

NOTE FOR FINANCE COMMITTEE

Creation and Increase of Ceilings of Advance Accounts for Executing Payments for Measures under the Anti-epidemic Fund

PURPOSE

Encl. This paper informs Members of the creation and increase of ceilings of advance accounts exceeding the limit of \$10 million (at Enclosure) for the purpose of executing payments for measures under the Anti-epidemic Fund (AEF) from July to September 2020.

BACKGROUND

2. On 21 February 2020, the Finance Committee (FC) approved vide FCR(2019-20)46 the creation of a new commitment of \$30 billion for injection into the AEF to (i) enhance capability in combating the novel coronavirus epidemic and (ii) to provide assistance or relief to enterprises and members of the public hard hit by the present epidemic or affected by anti-epidemic measures.

3. On 18 April 2020, FC approved vide FCR(2020-21)2 a further injection of \$120.5 billion into AEF to provide funding for a second round of relief measures. On 28 September 2020, FC further approved vide FCR(2020-21)71 an increase in commitment of \$5.4 billion for injection into AEF to provide funding for a third round of relief measures.

OPERATIONAL FRAMEWORK OF AEF

4. Under the operational framework of AEF, funding schemes are considered and approved by the AEF Steering Committee. Individual bureaux/departments (B/Ds) execute payments for measures under their ambits by charging against advance accounts created for the purpose. The payments will be subsequently reimbursed by AEF and net off the balances in the respective B/Ds' advance accounts.

5. For necessary financial control, separate advance accounts are created for individual initiatives and/or measures, irrespective if they are under the same vote controller.

6. B/Ds are responsible for ensuring the amount to be disbursed and the administrative fees to be paid, if any, are within the budget approved by the AEF Steering Committee and are charged to the appropriate accounts. B/Ds are also required to ensure that proper and sufficient internal controls are in place to support the payment processing functions, which include among others maintaining adequate segregation of duties, performing proper certification and authorisation of payments within the financial limits, conducting independent check or review of transactions and relevant reports, maintaining proper accounting records, and taking prompt follow-up actions on errors and/or irregularities found.

7. In addition, B/Ds are required to maintain clear, accurate and sufficient account and procurement records for funds disbursed and administrative fees incurred in relation to the implementation of measures. When the measures are completed, B/Ds are required for timely clearance of the designated advance accounts.

8. We will continue to take all necessary steps to ensure proper use of public funds and report to FC on a regular basis for advance accounts created for executing payments for measures under AEF.

**Creation of advance accounts exceeding the limit of \$10 million
for the purpose of executing payments for measures under
Anti-epidemic Fund (AEF)
(July to September 2020)**

No.	Bureaux/ Departments (B/Ds) ^{Note 1}	Description of Measures	Financial Ceiling of Advance Accounts (\$ million) ^{Note 2}
The second round of AEF –			
1.	HAB	Job Creation Scheme	50.55
2.	LCS D		207.1
3.	WSD		164.1
4.	OGCIO		111.83
5.	A FCD		34.68
6.	DH		410.46
7.	TD		30
8.	HyD		250
9.	LD		22.31
10.	SWD		37
11.	OCSFS		20.19
12.	HD		69.08
13.	DEV B(WB)	Job Creation Scheme (Graduate Training Scheme)	15.9
14.	DEV B(WB)	Job Creation Scheme (Engineering, Architectural, Surveying, Town Planning and Landscape Sectors)	200.49
15.	FSTB(FSB)	Job Creation Scheme (Financial Services Development Council)	187.2
16.	UGC	Job Creation Scheme (UGC-funded universities)	151.28

/New

No.	B/Ds^{Note 1}	Description of Measures	Financial Ceiling of Advance Accounts (\$ million)^{Note 2}
New measures using contingency funding of AEF –			
1.	EMSD	One-off subsidy to vehicle maintenance workshop	140
2.	MD	Provision of extra subsidy to owners of pleasure vessels let for hire or reward	17
3.	DEVB(WB)	Provision of about 2 000 quarantine units	1,725
4.	HAD	Procurement of private COVID-19 testing services for frontline property management workers	40
5.	SWD	Procurement of private COVID-19 testing services for all staff of residential care homes for the elderly, residential care homes for persons with disabilities and nursing homes	44
6.	FEHD	Procurement of private COVID-19 testing services for frontline staff of catering businesses with seating areas	160
7.	DH	Procurement of private COVID-19 testing services for persons with mildly symptoms and/or epidemiological links	22.4
8.	TD	Procurement of private COVID-19 testing services for public transport drivers and frontline staff, including taxi drivers	49
9.	DH	Relocation and expansion of test and hold facilities of the Department of Health	515
10.	CSB	Universal Community Testing Programme	62.3
11.	OGCIO	Universal Community Testing Programme	89.1
12.	CMAB	Universal Community Testing Programme	31.24

/Increase

**Increase of ceilings of advance accounts exceeding the limit of \$10 million
for the purpose of executing payments for measures under AEF
(July to September 2020)**

No.	B/Ds ^{Note 1}	Description of Measures	<u>Original</u> Financial Ceilings of Advance Accounts (\$ million)^{Note 2}	<u>Revised</u> Financial Ceilings of Advance Accounts (\$ million)^{Note 2}
The first round of AEF –				
1.	LCSD	Support cleansing and security staff engaged by Government and Housing Authority service contractors in anti-epidemic efforts	103.26	115.5
The second round of AEF –				
1.	CEDD	Job Creation Scheme	224	260
2.	LandsD		58.4	60.5
3.	FEHD		94	211.8
4.	TRY		21	31
5.	REO		19.61	23.20
6.	ITC	Distance Business Programme	500	1,500
7.	TD	Subsidy for the passenger transport sector	3,524.35	3,526.15
8.	FEHD	Places of Public Entertainment Licence Holder Subsidy Scheme	24	25.02

/Notes

Notes –

1 The abbreviations for B/Ds are explained as follows –

Abbreviations	Name of B/Ds
AFCD	Agriculture, Fisheries and Conservation Department
CMAB	Constitutional and Mainland Affairs Bureau
CSB	Civil Service Bureau
DEVB(WB)	Development Bureau (Works Branch)
CEDD	Civil Engineering and Development Department
DH	Department of Health
EMSD	Electrical and Mechanical Services Department
FEHD	Food and Environmental Hygiene Department
FSTB(FSB)	Financial Services and the Treasury Bureau (Financial Services Branch)
HAB	Home Affairs Bureau
HAD	Home Affairs Department
HD	Housing Department
HyD	Highways Department
ITC	Innovation and Technology Commission
LandsD	Lands Department
LCSD	Leisure and Cultural Services Department
LD	Labour Department
MD	Marine Department
OCSFS	Offices of the Chief Secretary for Administration and the Financial Secretary
OGCIO	Office of the Government Chief Information Officer
REO	Registration and Electoral Office
SWD	Social Welfare Department
TD	Transport Department
TRY	Treasury
WSD	Water Supplies Department
UGC	University Grants Committee

2 The financial ceilings of advance accounts in \$ million are rounded to two decimal places.
