



Commissioner for Standards
in Public Life



Annual Report for 2022

*Issued in accordance with article 25
of the Standards in Public Life Act*

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1 Introduction

1.1 The Commissioner for Standards in Public Life

The Standards in Public Life Act of 2017 (chapter 570 of the laws of Malta) came into force on 30 October 2018. In terms of this Act the Commissioner for Standards in Public Life is appointed by the President of Malta on the basis of a parliamentary resolution passed with the support of at least two thirds of all members of the House of Representatives.¹ The Commissioner is appointed for a single term of five years.

Dr George Marius Hyzler took his oath of office as the first Commissioner for Standards in Public Life on 12 November 2018.

Dr Hyzler resigned as Commissioner with effect from 30 September 2022 in order to take up the role of member of the European Court of Auditors, following his nomination to this body by the government of Malta and the acceptance of his nomination by the European Parliament and Council.

The office of Commissioner for Standards remained vacant during the remainder of 2022, which is the year under review in this report. However, Chief Justice Emeritus Dr Joseph Azzopardi was appointed Commissioner on 8 March 2023.

1.2 The role of the Commissioner

The main functions of the Commissioner under the Standards in Public Life Act are the following:

- investigating the conduct of persons who are subject to the Act, either on his own initiative or on the basis of a complaint;
- examining declarations of assets and financial interests filed by persons who are subject to the Act; and
- making rulings, at the request of persons subject to the Act, on whether an action they propose to take would be contrary to their ethical obligations under the Act (“negative clearance”).

¹ In January 2023 the Act was amended so that if a two-thirds majority is not attained in support of any candidate after two votes, a third vote would be held in which a simple majority would be sufficient for the resolution to pass.

1.3 Who is subject to the Act?

The Standards in Public Life Act applies to members of the House of Representatives (including ministers and parliamentary secretaries) and persons of trust. The Act defines the term “person of trust” to mean:

- persons who are engaged from outside the public administration to serve as consultants and staff in the private secretariats of ministers and parliamentary secretaries;
- persons engaged on trust to fill posts in the public administration that remain vacant following repeated public calls for applications; and
- any other persons engaged under article 6A of the Public Administration Act.

The Act obliges members of Parliament and persons of trust to observe rules of ethical conduct. The Act itself sets out two codes of ethics: one for members of Parliament, which appears as the first schedule to the Act, and one for ministers and parliamentary secretaries, which appears as the second schedule. Ministers and parliamentary secretaries are bound by both codes.

The Standards in Public Life Act does not include a code of ethics for persons of trust. Instead, it makes them subject to the code of ethics for public employees that appears in the Public Administration Act (chapter 595 of the laws of Malta).

1.4 Annual reports under the Act

Article 25 of the Standards in Public Life Act states that “The Commissioner shall at least annually or as frequently as he may deem expedient report to the House of Representatives on the performance of his functions under this Act. Each such report shall be submitted to the Speaker of the House of Representatives and the Speaker shall lay each such report before the House of Representatives at the first available opportunity.”

This report has been prepared for the purposes of article 25 of the Act and covers the activities of the Commissioner and his office during 2022.

2 Complaints and Investigations

2.1 The Commissioner's investigative role

The Commissioner for Standards in Public Life can consider whether **members of Parliament**, including **ministers and parliamentary secretaries**, have:

- acted in breach of the law;
- broken any ethical or other duty set out by law, including the applicable code of ethics in the Standards in Public Life Act; or
- exercised discretionary powers in a way that constitutes an abuse of power.

The Commissioner can consider whether **persons of trust** have broken the code of ethics set out in the Public Administration Act.

The Commissioner can start an investigation on his own initiative or on receipt of a complaint. Any person can submit a complaint to the Commissioner. Complainants do not need to be personally affected by the matter they complain about.

However, the Standards Commissioner cannot investigate cases that occurred before 30 October 2018 – the date on which the Standards in Public Life Act came into force. Nor can he investigate a complaint if it is made more than thirty working days after the complainant came to know of the actions giving rise to the complaint, or more than one year from when those actions occurred (whichever date is earlier).

Furthermore, the Commissioner cannot investigate cases that are the subject of legal proceedings or that are already under investigation by the police.

2.2 How the Commissioner handles complaints

The first step the Commissioner takes on receiving a complaint is to carry out a preliminary review to determine whether it can be investigated in terms of the Act. In many cases this can be determined immediately. In other cases preliminary inquiries may need to be made – for instance, to find out whether the alleged misconduct can be attributed to a person who is subject to the Act.

If the Commissioner decides that a complaint is not eligible for investigation under the Act, he will inform the complainant accordingly and give reasons for his decision.

If the Commissioner decides to investigate a complaint, he will open an investigation. The Commissioner has the power to demand the production of documents. He can also summon witnesses to give evidence unless, by doing so, they would expose themselves to criminal prosecution. The Act sets out penalties for persons who refuse to cooperate with the Commissioner in the course of an investigation.

If the Commissioner finds from his investigation that a *prima facie* breach of ethics or breach of a statutory duty has occurred, he can follow one of two avenues. The first is to report his opinion to Parliament's Standing Committee for Standards in Public Life. This body is made up of two members of Parliament from the government side and two from the opposition, and it is chaired by the Speaker. If the Committee agrees with the Commissioner's findings, it can take remedial action as contemplated in the Act.

Alternatively, if the Commissioner finds that the breach was not of a serious nature, he can, following an admission of the charge, grant the person investigated a time limit within which to remedy the breach, for instance by making an apology. The Commissioner will close the case if the remedy is carried out to his satisfaction. This option, which emerges from article 22(5) of the Act, enables cases to be concluded more quickly than if they are referred to the Standing Committee for Standards in Public Life.

The Commissioner can also refer cases to the police or the Attorney General if it appears to him that crimes or corrupt practices have been committed. In addition, the Commissioner can refer cases to other authorities if he considers this appropriate.

2.3 Publication of reports by the Commissioner

On 2 April 2019 the Standing Committee for Standards in Public Life agreed, on the basis of a memorandum prepared by the Commissioner, that:

- if the Commissioner decides that a complaint does not merit investigation, he should inform the complainant accordingly but should not publicise his decision to this effect;
- if the Commissioner investigates a complaint but finds no breach of ethics, he should prepare a report on the case which he should forward to the complainant and the person investigated, and which he may also publish;
- if the Commissioner finds a breach of ethics but closes the case under article 22(5) of the Act, he may publish his case report in addition to forwarding it to the complainant and the person investigated;
- if the Commissioner finds a breach of ethics and refers the case to the Committee for its own consideration, it should be up to the Committee to decide on the publication of the case report. In this case the Commissioner should simply inform the complainant as well as the person investigated that he has concluded his report and submitted it to the Committee.

It is the Commissioner's policy that where he is empowered to publish a case report, he should as a general rule do so in order to be as transparent as possible. However, he reserves the right not to publish a report or to publish it in redacted form if he considers this necessary in the circumstances of a particular case.

2.4 Complaints

2.4.1 Status of complaints

The Commissioner for Standards in Public Life received 137 complaints over the period from 30 October 2018 (when the Standards in Public Life Act came into force) to 31 December 2022. The status of these complaints as on 31 December 2022 is shown in Table 1 below.

Table 1: Complaints received, resolved and pending as on 31 December 2022

Complaints received	137
Complaints closed	118
Of which: Found ineligible for investigation	75
Withdrawn by complainant	1
Investigated and concluded	42
Complaints pending	19
Of which: Under/awaiting preliminary review	9
Under investigation	–
Investigation suspended	10

2.4.2 Status of complaints 2020–2022

Table 2 gives a breakdown of the same data for the year under review and the preceding two years.

Table 2: Complaints received, resolved and pending, 2020–2022

	2020	2021	2022
Complaints outstanding at start of year	11	16	18
New complaints received	41	41	26
Total number of outstanding and new complaints	52	57	44
Complaints closed	36	39	25
Of which: Found ineligible for investigation	23	25	20
Withdrawn by complainant	1	–	–
Investigated and concluded	12	14	5
Complaints pending at end of year	16	18	19
Of which: Under/awaiting preliminary review	4	12	9
Under investigation	7	6	–
Investigation suspended	5	–	10

Of the nine complaints listed as under or awaiting preliminary review at the end of 2022, two had been received while Dr George Hyzler was still serving as Commissioner for Standards, but a decision whether or not to investigate these complaints had not yet been taken by the time his term as Commissioner came to an end.

The remaining seven complaints were received over the period October–December 2022, that is to say when Dr Hyzler was no longer in office. The complainants were informed by the Office of the Commissioner that their complaints would be referred to the new Commissioner upon his or her appointment.

2.4.3 Complaints under investigation on 31 December 2022

A total of ten complaints were under investigation at the time of Dr Hyzler's departure from office on 30 September 2022. At the time, the investigation of one complaint was formally suspended as required by article 13(3) of the Act since a magisterial inquiry was under way concerning the same matter. The remaining nine complaints were actively under investigation.

Work on pending investigations ceased following Dr Hyzler's departure from office because the staff of the Commissioner's office were not authorised in terms of the Act to pursue investigations in the absence of a Commissioner. For this reason the status of all complaints still under investigation on 31 December 2022 is shown as suspended in Tables 1 and 2.

2.4.4 Ineligible complaints

Table 3 below indicates on what grounds complaints were found ineligible for investigation during 2022, with comparative data for the preceding two years.

Table 3: Reasons why complaints were found ineligible for investigation

<i>Reason</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>
Complaint concerned person not subject to Act	3	6	5
Complaint concerned actions that did not amount to misconduct in terms of Act	9	11	2
Complaint was time-barred	2	3	1
Complainant was anonymous	1	1	1
Complaint was trivial	1	1	1
Complaint fell within remit of another authority	4	2	7
More than one reason	3	1	3
Total number of complaints found ineligible for investigation	23	25	20

The most important reasons why complaints were found ineligible for investigation during 2022 are because they fell within the remit of another authority, or they concerned persons who were not subject to the Standards in Public Life Act.

Examples of complaints that were adjudged by the Commissioner during 2022 as falling within the remit of another authority include complaints about the re-issue of a call for tenders; electoral advertising on the day of the general election, which was held in March 2022; and the use of a private residence as a constituency office. These complaints were considered as falling within the remit of, respectively, the competent authorities in the field of public procurement; the police; and the planning authority. These complaints were dismissed in keeping with the Commissioner's policy that he should not usurp the role of other state authorities. This issue is discussed further in section 3.3 of this annual report.

Examples of persons about whom the Commissioner received complaints during 2022, but who were not subject to the Act, include a member of the European Parliament and a Commissioner for Justice, that is to say a person who decides minor cases before a regional tribunal. Complaints against government entities were also dismissed as ineligible for investigation under this heading since the Commissioner has no jurisdiction over public employees in government entities (unless they happen to be persons of trust as defined by the Act).

2.5 Investigations

2.5.1 Investigations concluded 2018–2022

Table 4 summarises the outcome of investigations concluded by the Commissioner from his appointment in November 2018 up to his resignation on 30 September 2022. Since all investigations still open were suspended after this date, the figures remained unchanged as on 31 December 2022.

Table 4: Outcome of investigations – totals, 31 December 2022

<i>Outcome</i>	<i>Number of investigations</i>	<i>Corresponding no. of complaints</i>
Case referred to Parliament's Standards Committee	7	8
Case referred to other authorities	–	–
Case resolved by the Commissioner	9	10
Case report dealt with practices rather than individuals	3	3
Investigation was inconclusive	3	3
No misconduct found	15	18
Total number of investigations concluded	37	42

As this table shows, the number of investigations concluded does not necessarily correspond to the number of complaints closed after investigation. The Commissioner might receive more than one complaint about the same matter, in which case he would open a single investigation covering all related complaints.

Conversely, the Commissioner might start an investigation on his own initiative in the absence of a complaint. It was the Commissioner's policy to do so only in cases that appeared particularly serious in nature, and throughout his time in office he started only two own-initiative investigations. In each of these cases, however, the Commissioner received a complaint about the same matter shortly after starting his investigation. Thus own-initiative investigations did not contribute to the divergence between the number of investigations and the number of complaints as shown in Table 4.

All the investigations listed in Table 4 resulted in the publication of a case report, except in two instances:

- An early investigation proved inconclusive, so the Commissioner concluded the case with a letter to the complainant. Subsequently the Commissioner adopted the policy of issuing a case report after every investigation, even if an investigation proved inconclusive.
- The Standards Committee did not authorise the publication of one case report following a ruling by the Speaker that the Commissioner should not have investigated this particular case on account of ongoing court proceedings. This case is discussed in the Commissioner's annual report for 2021.

All published case reports can be downloaded from the Commissioner's official website at <https://standardscommissioner.com/case-reports/>.

2.5.2 Investigations concluded during 2022

The table below presents the outcome of the investigations concluded by the Commissioner during 2022, with comparative data for the previous two years.

Table 5: Outcome of investigations, 2020–2022

(Corresponding number of complaints shown in brackets)

<i>Outcome</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>
Case referred to Parliament's Standards Committee	2 (2)	4 (5)	1 (1)
Case referred to other authorities	–	–	–
Case resolved by the Commissioner	4 (4)	1 (1)	1 (2)
Case report dealt with practices rather than individuals	2 (2)	–	–
Investigation was inconclusive	1 (1)	–	1 (1)
No misconduct found	2 (3)	6 (8)	1 (1)
Total number of investigations concluded	11 (12)	11 (14)	4 (5)

As the table shows, the Commissioner concluded four investigations during 2022. He found that misconduct had occurred in two of these cases, resolving one himself under article 22(5) of the Act and referring the other to the Standards Committee.

The case resolved by the Commissioner concerned a former MP who had resigned his seat on account of the matter under investigation. The former MP agreed that his resignation should be treated as a remedy for the purposes of article 22(5) of the Act, thereby enabling the Commissioner to close the case under this provision of the Act.

In this case the former MP himself requested an investigation of his actions. His request was classified as a complaint for administrative and statistical purposes. Subsequently the Commissioner received a complaint about the same case from a third party, meaning that the investigation in question addressed two complaints.

The case referred by the Commissioner to the Standards Committee concerned a set of advertisements by government ministries that appeared in a supplement published by a weekly newspaper. This case remained under consideration by the Standards Committee at the end of December 2022.

3 Selected Issues Arising from Cases

3.1 Requirements to be met by complaints

In one of the cases investigated by the Commissioner during 2022, the person under investigation argued that it was up to the complainant to substantiate his allegations with evidence.

The Commissioner took the view that the Standards in Public Life Act did not require complainants to substantiate their allegations with evidence. There was nothing in the Act to prevent people from submitting complaints on the basis of media reports or other information in the public domain. It was up to the Commissioner to decide if a complaint merited investigation in terms of the Act, and if so to investigate it and gather evidence.² This was in keeping with decisions taken by the Commissioner during the previous year.

3.2 The applicability of the Standards in Public Life Act

3.2.1 *Government departments and entities*

During 2022 the Commissioner considered a complaint about the adequacy of services provided by the government in the field of health. The Commissioner took the view that the Standards in Public Life Act did not give him the power to inquire into shortcomings in government services unless it was alleged that those shortcomings were the direct result of abusive actions by a member of Parliament or a person of trust.

3.2.2 *The applicability of the Act to the Speaker as MP*

During 2022 the Commissioner also considered a complaint about the Speaker of the House of Representatives. The Commissioner noted that the Standards in Public Life Act did not define the term “member of Parliament”, but article 52(2) of the Constitution indicated that the Speaker should be considered an MP. The Commissioner also took note of article 4 of the Standards in Public Life Act, which stated that a new Commissioner for Standards should be appointed with the support of at least two thirds of all MPs in Parliament, but the Speaker should not be counted as an MP in order to determine whether this requirement had been met. Article 4 implied that the Speaker should be regarded as an MP for the purpose of all other provisions of the Act. In principle, therefore, the Speaker could be investigated by the Commissioner over an alleged breach of ethics.

However, the Commissioner took the view that this was subject to two limitations arising from the role of the Speaker. As a general rule, the Commissioner should not

² Report on case K/033 (30 September 2022), paragraph 31.

inquire into decisions taken by the Speaker when presiding over Parliament and interpreting the Standing Orders, since this would mean second-guessing the Speaker in the legitimate exercise of his discretion. Similarly, as a general rule the Commissioner should not inquire into decisions taken by the Speaker in his capacity as chairman of Parliament's Standards Committee because this would create a conflict of roles, given that the Committee evaluated reports submitted for its consideration by the Commissioner himself.

3.3 Complaints on matters within the remit of other authorities

3.3.1 Complaints against MPs relating to proceedings in Parliament

During 2022 the Commissioner considered a complaint alleging that a member of Parliament had made a false statement in Parliament. The Commissioner noted that such matters fell within the competence of the Speaker according to the Standing Orders of the House of Representatives. It was the Speaker who had the authority to interpret the Standing Orders, and the Commissioner took the view that as a general rule he should not second-guess the Speaker in the fulfilment of this role.

The Commissioner also considered a complaint about the behaviour of a witness before Parliament's Public Accounts Committee. The Commissioner took the view that it was up to the chairperson of the Committee to regulate its proceedings, and it was not for the Commissioner to intervene in such matters unless there were exceptional circumstances involving a breach of ethics or a breach of a statutory duty. Furthermore, a motion was pending before the full Parliament concerning the very behaviour that was the subject of the complaint to the Commissioner. The Commissioner considered this to be an added reason why he should not investigate the complaint.

3.3.2 Complaints on other matters

Article 13(1)(b) of the Standards in Public Life Act empowers the Commissioner to investigate possible breaches of "any statutory or any ethical duty" by persons subject to the Act. This means that the Commissioner can investigate not only alleged breaches of ethics but also alleged failures to perform duties emerging from law.

During 2021 the Commissioner adopted the general principle that complaints alleging breaches of a law enforceable by another authority should normally be addressed by the complainant directly to that authority. If the authority upheld the complaint and found that the law had been broken, the Commissioner could then decide whether this breach also amounted to a breach of a statutory duty for the purposes of the Standards in Public Life Act. The Commissioner should not usurp the role of the other authority in deciding whether a law enforced by it had been broken.

During 2022 the Commissioner continued to apply this principle, but he introduced two significant qualifications to it.

Firstly, the Commissioner recognised that by the time the other authority upheld the complaint, the complainant might no longer be able to refer the case to the Commissioner on account of the timeframes set out in the Standards in Public Life Act. For this reason the complaints page of the Commissioner’s website³ was amended to include the following guidance:

“If you wish to present a complaint to the Commissioner about such a case, you should do so without delay on account of the timeframes set out in the Standards in Public Life Act If the Commissioner decides that the complaint does not merit consideration under the Act, and it should be considered exclusively by another authority, he will inform you accordingly. If he decides that the complaint merits consideration under the Act, he will normally wait until the other authority concludes its investigation before he takes up the case.”

Secondly, the Commissioner recognised that giving other state authorities primacy over matters falling within their jurisdiction could be seen as making the application of the Standards in Public Life Act dependent on third parties. This could be problematic if the competent authority in a particular field was ineffective, or if it sought to cover up or absolve objectionable behaviour by a minister. For this reason the Commissioner stated that he was not categorically excluding the possibility of his deciding a case without reference to the competent authority. He reserved the right to do so if the competent authority failed to take action over an obvious breach of the law by a minister or MP, as long as that breach was related to the public role of the minister or MP.

3.4 The expression of opinions by MPs outside Parliament

During 2022 the Commissioner considered a complaint about false statements allegedly made by a member of Parliament during a press conference (that is to say outside Parliament). The Commissioner took the view that it was not his role to censor statements made by MPs on matters of public interest. The Commissioner gave three reasons for this decision:

- (a) it would draw his office into the political arena in a manner certainly not intended by the legislator;
- (b) it would hamper MPs in the exercise of their right to free expression; and
- (c) persons who felt aggrieved by statements made by MPs outside Parliament could seek a remedy in court.

³ See <https://standardscommissioner.com/complaints/>.

4 Other Functions Arising from the Act

4.1 Review of annual declarations of assets by MPs and ministers

Article 13(1)(a) of the Standards in Public Life Act tasks the Commissioner for Standards in Public Life with examining and verifying declarations relating to assets and financial interests by persons subject to the Act. Members of Parliament are obliged to make such declarations on an annual basis. Declarations are made in the spring of each year setting out the position as on 31 December of the previous year.

Every minister and parliamentary secretary fills in a second declaration that is separate from his or her declaration as an MP. Both declarations are broadly comparable, except that the ministerial declaration form includes a field for annual income while the declaration form for MPs does not. The form for MPs does, however, require them to provide details of their employment or profession outside Parliament.

MPs submit their declaration forms to the Speaker. The forms are not made public. Individuals can ask the Speaker for access to the forms, but they do not have the right to make or be given copies. Copies of the forms are, however, forwarded by the Speaker to the Commissioner for Standards under confidential cover for verification purposes in terms of article 13(1)(a) of the Act.

Declaration forms filled in by ministers and parliamentary secretaries are presented to the Cabinet Secretary. These forms are subsequently laid on the table of the House of Representatives, as a result of which they become available online through the House of Representatives website.

The procedure used by the Commissioner for Standards to examine declarations under article 13(1)(a) is first of all to scrutinise declarations and to highlight any shortcomings or anomalies in the information presented therein. In the case of ministers and parliamentary secretaries, the declarations submitted by them in this capacity are compared with the declarations submitted by them in their capacity as MPs. Declarations are also compared with those of previous years in order to form a picture of changes in the financial position of each MP over time.

Letters are subsequently sent to MPs requesting them to clarify any shortcomings or anomalies in their declarations, or unexplained changes in their financial positions. Each letter explains that any information provided by the MP in reply will be kept confidential, provided that the Commissioner is satisfied with his or her explanation. However, the letter also states that the Commissioner is reserving the right to seek further clarifications or documentary evidence, or to open a formal investigation in terms of the Act, should he consider it necessary to do so.

During 2022 the Commissioner considered the case of six MPs to whom he had sent clarification letters in the previous year concerning their declarations for the year 2020. All these cases were closed and none led to the opening of a formal investigation.

The Commissioner also obtained the declarations by MPs and ministers for the year 2021 (as completed by them in the spring of 2022). Work on these declarations remained pending on 30 September 2022 when the Commissioner vacated his office.

4.2 Negative clearance

Article 13(1)(c) of the Standards in Public Life Act empowers the Commissioner to give a ruling on whether a particular action constitutes misconduct, if such a ruling is requested by a person who is subject to the Act. If the Commissioner rules that the action is permissible, and the person who has requested the ruling acts accordingly, he or she cannot then be charged with misconduct under the Act. The Act refers to this procedure as negative clearance.

During 2022 the Commissioner did not receive any requests for negative clearance.

5 Other Activities

5.1 EU-funded project to improve Malta's integrity framework

During 2022 work continued on a project entitled “Improving the Integrity and Transparency Framework in Malta”. The project was being carried out by the Organisation for Economic Cooperation and Development (OECD) at the request of the Commissioner for Standards in Public Life, and with funding from the Technical Support Instrument administered by the European Commission's Directorate General for Structural Reform Support.

From 13 to 16 June 2022 the OECD project team held a fact-finding mission in Malta as part of the project – its second such mission, the first having taken place in November 2021. The mission involved meetings of the Project Advisory Group and the project's Technical Working Group on Asset and Interest Declarations. In addition, the OECD project team held bilateral meetings with MPs, civil society, government, constituted bodies and the media.

5.1.1 *Publication of three reports*

On 11 July 2022 the OECD published three reports that had been prepared as part of the project. The reports dealt with the operations of the Commissioner for Standards in Public Life; the Standards in Public Life Act; and the regulation of lobbying.

The report on the operations of the Standards Commissioner made recommendations to facilitate the submission of complaints and to strengthen the capacity of his office.⁴

The report on the Standards in Public Life Act recommended among other things that the Act should be extended to cover local councillors and members of government boards; the powers of the Commissioner for Standards should be strengthened; and the composition of Parliament's Standards Committee should be altered.⁵

The report on lobbying reviewed proposals for a new law to regulate lobbying that had been presented by the Standards Commissioner in February 2020. The OECD report broadly endorsed the Commissioner's proposals, while recommending some changes in the light of the OECD's own expertise in this area.⁶

On 11 July 2022 the Office of the Commissioner for Standards organised an event entitled “Standards in Public Life: Valletta Forum 2022” to launch the three reports. The forum was held at the Casino Maltese in Valletta. The keynote speaker at the forum was

⁴ This report is available from [https://one.oecd.org/document/GOV/PGC/INT\(2022\)8/FINAL/en/pdf](https://one.oecd.org/document/GOV/PGC/INT(2022)8/FINAL/en/pdf).

⁵ Available from [https://one.oecd.org/document/GOV/PGC/INT\(2022\)9/FINAL/en/pdf](https://one.oecd.org/document/GOV/PGC/INT(2022)9/FINAL/en/pdf).

⁶ Available from [https://one.oecd.org/document/GOV/PGC/INT\(2022\)10/FINAL/en/pdf](https://one.oecd.org/document/GOV/PGC/INT(2022)10/FINAL/en/pdf).

Kathryn Stone OBE, then Parliamentary Commissioner for Standards of the UK House of Commons. János Bertók, Deputy Director of the OECD's Public Governance Directorate, presented a summary of the recommendations in the three OECD reports. Other speakers included Dr George Marius Hyzler, Commissioner for Standards, and Dr Tonio Borg, former minister in the government of Malta and former European Commissioner.

Participants at the forum included representatives from the authorities that enforce ethical standards in Croatia, Lithuania and Romania, as well as representatives from civil society, constituted bodies and independent state authorities in Malta.

5.1.2 Recommendation to enact a law for the regulation of lobbying

The Commissioner for Standards formally presented all three reports to the Prime Minister by means of a letter dated 11 July 2022.⁷ In this letter, the Commissioner made a formal recommendation in terms of article 13(1)(f) of the Standards in Public Life Act for the adoption of the proposals in the OECD report on lobbying and the enactment on this basis of a law to regulate lobbying. The Commissioner stated that his letter and the attached OECD report represented the fulfilment of his obligations under article 13(1)(f) of the Act, which tasked him with making recommendations for the regulation of lobbying.

5.1.3 Review of the codes of ethics for MPs and ministers

On 27 September 2022 the OECD issued an additional report dealing with the code of ethics for members of Parliament and the code of ethics for ministers and parliamentary secretaries.⁸

This report proposed that both codes should be replaced by new codes. Among other things, the report proposed that the new codes should oblige ministers and MPs to be truthful and transparent, while refraining from using information obtained in the course of their public duties for personal gain. The new codes should also require ministers and MPs to make more detailed annual declarations of their assets and interests, and to register gifts over a certain value that are given to them or their family members.

The report proposed that the new code of ethics for MPs should clearly indicate what activities are not compatible with the role of MP. For instance, MPs should be precluded from acting as lobbyists, working in government departments, boards or commissions, or having an interest in a corporation that is a party to a contract with the government.

⁷ The letter is available at <https://standardscommissioner.com/wp-content/uploads/Letter-to-PM-2022-07-11.pdf>.

⁸ Available from [https://one.oecd.org/document/GOV/PGC/INT\(2022\)12/FINAL/en/pdf](https://one.oecd.org/document/GOV/PGC/INT(2022)12/FINAL/en/pdf).

The report proposed that the new code of ethics for ministers should maintain the current prohibition on private work, while also obliging former ministers to observe a “cooling-off period” before taking up jobs with firms they had dealt with while serving as ministers.

The report was presented during a press conference held on 27 September 2022. The event was addressed by Dr George Marius Hyzler, Commissioner for Standards; Julio Bacio Terracino, Head of the OECD’s Public Integrity Division; Daniele Dotto, Deputy Director in the EU Commission’s Directorate-General for Structural Reform Support; and Carissa Munro, Policy Analyst with the OECD.

5.1.4 Recommendation to revise the codes of ethics for MPs and ministers

On the same day the Commissioner for Standards wrote to the Prime Minister enclosing a copy of the OECD report on the codes of ethics for MPs and ministers. In his letter the Commissioner formally recommended, in terms of article 13(1)(g) of the Standards in Public Life Act, that the codes should be revised as proposed in the report.⁹ This provision of the Act empowers the Commissioner to “make recommendations for the improvement of any Code of Ethics applicable to persons who are subject to the Act”.

5.2 Publication of report on election campaign expenditure by candidates

On 30 September 2022, his final day in office, the Standards Commissioner published a report on campaign spending by individual candidates in general elections.¹⁰ The report was the outcome of a landscape review rather than an investigation, and its focus was on general practices rather than the conduct of any particular individuals.

The report found that by law, candidates could spend up to €40,000 if they contested two districts. However, this limit applied only to expenditure incurred during the official campaign period, which started when an election was called. Candidates typically started campaigning well beforehand.

While this amount was a maximum, 45 per cent of all candidates with the two main political parties declared spending €5,000 or more during the March 2022 election campaign. Seven candidates declared spending more than €25,000 – one from the Nationalist Party and six from the Labour Party. Of the latter six, four were ministers.

Declarations of expenditure by candidates did not necessarily give a true picture of costs because they were understood as obliging candidates to report costs incurred during

⁹ This letter is available at <https://standardscommissioner.com/wp-content/uploads/Letter-to-PM-2022-09-27.pdf>.

¹⁰ The report can be downloaded from <https://standardscommissioner.com/wp-content/uploads/spending-by-candidates-in-general-election-campaigns.pdf>.

the official campaign period only. The report noted that some candidates' public social media posts brought to light campaign events that did not appear reflected in their declarations.

The report noted that prospective candidates could be dissuaded from contesting elections by the need to spend substantial amounts of money in order to have a reasonable chance of success. This risked leaving the field to those who saw politics as a means of personal gain or were willing to incur obligations to third parties in return for campaign donations. The outcome would be to undermine standards in public life and erode public trust in the political process.

This report was intended to raise awareness about the current situation, so it did not present detailed recommendations for change. It did however raise the issue of whether there should be a cap on campaign spending throughout the period of the legislature, rather than just during the official election campaign. The report also argued that candidates should be obliged to report all significant campaign donations regardless of when they were given. The report warned that unrestrained campaign spending could trigger a race to the bottom in terms of standards in public life, and it was vital to avoid this situation for the sake of democracy in Malta.

5.3 Authorisation to administer the Office of the Commissioner

On 23 August 2022 the Commissioner for Standards issued a letter to the Director General in his office authorising him to take any actions necessary for the general administration of the office; to submit reports to the Speaker for the purposes of articles 24 and 25 of the Standards in Public Life Act; and to receive, register and acknowledge complaints. This authorisation did not cover the investigation of complaints. The letter stated that the authorisation would remain in effect until it was modified or revoked by a future Commissioner.

The Commissioner issued this letter to ensure that the office could continue to function in his absence, given his impending departure and the possibility of a delay occurring before a successor was appointed. He did so under the authority given to him by article 2 of the Act, which defined the term "Commissioner" to mean "the Commissioner for Standards in Public Life appointed under article 4 and includes any officer or employee of the Commissioner authorised by him in that behalf".

5.4 Compendium of rulings and manual on investigations

During 2022 the Office of the Commissioner embarked on the development of a compendium of rulings and a manual on investigations.

The compendium of rulings was intended to gather together rulings by the Commissioner concerning the interpretation and application of the Standards in Public Life Act and the codes of ethics that apply to MPs, ministers and persons of trust. Rulings

were drawn from case reports, decisions not to investigate complaints, and negative clearance decisions under article 13(1)(c) of the Act. The compendium was intended as an aid in the drafting of future case reports and decisions.

The manual on investigations was intended to set out the procedures used by the Office of the Commissioner in the handling of complaints and the conduct of investigations. It would thus deal with the registration of new complaints; the preliminary review of complaints to determine whether or not they could be investigated; the conduct of investigations and the compilation of evidence; and the preparation and submission of case reports.

Both documents were intended for internal use by the Office of the Commissioner.

A first edition of the compendium was completed in March 2022. Following the Commissioner's departure from office on 30 September 2022, work was taken in hand to update the compendium to cover decisions taken by the Commissioner up to this date. A revised edition of the compendium was completed in November 2022.

Work on the manual started in early 2022. The manual was taken up in earnest following the Commissioner's departure from office. It remained in preparation up to the end of 2022.

6 Resourcing and Logistics

6.1 Staffing

On 31 December 2022 the Office of the Commissioner for Standards in Public Life consisted of four members of staff: the Director General, an Investigator, an Office Manager, and a Driver. The latter also performed general office duties.

A fifth member of staff, who occupied the position of Assistant Director (Research and Communications) was granted unpaid leave as from 1 October 2022 to serve as a member of the *cabinet* of Dr George Hyzler in the latter's capacity as member of the European Court of Auditors. This leave was granted along the lines of section 5.2 of the government's Manual on Special Leaves, which the Office of the Commissioner adopted for potential application to its own staff.

The legal advisor, auditor and media consultant who had been retained by Commissioner Hyzler on a contract-for-service basis were released on 30 September 2022, when he resigned from office to take up his appointment as member of the European Court of Auditors.

6.2 Funding

The financial plan for 2022 as submitted by the Commissioner provided for a total of €759,420 in expenditure for the year, consisting of €377,330 in personal emoluments and €382,090 in operational and maintenance expenses. However the plan only requested €513,320 in funding since it was proposed to utilise an unspent balance that was projected as €246,100 in September 2021 when the plan for 2022 was drawn up.

However, the national budget for 2022 allocated the sum of €759,000 to the Office of the Commissioner under Vote 5 – that is to say virtually the entire amount projected by the Office as expenditure to be incurred in 2022.

Actual spending by the Office of the Commissioner during 2022 amounted to €451,624, leaving a surplus of €307,376 for the year.

The unspent balance as it was forecast in September 2022 was put towards the Office's budgetary requirements for 2023, as set out in its financial plan for 2023.

Audited financial statements for the Office of the Commissioner covering the year to 31 December 2022 are presented in the appendix to this report. The financial statements were audited by the National Audit Office as required by article 12 of the Standards in Public Life Act.

6.3 Premises

The Office of the Commissioner is located on the fourth floor of the Office of the Ombudsman at 11, St Paul Street, Valletta.

This arrangement allows for a degree of synergy between the two bodies, since both represent institutions of oversight that report to Parliament.

These premises were made available by the Office of the Ombudsman under a tenancy agreement whereby the Office of the Commissioner is required to pay €20,000 annually for a period of ten years in defrayal of refurbishment expenses that were incurred prior to the introduction of the Standards in Public Life Act, together with €1,463 as a contribution to rent payable by the Ombudsman to the Lands Authority. In addition, the Office of the Commissioner reimburses the Office of the Ombudsman for its share of electricity and water consumption within the building, together with part of the salary of the receptionist.

6.4 Vehicle

The Commissioner for Standards in Public Life is entitled to the same terms and conditions of a judge of the superior courts. The Commissioner is therefore entitled to an official car and driver.

Upon his appointment in November 2018, however, the Commissioner renounced to the use of an official car and instead used his own car for office purposes. The Commissioner renounced to any compensation except for the reimbursement of fuel and other running costs including maintenance and upkeep. This resulted in considerable savings for the Office since it was not necessary to buy or lease a car. Fuel purchases were capped at the same limit as that applying to a judge. All expenditure on fuel for the car was counted towards the Commissioner's fuel allowance even though his car was occasionally used for office errands.

This arrangement remained in force up to 30 September 2022, when the Commissioner resigned from office.

Appendix – Audited Financial Statements for the Year 2022

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Statement of responsibilities of the Office of the Commissioner for Standards in Public Life	2
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Office of the Commissioner for Standards in Public Life

**Report and Financial Statements for the Year Ending
31 December 2022**

**STATEMENT OF RESPONSIBILITIES OF THE OFFICE OF THE COMMISSIONER
FOR STANDARDS IN PUBLIC LIFE**

The main role of the Commissioner for Standards in Public Life ("the Office") is to investigate allegations of misconduct by members of Parliament and persons of trust as defined in the Standards in Public Life Act (chapter 570 of the laws of Malta). The Commissioner may conduct any such investigation on his initiative or on the written complaint of any person.

The Office of the Commissioner is responsible for ensuring that:

- proper accounting records are kept of all transactions entered into by the Office, and of its assets and liabilities;
- adequate controls and procedures are in place for safeguarding the assets of the Office, and the prevention and detection of fraud and other irregularities.

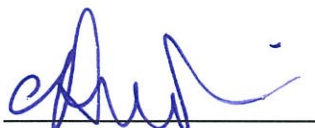
The Office is responsible to prepare accounts for each financial year which give a true and fair view of the state of affairs as at the end of the financial year and of the income and expenditure for that period.

In preparing the accounts, the Office is responsible to ensure that:

- appropriate accounting policies are selected and applied consistently;
- any judgements and estimates made are reasonable and prudent;
- International Financial Reporting Standards are followed;
- the financial statements are prepared on the going concern basis unless this is considered inappropriate.



Chief Justice Emeritus Joseph Azzopardi
Commissioner for Standards in Public Life



Charles Polidano
Director General

Office of the Commissioner for Standards in Public Life

INCOME STATEMENT

For the year ended 31 December 2022

	2022	2021
	€	€
Income		
Government subvention	759,000	478,000
Expenditure		
Administrative and other expenses	164,092	166,240
Personal emoluments (note 5)	287,532	304,505
	451,624	470,745
Surplus for the year	307,376	7,255

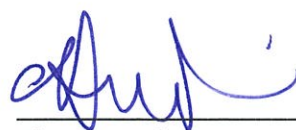
*Office of the Commissioner for Standards in Public Life***STATEMENT OF FINANCIAL POSITION****As at 31 December 2022**

	Notes	2022 €	2021 €
Fixed assets			
Intangible fixed assets	6	2,213	620
Tangible fixed assets	7	132,970	160,231
		135,183	160,851
Current assets			
Bank	8	567,723	249,693
Total assets		702,906	410,544
Long-term liabilities			
Leased liabilities	9	94,270	112,029
Current liabilities			
Leased liabilities	9	17,759	17,411
Payables	10	18,390	15,993
		36,149	33,404
Accumulated fund		572,487	265,111
Total assets		702,906	410,544

These financial statements were approved and authorised for issue on 10 August 2023 and signed by:



Chief Justice Emeritus Joseph Azzopardi
Commissioner for Standards in Public Life



Charles Polidano
Director General

Office of the Commissioner for Standards in Public Life

STATEMENT OF CHANGES IN EQUITY

	Accumulated Fund €
At 1 January 2021	257,856
Surplus for the year	7,255
At 31 December 2021	265,111
Surplus for the year	307,376
At 31 December 2022	572,487

Office of the Commissioner for Standards in Public Life

STATEMENT OF CASH FLOWS

For the year ended 31 December 2022

	2022	2021
	€	€
Cash flows from operating activities		
Surplus for the year	307,376	7,255
Add: Depreciation and amortisation	28,618	27,538
Add: Finance costs	2,589	2,930
Operating surplus before working capital changes	338,583	37,723
Decrease in receivables		450
Increase in payables	2,397	5,462
Net cash generated from operating activities	340,980	43,635
Cash flows from Investing activities		
Payments to acquire fixed assets	22,950	29,735
Net cash used in investing activities	22,950	29,735
Net increase in cash and cash equivalents	318,030	13,900
Cash and cash equivalents at beginning of the year	249,693	235,793
Cash and cash equivalents at end of the year (note 8)	567,723	249,693

NOTES TO THE FINANCIAL STATEMENTS**1. Legal status**

In 2017 the Maltese Parliament enacted the Standards in Public Life Act, which was brought into force on 30 October 2018. The main role of the Commissioner for Standards in Public Life is to investigate allegations of misconduct by members of Parliament and persons of trust as defined in the Act. The Office of the Commissioner for Standards in Public Life is situated at 11, St Paul Street, Valletta, Malta.

These financial statements were approved for issue by the Commissioner and the Director General on 10 August 2023.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied to the year presented (January to December 2022).

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations adopted by the International Accounting Standards Board (IASB). The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. Estimates and judgements are continually evaluated and based on historic experience and other factors including expectations for future events that are believed to be reasonable under the circumstances.

In the opinion of the Commissioner and the Director General, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subject or complex to a degree which would warrant their description as critical in terms of requirements of IAS 1. The principal accounting policies are set out below:

Materiality and aggregation

Similar transactions, but which are material in nature are separately disclosed. On the other hand, items of dissimilar nature or function are only aggregated and included under the same heading, when these are immaterial.

NOTES TO THE FINANCIAL STATEMENTS**2. Summary of significant accounting policies (continued)***Revenue recognition*

Revenue derived from the government's subvention is recognised when there is reasonable assurance that all the conditions attached to the subvention are complied with and the subvention will be received.

Property, plant and equipment (PPE)

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. The cost of an item of property, plant and equipment is recognized as an asset if it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Property, plant and equipment includes right-of-use assets in terms of IFRS 16. The accounting policy for right-of-use assets is included below in the section entitled 'Leases'.

Depreciation commences when the depreciable amounts are available for use and is charged to the statement of comprehensive income so as to write off the cost, less any estimated residual value, over their estimated lives, using the straight-line method, on the following bases:

	%
Office equipment	20
Computer equipment	25
Computer software	25
Furniture & fittings	10
Motor vehicles	20

The contractual value of the leased premises is depreciated over the term of the lease after deducting the financial charge element of the contractual value.

NOTES TO THE FINANCIAL STATEMENTS**2. Summary of significant accounting policies (continued)**

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The carrying amount of an item of PPE is de-recognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from derecognition of an item of PPE are included in the profit and loss account when the item is de-recognised.

Receivables

Receivables are stated at their net realizable values after writing off any known bad debts and providing for any debts considered doubtful.

Intangible assets

An intangible asset is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Office and the cost of the asset can be measured reliably.

Intangible assets are initially measured at cost. Expenditure on an intangible asset is recognised as an expense in the period when it is incurred unless it forms part of the cost of the asset that meets the recognition criteria.

Intangible assets with a finite useful life are amortised. Amortisation is charged to profit or loss so as to write off the cost of intangible assets less any estimated residual value, over their estimated useful lives. The amortisation method applied, the residual value and the useful life are reviewed, and adjusted if appropriate, at the end of each reporting period.

Website and computer software

The cost of the website and computer software are classified as intangible assets and are amortised on a straight-line basis over four years.

Cash and cash equivalents

Cash and cash equivalents are carried in the Statement of Financial Position at face value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand and deposits held at call with banks.

NOTES TO THE FINANCIAL STATEMENTS**2. Summary of significant accounting policies (continued)***Payables*

Payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Office.

Leases

The Office assesses whether the contract is, or contains, a lease at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The lease term is determined as the non-cancellable period of a lease, together with both (a) periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and (b) periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

The Office recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, unless otherwise stated below.

Where a right-of-use asset and a corresponding lease liability is recognised, the lease liability is initially measured at the commencement date at the present value of the lease payments that are not paid at that date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Office uses its incremental borrowing rate.

Foreign currencies

Items included in the financial statements are measured using the currency of the primary economic environment in which the Office operates. These financial statements are presented in €, which is the Office's functional and presentation currency.

Transactions denominated in foreign currencies are translated into € at the rates of exchange in operation on the dates of transactions. Monetary assets and liabilities expressed in foreign currencies are translated into € at the rates of exchange prevailing at the date of the Statement of Financial Position.

NOTES TO THE FINANCIAL STATEMENTS**3. Critical accounting estimates and judgements**

Estimates and judgements are continually evaluated and based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. The accounting estimates and judgements made in the preparation of the Financial Statements are not difficult, subjective or complex, to a degree that would warrant their description as critical in terms of the requirements of IAS 1 – ‘Presentation of Financial Statements’.

4. Initial application of an International Financial Reporting Standard, early adoption of International Financial Reporting Standards and International Financial Reporting Standards in issue but not yet effective

During the year under review, the Office of the Commissioner for Standards in Public Life has adopted a number of standards and interpretations issued by the IASB and the International Financial Reporting Interpretations Committee and endorsed by the European Union. The Office of the Commissioner for Standards in Public Life is of the opinion that the adoption of these standards and interpretations did not have a material impact on the financial statements.

There have been no instances of early adoption of standards and interpretations ahead of their effective date. At the date of statement of financial position, certain new standards and interpretations were in issue and endorsed by the European Union, but not yet effective for the current financial year. The Office of the Commissioner for Standards in Public Life anticipates that the initial application of the new standards and interpretation on 1 January 2022 will not have a material impact on the financial statements.

*Office of the Commissioner for Standards in Public Life***NOTES TO THE FINANCIAL STATEMENTS****5. Personal emoluments**

	2022	2021
	€	€
Wages and salaries	275,638	292,318
Social security costs	11,894	12,187
	287,532	304,505

In the period under review the Commissioner employed the equivalent of 6 full time employees up to 30 September 2022 and 4 thereafter.

6. Intangible fixed assets

	Website €	Software €	Total €
Cost			
At 01.01.2021/01.01.2022	2,480		2,480
Additions		2,950	2,950
At 31.12.2021	2,480	2,950	5,430
Amortisation			
At 01.01.2021	1,240		1,240
Charge for the year 31.12.2021	620		620
	1,860		1,860
At 01.01.2022	1,860		1,860
Charge for the year 31.12.2022	620	737	1,357
	2,480	737	3,217
Net book value			
31.12.2021	620		620
31.12.2022		2,213	2,213

Office of the Commissioner for Standards in Public Life

NOTES TO THE FINANCIAL STATEMENTS

7. Tangible fixed assets

	Leased premises €	Motor vehicles €	IT equipment €	Other equipment €	Furniture & fittings €	Total €
Cost						
01.01.2021	179,652	5,668	17,984	6,851	15,504	225,659
Additions			1,455	1,062	7,218	9,735
31.12.2021	179,652	5,668	19,439	7,913	22,722	235,394
01.01.2022	179,652	5,668	19,439	7,913	22,722	235,394
Additions						
31.12.2022	179,652	5,668	19,439	7,913	22,722	235,394
Depreciation						
01.01.2021	33,142	2,268	8,180	1,896	2,759	48,245
Charge for the year	17,070	1,133	4,860	1,583	2,272	26,918
31.12.2021	50,212	3,401	13,040	3,479	5,031	75,163
01.01.2022	50,212	3,401	13,040	3,479	5,031	75,163
Charge for the year	17,411	1,133	4,860	1,583	2,273	27,260
31.12.2022	67,623	4,534	17,900	5,062	7,304	102,423
Net book value						
31.12.2021	129,440	2,267	6,399	4,434	17,691	160,231
31.12.2022	112,029	1,134	1,539	2,851	15,418	132,971

*Office of the Commissioner for Standards in Public Life***NOTES TO THE FINANCIAL STATEMENTS****8. Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand and balances in bank. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

	2022	2021
	€	€
Cash at bank	567,723	249,693

9. Leased liabilities

On 20 December 2018 the Office of the Commissioner for Standards in Public Life entered into an agreement with another Government organisation to lease a floor within the premises of the said organisation for a period of 5 years, renewable by a further 5 years at the option of the lessee, for a charge of €20,000 per annum.

The Office of the Commissioner for Standards in Public Life believes that the likelihood of taking up the said option is high and therefore, in accordance with IFRS 16, the entire expected 10 year leased payments have been capitalised in the balance sheet. A 2% discount rate has been applied in calculating the present value of this lease obligation.

The present value of the lease payment obligations under finance lease are as follows:

	2022	2021
	€	€
Due within one year	17,759	17,411
Due within two and five years	74,661	73,198
More than five years	19,609	38,831
	112,029	129,440

NOTES TO THE FINANCIAL STATEMENTS

9. Leased liabilities (continued)

The annual charge of €20,000 has been split between finance costs and depreciation as follows:

	2022 €	2021 €
Depreciation	17,411	17,070
Finance charge	2,589	2,930
	<u>20,000</u>	<u>20,000</u>

10. Payables due within one year

	2022 €	2021 €
Accruals	<u>18,390</u>	<u>15,993</u>

11. Financial assets and liabilities

Financial assets include receivables and cash held at bank and in hand. Financial liabilities include payables.

12. Fair values

At 31 December 2021 and 2022, the fair values of assets and liabilities were not materially different from their carrying amounts.

NOTES TO THE FINANCIAL STATEMENTS**13. Capital management**

The Office's capital consists of its net assets, including working capital, represented by its retained funds. The Office's management objectives are to ensure that the Office's ability to continue as a going concern is still valid and that the Office maintains a positive working capital ratio.

To achieve the above, the Office carries out regular reviews of the working capital ratio ('Financial Situation Indicator'). This ratio was positive at the reporting date. The Office also uses budgets and plans to set its strategy to optimise its use of available funds and implements its commitments.

Office of the Commissioner for Standards in Public Life

SCHEDULE

Detailed income statement for the year ending 31 December 2022

	2022	2021
	€	€
Income		
Government subvention	759,000	478,000
Expenditure		
Depreciation and amortisation	28,618	27,538
Finance costs	2,970	2,930
Hospitality	13,464	12,674
Housekeeping and general expenses	11,869	2,269
Insurance	4,788	7,557
IT costs	9,957	9,054
Maintenance	1,520	1,689
Motor vehicle expenses	6,405	9,785
Professional fees	56,856	71,971
Publications and media	775	2,352
Recruitment fees	5,613	
Rent and common costs	9,183	9,379
Salaries	287,532	304,505
Staff welfare	333	411
Stationery	4,414	4,558
Telecommunications	1,224	1,364
Travelling and accommodation	2,801	
Utilities	3,302	2,709
	451,624	470,745
Surplus for the year	307,376	7,255

Report of the Auditor General

To the Office of the Commissioner for Standards in Public Life

Opinion

We have audited the accompanying financial statements of the Office of the Commissioner for Standards in Public Life set out on pages 3 to 17, which comprise the statement of financial position as at 31 December 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Office of the Commissioner for Standards in Public Life as at 31 December, 2022, its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union, and comply with the Standards in Public Life Act, 2018.

Basis for Opinion

We conducted our audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Office of the Commissioner for Standards in Public Life in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have also fulfilled our ethical responsibilities as required by the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) in Malta. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The Office of the Commissioner for Standards in Public Life's responsibility for the financial statements

The Office of the Commissioner for Standards in Public Life is responsible for the preparation of financial statements that give a true and fair view in accordance with the International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Office of the Commissioner for Standards in Public Life is responsible for assessing its ability to continue as a going concern, disclosing, as applicable, related matters and using the going concern basis of accounting unless it is either intended to cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could

reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the entity.
- Conclude on the appropriateness of the entity's use of going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



Auditor General

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September 2023