



HM TREASURY

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1 June 2006

Dear Accounting Officer

INDEMNITIES FOR NON-EXECUTIVE BOARD MEMBERS

This letter is to inform you that all non-executive Board Members should now qualify for the standard indemnity.

2. Current policy on providing indemnities to NDPB board members is contained in Chapter 26.5 of *Government Accounting*. Similarly, civil servants involved in legal proceedings or formal enquiries as a consequence of their employment may be provided cover under Chapter 12.2 of the Civil Service Management Code.

3. Since these arrangements were put in place, departments have increasingly chosen to work with and through departmental board which include non-executive members alongside civil servants. Following a review undertaken by the Treasury, including consultation with interested departments, Treasury Ministers have agreed, and Parliament has accepted, that departments may offer non executives on such board the same indemnity as applies to their counterparts on NDPB boards:

“The Government has indicated that an individual non-executive board member who has acted honestly and in good faith will not have to meet out of his own personal resources any personal civil liability which is incurred in the execution or purported execution of his board function, save where the person has acted recklessly.”

Contacts

4. Enquiries about this DAO should be addressed to:

- *specific cases*: departments' usual Treasury spending team;
- *regularity and propriety issues*: Jim Duncan, TOA, at the address on the letterhead or 020 7270 4833 or jim.duncan@hm-treasury.x.gsi.gov.uk.

Yours sincerely

Paula Diggle
Treasury Officer of Accounts