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18 January 2005

Clerk to the Committee
Public Accounts Committee
Legislative Council Secretariat
The Legislative Council
8 Jackson Road
Hong Kong

(Attn: Ms Dora Wai)

Dear Ms Wai

**The Director of Audit's Report on the
Results of Value for Money Audits (Report No. 43)**

**Chapter 4: Corporate Governance and Headquarters Administration
of the English Schools Foundation ("ESF")**

Thank you for your letter of 13 January 2005 addressed to Mrs Fanny Law, Permanent Secretary for Education and Manpower. As we are aware, the ESF Executive Committee ("ExCom") was briefed of the resignation of the former ESF Chief Executive, Mr Jonathan Harris, at the meeting of 27 June 2003. According to the minutes of that meeting (enclosed), no report was made on the terms of cessation.

Annex K to the strictly personal and confidential submission of the former ESF Chairman (our letter dated 11 January 2005 refers) contains the minutes of a special ExCom meeting held on 23 June 2003. Those minutes have not been provided to the ExCom members who attended the meeting. According to the minutes, the then ESF Chairman was authorized to deal with the termination of Mr Harris' employment. As we advised the Public Accounts Committee, we first became aware of the golden handshake for him through an anonymous letter issued to the press several months

教育統籌局與教育署已於二零零三年一月一日合併為新的教育統籌局。為免浪費，我們繼續使用舊文具存貨。

We are the new Education and Manpower Bureau formed by the merger of the old Bureau and the Education Department. To minimize waste, we are using our old stationery while stock lasts.

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afterwards, and subsequently, through reading the relevant enclosures of the strictly personal and confidential submission received from the former ESF Chairman after he has resigned from the chairmanship. We understand that this golden handshake forms an integral part of the non-disclosure agreement between the ESF and its former Chief Executive.

Yours sincerely,

A handwritten signature in black ink, consisting of a vertical oval shape with a downward-pointing arrow at the bottom.

(LAI Yiu-kei, Samson)
for Secretary for Education and Manpower

c.c. Chairman, English Schools Foundation
Acting Secretary and Chief Executive, English Schools Foundation
Secretary for Financial Services and the Treasury
Director of Audit

***Note by Clerk, PAC:**

An extract from the minutes of the ExCom meeting on 27 June 2003 attached.

**Extract from the minutes of
the ESF Executive Committee meeting
held on 27 June 2003**

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| <u>Present:</u> | Mr. Jal Shroff Mr. Graham Macnaughton Mr. John Bohan Mr. Tim Hoffman Mr. Tony Tang Mr. David Reeves Mr. Gordon Lewis | Chairman Treasurer Acting Secretary and Chief Executive Chairman, Management Committee EMB's Representative Chairman, Staff Council Chairman, Academic Committee |
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| <u>Apologies:</u> | Mr. John Shanahan Mr. Michael Haynes | Vice Chairman Chairman, JCPTA |
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| <u>In attendance:</u> | Mr. John Tustin Mrs. Nancy Leung Mrs. Margaret Tang | Human Resources Director Executive Officer Minutes Secretary |
|------------------------------|--|---|

The Chairman advised that Jonathan Harris, Secretary and Chief Executive, had resigned on 26 June 2003 with immediate effect under his terms of contract and John Bohan was confirmed as Acting Secretary and Chief Executive. John Bohan, thanked the Committee for its trust in appointing him Acting Secretary and Chief Executive. He stated that he would not be an applicant for the permanent position.

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