

Original TextRevised TextReasons**Resources Allocation, Budgets and Forecast**101(b) (Amendment)

Branch head” means an officer delegated with the responsibility of controlling and managing one of the five Branches, i.e. Administration and Policy, Estate Management, Housing Administration, Maintenance and Construction Services, New Development of the Department.

Branch head” means an officer delegated with the responsibility of controlling and managing one of the six Branches, i.e. Development and Construction, Allocation and Marketing, Management, Commercial and Services, Finance and Accounting, Corporate Services, of the Department.

To add/update the clauses in accordance with the re-organization of the senior directorate structure of the department and related streamlining of operations which came into effect on 15.4.97.

101(i) (New)

Business” means the four core operations of the Housing Authority; namely, Rental Housing, Commercial Properties, Home Ownership and Development & Construction.

Same as 101(b).

101(j) (New)

“Business Committee” means one specified by the Authority to oversee one of the core Business of the Authority; namely, Building, Home Ownership, Rental Housing and Commercial Properties Committees.

Same as 101(b).

200 (Re-numbered and amended from 203)

In each financial year, before a date to be appointed by the Governor, the Authority shall submit to the Governor for his approval a programme of its proposed activities and estimates of the income and expenditure of the Authority for the next financial year. (Section 4(3) of the Housing Ordinance).

In each financial year, before a date to be appointed by the Chief Executive, the Authority shall submit to the Chief Executive the annual corporate plan including the budgets of income and expenditure for the next financial year.

Same as 101(b).

201 (Re-numbered from 204)

The policy of the Authority shall be directed to ensuring that the revenue accruing to it from its estates shall be sufficient to meet its recurrent expenditure on its estates. (Section 4(4) of the Housing Ordinance).

Re-numbering.

Original Text**Revised Text****Reasons**206(210 & 235) (Combined)

(210) Budget holders and responsible officers shall prepare their submissions for the revised budgets and the annual budgets of income and expenditure and of capital expenditure, through their Division heads and Branch heads, in such form and at such detailed budget levels as are specified in the instructions notified by the Assistant Director / Finance from time to time. (Amended August 1995)

Budget holders shall prepare, based on the strategic and business planning guidelines and resources allocation determined by the responsible Committees, their submissions for the proposals, the revised budgets, the annual budgets, and forecast of income, recurrent expenditure, capital expenditure, and loan expenditure through their Division heads and Branch heads, in such form and to such detailed levels as specified in the instructions issued by the Finance Director from time to time.

To combine clause 210 and 235 which are similar in meaning.

(235) Division heads and responsible officers shall prepare their submissions for the Five Year Financial Forecast through their Branch heads in such form and at such detailed forecast levels as are specified in the instructions notified by the Assistant Director / Finance from time to time. (Amended August 1995)

Original TextRevised TextReasons

207 (New)

Division heads and Branch heads shall base on the strategic planning guidelines and resources planning parameters as set by the Finance Committee, Human Resource Committee, and Strategic Planning Committee, submit proposals to respective Business Committees covering the full business plans, revised budgets, the annual budgets and forecast of income, recurrent expenditure, capital expenditure and loan expenditure for endorsement.

208 (Re-numbered and amended from 200)

(200) In accordance with timetables agreed by the Establishment and Finance Committee, the Assistance Director/Finance shall prepare the revised budget for the current financial year, the budget for next financial year and the five year financial forecast covering the current and the next four financial years, showing respectively the Consolidated Operating Account, the Housing Capital Works Fund - Construction Account and Improvement Account, the Development Fund, and the Consolidated Cash Flow Statement. (Amended August 1995)

On the basis of business plans and budgets endorsed by the relevant Business Committees, the Finance Director shall co-ordinate the preparation of the revised budget for the current financial year, the budget for the next financial year and the five year financial forecast covering the current and next four financial years; showing respectively the Consolidated Operating Account, the Housing Capital Works Fund-Construction Account and Improvement Account, the Development Fund, and the Consolidated Cash Flow Statement.

Same as 101(b).

209 (Re-numbered and amended from 202)

(202) The budgets and forecast will be submitted to the Establishment and Finance Committee for endorsement. The endorsed budgets will be submitted to the Housing Authority and the Governor for approval. (Amended August

The budgets will be submitted to the Finance Committee for endorsement. The endorsed budgets will be submitted to the Housing Authority for approval.

Same as 101(b).

Original Text**Revised Text****Reasons**

1995)

215

(215(1) & 240(1)) (Combined)

215(1) Budget holders are personally responsible for the accuracy and completeness of their submissions for the revised and the annual budgets of income and expenditure and of capital expenditure, and in particular for ensuring that all services that can reasonably be foreseen, and for which policy approval as necessary has been obtained, are included.

Budget holders are personally responsible for the accuracy and completeness of their submissions for the revised and the annual budgets, and forecast of income, recurrent expenditure, capital expenditure, and loan expenditure, and in particular for ensuring that all services that can reasonably be foreseen, and for which policy approval as necessary has been obtained, are included.

To combine clause 215(1) and 240(1) which are similar in meaning.

240(1) Division heads are personally responsible for the accuracy and completeness of their submissions for the Five Year Financial Forecast, and in particular for ensuring that all services that can be reasonably be foreseen, and for which policy approval as necessary has been obtained, are included.

220

(Re-numbered from 215(2))

215(2) Notwithstanding any changes made to their submissions in the course of preparing the budgets of expenditure, it is the duty of Branch heads to provide all the services implicit in the budgets of expenditure as finally approved.

Notwithstanding any changes made to their submissions in the course of preparing the budgets, it is the duty of budget holders to provide all the services implicit in the budgets of expenditure as finally approved.

Same as 101(b)

Original Text**Revised Text****Reasons**225

(215(3) & 240(2) Combined)

215(3)A budget holder should indicate clearly in his budget submission the inclusion of any new service not having policy approval of the Housing Authority or of any new projects not having the project budget approval of the Building Committee. The Assistant Director / Finance shall, if these new services or new projects are included in the budgets, state the fact that they do not have the required approval in his budget submission to the Members of the Establishment and Finance Committee and of the Housing Authority Committee.

Budget holders should indicate clearly in their budget/forecast submissions the inclusion of any new services not having policy approval of the Housing Authority or its relevant Committees. The Finance Director shall, if these new services or new projects are included in the budget/forecast, state the fact that they do not have the required approval in budget/forecast submissions to the Members of the Finance Committee and of the Housing Authority.

To combine clause 215(3) and 240(2) which are similar in meaning.

240(2)A Division head should indicate clearly in his Forecast submission the inclusion of any new service not having policy approval of the Housing Authority or of any new projects not having the project budget approval of the Building Committee. The Assistant Director / Finance shall, if these new services or new projects are included in the Five Year Financial Forecast, state the fact that they do not have the required approval in his Forecast submission to the Members of the Establishment and Finance Committee.

Original Text**Revised Text****Reasons**230

(Re-numbered and amended from 220)

Expenditure accounts are classified as being on Domestic Operating Account, Non - Domestic Operating Account, HOS Operating Account and Capital Account. Provision sought in the budgets of expenditure for all items not likely to recur costing more than \$ 500,000 each must be shown in budget holders' submissions under capital accounts and included in the capital budget.

Budgets and Expenditure Accounts are classified as Rental Housing Operating Account, Commercial Operating Account, HOS Operating Account, Housing Capital Works Fund - Construction Account and Improvement Account, the Development Fund and Capital Account. Provision sought in the budgets of expenditure for all capital items not likely to recur must be shown in budget holders' submissions under capital accounts and included in the capital budget, according to the criteria as set out in the Accounting Policies.

To rename the Accounts with reference to the latest structure of the Authority.

To specify the criteria of recognising capital expenditure.

Original TextRevised TextReasons**Expenditure Control**340(2) (Amendment)

Application for supplementary provision should only be made as a last resort. The application must be made via the Assistant Director/Finance to the appropriate policy committee or officer for approval in accordance with the approved limits of delegated authority as stipulated in the Financial Instruction being in force.

An application for supplementary provision should only be made as a last resort. An application must be made to the relevant Business Committee or Finance Committee for approval in accordance with the approved limits of delegated authority as stipulated in the Financial Instruction being in force.

To reflect the revised budgetary management.

340(3) (Amendment)

Application for virements of funds should only be made when the transfer of funds from an account/cost centre/project to another are within the approved budget. The application must be made to the appropriate policy committee or officer for approval in accordance with the approved limits of delegated authority as stipulated in the Financial Instruction being in force.

An application for virement of funds should only be made when the transfer of funds from an account/cost centre/project to another is in total within the approved budget. An application must be made to the appropriate Business Committee or officer for approval in accordance with the approved limits of delegated authority as stipulated in the Financial Instruction being in force.

To reflect the revised budgetary management.

Original TextRevised TextReasons**Overhead charge on stores or services**440 (Amendment)

Except where otherwise approved by the Assistant Director/Finance or provided under any enactment to the Housing Ordinance, full cost of resources consumed should be calculated for levy on stores or services supplied for private works which have been requested, including those for the Armed Services. An overhead charge of 20% will be levied only when the indirect costs including the Departmental Administration Overheads cannot be ascertained at the time of charging.

Except where otherwise approved by the Finance Director or provided under any enactment to the Housing Ordinance, the full cost of resources consumed must be calculated for levy on stores or services supplied for private works which have been requested. The calculation of cost must include an overhead charge. If the value of the charge does not exceed \$500,000 and the ascertainment of actual overhead is not feasible, the calculation of overhead charge can be based on such rate as stipulated in the Financial Instruction being in force.

To amend HA F & AR to incorporate the costing requirement into cost recovery amount.

445 (New)

Individual costing exercises and costs must be conducted and determined in accordance with approved costing policies as approved by the Finance Committee and the calculations must be vetted by Finance Director for:

- (a) Private work with an estimated value exceeding \$500,000; and
- (b) fees and charges which are cost based and revenue from which exceeds \$500,000 per annum.

Original TextRevised TextReasons**Acceptance of Donations/sponsorship**570 (1) (New)

The Authority shall have the power to receive gifts and donations (Section 4(2)(i) of the Housing Ordinance) so as to secure the provision of housing and such amenities ancillary thereto as the Authority thinks fit for such kinds or classes of persons as the Authority may determine. (Section 4(1) of the Housing Ordinance)

To specify the conditions under which the Authority could receive gifts and donations.

570 (2) (New)

Gifts and moneys of donations or sponsorship must not be received without prior approval in principle by the appropriate officer as designated by the Director of Housing according to the delegated authority being in force. The receipt of donations on behalf of the Authority must be acknowledged by officers as specified in the delegated financial limit being in force.

To specify the controls applicable to the receiving of donations presented to the Housing Authority.

571(1)(New)

The moneys of donations received must be disbursed with in accordance with the instructions given by Finance Director.

To specify appropriate instructions in handling the moneys received.

571(2)(New)

The gifts received must be disbursed with in accordance with the instructions given by Director Corporate Services.

To specify appropriate instructions in handling the gifts received.

Original TextRevised TextReasons**Safe custody of cash**620(1) (Amendment)

The Assistant Director/Finance shall appoint Boards of Survey to be held after the close of business on the last business day of each financial year and before the commencement of business on the first day of the new financial year to examine the cash balances at the collection offices of the Department. Where Boards of Survey have not been appointed in respect of any collection office the cash and bank balances at that collection office shall be examined in accordance with instructions issued by the Assistant Director/Finance.

The Finance Director shall arrange for the submission to him for checking a Certificate of Overall Cash Position on the last business day of each financial year from relevant Budget Holders/Section Heads. Where the submission of a Certificate of Overall Cash Position has not been specified in respect of any collection office, the cash and bank balances and valuables at that collection office shall be examined in accordance with the instructions issued by the Finance Director.

To incorporate in the F&AR the new arrangement to replace the year-end examination of the cash and bank balances at various offices by Boards of Survey appointed by the Head of Finance Division

620(2) (Amendment)

The Assistant Director/Finance may appoint Boards of Survey at any time to verify the records of valuables held in the custody of officers of the Department.

The Finance Director may appoint Boards of Survey at any time to examine the cash balances and verify the records of valuables held in the custody of officers of the Department. The appointment of such boards must be kept confidential.

To enhance the scope of work of the Boards of Survey and specify the method of appointing the Boards of Survey

Original TextRevised TextReasons**Financial Appraisal**800 (Amendment)

The financial implication of the proposals to add new policies / activities to the Housing Authority, or to change or abandon the existing policies / activities of the Housing Authority should be vetted / appraised by an officer authorised by the Assistant Director / Finance who shall issue guidelines from time to time to ensure that the financial vetting / appraisals are performed in a systematic and reasonable manner.

The financial implications of the proposals to add new policies / activities to the Housing Authority, to change or abandon the existing policies / activities or to appraise the financial performance or the financial viability of a project / new activities of the Housing Authority must be vetted / appraised by the relevant Business Directors in accordance with guidelines issued from time to time by the Finance Director to ensure that the financial vetting / appraisals are performed in a systematic and reasonable manner. When there are cross business implications, the financial appraisals will need to be vetted by the Finance Director.

To further specify the scope of vetting.

801 (Amendment)

The Committee Secretary should ensure that the financial implications, if any, stated in any Committee Paper have been vetted by an officer authorized by the Assistant Director/Finance before the Paper is submitted to the relevant Committee for approval.

The Committee Secretary should ensure that the financial contents, as stipulated in F. & A.R. 800, stated in any Committee Paper have been vetted by the Finance Director before the Paper is submitted to the relevant Committee for approval, discussion or information.

To further specify the role of Committee Secretary to be played in the process of paper vetting.

Original Text**Revised Text****Reasons**

802
(New)

Notwithstanding _____ the responsibility of the Committees' Secretary stated in No. 801, the drafting officers are responsible for passing the Committee Papers to the Finance Director for financial clearance before submission to the Committees' Secretary for issue.

The responsibilities of the drafting officers regarding the financial appraisal are not explicitly mentioned in 800 and 801 of FARs.

Original Text**Revised Text****Reasons****Write-off****135** (Amendment)

Applications for write-off of Authority funded items must be made to the appropriate policy committee or officer for approval in accordance with the approved limits of delegated authority for such amounts and under such circumstances as stipulated in the Financial Instruction being in force. Applications must be copied to the Assistant Director / Finance, the Director of Accounting Services and the Director of Audit. (Amended August 1995)

Applications for write-off of Authority funded items must be made to the appropriate policy committee or officer for approval in accordance with the approved limits of delegated authority for such amounts and under such circumstances as stipulated in the Financial Instruction being in force. Applications must be copied to the Finance Director, and the Director of Audit.

The Director of Housing is accountable for Housing moneys and Director of Accounting Services need not be involved in the write-off of Housing Authority funded items.

Original TextRevised TextReasons**Safe custody of cash**120 (Amendment)

When an officer of the Department has reason to suspect that fraud or theft has taken place affecting the Housing finances (including non-Housing funds in the custody of officers of the Department) he must report the matter without delay to his Section head. Except where alternative arrangements have been agreed by the Assistant Director/Finance, the Section head on receiving such a report must immediately notify by telephone the Senior Treasury Accountant/Internal Audit post and the nearest police station. A preliminary written report must be sent at the earliest opportunity to the Branch head concerned through the Division head and copied to the Assistant Director/Finance, the Senior Treasury Accountant/Internal Audit post, the Director of Accounting Services and the Director of Audit, followed by a full report as soon as the Section head has completed his investigation. (Amended August 1995)

When an officer of the Department has reason to suspect that fraud or theft has taken place affecting the Housing finances (including non-Housing funds in the custody of officers of the Department) he must report the matter without delay to his Section head. Except where alternative arrangements have been agreed by the Finance Director, the Section Head on receiving such a report must immediately notify by telephone the Finance Director, the Internal Auditor, and the nearest police station. A preliminary written report must be sent at the earliest opportunity to the Branch head concerned through the Division head and copied to the Finance Director, the Internal Auditor, the Director of Accounting Services and the Director of Audit, followed by a full report as soon as the Section head has completed his investigation. Where any fraud or theft of Government (public) moneys is found, the Government 儲 F & AR, SAI, or Financial Circulars must be followed.

To update the post titles and the line of reporting to reflect the segregation of internal audit from operation functions

Original Text**Revised Text****Reasons****630** (Amendment)

When an officer of the Department has reason to suspect that there has been a loss or deficiency of Housing moneys or other valuables, he must report without delay to his Section head, notwithstanding that restitution may have been made. The Section head on receiving such a report must immediately notify the Senior Treasury Accountant/Internal Audit post by telephone. A preliminary written report must be sent at the earliest opportunity to the Branch head concerned through the Division head and copied to the Assistant Director/Finance, the Senior Treasury Accountant/Internal Audit post, the Director of Accounting Services and the Director of Audit followed by a full report as soon as the Section head has completed his investigations. Where fraud or theft is suspected, see F. and A.R. 120 (Amended August 1995)

When an officer of the Department has reason to suspect that there has been a loss or deficiency of Housing moneys or other valuables, a report without delay must be made to his/her Section head, notwithstanding that restitution may have been made. The Section head on receiving such a report must immediately notify the Finance Director and the Internal Auditor by telephone. A preliminary written report must be sent at the earliest opportunity to the Branch head concerned through the Division head and copied to the Finance Director, the Internal Auditor, the Director of Accounting Services and the Director of Audit followed by a full report as soon as the Section head has completed his investigations. Where fraud or theft is suspected, refer to F. & A.R. 120.

To update the post titles and the line of reporting to reflect the segregation of internal audit from operation functions

Original TextRevised TextReasons**Revenue Collection**405(2) (Amendment)

An Officer attempting to collect outstanding debts due to the Housing Authority should not threaten legal proceedings when writing to debtors. In appropriate cases, the phrase ~~ailing~~ which the matter will be referred to the Attorney General to take such action as may be deemed necessary may be used".

An officer attempting to collect outstanding debts due to the Housing Authority should not threaten legal proceedings when writing to debtors. In appropriate cases, the phrase ~~ailing~~ which the matter will be referred to the Department's Legal Advice Division for such legal action as may be deemed necessary" may be used.

To replace the clause "The Attorney General to take such" by ~~the~~ur Legal Advice Division for such legal' subsequent to the establishment of the Legal Advice Division.

Original TextRevised TextReasons**Management of Housing Funds and Banking Arrangements**710

(710 and 725 Combined)

The Assistant Director / Finance shall prepare regular analyses of the investment of the Authority 備 available funds and cash flow statements of the Housing Authority to the Funds Management Sub-committee Finance Committee for its advice on the future direction of the management of funds of the Authority. (Amended August 1995)

The Finance Director shall prepare regular reports and analyses of the investment of the Authority's available funds and cash flow statements of the Housing Authority to the Finance Committee for the Committee's monitoring and advice on the future direction of the management of funds of the Authority.

To update the clause to bring it in line with the structure of the Authority after the revamp of EFC and FMSC, in accordance with HA 45/96.

To combine clauses 710 and 725 which are similar in meaning.

725

The Assistant Director / Finance shall prepare monthly reports on funds management for the senior directorate, and regular reports on cash flow in the format approved by the Funds Management Sub-Committee and submit them to the Finance Committee for information.

Original Text**Revised Text****Reasons**715 (Amendment)

The terms of Reference of Funds Management Sub-Committee as stated in Paper No. FSC 5/92 of 27 May 1992 are -

- (1) to advise the Establishment and Finance Committee on the ways in which the Housing Authority 僑 funds should be invested in general, and specifically through the receipt of regular investment reports from the Finance Division;
- (2) to advise on the appropriate investment guidelines, having regard to (a) the functions and obligations of the Housing Authority; (b) the financial arrangements between the Housing Authority and the Government; and (c) the Housing Authority 僑 cash flow projections; these guidelines will include the Authority 僑 criteria for the categorisation of banks for the placement of deposits;
- (3) to advise the Establishment and Finance Committee whether financial advisers / managers should be appointed and, if so, on the advisers / managers to be appointed and the terms and conditions of their appointment;
- (4) to monitor the performance of any advisers / managers so appointed and to ensure that the guidelines approved by the EFC are observed;
- (5) to recommend to the Establishment and Finance Committee the Authority 僑 list and categories of banks and financial institutions for the placement of deposits, and the admission and exclusion of individual banks and financial institutions as necessary; and
- (6) to recommend to the Establishment and Finance Committee the limits of delegated authority for placement of deposit and other investments as appropriate.

The Terms of Reference of the Finance Committee relating to funds and banking arrangements is 僑 to oversee all aspects of the management of funds of the Authority”.

To update the clause with the new Terms of Reference of the Finance Committee after the revamp of EFC and FMSC, in accordance with HA 45/96.

Original Text**Revised Text****Reasons**720 (Deleted)

The Funds Management Sub-Committee will meet quarterly about two months before each EFC meeting. The Assistant Director / Finance shall prepare reports on progress of funds management and submit them to the Committee at meeting.

Deleted

This clause no longer exists consequent upon the dissolution of Funds Management Sub-committee, in accordance with HA 45/96.

730 (Amendment)

The Assistant Director / Finance shall prepare guidelines on the selection of banks for placing the Housing Authority's funds to the Funds Management Sub-Committee for endorsement and to the Establishment and Finance Committee for approval.

The Finance Director is delegated with the authority to approve, within approved policies and guidelines, routine revisions and amendments to the list of approved counterparties and their limits. Action taken under such delegated authority will be reported regularly to the Finance Committee.

To update the clauses in respect of the authority delegated to Finance Director, in accordance with FC 7/96.

735 (Deleted)

At least once a year, the Assistant Director / Finance shall review the current list of selected banks with which the Authority's funds are deposited to ensure that these banks are still meeting the selection guidelines. The result of the review together with any proposal to update the guidelines shall be submitted to the Funds Management Sub-Committee for endorsement and to the Establishment and Finance Committee for approval.

Deleted

This clause is no longer required as the Funds Management Sub-committee is dissolved and the Finance Director is delegated with the authority to update the list of banks and reports regularly to Finance Committee the actions taken

Original TextRevised TextReasons**Bank Account opening**740 (Amendment)

The Assistant Director/Finance is given the authority to open new bank accounts in the name of the Housing Authority among those banks in the approved list. The letter instructing the banks to open the new bank accounts should be signed by the Assistant Director/Finance and another professional Treasury grade staff working in the Department for and on behalf of the Hong Kong Housing Authority.

The Finance Director or the officer so delegated under the delegated financial limit being in force is given the authority to open new bank accounts in the name of the Housing Authority among those banks in the approved list. The letter instructing the banks to open the new bank accounts for and on behalf of the Hong Kong Housing Authority should be signed by the Finance Director or the officer so delegated and another authorised professional staff, in accordance with the delegated financial limits being in force.

To include those officers authorised for bank account opening as per EFC 41/96.

Original Text**Revised Text****Reasons**745 (Amendment)

The Assistant Director / Finance shall prepare detailed procedures on the operation of the funds management activities of the Department to be incorporated in the Funds Management Manual and as updated from time to time for the information of the Funds Management Sub-Committee. (Amended August 1995)

The Finance Director shall prepare detailed instructions setting out the procedures to be followed in carrying out the funds management activities and operations and these instructions shall be incorporated into the Funds Management Manual.

To update the clause with reference to the latest structure of the Authority

Original TextRevised TextReasons**Financial Instructions**105 (Amendment)

These Regulations apply to all officers of the Department in the handling of Housing Authority moneys and financial matters, except in so far as they are inconsistent with any enactment to the Housing Ordinance or any enactments that are applicable to the Housing Authority. They may be supplemented by Standing Accounting Instructions and Financial Instructions issued by the Director of Housing from time to time which are of equal application and force as these Regulations. For the handling of all Government moneys and financial matters, the Government 僱 F & AR must be applied.

These Regulations apply to all officers of the Department in the handling of Housing Authority moneys and financial matters, except in so far as they are inconsistent with any enactment to the Housing Ordinance or any enactments that are applicable to the Housing Authority. They may be supplemented by Standing Accounting Instructions and Financial Instructions issued by the Finance Director from time to time which are of equal application and force as these Regulations. For the handling of all Government moneys and financial matters, the Government 僱 F & AR, SAI, or Financial Circulars must be followed, saving any specific arrangements as agreed with the Government.

To reflect the current delegation of authority for issuing Standing Accounting Instructions and Financial Instructions by Finance Director.