

17. STATUTORY BOARDS AND COMMITTEES

- 17.1 Statutory Boards and Committees (SB and C) are established by Acts of Parliament which confer them their legal status. They are generally controlled by a Board of Directors, appointed by Government, which sets the policies and directions of their operations. As per provisions of the Acts, Chief Executives are appointed to be responsible for the day-to-day management and overall administration of the organisations.

Categorisation of Statutory Boards

- 17.2 In the last PRB Report, the system of categorisation was re-introduced wherein the Bureau recommended that the SB and C be classified in three categories viz A, B, and C. To facilitate this exercise, the Bureau recommended the following criteria to be used as a baseline:
- (i) Budget/establishment size or value of assets;
 - (ii) Complexity of operations and level of risks;
 - (iii) Criticality of functions (Regulatory, Executive or Advisory);
 - (iv) Degree of knowledge and specialised skills required, level of responsibility and profile (contribution, expertise and experience);
 - (v) Commitment required (frequency of meetings in a month time); and
 - (vi) Degree to which the body is accountable/visible.
- 17.3 The aforementioned criteria were slightly modified at the level of the Standing Committee on Fees and Allowances, after a consensus was reached by all members of the Committee. Thereafter, the Standing Committee set up a Sub-Committee comprising representatives of the Prime Minister's Office, Ministry of Finance, Pay Research Bureau (PRB) and the Ministry of Public Service and Administrative Reforms (MPSAR) for the categorisation of the Statutory Boards falling under the purview of the PRB. The list of duly categorised Statutory Boards was subsequently discussed at the level of the Standing Committee which was finally submitted to the High Powered Committee for approval.
- 17.4 As at date, over 100 Statutory Boards have been categorised by the Standing Committee on Fees and Allowances, under the Chairmanship of the Secretary for Public Service.

Fees payable to Part-Time Chairpersons, Members and Secretaries

- 17.5 Post 2021 PRB Report, following an outcry from various stakeholders, the High Powered Committee considered that the fees recommended should be reviewed with a view to coax qualified and experienced individuals to serve on these Boards. Consequently, the fees were reworked by the Bureau in consultation with the Prime Minister's Office and discussed at the level of the Standing Committee on Fees and Allowances and ultimately approved by the High Powered Committee.
- 17.6 Currently the fees payable to part-time Chairpersons, Members and Secretaries of Statutory Boards are as per Circular Note No. 54 of 2022 issued by the then Ministry of Public Service, Administrative and Institutional Reforms. The fees have been set according to the category in which the Parastatal Bodies are classified. For this review, the Bureau has remained mindful of the financial and affordability constraints being faced by the Government in arriving at its recommendations. The existing fees are, therefore, being maintained.

Recommendation 1

- 17.7 **We recommend that the existing fees payable to Chairpersons, Members and Secretaries of Statutory Boards falling under the purview of the PRB should be maintained as per the Table below:**

Category of Statutory Boards	Chairperson (Rs) (monthly basis)	Member (Rs)		Secretary (Rs)	
		Per sitting	Subject to a maximum of	Per sitting	Subject to a maximum of
A	40000	2500	5000	2750	5500
B	32000	2000	4000	2200	4400
C	22000	1500	3000	1650	3300
Sessional Basis	5500 per sitting subject to a maximum of Rs 22000 a month	1500 per sitting subject to a maximum of Rs 6000 a month		1650 per sitting subject to a maximum of Rs 6600 a month	

- 17.8** We also recommend that the Chairpersons, Members and Secretaries of Statutory Boards already drawing higher fees than those recommended above should retain same on a personal basis, until reconstitution of the membership of the Board. Thereafter, they should be paid the appropriate fees.

Recommendation 2

- 17.9** We recommend that the existing fees payable to the Members and Secretaries of Sub-Committees of Statutory Boards falling under the purview of the PRB should be maintained as per the Table below:

Category of Statutory Boards	Member (Rs)		Secretary (Rs)	
	Per Sitting	Subject to a maximum of	Per Sitting	Subject to a maximum of
A	2100	8400	1550	6200
B	1700	6800	1250	5000
C	1350	5400	950	3800

- 17.10** We also recommend that the existing fees payable to a Member other than the Chairperson who is called upon to chair a Sub-Committee of Statutory Boards falling under the purview of the PRB should be maintained as follows:

Category of Statutory Boards	Chairperson (Rs)	
	Per Sitting	Subject to a maximum of
A	2600	10400
B	2200	8800
C	1850	7400

- 17.11** We further recommend that Chairpersons should, as far as possible, not form part of Sub-Committees of the same Board.

Commuted Allowance - Statutory Boards and Committees

Recommendation 3

17.12 We recommend that:

- (i) Chairpersons and Members of Statutory Boards and Committees travelling by car to and from the place of meeting should, in addition to their travel grant or travelling allowance entitlements that may accrue to them on account of their official positions, be paid a revised monthly Commuted Allowance of Rs 1725 based on a maximum of four sittings. The Commuted Allowance should be pro-rated in cases where the Chairperson and Members attend less than four sittings;
- (ii) Non-Executive Chairpersons who are beneficiaries of an official car or who do not have to travel exclusively to attend the meeting should not be entitled to such allowances; and
- (iii) Part-time Chairpersons and Members who travel by bus should be paid a revised Commuted Allowance of Rs 75 per sitting or refunded the travelling expenses incurred.

Actingship as Chairperson of Statutory Boards

17.13 Very often, Chairpersons of Statutory Boards are unable to chair Board meetings for a full month or they chair only part of a month for personal reasons/attending official mission for the Board. To address the problem of payment of fees for actingship in the absence of the substantive Chairperson, the Bureau, in its last Report, made specific recommendation to compensate the Vice-Chairperson or any other Member who chaired the Board meetings accordingly. Since this situation is recurrent, the recommendation is being maintained.

Recommendation 4

17.14 We recommend that:

- (i) no fees should be paid to a substantive Chairperson who is absent during a whole calendar month, except if he is on official mission for the Board. The Vice-Chairperson or any other Member who chairs the Board meeting(s), during that period, should be paid the full allowance payable to the Chairperson;
- (ii) a Vice-Chairperson or any other Member who presides over Board meeting(s) 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; and

- (iii) in case the substantive Chairperson and the Vice-Chairperson or any other Member have 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 Meeting should be paid an allowance calculated on a *pro-rata* basis.

Double Payment

17.15 In the last Report, provisions were made respectively for the payment of fees in cases of resignation, transfer and replacement of a Chairperson to counter double payment as hereunder:

- (i) 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.
- (ii) in the event 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.
- (iii) In case the substantive Chairperson is absent during a whole calendar month, and the Vice-Chairperson or any other Member chairs the board meetings, the latter should be granted the full allowance payable to the substantive Chairperson. This allowance should be in lieu of the fees payable for attendance as Member during the same month.

17.16 In view of their continued validity, the above provisions should prevail.

Resignation of Chairperson

17.17 Provisions in case of resignation of a Chairperson are as hereunder:

- (i) 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.
- (ii) whenever the chairmanship is held 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.

17.18 As these provisions still hold, we are maintaining them.

Classification of Committees

- 17.19 The fact that the functions of Committees are not comparable to those of Boards in various aspects, *inter alia*, recruitment of officers on their respective establishment, their size, setting and monitoring strategies, and level of operation, the Standing Committee on Fees and Allowances decided that it would not be appropriate to classify such Committees on the basis of the Framework and established criteria used for categorising the Statutory Boards. Hence, a different basis has been devised by the Standing Committee on Fees and Allowances to classify those Committees under three levels namely I, II and III.

Fees for Committees

Recommendation 5

- 17.20 We recommend that the existing fees payable to the Chairpersons, Members and Secretaries of Committees should be maintained as hereunder:

Level	Part-Time Chairperson (Rs)		Member (Rs)		Secretary (Rs)	
	Per Sitting	Subject to a maximum of	Per Sitting	Subject to a maximum of	Per sitting	Subject to a maximum of
I	2000	6000	1500	4500	1100	3300
II	1500	4500	1125	3375	825	2475
III	1000	3000	750	2250	550	1650

Standing Committee

- 17.21 The categorisation of all Statutory Boards falling under the purview of the PRB and the classification of Committees are presently carried out by the Standing Committee on Fees and Allowances which operates under the chairmanship of the Secretary for Public Service. 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 are equally considered by the Standing Committee.

Recommendation 6

- 17.22 We recommend that the Standing Committee on Fees and Allowances under the chairmanship of the Secretary for Public Service, comprising representatives of the Prime Minister's Office, Ministry of Finance and

Pay Research Bureau should look into all cases of categorisation of Statutory Boards and classification of Committees.

- 17.23** 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.
- 17.24** We further recommend that the fees payable to Chairpersons, Members and Secretaries of Commissions of Inquiry as set up by the President of the Republic and other similar Committees should be determined, on a case-to-case basis, by the High Powered Committee.

General Recommendations

- 17.25** It has been submitted that since the last review, there has been an observable increase in the number of Committees which has been set up administratively. In the majority of cases, these issues already fall under the mandate of the Ministry/Department/Organisation concerned and, as such, the need for payment of any fees does not arise. Rightfully, such requests on being submitted to the Standing Committee, were turned down. Also, it has become a recurrent practice in organisations to set up Sub-Committees with a view to furnishing input to the main Committee and subsequently fees are claimed for the services provided. What is noteworthy is that most of these Sub-Committees are presided by the same Chairperson. Research shows that in some countries, public sector employees who chair Boards or in their capacity as Board members, are not entitled to any fees unless approval for remuneration is sought by the responsible Minister.
- 17.26** Given that overboarding can compromise a member's effectiveness and in an attempt to limit unjustified payment of fees while being cautious on the judicious use of public funds, the Bureau is making appropriate recommendations.

Recommendation 7

- 17.27** We recommend that:
- (i)** no fees should be paid to full time public sector employees forming part of administratively set up Committees having functions that fall under the mandate of the relevant Ministry/Department/Organisation;
 - (ii)** full time public sector employees forming part of Committees which are set up by virtue of a Government decision to look into pertinent matters should be paid fees as approved by the Standing Committee on Fees and Allowances;

- (iii) full time public sector employees should not form part of more than four fee paying Boards/Committees in any period of twelve months, unless otherwise authorised by provision of relevant legislation or by Cabinet endorsement; and
- (iv) no public sector employee should serve on such Boards which have the potential to create an actual or perceived conflict of interest.

