

Reply Slip
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To : Principal Council Secretary (Administration)
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**Subcommittee on Members' Remuneration and
Operating Expenses Reimbursement**

**Opinion Survey on ICAC's Recommendations on
"Rules and Practices for the Reimbursement of Members' Operating Expenses"**

ICAC's Recommendations	Agree*	Disagree*	Other Views*	Remarks/Comments/Other Views (if any)
<p>1. <u>Guiding Principles</u></p> <p>(a) A Member or his relative must not have any direct or indirect financial interest in, or be able to derive financial benefits from, any transaction against which reimbursement is claimed.</p>				

* Please indicate your view with a ✓ in the appropriate box.

ICAC's Recommendations	Agree*	Disagree*	Other Views*	Remarks/Comments/Other Views (if any)
(b) A Member should refrain from any transactions from which he himself, his relative or close acquaintance/business associate may be perceived to have benefited.				
(c) A Member should use the reimbursement in an open, fair and accountable manner.				
(d) If a conflict of interest cannot be avoided or has arisen, a Member should make a declaration which should be made available for public inspection.				
(e) Should any conflict of interest become a matter of public concern, the Member should take steps to resolve the conflict in favour of the public interest.				
(f) Members should separate their private and LegCo operations/interests as far as possible, and be seen to be doing so to avoid any perception of conflict of interest and personal benefit.				
2. <u>Office Accommodation</u> (a) Members should not claim reimbursement to lease office accommodation in which he or his relative has any financial interest.				

ICAC's Recommendations	Agree*	Disagree*	Other Views*	Remarks/Comments/Other Views (if any)
(b) A Member should avoid renting his ward office from his close acquaintance/business associate, political party or affiliated organization.				
(c) Should LegCo consider it appropriate for a Member to rent office accommodation from his affiliated association/political party having regard to his constituents' interest or public interest, the Member should declare interest, provide justifications and obtain independent valuation of the market rental.				
3. <u>Recruitment of Staff</u> (a) A Member should recruit his staff based on merits, preferably with open recruitment and declare any conflict of interest, ensure that the total remuneration offered commensurate with the candidate's skills, and document the selection process and decision. Documentation concerned should be deposited with the LegCo Secretariat to enhance transparency.				
(b) Intermingling of private and LegCo duties is undesirable; a Member should not claim reimbursement for using his private employees for LegCo work.				

ICAC's Recommendations	Agree*	Disagree*	Other Views*	Remarks/Comments/Other Views (if any)
<p>4. <u>Entertainment and Travelling Expenses (ETE)</u></p> <p>(a) LegCo should review the whole ETE arrangement.</p> <p>(b) If the current reimbursement arrangement is to be continued, it should be made clear to Members that the claims are accountable and Members should be reminded that they could only claim the exact amount of what they have actually expended.</p> <p>(c) Members should keep a log of their entertainment and travelling expenses and, where practicable, retain receipts issued for such expenses.</p>				
<p>5. <u>Procurement</u></p> <p>(a) Members and their staff should not engage a contractor or supplier in which they have a financial interest, or companies owned/run by their relatives/close acquaintances; and if this cannot be avoided, they should declare interest and document the justifications for doing so (e.g. sole supplier, more competitive price from bulk purchase).</p>				

ICAC's Recommendations	Agree*	Disagree*	Other Views*	Remarks/Comments/Other Views (if any)
<p>(b) LegCo should adopt procurement guidelines requiring Members to obtain quotations for purchases exceeding, say, \$5,000 to ensure value for money.</p>				
<p>(c) The Secretariat may consider assisting Members in co-ordinating and purchasing commonly used goods such as IT equipment on behalf of Members, e.g. using government's standing contracts.</p>				
<p>6. <u>Sharing of Other Office Operation Expenses</u></p> <p>Only expenses (e.g. sharing of telephone lines, computer systems, photocopiers and electricity) that are individually identifiable, clearly separable from private purposes and wholly attributable to Council business may be claimed.</p>				
<p>7. <u>Others</u></p> <p>(a) The Secretariat should provide practical examples of situations in which expenses are reimbursable or not reimbursable and in which conflict of interest should be avoided/declared; and revise the operating expenses reimbursement claim form to facilitate the declaration of conflict of interest.</p>				

ICAC's Recommendations	Agree*	Disagree*	Other Views*	Remarks/Comments/Other Views (if any)
(b) LegCo should draw up a Code of Conduct for Members' staff on the procurement of goods and services, and organize training/briefings for them.				
(c) LegCo should establish an audit capability in ensuring Members' compliance with the above principles and procedures when claiming their expenses reimbursement.				

Relevant papers

(a) ICAC's Review on "Rules and Practices for the Reimbursement of Members' Operating Expenses" (LC Paper No. AS 197/04-05)

(b) Summary of ICAC's Recommendations/Views and Members' Views on ICAC's Review (LC Paper No. AS 307/04-05).

Member's Name

Member's Signature

Date

Legislative Council Secretariat
May 2005