



MFAC

MALTA FISCAL ADVISORY COUNCIL

Council Bye-Laws

November 2016

*These Bye-Laws supplement and are to be interpreted in conjunction with
Part V of the Fiscal Responsibility Act.*

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1. Mandate of Council Members

Council members are duty-bound to observe both the letter and spirit of the Fiscal Responsibility Act, the Stability and Growth Pact and other applicable legislation. The obligation to act within the law includes the obligation to act in a way that will bear close public scrutiny

2. Responsibilities of the Council

In addition to the obligations prescribed by the Fiscal Responsibility Act, the Council shall be responsible for:

- The policy and general administration of the MFAC;
- The appointment of auditors and other agents;
- The appointment of officials and other employees to posts in the MFAC;
- Keeping proper accounting records, which disclose with reasonable accuracy, at any time, the financial position of the Council and to enable them to ensure that the financial reports have been properly prepared;
- Safeguarding the assets of the Council and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities;
- Ensuring that the Council establishes and maintains adequate internal control to provide reasonable assurance with regard to reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations;
- Establishing a control environment and maintain policies and procedures to assist in achieving the objective of ensuring, as far as possible, the orderly and efficient conduct of the Council's activities. This responsibility includes establishing and maintaining controls pertaining to the Council's objective or preparing financial reports and managing risks.

3. Council Meetings

The Council shall hold a minimum of ten scheduled meetings each year, with additional meetings called as required.

The Board meeting schedule will be published on a rolling annual basis, with the expectation that Board members will endeavour to attend all meetings. The annual meeting schedule should be agreed in advance with all Members. An agenda and papers should be sent to all Members at least five working days in advance of each meeting. If additional Board meetings are required outside the normal annual

schedule then Members should be provided with at least five working days notice and every effort made to find a date and location that is acceptable to all Members.

The Council will only conduct business if there is a quorum, that is at least two members one of whom is the Chairman.

No person other than the members and the Secretary appointed to record the minutes shall attend the meetings of the Council, but the Chairman may request the presence of staff of the Council when technical matters are under consideration.

A copy of the minutes of each meeting shall be circulated to each member at the next succeeding meeting and, after approval by the Board, the minutes shall be signed by the Chairman and the Secretary.

The Council will operate on the principle of consensus. Where consensus is not achievable, a vote will be taken. Each Council member will have one vote. In the event of a tied vote, the Chair will have a casting vote.

4. The Chairman

The Chairman shall be in charge of the day-to-day management and of the conduct of the Council's operation in accordance with the policy set by the Council.

The Chairman and the Council members shall be empowered to sign documents relating to all aspects of the Council's operation. The Council may authorise such other officials of the Council to sign on behalf of the Council and for such purposes as it may from time to time decide.

5. Council Support

The Council will be supported in its responsibilities by a Council Secretary.

6. General Principles regarding Code of Professional Conduct

Council members have a duty to demonstrate their professional behaviour by striving to achieve the highest standards of behaviour, competence and integrity in their work.

All members of the Council should observe the following general principles and procedures.

7. Integrity

Council members have a duty to adhere to high standards of behaviour and honesty in the course of their work and in relationships with the stakeholders. Furthermore, members will not conduct their affairs in a manner which may seriously embarrass the MFAC by bringing its independence, impartiality and objectivity in disrepute.

Council members shall:

- Avoid giving or receiving of corporate gifts, hospitality, preferential treatment or benefits which might affect or appear to affect their own or the recipient's ability to make independent judgement on business transactions;
- Ensure that purchasing of goods / services shall be in accordance with best business practice and satisfy current EU and national procurement rules;
- Ensure that claiming of expenses is strictly appropriate to business needs and in accordance with good practice in the public sector generally;
- Ensure that there are proper safeguards to ensure that accounts / reports accurately reflect the expenditure and transactions, and are not misleading or designed to be misleading;
- Ensure that MFAC resources or time are not used for personal gain, or for the benefit of persons and organisations unconnected with the MFAC or its activities;
- Not acquire information or business secrets by improper means.

8. Confidentiality

Council members shall ensure that they maintain confidentiality in respect of all information obtained by virtue of their position, with particular reference to Article 54 of the Fiscal Responsibility Act on the Prohibition of disclosure of confidential information.

Council members must sign the “*Declaration of Confidentiality and Secrecy*”

They shall observe the confidentiality of internal documentation and communications and conduct themselves accordingly. Upon termination of their appointment they must also return to the Council any official documents, whether in hard or electronic format. Such documents are considered as strictly MFAC property.

9. Impartiality

It is important to maintain both the actual and perceived political neutrality of the MFAC. It is important that Council members maintain their independence from political involvement and be reticent in matters of public or political controversy.

Council members may not indulge in political activity. In particular one shall not speak in public on matters of political controversy, express views on political matters through articles or letters to the press, or canvass on behalf of any parliamentary candidate or party.

In case of doubts in this regard, members are to consult with the Chair for clarification.

10. Independence

Independence is indispensable for Council members who must maintain and be seen to maintain independence from any entity, with special reference to Articles 43(1) and 45 of the Fiscal Responsibility Act regarding independence.

Council members have an obligation to identify and evaluate circumstances and relationships that may impair independence, to take appropriate action to eliminate this risk of diminishing independence and to inform the Chairman accordingly.

11. Loyalty

Council members shall acknowledge the responsibility to be loyal to the MFAC and fully committed in all its activities. In particular, they are:

- to carry out their duties honestly, faithfully and diligently;
- to account for all monies, software, data and other records, other instruments or documents which come into their hands as Council members;
- to conduct themselves in such a way as shall not impair the reputation of the MFAC;
- not to divulge to any individual or body of persons at any time during their appointment as Council members or after their termination any confidential information concerning the business or affairs of the MFAC.

12. Economy, Efficiency and Effectiveness of Operations

Council members should strive to achieve cost reductions and to improve the efficiency and effectiveness of the MFAC. The MFAC is funded by taxpayers and, in advocating the best use of public resources, it should set itself as an example for others to emulate.

They must ensure that the MFAC is compliant with tendering and purchasing procedures, as well as complying with the prescribed levels of authority for sanctioning any relevant expenditure.

They must also acknowledge the duty to conform to the highest standards of business ethics.

13. Responsibilities to the MFAC

All members shall adhere to policies promulgated by the Council, including these Bye-Laws and other applicable communication.

No member shall use his or her position on the Council to gain unfair advantage, whether pecuniary or non-pecuniary, in his or her personal affairs.

14. Work Environment

The Council shall place high priority on promoting and preserving the health and safety of employees.

15. Conflicts of Interest

Council members shall avoid outside business interests in conflict or potential conflict with the business of the MFAC, and if such interests occur they must be disclosed to the Council.

On commencing the appointment on the Council, all members are to ensure that neither they nor their immediate family members have interests that could jeopardize or call into question their judgement or objectivity. Council members are also required to inform the Chairman should any potential conflict of interest arise at a later date.

Council members are to exercise special caution in regard to acceptance of positions following employment and / or engagement by a State body that may give rise to the potential for conflicts of interest and to confidentiality concerns.

16. Financial Arrangements

Council members should have no financial interest that could in any way conflict with their responsibilities, call into question their motives, purpose or concern with the matter in question, or cause the MFAC embarrassment or loss of credibility

17. Past Work Experience

Members have a duty to inform the Chairman / Council of any situation where a former position might conceivably bring the propriety of the MFAC's work into question.

18. Acceptance of Gifts

Council members should protect their integrity and prevent the appearance of conflict of interest by refusing the offer of gifts, gratuities and benefits from MFAC stakeholders in excess of what is considered as customary or of negligible value. Examples of such excessive gifts include free travel, hospitality, accommodation or expensive entertainment other than in connection with participation in seminars, conferences or other official events organised by international institutions of relevance to the MFAC.

Conventional hospitality such as occasional invitations to working lunches and isolated or inexpensive gifts (such as calendars or diaries), or token gifts arising from international meetings held in Malta or abroad, may be accepted.

Gifts that are clearly intended for the MFAC, rather than the Council member, should be forwarded to the MFAC and considered as part of its inventory.

19. Contractual Arrangements

Members involved in contract negotiations have a duty to ensure that contracts entered into by the MFAC are the result of well-established procedures and are above suspicion with regard to the validity of the criteria used in awarding them.

20. Social Media

Council members should be aware that inappropriate use of social media content could damage their reputation and that of the MFAC. Council members must not use social media (including facebook, twitter, linkedin and blogs):

- i. to post inappropriate, discriminatory or defamatory comments, including those related to MFAC's internal affairs and colleagues;
- ii. to share confidential or sensitive information;
- iii. to express or support sexist, racist or homophobic views;
- iv. to distribute sexually explicit, offensive content or inappropriate pictures.