

**Report on the Activities of
The Legislative Council Commission
2002 ~ 2003**

**Prepared for tabling in the Legislative Council
in accordance with section 13(5) of
The Legislative Council Commission Ordinance (Cap. 443)**

The Legislative Council Commission

Hon Mrs Rita FAN HSU Lai-tai, GBS, JP (Chairman)

Hon Mrs Selina CHOW LIANG Shuk-yee, GBS, JP (Deputy Chairman)

Hon Fred LI Wah-ming, JP

Hon NG Leung-sing, JP

Hon Margaret NG

Hon HUI Cheung-ching, JP

Hon Bernard CHAN, JP

Hon Howard YOUNG, SBS, JP

Hon YEUNG Yiu-chung, BBS

Hon Emily LAU Wai-hing, JP

Dr Hon LAW Chi-kwong, JP

Hon Henry WU King-cheong, BBS, JP

Hon IP Kwok-him, JP

Contents

<i>The Chairman's Review</i>	42
<i>The Legislative Council</i>	44
<i>The Legislative Council Commission</i>	45
<i>The Legislative Council Secretariat</i>	46
<i>Functions and Services of the Legislative Council Secretariat</i>	46
<i>Financial Arrangements</i>	53
<i>Appointment of Staff</i>	54
<i>Enhanced Productivity Programme</i>	54
<i>Operating Expenditure Envelope</i>	55
<i>Review of Organization and Structure</i>	55
<i>Development of Information Technology</i>	56
<i>Accommodation</i>	57
<i>Environmental Protection</i>	58
<i>Staff Development</i>	58
<i>Staff Consultative Committee</i>	59
<i>Staff Recreation</i>	59
<i>Report of the Director of Audit to The Legislative Council Commission</i>	60
<i>The Legislative Council Commission</i>	61
- <i>Balance Sheet as at 31 March 2003</i>	
<i>The Legislative Council Commission</i>	62
- <i>Income and Expenditure Account for the Year Ended 31 March 2003</i>	
<i>The Legislative Council Commission</i>	63
- <i>Cash Flow Statement for the Year Ended 31 March 2003</i>	
<i>The Legislative Council Commission</i>	64
- <i>Statement of Changes in Accumulated Funds for the Year Ended 31 March 2003</i>	
<i>Notes to the Accounts</i>	65
<i>Appendix 1 Committees of The Legislative Council Commission</i>	72
<i>Appendix 2 Staff Establishment of the Legislative Council Secretariat</i>	75
<i>Appendix 3 Organization of the Legislative Council Secretariat</i>	76
<i>Appendix 4 Working Group to Review the Organization and Structure of the Legislative Council Secretariat</i>	78
<i>Appendix 5 Task Force on New Legislative Council Building</i>	78
<i>Appendix 6 Secretary General's Environmental Report for the Year 2002-2003</i>	79

The Chairman's Review

The past year was another challenging and productive one for The Legislative Council Commission.

One of our major tasks during the year was the planning of the long-term accommodation of the Legislative Council. Pursuant to the Government's decision on 30 April 2002 to proceed with the Tamar Development Project, which consists of a Legislative Council Building together with a Central Government Complex and other community facilities, a Task Force on New Legislative Council Building was formed in May 2002. In addition to six meetings held by the Task Force, the Commission discussed the new building project at eight of its meetings (including four with representatives of the Government). Members and staff put in tremendous efforts on drawing up the planning and design parameters, recurrent consequences, schedule of accommodation and detailed user requirements for the new building within the tight time frame set by the Government. The Project is scheduled for completion in 2007.

Following the Severe Acute Respiratory Syndrome outbreak, the Government decided on 26 May 2003 to put the project on hold in order to review its spending priorities. The review is expected to be completed within six months. The Commission regretted that the Government made the decision without prior consultation with us. The need for a new Legislative Council Building by the summer of 2008, before the commencement of the fourth term of the Legislative Council, has been widely accepted. For a long time, the existing

building has been inadequate to meet the Council's needs, not to mention the possibility of an enlarged membership of the Council in 2008. In this connection, we urge that the Legislative Council be offered a suitable site for constructing a new Legislative Council Building should the Government decide not to proceed with the Tamar Development Project.

The Working Group to Review the Organization and Structure of the Legislative Council Secretariat continued its work during the year. It reviewed the existing policies, procedures and practices in the Secretariat, including those on recruitment, promotion, performance appraisal and renewal of agreement and it is expected that the Working Group will submit its third and final report to the Commission after consultation with staff.

In 2002-03, the Commission completed the Enhanced Productivity Programme launched by the Government in 2000-01. In support of the Government's Operating Expenditure Envelope approach, the Commission will further reduce its recurrent expenditure by 1.8% in 2003-04 and an additional 1% in each of the subsequent three years. As always, the Commission exercised prudent management of its funds under the one-line vote system.

In the year under review, the Director of Audit conducted a value for money audit on the Government funding for staff emoluments of The Legislative Council Commission – the first one on the Commission since its inception in 1994. His report was tabled in the Legislative Council on 30 April 2003. The

Director of Audit included in his report findings and recommendations regarding the provision of subvention for cash allowance and contract gratuities for new posts and posts not filled by contract staff; the provision of contract gratuities to non-professional and supporting staff; and the Commission's Reserves.

The Public Accounts Committee of the Legislative Council conducted a hearing on the Director of Audit's report and deliberated on the report in its usual unbiased and meticulous manner. The Committee appreciates the constitutional status of the Legislative Council and the financial autonomy of the Commission, and has recommended in its report that the Commission should consider whether there are justifications for maintaining Reserves at their current level vis-à-vis its future expenditure requirements. The Commission will follow up the Committee's recommendation and present its response to the Council early in the 2003-04 session.

I take great pleasure in recording my appreciation for the strong support of my Commission colleagues and the efforts and commitment of the staff of the Secretariat during the year.

A handwritten signature in black ink, appearing to read 'Rita FAN', with a long horizontal flourish extending to the right.

Rita FAN
Chairman
The Legislative Council Commission

The Legislative Council

The second Legislative Council of the Hong Kong Special Administrative Region (HKSAR) consists of 60 Members, of whom 24 are returned by direct elections in geographical constituencies, 30 are elected from functional constituencies and six are elected by an Election Committee. In accordance with the Basic Law and the Legislative Council Ordinance (Cap. 542), the term of office of Members of the second Legislative Council is four years.

The President of the Legislative Council is elected by and from amongst Members of the Council.

The main functions of the Legislative Council are to enact laws, control public expenditure and monitor government policies. The Council normally meets every Wednesday afternoon in the Chamber of the Legislative Council Building. In addition, three meetings are held where the Chief Executive answers questions from Members. The Council's proceedings are recorded verbatim in the Official Record of Proceedings of the Legislative Council.

Apart from attending Council meetings, Members also perform their duties through a system of committees. There are three standing committees under the Council -

- Public Accounts Committee, which examines reports of the Director of Audit on the accounts of the Government and the results of value-for-money audits; and
- Committee on Members' Interests, which considers matters relating to Members' declaration of interests and matters of ethics in relation to their conduct.

The House Committee co-ordinates the activities of the Council. The Committee on Rules of Procedure examines matters of practice and procedure relating to the Council and its committees.

Bills Committees and Subcommittees are formed by the House Committee, as the need arises, to study bills and subsidiary legislation. During the period under review, 30 Bills Committees and 26 Subcommittees were formed.

There are 18 Panels under the Council which receive regular briefings from government officials on issues within their respective policy areas, and monitor government policies and performance. The Panels also examine major legislative and financial proposals before they are introduced into the Council and the Finance Committee respectively.

The Council operates a redress system to receive representations from members of the public on issues relating to government policies, decisions, practices and procedures. The system also covers complaints relating to non-government bodies providing services for

the general public.

The Legislative Council Commission

Administrative support and services to the Legislature are provided by a secretariat which operates under the Commission. The Commission is established under The Legislative Council Commission Ordinance (Cap. 443). The Ordinance, which was enacted in April 1994, provides the legal framework for the Commission and the independent Secretariat to operate with managerial and financial autonomy.

Members of the Commission

The Legislative Council Commission comprises 13 members, namely -

- the President of the Council, who is also the Chairman of the Commission;
- the Chairman of the House Committee of the Council, who is also the Deputy Chairman of the Commission;
- the Deputy Chairman of the House Committee; and
- ten other members elected by and from amongst Members of the Legislative Council.

Term of Office of Commission Members

Unless otherwise determined by the Council by resolution, the term of office of members elected under section 4(1)(e) of the Ordinance shall be one year from the date of election or

until the next House Committee meeting held for the election of Commission members, or until the next dissolution of the Legislative Council, whichever is the earlier.

Functions of the Commission

The main functions of the Commission, as set out in section 9 of the Ordinance, are -

- providing through the Secretariat administrative support and services to the Council;
- providing office accommodation to Members of the Council and staff of the Secretariat;
- supervising the operation of the Secretariat;
- producing an official report of all proceedings in the Council and in any committee of the whole Council; and
- performing such other duties as the Council may by resolution determine.

Powers of the Commission

As provided under section 10(1) of the Ordinance, the main powers of the Commission include -

- determining the structure and functions of the Council Secretariat;
- employing staff in the Secretariat, dismissing and disciplining such staff and determining their numbers, grading,

-
- duties, remuneration and other terms and conditions of service;
 - formulating and executing managerial and financial policies expedient to the performance of the Commission's functions;
 - preparing the annual estimates of income and expenditure and programme of activities of the Commission; and
 - receiving, expending and investing funds.

Committees of the Commission

Three committees have been appointed by the Commission to carry out certain delegated functions. These committees are -

- **Committee on Personnel Matters**, which deals with appointment and other personnel matters;
- **Committee on Facilities and Services**, which looks after the provision of accommodation and facilities to the Council and the Secretariat; and
- **Committee on Members' Operating Expenses**, which advises on administrative matters relating to Members' operating expenses.

The terms of reference and membership of these committees are set out in **Appendix 1**.

The Legislative Council Secretariat

The mission of the Legislative Council

Secretariat is to provide efficient administrative, secretariat and research support for the Council, enhance community understanding of the activities of the Council and ensure an effective avenue for redress.

The Secretary General is the Clerk to the Legislative Council and the chief executive of the Legislative Council Secretariat. He is responsible to the Chairman of the Commission for the administration of the Secretariat.

As at 31 March 2003, there were 313 posts on the establishment of the Secretariat. The staff establishment by number and rank is set out in **Appendix 2**. Administrative support and services are provided for the Council and its committees through the following nine divisions -

- Council Business Division 1
- Council Business Division 2
- Council Business Division 3
- Legal Service Division
- Research and Library Services Division
- Complaints Division
- Public Information Division
- Translation and Interpretation Division
- Administration Division

The organization of the Secretariat is shown in **Appendix 3**.

Functions and Services of the Legislative Council Secretariat

Council Business Divisions

Servicing of meetings of the Council and its committees is undertaken separately by three divisions: Council Business Divisions 1, 2 and 3. The three divisions are each headed by an Assistant Secretary General. Their respective responsibilities are described below -

Division 1

Council Business Division 1 provides secretariat and administrative services for the Finance Committee and its two subcommittees, nine Panels as well as the Bills Committees and Subcommittees which were related to the terms of reference of these Panels. It also provides service for the Select Committee on Building Problems of Public Housing Units appointed on a resolution of the Council passed on 7 February 2001. Subsequent to the Government's decision to develop the Tamar site for the construction of the Central Government Complex, a new Legislative Council building and other compatible community facilities, a project team was formed to provide committee service and administrative support for the Commission in drawing up the planning and design parameters and the detailed user requirements for the new Legislative Council Complex.

Apart from providing services for committees, an important area of work of the division in the 2002-03 session was to assist Panels in monitoring the Government's initiative to boost the economy and to lead Hong Kong out of the present economic difficulties and restore people's confidence in Hong Kong's long-term development. A total of 21 information briefs were prepared for Panels to

facilitate their discussion with the Government over the development of financial services, logistics, tourism, environmental sustainability and closer economic co-operation with the Mainland. The team servicing the Select Committee on Building Problems of Public Housing Units was dissolved after the first report of the Select Committee was tabled at the Council meeting on 22 January 2003. This report covered the Select Committee's findings on the overall policies and system of public housing as well as its conclusions on the investigation of three incidents relating to building problems. The Select Committee will resume its remaining work after the criminal proceedings on an outstanding case are completed.

The division also provided service in support of the overseas duty visits conducted by the Panel on Information Technology and Broadcasting and the Panel on Planning, Lands and Works, as well as the President's duty visit to parliamentary buildings in Europe in September 2002.

To enhance productivity, the division put on trial two schemes agreed by the Commission to optimize the use of staff resources through staff enhancement. The trial scheme of Senior Legislative Assistant and Legislative Assistant commenced in October 2002 to strengthen the support services in the Division and to provide a career path for junior staff for the development of specialization in servicing committees. At the same time, the Division took steps to pave way for a trial scheme of Assistant Secretary (Committees) with a view to introducing more cost-effective

arrangements for the provision of service to committees in April/May 2003.

The Chief Assistant Secretaries of the division, with the support of all Senior Assistant Secretaries on a rotation basis, provided services for meetings-cum-luncheons held between Members and District Council members. Research work was undertaken by designated Senior Assistant Secretaries on each of the topics to be raised for discussion at these meetings. Matters which required follow-up actions were often referred to the Panels concerned or resolved in case conferences serviced by the Complaints Division.

During the period from 1 April 2002 to 31 March 2003, the division serviced a total of 415 meetings, 13 local visits and three overseas duty visits.

Division 2

Council Business Division 2 provides secretariat and administrative services for the House Committee, nine Panels as well as Bills Committees and subcommittees on subsidiary legislation on subjects relating to policy areas of such Panels. During the period from 1 April 2002 to 31 March 2003, the division serviced a total of 390 meetings and 17 visits.

In providing services for committees, some of the major items and issues dealt with by the division in the 2002-03 session included Government's work in handling the outbreak of Severe Acute Respiratory Syndrome, proposals to implement Article 23 of the Basic Law, incident of the Financial Secretary

purchasing a vehicle shortly before the increase in motor vehicles first registration tax, electoral arrangements for the 2003 District Council elections and 2004 Legislative Council elections, village representative elections, control of avian flu, measures to control the spread of dengue fever, charges for public health care services, authorization of football betting, outstanding capital works projects of the former provisional municipal councils as well as human rights and discrimination issues.

Research work and logistical arrangements were also undertaken by the Division to facilitate an overseas visit to study the food regulatory systems in Australia and Japan to be undertaken by the Panel on Food Safety and Environmental Hygiene.

To enhance productivity, the division had put in place a number of measures to optimize the use of staff resources on the one hand, and improve services to committees on the other. The initiatives included the following -

- Preparing operational manuals for servicing Panels, Bills Committees, subcommittees, etc. to ensure consistency in standards in servicing these committees;
- Including views expressed by deputations or gist of discussions on the pros and cons of relevant issues in background briefs; and
- Improving the format for indexing the proceedings of Bills Committees and subcommittees on subsidiary legislation

to facilitate easy retrieval of the audio records of these proceedings.

The Chief Assistant Secretaries of the division, with the support of all Senior Assistant Secretaries on a rotation basis, provided services for meetings-cum-luncheons held between Members and District Council members. The division also provided services for Members' meeting with Councillors of Heung Yee Kuk. Research work was undertaken by designated Senior Assistant Secretaries on each of the topics to be raised for discussion at these meetings. Matters which required follow-up actions were often referred to the Panels concerned or resolved in case conferences serviced by the Complaints Division.

Division 3

The division provides secretariat and administrative support services for meetings of the Legislative Council. During the period from 1 April 2002 to 31 March 2003, the division serviced 36 meetings of the Council, including three meetings devoted to the Chief Executive's Question and Answer Session.

The division also services two standing committees of the Council, namely, the Public Accounts Committee and the Committee on Members' Interests, and the Committee on Rules of Procedure. During the report period, the Public Accounts Committee held 15 public hearings and 26 meetings, and submitted to the Council two reports on its examination of the Director of Audit's value-for-money audit reports. The Committee on Members' Interests held one meeting. The

Committee on Rules of Procedure held eight meetings.

In addition, the division services the Parliamentary Liaison Subcommittee of the House Committee. The Subcommittee maintained contacts with the friendship groups which the Council had formed with the legislatures of Australia, Canada, the European Union, Japan and Singapore respectively, and with other legislatures. Together with other Members of the Council, members of the Subcommittee received visiting parliamentarians and dignitaries from other territories. Senior staff members of the Secretariat also received visitors to the Council. A total of 95 meetings with visitors were arranged by the division during the report period.

Legal Service Division

The Legal Service Division provides legal advice and support for all committees of the Council on bills, subsidiary legislation and other legal matters. The division also renders legal advice to individual Members on matters relating to the business of the Legislative Council. In addition, the division provides in-house legal service for The Legislative Council Commission and the Legislative Council Secretariat. It is the division's mission to provide comprehensive and reliable legal advice, analysis, research, and information services that are timely, objective, non-partisan, and where necessary, confidential; thereby contributing to an informed legislature.

Apart from being head of the Legal Service

Division, the Legal Adviser is also the Counsel to the Legislature. Under the Rules of Procedure, the Counsel to the Legislature has the general duty of advising the President and the Clerk to the Legislative Council on legal issues in relation to the business or administration of the Council.

Research and Library Services Division

The division provides research support for the Council and its committees. During the period under review, a total of 65 research studies were completed, and seven reports, 44 information notes and 14 fact sheets were published. Major subjects studied were -

- Education voucher system
- Mechanism for handling complaints against judges in overseas places
- The relationship between the Government and the opposition or minority parties in selected places
- Operation of trading funds
- System of advisory committees in some overseas places
- Genetically modified food labelling
- Management of fiscal reserves in Singapore
- Mechanism of handling complaints against police
- Pork supply to Hong Kong
- Civil service pay adjustment and pay trend surveys
- Goods and services tax/value-added tax and profits tax in overseas jurisdictions
- Health regulations for the import of food in Japan and the export of food in Australia
- Regulation of food premises in New South Wales, Australia
- Regulation of cyber cafes in the Mainland, Taiwan, Japan, Singapore and Hong Kong
- Selected issues relating to declaration of interests and avoidance of conflicts of interests by senior Members of Government
- Health regulations for the import of food in South Korea
- Measures adopted by overseas jurisdictions in handling juvenile offenders aged 10-14
- World summit on sustainable development
- Ratings of Hong Kong by international credit ratings agencies
- Public subsidies for parliamentary election expenses in Canada, Germany and Australia
- Procedure for applying sedatives to inmates

-
- Regulation of the transplantation of human organs and tissue products in selected overseas jurisdictions
 - Kyoto Protocol to the United Nations Framework Convention on Climate Change
 - Development of creative industries in the United Kingdom
 - Principles of corporate governance in some overseas places.

The Legislative Council Library provides reference support for Members, their personal assistants and Secretariat staff. Library holdings and publications are open to members of the public, with Council papers and records, and official publications forming the core collection. Other reference materials include encyclopaedia, dictionaries, parliamentary publications, directories, books on social, political and economic subjects, CD-ROM databases, as well as audio-visual tapes of Council and committee meetings. Current affairs materials comprise local and overseas newspapers and journals. An electronic press cuttings reference service is available to Members and Secretariat staff. In addition, the Library is linked to a number of external databases and provides access to the records of Council and committee meetings through the Digital Recording System.

In 2002-03, the Library received a total of 13 618 enquiries and 69 requests which required in-depth information searches over various sources. The Library collection reached 32 821 items. The number of visits made to the Library was 9 271. The number of

books loaned out was 12 585.

The Information Management Support Team of the Library is responsible for the efficient management of both the Council website and the Research and Library Information System (RLIS), which is a bilingual information search and retrieval system. Most of the papers of the Council and its committees are available on the website within one working day after receipt by the team; both the accuracy rate and consistency of the data uploaded have continued to improve.

RLIS provides an effective searching tool for Members and staff to retrieve all unclassified documents of the Council and its committees published since 1 July 1997 as well as some internal documents of the Secretariat. In 2002-03, there were on average 14 087 searches a month on documents of the Council and its committees and 307 searches a month on the Library catalogue.

Complaints Division

The Complaints Division provides support service for Members to enable them to deal with complaints and representations lodged with the redress system of the Council. The division assists Members in processing cases to redress grievances and bring to light the need for improvement in government policies and procedures where appropriate.

The work of the division includes meeting and corresponding with complainants, examining the cases lodged and communicating with relevant organizations and government departments, assisting Members in

determining suitable courses of action, as well as scheduling and servicing interviews with complainants and case conferences with government officials.

In 2002-03, the division assisted Members in handling 837 cases, which comprised 174 group representations and 663 cases. The more topical issues dealt with included those related to public housing, estate and building management, applications for right of abode in Hong Kong, public transport services, comprehensive social security assistance, compensation arising from clearance and land resumption exercises, and views concerning legislation for Article 23 of the Basic Law.

During this period, the division took the following measures to optimize the use of staff resources and improve efficiency -

- Enhancing the proficiency of staff through the provision of training in the handling of complaint cases and the organization of experience sharing sessions; and
- Arranging for the posting of staff to other divisions within the Secretariat to widen their exposure in other areas of work.

Public Information Division

The Public Information Division is responsible for promoting the work of the Council through planning and organizing media activities and civic education programmes. It handles press and public enquiries received by telephone, mail, e-mail and fax. It also liaises closely with media representatives and assists them in

reporting Council activities and events.

The division provides a daily newspaper clipping service to assist Members in their consideration of the business of the Council and its committees, including gauging public opinion on topical issues.

Through its automated fax-on-demand service, members of the media and the public are able to retrieve up-to-date Council information at any time. To enable the media and the public to obtain Council meeting voting results as soon as possible, the result is uploaded onto the LegCo website immediately following each vote. Information prepared by the division, including weekly meeting schedules, Members' Biographies and the Legislative Council Annual Report, is also available on the Council's website.

The number of guided tours of the LegCo Building co-ordinated by the division continues to grow during the period under review, partly due to Members' enthusiasm in conducting these tours. The number of tours increased from 239 in 2001-02 to 350 in 2002-03, of which 147 were conducted by Members. To enhance the understanding of visiting students about the Council and its work, the division has developed a work-sheet and a role-playing game in addition to its usual presentation.

In cooperation with the Education Department, the division has strengthened its liaison with schools to promote the idea of "teaching outside the classroom" among teachers. Efforts include participation in the Life-wide Learning Programme, in which

teachers are invited to visit the Legislative Council Building before organizing visits to the Building for their students.

Translation and Interpretation Division

The division provides translation, interpretation and transcription service for the Council and its committees, as well as Chinese word processing service for other divisions of the Secretariat.

The division is responsible for the production of the Official Record of Proceedings of the Legislative Council, also known as the Hansard, which is the verbatim report of proceedings of the Council. The Official Record is published, in the first instance, in the language of the speeches delivered on the floor, and then translated into two versions, one in Chinese and the other in English. Both the verbatim and translated versions of the Official Record can be viewed on the Council's website. For the 36 Council meetings held during the period under review, the division produced 7 115 pages of the "floor" version of the Official Record. The "floor" version was subsequently rendered into 9 254 pages of English text and 6 372 pages of Chinese text.

The division also translates questions, motions, committee papers, minutes of meetings and other Council papers. During the year, it yielded a total translation output of 11 781 550 words.

The division continued its efforts to enhance productivity and efficiency through further streamlining the operational procedures,

more flexible deployment of staff under pooling arrangements and the effective use of information search and retrieval tools in the preparation of translations.

During the report period, two in-house workshops were organized to update translation officers on the linguistic features of Cantonese.

Administration Division

The division provides secretariat service for the Commission and internal administrative support for other divisions of the Secretariat. The division also administers Members' remuneration and operating expenses reimbursements, and assists in organizing the Council's corporate social functions. During the year, the division serviced 13 meetings of the Commission and its committees and four meetings of the Working Group to Review the Organization and Structure of the Legislative Council Secretariat. In addition, the division assisted in organizing a total of 70 social functions for Members.

The division assists the Secretary General in executing the administrative, financial and personnel policies of the Commission. It also provides building management and security services in Council premises, and supervises the development and application of information technology in the Secretariat.

Financial Arrangements

Through a separate head of expenditure in the HKSAR Government's annual Estimates, the

Commission is provided with funds to support the work of the Legislative Council. Recurrent funding is classified under two subheads in the Estimates: one for Members' remuneration and operating expenses reimbursements, and the other for the Secretariat's staff emoluments and general expenses. Any savings in the latter may be put into an operating reserve and deployed at the discretion of the Commission. Non-recurrent funding is also obtainable for one-off activities and capital projects.

The Commission is required to compete with government policy bureaux and departments for new resources through the annual Resource Allocation Exercise. For the purposes of the Public Finance Ordinance, the Secretary General is designated as the Controlling Officer responsible for the financial resources afforded to the Commission.

The Commission's accounts are subject to examination by the Director of Audit. The Director is empowered to conduct value-for-money audits and examinations into the economy, efficiency and effectiveness with which the Commission expends its resources in performing its functions and exercising its powers. During the year, the Director conducted a value-for-money audit on the government funding for staff emoluments of the Commission. His report will be tabled in the Legislative Council for the consideration of the Public Accounts Committee.

The net financial provisions obtained for the Commission in 2002-03 amounted to \$384.4 million, which comprised \$129.3 million for Members' remuneration and operating

expenses reimbursements, and \$255.1 million for the Secretariat's staff emoluments and general expenses.

Appointment of Staff

Appointment of Secretariat staff is normally on a three-year agreement. Grading, remuneration and other terms and conditions of service of staff are broadly in line with those applicable to civil servants. Remuneration comprises a basic salary paid in accordance with the salary scale applicable to civil servants holding comparable jobs, a cash allowance in lieu of certain fringe benefits enjoyed by civil servants, and an end-of-agreement gratuity. Staff of the Commission are required to serve the Council with complete political impartiality.

During the year, a total of 10 recruitment exercises were conducted and 22 new staff were appointed as a result. In addition, four internal promotion and in-service appointment exercises were held.

Enhanced Productivity Programme

The Government launched an Enhanced Productivity Programme in 2000-01, aiming at reducing its recurrent expenditure stage by stage by means of improving productivity and efficiency. The Secretariat participated in the programme and met the savings targets of 1%, 3% and 5% in the years 2000-01, 2001-02 and 2002-03 respectively. In the course of these three years, \$21.647 million had been saved and the financial provision required from the

Government had been reduced accordingly. Major measures employed by the Secretariat in achieving these targets included re-distribution of duties, job enrichment, streamlining of working procedures and stoppage of allowance for undertaking additional responsibilities temporarily etc. These measures resulted in a net decrease of 18 posts, all of which were deleted through natural wastage. The Secretariat will continue to deliver this 5% saving in the years to come.

Operating Expenditure Envelope

To support the Government's Operating Expenditure Envelope approach to reduce its recurrent expenditure by 1.8% in 2003-04 and an additional 1% in each of the subsequent three years (i.e. 2.8% in 2004-05, 3.8% in 2005-06 and 4.8% in 2006-07), the Commission decided in October 2002 to reduce its requisition for financial provision from the Government accordingly for the four years mentioned above. Apart from reducing the financial provision progressively, the Commission will absorb any increase in expenditure, notably the additional expenditure arising from salary increments for staff. The total estimated expenditure to be absorbed or reduced in the four years will amount to \$47.9 million. To accomplish this, the following major measures will be taken -

- Financing the operation of future select committees by utilizing the Commission's reserves;
- Freezing of the post of Deputy Secretary General;

- Undertaking additional work during peak seasons as far as possible by redeploying existing staff, so as to reduce the expenditure on hiring temporary staff or outside services;
- Rationalizing existing support facilities, such as reduction in the number of telecommunication lines and restructuring of the means for service delivery; and
- Utilizing more environmentally friendly and technology-driven means for day-to-day operations, communication and information sharing, such as reducing the printed copies of reports, producing annual reports in CD-ROMs rather than in paper form, and reducing circulation of newspapers.

Review of Organization and Structure

A Working Group to Review the Organization and Structure of the Legislative Council Secretariat was formed in April 2001. The terms of reference and membership of the Working Group are set out in **Appendix 4**.

In its First Report, the Working Group recommended a new organizational structure in the Legislative Council Secretariat. In its Second Report, it recommended measures to enhance the efficiency and effectiveness of the Secretariat, including staffing structure and ranking, communication in and management of the Secretariat and delivery of service to the public and the press. The two Reports were

endorsed by the Commission in December 2001 and May 2002 respectively.

During the year under review, the Working Group held four meetings to further review the existing policies, work procedures and practices in the Secretariat, including recruitment and promotion policies, rates of contract gratuity offered to staff members appointed in internal recruitment exercises, system for assessing staff performance, and approving authorities for renewal and non-renewal of agreements. Measures to improve the existing policies as well as amendments to related provisions in the Memorandum on Conditions of Service in the Legislative Council Secretariat and the Manual on Human Resource Policies and Practices were recommended by the Working Group in its Final Report. The Report will be submitted to the Commission for endorsement after staff consultation.

Development of Information Technology

The Legislative Council network backbone integrates all computer systems in use by the Council and the Secretariat to enable the sharing of computer resources by Members and Secretariat staff. They can access information kept in individual application systems from their desks and communicate with each other in an efficient manner. About 40 servers and 400 workstations are in use. Apart from common office automation software applications and administrative systems, the Council is equipped with business support systems, such as Electronic

Voting System, Digital Recording System, Legislative Council Events Scheduling System, Schedule Display System, Research and Library Information System and Legislative Council Business System. The e-mail system also allows Secretariat staff to communicate with outsiders electronically through the Internet in a fast and effective manner. The website of the Legislative Council contains information on the business transacted in Council and its committees, which can be searched by users.

During the year under review, the following projects were undertaken to enhance the use of information technology in the Council -

- Completion of the Legislative Council Business Information System re-development project
- Completion of the Digital Recording System project
- Completion of the project to migrate the Electronic Voting System to an advanced platform
- Commencement of the Remote Access to Information Systems on the Legislative Council Network project
- Commencement of the Human Resource Information System project

Accommodation

Apart from the Legislative Council Building, facilities and offices of the Council were accommodated at two other locations: third, fourth and fifth floors of Central Government Offices (West Wing) and third, fourth, fifth and sixth floors of Citibank Tower. Each Member is provided with a 40m² office within Council premises. Forty-six Members' offices are housed in the Central Government Offices (West Wing), whilst the Citibank Tower premises accommodate the remaining 14 Members' offices and most of the staff of the Secretariat. Upon the Commission's request, additional office space (296 m²) on the fourth floor of Prince's Building was provided for the Secretariat by the Government in November 2002 to meet the short-term accommodation needs of the Council. Some staff were relocated to the new premises, thereby vacating some space on the Ground Floor of the Legislative Council Building for more Members' rooms. With this addition, the offices and facilities of the Council are now scattered in four different locations.

New Legislative Council Complex

The Commission has been of the view that in the long term there should be a centrally located purpose-built building for the Legislative Council and the Secretariat, and has been actively pursuing this target since 1998. In April 2002, the Government decided to proceed with the development of a vacant site at Tamar for a new Legislative Council building together with a Central Government Complex and other compatible community facilities. The Government envisaged that the project would be completed in 2007.

Following the announcement of the above decision, the Commission set up the Task Force on New Legislative Council Building on 9 May 2002. The membership of the Task Force is in **Appendix 5**. Since its formation, the Task Force has held six meetings to draw up the planning and design parameters for the new Legislative Council Complex. Staff of the Task Force has held two consultative meetings with users of the new Complex and 11 working meetings with the Government.

The Commission approved the planning and design parameters for the new Complex on 25 June 2002, and these parameters were included in the design brief for the prequalification exercise for the entire Tamar project. Five applicants were prequalified in December 2002 for participation in the subsequent design-and-build tender exercise scheduled for the second quarter of 2003.

Upon the Commission's approval, a submission on the appraisal for recurrent consequences of the new Legislative Council Complex was forwarded to the Government on 25 October 2002 to facilitate the Government's financial forecast and for obtaining the necessary funding approval for the Tamar project.

At its meeting on 28 March 2003, the Commission considered and agreed on the schedule of accommodation and detailed user requirements for the new Complex for incorporation into the tender document for the Tamar project. All the requests of the Commission in respect of the schedule of accommodation were agreed to by the Government, and the relevant requirements

were also incorporated into the funding proposal for the Tamar project.

The funding proposal was endorsed by the Public Works Subcommittee on 7 May 2003, and was originally scheduled to be considered by the Finance Committee on 30 May 2003. However, the Government informed the Commission on 26 May 2003, the same day as it made a public announcement, that the Government had decided to put the project temporarily on hold in order to review its spending priorities following the Severe Acute Respiratory Syndrome outbreak.

The Commission held an urgent meeting on 27 May 2003 to seek explanation from the Government and to consider the way forward in regard to the construction of a new Legislative Council Complex. The Commission reached the consensus that a new Legislative Council Complex was essential to the smooth operation of the Legislature. The Commission requested that should the Government decide not to proceed with the Tamar development project after its review, it should make appropriate arrangement, including the provision of suitable site options, to ensure that a new building/complex would be available for use by the Legislature by 2008.

Environmental Protection

The Legislative Council Secretariat is committed to conducting all its activities and operations in an environmentally responsible manner. A report covering the environmental goal, policy and management adopted by the

Secretariat is in **Appendix 6**. All staff are required to make special efforts to protect the environment through the green measures shown in the report.

Staff Development

In 2002-03, arrangements were made for 293 attendances in China studies, language, computer, management and leadership courses and seminars, occupational health and safety workshops, organized by the Civil Service Training and Development Institute (CSTDI) and other local training organizations. CSTDI also organized six exclusive job-related courses for 135 Secretariat staff. In addition, in-house training courses, workshops and seminars were organized. These included four Putonghua courses, workshops on translation and complaints handling skills, presentations by interns of the US-HK Legislative Staff Exchange Programme, workshops on the services and facilities of the Legislative Council Library and seven other job-related workshops and seminars.

During the period under review, a Principal Assistant Secretary attended the China Studies Course at the Tsinghua University in Beijing. A Senior Assistant Legal Adviser and a Chief Assistant Secretary attended the Canadian Parliamentary Cooperation Seminar in Ottawa. An Assistant Secretary General was sent on attachment to the UK Parliament, and another Assistant Secretary General attended the Inter-parliamentary Study Programme in Australia. Head, Research and Library Services and a Senior Assistant Secretary participated in the US-HK Parliamentary Staff

Exchange Programme in the United States. Head, Research and Library Services also attended an exchange programme organized by the Legislative Affairs Commission of the Standing Committee of the National People's Congress in Beijing.

In addition, the Legal Adviser attended a seminar on the litigation systems in the Mainland and Hong Kong in Chongqing and an Assistant Legal Adviser attended the "Lawyers and Government: Managing Change" study programme in the United Kingdom. Another Assistant Legal Adviser participated in the activities of the International Legislative Drafting Institute in the United States.

Staff Consultative Committee

The Staff Consultative Committee, comprising 19 elected representatives of various grades of staff of the Secretariat and chaired by the Secretary General, provides a channel for staff to express their views on matters affecting them and their welfare. The committee held four meetings during the year. Major issues that went through this consultation process included pay adjustment for staff of the Legislative Council Secretariat, the Provisional Operating Expenditure Envelope and recommendations of the Working Group to Review the Structure and Organization of the Legislative Council Secretariat.

Staff Recreation

A Staff Recreation Club is formed to promote friendship and mutual help among staff of the Secretariat, and to organize recreational activities for them. During the period under review, the Club organized a series of recreational activities, such as outings, interest classes, as well as a Christmas party for the staff of the Secretariat.

Report of the Director of Audit to The Legislative Council Commission

I have audited the financial statements on pages 61 to 71 which have been prepared under the accounting policies set out in note 2 to the accounts.

Respective Responsibilities of The Legislative Council Commission and the Director of Audit

Under the provisions of section 13(3)(a) of The Legislative Council Commission Ordinance (Cap. 443), The Legislative Council Commission is responsible for the preparation of financial statements. In preparing the financial statements, The Legislative Council Commission has to select appropriate accounting policies and to apply them consistently.

It is my responsibility to form an independent opinion, based on my audit, on those statements and to report my opinion to you.

Basis of Opinion

I have audited the financial statements referred to above in accordance with the provisions of sections 13(3)(b) and 13(4) of The Legislative Council Commission Ordinance, section 15(1)(a) of the Audit Ordinance (Cap. 122) and the Audit Commission auditing standards. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by The Legislative Council Commission in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of The Legislative Council Commission, consistently

applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements. I believe that my audit provides a reasonable basis for my opinion.

Opinion

In my opinion the financial statements give a true and fair view of the state of affairs of The Legislative Council Commission as at 31 March 2003 and of its surplus and cash flows for the year then ended and have been properly prepared in accordance with the provisions of section 13(3)(a) of The Legislative Council Commission Ordinance.



Audit Commission
Hong Kong
18 September 2003

(Dominic Y T Chan)
Director of Audit

The Legislative Council Commission

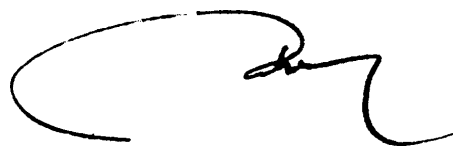
Balance Sheet as at 31 March 2003

	Note	2003 HK\$'000	2002 HK\$'000
Fixed assets	2F, 4	8,943	11,081
Non-current assets			
Operating funds advanced to Members	2C	9,718	9,748
Current assets			
Prepayments and accounts receivable	5	1,634	2,282
Cash and bank deposits		200,512	167,129
		<u>202,146</u>	<u>169,411</u>
Current liabilities			
Accounts payable and accrued charges	6	25,157	26,368
Current portion of gratuity payments accrued	2D	46,327	10,043
		<u>71,484</u>	<u>36,411</u>
Net current assets		<u>130,662</u>	<u>133,000</u>
Total assets less current liabilities		149,323	153,829
Non-current liabilities			
Non-current portion of gratuity payments accrued	2D	<u>13,718</u>	<u>33,259</u>
Net assets		<u><u>135,605</u></u>	<u><u>120,570</u></u>
Accumulated funds			
Capital Assets Subvention Reserve	2H, 7	8,943	11,081
Operating Reserve	8	119,185	101,564
Income and Expenditure Account		<u>7,477</u>	<u>7,925</u>
		<u>135,605</u>	<u>120,570</u>

Approved by The Legislative Council Commission on 9 September 2003



Hon Mrs Rita Fan, GBS, JP
Chairman



Mr Ricky C C Fung, JP
Secretary General

The Legislative Council Commission

Income and Expenditure Account

for the Year Ended 31 March 2003

	Note	2003 HK\$'000	2002 HK\$'000
Income			
Financial provisions from Government		384,652	375,987
Less: Members' remunerations returned to Government	3	(291)	(297)
Interest earned		3,983	5,467
Other income		33	39
Gain on sale of fixed assets		2	67
		388,379	381,263
Non-capitalized expenditure			
<i>Recurrent</i>			
Members' remunerations	3	41,771	42,744
Members' operating expenses reimbursements	3	86,075	78,126
Staff emoluments		211,021	207,856
General expenses		27,042	26,142
<i>Non-recurrent</i>			
Members' setting up and winding up expenses		666	2,622
Members' information technology and communication equipment expenses		274	536
Production of public education materials		-	65
Electronic Voting System		93	-
Implementation of the Research and Library Information System		-	13
Enhancement of the computer network		79	80
Enhancement of the Legislative Council Business Information System		3	2
Enhancement of computing facilities		191	139
Legislative Council Corporate Video 2000		-	331
Teaching kits for schools		47	305
Software asset management tools		1	-
Replacement of internal electronic mailing system		30	87
Digital Recording System		29	1
Project team for planning of the new Legislative Council Complex		1,840	-
		369,162	359,049
Surplus for the year	9	19,217	22,214
Surplus brought forward		7,925	10,324
Transfer to Capital Assets Subvention Reserve	2H, 7	(2,044)	(4,902)
Transfer to Operating Reserve	8	(17,621)	(19,711)
Surplus carried forward		7,477	7,925

The Legislative Council Commission

Cash Flow Statement

for the Year Ended 31 March 2003

	Note	2003 HK\$'000	2002 HK\$'000
Cash flows from operating activities			
Net financial provisions received from Government		384,361	375,690
Other income		33	39
Payments to and on behalf of Members		(129,477)	(123,845)
Payments to staff		(194,245)	(196,868)
Payment of operating expenses		<u>(28,747)</u>	<u>(26,798)</u>
Net cash from operating activities	9	<u>31,925</u>	<u>28,218</u>
Cash flows from investing activities			
Purchase of fixed assets		(2,349)	(2,951)
Sale of fixed assets		2	67
Interest received		<u>3,805</u>	<u>5,816</u>
Net cash from investing activities		<u>1,458</u>	<u>2,932</u>
Net increase in cash and cash equivalents		33,383	31,150
Cash and cash equivalents at beginning of year		<u>167,129</u>	<u>135,979</u>
Cash and cash equivalents at end of year		<u><u>200,512</u></u>	<u><u>167,129</u></u>
Analysis of the balances of cash and cash equivalents			
Cash at bank and in hand		1,136	902
Bank deposits		<u>199,376</u>	<u>166,227</u>
		<u><u>200,512</u></u>	<u><u>167,129</u></u>

The Legislative Council Commission

Statement of Changes in Accumulated Funds

for the Year Ended 31 March 2003

	Note	2003 HK\$'000	2002 HK\$'000
Beginning of year		120,570	103,699
Net charges not recognized in the Income and Expenditure Account, but dealt with in the Capital			
Assets Subvention Reserve	2H, 7	(4,182)	(5,343)
Depreciation for the year		(4,173)	(5,368)
Write-off of fixed assets at net book value		(9)	(9)
Assets returned from Members		-	24
Assets transferred from Government		-	10
Surplus for the year		19,217	22,214
End of year		135,605	120,570

Notes to the Accounts

1. The Legislative Council Commission

Established by The Legislative Council Commission Ordinance (Cap. 443), The Legislative Council Commission provides administrative support and services to the Legislative Council of the Hong Kong Special Administrative Region through the Legislative Council Secretariat.

2. Significant Accounting Policies

The accounts of the Commission are prepared on an accrual basis under the historical cost convention. The more significant accounting policies are set out below :

A. Income Recognition

Income accounted for in the accounts includes recurrent and non-recurrent financial provisions received from the Government, allocation warrants issued by government departments and utilized during the year, and interest earned on a time proportion basis.

B. Accrual of Expenses

Members' remunerations, staff's emoluments (including annual leave entitlements) and the Secretariat's operating expenses are accounted for as they are incurred. Members' reimbursable expenses are accounted for as they are claimed.

C. Operating Funds Advanced to Members

Members of the Legislative Council may apply for advance of funds to finance the setting up, equipping and operation of their offices. The ceilings of advance are set by The Legislative Council Commission.

For setting up Members' offices and equipping them with information technology and communication facilities, the ceilings of advance for each Member stood at \$150,000 and \$100,000 (2002: \$150,000 and \$100,000) respectively. Funds advanced in these respects have to be settled within three months with expenses actually incurred and any excess returned to the Commission. They are classified under current assets.

For recurrent operating expenses, the ceiling of advance is equivalent to two months' office operation, entertainment and travelling expenses. On 31 March 2003, the ceiling stood at \$259,185 (2002: \$265,287). Funds advanced in this respect have to be returned to the Commission when the Member concerned leaves office. They are classified under non-current assets.

D. Gratuity Payments

All full-time staff employed by the Commission are on fixed agreement terms, mainly for three years with a gratuity payable upon satisfactory completion of each term. Staff gratuities incurred but not yet due for payment are fully accrued in the accounts. Those gratuities payable within one year from the balance sheet date are classified as current liabilities, while others are classified as non-current liabilities.

E. Contributions to Mandatory Provident Fund

The Commission has set up a Mandatory Provident Fund ("MPF") Scheme by participating in a master trust scheme provided by an independent MPF service provider to comply with the requirements under the MPF Schemes Ordinance. Contributions paid and payable by the Commission to the Scheme are charged to the Income and Expenditure Account.

F. Capitalization of Fixed Assets

Assets costing \$1,000 or more with estimated useful lives longer than one year are capitalized.

Capital projects under development are classified as work in progress under fixed assets. The capitalized amount comprises costs of constituent parts delivered and/or a portion of the contract price according to the stage of completion of the relevant project. On completion of a project, the assets in commission will be reclassified.

G. Depreciation

Depreciation is calculated to write off the historical cost of assets less any estimated residual value evenly over their estimated useful lives. No depreciation is provided for work in progress.

The annual depreciation rates are:

Furniture and fixtures	10%
Motor vehicles and office equipment	20%
Computers and software	33 $\frac{1}{3}$ %

For assets acquired in the second six months of a financial year, half-year's depreciation is charged.

H. Capital Assets Subvention Reserve

Assets transferred from the Government and Members are capitalized as fixed assets and a corresponding amount credited to the Capital Assets Subvention Reserve. For assets acquired with government funding, an equivalent amount is transferred to the Reserve from the Income and Expenditure Account. Depreciation on fixed assets is charged to the Reserve.

I. Cash and Cash Equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash and bank deposits.

J. Provisions and Contingent Liabilities

Provisions are recognized for liabilities of uncertain timing or amount when (a) the Commission has a legal or constructive obligation arising as a result of a past event, (b) it is probable that an outflow of economic benefits will be required to settle the obligation, and (c) a reliable estimate can be made. Where the effect of the time value of money is material, provisions are stated at the present value of the expenditures expected to be required for settling the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities, unless the probability of outflow of economic benefits is remote.

K. Office Supplies

Office supplies are charged as expenses in the year they are acquired.

3. Members' Remunerations and Operating Expenses Reimbursements

Members of the Legislative Council are provided with remuneration and reimbursements for expenses arising from Council duties. The rates of such remuneration and reimbursements are proposed by the Government and approved by the Finance Committee of the Legislative Council.

Under the delegated authority from the Finance Committee, the rates for Members' monthly remuneration and recurrent operating expenses reimbursements are adjusted by the Government yearly in October according to the movement of Consumer Price Index (C).

Some Legislative Council Members voluntarily reduced their remuneration. During the year, \$291,000 (2002: \$297,000) was saved and returned to the Government.

4. Fixed Assets

	Motor Vehicles	Computers and Software	Office Equipment	Furniture and Fixtures	Work in Progress	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Cost or valuation						
Beginning of year	959	24,259	3,056	7,885	3,463	39,622
Reclassification	-	1,807	7	(7)	(1,807)	-
Additions	-	1,880	138	26	-	2,044
Disposals	-	(154)	(96)	(52)	-	(302)
End of year	<u>959</u>	<u>27,792</u>	<u>3,105</u>	<u>7,852</u>	<u>1,656</u>	<u>41,364</u>
Aggregate depreciation						
Beginning of year	798	21,072	2,411	4,260	-	28,541
Additions	118	3,121	277	657	-	4,173
Disposals	-	(153)	(89)	(51)	-	(293)
End of year	<u>916</u>	<u>24,040</u>	<u>2,599</u>	<u>4,866</u>	<u>-</u>	<u>32,421</u>
Net book value						
End of year	<u>43</u>	<u>3,752</u>	<u>506</u>	<u>2,986</u>	<u>1,656</u>	<u>8,943</u>
Beginning of year	<u>161</u>	<u>3,187</u>	<u>645</u>	<u>3,625</u>	<u>3,463</u>	<u>11,081</u>

5. Prepayments and Accounts Receivable

	2003 HK\$'000	2002 HK\$'000
Prepayments to		
Government	-	693
Staff	3	32
Others	299	383
Deposits	13	15
Receivable from		
Government	78	-
Members	5	5
Staff	389	419
Others	847	735
	<u>1,634</u>	<u>2,282</u>

6. Accounts Payable and Accrued Charges

	2003	2002
	HK\$'000	HK\$'000
Payable to		
Government	2,034	1,708
Members	1,461	2,181
Staff - accrued emoluments and reimbursements	98	91
- accrued leave pay	18,699	18,730
Others	2,865	3,658
	<u>25,157</u>	<u>26,368</u>

7. Capital Assets Subvention Reserve

	2003	2002
	HK\$'000	HK\$'000
Beginning of year	11,081	11,522
Transfer from Income and Expenditure Account for additions to fixed assets funded by		
- recurrent financial provisions	331	582
- non-recurrent financial provisions for		
Electronic Voting System	31	-
implementation of the Research and Library Information System	-	33
enhancement of the computer network	332	461
enhancement of the Legislative Council Business Information System	99	1,585
enhancement of computing facilities	346	243
software asset management tools	-	134
replacement of internal electronic mailing system	62	1,020
Digital Recording System	828	844
	<u>1,698</u>	<u>4,320</u>
- government departments under their votes in the form of allocation warrants	15	-
	2,044	4,902
Assets returned from Members	-	24
Assets transferred from Government	-	10
	<u>13,125</u>	<u>16,458</u>
Less : Depreciation for the year	(4,173)	(5,368)
Write-off of fixed assets at net book value	(9)	(9)
End of year	<u>8,943</u>	<u>11,081</u>

8. Operating Reserve

Surpluses in recurrent financial provisions for staff emoluments and general expenses are credited to the Operating Reserve at the discretion of the Commission for future use on Council business.

	2003	2002
	HK\$'000	HK\$'000
Beginning of year	101,564	81,853
Transfer from Income and Expenditure Account	<u>17,621</u>	<u>19,711</u>
End of year	<u><u>119,185</u></u>	<u><u>101,564</u></u>

9. Reconciliation of Surplus for the Year to Net Cash from Operating Activities

	2003	2002
	HK\$'000	HK\$'000
Surplus for the year	19,217	22,214
Income from investing activities		
Interest income	(3,983)	(5,467)
Gain on sale of fixed assets	(2)	(67)
Decrease in receivables	174	814
(Decrease)/Increase in payables	(224)	1,287
Increase in gratuities accrued	<u>16,743</u>	<u>9,437</u>
Net cash from operating activities	<u><u>31,925</u></u>	<u><u>28,218</u></u>

10. Major Non-Cash Transactions

Offices and certain government-operated services used by the Secretariat are either provided by the Government free of charge or funded by the respective government departments. They are not accounted for in these accounts.

11. Taxation

The Legislative Council Commission is exempt from Hong Kong taxation.

12. Capital Commitments

Outstanding commitments for acquisition of fixed assets at 31 March 2003 were as follows :

	2003	2002
	HK\$'000	HK\$'000
Authorized but not yet contracted for	2,843	3,462
Authorized and contracted for	57	920
	<u>2,900</u>	<u>4,382</u>

Appendix 1

Committees of The Legislative Council Commission

Committee on Personnel Matters

Terms of Reference

- (1) To consider personnel matters including staffing resources, appointment, promotion, dismissal, grading, duties, remuneration and other terms and conditions of service of staff of the Secretariat which require the attention of the Commission;
- (2) To approve appointments including acting appointments with a view to promotion of officers at Chief Assistant Secretary level and above; and
- (3) To monitor progress of appointment and personnel matters delegated to the Secretary General.

Membership

Hon Mrs Rita FAN HSU Lai-tai, GBS, JP (Chairman)

Hon NG Leung-sing, JP

Hon Margaret NG

Hon HUI Cheung-ching, JP

Hon YEUNG Yiu-chung, BBS

Hon Emily LAU Wai-hing, JP

Dr Hon LAW Chi-kwong, JP

Committee on Facilities and Services

Terms of Reference

- (1) To consider the accommodation requirements of the Council and the Secretariat;
- (2) To assess the needs of the Council and of individual Members for services and facilities for the conduct of Council business;
- (3) To formulate solutions for meeting needs identified at (1) and (2);
- (4) To consider financial matters relating to (1) to (3) above, and approve procurement of fixed assets costing above \$500,000 but not exceeding \$2,000,000; and
- (5) To monitor the progress and developments relating to the above items.

Membership

Hon Mrs Rita FAN HSU Lai-tai, GBS, JP (Chairman)

Hon Mrs Selina CHOW LIANG Shuk-yee, GBS, JP

Hon Fred LI Wah-ming, JP

Hon Margaret NG

Hon Bernard CHAN, JP

Hon Howard YOUNG, SBS, JP

Hon Emily LAU Wai-hing, JP

Hon Henry WU King-cheong, BBS, JP

Hon IP Kwok-him, JP

Committee on Members' Operating Expenses

Terms of Reference

- (1) To advise on administrative matters relating to Members' operating expenses; and
- (2) To review the Legislative Council Secretariat's decisions on Members' claims for operating expenses reimbursements.

Membership

Hon Mrs Rita FAN HSU Lai-tai, GBS, JP (Chairman)

Hon Mrs Selina CHOW LIANG Shuk-yee, GBS, JP

Hon Fred LI Wah-ming, JP

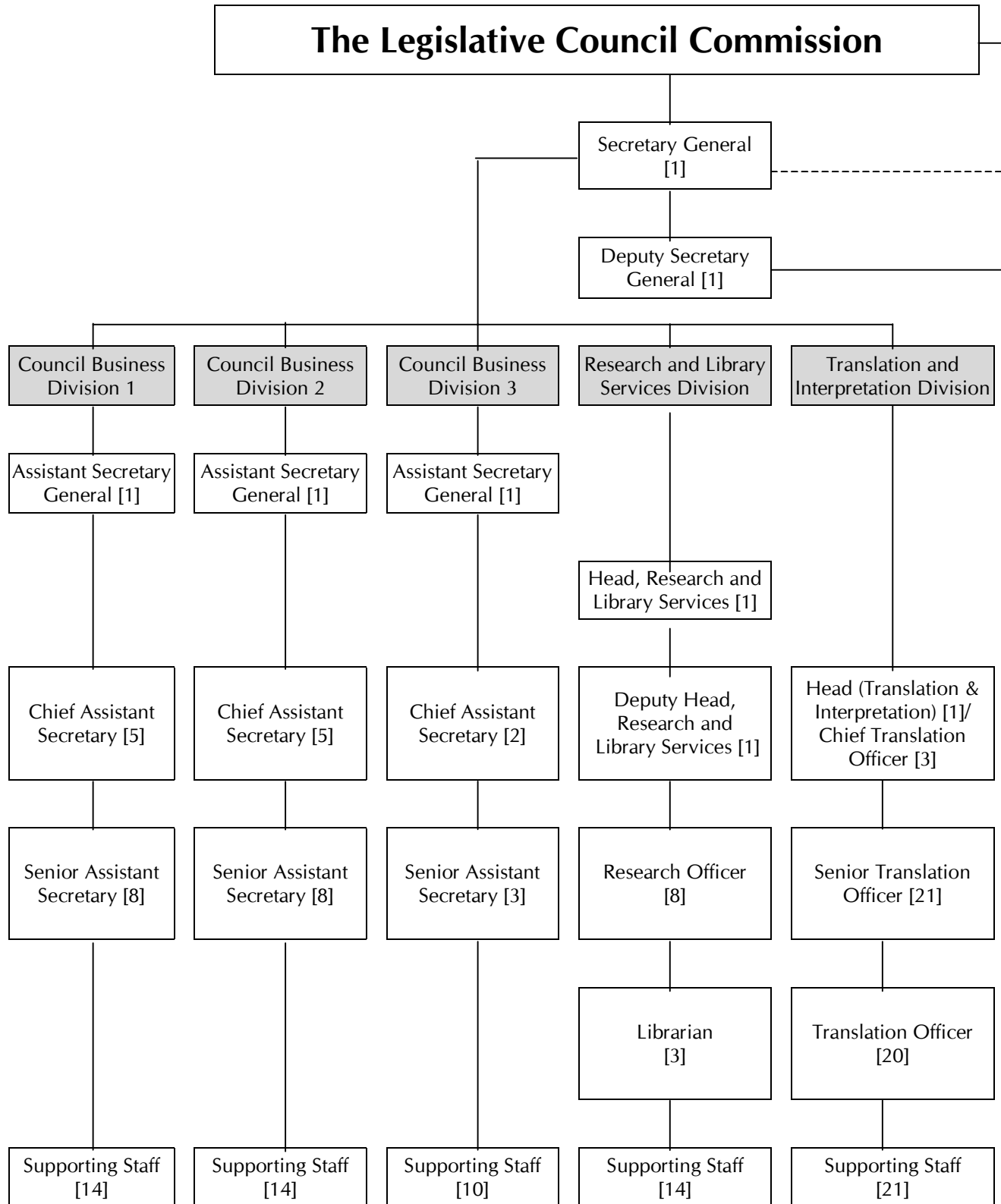
Appendix 2

Staff Establishment of the Legislative Council Secretariat

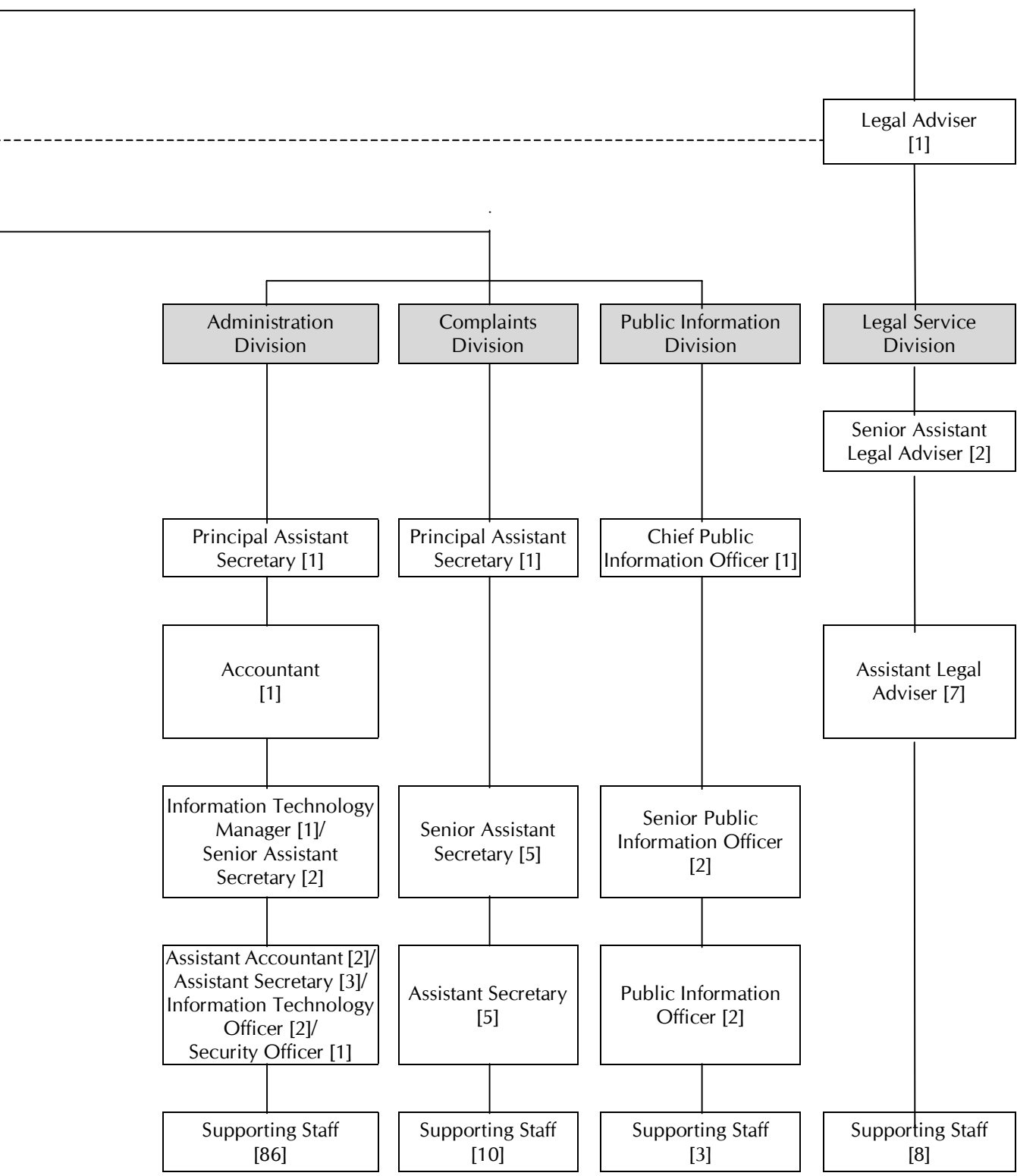
Post	As at 31.3.2003
Secretary General	1
Legal Adviser	1
Deputy Secretary General	1
Assistant Secretary General	3
Senior Assistant Legal Adviser	2
Chief Public Information Officer	1
Head, Research and Library Services	1
Principal Assistant Secretary	2
Accountant	1
Assistant Legal Adviser	7
Chief Assistant Secretary	12
Chief Translation Officer	4
Deputy Head, Research and Library Services	1
Information Technology Manager	1
Research Officer	8
Senior Assistant Secretary	26
Senior Public Information Officer	2
Senior Translation Officer	21
Assistant Accountant	2
Assistant Secretary	8
Information Technology Officer	2
Librarian	3
Public Information Officer	2
Translation Officer	20
Security Officer	1
Senior Clerical Officer	2
Senior Personal Secretary	3
Senior Security Assistant	2
Accounting Clerk	4
Assistant Information Technology Officer	3
Clerical Officer I	15
Personal Secretary I	7
Senior Chinese Word Processing Operator	2
Social Functions Assistant	1
Security Assistant	21
Personal Secretary II	23
Chinese Word Processing Operator	5
Clerical Officer II	35
Personal Chauffeur	1
Steward	5
Chauffeur	1
Motor Driver	1
Typist	17
Clerical Assistant	10
Office Assistant	18
Workman I	2
Workman II	2
Total	313

Appendix 3

Organization of the Legislative Council Secretariat (as at 31.3.2003)



[] = number of staffing positions



Appendix 4

Working Group to Review the Organization and Structure of the Legislative Council Secretariat

Terms of Reference

To review the existing organization, structure, establishment and operational management procedures of the Legislative Council Secretariat for the provision of efficient and effective support to the Legislative Council and its committees.

Membership

Hon Mrs Rita FAN HSU Lai-tai, GBS, JP (Chairman)

Hon NG Leung-sing, JP

Hon HUI Cheung-ching, JP

Hon Howard YOUNG, SBS, JP

Hon Emily LAU Wai-hing, JP

Dr Hon LAW Chi-kwong, JP

Hon IP Kwok-him, JP

Appendix 5

Task Force on New Legislative Council Building

Membership

Hon Mrs Rita FAN HSU Lai-tai, GBS, JP (Chairman)

Hon Mrs Selina CHOW LIANG Shuk-yee, GBS, JP

Hon NG Leung-sing, JP

Hon Margaret NG

Hon HUI Cheung-ching, JP

Hon Bernard CHAN, JP

Hon Emily LAU Wai-hing, JP

Dr Hon LAW Chi-kwong, JP

Hon IP Kwok-him, JP

Appendix 6

Secretary General's Environmental Report for the Year 2002-2003

Environmental Goal

The Legislative Council Secretariat is committed to -

- Conducting all its activities and operations in an environmentally responsible manner
- Minimizing consumption of resources by efficient use of materials
- Minimizing negative impacts on the environment during the whole work cycle

Environmental Policy

The environmental policy of the Legislative Council Secretariat requires all staff to make a special effort to protect the environment through -

- **Saving resources**, particularly on paper and electricity
- **Reducing waste** by re-using paper, collecting recyclable materials and adopting green procurements where applicable
- **Preserving a pleasant indoor working environment** through maintenance of good indoor air quality and minimization of noisy works during office hours
- **Preventing and minimizing air pollution** through the choice of commuting modes and good driving behaviour

Environmental Management

Under the chairmanship of Principal Assistant Secretary (Administration), a Green Effort Team with representatives from all divisions was set up in 1993 to develop the Secretariat's environmental objectives and oversee the implementation of the green programme in the Secretariat. The Team monitors the progress and reviews the overall strategy for green management in the Secretariat.

A description of the environmental measures and the performance of these measures are included in the following table. The targets on these measures for the year 2003-2004 are also given in the table.

Environmental Management and Future Targets

Saving Resources	
I. Environmental Measures Adopted	
<p>Economy in the use of paper</p> <ul style="list-style-type: none"> • Use blank side of used paper for drafting • Print on both sides of paper • Use double side photocopiers • Use recycled paper • Minimize photocopies (e.g. not to make unnecessary spare and/or personal copies) • Minimize copies of circulars (e.g. circulate one copy to a group of staff) • Use old sets of documents for recirculation • Adopt green measures at festive seasons (e.g. promote Green Christmas, re-use decorative materials) • Use plain paper fax machines • Avoid use of fax leader pages • Use blank side of used paper to print incoming fax message • Communicate by electronic mail • Request soft copies from senders to facilitate future processing by electronic means • Upload documents, including agenda, minutes, discussion papers, submissions, reports of all open meetings onto the LegCo website (http://www.legco.gov.hk) • Store documents in central information systems for common access by staff <p>Economy in the use of envelope</p> <ul style="list-style-type: none"> • Stop using envelopes for unclassified documents • Re-use envelopes or use transit envelopes <p>Energy conservation</p> <ul style="list-style-type: none"> • Carry out routine checks to ensure that staff switch off lights, air conditioners and office equipment in unoccupied areas; and during lunch and after office hours when office is not in use • Modify group lighting switches to individual switches • Use high efficiency electric lamps/tubes • Reduce lighting to minimum required for illumination • Encourage the use of staircase for inter-floor traffic • Issue advice on a regular basis on the need to save energy e.g. attach stickers to all switches to remind users to turn off lights and air-conditioning when leaving • Control fuel consumption (e.g. minimize the use of official vehicles) • Encourage the use of public transport • Turn off vehicle engines while waiting 	
II. Performance on the Environmental Measures	
<ul style="list-style-type: none"> • Consumption of paper increased by 10% from 24 675 reams in 2001-02 to 27 148 reams in 2002-03 due to the introduction of the "e-Scheme" by the Administration in September 2002. Under the scheme, only soft copies of papers are provided to the LegCo Secretariat, which produces hard copies of papers for Members and the public • Consumption of electricity increased by 2.26% from 2 000 307 kWh in 2001-02 to 2 045 507 kWh in 2002-03 due to the increased number of computer servers and some renovation projects • Consumption of envelopes decreased by 42% from 55 700 nos. in 2001-02 to 32 240 nos. in 2002-03 due to use of environmental protection bags for despatch of papers and documents to Members' Offices, increased use of old envelopes and electronic mail 	
III. Targets for Year 2003-04	
<ul style="list-style-type: none"> • Decrease electricity consumption by 1% • Decrease envelope consumption by 2% 	

Reducing Wastes	Preserving a Pleasant Indoor Working Environment
<ul style="list-style-type: none"> • Re-use envelopes, loose minute jackets • Use refillable ball pens • Use recycled paper as far as possible • Use recycled printer and fax cartridges as far as possible • Urge staff to use their own cups instead of paper cups • Collect waste paper, used printer and fax cartridges, aluminum cans and plastic bottles for recycling • Use of Digital Recording System to record meeting proceedings, thereby reducing consumption of cassette tapes 	<ul style="list-style-type: none"> • Use low emission and ozone-free photocopiers • Use non-volatile correction fluid • Carry out renovation works outside office hours • Conduct annual air quality tests to monitor the air quality in offices • Clean air filters and outlets regularly
<ul style="list-style-type: none"> • Consumption of recycled paper, printer and fax cartridges reduced due to poor quality and/or substantial increase in price • Consumption of wooden pencils decreased by 45% from 1 614 nos. in 2001-02 to 886 nos. in 2002-03 due to the increased use of clutched pencils and recycled paper pencils • Collection of waste paper for recycling increased by 15.4% from 38 831 kg in 2001-02 to 44 814 kg in 2002-03 • Collection of used printer and fax cartridges for recycling increased by 23.5% from 293 nos. in 2001-02 to 362 nos. in 2002-03 • Consumption of cassette tapes decreased by 40% from 14 388 nos. in 2001-02 to 8 594 nos. in 2002-03 due to the introduction of the Digital Recording System 	<ul style="list-style-type: none"> • Designating the Legislative Council Building as a smoke-free building in April 1999
<ul style="list-style-type: none"> • Increase the use of recycled paper, printer and fax cartridges, subject to higher quality and lower price • Increase collection of waste paper by 5% 	

立法會行政管理委員會
THE LEGISLATIVE COUNCIL
COMMISSION

香港皇后大道中八號立法會大樓
Legislative Council Building, 8 Jackson Road, Hong Kong
網址 Website : <http://legco.gov.hk>