

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

**Administration's response to
issues raised at the meeting on 7 May 2002**

This paper sets out the Administration's response to the list of issues raised at the meeting on 7 May 2002 as set out in LC Paper No. CB(2)1869/01-02(01).

Executive Council

- (1) Issue raised: To provide the paper on the review of statutory appeals and objections to ExCo conducted by the Attorney General's Chambers in 1995.

Administration's response: Please refer to LC Paper No. CB(2)1911/01-02(02) issued on 13 May 2002.

- (2) Issue raised: On the 53 references providing for appeals to the Chief Executive in Council, to advise what is the nature of these appeals, what are the decisions involved, who are the policy secretaries under appeal, whether any other remedies are available to the aggrieved parties, and whether these 53 references should be reviewed in the light of the proposed change of the composition of ExCo.

Administration's response: Please refer to LC Paper No. CB(2)1911/01-02(01) issued on 13 May 2002.

- (3) Issue raised: In the interest of transparency and consistency, a mechanism should be put in place to deal with appeals that go to ExCo against decisions of principal officials under the proposed accountability system.

Administration's response: In the event of appeals against decisions of principal officials, the current arrangement will apply, i.e. legal advice would be given to the principal official concerned as to whether he/she should stand down from the particular appeal.

Principal officials/Civil Service

- (4) Issue raised: To provide copies of the Code of Practice for principal

officials, and the composite circular for civil servants (the Administration's paper on "Preserving the Integrity and Probity of the Civil Service" refers).

Administration's response: The Code is attached to LC Paper No. CB(2) 1952/01-02(01) issued on 15 May 2002. The composite circular for civil servants is being drafted.

- (5) Issue raised: What would be the terms and conditions of service for principal officials and how would they be different from those applicable to existing principal officials (who may have been promoted from within the Civil Service or appointed from outside the Civil Service).

Administration's response: Please see Annex. The table at Annex shows only the terms applicable to new appointees at the rank of D8 to the civil service on or after mid 2000 when the level of fringe benefits was reviewed and adjusted downwards. As regards the fringe benefits for serving civil servants who joined the civil service before mid 2000, their fringe benefits would be at a higher level, for example their dependent children may be eligible for overseas or local education allowances and their leave passages will include those for their spouse and dependent children.

Permanent Secretaries

- (6) Issue raised: Whether the legal status of Permanent Secretaries will be established by legislative means or through administrative measures; and whether Permanent Secretaries would be acting as principal officials and performing the functions of principal officials during the leave or absence of the latter.

Administration's response: Although a few posts in the civil service are established by statute, the vast majority of posts are not so established. The arrangements during the leave or temporary absence of principal officials under the accountability system will be addressed in a separate paper.

**Comparison of Terms of Employment for a Director of Bureau
appointed on Civil Service Terms and Terms under the Accountability System**

	Civil Service New Agreement Terms^{Note} (for those who are appointed to the Civil Service on or after 1 June 2000)	Terms for Principal Officials under the Accountability System
Duration of Employment	Up to three years but renewable	Not more than 5 years unless again recommended by the following term Chief Executive
Salary	D8 (currently at \$190,100 per month)	\$3,743,050 per annum (\$311,900 per month)
Medical and dental treatment	For the officer and his/her family: <ul style="list-style-type: none"> • free medical advice and treatment, investigative procedures and medicines from Government outpatient clinics or the Hospital Authority • free dental treatment (extractions and fillings) from Government dental clinics; reasonable charges for dentures and dental appliances 	Same
Vacation leave	22 working days per annum, accumulation limit at 44 days	22 working days per annum, accumulation limit at 22 days
Leave passages	Non-accountable Leave Passage Allowance of \$44,520 at the end of each 12-month eligibility period	Nil
Housing benefits	Non-accountable Cash Allowance at \$37,450 per month, maximum eligibility period 120 months	Nil
Car	A car and driver	Same
Retirement benefits	Statutory MPF contribution (currently at \$1,000 per month)	Same
Gratuity	Up to 25% of basic salary drawn during the agreement period (inclusive of the Government's MPF contributions)	Nil
Conduct and discipline	<ul style="list-style-type: none"> • Subject to Executive Orders, Government Regulations and Circulars, Departmental Instructions and to any Ordinances or Regulations on conduct 	<ul style="list-style-type: none"> • Need to observe the rules and principles contained in the employment contract and in the Code. • Must declare his investments and

	<p>and discipline which apply to the office or to the department he is appointed to.</p> <ul style="list-style-type: none"> • Liable to disciplinary punishment (including dismissal) if he neglects or refuses to perform duties or misconducts himself. • Must declare investment and may be required to divest if there is real or apparent conflict of interest. • Subject to the Prevention of Bribery Ordinance. 	<p>interests and may be required to divest if there is real or apparent conflict of interest.</p> <ul style="list-style-type: none"> • Must not use his official power to benefit himself or any other person or to do anything which may conflict or compete with his official duties. • Subject to the Prevention of Bribery Ordinance.
<p>Permission to take up outside appointment on completion of agreement</p>	<p>Within one year after the end of appointment, need to seek Government's agreement before taking up employment or engaging in any business, trade or profession the principal part of which is carried on in Hong Kong, if the employment is in the same field as his/her civil servant employment and where there is a possible conflict of interest.</p>	<p>Within one year after termination of employment, need to seek advice from a committee appointed by the Chief Executive if he intends to commence any employment or start any business. Also barred from representing any person in connection with any claim or negotiation with Government and from lobbying Government.</p>

Note: For comparison purpose, the prevailing civil service agreement terms is presented. It should be noted that different sets of terms of appointment and conditions of service apply to civil servants who were first appointed to the Civil Service before 1 June 2000. For example, the service of such officers may be pensionable instead of MPF and contract gratuity bearing. They may also receive local/overseas education allowances for their children, live in non-departmental quarters, join the Home Financing Scheme, be eligible for different leave earning rates and accumulation limits, and be subject to post-retirement employment restrictions prescribed in the Hong Kong pension legislation etc.