A Draft Bill To Establish Governance Protocols For Government Agencies governed by a Board

Title:

AN ACT TO PROHIBIT ACTIVE GOVERNMENT OFFICIALS FROM SERVING ON THE BOARDS OR MANAGEMENT OF ANY PUBLIC INSTITUTION, AND TO ESTABLISH A FRAMEWORK FOR INDEPENDENT SUPERVISION AND TRANSPARENT OVERSIGHT

Submitted To:

The Honorable House of Representatives (in session)
55th National Legislature, Capitol Hill Building, R/L

Date of Submission:

October 6, 2025

Preamble

WHEREAS, the Government of Liberia recognizes the need to strengthen the governance of all government entities by board to ensure transparency, accountability, and efficiency in public resource management;

WHEREAS, the appointment of active government officials to public institutions' boards and management structures has historically led to conflicts of interest, weakened oversight, and politicization of enterprise operations;

WHEREAS, the Constitution of Liberia vests the Legislature with the authority to enact laws that promote good governance, protect public resources, and ensure institutional integrity;

WHEREAS, international best practices, including the Organisation for Economic Cooperation and Development (OECD) Guidelines on Corporate Governance, the African Union Charter on Public Service, and ECOWAS governance protocols, recommend the separation of political authority from enterprise oversight;

NOW, THEREFORE, it is enacted by the Honorable House of Representatives, the 55th National Legislature of the Republic of Liberia, in plenary session:

Section 1: Definitions

Section 1.1. "Public Institution" means any entity wholly or partially owned by the Government of Liberia, established by statute or executive order, and engaged in commercial, regulatory, or service delivery functions.

Section 1.2. "Active Government Official" means any individual currently holding an elected or appointed position in the Executive, Legislative, or Judicial branches of government, including but not limited to ministers, deputies, commissioners, lawmakers, and presidential advisors.

Section 1.3. "Board of Directors" means the governing body responsible for strategic oversight, fiduciary accountability, and policy direction of a government entity.

Section 1.4. "Independent Supervisor" means a Liberian citizen appointed to a public institution Board who is not currently serving in any active government position and meets the qualifications outlined in Section 3 of this Act.

Section 1.5: The term "benefits and remuneration" shall include all forms of financial and non-financial compensation granted to Board Chairs and Board Members of public institutions governed by a Board. This shall encompass, but not be limited to, sitting fees, approved reimbursements for official duties, and any honoraria expressly authorized under law.

Section 2: Prohibition of Dual Service

Section 2.1. No active government official shall serve as a member of the Board of Directors, management team, or any supervisory body of a government entity.

Section 2.2. This prohibition shall apply to all elected officials, all appointed officials in the Executive, Legislative, and Judicial branches, and all individuals receiving government salaries or benefits tied to public office.

Section 2.3. Any current appointment of an active government official to a government entity shall be deemed null and void ninety (90) days following the enactment of this Act.

Section 2.4. No waiver, executive order, or ministerial discretion shall override the provisions of this section.

Section 3: Appointment of Independent Body

Section 3.1. The President of the Republic of Liberia shall appoint qualified Liberian citizens to serve on the Boards of a government entity, provided they are not holding any active government position.

Section 3.2. Appointees must possess a minimum of ten (10) years of professional experience in finance, law, governance, or the relevant sector, demonstrate a record of ethical conduct and public service, have no active leadership role with any political party in Liberia, and must not have a criminal record or pending investigation related to corruption.

Section 3.3. All appointments made under this section shall reflect gender balance and equitable regional representation. No single gender or region shall dominate the composition of any Board. Appointments shall be guided by national equity principles and Liberia's commitment to inclusive governance under applicable laws and international protocols.

Section 4: Governance Framework and Oversight

Section 4.1. Each government entity shall maintain a Board of Directors composed of no fewer than five (5) and no more than nine (9) members, all of whom must meet the criteria established under Section 3 of this Act.

Section 4.2. The Board shall be responsible for approving strategic plans and budgets, overseeing financial audits and compliance, ensuring alignment with national development priorities, and submitting quarterly performance reports to the Legislature.

Section 4.3. The Legislature shall review annual reports submitted by an entity governed by a board, conduct public hearings to assess Board performance, and recommend sanctions or reforms where necessary.

Section 4.4. The General Auditing Commission shall conduct annual audits of all public institutions governed board and submit its findings to the Legislature for review and action.

Section 5: Institutional Realignment and Implementation Mandate

Section 5.1. Pursuant to Article 21(a) of the 1986 Constitution of the Republic of Liberia, and upon the enactment of this Act, all appointments made by the President under the authority of Article 54 shall henceforth conform to the provisions of this Act. Furthermore, all public institutions governed by a Board shall, upon passage of this Act, submit to the Chief Clerk of the House of Representatives and the Secretary of the Liberian Senate the following documentation:

5.1.1 A revised organizational chart demonstrating institutional alignment with the provisions of this Act;
5.1.2 A current roster of Board members and senior management personnel; and
5.1.3 A compliance roadmap detailing the steps and timeline for full conformity with the requirements set forth herein.

Section 5.2. The Governance Commission (GC) shall issue implementation guidelines to all entities governed by board, provide technical assistance for Board restructuring, monitor compliance, and report quarterly to the Legislature.

Section 5.3. The Ministry of Finance and Development Planning shall ensure that budgetary allocations to entities governed by board are contingent upon compliance with this Act and shall collaborate with the Liberia Revenue Authority and the General Auditing Commission to enforce financial accountability.

Section 5.4. Any entity governed by a board found to be non-compliant shall be subject to administrative sanctions, including suspension of discretionary funding, public disclosure of non-compliance status, and leadership review with possible dismissal of responsible officers.

Section 6: Enforcement and Penalties

Section 6.1. Any entity governed by board found to be in violation of this Act shall be subject to budgetary sanctions, shall have its leadership summoned before the Legislature, and shall face administrative penalties as prescribed by the Ministry of Justice.

Section 6.2. Any individual who knowingly circumvents this Act shall be subject to immediate removal from office, disqualification from future public appointments for a period of five (5) years, and criminal prosecution under applicable anti-corruption laws.

Section 7: Repeal and Supersession

Section 7.1. Any provision of law, regulation, or administrative instruction inconsistent with this Act is hereby repealed to the extent of such inconsistency.

Section 7.2. All existing executive orders or statutory provisions authorizing dual service in an entity governed by board are hereby nullified upon the passage and signing into law of this Act by the National Legislature and the President of Liberia.

Section 8: Board Member Benefits and Remuneration

Section 8.1: Standardization of Compensation

All benefits and remuneration shall be standardized across public institutions to ensure uniformity in compensation practices, eliminate disparities, and prevent favoritism. The structure of such compensation shall reflect the scope of oversight responsibilities, the time commitment required, and the professional expertise demanded of Board service.

Section 8.2: Remuneration Threshold for Board Chairs

The total remuneration for any Board Chair shall not be less than **Three Thousand United States Dollars (US$3,000)** and shall not exceed **Four Thousand United States Dollars (US$4,000)** per official board sitting.

Section 8.3: Remuneration Threshold for Board Members

The total remuneration for any Board Member shall not be less than **Two Thousand United States Dollars (US$2,000)** and shall not exceed **Three Thousand United States Dollars (US$3,000)** per official board sitting.

Section 8.5: Scope and Disbursement of Remuneration

The thresholds established under Sections 8.2 and 8.3 shall apply to all forms of honoraria, sitting fees, and any other compensation directly associated with board service, whether monetary or in-kind. All remuneration shall be calculated on a per-sitting basis, subject to applicable statutory deductions and audit verification. Disbursement shall be made in United States Dollars or its equivalent in Liberian Dollars, using the prevailing exchange rate as determined by the Central Bank of Liberia.

Section 8.6: Compliance and Fiscal Discipline

No public institution governed by a Board shall establish or implement any compensation framework that falls outside the parameters outlined in this Act or its implementing guidelines. Any deviation from the prescribed standards shall constitute a violation of this Act and may trigger administrative sanctions as provided under Section 6.

All compensation schemes shall be designed in accordance with principles of fiscal discipline. This includes ensuring that benefits do not exceed reasonable thresholds, align with national budgetary constraints, and promote responsible public financial management.

Section 9: Effective Date

This Act shall take effect thirty (30) days following its publication in handbills.

Approval

This Bill shall be deemed enacted upon passage by the National Legislature and signature by the President of the Republic of Liberia and shall be binding as law.