

By Fax (2537 2449) and Post

Our Ref. : (20) in CPD/LEGCO/1/1
Your Ref. : AM 12/01/19 (Pt.8)
Tel. No. : 2826 3181

26 May, 2005

Mrs. Anna Lo
Clerk to Subcommittee
Legislative Council Secretariat
Legislative Council Building
8 Jackson Road, Central
Hong Kong

Dear

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

Thank you for your letter of 18 May 2005.

As we advised previously, our review seeks to enhance the credibility of the reimbursement procedures by minimizing the possibility of allegations or any perception of impropriety. Our view is that this can best be achieved by having Members' resources (including staffing) for LegCo work and private business clearly separated, and separately accounted for. We note Members' concern that this may cause practical difficulty and inconvenience as they see merits and benefits in using their private business employees for LegCo work in respect of which the remuneration should be reimbursed.

In considering any alternative arrangements to our original recommendation, increased transparency and accountability would be the key for any revised reimbursement procedures to gain public confidence. In this regard, the Subcommittee may wish to consider requiring a Member to :

/(a)

- (a) declare in the employment contract whether the staff member he proposes to hire is also in his private employ and the capacity in which the staff member is to be employed;
- (b) detail the duties involved and, if the staff member is also employed in the Member's private business, the percentage of work that is related to his LegCo business;
- (c) make available a copy of the employment contract for public inspection (personal identifiers and data may be blocked out if necessary); and
- (d) certify on the monthly reimbursement claim form that the staff member has performed the duties as detailed in the employment contract.

We hope the above suggestions will assist Members in considering any alternative proposals that would enhance transparency and accountability in the sharing of LegCo and private resources.

Yours sincerely,

(Thomas Chan)
Director of Corruption Prevention
Independent Commission Against Corruption