



Our Ref.: LHC 15/5
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29 September 2006

Clerk,
Public Accounts Committee
(Attn: Ms Dora WAI)

Dear Ms Wai,

**The Director of Audit's Report on the
Results of value for money audits (Report No. 46)
Chapter 1 - Collection of fines imposed by Magistrates' Courts**

I refer to your letter of 12 June 2006 and would like to set out the progress of implementation of the audit recommendations made to the Commissioner for Transport on the above subject.

Paragraph 6.13(a) of Audit Report

Commissioner for Transport should, in consultation with the Judiciary Administrator, introduce measures to ensure that defaulters cannot use dishonoured cheques to circumvent the control measures that bar them from using the Transport Department's licensing and vehicle registration services.

Progress

The Commissioner for Transport has reviewed the existing workflow in handling applications from persons who use cheques to settle outstanding traffic fines and then obtain licensing and vehicle registration services from the Transport Department (TD) together with the Judiciary Administrator (JA), the Treasury, and other relevant parties. It has been agreed that JA will provide TD with payment information on the

settlement of traffic fines, and upon notice by the Treasury, update the information within 7 working days so that TD could know if a cheque payment has been dishonoured.

The existing workflow in TD for processing licensing applications will be revised to allow sufficient lead time for clearance of cheque payments. Applicants will be advised that their licensing applications will be processed after 7 working days, if they choose to settle their traffic fines by cheques. Alternatively, applicants can choose to pay the fines by cash or EPS. JA and TD are making the necessary modifications to their respective computer systems with a view to implementing the arrangements in November.

Paragraph 6.13(b) of Audit Report

Commissioner for Transport should consider taking action against those defaulters who have renewed their driving or vehicle licences by using dishonoured cheques to pay traffic fines.

Progress

According to the legal advice we have sought, dishonoured cheques issued by the defaulters do not affect the validity of the driving or vehicle licences issued by the Commissioner, and the licences issued cannot be retrieved or voided. We believe that with the implementation of the new arrangement mentioned above, defaulters would no longer be able to use dishonoured cheques to circumvent the control measures and obtain driving or vehicle licences from TD.

Please let us know if you need further information.

Yours sincerely,



(Miss Du Ying)
for Commissioner for Transport

c.c.

Judiciary Administrator

Deputy Director of Public Prosecutions, Department of Justice

Commissioner of Police

Deputy Commissioner of Police (Operations)

Secretary for Financial Services and the Treasury (Attn: Miss Amy TSE)

Director of Audit

Internal

PVL

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