

ROYAL MONETARY AUTHORITY OF BHUTAN



**GUIDELINES FOR CONDUCTING BOARD AND COMMITTEE MEETINGS IN
RMA**

2019

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1. PURPOSE

The Board of Directors is the highest decision-making body in the Royal Monetary Authority (RMA). The next level of decision-making body is the Executive Committee. The Board is supported by the sub-committee, the Audit Committee. In addition, there are other committees such as National Coordination Committee and Technical Committee for AML/CFT, and Human Resources Committee in RMA.

The decisions of these committees are made through regular meetings. A need has been felt to introduce guidelines for conducting the board and committee meetings to ensure standardization of decision-making process in the RMA.

The purpose of the Guidelines is to provide guidance to the secretaries of the board and committees for conducting meetings in the RMA.

2. APPLICABILITY

The Guidelines shall be applicable for the following board and committees in the RMA:

- i. The Board and Board Committee meetings;
- ii. Executive Committee meetings;
- iii. National Coordination Committee and Technical Committee for AML/CFT meetings;
- iv. Human Resources Committee in RMA meetings; and
- v. Any other regular committee instituted in the RMA. The Guidelines shall not be applicable for time-bound committees constituted to facilitate decision-making, which shall be designated as taskforce or working groups.

3. COMMENCEMENT

The Guidelines shall become effective from the date of the issue of memo for the implementation of the Guidelines by the Management.

4. CHAIRPERSONS AND SECRETARIES OF THE BOARD AND COMMITTEES

There shall be a Chairperson and a Secretary for the board and every committee constituted in the RMA.

The table below gives designated Chairpersons and Secretaries of the board and the committees in the RMA.

SL. No	Board/Committee	Chairperson	Secretary
1	Board	Governor	Executive Secretary (As per the RMA By-laws, one of the Deputy Governors shall be by design the Member Secretary, however, the chairperson may depute an officer from Governor's Office to support the member secretary)
2	Board Audit Committee	One of the Audit Committee members appointed by the Board	Executive Director/Director of Department of Internal Audit
3	Executive Committee	Governor	Executive Secretary (Governor's Office)
4	National Coordination for AML/CFT	Governor	Executive Director/Director of Department of Financial Intelligence
5	Technical Committee for AML/CFT	Deputy Governor	A senior officer from the Department of Financial Intelligence
6	Human Resources Committee	Deputy Governor (Chairperson to be rotated between the two Deputy Governors)	Human Resources Officer (Department of Administration and Finance)

5. ROLES AND RESPONSIBILITIES OF THE CHAIRPERSON AND THE SECRETARY

The specific roles and responsibilities of the Chairperson and the Secretary shall be as per the approved by-laws or Terms of Reference of the board or respective committees. This section describes the general roles and responsibilities of the Chairpersons and the Secretaries.

5.1 Roles and Responsibilities of the Chairperson

The Chairperson's role shall include the following:

1. Provide leadership to the Board/Committee and set high standards of good corporate governance practices;
2. Set the agenda and preside over Board/Committee meetings;
3. Ensure that the members of the Board/Committee receive adequate and timely information to enable quality discussions and informed decision-making;
4. Conduct effective Board/Committee meetings and promote openness, active participation and constructive debate; and
5. Ensure accurate records of Board/Committee meetings are taken and decisions are implemented.

5.2 Roles and Responsibilities of the Secretary

The main responsibilities of the secretary shall include the following:

- i. Prepare annual calendar of meetings;
- ii. Prepare agenda of the meetings in consultation with the Chairperson;
- iii. Ensure that the departments and individuals submit the required papers for circulation to the members of the Board/ Committees on time;
- iv. Issue notices of the meetings and circulate agenda items to the members of the Board/Committee;
- v. Circulate the relevant papers and information to the members of the Board/Committee to give adequate time for the members to prepare;
- vi. Manage the logistics of the meetings;

- vii. Ensure there is a quorum for the meeting;
- viii. Brief the chairperson prior to the meetings about the agenda,
- ix. Prepare and finalize the minutes of the meetings;
- x. Ensure that resolutions of the meetings are implemented;
- xi. Keep proper storage or archival of the proceedings of the meetings, and
- xii. Keep the non-public information confidential as required by the Code of Conduct and Ethics of RMA's SRR 2017.

6. PREPARING ANNUAL MEETING CALENDARS

- a. To enable better planning and managing time commitments of the members of the board and committees, each secretary shall prepare annual calendar of meetings at the beginning of the financial year.
- b. There shall be logical sequencing and coordination of meetings of the EC, the Board and Board Audit Committee, etc..
- c. The annual calendar should include the following:
 - i. Dates of all board and committee meetings,
 - ii. Tentative topics for the meetings
- d. In compiling the agenda topics in the annual calendar, the secretary shall ensure that the calendar is harmonized with the annual organizational plan and financial reporting cycles such as preparation, implementation and reporting of RMA's annual performance commitments (BMPC and MDPCs), budgeting and accounting reporting timeline, employee performance evaluation, promotion and transfer cycles and other main regular events.
- e. A template of the Annual Meeting Calendar is given in Annex 1.

7. FREQUENCY OF MEETINGS

The board and committees shall meet at least once in every three months or no less than four times per year and as frequently as may be deemed necessary to deal with the business.

8. AGENDA SETTING

a. Preparation and Circulation of Agenda

- i. The secretary shall prepare the draft agenda of the meeting drawing agenda items from the Annual Calendar and in consultation with the management and the departments.
- ii. Once a draft agenda is prepared, the secretary shall finalize and get it endorsed by the chairperson.
- iii. After the agenda is finalized, the secretary shall send notifications to the members as per the timeline given in the table below:

SL No.	Board/Committee	Timeline for Notification of Meetings
1	Board	At least ten working days prior to the date of the meeting.
2	Board Audit Committee	At least five working days prior to the date of the meeting.
3	Executive Committee	At least five working days prior to the date of the meeting.
4	National Coordination for AML/CFT	At least ten working days prior to the date of the meeting'
5	Technical Committee for AML/CFT	At least ten working days prior to the date of the meeting.
6	Human Resources Committee	At least five working days prior to the date of the meeting

- iv. Notifications sent to committee members will clearly provide the date for the meeting in accordance with the above timeline.
- v. However, meetings may be convened at any time without such prescribed notices in case of urgent circumstances.
- vi. The notifications shall specify the date and place of the meeting and attach the meeting agenda and related materials.
- vii. The members shall be provided with the information as given in the box below:

Information for the Members

- ❑ An agenda with brief agenda write-ups
- ❑ Minutes from the last meeting
- ❑ Action taken report of the previous meetings
- ❑ Papers relating to specific agenda items

- viii. Notifications and distribution of papers shall normally be sent electronically.
- ix. The Secretary has to be aware of the treatment of sensitive and confidential materials. .

b. Format of the Agenda

- i. The agenda items shall be arranged in four parts :
 - **Part I:**Procedural matters,
 - **Part II:** Matters for approval and endorsement,
 - **Part III:** Matters for information, and
 - **Part IV:** Any other matter.
- ii. The agenda items must indicate whether it is for approval, endorsement or information only. This is to allow members to dedicate more time on issues that are strategic and require decisions. **The Secretary should ensure that the paper is clearly marked as to its purpose.** The template of the agenda is given in *Annex 2*.
- iii. Papers related to agenda items under Part II and III shall have brief write-ups. The content of the write-up shall cover as given in the box below:

The agenda write-up shall be no more than a page covering the following:

Background: Briefly describe the background to the issue

Objectives: Briefly describe the objectives/purpose of the proposal

Proposal: Briefly describe the key elements of the proposal

Issues and Recommendations: Briefly highlight the issues and recommendations for the meeting to review and take actions.

Actions: Indicate whether the agenda item is for seeking approval, endorsement or for information.

- iv. Samples of agenda write-ups are given in *Annex 4*.

c. Dealing with 'Any Other Matter'

The secretary's role at a meeting is to assist the chairperson to manage the meeting efficiently and effectively and also to keep 'control' of the meeting. One of the primary ways 'control' can be lost in a meeting is through the addition of unknown matters as 'Any Other Matter' (AOM) at the end of the meeting. Hence, the secretary shall ensure the following:

- i. The departments notify him/her of any other matter, which they would like to raise, that was not included in the agenda sent out prior to the meeting.
- ii. Then brief the chairperson prior to the commencement of the meeting of these items.
- iii. The chairperson shall brief the members on these additional items and a proposal on how they can be dealt with during the meeting.
- iv. The meeting may agree and revise the agenda.
- v. Generally agenda items under AOM shall include only those that for information and approval of non-strategic proposals. Any agenda item that are of strategic importance, and those that have financial implications are not encouraged under AOM,

9. CONDUCTING THE MEETING

a. Role of the Secretary during the meeting

The role of the secretary during the meeting shall be to:

- i. Ensure that the logistical arrangements such as projectors and other equipment are kept ready and the tea, snack and lunches are arranged in advance.
- ii. Ensure that the designated Chairperson is present. If the Chairperson is absent, the Secretary should consult the by-laws/charter/ToR of the concerned body to see who shall act as the Chairperson for that meeting. Ensure that a quorum is present and continues to be present throughout the meeting.
- iii. Record the names of members present and absent. The names of other individuals present must also be recorded.
- iv. Wherever relevant, ensure that the declaration of conflicts of interest is recorded.
- v. Arrange for the entry of presenters for that part of the meeting they are joining.
- vi. Brief the presenter on the amount of time they have been allocated for their presentation.
- vii. Ensure that the papers are presented in the agreed format.

b. Quorum

A quorum for a board or committee meeting shall be at least two-third of the total board/committee members No business may be transacted at the meeting unless a quorum is present at the time the business is dealt with.

c. Decision making

- i. The decisions/resolutions of the meetings shall normally be adopted unanimously by the members.
- ii. Where unanimity cannot be reached, all resolutions shall be adopted by a majority of votes by the members except those who are on approved leave of absence.
- iii. Each member shall have the right to cast one vote.
- iv. In the event of a tie, the chairperson shall have a casting or second vote.
- v.

d. Dealing with dissenting/differing views

Minutes must record differing views where pertinent – members shall have the option of having their differing views to be recorded in the minutes.

e. Minutes of the Meeting

The legal importance of minutes of meetings must not be underestimated. They are the official record of the concerned bodies. The secretary shall ensure the following with respect to minutes of the meeting:

- i. The minutes of the meeting shall be drafted as soon as possible. The indicative timeline for drafting the minutes for the board and various committees shall be as given in the table below.

SL No.	Board/Committee	Drafting Minutes	Finalizing the Minutes
1	Board	<ol style="list-style-type: none">1. Draft the minutes within five working days after the meeting and circulate to the members for comments.2. Provide five working days for comments, clearly indicating the deadline for receiving the comments.	<ol style="list-style-type: none">1. Revise and finalize the draft minutes by incorporating the comments within three working days after the deadline for receiving comments.2. If no comments are received within five working days from date of circulation to the members, the minutes shall be considered as being endorsed by the board members.3. The finalized minutes shall be signed by the Chairperson and one of the external board members.
2	Board Audit Committee	<ol style="list-style-type: none">1. Draft the minutes within five working days after	<ol style="list-style-type: none">1. Revise and finalize the draft minutes by incorporating

		<p>the meeting and circulate to the members for comments.</p> <p>2. Provide five working days for comments, clearly indicating the deadline for receiving the comments.</p>	<p>the comments within three working days after the deadline for receiving comments.</p> <p>2. If no comments are received within five working days from date of circulation to the members, the minutes shall be considered as endorsed by the members.</p> <p>3. The finalized minutes shall be signed by the chairperson and one of the members.</p>
3	Executive Committee	<p>1. Draft the minutes within five working days after the meeting and circulate to the departments for comments.</p> <p>2. No comments from the departments will be entrained if they are not received within three days after the circulation of the minutes.</p> <p>3. Revise the draft minutes by incorporating the comments from the departments.</p>	<p>1. Circulate the revised draft minutes to the EC members for comments.</p> <p>2. If no comments are received within five days from date of circulation to the members, the minutes shall be considered as endorsed from the EC members.</p> <p>3. The finalized minutes shall be signed by the Chairperson and one of the Deputy Governors.</p>
4	National Coordination Committee for AML/CFT	<p>1. Draft the minutes within five days after the meeting and circulate to the NCC members for comments.</p>	<p>1. Revise the draft minutes by incorporating the comments from the NCC members.</p> <p>2. The finalized minutes shall</p>

		2. If no comments are received within fifteen days from the date of circulation to the members, the minutes shall be considered as endorsed from the NCC members.	be signed by the chairperson and the secretary.
5	Technical Committee for AML/CFT	<ol style="list-style-type: none"> 1. Draft the minutes within five days after the meeting and circulate to the TC members for comments. 2. If no comments are received within five days from the date of circulation to the members, the minutes shall be considered as endorsed from the TC members. 	<ol style="list-style-type: none"> 1. Revise the draft minutes by incorporating the comments from the TC members. 2. The finalized minutes shall be signed by the chairperson and the Secretary.
6	Human Resources Committee	<ol style="list-style-type: none"> 1. Draft the minutes within five days after the meeting and circulate to the TC members for comments. 2. If no comments are received within three days from the date of circulation to the members, the minutes shall be considered as endorsed from the HRC members. 	<ol style="list-style-type: none"> 1. Revise the draft minutes by incorporating the comments from the HRC members. 2. The finalized minutes shall be signed by the Chairperson and the secretary.

ii. **The minutes should include:**

- Location, date of the meeting
- Names of the members who participated in the meeting and those absent.
- Names of non-members who participated in the meeting

- Principal points arising during discussion
 - Record of decisions
- iii. Minutes should strike a balance between being a bare record of decisions and a full account of discussions.
 - iv. For most items, there should be a summary of the matter discussed and issues considered.
 - v. The final decision must be recorded clearly and concisely.

f. Dealing with disagreement on the content of the minutes

Sometimes there may arise contention on the minutes among the members before it is finalized. In such situation, the secretary shall:

- i. Incorporate the views expressed by the concerned member.
- ii. If the issue is till contentious, the secretary shall inform the chairperson about it. In some circumstances, it may be necessary to reconsider the issue at the next meeting or call an emergency meeting to come to a consensus on an issue where there has been a misunderstanding.

g. Implementation of the Meeting Resolutions/Decisions

- i. The secretary shall circulate the resolutions/decisions of the meeting to the relevant departments/individuals for implementation after the minutes are approved and signed off.
- ii. The secretary shall circulate the resolutions/decisions through the issue of memo. The template of the memo is given in Annex 5.
- iii. Only the extract of the resolution/decision that pertains to the concerned department/individual shall be circulated.
- iv.

h. Implementation of Urgent Meeting Decisions

Minutes of meetings are not final until they have been approved and signed off. However, for decisions/actions that need to be conveyed/implemented immediately, the following procedures shall apply:

- i. The relevant committee member shall, during the meeting itself, reconfirm the decision/action to be immediately implemented/conveyed to the respective departments
- ii. The Secretary shall draft such decisions during the meeting itself for the review and endorsement of the members
- iii. The relevant committee member shall then implement the decision or further convey the decision to their respective departments using the template provided under Annex 5.

10. CONFIDENTIALITY

- i. All board/committee papers and proceedings should be considered to be highly confidential.
- ii. Papers should not be shown or circulated to non-directors (especially executive managers).
- iii. Secretary shall take great care not to discuss or disclose any board/committee meeting content or proceedings outside the meetings.

11. ANNEXURES

ANNEX 1. ANNUAL CALENDAR TEMPLATE

ANNUAL(BOARD/AC/EC/ /HRC) CALENDAR FOR THE FINANCIAL YEAR

Sl. No	Agenda Topic	Responsibility	2019					2020					
			Ju l	Au g	Sep t	No v	De c	Fe b	Ma r	Ap r	Ma y	Ju n	

ANNEX 2. AGENDA TEMPLATE

ROYAL MONETARY AUTHORITY OF BHUTAN
.....th BOARD MEETING/COMMITTEE

Date: 26 March, 2019

Time: 2.30 pm

Agenda Items

PART I – PROCEDURAL MATTERS:

- 01- Call to order of meeting by the Chairperson
- 02- Adoption of the agenda
- 03- Declaration of conflict of interest
- 04- Ratification of last minutes of the meeting
- 05- Action Taken Report of the previous meetings (Use the template in Annex 3)

PART II –MATTERS FOR APPROVAL AND ENDORSEMENTS:

PART III – MATTERS FOR INFORMATION:

PART IV – ANY OTHER MATTER:

ANNEX 3. ACTION TAKEN REPORT TEMPLATE

Meeting No. & Agenda Item No.	Decision of the Meeting (action points including what, and by when)	Responsibility	Implementation Status	Way forward/ Remarks

ANNEX 4. AGENDA WRITE UP SAMPLES

Agenda Item.... Review and Approval of Board-Management Performance Commitment for the Financial Year July 2018- June 2019

The annual Board-Management Performance Commitments (BMPC) is a performance management tool to facilitate the management in identifying the key results and priorities that the RMA commits to achieve annually in pursuit of its mandates and goals. This is the third BMPC since the introduction of PMS in the RMA and provides RMA's performance commitments for the Financial Year – July 2018-June 2019.

The BMPC for the Fiscal Year 2018-19 has been refined based on the lessons learnt from the last one and half years of implementation of the PMS in the organization. The current BMPC is aligned with the RMA's Five-Year Strategic Plan (2018-2023). The commitments/targets are linked to the new **Strategic Pillars and Priorities**.

A copy of the finalized BMPC (July 2017-June 2018) is given in Annex...

Submitted for approval.

Agenda Item.... Presentation on Organizational Climate Survey

Conducting Organizational Climate Survey (OCS) is one of the performance commitments of Board-Management Performance Commitments (BMPC) - January-June 2017. The main objective of the OCS was to assess the organizational climate of the RMA through the perceptions of the employees and identify areas for improvement. The AMJ Business Research and Consultancy was selected through competitive bidding to conduct the survey.

The survey was conducted in April 2017. The consultant has completed the draft OCS Report and submitted to RMA. The consultant will be making a presentation of the survey findings to the Board. The summary of the OCS Report is presented in Annexure___.

Submitted for information.

ANNEX 5. TEMPLATE OF MEMO FOR CIRCULATION OF MEETING RESOLUTIONS/DECISION

To:

From:

Cc:

Subject: **Board/EC Directive/Decision/Approval/Resolution for record, reference and necessary action**

Date:

SL No	Directive/Decision/Approval/Resolution	Meeting No. (e.g. 69th EC Meeting)	Responsibility	Deadline