

PAIB industry focus group meeting for members in the public sector: Summary of discussion points



The professional accountants in business leadership panel (PAIBLP) is organising roundtable discussions of around 20 participants for different industry focus groups to help the leadership panel to learn more about the interests and concerns of members working in those sectors. The first focus group meeting, for PAIBs in the public sector, was held on 24 June 2011 (Friday) at the China Club.

Ms. Susanna Chiu, the Institute's vice president and chair of the PAIBLP, together with Mr. William Lo (Executive Director of Finance, Airport Authority Hong Kong) and Cavan Cheung (Chief Financial Officer, Hong Kong Cyberport Management Co. Ltd.) hosted the event and led a fruitful breakfast discussion. The ideas and suggestions raised will be reflected to the PAIBLP for consideration in its future work plan.

Points covered by the moderators and the participants working in different public sector organisations and the Hong Kong SAR Government included:

Different nature of work in the public sector

- "Public sector" embraces a wide spectrum of organisations and involves a broader range of stakeholders than the private sector. Public organisations are responsible to the public but cannot address all the concerns of all stakeholders. It is important to identify priorities and implement prudent financial management.
- Stakeholder management is important and a financial executive's role should include understanding the business and assisting the organisation's CEO. Good risk management and contingency planning are essential.
- Pressure from the media is increasing and members working in public sector should be prepared to handle this aspect.
- Pre-consultation before implementation of policy is important.

Financial reporting

- Some organisations have to maintain two sets of accounts, one on a cash basis (for fund applications from the government) and one on accrual basis (for disclosure of financial statements to the public).
- There needs to be increased attention given to accounting standards for the public sector.

The resources problem

- Funding from government for individual projects may not cover administration costs. PAIBs in the public sector need to spend extra time on project administration work.
- Resources and recruitment can be a problem, especially for small NGOs. PAIBs in these organisations have to deal with administration and operational needs supported by very limited resources.
- Internal and external audit require extra resources. Some guidelines from the government related to performance benchmarks for public organisations would be useful. Best practices guidelines on the Efficiency Unit's website http://www.eu.gov.hk/english/publication/pub_bp/pub_bp.html may help.

Comments/suggestions on PAIB events

- Participants appreciated the initiative to hold a public sector focus group gathering and the points/experience shared were very relevant to their work.
- The balance between cost and benefit on development of corporate governance and internal control could be a topic for a separate event.
- Media training for PAIBs in public sector could be another topic.
- Mentorship was a good idea for two-way learning. Senior members should have positive attitude towards the post-80s and provide more guidance to young members.