

**Extract from the minutes of the House Committee meeting on 19 December 2003**

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**VII. Reimbursement of operating expenses for Members of the Legislative Council**

*(LC Paper Nos. AS 93/03-04, CB(2) 457/03-04(02)), and CB(2) 746/03-04(01))*

23. The Chairman referred Members to Ms Emily LAU's letter dated 25 November 2003 which proposed that a mechanism be established to monitor Members' use of their operating expenses reimbursements (OER) and deal with complaints in this regard. The Chairman said that as requested by Members at the meeting on 28 November 2003, the Secretariat had prepared a paper detailing the existing arrangements for processing Members' claims for OER and for handling complaints or reports about improper use of OER.

24. Referring to paragraph 12 of the paper, Ms Emily LAU said that under the existing arrangements, the Secretariat could only seek clarification from the Member concerned on an allegation of improper use of OER, and even if the expenses in question were found not to be in compliance with the Guide for Reimbursement of Operating Expenses for Members of the Legislative Council, the Member concerned would only be required to refund the excess amount claimed. Ms LAU considered that members of the public did not find the present situation satisfactory.

25. Ms LAU further said that even though the legislatures in Australia, Canada, the United Kingdom and the United States did not have a mechanism to regulate the use of allowances by Members of Parliament/Congress, LegCo should consider setting up such a mechanism. Ms LAU suggested that a subcommittee should be formed under the House Committee to consider her proposal of establishing a mechanism to monitor Members' use of their OER and deal with complaints in this regard. Ms LAU further suggested that the subcommittee should also consider how the situation where the allegation was already under investigation by the Independent Commission Against Corruption or the Police should be dealt with.

26. Mr Albert HO supported Ms LAU's suggestions. Mr HO said that under the Rules of Procedure, an investigation committee would only be established after a motion moved under Rule 49B(1A) had been passed by the Council. Mr HO considered it inappropriate for complaints or allegations about improper use of OER by a Member to be dealt with under such a procedure.

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27. Mr Albert HO further said that as LegCo was accountable to the public, and allegations of improper use of OER by a Member would affect the credibility of LegCo, there should be a mechanism to deal with such complaints. Mr HO considered that Members should follow the high standards of conduct expected of public officers. Mr HO suggested that investigation of alleged improper use of Members' OER should be carried out by independent parties to avoid Members inquiring into the conduct of fellow Members.

28. The Chairman proposed that a subcommittee be formed under the House Committee to study whether a mechanism should be established to monitor Members' use of OER and deal with complaints in this regard. Members agreed. The following Members agreed to join: Mr Albert HO, Mr Howard YOUNG (as advised by Ms Miriam LAU), Ms Emily LAU and Mr Michael MAK. The Chairman said that the Subcommittee should provide a report on its deliberations and recommendations to the House Committee.

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