

**LegCo Panel on Education**  
**Proposed Creation of a Permanent Chief Treasury Accountant Post**  
**in the Education Department**

**PURPOSE**

This paper seeks Members' views on the Director of Education's proposal to create one permanent post of Chief Treasury Accountant (CTA)(D1) in the Finance Division of the Education Department.

**PROPOSAL**

2. We propose to create one permanent post of Chief Treasury Accountant (CTA) in the Finance Division of the Education Department (ED) with effect from 14 September 2001, following the expiry of the existing supernumerary post on 13 September 2001.

**JUSTIFICATION**

**Increased Demand and Complexity in the Work of the Finance Division**

3. The Finance Division of ED is responsible for providing advice and support services on all financial and accounting matters relating to the Department. The Division is headed by an Assistant Director of Accounting Services (AD[Fin]) ranked at D2 level and underpinned by two senior professionals at Senior Treasury Accountant (STA) level. The existing organisation chart of the Division is at Enclosure 1.

4. The traditional function of the Finance Division has been to ensure efficient and effective management and control of the financial resources allocated to the Department. Its major activities are related to providing conventional financial and accounting services, such as budgeting, vote control, payment processing, fees and charges revision, school account

inspections, trust fund management, etc.

5. In recent years, there has been a significant increase in the scope and complexity of the work undertaken by the Finance Division, as a result of the initiatives under the education reforms and the considerable financial resources the Government has invested in education. In 2001-02, ED's approved recurrent provision is \$29.3 billion, representing about 15% of total Government recurrent expenditure. The sheer size of the budget and the wide spectrum of activities funded by the budget have increased the workload of the Division and require close financial supervision as well as ongoing, systemic review of the Department's financial and accounting arrangements. In addition, the Finance Division is also responsible for the financial management of a number of non-Government funds, such as the Language Fund. Many of these activities involve policy issues that require the personal attention of AD[Fin]. However, given her present workload, she is finding it increasingly difficult to cope with the demand for professional advice while at the same time providing adequate supervision on the financial and accounting administration of the Department. There is therefore an urgent need to strengthen the senior management support in the Division.

### **Need to Re-engineer Departmental Financial and Accounting Systems and Arrangements**

6. ED's financial and accounting systems are much outdated. Most of the systems and procedures currently in use have been developed for more than a decade. There is a pressing need to review, enhance and redevelop these systems. There are also other areas where existing systems and procedures will benefit from current technology and contemporary financial practices, so as to achieve efficiency savings in both quantitative and qualitative terms.

7. In addition, the Department currently does not have a systematic and coordinated mechanism for the provision of management information to facilitate assessment of resources implications and setting of priorities during the policy review and formulation process. We consider it increasingly necessary for the Department to be provided with a knowledge-based information warehouse so that appropriate business information and financial analysis can be made available to the senior management readily.

8. To ensure that the above financial management initiatives are properly planned, coordinated and developed, steering and monitoring at directorate level is essential to ensure that the new arrangements can cope with the long-term needs, profit from the benefit of technology and smoothly implemented. With the present workload, AD[Fin] and the two senior professionals find it impossible to dedicate time to these tasks. Further delay in starting these developmental works will however hamper continuous improvements in the financial management of the Department.

### **Need to Provide Support Services in Financial Management to the School Sector**

9. Under the school-based management, public sector schools have been given increasing freedom to make decisions on the delivery of educational services and flexibility to deploy resources. While some schools welcome the increased devolution of resources management responsibilities, others have expressed concern that they need to be equipped with the necessary financial and accounting skills and expertise. To this end, we intend to enhance the financial management capability of schools by providing customised development programmes for different groups of stakeholders, including the school sponsoring bodies, the school management committees, school supervisors, principals and teachers, as well as school administrative staff. We also consider it necessary to promote good financial practices amongst schools to cultivate an effective resource management culture. To map out the development of the strategies, promote proper financial management concepts and organise relevant training programmes, we require a senior professional at directorate level who is familiar with the funding arrangements for the school sector and the financial and accounting arrangements of the Department.

### **Need for the CTA Post**

10. The developments outlined in the preceding paragraphs require senior professional input. The AD[Fin] and her two deputies are at present heavily involved in financial management matters and cannot devote time to take forward new initiatives. The Division is in urgent need of additional staffing support. In arriving at the recommendation of an additional CTA post, we have carefully considered the alternative of creating an STA post.

Although the two ranks do not differ significantly in terms of professional competence, a CTA, on account of his or her experience, exposure, ability to network and to perceive political issues, is definitely more appropriate to take the driving seat in steering and taking forward these important developments. The job description of the proposed CTA post is at Enclosure 2.

11. In the absence of support at the directorate level, the strategic thinking, planning and decision-making will be bottlenecked at the head of the Finance Division. The consequence is that there will be little priority for financial management development since the stewardship responsibilities are core and fundamental and must be discharged first.

12. Upon the creation of the proposed CTA post, input and participation at the directorate level as set out in the preceding paragraphs will mainly be provided by the CTA. The AD[Finance] will oversee the developments to ensure that they are on the right track and consistent with departmental objectives and priorities. With the addition of senior professional support at the directorate level, we will also take the opportunity to rationalise the functions of the Division and to restructure its establishment. A proposed organisation chart is at Enclosure 3.

## **FINANCIAL IMPLICATIONS**

13. The notional annual salary cost of this proposal at mid-point is \$1,213,200. The full average staff cost including salary and staff on-cost is \$2,076,000. Through greater use of information technology, streamlining of procedures and process re-engineering, we will be able to right size the set-up of the Division at working level to fund the post.

## **BACKGROUND INFORMATION**

14. In view of the urgent need to relieve the workload of the Finance Division and to prepare the groundwork for enhancing the financial management of the department and the school sector, the Director of Education has created under delegated authority a supernumerary CTA post for six months ending 13 September 2001. The duties of the supernumerary post include, among other things, enhancing the existing business plan for the department to facilitate a result-oriented approach in resources planning and

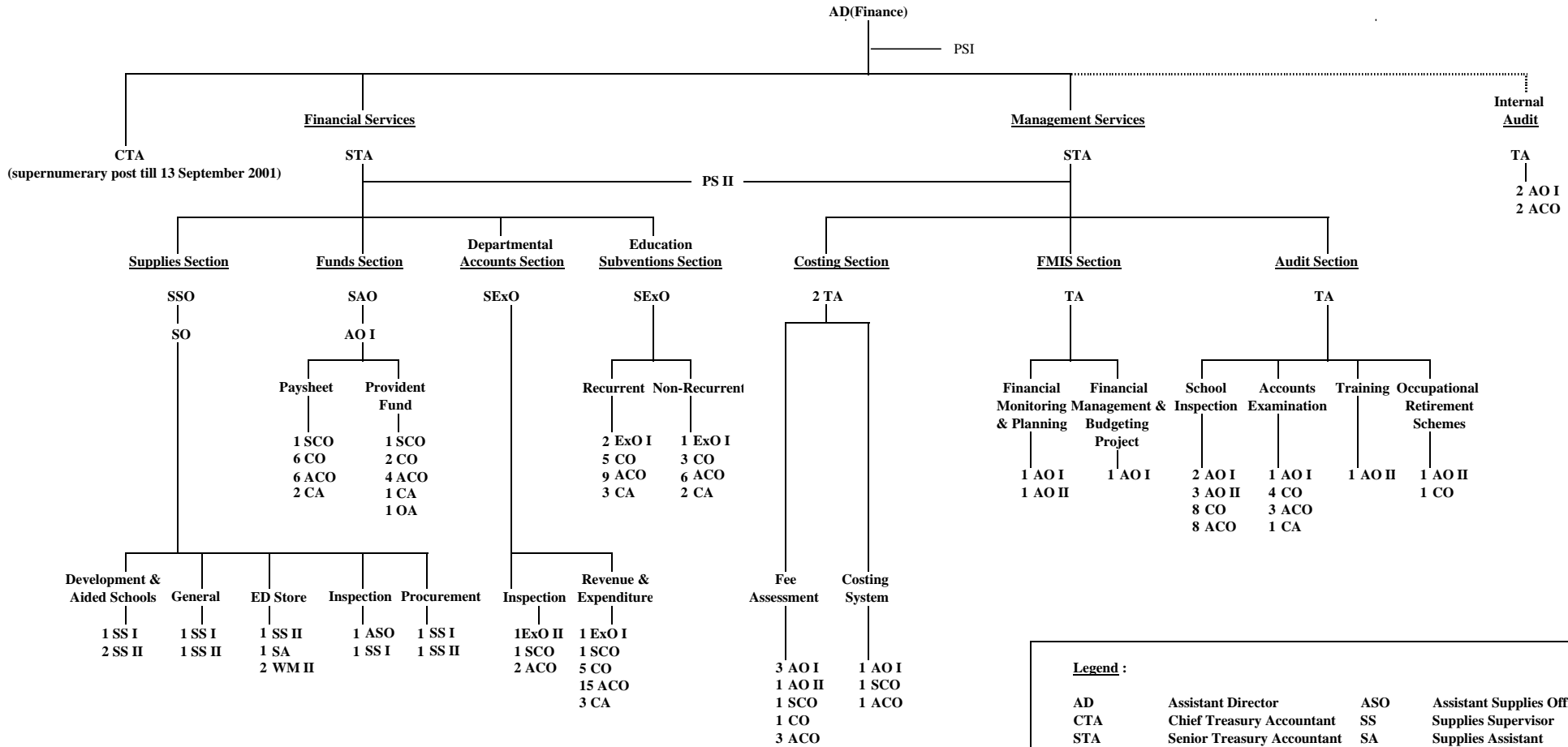
monitoring.

### **ADVICE SOUGHT**

15. Members are invited to give their views on this proposal which will be submitted to the Establishment Sub-committee for approval on 23 May 2001.

Education Department  
April 2001

**Existing Organisation Chart of Finance Division, Education Department**



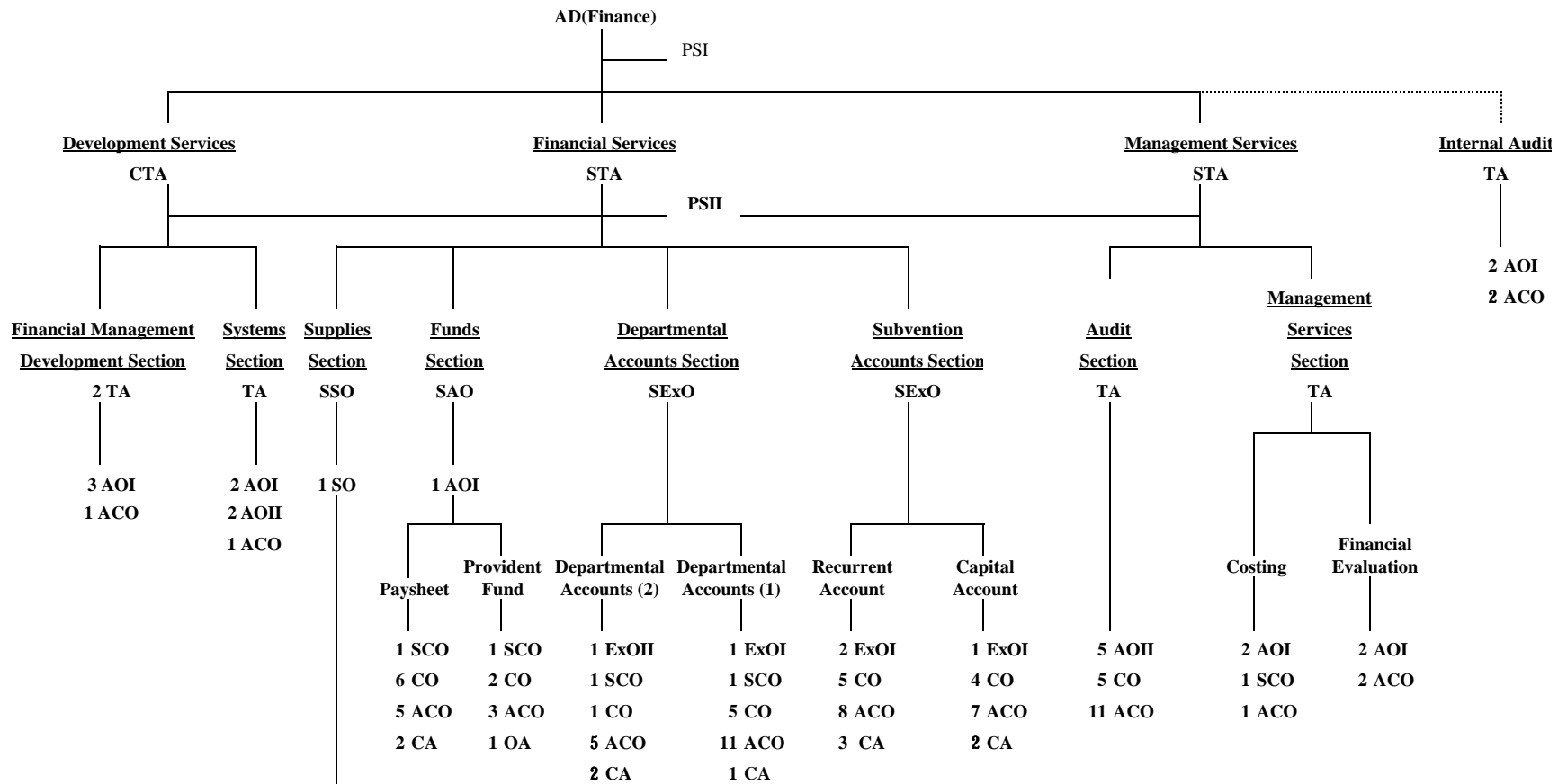
**Job Description**  
**Chief Treasury Accountant**

**Rank** : Chief Treasury Accountant (D1)

**Responsible to** : Assistant Director (Finance)

**Main Duties and Responsibilities :**

1. to provide professional directorate input and participate in the planning and development of new education initiatives and policy changes;
2. to review and enhance existing financial and accounting systems; to initiate system redevelopment as and when required to make optimal use of information technology with a view to improving efficiency and effectiveness of processes;
3. to develop and implement a knowledge-based financial information warehouse to facilitate resource planning and management decision making by different divisions and sections of the department; to review the financial information needs of the department and enhance the warehouse facilities as and when required to keep pace with changes in departmental policies and objectives;
4. to provide support in the development of financial management in the school sector; to promote financial management concepts and good practices and foster an effective resource management culture;
5. to liaise with the policy and resource bureaux, divisions of the department and the school sector to ensure the smooth implementation of the above; and
6. to explore, develop and implement initiatives for continuous improvement in the financial management of the department and the school sector.



**Legend :**

|      |                            |      |                            |
|------|----------------------------|------|----------------------------|
| AD   | Assistant Director         | ASO  | Assistant Supplies Officer |
| CTA  | Chief Treasury Accountant  | SS   | Supplies Supervisor        |
| STA  | Senior Treasury Accountant | SA   | Supplies Assistant         |
| TA   | Treasury Accountant        | SCOO | Senior Clerical Officer    |
| SAO  | Senior Accounting Officer  | CO   | Clerical Officer           |
| AO   | Accounting Officer         | ACO  | Assistant Clerical Officer |
| SExO | Senior Executive Officer   | CA   | Clerical Assistant         |
| ExO  | Executive Officer          | PS   | Personal Secretary         |
| SSO  | Senior Supplies Officer    | WM   | Workman                    |
| SO   | Supplies Officer           |      |                            |