

**Report on the Activities of
The Legislative Council Commission
1999 ~ 2000**

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

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The Chairman's Review

During the period under review, the first Legislative Council of the Hong Kong Special Administrative Region advanced smoothly into its second year, which is the last in its term. I am pleased to say that this is another successful year for the Commission.

Concerted efforts have been made to facilitate public access to information on the work and activities of the Council through enhanced information technology. The web site of the Council has been re-structured and its content substantially enriched. More telephone lines have been added to the existing fax-on-demand system. The new Research and Library Information System went on line in December 1999 as scheduled. With these initiatives, members of the public can now obtain information on our work more directly, promptly and conveniently.

To enhance transparency and to promote better understanding of our work, another Open Day of the Legislative Council Building was held in March 2000 attracting over 2 300 visitors. In addition, a total of 139 tours of the building for the public were organized throughout the year under review. Members served as tour guides on many of these tours.

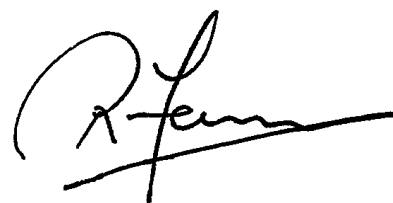
The Commission came up with initial proposals on the facilities and space requirements of a centrally located purpose-built new Legislative Council Building. We look forward to concrete proposals on suitable sites for the building from the Administration.

Despite increased meetings and activities during the year, the Legislative Council Secretariat has achieved the Enhanced Productivity Programme (EPP) targets without compromising the quality of service.

The advent of EPP, coupled with increased environmental awareness, led to greater emphasis on green efforts. The Secretariat, basically an office-oriented operation, has concentrated its efforts on reduction of electricity and paper consumption. In support of environmental protection, the Legislative Council Building was designated a smoke-free building in April 1999.

My sincere thanks go to my fellow Members of the Council for their contribution and cooperation, and to all staff of the Secretariat for their loyalty, invaluable advice and unfailing support during my tenure of office as Chairman of the Commission.

In closing, I wish the Commission continued success in the new term.



Rita FAN

Chairman

The Legislative Council Commission

THE LEGISLATIVE COUNCIL

The main functions of the Legislative Council are to enact laws, control public expenditure and monitor Government policies. The first Legislative Council of the Hong Kong Special Administrative Region (HKSAR) consists of 60 Members, of whom 20 are returned by direct elections in geographical constituencies, 30 are elected from functional constituencies and 10 are elected by an Election Committee. In accordance with the Basic Law and the Legislative Council Ordinance, the term of office of Members of the first Legislative Council is two years.

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

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 -

- **Finance Committee**, which scrutinizes proposals for public expenditure;
- **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 put forward by the Administration and Members. During the period under review, 55 Bills Committees and 23 Subcommittees were formed.

There are 17 Panels under the Council which receive regular briefings from Government officials on 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 to 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 2000, there were 317 posts in the Secretariat, of which eight were frozen for EPP purposes. The staff establishment by number and rank is set out in **Appendix 2**. Administrative support and services for the Council are provided 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 -

Divisions 1 & 2

The two divisions provide secretariat and administrative services for the majority of the committees of the Council.

Division 1 services the Finance Committee, Committee on Rules of Procedure, eight panels as well as Bills Committees relating to matters within the terms of reference of these panels. During the period from 1 April 1999 to 31 March 2000, the division serviced a total of 380 meetings (including briefings) and three visits.

Apart from providing services for committees, the main focus of the work of Division 1 in the 1999-2000 session was on the scrutiny of the major legislative and financial proposals from the Administration and the drawing up of procedures for the conduct of Council business.

Division 2 services the House Committee, nine panels as well as Bills Committees relating to matters within the terms of reference of such panels. During the period from 1 April 1999 to 31 March 2000, the division serviced a total of 440 meetings and nine visits.

Apart from providing services for committees, an important area of work of Division 2 in the 1999-2000 session was the scrutiny of legislative proposals relating to the District Council and Legislative Council elections, prohibition of specified corrupt and illegal conduct in elections, as well as the dissolution of the two Provisional Municipal Councils.

To enhance productivity, the two divisions put in place a number of initiatives to maximize the utilization of existing staffing resources on the one hand, and improving services to committees on the other. The initiatives included the following-

- Exercising flexibility in the deployment of staff in the two divisions to cope with fluctuating demand;
- Enhancing the monitoring mechanism in following up the actions to be taken by the Administration after meetings;
- Strengthening support services to committees by providing comprehensive background information papers on specific subjects to facilitate Members' discussion;
- Enhancing the professional expertise of individual staff in their respective fields by providing training in specialized areas both in-house and from outside the Secretariat; and
- Revamping the web site of the Legislative Council and fine-tuning the organization of information on committees to facilitate public access to information.

The two Assistant Secretaries General of the two divisions, with the support of all Senior Assistant Secretaries on a rotation basis, also provide services for Members' meetings with District Council members. Research work is undertaken by designated Senior Assistant Secretaries on each of the topics to be raised for discussion at these meetings. Matters which require follow-up actions are 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 Council. During the period from 1 April 1999 to 31 March 2000, the division serviced 37 meetings of the Legislative 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. The Public Accounts Committee held 23 public hearings and 41 meetings, and submitted four reports to the Council, and the Committee on Members' Interests held two meetings during the report period.

During the same period, the division also serviced the Legislative Council House Committee's Parliamentary Liaison Subcommittee which was established in July 1998. Much effort went into the strengthening of liaison with the friendship groups which had been formed with the legislatures of Australia, Canada, the European Union, Japan and Singapore. During the visit of the Japan Hong Kong Parliamentarian League (JHKPL) to Hong Kong from 1 to 4 May 1999, the Subcommittee hosted various activities to reciprocate the hospitality which the JHKPL had extended to the Legislative Council delegation during its visit to Japan in February 1999.

From 13 to 20 February 2000, a delegation of Members visited London, Strasbourg and Berlin, during which they held meetings with Members of

Parliament, senior government officials, leaders of major trades and industries, and representatives of public and private organizations. Issues of mutual interest were discussed, notably that relating to the grant of visa-free access for visits to European countries by holders of the HKSAR passport. They also received briefings on a variety of subjects, including urban renewal, environmental protection and economic policies.

At the invitation of the Subcommittee, members of the Australia-Hong Kong Parliamentary Friendship Group visited Hong Kong from 27 February to 2 March 2000 to foster closer links between the two legislatures. The Group held meetings with Members, senior government officials and local business leaders, and was briefed on the latest developments in Hong Kong.

The division also provides support service for Members in receiving visiting parliamentarians and dignitaries from other territories. A total of 116 meetings were held between Members and parliamentarians and dignitaries from other territories.

Legal Service Division

The Legal Service Division provides legal advice and support for committees and panels of the Council on bills and subsidiary legislation and other legal matters. 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 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, advising the President and the Clerk to the Legislative Council on legal matters in respect of Council proceedings.

Research and Library Services Division

The division provides research support for the Council and its committees. During the period from 1 April 1999 to 31 March 2000, a total of 20 research studies were undertaken, and 11 reports and nine information notes were published. The subjects studied included:

- Minimum wage systems
- Food safety control in the US and the UK
- Licensing of food premises in six overseas territories
- Overseas child support agencies
- Relevant overseas experience in Y2K liability legislation
- Health care expenditure and financing in Singapore
- A comparison between the "Harvard Proposal" and other health care financing models
- Housing standard of private dwellings
- The regulation of media intrusion of privacy in some overseas countries and Taiwan

- Declaration of interests by senior civil servants in selected overseas countries.

The division also undertook five research tasks on China Light and Power Black Point Project for the Public Accounts Committee, and compiled a background brief on Hong Kong's ties with the Philippines for the Parliamentary Liaison Subcommittee and two background briefs on overseas operation of Disneyland.

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, Members' claims for operating expenses reimbursement, the Register of Members' Interests and official publications forming the core of the collection. Other reference materials include encyclopaedia, dictionaries, parliamentary handbooks, 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 include 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.

In 1999-2000, the Library received a total of 8 302 enquiries. The Library collection reached just below 25 000 items. The number of visits made to the Library was 5 357. The number of books loaned out was 2 681.

To assist Library users in searching for and retrieving information relating to the Council and its committees, a Research and Library Information System (RLIS) was commissioned on 24 December 1999. RLIS facilitates Members and Secretariat staff to make bilingual search and retrieval of documents. The system stores all unclassified documents of the Council and its committees since 1 July 1997, as well as some internal documents of the Secretariat. Since its commissioning, RLIS maintains a high utilization rate, with an average of 1 427 searches a week on documents of the Council and its committees and an average of 40 searches a week on the Library catalogue. The system saves much time of the library users, who would otherwise have to visit the Library in person, and greatly enhances the efficiency of the operation of the Library.

To facilitate communication with other libraries in Hong Kong, other parliamentary libraries and Internet users, the sub-home page of the Library under the Council's homepage on the Internet <http://www.legco.gov.hk>, was upgraded during the year to include more information on the services and activities of the division.

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 interviews with complainants and servicing case conferences with Government officials.

In 1999-2000, the division assisted Members in handling 1 229 cases, which comprised 216 group representations and 1 013 individual cases. The more topical issues dealt with included rehousing arrangements and compensation matters arising from clearance operations and redevelopment programmes, the quality and maintenance of public housing estates, applications for Comprehensive Social Security Assistance, and the detention of Hong Kong residents in the Mainland.

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

- Arranging visits to Government departments and public organizations to increase staff's understanding of their operation;
- Introducing a team work approach in the servicing of meetings to widen the exposure of staff; and
- Enhancing information on the web site of the Legislative Council on the Legislative Council Redress System to improve the public's understanding of the system.

Public Information Division

Headed by the Chief Public Information Officer, the Public Information Division is responsible for the development and implementation of public information and education activities to promote the work of the Council. It handles public enquiries and comments through telephone, fax and e-mail. It also maintains close contact with the media on Council matters, and organizes an annual Fun Day between Members and Legislative Council Beat reporters.

The division provides a daily newspaper cutting service to assist Members in their consideration of Council proceedings including the gauging of public opinion on related issues.

Through cooperation with the Computer Office, additional information on the work of the Council has been placed on the Internet, e.g. the weekly meeting schedule, views sought on bills or issues of public concern, the Council's Annual Report etc. Moreover, telephone lines have been added to the existing fax-on-demand service system to facilitate easy access to the system so that the public and the press can promptly obtain relevant information related to the Council.

With the enthusiasm of Members in conducting tours of the Legislative Council Building for the public, 139 tours were organized during the period under review.

Souvenirs affixed with the new Legislative Council emblem have been produced upon the adoption of the emblem in July 1999. They are presented to visitors and used on overseas visits.

In the coming year, it is planned to strengthen liaison with schools to help the younger generation to obtain first-hand information on the legislature. Efforts will include producing a teaching kit for both primary and secondary schools, encouraging more tours, inviting schools to participate in the Legislative Council Building Open Day etc.

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. It 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 Internet. For the 37 Council meetings held during the period under review, the division produced 7 851 pages of the floor version of the Official Record, which was rendered into 8 278 pages of English text and 5 945 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 10 690 670 words.

To optimize the use of manpower resources, a centralized Chinese word processing section was established in August 1999 by merging two separate pools of Chinese Word Processing Operators working under different units of the division. The pooling of staffing resources has resulted in more efficient services, improved productivity and streamlined operational procedures.

Administration Division

Headed by the Principal Assistant Secretary (Administration), the division provides secretariat service for the Commission and internal administrative support to 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 eight meetings of the Commission and its committees. In addition, the division assisted in organizing a total of 100 social functions.

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 might 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 under 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.

The net financial provisions obtained for the Commission in 1999-2000 amounted to \$422.064 million, which included \$123.568 million for

Members' remuneration and operating expenses reimbursements, and \$298.496 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 20 recruitment exercises were conducted and 40 staff were appointed as a result. In addition, eight internal promotion and in-service appointment exercises were held.

ENHANCED PRODUCTIVITY PROGRAMME

The Secretariat also participates in the Enhanced Productivity Programme launched by the Government, which aims at improving productivity and efficiency whilst at the same time achieving savings in recurrent baseline expenditure of 5% by 2002-03. Major measures of the programme include re-distribution of duties in various divisions,

streamlining of working procedures, reduction of staff establishment by natural wastage and stoppage of allowance for undertaking additional responsibilities etc. Eight established posts were frozen for deletion in the 2000-2001 financial year.

DEVELOPMENT OF INFORMATION TECHNOLOGY

The Council is serviced by a core application system, the Legislative Council Business Information System (LEBIS). There are about 400 workstations in use by Members and Secretariat staff. These workstations, together with eight servers, are connected by local area networks (LAN) and a wide area network (WAN). LEBIS enables Members and Secretariat staff to access information kept in individual application systems and communicate with each other in an efficient manner. The Council is also equipped with other business support computer systems, such as the Electronic Voting System, Schedule Display System and Legislative Council Business System. There is also an e-mail system which allows Secretariat staff to communicate with outsiders electronically through the Internet in a fast and effective manner.

During the year under report, the following projects were undertaken to enhance information technology in the Council:

- Outdated servers and workstations were replaced with up-to-date ones. Replacement of outdated computer peripherals will be arranged in 2000-2001.

- Most recent version of software, including operating systems for the network and the workstations, were employed.
- With thorough preparation and strenuous efforts to rectify all identified non-Y2K compliant items, all computer systems rolled over smoothly.
- The Research and Library Information System (RLIS), which enables bilingual search and on-line access to all unclassified documents of the Council, went live in December 1999.
- Starting from the 1999-2000 session, the contents of the Legislative Council web site have been substantially enriched. Re-design of the web site is underway.
- The Legislative Council network was re-designed. The new structure, which provides a faster and more reliable network environment, will be implemented in 2000-2001.

ACCOMMODATION

Apart from the Legislative Council Building, facilities and offices of the Council are 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. With more office spaces provided by the Administration, the Commission is able to provide each Member 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.

During the period under review, two conference rooms in the Legislative Council Building were refurbished.

Although the present accommodation is already an improvement to the pre-1996 situation, the Commission still considers it far from ideal, as Members and staff have to continue to put up with the inconvenience of having offices and facilities in three different locations. To enhance efficiency, the Commission is of the view that a centrally located purpose-built new Legislative Council Building is the best solution in the long term and has been actively pursuing this idea since 1998. During the year under report, the Commission forwarded initial proposals on the facilities and space requirements of the new building to the Administration for identification of suitable sites.

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 4**. All staff are required to make a special effort to protect the environment through the series of green measures shown in the report.

STAFF TRAINING AND DEVELOPMENT

In 1999-2000, arrangements were made for 251 attendances in China studies, management, language and computer courses and seminars, organized by the Government's Civil Service Training and Development Institute and other local training organizations. In-house training courses were also organized. To enhance staff's proficiency in Putonghua, nine training courses and workshops were conducted. Two workshops on Chinese language skills were conducted to further enhance staff's professional capabilities and expertise. Three courses on the use of Internet were also organized for staff to boost work efficiency through the effective use of information technology. In addition, 17 other job-related courses, seminars and workshops were organized.

During the period under review, a directorate officer attended a four-week course on China Studies at Tsinghua University in Beijing organized by the Civil Service Bureau. Five officers (including three directorate officers) attended a one-week course on Chinese Law at Fudan University in Shanghai organized by the Department of Justice. A Chief Assistant Secretary attended the Canadian Parliamentary Cooperation Seminar in Ottawa, and another was sent on an attachment to the House of Commons in the United Kingdom.

During the year, the Legal Adviser visited the Legislative Affairs Commission of the National People's Congress Standing Committee in Beijing, attended the Conference of the International Bar

Association in Barcelona, and participated in a seminar in commemoration of the tenth anniversary of the enactment of the Basic Law of Hong Kong Special Administrative Region in Beijing. Head (Research and Library) visited the US Library of Congress and the Canadian Parliamentary Library.

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 implications of the Civil Service Reform, revision of the notice period for termination of employment agreement, revision of the rate of contract gratuities and starting salaries and implementation of the Mandatory Provident Fund Scheme.

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, health talks, 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 57 to 65 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 judgments 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, in all material respects, of the state of affairs of The Legislative Council Commission as at 31 March 2000 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
20 June 2000



(Dominic Y T Chan)
Director of Audit

The Legislative Council Commission

Balance Sheet as at 31 March 2000

	Note	2000 HK\$'000	1999 HK\$'000
Fixed assets	2D, 4	16,388	16,087
Current assets			
Prepayments and accounts receivable	5	8,198	9,442
Cash at bank and in hand		143,099	51,330
		151,297	60,772
		151,297	60,772
Current liabilities			
Accounts payable and accrued charges	6	23,283	22,598
Gratuity payments accrued	2C, 14	61,212	17,771
		84,495	40,369
		84,495	40,369
Net current assets		66,802	20,403
Net assets		83,190	36,490
 <i>Financed by :</i>			
Capital Assets Subvention Reserve	2F, 7	16,388	16,087
Operating Reserve	8	54,848	10,121
Income and Expenditure Account		11,954	10,282
		83,190	36,490
		83,190	36,490

Approved by The Legislative Council Commission on 8 June 2000



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 2000

	Note	2000 HK\$'000	1999 HK\$'000
Income			
Subventions from Government		422,933	330,481
Less : Members' remunerations returned to Government			
Legislative Council	3	(869)	(584)
Provisional Legislative Council	3	–	(562)
Interest earned		6,598	5,707
Other income		312	222
Gain on sale of fixed assets		85	404
		429,059	335,668
		429,059	335,668
Non-capitalized expenditure			
<i>Recurrent</i>			
Members' remunerations and operating expenses reimbursements			
Legislative Council	3	123,002	79,804
Provisional Legislative Council	3	–	31,686
Staff emoluments		222,762	178,426
General expenses		25,428	22,312
<i>Non-recurrent</i>			
Production of public education materials		336	557
Replacement of furniture and equipment of Dining Hall and Antechamber of the Legislative Council Building		–	11
Reprovisioning and refurbishment of LegCo Secretariat		7	11
Replacement of the Legislative Council Business System		–	78
Implementation of the Research and Library Information System		3,189	159
Enhancement of the computer network		4	–
Enhancement of computer facilities		107	–
Members' setting up and winding up expenses			
Legislative Council		1,223	3,450
Provisional Legislative Council		–	2,979
Information technology & communication equipment for Members		446	–
		376,504	319,473
		376,504	319,473
Operating surplus		52,555	16,195
Surplus brought forward		10,282	4,793
Transfer to Capital Assets Subvention Reserve	2F, 7	(6,156)	(8,419)
Transfer from Staff Gratuities Reserve	2C, 10	–	2,672
Transfer to Operating Reserve	8	(44,727)	(4,959)
		11,954	10,282
Surplus carried forward		11,954	10,282

The Legislative Council Commission

Cash Flow Statement for the Year Ended 31 March 2000

	Note	2000 HK\$'000	1999 HK\$'000
Operating activities			
Net subventions received from Government		422,064	329,335
Other income		312	222
Payments to and on behalf of Members		(123,299)	(126,498)
Payments to staff		(178,890)	(171,138)
Payment of operating expenses		(26,902)	(23,271)
Net cash inflow from operating activities	9	93,285	8,650
Returns on investments			
Interest received		6,341	5,726
Investing activities			
Purchase of fixed assets		(7,942)	(6,826)
Sale of fixed assets		85	404
Increase in cash and cash equivalents		91,769	7,954
Cash and cash equivalents at 1 April 1999		51,330	43,376
Cash and cash equivalents at 31 March 2000		143,099	51,330
Analysis of the balances of cash and cash equivalents			
Cash at bank and in hand		5,199	2,030
Bank deposits		137,900	49,300
		143,099	51,330

1. THE LEGISLATIVE COUNCIL COMMISSION

Administrative support and services to the legislature are provided by a Secretariat which operates under a Commission established by The Legislative Council Commission Ordinance (Cap. 443). By virtue of The Legislative Council Commission (Amendment) Ordinance 1997 enacted on 1 July 1997, the Commission was known as The Provisional Legislative Council Commission and the Secretariat was known as the Provisional Legislative Council Secretariat, after the commencement of the Ordinance and during the existence of the Provisional Legislative Council until 30 June 1998. Thereafter the Commission and Secretariat are known as The Legislative Council Commission and Legislative Council Secretariat respectively.

2. SIGNIFICANT ACCOUNTING POLICIES

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

A. Income Recognition

Income accounted for in the accounts includes Government subventions received, allocation warrants utilized, and interest earned on a time proportion basis.

B. Accrual of Expenses

Members' remunerations, staff's emoluments and the Secretariat's operating expenses are accounted for as they are incurred. Members' reimbursable expenses are accounted for as they are claimed.

C. Gratuity Payments

All staff employed by the Commission are on fixed agreement terms, mainly for three years with a gratuity payable at the end of each term. Full provision for staff gratuities incurred but not yet due for payment has been made in the accounts. This is in line with a new funding arrangement agreed with the Government in 1999, which provides full funding for all staff gratuities in the year they are incurred. Previously, owing to the timing difference in the provision of funds from the Government and the incurring of corresponding gratuities, surplus funds received in advance were set aside in the Staff Gratuities Reserve while shortfalls were disclosed as contingent liabilities.

D. 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. It will be reclassified on completion and commissioning of the projects.

E. 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 principal depreciation rates used are:

Furniture and fixtures	10% p.a.
Motor vehicles, computers and software, and office equipment	20% p.a.

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

F. Capital Assets Subvention Reserve

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

G. Office Supplies

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

3. MEMBERS' REMUNERATIONS AND OPERATING EXPENSES REIMBURSEMENTS

Rates for Members' monthly remuneration and operating expenses reimbursements are revised by the Government yearly in October according to the movement of the Consumer Price Index (C).

In view of the economic difficulties faced by the community, some Legislative Council Members and Provisional Legislative Council Members voluntarily waived part of their consumer price-adjusted remuneration. \$869,000 (1999 : \$1,146,000) 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						
At 1 April 1999	1,091	17,270	2,681	7,703	1,202	29,947
Reclassification	–	1,202	1	(1)	(1,202)	–
Additions	218	5,616	344	23	30	6,231
Disposals	(350)	(3,622)	(77)	(30)	–	(4,079)
At 31 March 2000	959	20,466	2,949	7,695	30	32,099
Aggregate depreciation						
At 1 April 1999	397	9,454	1,657	2,352	–	13,860
Reclassification	–	–	1	(1)	–	–
Charge for the year	192	3,673	493	668	–	5,026
Disposals	(175)	(2,907)	(69)	(24)	–	(3,175)
At 31 March 2000	414	10,220	2,082	2,995	–	15,711
Net book value						
At 31 March 2000 (note 7)	545	10,246	867	4,700	30	16,388
At 31 March 1999	694	7,816	1,024	5,351	1,202	16,087

5. PREPAYMENTS AND ACCOUNTS RECEIVABLE

	2000 HK\$'000	1999 HK\$'000
Prepayments		
Government	–	1
Others	306	457
Deposits	6	6
Receivable from		
Government	24	–
Members	6,562	7,815
Staff	600	719
Others	700	444
	8,198	9,442

6. ACCOUNTS PAYABLE AND ACCRUED CHARGES

	2000 HK\$'000	1999 HK\$'000
Payable to		
Government	2,769	1,531
Members	1,101	982
Staff - accrued emoluments and reimbursements	157	249
- accrued leave pay	17,645	17,241
Others	1,611	2,595
	<u>23,283</u>	<u>22,598</u>

7. CAPITAL ASSETS SUBVENTION RESERVE

	2000 HK\$'000	1999 HK\$'000
Balance at 1 April 1999	16,087	12,785
Transfer from Income and Expenditure Account for additions to fixed assets funded by		
- recurrent subvention	594	1,457
- non-recurrent subventions for		
replacement of CCTV System for the Legislative Council Building	(17)	50
replacement of furniture and equipment of Dining Hall and Antechamber of the Legislative Council Building	-	173
reprovisioning and refurbishment of LegCo Secretariat	1	17
replacement of the Legislative Council Business System	42	943
Electronic Voting System	(198)	3,280
implementation of the Research and Library Information System	2,891	1,818
enhancement of the computer network	(232)	251
enhancement of computing facilities	3,055	224
	<u>5,542</u>	<u>6,756</u>
- government departments under their votes in the form of allocation warrants	20	206
	<u>6,156</u>	<u>8,419</u>
Fixed assets returned from outgoing Members	75	32
	<u>22,318</u>	<u>21,236</u>
Less : Depreciation charge for the year	(5,026)	(4,867)
Write-off of fixed assets at net book value	(904)	(282)
	<u>16,388</u>	<u>16,087</u>

8. OPERATING RESERVE

Surpluses from recurrent government subventions for staff emoluments and general expenses are credited to the Operating Reserve at the discretion of The Legislative Council Commission.

	2000 HK\$'000	1999 HK\$'000
Balance at 1 April 1999	10,121	5,162
Transfer from Income and Expenditure Account	44,727	4,959
Balance at 31 March 2000	<u>54,848</u>	<u>10,121</u>

9. RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2000 HK\$'000	1999 HK\$'000
Operating surplus	52,555	16,195
Interest income	(6,598)	(5,707)
Gain on sale of fixed assets	(85)	(404)
Decrease/(Increase) in prepayments and accounts receivable	1,506	(7,991)
Increase in accounts payable	2,466	842
Increase in gratuities accrued	43,441	5,715
Net cash inflow from operating activities	<u>93,285</u>	<u>8,650</u>

10. STAFF GRATUITIES RESERVE

	2000 HK\$'000	1999 HK\$'000
Balance at 1 April 1999	–	2,672
Transfer to Income and Expenditure Account	–	(2,672)
Balance at 31 March 2000	<u>–</u>	<u>–</u>

11. MAJOR NON-CASH TRANSACTIONS

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

12. TAXATION

The Legislative Council Commission is exempt from Hong Kong taxation.

13. CAPITAL COMMITMENTS

Outstanding capital commitments at 31 March 2000 not provided for in the accounts were as follows :

	2000 HK\$'000	1999 HK\$'000
Authorized but not yet contracted for	7,151	10,485
Authorized and contracted for	1,109	4,289
	<u>8,260</u>	<u>14,774</u>

14. CONTINGENT LIABILITIES

As explained in Note 2C above, there were no contingent liabilities (1999 : \$29,908,000), which were not provided for in the accounts, at 31 March 2000 in respect of gratuities payable to staff upon the satisfactory completion of their agreements.

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, GBS, JP (Chairman)

Hon James TIEN Pei-chun, JP

Hon Bernard CHAN

Hon YEUNG Yiu-chung

Hon Ambrose LAU Hon-chuen, JP

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, GBS, JP (Chairman)

Hon Edward HO Sing-tin, SBS, JP

Hon LEE Wing-tat

Hon NG Leung-sing

Hon CHAN Kwok-keung

Hon Emily LAU Wai-hing, 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, GBS, JP (Chairman)

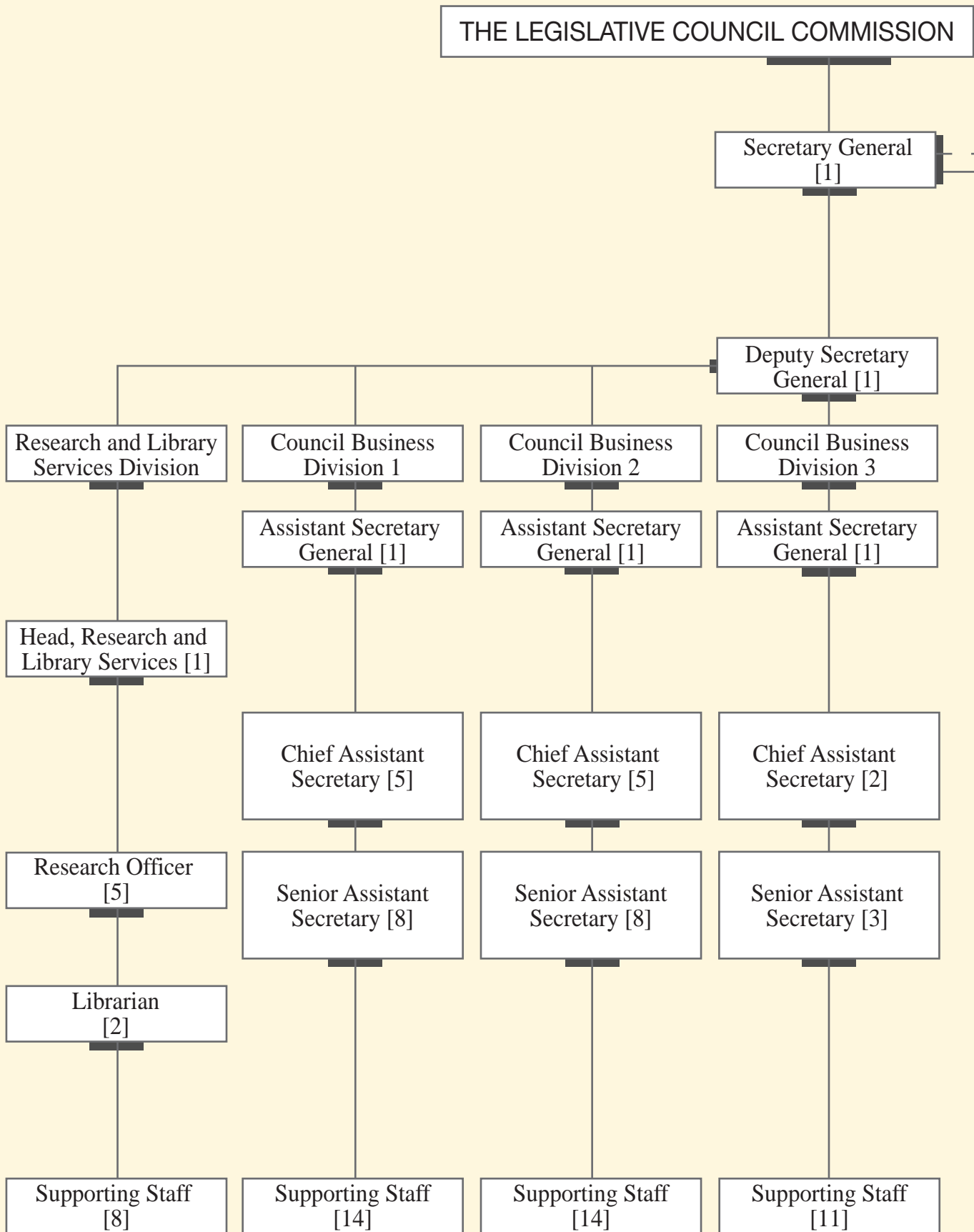
Dr Hon LEONG Che-hung, JP

Dr Hon YEUNG Sum

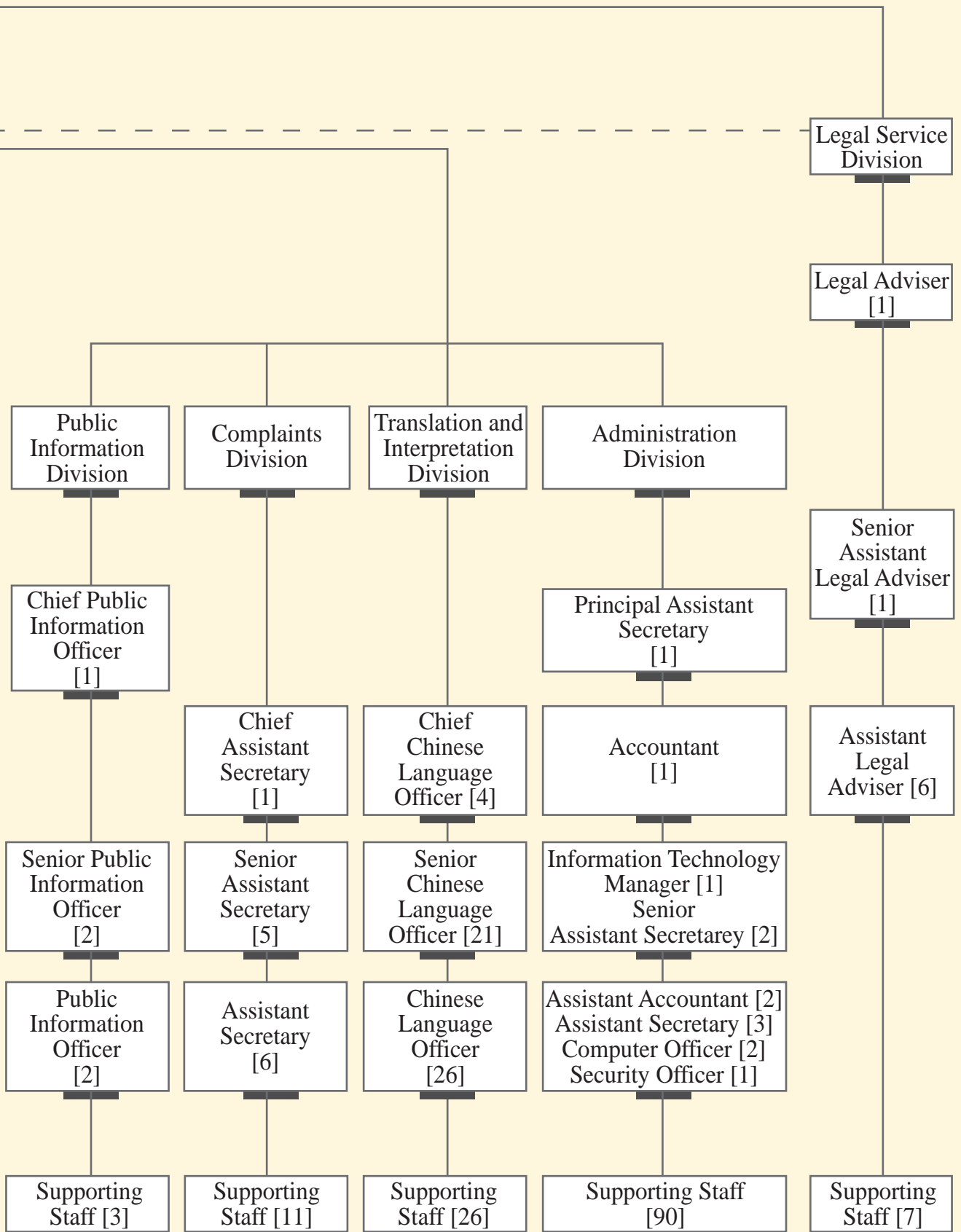
Staff Establishment of the Legislative Council Secretariat

Post	As at 31.3.2000
Secretary General	1
Legal Adviser	1
Deputy Secretary General	1
Assistant Secretary General	3
Senior Assistant Legal Adviser	1
Chief Public Information Officer	1
Head, Research and Library Services	1
Principal Assistant Secretary	1
Accountant	1
Assistant Legal Adviser	6
Chief Assistant Secretary	13
Chief Chinese Language Officer	4
Information Technology Manager	1
Research Officer	5
Senior Assistant Secretary	26
Senior Chinese Language Officer	21
Senior Public Information Officer	2
Assistant Accountant	2
Assistant Secretary	9
Chinese Language Officer	26
Computer Officer	2
Librarian	2
Public Information Officer	2
Security Officer	1
Senior Clerical Officer	2
Senior Personal Secretary	3
Senior Security Assistant	2
Accounting Clerk	4
Assistant Computer Officer	3
Clerical Officer I	15
Personal Secretary I	6
Senior Chinese Word Processing Operator	4
Social Functions Assistant	1
Security Assistant	19
Senior Typist	1
Personal Secretary II	22
Chinese Word Processing Operator	8
Clerical Officer II	35
Personal Chauffeur	1
Steward	5
Chauffeur	1
Motor Driver	1
Typist	18
Clerical Assistant	11
Office Assistant	18
Workman I	2
Workman II	2
Total	317

Organization of the Legislative Council Secretariat



Figures in square brackets denote staffing position as at 31.3.2000



Secretary General's Environmental Report For the Year 1999/2000

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 on these measures are included in the following table. The targets on these measures for the year 2000/2001 are also given in the table.

Environmental Management and Future Targets

Saving Resources
<p>I. Environmental Measures Adopted</p> <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 softcopies from senders to facilitate future processing by electronic means • Upload documents, including agenda, minutes, discussion papers, submission, 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"> • Routine check to 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 • Urge staff to use staircase for inter-floor traffic • Issue advice to staff on a regular basis on the need to save energy e.g. attach stickers to all switches to remind staff to turn off lights and air-conditioning when leaving • Control fuel consumption (e.g. minimize the use of official vehicles) • Encourage staff to use public transport • Turn off vehicle engines while waiting
<p>II. Performance on the Environmental Measures</p> <ul style="list-style-type: none"> • Consumption of electricity decreased by 1.43 % from 1 800 253 kWh in 1998-99 to 1 774 571 kWh in 1999-00 as more energy efficient light bulbs were used • Consumption of envelopes decreased by 47.12 % from 79 086 nos. in 1998-99 to 41 821 nos. in 1999-00 due to higher participation in the reuse of used envelopes • Consumption of paper decreased by 0.23 % from 27 213 reams in 1998-99 to 27 150 reams in 1999-00 despite the increase in the total no. of meetings of the Council and its committees by over 70% from 475 meetings in 1998-99 to 829 meetings in 1999-00
<p>III. Targets for Year 2000/2001</p> <ul style="list-style-type: none"> • Decrease electricity consumption by 1 % • Decrease paper consumption by 1 % • Decrease envelop 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 cartridges • Urge staff to use their own cups instead of paper cups • Collect waste paper and spent printer cartridges for recycling 	<ul style="list-style-type: none"> • Use low emission photocopiers • Use non-volatile correction fluid • Carry out renovation works outside office hours
<ul style="list-style-type: none"> • With the lowering price and improving quality of recycled paper, nearly 10% of total paper consumption in 1999-00 was on recycled paper • Collection of waste paper for recycling increased by 15.55 % from 18 650 Kg in 1998-99 to 21 550 Kg in 1999-00 	<ul style="list-style-type: none"> • The Legislative Council Building was designated as a smoke-free building on 1.4.1999
<ul style="list-style-type: none"> • Increase procurement of recycled paper to 20 % of total consumption • Increase procurement of recycled printer cartridges to 5 % of total consumption • Increase collection of waste paper by 10 % • Arrange collection of aluminium cans and plastic bottles for recycling • Minimize the use of wooden pencils by promoting the use of clutch pencils 	