

**FINANCIAL CIRCULAR NO. 7/2000**

**Remuneration of Non-official Members of  
Boards and Committees**

(Note : Distribution of this Circular is **Scale C**. It should be read by Bureau Secretaries, Controlling Officers, Departmental Secretaries and Accountants, and by all other officers dealing with financial matters.)

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This circular reminds bureaux and departments of the principles and guidelines for remunerating non-official members of boards and committees set up by the Government. It replaces Financial Circular No. 7/93.

**Principles governing the remuneration of non-official members of Government boards and committees**

2. The basic principle is that the service of non-official members is voluntary and, as a general rule, un-remunerated. However, at the same time, no individual should suffer a pecuniary embarrassment through public service nor should the Government be obtaining the services of highly qualified, professional persons "on the cheap". Finance Committee at its meeting on 5 March 1993 reaffirmed these principles.

/Guidelines .....

To: Policy Secretaries  
Controlling Officers

### **Guidelines for remunerating non-official members of Government boards and committees**

3. Given the large number of boards and committees carrying out varied functions and duties and the fact that the workload and demand on non-officials' time also vary considerably, it is not appropriate for us to mandate the payment of honorarium to non-official members of all boards and committees. Instead, Bureau Secretaries and Controlling Officers should observe the following guidelines in considering whether an honorarium should be paid –

- (a) payment of honorarium should be considered to cover travel, out-of-pocket and related expenses incurred by non-official members in connection with their duties. The frequency and location of meetings as well as secretarial support when required should be taken into account;
- (b) remuneration should be considered as compensation for earnings forgone arising from -
  - (i) resignation from substantive employment in order to serve on a Government board or committee; or
  - (ii) membership of a committee which requires substantial and regular work by the member to the extent that it occupies a significant part of the member's working day;
- (c) while advice tendered by non-officials which is of an expert or professional nature per se should not constitute a claim for remuneration, recognition should be given to professional expertise and experience required of the non-officials in performing the function of the board or committee, for example, in chairing appeal boards.

4. In an ad hoc Subcommittee of the Legislative Council set up earlier this year to study the current arrangements for remunerating non-official members serving on Government boards and committees, Members expressed concern over the apparent lack of consistency in the granting of honorarium to non-official members of these boards and committees. To address this concern, Controlling Officers are requested to review from time to time whether non-official members serving on Government boards and committees under their purview should be remunerated and consciously consider the issue of remuneration in the setting up of new boards and committees.

**/Procedural .....**

## **Procedural arrangements and rates of remuneration**

5. Bureau Secretaries should consider whether remuneration is necessary and appropriate having regard to the foregoing principles and guidelines. They should consult as necessary the Chairman (where he or she is a non-official) as well as obtain the views of the Head of Department concerned. They should also make reference to existing remuneration arrangements in respect of other boards and committees performing similar functions. Where the Bureau Secretary is satisfied that remuneration is appropriate, he should put a case, with a suggested rate and an indication of availability of funds, to the Secretary for the Treasury for consideration.

6. The Secretary for the Treasury has been delegated the authority by Finance Committee to approve remuneration subject to a ceiling. This ceiling is regularly revised with reference to the movement of the Consumer Price Index (C) and announced by way of a Finance Bureau Circular Memorandum. The ceiling, with effect from 1 August 2000, will be \$745 per member per attendance. A per-attendance rate is used if the number of attendance is small, e.g. four to five times monthly. If attendance is more frequent, a monthly honorarium based on the per-attendance rate may be more appropriate.

7. There are cases where rates higher than the ceiling are more appropriate. Such higher rates are often justified on grounds that the business of the board or committee is very time-consuming and calls for substantial sacrifice on the part of the chairman or members in terms of earnings forgone. In other cases, professional experience and expertise are required and should be appropriately recognised. Such higher rates of remuneration require the approval of Finance Committee on a case-by-case basis.

8. To facilitate bureaux and departments in considering and proposing an appropriate rate of remuneration for non-officials and to ensure greater consistency throughout the Government in this regard, we have posted on FB's webpages (<http://www.info.gov.hk/fb>) in the Internet all the approved rates for easy reference. Our colleagues in the respective Resource Divisions are also happy to assist. Bureaux and departments are requested to keep FB informed of any changes for updating the webpages.

**/Remuneration .....**

**Remuneration for members of financially autonomous public bodies and statutory bodies with arrangements for remuneration specified under the relevant legislation**

9. Some boards and committees, though appointed by Government, are not subject to the above system of approving remuneration to their Chairman and members. These include

- (a) financially autonomous non-government funded public bodies such as the Airport Authority, Housing Authority, KCRC and Examinations Authority; and
- (b) statutory bodies such as the HKSAR Passports Appeal Board, Electoral Affairs Commission and Copyright Tribunal whose Chairman's and members' remuneration are governed by specific provisions in the respective legislation.

**Trading funds**

10. This circular also applies to trading funds.

**Enquiries**

11. For enquiries on this circular, please contact Mr. K K Lam, Principal Executive Officer (G) on 2810 2668 or Miss Pat Chung, Treasury Officer (Bureau Management) on 2810 2567.

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Secretary for the Treasury