

**Director of Audit's Report No. 49 – Hong Kong Tourism Board  
Summary of Improvement Measures (measures already completed)**

<b>Recommendations in Director of Audit's Report</b>	<b>Improvement measures <u>already completed</u></b>
<b>HKTB Board and Committees</b>	
Membership of the Committees of the Board	1) Staff members of the HKTB senior management have ceased to be members of the Staff & Finance Committee and the Product & Event Committee since September 2007.
Attendance at Board / Committee meetings	<p>2) Records of members' attendance at Board/Committee meetings in the past six months were sent to members in August 2007. Similar reminders will be sent to members every six months thereafter.</p> <p>3) Included the number and frequency of meetings for individual committees in the Terms of Reference of the respective Committee.</p> <p>4) To facilitate members' participation in case they are away for business travel or have other engagements, arrange facilities for conference calls during meetings.</p> <p>5) Invite those members who are away for business travel or have other engagements to submit their written comments.</p>
Rules and proceedings of Board / Committee meetings	<p>6) Formally adopted the rules and procedures for the proceedings of the Board meetings set out in the HKTB Board Members Information Manual in September 2007.</p> <p>7) Ensure that minutes of the Board/Committee meetings are circulated to members within three weeks of the respective meeting.</p>
Declaration of conflict of interest by Board members	<p>8) All current Board members have already submitted their declaration of interest forms.</p> <p>9) For those Board members who did not submit their declaration of interest forms, checked and confirmed that there was no situation of conflict of interest on matters approved by them during the periods for which they had not submitted the forms.</p>

<b>Performance measurement and reporting</b>	
Annual Report	<p>10) Include the Key Performance Indicators (KPIs) reported in Controlling Officer's Report, and the actual performance against these indicators, in future annual reports of the HKTB.</p> <p>11) Complete the preparation of the annual report and table in LegCo within nine months after the end of each financial year.</p>
<b>Human resources</b>	
Remuneration & Benefits	12) Abolished the granting of acting allowance since September 2007.
Remuneration & Benefits for Band A Staff	<p>13) Abolished the provision of car parking spaces for Band A staff with effect from October 2007.</p> <p>14) Any benefit beyond the contractual provision or without the approval of the Board will not be provided to staff.</p>
Contract terms for Band A staff	<p>15) All terms and conditions of employment for the current ED and DED have been incorporated into their employment contracts and approved by the Board and the Government.</p> <p>16) The draft employment contracts for the current ED and DED have already been forwarded to the Tourism Commission in advance for necessary action.</p> <p>17) With effect from April 2007, no break clause has been included in the employment contacts of Band A staff.</p>
Staff recruitment	18) Document shortlisting criteria for all recruitment cases.
<b>Other Administrative Matters</b>	
Entertainment	19) Since 1 October 2007, staff members were no longer allowed to claim for reimbursement of expenses on having meals together, even if these were for business purposes.
<b>Trade consultation</b>	
Consultation mechanism	20) Starting from 2007/08, extended the consultation to other trade stakeholders, such as retail and catering industries, as well as relevant academics.
<b>Marketing activities</b>	
Visitor Information and Services Centre in Beijing	<p>21) Reduced the size of the Beijing Visitor Information and Services Centre upon its relocation in June 2007.</p> <p>22) Shelved the idea of establishing a centre in Shanghai. In early 2006.</p>
Consumer website	<p>23) Already enhanced the E-zine subscription form on the DiscoverHongKong website.</p> <p>24) The recently launched 2008 Olympic Equestrian Events micro-site collects more customer information.</p>

<p>Quality Tourism Services (QTS) scheme</p>	<p>25) Increased the number of seats for the service quality training workshops to 1,200 in 2007-08 so as to enhance the customer service skills of merchants' frontline staff.</p> <p>26) Taking proactive actions to recruit high quality visitor accommodation establishments to the QTS scheme. At the same time, will continue to maintain the stringent criteria to uphold the quality assurance of the programme.</p> <p>27) Co-operate with the Home Affairs Department to promote the QTS Visitor Accommodation Scheme and work with potential applicants to enhance their service and facilities.</p>
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**Summary of Improvement Measures**  
(measures to be implemented / under review)

<b>Recommendations in Director of Audit's Report</b>	<b>Improvement measures <u>to be implemented / under review</u></b>
<b>HKTB Board and Committees</b>	
Rules and proceedings of Board/Committee meetings	1) Review the quorum of Board meeting in consultation with Board members.
Attendance at Board / Committee meetings	2) After having consent of the Board, records of members' attendance will be disclosed.
<b>Performance measurement and reporting</b>	
Setting performance indicators	3) To better measure the effectiveness of the marketing activities, HKTB is reviewing the performance indicators in consultation with academics and trade.
<b>Human resources</b>	
Remuneration & Benefits	4) Actively identify ways of resolving those cases where staff members receive salaries higher than the maximum of their respective approved salary range, and ensure that the situation will no longer exist by 2009. 5) Submit a proposal to the Board within this financial year on the future arrangements for the 13 <sup>th</sup> month pay.
Remuneration & Benefits for Band A staff	6) Currently reviewing the mechanism for determining the award of performance-based variable pay for Band A staff 7) Under the new system, variable payments of all Band A staff will be subject to the approval of the Remuneration Review Committee, which comprises of the HKTB Board members. 8) From 2008/09, all Band A staff must submit their performance appraisal reports within one month after the year has ended.
Staff recruitment	9) Specify in the Human Resources Policies and Procedures that panel interview will be used for the recruitment of Senior Manager and above.
<b>Procurement Matters</b>	
Procurement policies and guidelines	10) Review the procurement procedures and submit recommendations to the Board within the current financial year. In addition, invite ICAC to participate in the review.
<b>Other Administrative Matters</b>	
Entertainment	11) Introduce a new policy within this financial year to separate the food and beverage expenses of marketing projects and events from ordinary entertainment expenses. 12) Under the new policy, respective project owners will

	<p>be required to estimate the budget for each activity under a project.</p> <p>13) The new policy will be submitted to the Staff and Finance Committee for approval in the fourth quarter of 2007.</p>
Business travel/procurement of air tickets	<p>14) Introduce a new policy that respective project owners will be required to estimate the budget for business travel for each activity under a project. The new policy will be submitted to the Staff and Finance Committee for approval by the fourth quarter of 2007.</p> <p>15) Re-emphasise in the Financial Policies and Procedures that flight reservation can only be confirmed after approval for the travel request has been obtained.</p> <p>16) Conduct a benchmarking study with comparable organisations on this subject with a view to re-issuing guidelines on business travel.</p>
<b>Trade Consultation</b>	
Consultation mechanism	<p>17) Formalise the consultation and engagement process and conduct regular meetings with the travel and related sectors. After the meetings, submit a summary of the feedback to the respective Committees of the Board.</p>
<b>Marketing Activities</b>	
Mega Events Strategy	<p>18) Currently reviewing the mega events strategy and expect to have a blueprint of the strategic direction by the end of this calendar year.</p> <p>19) Submit to the Product and Event Committee recommendations on the funding allocation for mega events.</p> <p>20) Endeavour to solicit more sponsorship for the International Chinese New Year Night Parade.</p> <p>21) Continue to monitor closely the performance of the mega events and solicit feedback from key stakeholders and trade partners.</p>
Pyrotechnic displays for A Symphony of Lights	<p>22) Explore the possibility of arranging term contract with vendor.</p>
Trade promotions	<p>23) In October 2007, completed the trade familiarisation survey on visits conducted during the Discover Hong Kong Year campaign period from May 2005 to March 2007, which findings will be presented to the Board.</p> <p>24) Starting from 2007/08, the HKTB will formalise the tracking system for the number of tour products developed by trade as a result of the familiarisation visits.</p>
Quality Tourism Services (QTS) Scheme	<p>25) Further increase the seats for the service quality training workshops to 2,400 in 2008/09.</p>

**Hong Kong Tourism Board**  
**12 December 2007**