

Head 142 — GOVERNMENT SECRETARIAT: OFFICES OF THE CHIEF SECRETARY FOR ADMINISTRATION AND THE FINANCIAL SECRETARY

Controlling officer: the Director of Administration will account for expenditure under this Head.

Estimate 2017–18 **\$994.0m**

Establishment ceiling 2017–18 (notional annual mid-point salary value) representing an estimated 531 non-directorate posts as at 31 March 2017 reducing by two posts to 529 posts as at 31 March 2018 **\$290.5m**

In addition, there will be an estimated 34 directorate posts as at 31 March 2017 reducing by two posts to 32 posts as at 31 March 2018.

Commitment balance **\$0.6m**

Controlling Officer's Report

Programmes

Programme (1) Efficiency Unit	These programmes contribute to Policy Area 27: Intra-Governmental Services (Director of Administration).
Programme (2) Government Records Service	
Programme (3) CSO-Administration Wing	
Programme (4) Protocol Division	

Detail

Programme (1): Efficiency Unit

	2015–16 (Actual)	2016–17 (Original)	2016–17 (Revised)	2017–18 (Estimate)
Financial provision (\$m)	215.8	234.6	228.9 (–2.4%)	237.8 (+3.9%)
				(or +1.4% on 2016–17 Original)

Aim

2 The aim of the Efficiency Unit is to help identify and implement measures that increase the public value and effectiveness of public services and government initiatives.

Brief Description

3 Key areas of work are:

- business process re-engineering - to achieve overall improvements in public sector productivity and service quality;
- organisational restructuring - to support bureaux and departments in reviewing organisational structures and implementing changes to improve the performance of the organisations or create shared services that assist several organisations achieve objectives more effectively and more conveniently for the public;
- application of technology - to identify business applications for new technology to achieve productivity and service improvements;
- performance measurement - to support bureaux and departments to develop clear objectives and targets, reflecting public benefits rather than internal processes, and to measure performance;
- social innovation - to support the Commission on Poverty's Social Innovation and Entrepreneurship Development Fund Task Force to promote social innovation in the community and in the public sector to help address social needs; and
- outsourcing and public private partnerships - to advise on the way that the flexibility, innovation and resources of the private sector may be used to enhance the quality of public services and achieve greater value for money.

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4 The Efficiency Unit has designed and set up 1823; supported the introduction of outsourcing and public private partnership initiatives; implemented the Customer Management Assessment Framework for departments; launched the “Be the Smart Regulator” programme in collaboration with the Economic Analysis and Business Facilitation Unit under the Financial Secretary’s Office; and supported the implementation of the Citizen-centric Services Programme through the Youth Portal. The Efficiency Unit serves as the secretariat to the Social Innovation and Entrepreneurship Development Fund Task Force under the Commission on Poverty to oversee the administration of the Fund. In pursuing these initiatives, the Efficiency Unit:

- focuses on practical results,
- offers a cross-departmental perspective,
- challenges current ways of working,
- innovates to develop tools and techniques applicable to Hong Kong, and
- provides speedy access to expertise and resources.

5 1823 provides 24-hour one-stop service to handle public enquiries on behalf of 22 departments and public complaints against the Government. In 2016, it received around 3 705 000 calls and 391 000 emails from the public. The key performance measures of 1823 are:

Targets

	Target	2015 (Actual)	2016 (Actual)	2017 (Plan)
calls that can be answered within 12 seconds (%).....	80	66	69	80
callers that have their enquiries addressed at the first time of calling (%).....	95	99	99	99
customer satisfaction (out of a five-point scale).....	4.0	4.4	4.5	4.5

Matters Requiring Special Attention in 2017–18

6 During 2017–18, the Efficiency Unit will:

- work to develop partnerships, networks and other infrastructure to support public sector innovation and social innovation as part of the Government’s wider innovation programme;
- work to extend the development and use of shared services, in particular in the areas of benefits administration, geospatial data and trade;
- continue to assist bureaux and departments in conducting Enterprise Information Management Strategy reviews and in the introduction of electronic records management, knowledge management and collaboration systems;
- encourage innovation in design and delivery of more integrated, citizen-centric services through “user-centred design” methods, the Youth Portal and 1823; and
- work with the Social Innovation and Entrepreneurship Development Fund Task Force to further develop programmes for capacity building in social entrepreneurship, implementation of innovative programmes, collective impact, shared value and use of social innovation labs to seed ideas and collaborations that can test new approaches to meeting social needs.

Programme (2): Government Records Service

	2015–16 (Actual)	2016–17 (Original)	2016–17 (Revised)	2017–18 (Estimate)
Financial provision (\$m)	58.2	66.6	68.8 (+3.3%)	64.8 (–5.8%)
				(or –2.7% on 2016–17 Original)

Aim

7 The aim of the Government Records Service is to administer government records efficiently by formulating and implementing policies and plans for records management and archives administration.

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Brief Description

- 8 The Government Records Service's main responsibilities under this programme are to:
- formulate and implement government records management policies and programmes;
 - advise and support bureaux and departments on issues and solutions related to records management;
 - provide storage and disposal services for inactive records;
 - identify and preserve records of archival value, valuable government publications and printed materials; and
 - enhance public awareness of Hong Kong's documentary heritage, and provide research and reference services.
- 9 The key performance measures are:

Targets

	Target	2015 (Actual)	2016 (Actual)	2017 (Plan)
departmental records management studies/reviews.....	2	2	2	2
training for departmental records managers and their assistants on records management (no. of government officers trained).....	2 400	2 441	2 604	2 400

Indicators

	2015 (Actual)	2016 (Actual)	2017 (Estimate)
archival records acquired (linear metres).....	808#	620#	600
reference and research services rendered to the public			
no. of visitors.....	5 475	5 664	5 600
no. of enquiries.....	10 612	10 731	10 000
records management manuals, handbooks and newsletters published.....	2	2	2
intermediate storage facilities for inactive government records in terms of			
storage capacity (linear metres)	124 000	116 000	116 000
percentage utilised.....	94.7	95.9	95.0
records microfilmed for other government departments (no. of images)	2 792 226	2 696 538	2 750 000

The amount of archival records acquired fluctuates depending on the nature and number of records to be disposed of by bureaux and departments.

Matters Requiring Special Attention in 2017–18

- 10 During 2017–18, the Government Records Service will continue to:
- promote electronic records management in the Government and provide support and assistance to bureaux and departments to adopt or develop an electronic recordkeeping system,
 - implement public education and publicity programme on Hong Kong's documentary heritage, and
 - undertake work relating to appraisal of records and accessioning of archival records to facilitate disposal of time-expired records and public access to archival records.

Programme (3): CSO-Administration Wing

	2015–16 (Actual)	2016–17 (Original)	2016–17 (Revised)	2017–18 (Estimate)
Financial provision (\$m)	529.6	610.9	566.7 (-7.2%)	589.2 (+4.0%)
				(or -3.6% on 2016–17 Original)

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Aim

11 The Administration Wing seeks to ensure that policies and services within the purview of the Chief Secretary for Administration's Office and the Financial Secretary's Office are delivered effectively; facilitates the smooth and efficient conduct of government business in the Legislature; and liaises with the Judiciary, the Independent Commission Against Corruption and the Office of The Ombudsman on matters that require input from the Government.

Brief Description

12 The Administration Wing's main responsibilities under this programme are to:

- provide support to the Chief Secretary for Administration and the Financial Secretary in monitoring progress in the development and implementation of government policies and programmes;
- provide administrative support to the Chief Secretary for Administration and the Financial Secretary in co-ordinating the Government's dealings with the Legislature;
- act as the contact point between the Judiciary and the Government;
- act as the contact point in the Government for the Independent Commission Against Corruption;
- act as the contact point in the Government for the Office of The Ombudsman;
- act as the contact point between the Consular Corps and the Government on issues related to the Hong Kong Special Administrative Region (HKSAR);
- provide secretariat support for the Administrative Appeals Board and the Municipal Services Appeals Board;
- administer the Justices of the Peace system;
- provide centralised support for common services and accommodation in the Central Government Offices;
- provide timely, quality and strategic economic advice to support the formulation of the Government's policies and programmes including budgetary policies; and
- provide support to the Business Facilitation Advisory Committee and its task forces on regulatory reviews, and take forward business facilitation initiatives which aim to improve the business environment of Hong Kong by cutting red-tape and eliminating over-regulation.

Programme (4): Protocol Division

	2015–16 (Actual)	2016–17 (Original)	2016–17 (Revised)	2017–18 (Estimate)
Financial provision (\$m)	43.1	45.9	50.4 (+9.8%)	102.2 (+102.8%)
				(or +122.7% on 2016–17 Original)

Aim

13 The aim of the Protocol Division is to maintain an efficient protocol service for the Government.

Brief Description

14 The Protocol Division's main responsibilities under this programme are to:

- maintain close liaison with the Office of the Commissioner of the Ministry of Foreign Affairs of the People's Republic of China (PRC) in the HKSAR in respect of the day-to-day administration of the Consular Corps;
- liaise with and provide host government services to the Consular Corps in the HKSAR;
- extend courtesies to national and international dignitaries;
- advise on the display of flags, protocol matters and etiquette;
- ensure the provision of an efficient and cost-effective government VIP service at the Hong Kong International Airport;
- plan and co-ordinate visits to the HKSAR by national leaders and overseas senior officials and arrange delivery of their visit programmes;
- administer the local honours and awards system; and
- organise commemorative ceremonial events.

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Matters Requiring Special Attention in 2017–18

15 During 2017–18, the Protocol Division will continue to:

- liaise with the Office of the Commissioner of the Ministry of Foreign Affairs of the PRC in the HKSAR;
- deliver visit programmes for national leaders and overseas senior officials, especially in relation to the celebration of the 20th Anniversary of the Establishment of the HKSAR;
- monitor the government VIP service provided by the Airport Authority Hong Kong; and
- administer the local honours and awards system.

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ANALYSIS OF FINANCIAL PROVISION

	2015-16 (Actual) (\$m)	2016-17 (Original) (\$m)	2016-17 (Revised) (\$m)	2017-18 (Estimate) (\$m)
Programme				
(1) Efficiency Unit	215.8	234.6	228.9	237.8
(2) Government Records Service.....	58.2	66.6	68.8	64.8
(3) CSO-Administration Wing.....	529.6	610.9	566.7	589.2
(4) Protocol Division	43.1	45.9	50.4	102.2
	<hr/>	<hr/>	<hr/>	<hr/>
	846.7	958.0	914.8 (-4.5%)	994.0 (+8.7%)
				(or +3.8% on 2016-17 Original)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2017-18 is \$8.9 million (3.9%) higher than the revised estimate for 2016-17. This is mainly due to increased provision for filling of vacancies, staff changes and salary increment for staff, as well as anticipated increase in general departmental expenses, partly offset by the anticipated reduction in expenditure for hire of services and cash flow requirement for non-recurrent items.

Programme (2)

Provision for 2017-18 is \$4.0 million (5.8%) lower than the revised estimate for 2016-17. This is mainly due to lapse of provision for replacement of equipment and anticipated reduction in general departmental expenses, partly offset by the net increase of four posts to meet operational needs, filling of vacancies, salary increment for staff and anticipated increase in expenditure for hire of services.

Programme (3)

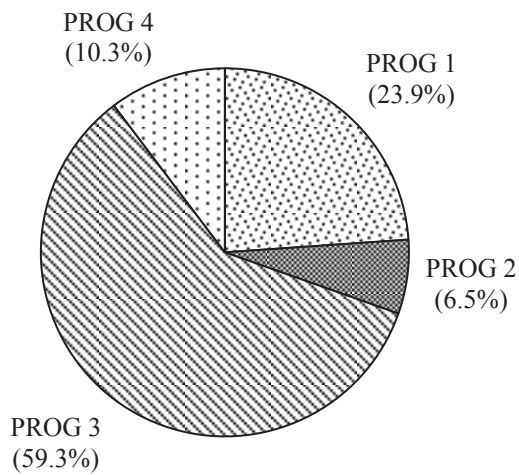
Provision for 2017-18 is \$22.5 million (4.0%) higher than the revised estimate for 2016-17. This is mainly due to increased provision for setting up and operation of the Chief Executive-elect's Office as well as provision for replacement of minor plant and equipment. There is a net decrease of eight posts.

Programme (4)

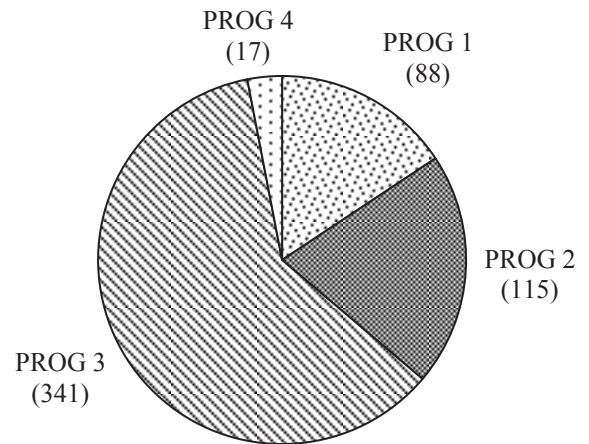
Provision for 2017-18 is \$51.8 million (102.8%) higher than the revised estimate for 2016-17. This is mainly due to increased provision for providing hospitalities to dignitaries visiting Hong Kong for the 20th Anniversary of the Establishment of the HKSAR, staff changes and salary increment for staff.

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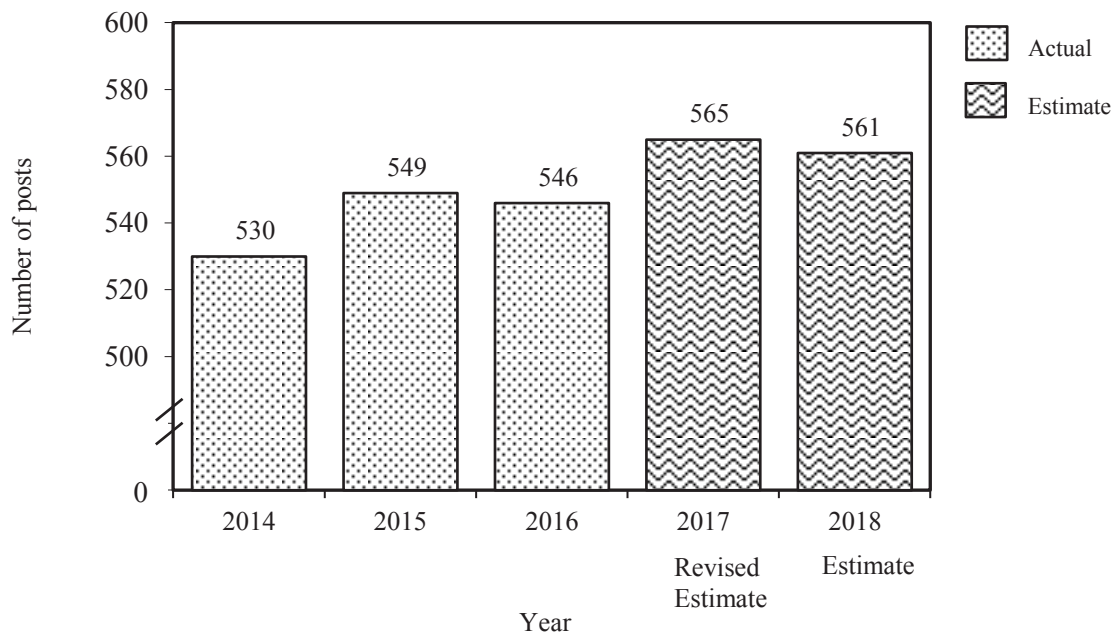
Allocation of provision to programmes (2017-18)



Staff by programme (as at 31 March 2018)



Changes in the size of the establishment (as at 31 March)



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Sub-head (Code)	Actual expenditure 2015–16	Approved estimate 2016–17	Revised estimate 2016–17	Estimate 2017–18	
	\$'000	\$'000	\$'000	\$'000	
Operating Account					
Recurrent					
000	Operational expenses	843,015	950,624	906,603	984,126
	Total, Recurrent.....	<u>843,015</u>	<u>950,624</u>	<u>906,603</u>	<u>984,126</u>
Non-Recurrent					
700	General non-recurrent	3,687	2,758	3,658	618
	Total, Non-Recurrent.....	<u>3,687</u>	<u>2,758</u>	<u>3,658</u>	<u>618</u>
	Total, Operating Account	<u>846,702</u>	<u>953,382</u>	<u>910,261</u>	<u>984,744</u>
Capital Account					
Plant, Equipment and Works					
661	Minor plant, vehicles and equipment (block vote).....	—	4,575	4,575	9,207
	Total, Plant, Equipment and Works.....	<u>—</u>	<u>4,575</u>	<u>4,575</u>	<u>9,207</u>
	Total, Capital Account.....	<u>—</u>	<u>4,575</u>	<u>4,575</u>	<u>9,207</u>
	Total Expenditure	<u><u>846,702</u></u>	<u><u>957,957</u></u>	<u><u>914,836</u></u>	<u><u>993,951</u></u>

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Details of Expenditure by Subhead

The estimate of the amount required in 2017–18 for the salaries and expenses of the Offices of the Chief Secretary for Administration and the Financial Secretary is \$993,951,000. This represents an increase of \$79,115,000 over the revised estimate for 2016–17 and \$147,249,000 over the actual expenditure in 2015–16.

Operating Account

Recurrent

2 Provision of \$984,126,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the Offices of the Chief Secretary for Administration and the Financial Secretary. The provision also includes a non-accountable entertainment allowance of \$459,500 and \$352,200 for the Chief Secretary for Administration and for the Financial Secretary respectively.

3 The establishment as at 31 March 2017 will be 565 posts including four supernumerary posts. It is expected that there will be a net decrease of four posts including two supernumerary posts in 2017–18. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2017–18, but the notional annual mid-point salary value of all such posts must not exceed \$290,457,000.

4 An analysis of the financial provision under *Subhead 000 Operational expenses* is as follows:

	2015–16 (Actual) (\$'000)	2016–17 (Original) (\$'000)	2016–17 (Revised) (\$'000)	2017–18 (Estimate) (\$'000)
Personal Emoluments				
- Salaries.....	310,044	339,237	330,451	343,459
- Allowances.....	8,954	10,892	9,289	10,753
- Job-related allowances.....	3	21	3	3
Personnel Related Expenses				
- Mandatory Provident Fund contribution.....	1,014	1,122	934	669
- Civil Service Provident Fund contribution.....	7,160	9,511	9,911	15,012
Departmental Expenses				
- Remuneration for special appointments	20,959	22,762	23,303	25,586
- Honoraria for members of committees	2,120	2,185	2,247	2,250
- Hire of services and professional fees	184,888	224,443	189,959	244,133
- General departmental expenses	307,873	340,451	340,506	342,261
	843,015	950,624	906,603	984,126

Capital Account

Plant, Equipment and Works

5 Provision of \$9,207,000 under *Subhead 661 Minor plant, vehicles and equipment (block vote)* represents an increase of \$4,632,000 (101.2%) over the revised estimate for 2016–17. This is mainly due to increased requirement for replacement of plant and equipment.

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Commitments

Sub-head (Code)	Item (Code)	Ambit	Approved commitment \$'000	Accumulated expenditure to 31.3.2016 \$'000	Revised estimated expenditure for 2016–17 \$'000	Balance \$'000
<i>Operating Account</i>						
700		<i>General non-recurrent</i>				
	829	Consultancy services on centralized approach for administering social benefits schemes	8,000	5,100	2,282	618
		Total	<u>8,000</u>	<u>5,100</u>	<u>2,282</u>	<u>618</u>