

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

Financial and Staffing Implications

Introduction

This paper sets out the financial and staffing implications arising from the accountability system.

Overview

2. The financial and staffing implications are set out below -
 - (a) additional annual expenditure to meet the costs of 14 non-civil service principal official positions and at the same time deletion of three civil service directorate posts of CS, FS and SJ;
 - (b) the 16 civil service posts at D8 rank in bureaux will be re-titled as Permanent Secretaries. No additional funds will be sought. Permanent Secretaries rather than Directors of Bureau will be controlling officers of the relevant heads and subheads of expenditure;
 - (c) provision of administrative support staff to the eleven Directors of Bureau by way of redeployment of existing financial resources; and
 - (d) creation of a non-civil service position of Director of Chief Executive's Office and at the same time deletion of the civil service post of Information Coordinator.

Remuneration for the principal officials

3. The proposed cash remuneration of the 14 principal officials under the accountability system is as follows -

- 1 Chief Secretary for Administration (CS) : \$345,850 per month
- 1 Financial Secretary (FS) : \$334,150 per month
- 1 Secretary for Justice (SJ) : \$322,850 per month
- 11 Directors of Bureau : \$311,900 per month

4. The existing civil service directorate posts of CS, FS and SJ are no longer necessary and will be deleted. The existing 16 D8 civil service directorate posts in the 16 policy bureaux will be re-titled as permanent secretaries. They will assist the respective Directors of Bureau in formulating and implementing policy and be responsible for staff and financial management of the bureaux.

5. An additional \$42 million per annum will be required to meet the costs of the 14 new principal officials positions.

Permanent secretaries to be controlling officers

6. At present, all but one Director of Bureau¹ are controlling officers accountable for their respective heads and subheads of expenditure. Under the new arrangement, the permanent secretaries will be charged with the responsibility for ensuring proper use of financial resources within their respective parts of the bureaux. It is therefore more appropriate for the Permanent Secretaries rather than the Directors of Bureau under the accountability system to be the controlling officers for the relevant heads and subheads of expenditure.

¹ The only exception is Secretary for Planning and Lands. The expenditure of the current Planning and Lands Bureau are under Head 56 whose controlling officer is Secretary for Works.

Administrative support to Directors of Bureau

7. Each Director of Bureau will be provided office staff comprising:

- (i) an administrative assistant (at a rank equivalent to D2);
- (ii) a press secretary (at a rank equivalent to MPS 45-49);
- (iii) a personal assistant (at a rank equivalent to MPS 28-33);
and
- (iv) a chauffeur (at a rank equivalent to MPS 5-10).

These positions can be filled by civil servants on posting, or by way of direct appointment if the principal officials consider it more appropriate to do so. In the latter case, holders of these positions will be appointed on terms and conditions comparable to those offered to the civil servants at the equivalent ranks. They will depart as and when the principal officials concerned leave the Government.

8. The administrative support staff will be provided by way of redeployment of resources. No additional funds will be sought.

Director of Chief Executive's Office

9. The Director of Chief Executive's Office will be appointed on non-civil service contract terms. The civil service post of Information Coordinator will be deleted.

Advice sought

10. Members are invited to consider and advise on the proposals set out above. We will make submissions to the Finance Committee and its Establishment Sub-committee in early June.