

Public Accounts Committee Public Hearing
Report No. 46 of the Director of Audit
Chapter 8
Radio Television Hong Kong: Governance and Strategic Management
Response from RTHK

RTHK pledges to provide high quality public broadcasting services to the community, and at the same time exercise prudence in the use of public funds and comply with government rules and regulations.

In reviewing its operating systems and procedures, RTHK has implemented the recommendations made by various government agencies (including the Corruption Prevention Department of ICAC, Audit Commission, Civil Service Bureau, the Treasury and Government Logistics Department) and introduced various improvements. In addition, a Systems Review Unit was set up in April 2002 to strengthen internal control. Studies conducted by the Unit have covered a wide range of activities: from procurement of goods and services, management of services under the Technical Services Agreement (TSA), to management of stores and resource management.

Over the last few years, we have set up administration units in Divisions to achieve better segregation of duties, computerized our administrative and financial systems, updated internal circulars and guidelines, and regularly conducted workshops to strengthen staff training and development. All these improvements aim at achieving full compliance with government rules and regulations by staff.

At the corporate level, the RTHK management conducts an annual retreat early in the year to map out the strategic direction for the best development of the department. The Radio and Television Divisions then formulate their production plans for the year. RTHK also meets the policy bureau on a quarterly basis and submits management reports for the latter's perusal.

As regards budgetary control, RTHK prepares its estimates in four programme areas, namely radio, public affairs television, school educational television and new media. A number of TV productions recorded budget variance, some having overspent whilst others underspent. These variances were often to do with the everchanging media environment. Through internal redeployment of resources, the overall expenditure on TV production has, however, never exceeded the original estimates. In the light of the concern expressed in the Director of Audit's Report, the department will take positive action to examine the existing budget model

to monitor TV's spending with a view to developing a more responsive system.

Overall speaking, the department as a whole has been able to achieve savings over the last few years. From 2001/02 to 2004/05, savings amounting to \$64 million have been made. Last year, further savings of \$9.2 million were brought to account.

The Director of Audit's Report takes the view that some of RTHK's TV programmes scored a relatively low awareness level. For the record, in previous TV Programme Appreciation Index Surveys, RTHK's programmes always ranked second in terms of awareness level. Having regard to the department's mission to serve the public and at the same time cater for minority interests, there is a need to explore more measurements of the effectiveness of its output.

In evaluating our performance, there is a need to undertake more in-depth discussions on issues like corporatization, public participation and performance indicators. Through such discussions, more insight will be generated to help identify the way forward. RTHK will continue to consult members of the public through channels such as public hearings, opinion surveys, focus groups, programme hotlines, etc, to enable us to continue to provide a cost-effective and high quality broadcasting service.

4 May 2006