

17. STATUTORY BOARDS AND COMMITTEES

- 17.1 Statutory Boards and Committees (SB & C) are established by an Act of Parliament and are generally controlled by Board of Directors nominated by the Minister in charge. It is a legal entity separated from the Civil Service and thus enjoys the prestige and power of a large Government department and the experience of Administrators together with the flexibility of a commercial enterprise, wherever relevant.
- 17.2 It was previously a common practice for eminent personalities and other professionals of the country to offer their contribution on a voluntary basis to serve on Boards and Committees based on their field of competence/expertise. In foreign jurisdictions, the practice generally follows the same trend on a *probono* basis. However, with time, a system of remuneration has been introduced to enable these persons to meet petty expenses in relation to their attendance at such Boards and Committees.
- 17.3 Currently, the fees payable to Chairpersons, Members and Secretaries of SB & C are not meant to be a full compensation for their contribution but as a token payment where their services and presence are required merely on a **part-time basis**. In pursuance of a Memorandum emanating from the Secretary to Cabinet and Head of the Civil Service conveying Cabinet's decision, **Board meetings including Sub-Committee meetings, of Parastatal Bodies and Government-owned Companies/Organisations, where the presence of the representatives of Ministries is deemed essential, should be convened after 1600 hours**. It is, therefore, understood that these provisions should continue to apply.

Categorisation of Statutory Boards and Committees

- 17.4 Prior to the 2003 PRB Report, Chairpersons, Members and Secretaries of SB & C were remunerated based on the category in which the organisation was classified. In view of implementation problems contained therein, the system was reviewed and a new formula was recommended to compensate the Chairpersons, Members and Secretaries of SB & C. The same formula was applied in subsequent Reports with improvements where deemed necessary.
- 17.5 However, in 2016, following representations made by members of certain SB & C, the HPC examined the issue and held that the system of Categorisation of SB & C should be reintroduced, taking into account the following factors:
- strategic importance;
 - regulatory function;
 - revenue-generating function; and
 - complexity of the job.

To that end, the matter was dealt with by the Standing Committee on Fees and Allowances and a Technical Committee set up under the chairmanship of the Bureau.

An exercise was eventually carried out to collect information concerning existing Boards and Committees, which served as a basis to set out the different criteria for classification.

- 17.6 During consultations with stakeholders, representations were made that members of the public do not show interest to occupy positions of Board Members or even Chairpersons, on the ground that the fees payable are not attractive enough. It has also been averred that difficulties are still being faced to attract professionals and those possessing certain specialised skills and competencies. For this Report, the Bureau has taken all these into consideration in framing our recommendations on the fees to be paid to Chairpersons, Members and Secretaries of SB & C.
- 17.7 Against this backdrop and after taking cognisance of relevant particulars regarding the SB & C, the Bureau has established a Framework for Categorisation based on a set of criteria and the Remuneration Structure to compensate the Chairperson, Members and Secretary under the different categories as elaborated in the ensuing paragraphs.

Classification of Statutory Boards and Committees

- 17.8 With a view to determining the criteria for Categorisation of SB & C, the Bureau considered several broad guidelines such as the importance, size, budget and status of the institution/organisation; impact on the state/economy and national importance in line with Government's programme/vision; terms of reference/functions of the Board; nature, volume and complexity of work devolving on the Board and any additional work requirements outside meetings; and roles, duties and level of responsibilities of the Chairperson and Members, among others. These pertinent specifications were given due consideration before arriving at the criteria set.

Criteria for Categorisation

- 17.9 To facilitate the Categorisation of SB & C, a set of criteria was required and it was based on the following:

Criterion Number	Criteria
1.	Size (budget and number of employees)/Size or Value of Assets.
2.	Complexity of operations and level of risks (impact on the economy if service is not provided, strategic importance and contribution to the economy/society).
3.	Criticality of functions (Regulatory, Executive or Advisory).
4.	Degree of knowledge and specialised skills required; level of responsibility and profile (contribution, expertise and experience) of Chairpersons and Members.
5.	Commitment required (frequency of meetings in a month time)
6.	Degree to which body is accountable/visible.

Categories of Statutory Boards and Committees and Remuneration of Part-Time Chairpersons

17.10 The SB & C would, henceforth, be classified in three categories, namely, A, B and C. The fees payable to the part-time Chairpersons will vary according to the category. A provision has also been made for Chairpersons who preside over SB & C on a sessional basis. We are, hereunder, providing for the monthly fees payable to Chairpersons in each category.

Recommendation 1

17.11 **We recommend that the monthly fees payable to the Chairpersons of Statutory Boards and Committees should be as follows:**

Category of SB & C	Monthly Fees (Rs)
A	34000
B	23800
C	10200
Sessional Basis	2550 per sitting subject to a maximum of Rs 10200 a month

Actingship as Chairperson

17.12 It has been reported that difficulties are encountered for the payment of actingship to a Vice-Chairperson whenever the Chairperson is unable to chair board meetings either for a full month or part of a month, due to personal reasons or for attending official mission for the board. The Bureau has taken note of the above and is, therefore, addressing these issues.

Recommendation 2

17.13 **We recommend that a substantive Chairperson who is absent during a whole calendar month, should not be paid any fees, except if he is on official mission for the board. During that period, the Vice-Chairperson or any other Member who chairs the board meetings should be paid the full allowance payable to the Chairperson.**

17.14 **We also recommend that a Vice-Chairperson or any other Member who presides over board meetings held in a month in the absence of the substantive Chairperson (while the latter is in the country) should be paid an allowance equivalent to 50% of the monthly fees payable to the substantive Chairperson. Where the Chairperson has been replaced by more than one person and for only part of the month, the amount should be shared on a *pro-rata* basis.**

17.15 **We further recommend that in case the substantive Chairperson and the Vice-Chairperson have both presided over board meeting(s) held in a month when the substantive Chairperson, for only part of the month, is on leave abroad (for reasons other than official missions for the board), the Vice-Chairperson or any**

other Member presiding the Committee should be paid an allowance calculated on a *pro-rata* basis.

Double Payment

- 17.16 In the last Report, the Bureau took note of the implementation problems regarding payment of fees when a Chairperson resigned from his office to take up the chairmanship in another organisation at any time in a month.
- 17.17 Moreover, very often, senior officers who are appointed as part-time Chairpersons of SB & C are transferred to other Ministries during a re-shufflement exercise and are replaced by another Chairperson. In the absence of relevant provisions to that effect, such cases have been reported to the Bureau. After due consideration, we are maintaining the existing provisions and in a bid to avoid double payment, we are addressing the issue of remuneration in case of transfer of Chairpersons.

Recommendation 3

- 17.18 We recommend that whenever a Chairperson resigns from his office and takes up the chairmanship of another organisation, he should be paid the fees on a *pro-rata* basis.**
- 17.19 We also recommend that whenever a Chairperson is transferred and replaced by another one, both should be paid the monthly fee on a *pro-rata* basis for the month the posting becomes effective.**
- 17.20 We further recommend that a Vice-Chairperson or any other Member who chairs board meetings when the substantive Chairperson is absent during a whole calendar month and is granted the full allowance payable to the substantive Chairperson, should not be eligible for payment for attendance as Member during the same month.**

Resignation of Chairperson

Recommendation 4

- 17.21 We recommend that, in case of resignation of a Chairperson and pending the appointment of a new Chairperson, the chairmanship should continue to be devolved upon the Vice-Chairperson, if any, or on any other Member designated by the board and the latter should be entitled to the full allowance prescribed.**
- 17.22 We also recommend that, in case the chairmanship is carried out on a rotational basis with the agreement of the board Members, the full monthly allowance normally payable to the Chairperson should continue to be apportioned among the acting Chairpersons.**

Fees for Members and Secretary of Boards

Recommendation 5

17.23 We recommend that the fees payable to the Members should be as follows:

Category of SB & C	Fees (Rs)
A	1350 per sitting
B	1240 per sitting
C	1125 per sitting

17.24 We also recommend that, except for ex-officio members, Members with professional/specialised skills, who have been appointed on the basis of their competencies and expertise and effectively contribute in the SB & C, should be paid an additional fee of 25% of the fees payable to Members per sitting depending on the category they belong to.

17.25 We further recommend that the fees payable to the Secretary should be as provided below:

Category of SB & C	Fees (Rs)
A	1530 per sitting
B	1430 per sitting
C	1350 per sitting

Sub-Committees

Recommendation 6

17.26 We recommend that:

- (i) a Member who sits in Sub-Committees should be paid fees as provided in the table hereunder:

Category of SB & C	Fees (Rs)	Subject to a maximum of (Rs)
A	1125 per sitting	4500
B	1070 per sitting	4280
C	1015 per sitting	4060

- (ii) a Member other than the Chairperson, who is called upon to chair Sub-Committees, should be paid an additional fee of Rs 320 per sitting, and the total fees payable per category are given below:

Category of SB & C	Fees for chairing Sub-Committees (Rs)	Subject to a maximum of (Rs)
A	1445 per sitting	5780
B	1390 per sitting	5560
C	1335 per sitting	5340

- (iii) the fees payable to officers acting as Secretary to Sub-Committees should be as follows:

Category of SB & C	Fees (Rs)	Subject to a maximum of (Rs)
A	850 per sitting	3400
B	805 per sitting	3220
C	765 per sitting	3060

- 17.27 We also recommend that Chairpersons should, as far as possible, not form part of Sub-Committees for the same Board.

Commuted Allowance

Recommendation 7

- 17.28 We recommend that Chairpersons and Members of Statutory Boards and Committees travelling by car to and from the place of meeting should be paid a commuted allowance of Rs 1500 monthly, based on a maximum of four sittings. However, whenever Chairpersons and Members attend to less than four sittings in a month, the commuted allowance should be *pro-rated* and these allowances should not be payable to Non-Executive Chairpersons who are beneficiaries of an official car or who do not have to travel exclusively to attend the meeting.

- 17.29 We also recommend that those travelling by bus should be paid a commuted allowance of Rs 75 per sitting or refunded the travelling expenses incurred.

Standing Committee

- 17.30 The Standing Committee on Fees and Allowances operating under the chairmanship of the Ministry of Public Service, Administrative and Institutional Reforms will, henceforth, categorise all Statutory Boards and Committees of organisations falling under the purview of PRB. It will also be required to deal with all new cases for the determination of fees payable and requests for determination of allowances payable to Chairpersons, Members and Secretaries appointed to sit on *ad hoc* Committees or Fact-Finding Committees or Courts of Investigation.

Recommendation 8

17.31 We recommend that:

- (a) the Standing Committee on Fees and Allowances under the chairmanship of the Ministry of Public Service, Administrative and Institutional Reforms comprising representatives of the Prime Minister's Office, Ministry of Finance, Economic Planning and Development and Pay Research Bureau should, henceforth, be required to categorise all Statutory Boards and Committees within a period of three months and submit same to the High Powered Committee for approval; and**
- (ii) pending the implementation of the Categorisation of SB & C, Members and Secretaries of Committees and Sub-Committees as well as Chairpersons should be granted an interim increase of 5% on the respective rate recommended in the 2016 PRB Report.**

17.32 We also recommend that the Standing Committee should continue to be responsible for the determination of allowances payable to Chairpersons, Members, Secretaries and other supporting staff of *ad hoc* Committees in line with approved criteria, as guidelines, and deal with specific cases as well.

17.33 We further recommend that the fees payable to Chairpersons, Members and Secretary of Commissions of Inquiry as set up by the President of the Republic and other similar Committees, be determined on a case to case basis by the High Powered Committee.

17.34 We additionally recommend that where fees being paid are higher than those prescribed in this Chapter, approval of the High Powered Committee should be sought.



