

**Subcommittee to Study the Proposed
Accountability system for Principal Officials and Related Issues**

**Issues raised at the meeting on 21 May 2002
requiring the Administration's response**

Issues relating to appointment, employment and removal of principal officials

1. To provide a breakdown to show how the remuneration package for principal officials is arrived at.
2. To consider introducing a pay adjustment mechanism for principal officials.

Conflict of interest and Code of Practice

3. On the arrangements for former principal officials to take up any employment or going into any business after stepping down from office, to consider the following -
 - (a) the prohibitions listed in paragraphs 16 and 17 of the Administration's paper (LC Paper No. CB(2)1952/01-02(01)) should be set out in greater detail in the employment contract;
 - (b) to provide information on the criteria to be adopted by the committee appointed by the Chief Executive in considering matters relating to post-office employment of former principal officials; and to consider the suggestion that the advice of the committee should have binding effect on the principal officials concerned;
 - (c) members' views concerning the duration of the sanitisation period;
 - (d) adopting a system of post-office employment for principal officials similar to that for retired civil servants at D8 rank, i.e. prior approval is required before employment or any business activity can be taken up; and
 - (e) any breaches of the contractual obligations should be liable to criminal sanctions.
4. To advise whether principal officials under the accountability system will be required to declare interests and investments held by trustee.

5. To consider the suggestion that any changes to the Code of Practice for principal officials should be subject to the scrutiny of the Legislative Council.
6. To make reference to the provisions of the UK Ministerial Code and spell out explicitly in the Code of Practice that principal officials cannot use public resources for party or constituency work.
7. To state clearly the leave relief arrangement for principal officials in the Code of Practice.

Involvement in political activities

8. To provide information on whether a person who is a member of the Communist Party and the Kuomintang can be appointed as a principal official, and whether a principal official can stand as a candidate for the Chief Executive election.

Review of statutory bodies and other public bodies

9. To provide more information on the regulations made and directions or instructions given by the Financial Secretary under the Public Finance Ordinance (Cap. 2) to designated Controlling Officers.