

ORGANISATION

Since the establishment of the Monetary Authority on 1 April 1993, considerable effort has been made to construct a meaningful and effective organisational structure. With the addition of the External Department at the turn of the year with responsibility for external relations and research, there are now five Departments and a Legal Office in the Monetary Authority. Each Department in turn comprises a number of Divisions responsible for a distinct area of activity, as shown in the organisational chart.

Although the organisational structure of the Monetary Authority has quickly taken shape, there is at present a shortage of staff. The staffing situation deteriorated in the months immediately following the creation of the Monetary Authority, as new postings from the civil service became much less

The outlook for 1994 is more encouraging. The Monetary Authority's terms and conditions of service have largely been approved by EFAC. There is a considerable degree of flexibility to enable the Monetary Authority to compete in the market for people with the necessary expertise and experience.

The new terms and conditions of service, which are considered by the management to be reasonably attractive, have been offered to the majority of the civil servants "inherited" by the Monetary Authority. The take-up rate for the general grade staff has been, however, lower than expected. But it is hoped that those in the professional ranks will be more enthusiastic in becoming part of what promises to be a rather prestigious central banking cadre in Hong Kong and working in what aspires to be an organisation of excellence.

MONETARY AUTHORITY'S ESTABLISHMENT AND STRENGTH

as at 31.12.1993

Post	Establishment	Strength
Chief Executive	1	1
Deputy Chief Executive	2	2
Executive Director	4	3
Division Head	13	11
Senior Manager	32	28
Manager	48	39
Assistant Manager	79	66
Technical Officer	51	45
Clerical Officer	6	5
Clerk	28	29
Secretary	54	53
Office Assistant	6	7
Total	324	289

forthcoming. In addition, the Monetary Authority's own terms and conditions of service were still being finalised, making recruitment difficult. At the end of 1993, staff strength was 289, representing about 89% of the total establishment of 324 posts, which is itself a number well short of that required for the Monetary Authority properly to perform its functions.

RECRUITMENT

Towards the end of the year, the Monetary Authority recruited eight graduates to the rank of Assistant Manager and a further 14 people were recruited, after considering internal promotion possibilities, to fill mid-career positions. Most of these recruitments will report for duty during the first quarter of 1994.

The Monetary Authority is keenly aware of the need to develop its own central banking cadre capable of discharging the diverse and demanding duties of the Monetary Authority in a way which commands public confidence. Apart from grooming existing staff, the Monetary Authority needs to recruit high calibre graduates, in relevant disciplines, who have a broad outlook, are versatile and interested in central banking. These graduates enter as Manager (Trainee) and would normally be confirmed to the Manager grade after satisfactory completion of a two-year job rotation programme. A recruitment exercise has been started and the first intake of Manager (Trainee) will take place in mid-1994.

STAFF DEVELOPMENT

The Monetary Authority provided both local and overseas training opportunities to upgrade the expertise of its staff. During the year, staff attended training courses provided by the BIS, Bank of England, Bank of Japan, Federal Reserve Bank of New York, SEACEN and other institutions. These courses covered both central banking and specialist subjects designed to enhance skills and knowledge in particular areas such as investment and banking supervisory techniques.

Another approach to staff development involves secondment to and from outside organisations. In July 1993, a Senior Manager was seconded to the ADB in Manila for a two-year period and an arrangement with the Bank of England to send every year a Manager (Banking) on a nine-month training secondment is also being continued. On the other hand, an inward secondment of an accountant from a leading accountancy firm in Hong Kong for a 21-month period started in December 1992.

ACCOMMODATION

When the Monetary Authority was first established it was housed in three separate locations. In order to improve operational efficiency, the Monetary Authority leased two consecutive floors

in its present premises and occupied them from mid-1993.

To cater for the expansion in its activities, the Monetary Authority rented an additional floor in the same premises in late 1993. It is intended that about half of the additional space will be used to meet accommodation needs in 1994, with the surplus space reserved for longer-term needs; in the meanwhile, the surplus space will be leased out.

ADMINISTRATION EXPENDITURE

For the nine-month period from April to December 1993, actual administration expenditure of the Monetary Authority, after deducting the cost of banking supervision which are recoverable from bank licence fees, amounted to HK\$74mn. No meaningful comparisons can be made at this stage, other than perhaps that this, when annualised, represents only 3.8bp of that part of the Exchange Fund managed directly by the Monetary Authority. This, incidentally, is considerably below the rates of management fees charged by investment managers employed by the Monetary Authority to manage the rest of the Exchange Fund. The Monetary Authority's responsibility, of course, extends well beyond reserves management.

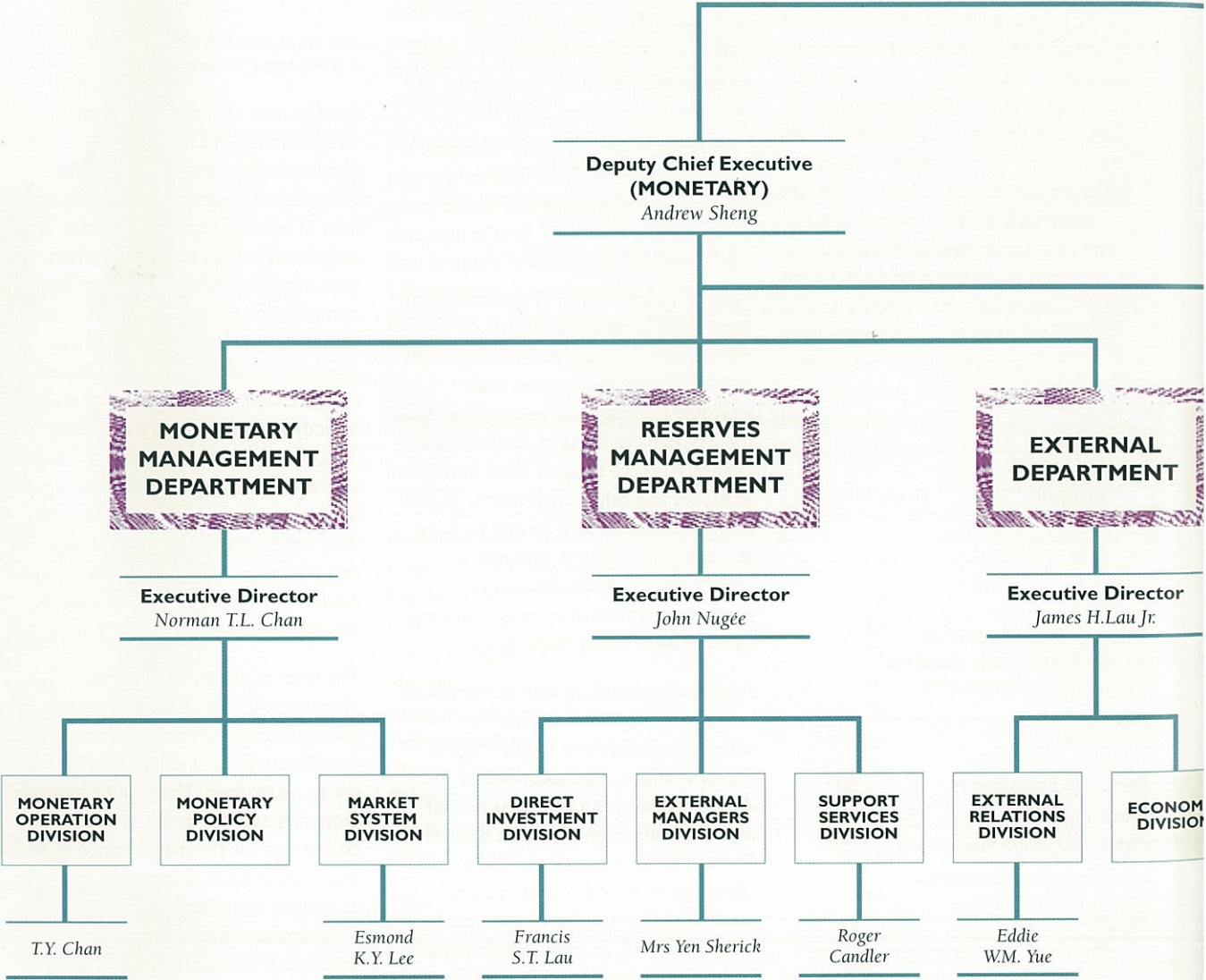
The level of expenditure for the Monetary Authority is likely to grow quite substantially in the initial years, if the objectives behind its establishment are to be realised. The task of maintaining monetary stability in Hong Kong is a crucial one for the maintenance of stability and prosperity of Hong Kong. It is also crucial for Hong Kong's continued development as an international financial centre that financial markets in Hong Kong operate with a high degree of integrity and financial institutions are run prudently. There are important regulatory, supervisory and development roles to be performed by the Monetary Authority. They need to be performed with a high degree of professionalism and continuity, and in a manner that commands the confidence of the people of Hong Kong and the international financial community.

MONETARY AUTHORITY'S EXPENDITURE: NINE MONTHS (APRIL TO DECEMBER 1993)

	HK\$mn
Personnel Emoluments	50
Accommodation	10
Other Recurrent Expenditure	7
Non-Recurrent Expenditure	7
Total	74

Monetary Authority Organisation Structure

as at January 1994



Chief Executive
Joseph Yam

**Deputy Chief Executive
(BANKING)**
David Carse

LEGAL OFFICE

General Counsel
Stefan Gannon

**BANKING
SUPERVISION
DEPARTMENT**

Executive Director
Albert Cheok

**BANKING
POLICY
DEPARTMENT**

Executive Director
Gordon C.S. Leung

**ADMINISTRATION
DIVISION**

Y.K. Choi

**DEPUTY
GENERAL
COUNSEL**

*Ms Michelina
Guarna*

**BANKING
SUPERVISION
DIVISION (I)**

Andy Watson

**BANKING
SUPERVISION
DIVISION (II)**

*Winston
P.C. Kwong*

**BANKING
SUPERVISION
DIVISION (III)**

K.F. Li

**BANKING
SUPERVISION
DIVISION (IV)**

Y.S. Fung

**BANKING
POLICY
DIVISION**

Ms Rose Luk

**DEVELOPMENT
DIVISION**

Raymond Li