



Administration

As a young organisation established in April 1993, the Monetary Authority attaches great importance to staff training and development. Considerable resources have been devoted to grooming existing and new staff. The year also saw the creation of the External Department, the Information Technology Division and the Internal Audit Division.

Organisation and staffing

In addition to the External Department, two new divisions – the Information Technology Division and the Internal Audit Division – were created during the year. They report directly to the senior executives of the Monetary Authority. Its organisational structure is shown on pages 70 to 71.

The transition of the Monetary Authority from an organisation staffed by civil servants to one with its own terms and conditions of service continued in 1994. At end-1994, the ratio of civil servants to staff on the Monetary Authority's terms and conditions of service was about one to two. This will continue to fall, but

slowly.

The ability of the Monetary Authority to hire employees on its own terms and conditions of service provides it with the flexibility to compete in the market for people with the necessary expertise and experience. Over 150 new staff were recruited in 1994 to fill vacant posts and they have settled in well. The staffing position is in a much healthier state than a year ago. In spite of the addition of 80 new posts in 1994, the vacancy rate went down from 10.8% at end-1993 to just below 2% at end-1994 (Table I).

Staff training and development

The Monetary Authority attaches great importance to staff training,

given a large number of new staff. It has therefore devoted considerable effort and resources to helping the new recruits to settle in as quickly as possible and to upgrading the knowledge and expertise of the staff generally.

On joining the Monetary Authority, all new professional staff are given a two-week induction course to provide them with a detailed introduction to the organisation structure and functions of the Monetary Authority. It also gives them a brief introduction to various aspects of financial markets. In addition, a series of other regular courses covering a variety of topics from specific central banking issues, language skills and computer usage to management techniques are being organised for staff generally.

Apart from local courses, the Monetary Authority also sends its staff overseas for training to gain international exposure. During the year, 19 staff members attended courses organised by institutions such as the IMF, SEACEN, the Bank of England, Bank of Japan and other institutions.

The Monetary Authority is particularly thankful to the Bank of

Table I: Establishment and Strength

Post as at 31 December	Establishment		Strength	
	1993	1994	1993	1994
Chief Executive	1	1	1	1
Deputy Chief Executive	2	2	2	2
Executive Director	4	6	3	6
Division Head	13	19	11	17
Senior Manager	32	43	28	43
Manager	48	63	39	63
Manager Trainee	0	10	0	8
Assistant Manager	79	92	66	92
Technical Officer	51	48	45	46
Clerical Officer	6	5	5	4
Clerk	28	43	29	40
Secretary	54	65	53	66
Office Assistant	6	7	7	8
Total	324	404	289	396

England for its assistance in staff training. In November, four lecturers of the Bank helped the Monetary Authority in conducting a two-week course on central banking for 24 staff members. In December, a Manager was seconded to the Bank's Supervision and Surveillance Division for a nine-month period.

In 1994, about 1,600 man-days were spent by staff in attending training courses. This figure included 248 man-days of overseas training. On average, each staff member received 4.6 days of training in the year.

The Monetary Authority's plan to groom a group of high calibre graduates into its own central banking cadre has been progressing smoothly. Eight Manager Trainees were recruited in August 1994. Apart from classroom training, these Trainees are given a two-year job rotation programme aimed at providing them with all-round skills and knowledge in central banking. Subject to satisfactory performance and after completion of the programme, the Trainees will be confirmed as Managers and posted to different departments within the Monetary Authority.

Administration expenditure

The Monetary Authority is still a young organisation set up to perform important tasks professionally in an increasingly complex environment. A rapid expansion during the initial years of establishment is inevitable in

Table 2: Administration Expenditure

	HK\$m	
	9 months to end-1993	12 months to end-1994
Personal Emoluments	111	191
Accommodation	25	51
Other Recurrent Expenditure	13	20
Non-Recurrent Expenditure	17	17
Total	166	279

order to build up professionalism. It was also expected that after the initial phase of expansion, the Monetary Authority would soon reach a "steady state".

Actual administration expenditure of the Monetary Authority in 1994 amounted to \$279 mn, an increase of 26% over the annualised expenditure in 1993. The increase was caused mainly by the full year effect of rental payments made in 1994 and increased staff cost arising from the significant increase in staff numbers (Table 2).

Information technology

The Information Technology Division was created in 1994. It is charged with the responsibility for the formulation and implementation of an information technology strategy and system for the Monetary Authority. With the assistance of a consultant firm, Coopers & Lybrand Management Consultants Limited, the Division has embarked on an Information Technology Development Programme to look into the needs of individual

departments. The objective is to develop a new management information system to address all their needs and assist the Monetary Authority in discharging its functions more effectively. The new system is expected to be fully operative before end-1996.

Internal audit

In view of the sheer size of the Exchange Fund and the important functions of the Monetary Authority, much effort has been devoted to the development and establishment of effective internal control systems. To this end, an Internal Audit Division was established during the year to help improve internal control and ascertain adherence to established policies and procedures by staff. This has the support of the EFAC and the Director of Audit of the Government who continued to scrutinise the work of the Monetary Authority with a continuous audit. The Monetary Authority is in the process of identifying suitable staffing for this Division, including the position of Head of Division.