

For information

Legislative Council

Panel on Administration of Justice and Legal Services

**System of payment of leave passage allowance
by the Government to eligible civil servants**

Purpose

This note explains the existing system on the payment of leave passage allowance (LPA) by the Government to eligible civil servants.

Background

2. At the Panel meeting on 3 February 2006, Members discussed the case concerning Mr Michael Wong Kin-chow's applications for reimbursement of LPA. Members expressed concern about the implications of the case on the integrity of the existing reimbursement system. Members requested the Administration to provide a paper on the existing system and on whether any improvements to the system would be considered in the light of Mr Wong's case.

Existing system on payment of leave passage allowance in the civil service

3. Eligible civil servants offered appointment before 1 June 2000 are entitled to receive LPA – up to the relevant stipulated ceiling rates - on a fully accountable basis, to pay for actual air fares and other travel-related expenses incurred in connection with the travel of the officers and/or their eligible family members.¹

4. Eligible civil servants offered appointment on or after 1 June 2000 receive the relevant stipulated LPA on a non-accountable basis for themselves only and not their family members. LPA is paid to these officers at the end of each 12-month eligibility period without the need to put in an application.

¹ Eligible family members mean an officer's spouse and dependent children.

5. An eligible civil servant entitled to receive LPA on a fully accountable basis is required to submit claim(s) for the allowance. Claims are processed by the Treasury in accordance with the rules and procedures laid down in the Civil Service Regulations (CSRs). Payment of LPA is made upon application by an eligible officer by (a) direct payment to the airline/pre-listed travel agent through which arrangement for the travel was made; and/or (b) reimbursement to the officer for actual expenses paid by him on production of itemised invoices and receipts within one month from completion of the journey.²

6. When processing a claim for reimbursement of the allowance, the Treasury would check the original invoices/receipts produced by the claimant to ascertain whether the expenses were paid by him³ and incurred in connection with his travel and/or his eligible family members. For major items such as air fares, accommodation and package tours, the name of the users and the payer can be readily established from the invoices/receipts. Claimants have been cautioned in the CSRs that they will be subject to legal/disciplinary action if their claim involves fraudulence.

7. While CSRs are not directly applicable to judicial officers who are not civil servants, as far as we understand, the Judiciary generally follows the arrangements applicable to civil servants in the payment of LPA to judicial officers.

Improvement to the system of payment of leave passage allowance

8. We believe that the existing system outlined above has struck a reasonable balance between administrative efficiency and the need to ensure proper disbursement of the allowance by the Government. As a matter of good practice, we review the payment rules and procedures from time to time in the light of operational experience. In the light of Members' concern, we will consult with parties concerned, including the Treasury and the ICAC, on whether any improvement to the existing system on payment of LPA to eligible civil servants is warranted.

² Claimants are required to submit, at the time of application for payment, the receipts/invoices in respect of air fares, accommodation and package tours. Claimants are required to retain the receipts/invoices in respect of other minor items (e.g. meals) for six months for inspection by the Treasury when requested.

³ The Treasury accepts receipts issued in the name of the claimant or his eligible family members (i.e. his spouse or dependent children).

9. As and when any modifications are made to the payment arrangements for LPA in respect of the civil service, we will inform the Judiciary of the modifications according to the established practice.

Civil Service Bureau
February 2006

Upon completion of our investigation of the case of Mr Michael Wong Kin-chow, we reported the outcome to the Operations Review Committee which, in endorsing the recommendation that no further investigative action be taken by the ICAC in respect of the case, also endorsed the recommendations that the report in respect of the air tickets issue be brought to the attention of the Judiciary Administrator, the Secretary for the Civil Service and the Secretary for Financial Services and the Treasury for their information and whatever action they deem necessary, and that the report be also forwarded to the Director of Corruption Prevention for his information.

Our Corruption Prevention Department will discuss with the Civil Service Bureau on possible improvements to the relevant payment procedures.