

Public Accounts Committee Public Hearing
Report No. 46 of the Director of Audit
Chapter 7
Radio Television Hong Kong: Financial Control and Resource Management
Response from RTHK

RTHK acknowledges the need to address certain procedural shortcomings identified in the Director of Audit's Report and will endeavour to make continuous improvements. Over the last few years, several reviews have been conducted by various government agencies and the recommendations they made have already been implemented progressively, including the improvement of administrative procedures and strengthening of staff training and development. Last year, we invited representatives from ICAC's Corruption Prevention Department and the Treasury to conduct thematic workshops which were all well-received by our colleagues. Steady improvement has been and will continue to be made.

In value for money terms, RTHK has sustained its efforts in augmenting its production despite successive reductions in funding allocation and staffing over the last five years. From 2000/01 to 2004/05, the allocation to RTHK was trimmed cumulatively by \$70 million, i.e. 13.7%. In the same period, the total number of full-time employees in RTHK decreased by 9.5% from 831 to 752. Nevertheless, when compared with 2000/01, the programme output in TV and radio productions recorded an increase of 14% and 2% respectively by 2004/05. At the same time, amidst budget cuts, we have further developed our new media services through internal resource redeployment.

Over the last eight years, television programmes produced by RTHK have consecutively scored the highest rating in the TV Programme Appreciation Index Surveys. Last year, the quality of its television and radio programmes was again well-recognized through the attainment of more than 50 international and local awards. Recent opinion surveys also indicate that over 70% of the respondents feel satisfied with RTHK's services and productions.

RTHK management has also made strenuous efforts to strengthen the supervision of overtime work. From 2000/01 to 2004/05, the expenditure on staff overtime allowance has decreased from \$4.3 million to \$1.1 million.

In the same period, the department also witnessed a decrease in expenditure relating to the services provided under the Technical Services Agreement from \$82 million to \$52 million.

On revenue generation, RTHK has licensed 60 hours of its archived TV programmes into VCD/DVD formats for sale in the market, thereby bringing in more than \$1 million to the General Revenue. Another tendering exercise, initiated in April this year and closing in mid-June, will invite bidders to engage in the licensing of 188 hours of RTHK archives.

A Chief Treasury Accountant from the Treasury has already reported for duty. She will be joined by a Senior Auditor seconded from the Audit Commission in June. They will assist in further strengthening our internal audit mechanism, with a view to improving the monitoring of financial control and resource management, and implementing the Audit report's recommendations. The team will report to the Director of Broadcasting direct.

4 May 2006