

**Hearings of the Public Accounts Committee
Value-for-Money Audit on the English Schools Foundation**

Chapter Five: School Administration of the ESF

Speaking Notes for the SEM

Thank you Chairman.

2. I must start off my response by saying thank you to the Director of Audit and his team for their hard work in this comprehensive audit exercise. As we responded in the Report, the Audit findings would provide a useful reference to Government, the ESF, other stakeholders and the community at large in respect of the issues under study.

3. I shall also thank the ESF Chairman for initiating the suggestion of making the ESF an audited organization in March this year. By doing so, she is leading the ESF to take a big step forward. The ESF is moved closer to the level of transparency and accountability it should have delivered. We look forward to seeing continued and concerted effort of the ESF community towards this direction in the days ahead.

4. In an overall term, Government's policy is not to micro-manage any subvented organizations. As far as schools are concerned, we promote school-based management and would normally defer to the school management to administer their own school. The ESF enjoys the same autonomy in formulating its school policies as in the case of private international schools. Accordingly, we have not had any active participation in the business covered in Chapter Five of the Audit Report.

5. This notwithstanding, we find the Audit observations and recommendations generally sound. We urge the ESF to give due considerations to the Audit findings and put in place improvement measures as early as possible where appropriate. We also urge that proper checks and balances are made available within the ESF such that similar problems, if happened in future, could be identified at an earliest opportunity and rectified in the interests of the students.

6. Thank you.