
HONG KONG HOUSING AUTHORITY

Memorandum for the Finance Committee

Mid-year Review of Service Performance in 1999/2000 Finance and Accounting

PURPOSE

This paper presents the mid-year review of the service performance of Finance and Accounting Branch (FAB) in 1999/2000.

BACKGROUND

2. As part of the corporate planning process, Heads of Branches are required to draw up business/service plans in respect of their core business/service for endorsement by the relevant committees to ensure a coherent and effective set of policies and programmes are put in place to achieve the Housing Authority's strategic and business objectives. The 1999/2000 Service Plan of the FAB was endorsed by Members in December 1998 vide Paper No. FC 62/98. This mid-year review advises Members of the progress in implementing the key initiatives outlined in the 1999/2000 Service Plan.

3. The FAB is the principal advisor in the corporate financial strategy and decision making. In providing the corporate support functions, the FAB also acts as the financial information hub and visionary partner of business branches to drive best practice financial and risk management.

----- The service objectives of FAB are shown at **Annex A**.

PERFORMANCE REVIEW

4. There were 24 key initiatives identified in the 1999/2000 Service Plan. The achievements and progress up to September 1999 are set out in

----- **Annex B.** The major achievements include -

- (a) Successful implementation of the Housing Accounting and Financial Information System (HAFIS) on 1 June 1999;
- (b) Successfully devolved supplies functions to business branches on 1 April 1999;
- (c) Completed Y2K checking on all systems and all are Y2K compliant. Contingency plan for critical systems was prepared and a rehearsal was conducted in August 1999;
- (d) Report on relative levels of financial subsidy and policies thereon was submitted to EB in September 1999;
- (e) The time taken for the completion of the annual accounts for audit was reduced from five months to four months.

5. The overall performance of FAB is summarised as follows -

	Total no. of initiatives committed	Status of Committed Initiatives			
		Action Completed	On Schedule/ On-going	Under Review	Behind Schedule
Service Plan	24	6	14	1	3

6. The FAB is confident that all key initiatives for 1999/2000 will be accomplished according to schedule.

7. Each Section within FAB keeps a number of performance indicators and workload statistics and the key performance indicators with a performance commentary are highlighted at **Annex C.**

----- **FINANCIAL PERFORMANCE**

8. The actual expenditure of FAB for the six-month period ended
----- 30 September 1999 is \$39.1 million (**Annex D**), being 44% of the 1999/2000
Revised Budget.

9. As at 30 September 1999, the available funds under the control
of the Authority was \$21.0 billion, of which \$16.5 billion was managed by
the Department and \$4.5 billion was managed by fund managers (including
the in-house trading portfolio). The performance of the Funds Management
----- Account is shown at **Annex E**.

INFORMATION

10. This paper is issued for Members' information.

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