

ITEM FOR FINANCE COMMITTEE

RECOMMENDATIONS OF THE ESTABLISHMENT SUBCOMMITTEE

Encl. At the Enclosure is a summary of the recommendations of the Establishment Subcommittee (ESC).

2. Agenda items EC(1999-2000)38 to 43 were recommended by ESC at its meeting on 23 February 2000. At the meeting, the ESC endorsed the revision of the Administration's proposal in EC(1999-2000)41 to retain the supernumerary post of Deputy Director of Immigration (GDS(C)3) up to 31 December 2000 instead of 31 March 2001. The relevant papers considered by the ESC have previously been forwarded to all Members and are therefore not enclosed except EC(1999-2000)43 in which the justification of the proposal has been recast pursuant to ESC's request.

3. Members are invited to approve the ESC recommendations.

4. The up-to-date position of the establishment of directorate posts in the civil service is as follows -

	Permanent	Supernumerary	Total
Position including posts approved by Members on 18 February 2000	1 504	73	1 577
Item EC(1999-2000)38	1	-	1
Item EC(1999-2000)39	-	1	1
Item EC(1999-2000)40	1	-	1
Item EC(1999-2000)41	-	1	1
Item EC(1999-2000)42	1	-	1

/Item

	Permanent	Supernumerary	Total
Item EC(1999-2000)43	-	-	-
Number of supernumerary posts which will lapse	-	-2 (Notes)	-2
Total	<u>1 507</u>	<u>73</u>	<u>1 580</u>

Notes - One post of Deputy Principal Government Counsel (DL2) in the Department of Justice will lapse on 1 March 2000.

One post of Senior Principal Executive Officer (D2) in the Education and Manpower Bureau of Government Secretariat will lapse on 1 March 2000.

Finance Bureau
February 2000

**Summary of the Recommendations of the Establishment Subcommittee
discussed at the meeting on 23 February 2000**

EC Item No.	Head of Expenditure	Recommendation
EC(1999-2000)38	HEAD 143 - GOVERNMENT SECRETARIAT : CIVIL SERVICE BUREAU	To recommend to Finance Committee the creation of the following permanent post with effect from 1 April 2000 to head the new Secretariat on Civil Service Discipline - 1 Senior Principal Executive Officer (D2) (\$116,650 - \$123,850)
EC(1999-2000)39	HEAD 143 - GOVERNMENT SECRETARIAT : CIVIL SERVICE BUREAU	To recommend to Finance Committee the creation of the following supernumerary post for a period of 24 months with effect from 1 April 2000 to head a special duties team to co-ordinate the implementation of the Mandatory Provident Fund scheme for government employees and other related tasks - 1 Administrative Officer Staff Grade C (D2) (\$116,650 - \$123,850)
EC(1999-2000)40	HEAD 48 - GOVERNMENT LABORATORY	To recommend to Finance Committee the creation of the following permanent post to head the Drugs and Toxicology Group of the Forensic Science Division - 1 Chief Chemist (D1) (\$98,250 - \$104,250)

EC Item No.	Head of Expenditure	Recommendation
EC(1999-2000)41	HEAD 70 - IMMIGRATION DEPARTMENT	<p>To recommend to Finance Committee the retention of the following supernumerary post from 19 April 2000 to 31 December 2000 to continue to steer and monitor the feasibility study on introducing a new identity card and a new computer system to support the issue of the new identity card, and to assist in making a policy decision on whether and how to proceed with the implementation of the identity card project -</p> <p>1 Deputy Director of Immigration (GDS(C)3) (\$127,900 - \$135,550)</p>
EC(1999-2000)42	HEAD 70 - IMMIGRATION DEPARTMENT	<p>To recommend to Finance Committee the creation of the following permanent post in order to provide better administrative and resource management support for the Department -</p> <p>1 Principal Executive Officer (D1) (\$98,250 - \$104,250)</p> <p>to be offset by the deletion of the following permanent post -</p> <p>1 Chief Executive Officer (MPS 45 - 49) (\$76,485 - \$88,115)</p>
EC(1999-2000)43	HEAD 46 - GENERAL EXPENSES OF THE CIVIL SERVICE	<p>To recommend to Finance Committee the retention of the following supernumerary post in the Civil Service Bureau of the Government Secretariat for one year up to 31 March 2001 in order to enable the continued secondment of a suitable officer to the Hong Kong Export Credit Insurance Corporation -</p> <p>1 Administrative Officer Staff Grade B1 (D4) (\$145,150 - \$149,600)</p>

(Revised)

For discussion
on 23 February 2000

EC(1999-2000)43

ITEM FOR ESTABLISHMENT SUBCOMMITTEE OF FINANCE COMMITTEE

HEAD 46 - GENERAL EXPENSES OF THE CIVIL SERVICE Subhead 003 Recoverable salaries and allowances (General)

Members are invited to recommend to Finance Committee the retention of the following supernumerary post in the Civil Service Bureau for one year up to 31 March 2001 in order to enable the continued secondment of a suitable officer to the Hong Kong Export Credit Insurance Corporation -

1 Administrative Officer Staff Grade B1
(D4) (\$145,150 - \$149,600)

PROBLEM

The Hong Kong Export Credit Insurance Corporation (HKECIC) requires the continued service of a senior civil servant with sufficient experience and exposure to fill its Commissioner post. The supernumerary post, which makes the existing secondment arrangement possible, will lapse on 1 April 2000.

PROPOSAL

2. The Secretary for the Civil Service, with the support of Secretary for Trade and Industry, proposes to retain one supernumerary post of Administrative Officer Staff Grade B1 (AOSGB1) (D4) for one year up to 31 March 2001 to allow for the continued secondment of a senior civil servant to the HKECIC as its Commissioner.

/JUSTIFICATION

JUSTIFICATION

3. The HKECIC needs a Commissioner who is a capable administrator and a strong manager with a sound grasp of the principles and practices of international trade and finance. Since 1984, the Government has seconded a senior civil servant at AOSGB1 level to fill the Commissioner post. This has allowed for an interchange of valuable and beneficial experience between the Government and the HKECIC. A consultancy study commissioned by the Secretary for Trade and Industry in 1994 on the management needs of the HKECIC confirmed the desirability of the secondment arrangement. The consultant concluded that it was appropriate for a senior civil servant with extensive working experience in various Government departments to head the HKECIC. However, the consultant also recommended that, in the longer term, consideration should be given to grooming qualified in-house personnel for the position. The Government and the HKECIC accepted the consultant's recommendations.

4. Pursuant to the adoption of the consultant's recommendation, the HKECIC has been taking measures to give its more senior staff the exposure and depth of experience necessary for them to assume greater responsibilities in the longer term. Such efforts have been intensified during the past two years following the departure of some senior officers in 1996. They include involving the more senior staff in the overall management of the Corporation such as development of business strategies and budget control, providing them with management training, and participation in international forums and liaison visits. As a result of these efforts, there are now candidates who have displayed reasonable potential and from whom we are hopeful to identify an officer to assume the post of Commissioner in the near future.

5. We have considered outside recruitment but do not favour this option. It would be preferable to promote from within the HKECIC as and when a qualified officer is available to fill the Commissioner post. Since we are likely to identify a qualified officer within the HKECIC to fill the post, there is no requirement to seek an outside candidate at this stage.

6. We therefore propose to retain the supernumerary post for one more year up to 31 March 2001, to accommodate the secondee from the Civil Service. In the meantime, the HKECIC will continue to make efforts with a view to promoting an officer from within the Corporation to succeed the incumbent Commissioner after the one-year secondment term expires.

/FINANCIAL

FINANCIAL IMPLICATIONS

7. The notional annual salary cost of this proposal at mid-point is -

	\$	No. of post
Supernumerary AOSGB1 post	1,795,200	1

8. The full annual average staff cost of the proposal, including salaries and staff on-cost, is \$ 3,096,000. We shall recover the full cost, including the staff on-cost, of the proposal from the HKECIC.

BACKGROUND INFORMATION

9. The Government established the HKECIC in 1966, under the HKECIC Ordinance (Cap. 1115), to provide an export credit insurance service to protect Hong Kong exporters against the risk of not receiving payment for goods and services supplied to overseas clients. The Government guarantees the Corporation's contingency liability, currently set at a maximum of \$10 billion.

10. The Commissioner of the HKECIC, with the advice of the HKECIC Advisory Board, is responsible for supervising and monitoring the operations of the HKECIC with the powers, functions and duties stipulated in Cap. 1115. The overall and specific responsibilities of the Commissioner, HKECIC are set out in the Enclosure.

Encl.

ADVICE OF THE STANDING COMMITTEE ON DIRECTORATE SALARIES AND CONDITIONS OF SERVICE

11. If our proposal to keep the AOSGB1 post on a supernumerary basis is approved, we will report the retention of the post to the Standing Committee on Directorate Salaries and Conditions of Service in accordance with the agreed procedure.

**Duties and Responsibilities
Commissioner for the HKECIC**

I. Overall Responsibilities

As head of the Corporation, the Commissioner, with the advice of the HKECIC Advisory Board, supervises and monitors the operation of the HKECIC within the powers and functions as defined in the HKECIC Ordinance (Cap. 1115). He makes recommendations to the Government, where appropriate and justified, for any modifications to the Corporation's powers and functions to meet the business and administrative needs of the Corporation.

II. Specific Responsibilities (Internal)

- (1) To promote and monitor the business of the Corporation within approved policy in relation to the conduct of its business, namely -
 - (a) the classes of insurance contracts into which the Corporation is empowered to enter;
 - (b) the nature and extent of risks that may be covered under contracts of insurance entered into by the Corporation;
 - (c) the undertaking of liabilities; and
 - (d) the giving of guarantees.

- (2) To determine and oversee the organization of the finances of the Corporation, particularly in the following areas -
 - (a) the total amount of capital and reserves required by the Corporation taking into account the sums at risk under contract of insurance;
 - (b) the investment policy of any surplus acquired by the Corporation;
 - (c) the raising of loans or mortgages whether on security or not;

/(d)

- (d) the acquisition of fixed assets;
 - (e) the movements of the underwriting accounts;
 - (f) the forecasting and monitoring of the administration account of the Corporation; and
 - (g) the preparation of the Corporation's annual report and statement of accounts.
- (3) To service the HKECIC Advisory Board and seek the Board's advice on matters relating to the Corporation's conduct of business.
 - (4) To supervise and appoint all staff employed by the Corporation and oversee the overall administration of the Corporation.

III. Specific Responsibilities (External)

- (1) To liaise with and report to the authorities of the Government on matters relating to the powers, functions and business of the Corporation and to seek advice or approval where appropriate.
- (2) To liaise with local financial institutions/business organizations and make agreements on behalf of the Corporation on financial transactions relating to the Corporation's business.
- (3) To liaise, negotiate and make agreements with overseas re-insurers on all matters relating to re-insurance contracts which the Corporation enters into with re-insurers.
- (4) To represent the Corporation at the Berne Union and to promote the interest of the Corporation at the Union.
- (5) To liaise or keep in contact with overseas export credit institutions and to monitor developments in the field of export credits in overseas countries.