



MALTA

National
Audit
Office

Report by the Auditor General on Government-appointed bodies



OUR VISION

To provide a multidisciplinary professional service to parliament, to Government and the taxpayer and to be an agent of change conducive to achieving excellence in the public sector.

OUR MISSION

To help promote accountability, propriety and best practices in Government operations.

Report by the Auditor General on Government-appointed bodies

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This Report has been prepared under sub-section 108(5) of the Constitution of Malta and sub-para. 5(ii) and para. 7 of the First Schedule of the Auditor General and National Audit Office Act, 1997 for presentation to the House of Representatives.



Charles Deguara
Auditor General

The Auditor General is head of the National Audit Office, Malta. He and the National Audit Office are totally independent of Government. He examines the accounts of all Government Ministries and Departments and may also examine other public sector bodies. He also has statutory authority to report to the House of Representatives on the economy, efficiency and effectiveness with which Departments and other bodies have used the resources voted annually to them in the Estimates.

National Audit Office
October 2026

Table of contents

List of abbreviations	5
Foreword	6
Executive summary	7
 Chapter 1: Introduction	 8
1.1 Structure of the Report	8
1.2 Nomenclature	9
 Chapter 2: Background information and audit process	 10
2.1 Manual for Government-appointed Boards and Committees	10
2.2 Audit scope and objectives	12
2.3 Audit criteria and reference documentation	13
2.4 Audit methodology	15
2.5 Matters of significant importance	16
 Chapter 3: Other information and data	 18
3.1 Ministries	18
3.2 Government-appointed bodies	19
 Chapter 4: Cabinet Office - observations and recommendations	 23
4.1 Audit outcomes	23
4.1.1 Exceptions to the Manual not stipulated	23
4.1.2 Payment of allowances and granting of benefits	23
4.1.3 Revision exercise not clearly explained	23
4.1.4 Hourly rates for Deputy Chairpersons not indicated	23
4.1.5 Application of salary scale not distinctly specified	24
4.1.6 Difficulty in establishing hourly rate for Adjudication's members	24
4.1.7 Specific criterion to the assessment and monitoring	24
4.1.8 Outdated Memorandum	24
4.2 Proposed actions	25
4.2.1 General recommendations	25
4.2.2 Recommendations related to observations	25
 Chapter 5: Ministries - observations and recommendations	 27
5.1 Audit outcomes	27
5.1.1 Allowances and benefits in addition to stipulated remuneration	27
5.1.2 Remuneration not revised upon term's expiry	27
5.1.3 No requests for remuneration to Board Secretaries	28
5.1.4 Fixed remuneration paid instead of hourly rate	28
5.1.5 Boards and Committees not categorised in line with the Manual	28
5.1.6 Manual not applied	29

Table of contents *cont.*

5.1.7	Incorrect classification levels of Commercial bodies	29
5.1.8	Required documentation not submitted	29
5.1.9	Deputy Chairpersons underpaid	30
5.2	Proposed actions	30
5.2.1	General recommendations	30
5.2.2	Recommendations related to observations	31
Chapter 6: Feedback received		32
6.1	Cabinet Office	32
6.1.1	Related to general points	32
6.1.2	Related to observations	33
6.1.3	Related to Ministries’ observations and recommendations	34
6.2	Ministries	34
Chapter 7: Concluding remarks		37
List of tables		
Table 1: List of Ministries		18
Table 2: Classification of Boards and Committees		19
List of figures		
Figure 1: Category definitions		11
Figure 2: Determining classification and remuneration levels		12
Figure 3: List of documents referred to for the purpose of this audit		14
Figure 4: Details of Boards and Committees of each Ministry		20
Figure 5: Information for each category		21
Figure 6: Classification of Commercial Boards and Committees		22

List of abbreviations

NAO	National Audit Office
OPM	Office of the Prime Minister
P&SD	People and Standards Division

Foreword

This Report is the result of an extensive and challenging corporate assignment carried out on Government-appointed bodies and attempts to consolidate the various reviews performed across all Ministries. By way of clarification, the term ‘Boards and Committees’ refers collectively to all boards and committees, as well as to other Government-appointed bodies, such as commissions, councils, fora, foundations, panels and tribunals of any agency, authority, state-owned enterprise, constitutional body, corporation and any other entity and office. Hence, a challenging assignment indeed!

Since Government-appointed bodies vary in terms of their reference, duties and responsibilities, composition, and modes of operation, the pertinent framework classifies them into seven broad categories. The definition of each category was established following consultations with the Office of the Attorney General.

A central aspect of this assignment refers to the Manual for Government-appointed Boards and Committees, that is primarily intended to regulate and harmonise the remuneration to members under a standard and unified structure, as well as to introduce a fair and objective procedure for assessment and approval. The applicable framework also requires justifications to be provided for the setting up of a new Board or Committee, to ensure that public funds are utilised efficiently. This being one of the primary objectives of our National Audit Office, namely ensuring value for money for every euro spent.

The Cabinet Office plays a key role in the management of all these Boards and Committees across the whole of Government. Our Office appreciates the ongoing collaboration extended to our audit team by the Cabinet Office; this is evidenced by the fact that certain improvements have been carried out even before the formal conclusion of this Report. Furthermore, the revised Manual reflects a number of recommendations which are featured in this publication.

Of course, this does not mean that further action is not required to address the pending issues involved; in this regard reference is made to our Chapter 7 that provides the concluding remarks to this Report. As in the case of other audit reports, it is our intention to carry out a follow-up assignment in due course to ensure effective implementation of our recommendations.

Finally, I would like to extend my appreciation to our audit team who had to face various challenges whilst carrying out this extensive assignment. To quote just one, suffice it to state that our team had to deal with the recent changes in the composition of most Ministries, following this year’s General Elections.



Charles Deguara
Auditor General

October 2026

Executive summary



2023 Financial Estimates

19 Ministries



462 Government-appointed bodies, excluding 63 falling outside the audit scope, even though featuring in the Cabinet Office's list.



3,901 Members



Payments made for 2023

€9,053,051 which includes only remuneration to Government-appointed bodies which were categorised. It excludes disbursements for allowances and/or benefits.



361 Government-appointed bodies, excluding 101 which were not categorised or not remunerative, comprising 847 members.



3,054 members of 361 Government-appointed bodies, of which 538 were not remunerated.



Audit Outcomes

Matters of concern for the Cabinet Office



- Exceptions to the Manual not stipulated
- Payment of allowances and granting of benefits
- Revision exercise not clearly explained
- Hourly rates for Deputy Chairpersons not indicated
- Application of salary scale not distinctly specified
- Difficulty in establishing hourly rate for Adjudication's members
- Specific criterion to the assessment and monitoring
- Outdated Memorandum

Non-compliance by the Ministries



- Allowances and benefits in addition to stipulated remuneration
- Remuneration not revised upon term's expiry
- No requests for remuneration to Board Secretaries
- Fixed remuneration paid instead of hourly rate
- Boards and Committees not categorised in line with the Manual
- Manual not applied
- Incorrect classification levels of Commercial bodies
- Required documentation not submitted
- Deputy Chairpersons underpaid

Chapter 1

Introduction

1.1 Structure of the Report

- 1.1.1 This Report includes the outcome of an ad hoc and corporate assignment carried out on Government-appointed bodies, and consolidates the various analyses performed across all Ministries.
- 1.1.2 Chapter 1 sets out the structure of the Report and explains nomenclature used.
- 1.1.3 Chapter 2 provides a brief overview of the document approved by the Cabinet, titled *Manual for setting the categorisation, classification and remuneration of Government-appointed Boards and Committees*, effective as from 1 January 2017. This is followed by a description of the audit scope and objectives, criteria and the list of documents reviewed, the audit methodology as well as matters of significant importance.
- 1.1.4 Chapter 3 presents an overview of the information obtained from the Ministries for audit purposes.
- 1.1.5 For reference purposes, at the beginning of each observation, several criteria parameters¹ are quoted in italics in Chapter 4. In this chapter, the observations address the limitations in the Manual itself, as well as other matters of concern that need to be addressed by the Cabinet Office. These are followed by corrective action² proposed by the National Audit Office (NAO).
- 1.1.6 Chapter 5 is similar to the preceding one but relates to instances of non-compliance by the Ministries with the prescribed criteria and the resulting impact, where applicable, including also recommendations.
- 1.1.7 Summarised version³ of the feedback received both from the Cabinet Office and the Ministries features in Chapter 6.
- 1.1.8 Chapter 7 provides the concluding remarks to this Report.

¹ As indicated in section 2.3.1.

² As explained in Chapter 7, the proposed actions were submitted to the Cabinet Office prior to the revised Manual being tabled in the House of Representatives.

³ This is a corporate audit and therefore it was not practical to publish the full feedback received from the Cabinet Office and the replies received from 11 Ministries.

1.2 Nomenclature

- 1.2.1 Hereafter, the term 'Boards and Committees' refers collectively to all boards and committees, as well as to other Government-appointed bodies, such as commissions, councils, fora, foundations, panels and tribunals of any agency, authority, state-owned enterprise, constitutional body, corporation and any other entity and office.
- 1.2.2 Unless otherwise specified, the term 'members' shall be understood to include Chairpersons, Deputy Chairpersons, Presidents, Directors, Secretaries and other applicable positions.
- 1.2.3 The Manual and the corresponding presentation to the framework⁴, titled *Framework for the Categorisation, Classification and Remuneration Structure of Government-appointed Boards and Committees*, both describe the pertinent framework.
- 1.2.4 Since the words 'remuneration' and 'honoraria' were used interchangeably in the documents referred to, the term 'remuneration' was used in this Report, for payments made to members of Boards and Committees.
- 1.2.5 In this Report, reference is made to the Standing Committee, which is also referred to as the Steering Committee. This Committee is chaired by the Cabinet Office and composed of a representative from the People and Standards Division (P&SD) within the Office of the Prime Minister (OPM) and a representative from the Ministry for Finance.

⁴ The presentation to the framework captures the main points of the Manual, and it provides additional information, mainly the maximum remuneration per level for each category for 2016 and addresses related questions raised by various Ministries.

Chapter 2

Background information and audit process

2.1 Manual for Government-appointed Boards and Committees

- 2.1.1 The Manual was primarily intended to regulate and harmonise the remuneration to members under a unified structure, as well as to introduce a different procedure for assessment and approval. The applicable framework also required justifications to be provided for the setting up of a new Board or Committee, to ensure that public funds are utilised efficiently.
- 2.1.2 Since Government-appointed bodies vary in terms of their reference, duties and responsibilities, composition, and modes of operation, the pertinent framework classifies them into seven broad categories, as depicted in **Figure 1**. The definition of each category was established following consultations with the Office of the Attorney General.

Figure 1: Category definitions



Commercial

Any board of directors of a limited liability company whether public or private wherein the Government holds the majority shareholding and control and any board of a corporation or agency set up by law and where the object of such company, corporation or agency is purely of a commercial nature.



Regulatory

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 the particular sector on policies and standards applicable to the particular sector.



Constitutional

Any commission or authority established by the Constitution whatever its function.



Adjudication

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

The board of any agency, corporation, enterprise, office or any other entity whatever its designation, with its main function being operational in nature which functions include but are not limited to the execution, 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 the particular sector.



Administrative

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 taking of decisions and execution of the day to day running of such agency, corporation, enterprise, office or entity by the Minister responsible for the particular sector.



Advisory

Any board, committee, panel, commission or any other body whatever its designation which board, committee, panel, commission or any other body is composed of a group of experts appointed by the Minister responsible for a particular sector with its main function being that of advising the Minister in establishing policies, enacting legislation and amending existing legislation.

(Source: Manual for setting the categorisation, classification and remuneration of Government-appointed Boards and Committees)

2.1.3 Following categorisation by the Ministry’s Permanent Secretary or a designated officer within the Ministry⁵, each Board and Committee is assessed against established factors to determine the classification level⁶, based on the scores assigned to each parameter⁷. The scoring system for each category⁸ is applied mainly through electronic checklists⁹, which automatically determine the appropriate level. Based on this classification level, the corresponding annual remuneration or hourly rate, as applicable, of the Chairperson and members is established, with each category pegged to a specific public service salary scale and remuneration capped at a percentage of the relevant scale¹⁰. Figure 2 refers.

Figure 2: Determining classification and remuneration levels

Categories		Positions	Pegged to public service salary scale	Level				
				1	2	3	4	5
	Commercial	Non-executive Chairman	2	53%	45%	33%	25%	10%
		Director		23%	18%	13%	9%	5%
	Regulatory	Non-executive Chairman	3	49%	27%	11%	-	-
		Governor or Member		19%	10%	5%	-	-
	Adjudication	Chairman	2	25%	15%	8%	-	-
		Member		9%	6%	4%	-	-
	Managerial	Chairman	4	39%	30%	12%	-	-
		Member		15%	11%	6%	-	-
	Administrative	Chairman	5	14%	10%	7%	-	-
		Member		7%	5%	3%	-	-
	Advisory	Chairman	5	14%	10%	7%	-	-
		Member		7%	5%	3%	-	-

2.2 Audit scope and objectives

2.2.1 The audit covered all Government-appointed bodies falling under the remit of the 19 Ministries as featuring in the 2023 Financial Estimates¹¹.

⁵ Such as the officer responsible for Corporate Services.

⁶ Other than the Commercial category, which comprises five levels as explained further in Section 3.2.5, the rest include three levels, with Level 1 representing the highest percentage capping of the public service Schedule of Grades’ salary scales.

⁷ For the Commercial appointed Boards and Committees, a scientific formula based on specific data related to total income, equivalent number of full-time employees and total asset value, whilst for the non-Commercials, eight different questions for each category, requiring replies of yes or no and/or low, medium or high.

⁸ Except for Constitutional bodies, since these are governed by a constitutional framework, which regulates the remuneration of members.

⁹ With easily accessible drop-down menus, except in the case of the Commercial category. In case of Commercial entities, the actual income, total assets and equivalent number of full-time employees are to be inserted in the preset formula.

¹⁰ The established hourly rate rather than an annual remuneration may be assigned when sittings are to be held occasionally.

¹¹ Although the audit mainly focused on 2023, when deemed necessary, information was also requested for previous years.

2.2.2 The main objectives of this audit were to assess compliance against the applicable criteria stipulated in the Manual, namely to:

- a. verify whether all Boards and Committees were categorised in accordance with the framework;
- b. check if the classification level of the Commercial category was correctly established;
- c. ascertain that remuneration paid to all members for 2023 was in line with the framework, comprising revisions to remuneration levels, payments at an hourly rate when sittings were held occasionally and Deputy Chairpersons paid two-thirds of the Chairperson's remuneration;
- d. confirm that no unauthorised disbursements of public funds were effected; and
- e. determine whether the Ministries were in conformity with the submission of the required documentation and whether approvals were duly sought from the Cabinet Office to remunerate Secretaries.

Through these objectives, NAO sought to assess the adequacy and effectiveness of the respective internal controls and to identify any possible deviations and subsequently propose practical recommendations to duly address such issues.

2.2.3 This audit also consolidated data on Government-appointed bodies active as at end December 2023, with the aim of illustrating respective informative data on their categorisation and remuneration.

2.3 Audit criteria and reference documentation

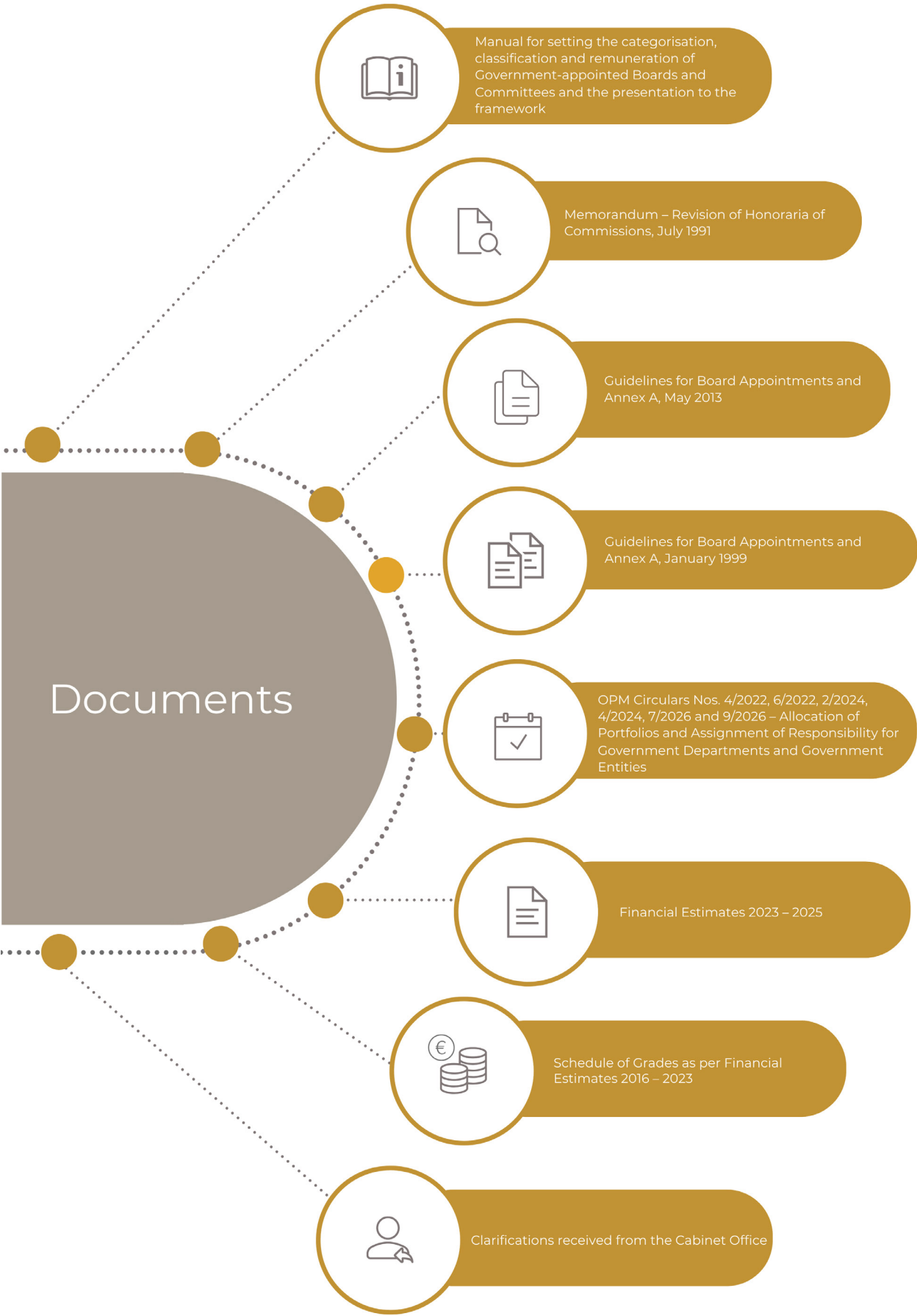
2.3.1 The criteria used for this audit were the following:

- a. *Manual for setting the categorisation, classification and remuneration of Government-appointed Boards and Committees*, which came into force as from 1 January 2017, together with the presentation explaining the said framework; and
- b. Memorandum MPO 131/91 – *Revision of Honoraria of Commissions*, dated 3 July 1991¹².

2.3.2 NAO also made reference to other documents related to Government-appointed bodies, namely two sets of guidelines issued by the Cabinet Office, circulars relating to the allocation of portfolios and the assignment of responsibilities for Government departments and entities and Financial Estimates. Clarifications obtained from the Cabinet Office were also referred to. **Figure 3** refers.

¹² A Memorandum regulating Constitutional bodies, issued by the then Management and Personnel Office within OPM.

Figure 3: List of documents referred to for the purpose of this audit



2.4 Audit methodology

- 2.4.1 In February 2024, an introductory meeting was held with the Cabinet Secretary and Director General, Cabinet Office, to discuss the role of the foregoing Office and determine what data is available at its end. Preliminary information was submitted to NAO in April 2024. Subsequently, a notification letter was addressed to the Principal Permanent Secretary, followed by a meeting with the foregoing, the Cabinet Secretary and Head of Principal Permanent Secretary's Secretariat.
- 2.4.2 In June 2024, the Cabinet Office submitted to NAO the list of Boards and Committees active as at end December 2023, grouped according to the respective Ministry.
- 2.4.3 However, details relating to the categories and/or classifications, as well as whether members were remunerated, were not always indicated in the foregoing list¹³. Thus, this information was obtained directly from the Ministries, together with additional details, including but not limited to the composition, number of sittings held, gross remuneration¹⁴ paid for 2023, any allowances and/or benefits and the data required to determine the Commercial level.
- 2.4.4 For the sake of uniformity and to streamline data collection, NAO outlined the strategic steps to be followed by the pertinent Ministries and also prepared individual spreadsheets¹⁵ to be filled in and/or corrected by the latter.
- 2.4.5 Subsequently, in July 2024, all Permanent Secretaries¹⁶, were notified about the audit and the documentation prepared by NAO was forwarded to them for the compilation of data as explained in the preceding point. Information requested was to be provided by end of August of the same year. Responses, including updated data, were received between August 2024 and February 2025.
- 2.4.6 NAO corroborated the list of Boards and Committees featuring in the responses received from the Ministries, with the list obtained from the Cabinet Office, and flagged any differences when compiling the aggregate data. An extensive exercise was also carried out to ensure that each Board or Committee featured only under one Ministry.
- 2.4.7 The remuneration¹⁷ for all members of Boards and Committees were recomputed to ensure that these were in line with the framework¹⁸. Furthermore, NAO verified the correctness of the Commercial classification level and checked that no payments were effected if sittings were not held during 2023.

¹³ According to the Cabinet Office, the information provided highly depended on the data submitted by the Ministries themselves.

¹⁴ The list submitted by the Cabinet Office did not include the applicable fees since these are frequently being updated as required.

¹⁵ Based on the data made available by the Cabinet Office and split into various categories.

¹⁶ Responsible for the Ministry as featuring in the 2024 Financial Estimates.

¹⁷ At times, the calculation of the actual gross remuneration was carried out by NAO, either since the data provided included remuneration not related to 2023, allowances and payments in addition to remuneration or only the number of sittings and established hourly rate was submitted.

¹⁸ Any differences of less than €100 were not queried upon.

- 2.4.8 In May 2025, NAO reviewed the documentation held by P&SD within OPM in respect of the remuneration of Constitutional bodies, given that these are governed by the Memorandum.
- 2.4.9 Between October 2024 and May 2025, audit queries, requests for further documentation and clarifications were sent both to the Cabinet Office and Ministries, with respective replies received during the period October 2024 and September 2025¹⁹.
- 2.4.10 The Report was sent to the Cabinet Office for its feedback on 18 June 2026, being the Office having an oversight role on all Government-appointed bodies. Moreover, this Report includes observations and recommendations which were addressed to the foregoing Office. Feedback was received on 16 July 2026.
- 2.4.11 On the same day, the Report together with the respective appendices²⁰, was also sent to the Principal Permanent Secretary and all Permanent Secretaries²¹, giving them the opportunity to submit their general feedback, which was received between end June and end September 2026.

2.5 Matters of significant importance

- 2.5.1 NAO's principal objective for this assignment was to ensure that Government-appointed bodies are in compliance with the applicable framework. Thus, adherence to the standing regulations and procedures was assessed in general. Consequently, the results reported upon may not necessarily relate to each Ministry, since this Report portrays consolidated results.
- 2.5.2 Since NAO's intention was to present a holistic view, that captures overarching trends and implications, minor observations related only to specific Boards or Committees, were not reported upon in this Report, but brought to the attention of the respective Ministries for potential improvement.
- 2.5.3 The procedures performed were limited to data gathering, clarifications sought from the responsible officers, analysis and review of the feedback obtained following NAO's queries. Information submitted by the Ministries was not corroborated against supporting documentation held at their end, such as files or minutes of meetings. Nevertheless, the evidence obtained by this Office throughout the audit provided a reasonable basis for the observations which feature in this Report.

¹⁹ Following the reply received in September, this Office had to revisit the data to feature in this Report, as well as the already compiled appendices for each Ministry.

²⁰ These were forwarded for reference purposes only.

²¹ In office in June 2026.

- 2.5.4 Even though they were included in the Cabinet Office's list provided, NAO did not check the remuneration paid to members of Boards and Committees that do not fall within the parameters of the pertinent framework²², nor those that started functioning in 2024.
- 2.5.5 Considering the circumstances, without diminishing the importance of the following fundamental points, this Office did not go into the merits of certain matters. These either fell outside the scope of the audit or were difficult to define or would necessitate separate reviews. These matters were whether members were remunerated in addition to salary from the primary Government employment²³ for work considered to form part of their official duties and thus deemed ex-officio²⁴; whether, prior to appointing new Boards and Committees, Ministries assessed existing bodies to avoid duplication of responsibilities and overlapping in functions; and whether the categorisation of Boards and Committees was correctly determined.
- 2.5.6 The classification levels of categories, other than those within the Commercial category, were taken as given by the Ministries, since the determination of such levels is considered as a subjective matter. Moreover, the issue as to whether the information submitted on Commercial Boards and Committees was correct or how the scientific formula²⁵ was calculated, fell outside the scope of this audit.

²² Namely positions regulated by a contract, Ministry's representatives, not wholly Government-appointed foundations and legal entities.

²³ Either civil servants through normal employment or as persons of trust, mainly members of Ministry private secretariat.

²⁴ An appointment is considered to be in an ex-officio capacity, and thus not remunerated, where it arises directly from the appointee's substantive position and/or responsibilities, is required by law, or is made to a subsidiary of a parent company in which the appointee is also a Chairperson or member.

²⁵ The formula used to assign the level of remuneration of the Commercial category.

Chapter 3

Other information and data

3.1 Ministries

3.1.1 Table 1 shows the 19 Ministries featuring in the 2023 Financial Estimates, together with those in place in July 2024²⁶, following the reshuffle in January 2024, which led to renaming, merging and/or incorporating of certain Ministries.

Table 1: List of Ministries

Ministries as per 2023 Financial Estimates	Ministries in place as at July 2024
Office of the Prime Minister	Office of the Prime Minister ²⁷
Ministry for Health	Ministry for Health and Active Ageing ²⁸
Ministry for the National Heritage, the Arts and Local Government	Ministry for the National Heritage, the Arts and Local Government
Ministry for Foreign and European Affairs and Trade	Ministry for Foreign and European Affairs and Trade
Ministry for Social Policy and Children’s Rights	Ministry for Social Policy and Children’s Rights
Ministry for Agriculture, Fisheries and Animal Rights	Ministry for Agriculture, Fisheries and Animal Rights
Ministry for Social and Affordable Accommodation	Ministry for Social and Affordable Accommodation
Ministry for the Economy, European Funds and Lands	Ministry for the Economy, Enterprise and Strategic Projects
Ministry for Inclusion, Voluntary Organisations and Consumer Rights	Ministry for Inclusion and the Voluntary Sector
Ministry for Transport, Infrastructure and Capital Projects	Ministry for Transport, Infrastructure and Public Works
Ministry for Gozo	Ministry for Gozo and Planning
Ministry for Home Affairs, Security, Reforms and Equality	Ministry for Home Affairs, Security and Employment
Ministry for Tourism	Ministry for Tourism and Public Cleanliness
Ministry for the Environment, Energy and Enterprise	Ministry for the Environment, Energy and Regeneration of the Grand Harbour
Ministry for Finance and Employment	Ministry for Finance
Ministry for Education, Sport, Youth, Research and Innovation	Ministry for Education, Sport, Youth, Research and Innovation

²⁶ When the notification letters were sent.

²⁷ Notification letter was also sent to the Permanent Secretary for European Funds, Equality, Reforms and Social Dialogue, within OPM.

²⁸ Two separate notification letters were sent to the Permanent Secretary for Health and Active Ageing respectively.

Table 1: List of Ministries *cont.*

Ministries as per 2023 Financial Estimates	Ministries in place as at July 2024
Ministry for Public Works and Planning	-
Ministry for Justice	Ministry for Justice and Reform of the Construction Sector
Ministry for Active Ageing	-
-	Ministry for Lands and the Implementation of the Electoral Programme

3.1.2 As a result of the changes in portfolios, a total of 58 Boards and Committees moved under the remit of different Ministries during 2024.

3.2 Government-appointed bodies

3.2.1 Based on data provided by the Ministries, there were 462 Boards and Committees as at end 2023, comprising a total of 3,901²⁹ members. Table 2 refers.

Table 2: Classification of Boards and Committees

Type	Number of Boards and Committees	Number of members
Categorised in line with the framework	361	3,054
Operating on a non-remunerative basis	74	659
Not categorised ³⁰	27	188
Totals	462	3,901

3.2.2 Figure 4 presents³¹ the 361 Boards and Committees, with at least one remunerated member. These are listed under the Ministry as per 2023 Financial Estimates. The figure also shows the total number of members, the number of remunerated members, as well as the remuneration paid for the year. This data does not include those Government-appointed bodies with all members serving on a non-remunerative basis, since the scope of the framework is to categorise and establish payments for remunerated positions. Due to incomplete information submitted, it does not cover Boards and Committees that remained uncategorised.

²⁹ This figure may include individuals sitting on more than one Board or Committee.

³⁰ This figure includes instances where it remained unclear whether the Board or Committee was to be categorised or not and cases where the Cabinet Office’s and Ministries’ views on applicability categorisation differed.

³¹ Amounts as provided to NAO by the respective Ministries.

Figure 4: Details of Boards and Committees of each Ministry

					
	Ministries as per 2023 Financial Estimates	Number of Boards and Committees in 2023	Members in 2023	Considered as remunerated members	Total remuneration for 2023
	Office of the Prime Minister	20	182	140	€733,470
	Ministry for Health	30	305	205	€281,173
	Ministry for the National Heritage, the Arts and Local Government	40	368	321	€954,656
	Ministry for Foreign and European Affairs and Trade	6	62	16	€43,759
	Ministry for Social Policy and Children's Rights	18	151	140	€231,897
	Ministry for Agriculture, Fisheries and Animal Rights	13	128	64	€118,881
	Ministry for Social and Affordable Accommodation	1	13	13	€156,377
	Ministry for the Economy, European Funds and Lands	46	312	274	€1,247,340
	Ministry for Inclusion, Voluntary Organisations and Consumer Rights	11	111	85	€323,859
	Ministry for Transport, Infrastructure and Capital Projects	19	136	104	€473,292
	Ministry for Gozo	8	90	72	€191,091
	Ministry for Home Affairs, Security, Reforms and Equality	31	237	216	€639,350
	Ministry for Tourism	11	84	81	€395,603
	Ministry for the Environment, Energy and Enterprise	27	233	180	€1,198,055
	Ministry for Finance and Employment	11	77	68	€433,148
	Ministry for Education, Sport, Youth, Research and Innovation	42	336	321	€860,870
	Ministry for Public Works and Planning	13	118	112	€540,909
	Ministry for Justice	5	29	24	€109,674
	Ministry for Active Ageing	9	82	80	€119,647
	Totals	361	3,054	2,516	€9,053,051

- 3.2.3

The total amount paid to members of Boards and Committee during 2023 amounted to circa €9.053 million. From the 19 Ministries, 7 disbursed between €500,000 and €1,247,340 covering a total of 1,564 remunerated members. The majority of these members received a fixed annual payment, irrespective of the number of sittings convened.
- 3.2.4

The data in **Figure 5** is classified according to the seven established categories, which were explained in further detail in Chapter 2.

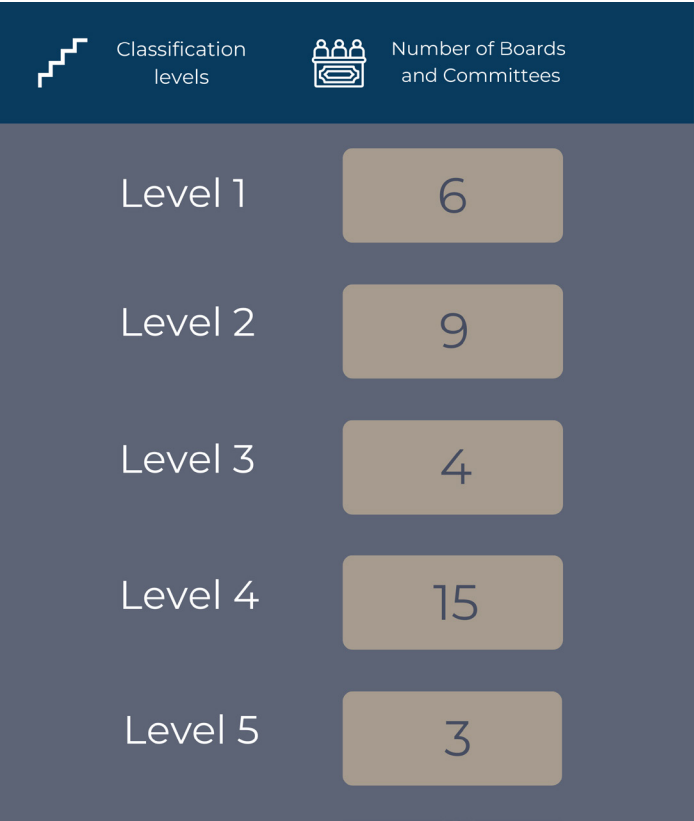
Figure 5: Information for each category

				
Categories as per Manual	Number of Boards and Committees in 2023	Members in 2023	Considered as remunerated members	Total remuneration for 2023
 Commercial	37	283	267	€1,917,095
 Constitutional	4	30	29	€306,381
 Regulatory	53	465	408	€2,476,690
 Adjudication	46	274	251	€628,251
 Managerial	58	516	450	€2,059,203
 Administrative	56	402	340	€570,052
 Advisory	107	1,084	771	€1,095,379
Totals	361	3,054	2,516	€9,053,051

- 3.2.5

Figure 6 presents the respective numbers of Government-appointed bodies in the Commercial category, as provided by the Ministries, broken down by classification level.

Figure 6: Classification of Commercial Boards and Committees



Chapter 4

Cabinet Office: observations and recommendations

4.1 Audit outcomes

4.1.1 Exceptions to the Manual not stipulated

“The new framework has been approved by Cabinet and is intended to apply to all Government-appointed Boards and Committees.”

Although, as explained by the Cabinet Office, certain Boards and Committees may be exempt from complying with the framework, such exceptions are not specified in the Manual.

4.1.2 Payment of allowances and granting of benefits

“This new framework establishes structures and remuneration levels.”

The applicable framework, as well as the related constitutional document, do not regulate the payment of allowances and granting of benefits. Even though the Cabinet Office claimed that these can be approved by the Permanent Secretary of the Ministry concerned, this was not provided for in the Manual.

4.1.3 Revision exercise not clearly explained

“Ministries should revise remuneration levels when an existing board’s term expires. The Ministry should follow the new framework and re-categorise remuneration accordingly.”

The Manual does not specify that, upon the expiry of a term, the revision of remuneration is not limited to the levels³² but should also include adjustments to the remuneration in line with the Schedule of Grades salary scales applicable for that year.

4.1.4 Hourly rates for Deputy Chairpersons not indicated

“Hourly rates have been pegged to the public service Schedule of Grades’ salary scales to reflect the technical and/or expert requirements of the Chairperson and members respectively.”

The Manual does not address situations where Deputy Chairpersons are paid at an hourly rate.

³² Each category has three levels of remuneration, except for the Commercial one which has five levels.

4.1.5 Application of salary scale not distinctly specified

“Maximum remuneration per level.”

Although the presentation to the framework refers to a maximum remuneration level, it does not clearly stipulate that the highest step of the respective salary scale, where applicable, is to be applied for calculation of the annual or hourly rates.

4.1.6 Difficulty in establishing hourly rate for Adjudication’s members

“Level 1 reserved for Judges and Magistrates.”

The hourly rates listed in the Manual for members of Adjudication Level 1 are not pegged with a particular salary scale but determined on judges’ and magistrates’ salaries and fixed allowances³³. Considering that in the presentation to the framework, the foregoing rates were based on year 2016, unless the rates are duly updated, it is difficult to establish the revised applicable hourly rate for any subsequent term.

4.1.7 Specific criterion to the assessment and monitoring

“A Standing Committee chaired by Cabinet Office and composed of a representative from the People and Standards Division and a representative from the Ministry for Finance will meet periodically to assess and monitor, on a sample basis, the categorisation, classification and remuneration of newly set-up and revised boards as established by Ministries.”

Considering the highlighted criterion, the Manual only addresses the assessment and monitoring of newly set-up and revised Boards and Committees, which may lead to gaps in the overall assessment and monitoring process of Government-appointed bodies.

4.1.8 Outdated Memorandum

“The revised remuneration as proposed above with effect from 1 January 1991.”

The remuneration to members of the four Commissions established by the Constitution was originally based on recommendations raised in the Memorandum to Cabinet Office back in 1991. Although increases, traced to documentation held by P&SD, were granted over the years, these were not formalised through one consolidated updated document but remained fragmented.

³³ This notwithstanding that as per Cabinet Office’s clarifications, there is no obligation to appoint judges and magistrates in such circumstances.

4.2 Proposed actions

The following recommendations, directed towards Cabinet Office, are intended to ensure fairness and transparency, address the gaps in the pertinent Manual, as well as avoid any misinterpretation of the applicable framework.

4.2.1 General recommendations

- a. NAO strongly recommends revising the pertinent Manual to address the misconceptions identified during the audit. The updated document is to also incorporate requirements that were previously included only in the presentation to the framework.
- b. Guiding provisions with application adapted according to the categorisation of the Board or Committee, namely the optimal size of Government-appointed bodies, i.e., the number of members, and the adequate frequency of sittings, may be incorporated in the updated Manual.
- c. It is recommended that the Manual specifies that Ministries are to provide justifications prior to forming new Government-appointed bodies, as well as that the nominee's expertise required and the commitments associated with the appointment, were taken into consideration.
- d. The policy on non-payment of remuneration in the absence of sittings is to be clarified.
- e. The revised Manual is to specify that, when determining the classification level of a Commercial body, only data pertaining to the respective Board or Committee should be considered, i.e., data from subsidiaries should be excluded. Additionally, appropriate checks are to be carried out upon submission of this data.
- f. The Manual is to emphasise that all requests for payment to the Board Secretary are to be invariably sent to the Standing Committee and payments should not be effected without its approval.

4.2.2 Recommendations related to observations

- a. To avoid possible deviations and misinterpretations, the Manual should define the circumstances under which Ministries may be exempted from adhering to the framework in force, while clarifying that, in such cases, the framework is still to be referred to as guidance.
- b. The revised Manual and Memorandum are to clearly stipulate under which conditions the payment of allowances and granting of benefits are applicable. If exceptions for additional compensation are justified, these are to be formalised, to avoid discretionary decisions, which may result in inconsistencies and unfairness.
- c. Apart from specifying that remuneration levels are to be revised when an existing Board or Committee's term expires, the Manual is to indicate that upon reappointment, the salary scales applicable for that year are to be applied.

- d. The Manual is to address the payment of remuneration to Deputy Chairpersons based on an hourly rate, in cases where the sittings are held occasionally.
- e. The revised Manual is to clearly indicate which step of the applicable salary scale is to be used when calculating remuneration, both for annual payments and hourly rates.
- f. The hourly rate payable to members of Adjudication Level 1 is to be regularly updated.
- g. To ensure comprehensive coverage and consistent application of the assessment and monitoring framework, the respective criterion is to be reviewed and enhanced and will be also applicable to existing Boards and Committees.
- h. The Memorandum for Constitutional bodies is to be revised to reflect developments and changes that have occurred over the years.

Chapter 5

Ministries: observations and recommendations

5.1 Audit outcomes

5.1.1 Allowances and benefits in addition to stipulated remuneration

“The remuneration of the 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.”

According to Ministries’ information made available to NAO, in 2023, a number of members³⁴ pertaining to different Ministries received allowances and/or benefits in addition to the stipulated remuneration. These allowances and/or benefits are not provided for in the Manual or in the Memorandum regulating Constitutional bodies. The Cabinet Office confirmed that the Standing Committee neither discusses nor decides upon requests for such payments to members of the Boards and Committees.

Allowances paid and benefits granted included, amongst others, expense allowances, health insurance³⁵, communication allowances, car allowance, fuel allowances and mobile expenses. NAO requested from the Ministries the aggregate of allowances and benefits as from their year of initiation up to end 2023. According to information obtained, over €580,000 was disbursed for allowances in addition to the respective remuneration. Since data received was not exhaustive, NAO considers this figure to be on the conservative side.

5.1.2 Remuneration not revised upon term’s expiry

“Ministries should revise remuneration levels when an existing board’s term expires.”

Upon reappointment³⁶ of Boards or Committees across various Ministries, the respective member’s remuneration was not always revised according to the pay scales of the applicable year, thus resulting in inaccurate payments. In a number of these cases, the remuneration was still pegged to the 2016 salary scales³⁷, rounded to the nearest thousand.

³⁴ In the majority, at Chairmanship’s level.

³⁵ At times, the beneficiary included also the spouse or partner.

³⁶ Term of appointment or reappointment of all Boards and Committees, determining the basis of remuneration for 2023, were obtained from the Cabinet Office.

³⁷ Being the remuneration listed in the respective presentation to the framework.

5.1.3 No requests for remuneration to Board Secretaries

“Requests for remuneration to Board Secretaries would be assessed on an ad hoc basis. However, Ministries are encouraged to utilise internal resources for secretarial duties of an administrative nature.”

In the majority of cases reviewed³⁸, copies of the requests for approval from the Cabinet Office to cover remuneration³⁹ to Secretaries, were not provided to NAO, even though the former Office confirmed that these could be obtained from the Ministries themselves.

5.1.4 Fixed remuneration paid instead of hourly rate

“When a board meets occasionally (for example, once every quarter) rather than on a regular basis, it would be more appropriate to set remuneration which is based on the number of hours that a particular board will be dedicating to meetings.”

NAO noted instances when sittings were held occasionally⁴⁰ but the respective members were paid a fixed remuneration rather than at an hourly rate. Furthermore, in a few cases, members received an annual remuneration, even though no formal meetings were convened in 2023. In a couple of instances, the number of sittings was not specified in the documentation provided by the respective Ministry, thus NAO could not verify the validity of the remuneration paid.

5.1.5 Boards and Committees not categorised in line with the Manual

“Permanent Secretaries are being delegated the responsibility to establish the categorisation, classification and remuneration of boards which fall within their respective Ministries.”

A number of Boards and Committees across different Ministries were not categorised and classified accordingly⁴¹. In such cases, apart from the number of sittings held and the amount of remuneration paid, no other pertinent information was included in the documentation provided; consequently, NAO could not verify the rates applied and the remuneration paid.

From the limited information given to this Office, it was concluded that just over €500,000⁴² was paid for 2023 to the remunerated members.

³⁸ For at least one Secretary, from each Ministry, NAO requested copies of approval indicating the respective amount that was to be paid.

³⁹ The remuneration, if approved, is established by the Standing Committee following assessment of the duties and responsibilities of the Secretary. In most instances, the Board Secretaries were receiving the same remuneration as the other members of the respective Board or Committee.

⁴⁰ In 2023, the Board or Committee was convened once or twice a year.

⁴¹ The Cabinet Office confirmed that since 2022, new Boards and Committees could only be appointed once the categorisation, classification and the remuneration had been determined in advance.

⁴² Does not include payment of allowances and granting of benefits, if any.

5.1.6 Manual not applied

“This framework is intended to enter into force as from 1 January 2017. Line Ministries are to start utilising this manual, procedures contained within and categorisation, classification and remuneration levels accordingly.”

The members of Boards and Committees within different Ministries, were either remunerated in line with manuals, circulars and guidelines which were no longer in force, or in accordance with directions received⁴³ differing from the pertinent framework. This notwithstanding that at times the Government-appointed bodies in question were reported by the Ministries as categorised in accordance with the Manual.

5.1.7 Incorrect classification levels of Commercial bodies

“The Commercial category, unlike the other categories, has five levels of remuneration for this Category on the basis of a scientific formula for assigning a level of remuneration based on these three factors:

- a. Entity’s Income*
- b. Number of Employees*
- c. Total Assets Value.”*⁴⁴

To verify correctness of classification levels, NAO requested the Ministries under which all Boards and Committees categorised as Commercial fell, to submit the data which was used to identify the respective class level. According to the information made available, a few classifications were incorrectly determined by different Ministries, thus overstating the remuneration paid to the members sitting on the Board or Committee. Furthermore, a small number of Ministries did not submit the necessary information for audit purposes.

5.1.8 Required documentation not submitted

“All Ministries have to submit the following information to the Cabinet Office for each new board or revision:

- a. Any legal framework regulating the Board. If such a legal framework does not exist, detailed terms of reference outlining the role, duties and responsibilities of the Board and/or Committee are to be submitted;*
- b. Estimated number of sittings to be put in by the board per month;*
- c. Remuneration structure as established after completing the checklist. Detailed justification/s for each score as proposed in the checklist needs to be submitted with the document itself.”*

⁴³ Mainly from the Permanent Secretaries.

⁴⁴ This information has to be obtained from the latest audited financial statements or in case of new entities, from the most recent estimates. Furthermore, when defining the number of employees, the Ministry should translate all employment in full-time equivalent.

Considering that the list of Boards and Committees maintained by the Cabinet Office was not complete, it cannot be excluded that the required information was not always submitted to the latter. In fact, in the majority of cases, the documentation⁴⁵ stipulating the estimated number of sittings was not always submitted to NAO by the responsible Ministries⁴⁶. Furthermore, various Ministries confirmed that they did not inform the Cabinet Office about the established category of particular Boards or Committees.

5.1.9 Deputy Chairpersons underpaid

“The Remuneration of a Deputy Chairperson should be set at two-thirds of the non-executive Chairperson’s honorarium.”

Deputy Chairpersons sitting on Government-appointed bodies falling under the responsibility of different Ministries, were not paid their full entitlement; they were either paid the same amounts as the other members of the Board or Committee, or the equivalent of 50% of the Chairperson’s entitlement.

5.2 Proposed actions

In light of the need to control public spending, ensure equal treatment and promote uniformity, the following recommendations and actions are being proposed.

5.2.1 General recommendations

- a. Responsible officers are to be well-versed with the provisions of the Manual and other related documentation.
- b. Thorough reviews and rectification exercises are to be conducted by Ministries to immediately address the highlighted anomalies.
- c. Prior to issuing directions differing from the Manual, Permanent Secretaries or other responsible officers are to obtain approval from the Standing Committee. To ensure reliable audit trail, any approvals are to be in writing and retained for future reference.
- d. Every effort is to be made to regularly update data⁴⁷ relating to all Government-appointed bodies and ensure that it is readily available.
- e. Any queries and communication should be invariably directed to the Cabinet Office to ensure consistency in all decisions taken.
- f. Internal monitoring and follow-up exercises are to be undertaken to address the observations identified in this Report.

⁴⁵ Requested at least for one Board or Committee from each Ministry. Also, NAO did not request information from the respective Ministry when the required number of sittings was not indicated in the original data submitted by the latter.

⁴⁶ Testing was limited to obtaining a copy of the required documentation from the responsible Ministry itself.

⁴⁷ Such as the composition, whether remunerated or not, category and classification level.

5.2.2 Recommendations related to observations

- a. Payments of allowances and granting of benefits to members sitting on Government-appointed bodies should not be effected, unless expressly provided for in the Manual or otherwise authorised by the Cabinet Office.
- b. Remuneration rates should be fixed for the duration of each Board or Committee term, with a formal review to be undertaken at the end of each term to ensure periodic reassessment.
- c. Ministries are to ensure that Secretaries are not remunerated unless approval is granted by the Standing Committee.
- d. Remuneration should be supported by verifiable evidence of meetings held and processed in accordance with the applicable methodology in the Manual, including the use of hourly rates for occasional sittings. Furthermore, as also verbally confirmed by the Cabinet Office during the audit, no payments should be processed if no meetings are held during the relevant year.
- e. An exercise is to be carried out to identify those Boards and Committees with at least one remunerated member, which are still not categorised and classified.
- f. A structured process should be in place to ensure that all remuneration payments are consistently mapped to the applicable framework, category and classification.
- g. Classification levels are to be in accordance with the source of data⁴⁸, which information is to be readily accessible ensuring auditability for both internal and external reviews.
- h. Ministries should strengthen administrative processes to ensure timely submission and completeness of the required documentation.
- i. A standardised calculation methodology should be applied for Deputy Chairpersons' remuneration, ensuring alignment with the established procedure.

⁴⁸ The latest audited financial statements or in case of new entities, the most recent estimates.

Chapter 6

Feedback received

6.1 Cabinet Office

This chapter first sets out the Cabinet Office's summarised feedback, addressing both the general points and comments related to observations. This is followed by additional feedback submitted, relevant to other parts of the Report, including actions recommended to be taken by Ministries.

6.1.1 Related to general points

- a. Requirements which were only available in the presentation complementing the framework have been included in the Manual.
- b. The Cabinet Office will have the authority to propose a different configuration to new and existing Boards and Committees. Safeguards regarding the number of members sitting on Boards and Committees have been included in the Manual. The number of members composing the Board or Committee must be kept to a minimum and determined according to the category, classification and functions of the Government-appointed body. Where the proposed configuration exceeds what is considered necessary, the Cabinet Office may direct the responsible Ministry to amend it. Such modifications ensure that the composition remains appropriate to facilitate their effective functioning. Furthermore, text has been added to the Manual regarding the number of sittings that should reflect the category, classification and proposed remuneration level.
- c. The safeguard regarding the creation of new Boards and Committees has been strengthened as the updated Manual requires Ministries to seek the approval of the Cabinet Office in order to establish a new one. If it is found impossible to assign additional functions to an existing Government-appointed body, Ministries may seek the authorisation of the foregoing Office to set up a new one, which requests must include a number of requirements. Ministries shall also adopt a prudent approach during the drafting of new legislation which may entail the creation of new Boards and Committees.
- d. A provision has been added in the *Code of Ethics for members of Boards and Committees in the Public Sector* to regulate the non-payment of remuneration in the absence of sittings.
- e. Text has been added to the Manual to specify that details provided by Ministries in relation to the classification and remuneration of Commercial bodies should not include information pertaining to subsidiaries which are represented by a separate Board.

- f. The updated Manual requires Ministries to seek the approval of the Standing Committee only in those cases where the remuneration level of the Secretary would exceed the remuneration of members. Further stating that Ministries are encouraged to utilise internal resources for secretarial duties of administrative nature, wherever possible.

6.1.2 Related to observations

- a. The Manual has been updated to include exemptions for Boards and Committees whose remuneration is specifically determined by law, and those which adopt specific procedures, e.g., payment-per-case basis, to fulfil 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 the Manual as much as possible.
- b. The comment regarding exceptions has been noted. The Cabinet Office maintains that the Manual focuses on the procedure for the categorisation and classification of Government Boards and Committees. In this respect, the Manual should not be used to create a formal procedure to deviate from the very same procedures established by the Manual.
- c. Text stating that the salary scales applicable at the time of reappointment should apply and remuneration shall remain fixed for the whole duration of the term, has been added to the Manual.

Moreover, a new provision has been added in the Manual to clarify that revised remuneration levels only start to apply following the completion of the categorisation and classification of the Board or Committee as approved by the Cabinet Office. The updated Manual specifically prohibits the payment of remuneration retrospectively.

- d. The Manual has been updated to state that 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.
- e. The revised Manual also clarifies that any reference to the Public Service Schedule of Grades' salary scales should be interpreted as the maximum step in the salary scale.
- f. The remuneration of members of the judiciary is revised every year and the Cabinet Office will start to communicate the new rates at the beginning of each year.
- g. The Standing Committee will no longer assess and monitor the categorisation, classification and remuneration levels of newly set-up and revised Boards and Committees on a sample basis. It will assess all requests for categorisation, classification and remuneration levels of new Government-appointed bodies and all requests for reviews of the category, class and remuneration levels of existing Boards and Committees.

The new oversight functions of the Standing Committee have been added to the Manual namely to include the possibility of verifications on the existing categorisation, classification and remuneration awarded to Boards and Committees.

- h. A consolidated and updated version of the Memorandum for Constitutional bodies will be presented to the Cabinet at a later stage.

6.1.3 Related to Ministries' observations and recommendations

- a. Verifications were carried out by the Cabinet Office on each of those Boards and Committees where it remained unclear whether they were to be categorised or not and cases where the foregoing Office's and the Ministries' views on applicability categorisation differed. It resulted that a number of these Boards and Committees have been categorised and classified in accordance with the Manual. Furthermore, others ceased to exist, have been merged or provided justifications as to why they were paid differently. An amendment to the Manual caters for such exemptions, as well as provides guidance on the procedure to be adopted by Ministries to determine the remuneration of sub-committees.
- b. Regarding NAO's recommended exercise for Ministries to identify those Boards and Committees which are still not categorised and classified, but with at least one remunerated member, in the Cabinet Office's feedback it was stated that by March 2026 it had concluded the categorisation, classification and determination of remuneration levels of all Government-appointed bodies.
- c. To facilitate the process that all remuneration payments are consistently mapped to the applicable framework, category and classification, the Cabinet Office will provide a list of Boards and Committees pertaining to each Ministry to all Permanent Secretaries. The list will show the category, classification and remuneration level of each Board and Committee. It will be shared at the beginning of a new legislature, upon the appointment of a new Permanent Secretary or a change in ministerial responsibilities.

6.2 Ministries

This section includes the summarised feedback received from 11 Ministries reflecting a range of views, comments and considerations in relation to the observations raised in the Report.

- a. One of the Ministries confirmed that it is in agreement with the proposed way forward. It stated that following this audit, the Ministry had already started to implement improvements from its end on the way of appointment and management, in principle aligned with NAO's recommendations. For further improvement, the Ministry fully supported the need of a government-wide updated Manual and guidelines by Cabinet Office, to ensure harmonisation, proper alignment and written instructions from which Ministries can be clearly guided.

The Ministry stated that the updated Manual is to ideally provide more insight on the minimum number of sittings to be attended in order for members to receive the fixed annual payment. Moreover, it is to clearly indicate which point of the applicable salary scale should members be

paid, the appointment process of Secretaries, a harmonised method to determine the attendance of members throughout the year and clearer identification of hourly rates of payment. Proper training should also be delivered to all Ministries' appointed bodies liaison officers on the revised Manual.

Feedback was also received on specific comments which were submitted to the Ministry, mainly stating that the identified incorrect remuneration rate has been already updated or will not be renewed due to recent termination. Moreover, this Ministry stated that Boards and Committees which do not meet at all throughout the entire quarter and/or year will not be paid. However, it was highlighted that it needs clarification on those with a fixed yearly rate but who do not satisfy the minimum number of meetings required.

- b. Another Ministry pointed out that the Manual, whilst detailing and setting up a framework for remuneration, is a set of guidelines meant to guide the administration. These guidelines are not meant to remove the possibility of adjusting and adapting in a reasonable manner to the actual duties and responsibilities which need to take cognisance of tangible and proportionate differences that exist between Boards and Committees. Taking a one-size-fits-all approach would be doing a disservice to the whole exercise and to the responsibilities and requirements of each Government-appointed body.

The Ministry agreed on the recommendation for the Memorandum for Constitutional bodies to be revised to reflect developments and changes that have occurred over the years in order to be kept regularly updated to maintain its relevance.

As regards to the observations made on Government-appointed bodies falling within the Ministry's portfolio, it took note of the observations and recommendations and shall ensure that responsible officers are well-versed with the provisions of the Manual and that any anomalies highlighted will be addressed accordingly.

In this respect, the Ministry stated that it has already issued a communication to all Secretaries to emphasise the fact that attendance records should be maintained for all meetings and sittings. Furthermore, a review and rectification exercise is underway to correct the anomaly in the remuneration of Deputy Chairpersons and members in accordance with the Manual and in case of any queries and/or difficulties or any directions these will be addressed to the Cabinet Office and Standing Committee respectively.

- c. Feedback provided by a Ministry in relation to the Boards and Committees listed in the appendices has been consolidated where similar points were raised. The Ministry indicated that it had initiated a comprehensive verification exercise, including a detailed reconciliation of the remuneration paid against the applicable provisions of the Manual, relevant Cabinet decisions, enabling legislation, appointment letters and any other applicable approvals. Where discrepancies or inconsistencies are identified, the necessary corrective measures, including amendments to remuneration arrangements, strengthening of internal procedures or enhancement of record-keeping practices, will be implemented without delay.

Furthermore, internal records will be updated to ensure that future remuneration is processed in full conformity with the established governance framework and that adequate supporting documentation is retained for audit purposes.

The Ministry also confirmed that the necessary process to regularise the remuneration of Secretaries has already commenced. Also, part of the verification exercise is to ensure that all payments are supported by the appropriate approval mechanism.

- d. A further Ministry provided feedback specifically in relation to the Boards and Committees set out in the appendices, explaining that the observations related to allowances and benefits have been addressed. It was further stated that any discrepancies in salary structure and payments to Deputy Chairpersons were rectified and provided explanations on the categorisation and classification of the respective Boards and Committees.
- e. Another Ministry's feedback was related specifically to the Boards and Committees listed in the appendices. Among the points raised in the feedback, it was noted that remuneration will be revised in accordance with the 2026 updated pay scales upon expiry of the term. Moreover, it was stated that unless the Secretary holds the ex-officio position, such appointment shall be subject to confirmation by Cabinet Office alongside the appointment of the other members. With respect to another Board, it was also confirmed that this was categorised accordingly and that a legal notice was introduced for the necessary remuneration amendments.
- f. According to feedback received from a Ministry, specifically related to the Government-appointed bodies listed in the appendices, detailed reviews were conducted to calculate and correct the remuneration rates in line with the Manual and applicable Schedule of Grades. Also, upon reappointment, remuneration to secretaries will be in full compliance with the Manual. It was further stated that the section laid out in the Manual published in July 2026, which refers to internal boards and sub-committees, will be duly followed.
- g. Another Ministry submitted its comments to the issues identified in the appendices. It was stated that the Chairpersons are no longer receiving any allowances and this will apply for future appointments. It was further clarified that the Ministry is working towards alignment with the revised Manual mainly by updating of remuneration to members, payments to Secretaries, as well as categorisation and classification of the Boards and Committees.
- h. A Ministry submitted clarification regarding two matters, namely the classification level of a Commercial Board, which respective reassessment has been completed and the non-adherence to the provisions of the Manual, due to an approval that remuneration should be handled on an ad hoc basis.
- i. Similar feedback was received from two Ministries, indicating that they took note of NAO's recommendations as and where applicable, with every effort to ensure alignment, where required, with the applicable guidelines regulating the formation and composition of Boards and Committees.
- j. A Ministry confirmed that the comments raised have been carefully noted and duly taken on board, as well as considered for any appropriate follow-up action.

Chapter 7

Concluding remarks

- 7.1 During the meeting held on 10 July 2024, the Cabinet Secretary had indicated the intention to revise the Manual applicable at the time. In fact, on 22 July 2026, following the submission of this Report to the Cabinet Office on 18 June for its feedback by 10 July, a revised Manual was tabled in the House of Representatives. This was a step in the right direction to address a number of observations raised in this Report related to Government-appointed bodies.
- 7.2 As per respective press release, the revision was based on the experiences and needs that emerged during an extensive process carried out over several years, across the public administration. This revision is complemented by an extensive update to the *Code of Ethics for Members of Boards and Committees in the Public Sector*. Both revisions also reflect several recommendations made by NAO as part of this audit.
- 7.3 In August 2026, NAO was informed by the Cabinet Office of the number of Government-appointed bodies that had been struck off from the list of operational ones. This following a process that was initiated in 2023 to update records, consolidate the work of existing Boards and Committees and cancel those that were no longer necessary, which could contribute to a reduction in expenses.
- 7.4 Credit is also to be given to those Ministries that promptly took the initiative to address observations highlighted by NAO, even before this Report was sent for their feedback.
- 7.5 In line with its present policy, this Office may conduct a follow-up audit in due course, to monitor the implementation of these recommendations.
- 7.6 NAO conveys its sincere appreciation to the Director General, Cabinet Office, and officers in various Ministries, for their time, support and cooperation, as well as for facilitating and contributing to the audit process. This Office acknowledges that at times, officers had to perform a laborious exercise to provide information that was not readily available.

2025-2026 (to date) Reports issued by NAO

NAO Annual Report and Financial Statements

July 2026	National Audit Office Annual Report and Financial Statements 2025
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NAO Audit Reports

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October 2025	A review of Malta's climate action using the ClimateScanner framework
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