

**THE HONG KONG HOUSING AUTHORITY**

**Memorandum for the Housing Authority and the Finance Committee**

**Proposed Revisions to the Housing Authority  
Financial and Accounting Regulations**

**PURPOSE**

This paper seeks Members' approval of revision to the Housing Authority Financial and Accounting Regulations (HA-FARs).

**BACKGROUND**

2. The Authority's FARs were approved vide Paper No. EFC 55/92 and HA 87/92, and were implemented on 1 April 1993. Subsequent revisions were approved vide Paper No. EFC 59/95 and HA 38/95, and were effective from 1 August 1995.

3. The HA-FARs are subject to ongoing review and are updated in response to changes in the organisation, delegated authority, and new services and initiatives etc.

4. At the Finance Committee meeting on 8 August 1996, Members agreed, vide Paper No. FC 5/96, to establish a set of financial objectives together with a comprehensive Financial Management Framework. Members of the Housing Authority also agreed vide Paper No. HA 61/97 at the meeting on 25 September 1997 that -

- (a) The responsibilities and the terms of reference (TOR) of the Housing Authority Committee would need to be re-aligned with the new corporate business planning process so as to better reflect the initiatives of management reform, clarify responsibilities, promote efficiency and enhance accountability to the public;
- (b) The TOR would enable the Committees to endorse their own business plans, approve financial targets, service standards and performance measures and participate more in the planning and development of their business.

5. The following major management initiatives, to be integrated with the budgetary cycle, are also being developed as part of the Department's Management Enhancement Program -

- (a) **Strategic Plan** : To interface with the business planning process and incorporate the strategic resources planning and allocation, which will become an integral part of the budgetary management process.
- (b) **Business Plans** : To set out the service goals, business and financial targets, resource allocation and priority and key performance measures etc. for each core business.
- (c) **Corporate Plan** : To consolidate the strategic and business plans, after consideration of policy initiatives.

6. To cope with the changes stated in paragraphs 4-5 above, chapters II and III of the HA-FARs need to be revised to in line with the new requirements of budgetary management and expenditure control. Other amendments arising from the new initiatives, enhancements in management processes, delegated authorities and change of titles are also proposed. A ----- brief summary showing all clauses to be amended in this review is at **Annex**  
----- **A**, and the comparison of the original and revised text is at **Annex B**.

## **FINANCIAL IMPLICATIONS**

7. There are no financial implications arising from the proposed changes.

## **CONSULTATION**

8. The advice and comments of Director of Accounting Services, Director of Audit and Secretary for the Treasury have been incorporated in the proposed HA-FARs where appropriate.

## **IMPLEMENTATION**

9. Subject to Members' approval, the revised HA-FARs will be implemented with immediate effect.

## **PUBLICITY**

10. No publicity will be given to the contents of this paper.

## **RECOMMENDATION**

11. Members are recommended to endorse the proposed revisions at **Annexs A and B**.

## **PRESUMPTION**

12. It is not thought that Members will object to the recommendation in paragraph 11 above. If no objection or request for discussion is received by the Committees' Secretary **by noon on 15 November 1997**, Members' approval will be presumed and appropriate actions will be taken.

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File Ref : HD(FIN) 13/ADM/95 III

Date : 28 July, 2004