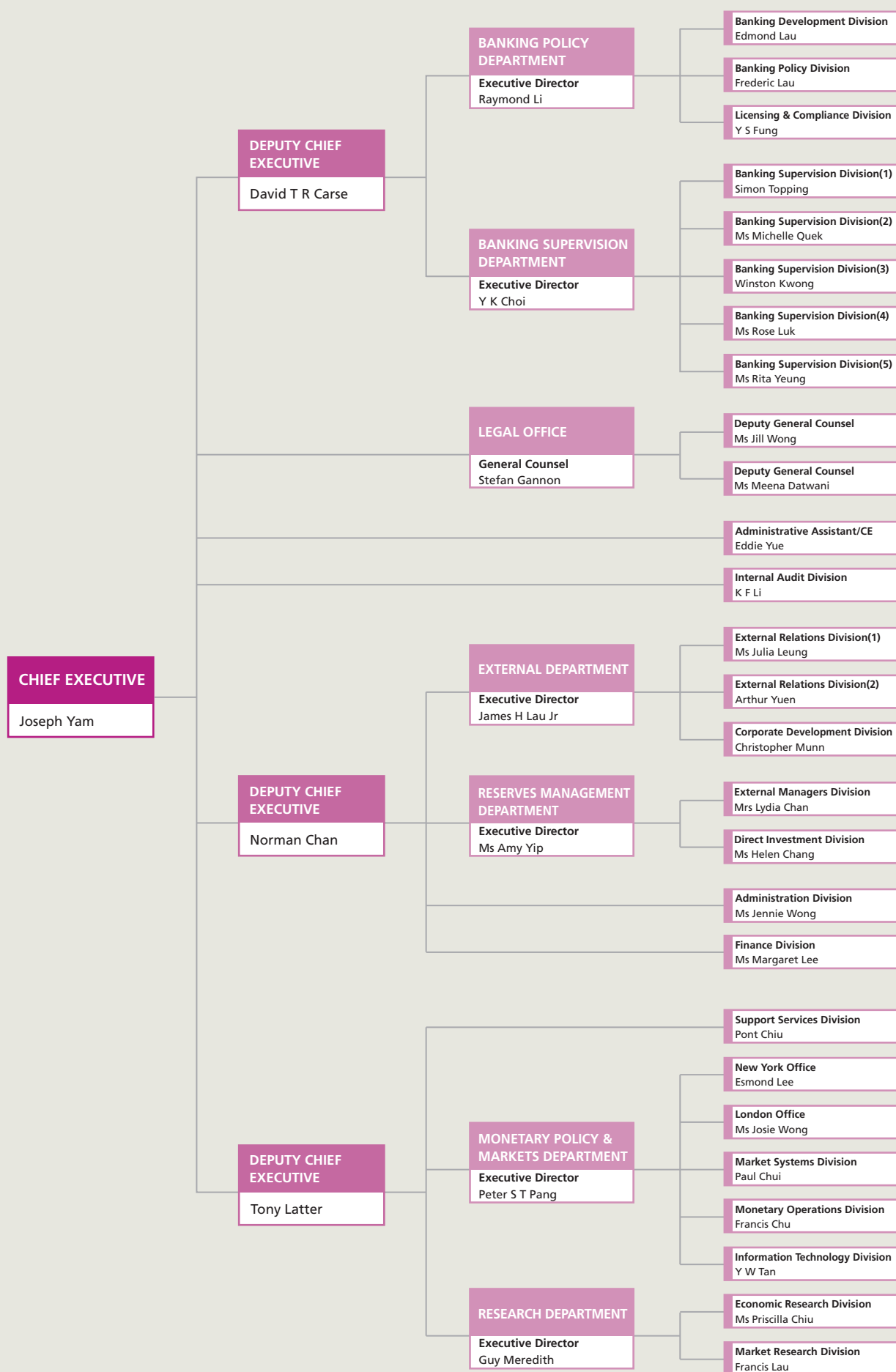


## HKMA Organisation Chart, 31 December 1999



# Administration

## Administration

The Administration Division aims at providing the best infrastructural framework to support the work of the line management. It strives to accomplish an efficient allocation of resources, enhance staff productivity, and foster good communications between management and staff.

### Organisational changes

Notwithstanding the challenges and heavy workload of 1999, the HKMA did not seek any increase in staff establishment for the year. The absorption of the ex-Land Fund Office into the HKMA provided an opportunity for integration and streamlining of operations, so that staff could be redeployed to meet the increasing demands of various departments. With the use of available staffing resources, two new divisions were established in April 1999, namely, the Licensing and Compliance Division under the Banking Policy Department to centralise under a specialised unit licensing and compliance related issues of authorised institutions as well as handling and investigation of customer complaints, and the Corporate Development Division under the External Department to bring together and strengthen the HKMA's media relations, publications, educational and corporate affairs functions.

The redeployment of the ex-Land Fund Office staff into various departments of the HKMA proceeded smoothly. All ex-Land Fund Office staff who were formerly on contract terms were offered conversion to permanent HKMA terms with effect from 1 July 1999. By then,

the staff of the ex-Land Fund Office were fully integrated into the staffing structure of the HKMA.

### Staffing

To save costs during a period of economic difficulty, in March 1999 the HKMA proposed to keep vacant posts unfilled for as long as possible. Recruitment efforts were only revived in the last quarter to fill selected vacancies in high stress areas. The establishment at the end of 1999 is shown in Table 1 :

Table 1 Establishment of the HKMA

Post	Establishment	
	1998	1999
Chief Executive	1	1
Deputy Chief Executive	3	3
Executive Director	8	8
Division Head	25	28
Senior Manager	71	70
Manager	136	140
Manager Trainee	10	10
Assistant Manager	95	101
Technical Officer	128	112
Clerical Staff	53	54
Secretary	82	85
Office Assistant	10	10
<b>Total</b>	<b>622</b>	<b>622</b>

As a further effort to achieve savings, we reviewed the vacancy position at the end of the year and proposed the deletion of 16 vacant posts, thereby reducing the establishment of the HKMA by 2.6% to 606 at the start of 2000.



### Training and development

To enable the HKMA to meet changes and challenges in an evolving global financial environment, training is arranged for staff to ensure that they are equipped with the requisite functional skills. During the year, each HKMA staff spent an average of 4.9 days on training. The number of training days totalled 2,668, of which 310 days were for overseas training.

A total of 46 staff attended courses organised by central banks, multilateral organisations and financial institutions abroad. These overseas courses focused mainly on central banking and related issues. They provided staff with a good exposure to international financial and regulatory concerns, as well as operational aspects of central banking in other countries.

During the year, 530 staff members attended local training courses, organised in-house or by external parties. They included seminars and workshops on banking supervision, risk management, Year 2000 compliance, securities and derivatives, asset and liabilities management, effective communication, team motivation and commitment, China development, and information technology.

The HKMA continued to sponsor its mid-level managers to attend the City University of Hong Kong's two-year Master Programme in Banking, which covers the theory and practice of central banking, commercial banking and finance. The Programme was attended by 40 staff members during the year. The first batch of 19 graduated in the summer of 1999.

To share and improve our expertise and resources, the HKMA participated as a member of the APEC Financial Regulators' Training Advisory Group, and co-hosted the third meeting of the Advisory Group in Hong Kong

in October 1999, with attendance by 13 representatives from multilateral organisations and central banks.

### The HKMA and the environment

The HKMA continued to look for appropriate means to foster environment friendliness. About 40% of our supplies items are environment friendly products. With increasing emphasis on electronic communication, we managed to cut down on the use of paper items, including a 17% reduction in the use of envelopes and a 12% reduction in the requirement for Christmas Cards in 1999. In 1999, the amount of waste paper collected for recycling rose by 29%.



A training workshop on motivation and commitment.

## Information Technology

The main priorities for the Information Technology (IT) Division in 1999 were to ensure Year 2000 compliance for all the HKMA's internal systems and to integrate the Land Fund systems with the Exchange Fund systems.

### Year 2000 compliance of the HKMA

The HKMA's internal systems had been tested and certified Year 2000 compliant by the end of 1998. The IT Division took a leading role in formulating contingency plans to mitigate Year 2000 risks and to ensure speedy recovery so as to minimise any adverse impact on the continuity of the HKMA's operations.





Nineteen HKMA colleagues received the Master of Science Degree in Banking from the City University of Hong Kong in 1999.

Several rounds of drills on the contingency measures were also conducted to validate their effectiveness.

From September 1999, all the internal systems and IT infrastructure changes were frozen to ensure that non-compliant items were not accidentally created or re-introduced. All system changes were scrutinised closely by senior management and approval was only granted with sound and compelling justifications. The efforts bore fruit, as all the IT internal systems passed through the crucial periods without any disruptions.

#### Integration of the Land Fund systems

During 1999 the HKMA completed the integration of the Land Fund systems with the Exchange Fund systems to provide consolidated financial statements. The integration included data transfer of in-house managed portfolios; data transfer of externally managed portfolios; and system development of the Investment Management General Ledger (IMGL) system.

#### Improvement of the Payment System

The development of Cross Currency Payment Matching Processor System (CCPMP) for Payment versus Payment linkage with the Real Time Gross Settlement system in other currencies was completed. The purpose of the CCPMP system is to reduce the settlement risk of foreign exchange transactions by ensuring that the final transfer of one currency leg of the foreign exchange

transaction occurs only if the final transfer of the other currency leg has been secured.

#### Implementation of Extranet technology between the HKMA and authorised institutions

Having completed arrangements for the submission of banking statistical returns through electronic transmission (STET) network between the HKMA and authorised institutions, the HKMA launched a website in March 1999 to enable authorised institutions to retrieve banking circulars and other related information.

A Year 2000 Compliant Private Website System (PWS) was built to enable the HKMA to monitor and detect problems that might arise in the banking sector during the Year 2000 critical dates. The PWS enabled HKMA's Event Management Centre to obtain up-to-the-minute Year 2000 wellness check status reports both from within HKMA and from authorised institutions and other external counterparties.

#### Continuous enhancement of IT infrastructure

In 1999, the IT Division expanded the network infrastructure to cover the London Office, Exchange Fund Investment Limited and Hong Kong Note Printing Limited.

In 2000 we shall continue to closely monitor all the Year 2000 issues until the end of first quarter. The IT Division will be closely involved in the project to implement a US dollar clearing system in Hong Kong. The Reserve Monetary Management System will be redeveloped to improve its functionality for effective management of the Exchange Fund. To complement the enactment of the Electronic Transaction Ordinance, the STET System will also be enhanced to support the receipt, retention and retrieval of submissions made in electronic form from authorised institutions.

