meaning assigned to it in article 2 of the Act;

"primary society" has the same meaning assigned to it in article 2 of the Act.

(2) Words and phrases not defined in these regulations shall have the same meaning as is assigned to them in the Act.

Functions of the Committee.           **3.**   (1)   There shall be a Committee which shall be known as the Central Co-operative Fund Committee whose functions shall be:

(a)   to administer the Central Co-operative Fund;

(b)   to employ necessary personnel to fulfil its functions;

(c) to finance programmes, including education and training relating to the promotion and development of the co-operative movement for members of and personnel engaged by co-operatives and other persons who may actively contribute to the promotion of the co-operative movement;

(d) to commission studies and research on particular areas of co-operative activity or any individual co-operative society in Malta;

(e) to finance co-operative educational material with a view to promoting co-operative ideals and practices;

(f) to support and intensify the participation of the Maltese co-operative movement in relevant organisations, activities and projects on an international level;

(g) to collect, recover and institute proceedings for the payment of sums to the Central Co-operative Fund, in terms of article 91(6) of the Act;

(h) to compile and approve the annual financial statements of the Fund;

(i) to appoint the auditor of the Fund;

(j) to receive and consider the auditor's report on the accounts and workings of the Fund;

(k) to provide assistance to co-operative societies in connection with access and the raising of finance;

(l) to investigate any matters concerning the operations of the Fund; and

(m) to perform any other function that the Minister may assign.

**4. (1)** The Minister shall appoint the Committee of the Central Co-operative Fund, in accordance with the provisions of these regulations.

Minister to  
appoint  
Committee of  
the Central Co-  
operative Fund.

**(2) (a)** The Committee shall consist of eleven voting members who shall be composed of six independent members appointed by the Minister, three members appointed by a majority vote from amongst members of eligible and registered co-operative societies and two members from amongst members of eligible and recognised organisations:

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Provided that eligible organisations shall be organisations which are registered in accordance with regulation 12.

(b) The six independent members shall be appointed by the Minister responsible for co-operatives for a period of three years. These members shall hold and vacate office in accordance with the provisions of these regulations and with the terms of their appointment, and may at the end of their term of office be re-appointed thereafter:

Provided that a member of the Committee may at any time, by notice in writing to the Minister, resign from his appointment on the Committee.

(c) A member of the Committee appointed by the Minister may be removed from office by the Minister if such member -

(i) is, in the opinion of the Minister, guilty of serious misconduct in the performance of his duties;

(ii) is incapable of carrying out his duties; or

(iii) is in breach of any of the provisions of these regulations.

(d) Any other member of the Committee, other than a member referred to in paragraph (c), may be removed from office by a simple majority of the Committee members if such member -

(i) is, in the opinion of the Committee members, guilty of serious misconduct in the performance of his duties;

(ii) is incapable of carrying out his duties; or

(iii) is in breach of any of the provisions of these regulations.

(e) The three members appointed by a majority vote from amongst members of eligible and registered co-operative societies and the two members appointed from amongst members of eligible and registered organisations shall, before taking up the appointment on the Committee, declare in writing under oath, to the Chair, that at the time of appointment they are not subject to any pending criminal proceedings, have not been convicted of a serious criminal offence, have not been interdicted for any period and have not been declared bankrupt or insolvent. Should any of the afore-

mentioned disqualifications result, the said prospective members shall not be eligible to take up their appointment on the Committee.

(f) The Minister shall appoint the Chair of the Committee from amongst one of the six independent members appointed by the Minister.

(g) None of the six independent members appointed by the Minister shall be appointed or shall remain a member of the Committee if that person is -

(i) involved, directly or indirectly in any activity or function of the Committee that can give rise to any conflict of interest; or

(ii) involved, directly or indirectly in any activity or function of the Committee that can prejudice the work undertaken by the Committee; or

(iii) if they offer or are engaged in any other kind of service to any co-operative registered with the Board, or to founding members in the process of setting up a co-operative, or any recognised organisation, or the Co-operatives Board.

(h) All the members shall be persons of integrity and good moral character who shall work independently and will not divulge any information, whether financial or of any other nature to third parties, and when exercising their functions under regulation 3 shall respect and apply the principles of good administrative behaviour laid down in article 3 of the Administrative Justice Act. Cap. 490.

(i) All the members are expected to have extensive knowledge in a field related to their appointment including, but not limited to co-operatives, financial management, legal, regulatory and accountancy.

(j) The members of the Committee, other than those appointed by the Minister, shall be appointed for a period of three years. These members shall hold and vacate office in accordance with the provisions of these regulations and with the terms of their appointment, and may at the end of their term of office be re-appointed thereafter:

Provided that a member of the Committee may at any time, by notice in writing to the Committee, resign from his appointment on the Committee.

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(3) (a) In accordance with the provisions of sub-regulation (2)(a), any co-operative society which is in arrears in its Fund contribution shall not be eligible to vote and none of its members may form part of the Committee.

(b) For the purposes of this sub-regulation contributions made within nine months from the end of the financial year of the co-operative society shall not be considered to be in arrears.

(4) (a) A Secretary shall be appointed by the Minister from among public officers and shall be responsible for performing administrative duties to support the Committee. The Secretary shall not have voting rights in the Committee.

(b) The duties of the Secretary shall include the following:

(i) to convene and attend meetings of the Committee;

(ii) to maintain correctly and up-to-date all the Fund's records, papers and registers, and to conduct its correspondence;

(iii) to perform any other duties as may be specified by the Committee.

(5) (a) Observers who are not part of the Committee may be invited to attend Committee meetings or parts thereof, upon the request of the Chair, but shall not have voting rights in any decisions taken by the Committee.

(b) Observers shall be considered to be any other individual not forming part of the Committee and who, on the basis of their own expertise and, or past or present experience, are considered able to actively contribute towards the promotion of the co-operative movement.

(6) A member of the Committee shall be paid such honorarium as the Minister may, from time, to time determine. Such honorarium shall be paid out of the Central Co-operative Fund.

(7) When a vacancy occurs for whatever reason in respect of a member of the Committee in terms of sub-regulation (2), such vacancy shall be filled by another appointment at the earliest opportunity.

(8) Any member of the Committee who absents himself for

three consecutive meetings of the Committee without a valid reason shall be considered as having resigned from the Committee. In this case the procedure for the filling of a vacancy on the Committee shall be as described in sub-regulation (7).

(9) Any member of the Committee who, directly or indirectly, may have a conflict of interest or an interest, otherwise than as a member of the Committee, in any matter being raised or discussed by the Committee, shall withdraw from the meeting during the discussion or until the matter in question is decided upon by the Committee. Any disclosure shall be recorded in the minutes of the meeting of the Committee.

(10) The members of the Committee and any employees engaged by the Committee, and any other person authorised to act for or on behalf of the Committee shall, at all times, treat any and all information by applicants during the course of their duties as confidential.

5. The legal and judicial representation of the Committee shall be vested in the Chair and the Secretary or, in the Chair's absence, in any other member of the Committee, who has also been appointed by the Minister, in his stead.

Legal and  
judicial  
representation  
of the  
Committee.

6. (1) Meetings of the Committee shall be convened by the Secretary acting on instructions of the Chair, and shall be held as frequently as necessary but in any case not less than once every month.

Meetings.

(2) The quorum at meetings of the Committee shall consist of nine members including the Chair.

(3) Notwithstanding the provisions of sub-regulation (2), the Committee shall not be precluded from holding any meeting or from acting in any matter merely by reason of any vacancy in its Committee.

(4) All decisions of the Committee shall be taken by a simple majority of votes taken by the members present and voting. The Chair shall have, in the case of an equality of votes, a casting vote in addition to his original vote.

7. (1) The Committee shall exercise a high degree of diligence in administering the funds under its responsibility. The Committee shall at all times assure the adequate liquidity of the Fund.

Reporting of the  
Committee.

(2) The Committee shall make available, as a minimum twice a year, a report on the utilisation of the funding to the Minister and the

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## Co-operatives Board.

(3) The Committee shall, by no later than three months after the end of each financial year, make available a complete report of the previous year, its activities and operations, including audited financial statements to the Minister and the Co-operatives Board. A copy of this report shall also be made available to the public.

(4) The Committee shall afford to the Minister every facility for obtaining and verifying information connected with the activities of the Committee, in order to enable the Minister to properly exercise his functions under these regulations.

Payments.

**8.** Every payment made out of the Central Co-operative Fund shall be approved by the Chair. The payment of the sums approved by the Chair shall be authorised by means of a voucher signed by two members of the Committee.

Accounting records.

**9.** The Committee shall keep proper accounts and all other necessary records in respect of the financial transactions and operations of the Fund.

Auditing of the Fund.

**10. (1)** The financial statements of the Fund shall be made up to the 31st December of each year and shall be audited by a person in possession of a warrant to practice as a certified auditor and who shall be appointed by the Committee. The auditor so appointed shall at all reasonable times have full and free access to all accounting and other records relating to the financial transactions of the Fund.

(2) The auditor, in taking up the appointment, shall declare in writing that he has no conflict of interest whether directly or indirectly with any of the recognised organisations or any registered co-operative society and, if any conflict of interest is declared, shall not accept the appointment or, if it arises after such appointment, shall withdraw from the appointment.

(3) The auditor shall in particular report on:

(a) whether the financial statements show a true and fair view of the financial transactions and the state of affairs of the Fund;

(b) whether proper accounting and other records have been kept;

(c) whether the receipts, payments, deposits and investments of monies in respect of the Fund have been effected in accordance with the provisions of the Act and of these

regulations; and

(d) any other relevant matters arising from the audit.

(4) The auditor shall forthwith inform the Committee of any material irregularity disclosed in the course of his audit.

(5) The remuneration of the auditor shall be fixed by the Committee, as the case may be, and shall be paid for from the Fund.

**11.** Any notice, communication or other document addressed to the Committee shall be addressed to the Chair. Notices and other communications

**12.** An organisation shall be officially recognised by the Committee if on an annual basis: Recognised organisations.

(a) it has as its members at least thirty-five percent of all the eligible registered co-operative primary societies:

Provided that an annual declaration issued by the Co-operatives Board attesting to the above shall be submitted to the Committee; or

(b) its members contribute at least thirty-five percent of all the paid-up contributions to the Fund:

Provided further that all primary societies shall be required to inform the Co-operatives Board of their affiliation with any recognised organisation on an annual basis.

**13.** (1) The following shall be eligible to apply for access to funds from the Central Co-operative Fund in accordance with regulation 15: Eligibility for funding.

(a) eligible co-operative societies that make a direct application to the Committee;

(b) any recognised organisation;

(c) the Committee;

(d) the Co-operatives Board; and

(e) any person who actively contributes to the promotion and development of the co-operative movement.

(2) Applications shall be made to the Committee in accordance with the procedures as prescribed by the Committee.



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Eligibility for funding by co-operative societies and recognised organisations.

**14.** In accordance with regulation 13(1)(a) and (b), any eligible co-operative society or eligible recognised organisation applying for access to funds shall be in conformity with all of the following:

(a) all the relative provisions of the Act; and

(b) the co-operative society shall have made a minimum paid up contribution of seven hundred and fifty euro (€750) annually in at least two of the last three financial years as determined by the audited financial statements filed with the Co-operatives Board. This minimum paid up contribution to the Fund may be reviewed upwards every three years at the discretion of the Co-operatives Board; and

(c) the co-operative societies' and recognised organisations' audited financial statements of the preceding two financial years shall not be seriously qualified by the co-operative societies or organisations auditor.

Use of funds.

**15.** Funds may only be utilised and shall be distributed by the Committee for the following purposes:

(a) by a co-operative society to finance research and development, training and educational programmes of the co-operative society, but excluding general administration costs, salaries, wages, honoraria, international membership fees and related personnel expenditure;

(b) by a recognised organisation to finance research and development, training and educational programmes relating to the promotion and development of the co-operative movement but excluding international membership fees and general administration costs including salaries, wages, honoraria and related personnel expenditure;

(c) by the Committee to finance research and development, training and educational programmes relating to the promotion and development of the co-operative movement, support services and general administration costs including honoraria of its members salaries and wages and to fulfil its functions;

(d) by individuals or statutory bodies who actively contribute to the promotion of the co-operative movement to finance initiatives, training and educational programmes relating to the promotion and development of the co-operative movement.

**16.** Funding shall be distributed by the Committee, subject to availability, according to the following three-tier structure as shall be determined by the Committee:

Distribution of funds.

Tier 1: full funding is granted towards the financing of research and development initiatives, training and educational programmes relating to the promotion and development of the co-operative movement;

Tier 2: funding of up to twenty thousand euro (€20,000) annually to each of the recognised organisations and Co-operatives Board shall be granted towards the reimbursement of approved international and local membership fees only;

Tier 3: funding of up to seventy thousand euro (€70,000) annually to each of the recognised organisations shall be granted towards the reimbursement of administration costs including salaries, on the condition that no individual full time salary shall exceed twenty-three thousand euro (€23,000) annually.

**17.** These regulations and the Committee shall be subject to the existing rules governing public funds including the Public Administration Act, the Public Services Management Code and the Code of Ethics in accordance with the Schedule.

Applicability of other laws. Cap. 497.

**18.** In any one year, the Committee may distribute up to one hundred percent (100%) of the yearly contribution recognised in the latest available audited financial statements of the Fund.

Distribution of funds.

**19.** In any case where the Committee agrees to distribute more than one hundred percent (100%) of the amount specified in regulation 18, the written authority of the Minister is required.

Authorisation by the Minister.

**20.** (1) In accordance with the provisions of regulation 14 any co-operative society which is in arrears in the Fund contribution shall not benefit from funding and shall not be eligible to apply for access to funding.

Ineligibility to benefit from the Fund.

(2) For the purposes of this regulation contributions made within nine months from the end of the financial year of the co-operative society shall not be considered to be in arrears.

**21.** (1) The management and conduct of the office of the Committee and the administrative control of any of its employees shall be the responsibility of the Chair.

Responsibility of the Chair.

(2) The terms and conditions of any employees of the Committee shall be comparable with those of employees in the

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service of the Government and shall be established by the Committee with the concurrence of the Minister.

Submission of  
returns.

**22.** A beneficiary of funds in terms of these regulations shall submit, on a minimum basis, an annual return to the Committee with a detailed account and proof of the use of the funds as prescribed by the Committee:

Provided that all funds not utilized in accordance with the approval given by the Committee shall be reimbursed to the Fund as directed by the Committee.

Verifications.

**23. (1)** Funds distributed by the Committee shall be subject to such verifications that the Committee may from time to time pursue.

(2) The beneficiaries of funds by the Committee shall allow such verifications to take place as and when requested by the Committee or by persons appointed by the Committee for this purpose.

(3) The Committee shall reserve the right to withhold, suspend or claim back payments made by the Committee to beneficiaries who:

(a) do not allow, or in any way obstruct, a verification exercise; or

(b) misrepresent their funding accounts; or

(c) whose funding allocation is not being used for the specific purposes for which it was intended.

Investigations.

**24.** The Committee may carry out investigations concerning any shortcomings in connection with the use of funds and may refer its findings to the police.

Offences.

**25. (1)** Any eligible beneficiary of funds in accordance with regulation 14 who wilfully, with intent to obtain funds under these regulations or to assist any other person to do so -

(a) omits from an application or any other document or statement made, prepared or submitted for the purposes of or under these regulations, any matter which should be included therein; or

(b) makes any false statement or entry in any return or other document or statement prepared or submitted for the purposes of or under these regulations; or

(c) gives any false answer, whether verbally or in writing, to any question or request for information asked or made in accordance with the provisions of these regulations; or

(d) prepares or maintains or authorizes the preparation or maintenance of any false books of account or other records or falsifies or authorizes the falsification of any books of account or records; or

(e) makes use of any fraud, art or contrivance whatever or authorizes the use of any such fraud, art or contrivance,

shall be guilty of an offence, and shall for each such offence be liable on conviction to a fine (*multa*) of not less than one thousand and two hundred euro (€1,200) and not exceeding five thousand euro (€5,000).

(2) Upon any person admitting to or being found guilty of any of the above offences, the Committee shall request the full reimbursement of the funds issued.

**26.** The Central Co-operative Fund Regulations, 2001, and the Central Co-operative Fund (Provisional Board) Regulations, 2012, are hereby revoked without prejudice to anything done or omitted to be done thereunder.

Revocation of  
the Central Co-  
operative Fund  
Regulations,  
2001, and the  
Central Co-  
operative Fund  
(Provisional  
Board)  
Regulations,  
2012.  
L.N. 288 of  
2001.  
L.N. 297 of  
2012.

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## **SCHEDULE**

### **(Regulation 17)**

#### Code of Ethics

##### 1. Principles

1.1 The Committee and its members should govern 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.

1.2 Without prejudice to the Constitution or where any other law otherwise provides, the Committee and its 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 Committee and to all stakeholders. This is especially important where the Committee has an overall regulatory function and or enjoys a monopoly or dominant position in its area of operation.

1.3 The Committee and its members should ensure that their members 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 Committee is balanced.

1.4 The Committee and its members are expected to provide impartial and accurate advice to the Government of the day.

##### 2. Fiduciary duty and duty of care

2.1 The Committee and its members owe both a fiduciary duty and a duty of care towards the Committee and the persons that they serve.

2.2 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 and its members.

2.3 Duty of care relates to the exercise of care, diligence and skill in doing the job properly.

2.4 As the Committee's agents, the Committee and its members must use their discretion to ascertain that decisions are taken in the interest of the Committee within the policies, parameters and priorities of the Government. Decisions should never be made for any collateral purpose, nor for personal interest. The interests of the Committee should be taken to mean the attainment of its functions whether statutory or otherwise.

### 3. Compliance with the law.

3.1 The Committee and its members must ensure that individually, collectively as the Committee, and the Committee, act in full compliance with the letter and spirit of all the relevant legislation.

3.2 The Committee and its members must ascertain that they commit themselves and the Committee to act ethically and legally at all times. They must also avoid situations which could be perceived as improper. The Committee and its members must be conversant with the relevant legislation and regulations in force, and are expected to seek professional advice whenever in doubt. They must also ensure that the Committee's records are accurate and faithful.

### 4. Fairness and equity

4.1 The Committee and its members should ensure that their Committee deals 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. Every Committee member is obliged to treat each issue reasonably and with a view of meeting the principles of natural justice.

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

### 5. Public comment and confidentiality

5.1 The Committee and its members enjoy the right to make public comment and enter into public debate on political and social issues so however that such action does not bring them into conflict in any manner with their primary duties. However they are expected to refrain from publicly criticising the policy of the Government of the day with regard to their Committee involvement.

5.2 The Committee and its members can disclose official information which is normally given to members of the public seeking that information, provided it is not prejudiced against the commercial interest or any other interest of the Committee.

5.3 The Committee and its members should only disclose other official information or documents acquired in the course of their term of office when required to do so by law or in the course of duty, when called to give evidence in court, provided that when, in terms of particular legislation, authorisation from the proper authority is required, such authority has been given. In such cases, comments made by the Committee and its members should be confined to factual information and should not express an opinion on the official policy or practice

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held by the Committee.

5.4 The Committee and its members should not disclose confidential information to outside persons during their appointment as members 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 members which is deemed as restricted information.

5.5 The Committee and its members should not use any confidential information gained through their position for personal, family, friend, associates, or business and other associations' benefit.

## 6. Personal and management attributes

6.1 The Committee and its members must not use their position for an improper purpose, take personal advantage of the Committee's opportunities, allow their personal interest to conflict with those of the Committee or misapply the Committee's assets.

6.2 The Committee and its members must adhere to the highest standards of personal attributes in providing leadership to the organisation, act with integrity, and commit themselves to fulfil their responsibilities in a professional manner.

6.3 The Committee and its members must ensure that the Committee applies the highest standards of management: ensure accountability requiring everyone to be held responsible for their actions, ascertain transparency in the decision making process to cultivate trust, and integrate and instil all the elements of good governance within the Committee's culture.

## 7. Conflicts of interest

7.1 A conflict of interest arises out of a situation where the Committee and its members use their post to benefit themselves, friends or families or persons associated in their work endeavours.

7.2 The Committee and its members should not use their position to promote their interests, interests of related persons, business associates, corporations, unions, partnerships and friends.

7.3 The Committee and its members should not take advantage from their Committee's transactions and opportunities or to solicit clients for their, their associates', work, friends' or family business' interests.

7.4 The Committee and its members 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.

7.5 The Chairperson must fully disclose in writing to the Minister all

situations and circumstances that could give rise to conflicts of interests. S/he is to seek the advice of the Minister in such matters but as a minimum, s/he should not participate in the meeting nor have access to the relative documents.

7.6 Likewise the Committee and its members must fully disclose in writing to the Chairperson and the Committee, all situations and circumstances that could give rise to conflicts of interests. The Chairperson and the Committee must decide on the most appropriate action in the circumstances, giving due consideration to disclosing the matter and seeking advice from the responsible Minister.

7.7 The Committee and its members are duty bound to reject totally and immediately any undue pressure that is brought to bear on them to influence their behaviour or decisions, and should disclose such instances to the Chairperson and the Committee, who must decide on the most appropriate action, giving due consideration to disclosing the matter and seek advice from the responsible Minister.

## 8. Entertainment, gifts and favours

8.1 The Committee and its members, their relatives and friends should not accept entertainment, gifts, benefits or favours that give rise to or are perceived to create favoured positions in doing business with the Committee or deviate from the proper course of duty. Such benefits also include the receipt of cash, loans, securities or commissions.

8.2 The Committee and its members should not offer entertainment, gifts, benefits or favours in their role as Committee members to solicit preferred treatment for themselves, their families or friends, or the Committee.

8.3 Committees will vary in their policies on the acceptance of gifts and benefits depending on the nature of their business. It is expected, however that only token gifts or benefits may be accepted in circumstances approved by the Chairperson and the Committee, provided that there is no possibility that the recipient might be, or might appear to be, compromised in the process.

8.4 The Committee and its members should remember that the giving and receiving of gifts to and from Governments, Committees or persons is a delicate matter. The Committee and its members should as a rule only give or receive mementoes for the occasion and consult the Chairperson, Committee or Minister in cases where they feel that particular circumstances lead to giving and receiving more substantial gifts.

8.5 The Committee and its members only have a right to keep the gifts they receive if these are only mementoes for the occasion or are not of any substantial value. In case of doubt, the Chairperson and the Committee should be consulted. It is the duty of the Committee Director to act in the most prudent and



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responsible manner. In cases of the Chairperson, he must consult with the Committee and the responsible Minister.

## 9. Procurement

9.1 In all procurement practices, including in the setting out of procedures for tendering, the Committee and its members must bear in mind that the expenditure involved is made out of public funds. The highest possible level of accountability and transparency should be reflected in every stage of the decision making process of procurement.

9.2 The Committee and its 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.

## 10. Use of Committee's property

10.1 The Committee and its members are expected to be efficient and economical in the use and management of the Committee's resources. They are also required to be conscientious in their use of the organisation's property and services, and are duty bound to avoid their abuse by other parties.

10.2 The Committee and its members are required to seek the Chairperson's and Committee approval to use the Committee's property for any purpose not being the Committees business.

10.3 The Committee and its members should seek the Chairperson's, Committee and responsible Minister's authorisation to purchase property from the Committee unless it is made through channels available to the general public. Nonetheless, a Committee Director should not purchase property from the Committee if that member is involved in some aspect of the process.

## 11. Personal and professional behaviour

11.1 The Committee and its members should perform any duties associated with their positions diligently, impartially and conscientiously to the best of their ability. They must:

- strive to obtain the best value for public money spent and avoid waste and extravagance in the use of public resources or any funds or resources of the Committee;
- not take or seek to take improper advantage of any official information gained in the course of their term of office;
- neither wilfully nor negligently supply the Minister, Committee member or any member of the public with incorrect or misleading information;

- not indulge in favouritism, cronyism or nepotism; and
- not attempt to curry favour with their Minister by giving advice he or she wants to hear.

11.2 The Committee and its members 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 the Committee.

11.3 In the performance of their duties the Committee and its members are expected to give full support to the policy of the Government of the day regarding the work and functions of the Committee. When implementing Government policy, Committee members' own value judgements should not take precedence over those explicit or implicit in Government policy. The Committee and its members should ensure that their Committee 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. The Committee and its members should ensure that the legal requirements regarding employment of disabled persons are observed by the Committee.

11.4 The Committee and its members individually and collectively are required to act honestly and in good faith seeking the best interests of the Committee and should 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.

11.5 Collectively, the Committee members are ultimately responsible for the governance and management of the business, activities and other affairs of the Committee.

## 12. Outside business interests, employment and associations

12.1 At the time of appointment the Committee and its member's nominees should declare in writing any outside business interests, investments, positions of employment or associations that could potentially give rise to conflicts of interest.

12.2 The Committee and its members should act and behave in the best interest of the Committee irrespective of any outside activities.

12.3 The Committee and its members 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 Committee, where the member could benefit the

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other interests through the member's involvement in the same Committee.

12.4 The Committee and its members should not directly or indirectly acquire or dispose of any investments in any company while having internal confidential information obtained through their role and responsibilities as members of committees.

12.5 The Committee and its members should not accept positions of employment, directorships, ownership, partnership or association in any other committee or organisation of whatever nature that could lead to a conflict of interest with the role of the post of a member of the Committee. Such offers should be discussed with the Chairperson, Committee and Minister and their implications assessed and decided upon.

### 13. Relationships with stakeholders

13.1 The relationship with stakeholders is at the heart of corporate governance. The Committee and its members should exhibit care and diligence in their dealings with the various stakeholders, acting in good faith and fairness in their rapport with them.

13.2 The relationship between the Minister and the Committee is a complex one. The Minister is responsible to the Government as well as to Parliament and must speak both to and for the Committee. The Chairperson and the Committee must ensure that the Minister is provided with the best possible information about the decisions and actions of the Committee. At the same time they should seek to be well informed about Government's policies, parameters and priorities in their responsibility in the implementation of the relevant Government policy and management of the Committee.

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

13.4 The Committee should provide the best policy advice to the Minister and provide him with the necessary information regarding the policy and activities of the Committee.

13.5 In line with the provisions of the Constitution and other law which empowers the Permanent Secretary to supervise a government entity, the Committee and its members should seek to establish a harmonious working relationship with the Permanent Secretary and other officials in Government Departments, particularly when these form part of the same Committee structure.

13.6 The Committee and its members should 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 Investigations Directorate and such other commissions, divisions, directorates and units which are empowered with supervisory jurisdiction.

13.7 The Committee and its members should remember that the least tangible but the most valuable of their Committee's assets is a positive public perception of their Committee, on which trust is built. The Committee and its members must ensure that their Committee treats members of the public and other members of their Committee with courtesy and sensitivity to their rights, and provides all necessary and appropriate assistance to members of the public.

13.8 In case of monopolistic situations, or where the Committee enjoys a dominant position, the Committee and its members have an even more serious obligation towards the public who is the consumer and/or recipient of their products, goods or services. Besides efficiency and effectiveness of service, the Committee and its members are to ensure that the quality of the goods and services provided to the public is of the highest standard.

#### 14. Political activity

14.1 The Committee and its members should ensure that their political interest does not compromise the conduct and public perception of the duties of their office.

14.2 To this end, the Committee and its members should avoid political activity at the Committee's place of business and the use of Committee equipment or material for those activities, and avoid activities from which the Committee's employees, suppliers and customers might reasonably infer a requirement to support a particular party.

#### 15. Responsibility

15.1 The Committee should ensure that it behaves, and is seen to behave, in an ethical manner.

15.2 The Committee and its members should adhere to the standards described in this Code of Ethics, and to other standards set out in applicable guidelines and legislation. In fulfilment of this, every Committee member should review and declare adherence to the Code of Ethics upon nomination.

15.3 The Chairperson is responsible to ensure that this Code of Ethics is upheld by the Committee and the members. Members found in breach of the Code of Ethics are liable to censure and recommendation for dismissal from the position,

notwithstanding any other action legal or otherwise that may be taken. The Chairperson and the Committee must ensure that breaches are reported to the responsible Minister immediately after they have come to their attention.

15.4 The Chairperson and the Committee should be the appropriate channels where clarifications on standards of ethical behaviour are sought. The Chairperson and the Committee will decide if to seek the responsible Minister's opinion according to the case.

16. Declaration (To be completed and signed by each Committee member before taking up appointment on the Committee).

I (name and surname), ..... Identity Card number  
....., declare that I have read and understood this Code of Ethics for  
the Committee and its members, and agree to conduct myself in accordance  
with this Code.

Signature .....

Date .....

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