

## 19. STATUTORY BOARDS AND COMMITTEES

- 19.1 Statutory bodies are usually established by an Act of Parliament to carry out specific functions which the Government considers may be more effectively performed outside a traditional departmental structure. The statutory body form is generally used when there is a need for:
- some operational independence from the State Government;
  - funding arrangements that are not reliant on the annual appropriations processes;
  - specific expertise on a governing board; or
  - a separate legal entity.
- 19.2 The Pay Research Bureau sets the fees structure for part-time Chairpersons, Members and Secretaries of Statutory Boards and Committees as well as for those appointed to serve an *ad hoc* Committees or Fact-Finding Committees, Courts of Investigation and Technical and other Committees falling under its purview.

### Corporate Governance and Obligations of the Board

- 19.3 The Board of any organisation has the responsibility of formulating policies and crafting strategies through good corporate governance principles and practices for enhancing organisational efficiency and effectiveness. The day-to-day management and overall administration of the activities of the organisation rests with the Chief Executive or the Executive Chairman. The Board of Directors directs and controls the organisation in a sound and profitable manner to the satisfaction of all the stakeholders;
- 19.4 In today's ever-changing and turbulent business environment, the role and responsibility of Directors have considerably been preponderant in terms of:
- acquisition of basic knowledge and understanding of the business/activities of the organisation and its economic/social driving force;
  - adherence to statutory requirements of the organisation;
  - maintaining the activities of executive management, their integrity and competency; and
  - ensuring the adequacy and effectiveness of financial and operational controls to safeguard the assets of the organisation and approval of the financial reporting requirements.

### Use of Non-Executive Directors

- 19.5 In the past, it was as if customary for eminent personalities and other professionals to offer their contribution on a '*pro-bono*' basis' to serve on Boards and Committees in accordance with their speciality/field of competence. In foreign jurisdictions, this trend is still in practice.
- 19.6 However, over time a reward system has been introduced in form of nominal fees with a view to meeting petty expenses in relation to their contribution/attendance at such boards and committees. It is worth highlighting that such fees are not meant to be a full compensation for the services rendered but rather a token payment.

### Remuneration of Non-Executive Directors

- 19.7 The fundamental considerations in the determination of the pecuniary reward for non-executive directors include provision of reasonable compensation for their time, commitment and contribution at board meetings while ensuring that such reward is not seen as compromising on their independence in judgement and action.
- 19.8 Reasonable compensation for determining the remuneration of Chairpersons and other Members of Committees normally depends on the following factors:
- (i) the number of board meetings per year the non-executive director is required to attend;
  - (ii) whether he or she also forms part of a board committee such as the audit committee or the remuneration committee which involves extra duties and an additional time commitment;
  - (iii) the eminence of the director - whether he is sought after for particular wisdom and expertise;
  - (iv) organisation size - research shows a fairly clear relationship between the size of non-executive directors' fees and the size of the organisation; and
  - (v) position - non-executive chairpersons are normally paid substantially more than ordinary non-executive directors. This differential partly reflects the additional time involved and partly the additional responsibility and public exposure that goes with this role.
- 19.9 Maintaining objectivity and independence are critical to the effectiveness of non-executive directors. It is generally argued that if Directors become too dependent on their remuneration from an organisation on whose board they serve, they might not perform the independent role required of them by the relevant stakeholders. For this reason, the provision of other perquisites, over the fees payable, are generally to be avoided.

## Remuneration of Part-Time Chairman

- 19.10 Since PRB Report 2003 and in other successive PRB Reports, we have recommended a formula for the remuneration of part-time Chairperson, linked with the salary of the Chief Executive, established through job evaluation.
- 19.11 On the basis of the formula, the monthly fees payable to part-time Chairpersons of Statutory Boards are at the rate of 30% of the monthly basic salaries of their respective Chief Executives, subject to a maximum of Rs 28500. Whereas the fees payable to the part-time Chairpersons for which remuneration is on sessional basis are at the rate of Rs 1900 per sitting, subject to a maximum of Rs 7600 a month. In respect of Statutory Board with no Chief Executive, the monthly fee payable to the part-time Chairperson is determined/revised by the Standing Committee on fees and allowances. The formula used in determining the fees payable to a part-time Chairperson is considered to be fair, reasonable and still valid. We are, therefore, recommending accordingly, while revising the different quantum.

## Recommendation 1

### 19.12 We recommend that:

- (a) the monthly fees of part-time Chairpersons of Statutory Boards and Committees, which are currently linked to the salaries of their Chief Executives, should continue to be at the rate of 30% of the monthly basic salaries of their respective full-time Chief Executives, subject to a maximum of Rs 29925.
- (b) in respect of an organisation with no Chief Executive, the monthly fees of part-time Chairpersons should be reviewed by the Standing Committee mentioned at paragraph 19.24, taking into consideration the following:
  - (i) the importance and status of the institution;
  - (ii) the nature and volume of work devolving on the Board;
  - (iii) the duties and level of responsibilities of the Chairperson; and
  - (iv) the frequency of meetings.
- (c) the fees payable to part-time Chairpersons of Statutory Boards and Committees for which remuneration is on a sessional basis should be at the revised rate of Rs 1995 per sitting, subject to a maximum of Rs 7980 a month.

## Actingship as Chairperson

### Recommendation 2

- 19.13 The Bureau recommends 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.

- 19.14 The Bureau also recommends 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 and when he is absent from the country, the Vice-Chairperson or any other member who chairs the board meetings should be paid the full allowance payable to the Chairperson.

### Double Payment

#### Recommendation 3

- 19.15 We recommend that a Vice-Chairperson or any other member, who chairs board meetings when the substantive Chairperson is absent from the country and is paid 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

- 19.16 We recommend that, in case of resignation of a Chairperson and pending the appointment of a new Chairperson, the chairmanship should continue to be carried out by the Vice-Chairperson, if any, or by any other member designated by the Board and the latter should be entitled to the full allowance prescribed.
- 19.17 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.
- 19.18 In the context of this Review, it has been reported that implementation problems have cropped up when a Chairperson resigned from his office to take up the chairmanship of another organisation at any time in a month. The payment of the fees to the two Chairpersons constitute a double payment. We are, therefore addressing the issue.

#### Recommendation 5

- 19.19 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.

**Members of Boards****Recommendation 6**

**19.20** We recommend that members of Statutory Boards and Committees be paid a fee of Rs 890 per sitting. A member other than the Chairperson, who is called upon to chair sub-Committees, should be paid an additional fee of Rs 305 per sitting, subject to a maximum of Rs 1220 monthly. A member who sits in sub-Committees should be paid a fee of Rs 815 per sitting.

**Recommendation 7**

**19.21** We recommend that the fees presently payable to officers acting:

- (a)** as Secretary to Statutory Boards and Committees; and
- (b)** as Secretary to sub-Committees

should be Rs 1225 and Rs 615 respectively.

**Recommendation 8**

**19.22** 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 travelling allowance of Rs 230 per sitting. Those travelling by bus should be paid a commuted travelling allowance of Rs 60 per sitting or refunded the travelling expenses incurred. 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.

**Standing Committee**

**19.23** At present there is a Standing Committee on Fees and Allowances operating/set up under the chairmanship of the Ministry of Civil Service and Administrative Reforms and comprising the Financial Secretary and the Director, Pay Research Bureau. It deals with all new cases for the determination of fees payable and with 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 9**

**19.24** We recommend that the Standing Committee on Fees and Allowances under the chairmanship of the Ministry of Civil Service and Administrative Reforms and comprising the Financial Secretary and the Director, Pay Research Bureau should be maintained.

**Recommendation 10**

- 19.25** We 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.

**Recommendation 11**

- 19.26** We further recommend that the fees payable to Chairpersons, Members, and Secretary of Commission of Enquiries set up by the President of the Republic be determined on a case to case basis by the High Powered Committee.

**\*\*\*\*\***

## 20. RODRIGUES AND THE OUTER ISLANDS

- 20.1 The Conditions of Service specific and applicable to public officers of Mauritius who are on tour of service in Rodrigues and the Outer Islands (Agalega and St. Brandon) are outlined in this Chapter. Some of these specific conditions also apply to officers on the establishment of the Rodrigues Regional Assembly (RRA) posted in Mauritius.
- 20.2 It is presently binding on all public officers of Mauritius to serve on a tour of service in Rodrigues and the Outer Islands, as and when required, notwithstanding their terms of employment.

### Recommendation 1

- 20.3 We recommend that it should continue to be binding on all public officers domiciled in Mauritius to serve on a tour of service in Rodrigues and the Outer Islands - Agalega and St. Brandon, as and when required, notwithstanding their terms of employment.**

### CONDITIONS OF SERVICE SPECIFIC TO MAURITIAN OFFICERS

- 20.4 Mauritian public officers from the civil service and parastatal bodies are posted on tour of service to Rodrigues and the Outer Islands to palliate the shortage of qualified staff, to provide professional and technical expertise, and to ensure the continued service delivery of various departments and outstations. As regards public officers domiciled in Rodrigues, they are usually sent to Mauritius for training and placement purposes and on rare instances are posted in Mauritius.
- 20.5 For officers serving on a tour of service in Rodrigues and the Outer Islands, a disturbance allowance is paid to compensate them for their distant posting and to cater for household expenses as well as for the disruption of family and social life. These officers also benefit from rent free accommodation and enhanced vacation. Similarly, officers from the RRA posted in Mauritius are paid additional allowances.

### Tour of Service in Rodrigues

- 20.6 Currently, Mauritian officers are paid a monthly disturbance allowance of 25% of their respective gross salary (basic salary plus salary compensation at approved rates) for serving on a tour of service. A tour of service is generally of 12 months' duration but it may be of a shorter period for exceptional cases. The payment of the disturbance allowance is limited to three tours of service. However, in exceptional cases it is paid for stay beyond three tours of service subject to the approval of the Ministry of Civil Service and Administrative Reforms (MCSAR). Free accommodation is also provided to Mauritian public officers posted in Rodrigues.

20.7 In the context of this review, representations have mainly been to increase the rate for disturbance allowance. The Bureau considers that the present rate is appropriate and with an increase in the salary, the quantum of the disturbance allowance will also increase.

## Recommendation 2

**20.8 We recommend that:**

- (i) the duration of a tour of service in Rodrigues should generally be of 12 months' duration;**
- (ii) the duration of a tour of service can be of shorter period but not less than six months for exceptional cases such as the non-availability of qualified staff in certain scarcity areas, subject to the approval of the MCSAR;**
- (iii) payment of the monthly disturbance allowance should be 25% of gross salary for the duration of a tour;**
- (iv) payment of the disturbance allowance should, save in exceptional circumstances and subject to the approval of the MCSAR, be limited to three tours of service only; and**
- (v) Mauritian officers posted in Rodrigues on a tour of service should continue to benefit from rent-free accommodation or quarters.**

## Inducement Allowance

20.9 Certain categories of professionals in scarce supply are posted on a tour of service in Rodrigues and they are paid an inducement allowance of 50% of monthly salary instead of the disturbance allowance.

20.10 The MCSAR determines the categories of people entitled to the inducement allowance and approves the payment of the allowance.

20.11 Whenever Specialist/Senior Specialists are posted for short duration in Rodrigues and are accommodated in fully furnished rent-free quarters/houses, they are paid inducement allowance on a *pro-rata* basis for the duration of stay. The inducement allowance is not payable to officers who are provided with board and lodging in hotels for the duration of their tour.

20.12 While we recognise that in Rodrigues the configuration of the labour market has changed and we believe that there is an increasing pool of local talent, there is still need to attract professionals or experts in specialised fields in some scarce domains. The provision for the payment of the inducement allowance is, therefore, being maintained.

### Recommendation 3

**20.13 We recommend:**

- (i) the payment of inducement allowance of 50% of the monthly salary to certain categories of professionals in scarce supply and posted on a tour of service in Rodrigues subject to the approval of the MCSAR;**
- (ii) the payment of the inducement allowance of 50% of the monthly salary on a *pro-rata* basis to those Specialist/Senior Specialists posted for short duration in Rodrigues and who are accommodated in fully furnished rent-free quarters; and**
- (iii) that the inducement allowance should not be payable to officers who for one reason or another are provided with board and lodging in hotels.**

### **Allowance to Rodriguan Officers coming to Mauritius on Training**

20.14 Rodriguan officers coming to Mauritius on training are presently paid an allowance equivalent to 50% of salary for the duration of the course together with rent-free quarters. Those officers who cannot be provided with quarters are paid an allowance of Rs 2400 monthly as assistance towards payment of rent. We are maintaining the existing provision and revising the quantum of assistance towards payment of rent.

### Recommendation 4

**20.15 We recommend that officers domiciled in Rodrigues and coming to Mauritius on training should continue to be paid an allowance equivalent to 50% of the monthly salary for the duration of the course; and those officers who cannot be provided with quarters be paid an allowance of Rs 2600 monthly as an assistance towards payment of rent.**

### **Officers Performing Duties in a Higher Capacity**

20.16 At present, the disturbance allowance or inducement allowance for those officers, who are called upon to act in a higher capacity or are assigned duties of the higher post in the hierarchy, is computed on the basis of aggregate earnings (basic salary plus salary compensation at approved rates plus acting/responsibility allowance). We are maintaining this mode of computation which is appropriate.

### Recommendation 5

**20.17 We recommend that the disturbance allowance or inducement allowance of officers who are called upon to act in a higher capacity or assigned duties of the higher level should be computed on the basis of aggregate**

**earnings (basic salary, salary compensation at approved rates plus acting/responsibility allowance).**

### **Other Conditions**

20.18 A Mauritian public officer posted to Rodrigues for a tour of service of a minimum period of 12 months is eligible for the following:

#### **(a) Passages**

- (i) one free passage, to and from Rodrigues, for himself, his spouse and up to three dependent children below the age of 21; and two additional free tickets to Mauritius to married officers in case the tour of service is extended for another 12 months;
- (ii) one free return ticket from Rodrigues for medical treatment in Mauritius in respect of himself or any immediate member of his family, as at sub-paragraph (i) above, provided a Government Medical Officer certifies that such medical treatment is not available in Rodrigues and cannot safely be postponed until the end of his tour of service;
- (iii) two free return tickets from Rodrigues for medical treatment in Mauritius in respect of himself or any immediate member of his family, as at sub-paragraph (i) above, provided a Government Medical Officer certifies that such medical treatment is not available in Rodrigues and cannot safely be postponed until the end of his tour of service, and that the patient needs to be accompanied; and
- (iv) one additional free return ticket to Mauritius to single officers in case the tour of service is extended for another 12 months.

**Note:** The entitlement of free return tickets, under sub-paragraphs (i) and (iv) above, is limited to three tours of service only.

#### **(b) Transport**

- (i) free transport by sea of his personal effects to the extent of six cubic metres; and
- (ii) free transport by sea of his car/jeep/ motorcycle/bicycle subject to the approval of the Prime Minister's Office;

provided that the total volume of (i) and (ii) does not exceed 12 cubic metres.

#### **(c) Enhanced Vacation Leave**

- (i) an officer domiciled in Mauritius, when posted to Rodrigues for a tour of service, earns during the period of his service there,

vacation leave at the rate of 50% more than what he is eligible for in respect of that period;

- (ii) the additional leave granted under sub-paragraph (i) may be accumulated over and above his normal entitlement; and
- (iii) an officer on a tour of service in Rodrigues is not allowed to enjoy vacation leave, save in exceptional cases, subject to the approval of the Island Chief Executive.

### **Recommendation 6**

**20.19 We recommend that the special conditions in connection with passages, transport and vacation leave to which an officer who is domiciled in Mauritius and posted to Rodrigues is entitled to should be maintained.**

**20.20 We also recommend that an officer, on his return to Mauritius at the end of his tour of service, should be given priority of consideration to take his earned vacation leave.**

### **Rodriguan Police Officers posted in Mauritius**

20.21 Rodriguan Police Officers when posted in Mauritius are paid a disturbance allowance of 25% of monthly salary and are eligible for free passages.

### **Recommendation 7**

**20.22 We recommend that a disturbance allowance equivalent to 25% of monthly salary should continue to be paid to Rodriguan Police Officers posted on a tour of service in Mauritius.**

**20.23 We further recommend that an officer domiciled in Rodrigues and posted to Mauritius should be eligible for:**

- (i) one free passage, to and from Mauritius, for himself, his spouse and up to three dependent children below the age of 21; and two additional free tickets to Rodrigues to married officers in case the tour of service is extended for another 12 months; and
- (ii) one additional free return ticket to Rodrigues to single officers in case the tour of service is extended for another 12 months.

## **CONDITIONS OF SERVICE SPECIFIC TO MAURITIAN OFFICERS POSTED TO THE OUTER ISLANDS - AGALEGA AND ST. BRANDON**

### **Tour of Service and Disturbance Allowance to Mauritian Officers**

20.24 Mauritian public officers are also required to serve in the Outer Islands, namely Agalega and St. Brandon on a tour of service which normally varies from four to six months. The duration of the tour of service in the Outer Islands is most of the time dependent on the movement of vessels to these islands. The

monthly disturbance allowance payable to these Mauritian officers is 60% of their gross monthly salary.

- 20.25 Federations have mainly represented for an increase in the rate of the disturbance allowance. The Bureau considers that the disturbance allowance payable to concerned officers at the rate of 60% of their gross salary compensates adequately the shorter duration of tour of service and the prevailing working conditions there.

### **Recommendation 8**

- 20.26 We recommend that the monthly disturbance allowance of 60% of gross salary (basic salary plus salary compensation at approved rates) payable to officers on a tour of service in Agalega and St. Brandon should be maintained.**

- 20.27 We also recommend that the monthly disturbance allowance payable to these officers be pro-rated with respect to the duration of their stay in these islands.**

### **Vacation Leave**

- 20.28 Mauritian officers while on a tour of service in Agalega or St. Brandon, presently benefit from enhanced vacation leave such that they earn vacation leave at the rate of 50% in addition to what they are entitled to for that period. This provision is being maintained.

### **Recommendation 9**

- 20.29 We recommend that Mauritian officers on a tour of service in Agalega and St. Brandon should continue to earn vacation leave at the rate of 50% in addition to what they are eligible for in respect of that period.**

- 20.30 We further recommend that these officers, on their return to the main land at the end of their tour of service in Agalega and St. Brandon, should be given priority of consideration to take their earned vacation leave.**

### **Special Conditions**

- 20.31 An officer who is posted to the Outer Islands, Agalega and St. Brandon, is eligible for one free passage for himself, his spouse and up to three dependent children below the age of 21 and rent-free government quarters.

### **Recommendation 10**

- 20.32 We recommend that the special conditions in respect of passages and rent-free government quarters which an officer who is posted to the Outer Islands is entitled to be maintained.**

### **Enhanced Pension Benefit**

20.33 The period during which a Mauritian citizen serves as a public officer in Agalega or St. Brandon is presently reckoned as pensionable service at the rate of two times.

**Recommendation 11**

**20.34 We recommend that the existing provision be maintained.**

**\*\*\*\*\***