

Your Ref: CB (3)/PAC/R49

2 April 2008

Clerk, Public Accounts Committee  
Legislative Council Secretariat  
Legislative Council Building  
8 Jackson Road  
Central, Hong Kong  
Attn: Ms Serena Chu

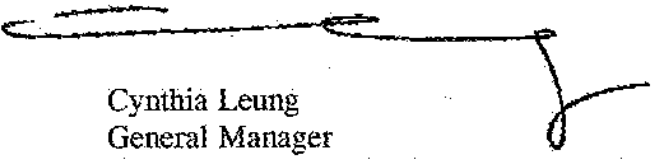
Dear Ms Chu,

**The Director of Audit's Report - Chapter 5 Appendix F**

Referring to the PAC document with reference number: R49/5/GEN2(01c), I herewith provide its English version, supplemented with additional information (changes highlighted in bolded in Chinese copy). The same information was mentioned during my testification in the PAC Public Hearing, and this detailed written account is intended for record purposes.

I earnestly hope that the PAC Chairman and Members would take it as reference.

Yours sincerely



Cynthia Leung  
General Manager  
Corporate Communication and Public Relations  
Hong Kong Tourism Board

Director of Audit's Report No. 49 Chapter 5 - Appendix F - Chronology of Events

The sequence of events is put together based on e-mails between the following relevant parties, and other internal documents from HKTB's Finance Division.

Relevant parties

Deputy Executive Director (DED)	Mrs Grace Lee
Senior Manager	Ms Cynthia Leung
Manager	Ms Claire Lau
Secretary of Senior Manager	"Secretary A"
Secretary of DED	"Secretary of DED"

Date	Event
26 April 2006	<ul style="list-style-type: none"><li>The Senior Manager Ms Cynthia Leung (Leung) received an e-mail from the Strategic Planning Division (Denis Law), asking if her team members would join the Focus Group, a marketing activity held in Paris in May 2006, and the market review in London. <i>(Note 1)</i></li></ul>
27 April 2006	<ul style="list-style-type: none"><li>Leung considered that the programme would be useful to the work of Ms Claire Lau (Lau), the Manager who handled overseas public relations and publicity for long-haul markets. She then asked Lau if she would be interested to join the programme. <i>(Note 2)</i></li></ul>
28 April 2006	<ul style="list-style-type: none"><li>Lau replied that she would like to join the programme, and would take the opportunity to arrange meetings with media, HKTB co-workers and PR agencies in Paris and London during the visit to discuss work plans.</li></ul>
3 May 2006	<ul style="list-style-type: none"><li>Lau asked Leung's secretary "Secretary A", who also helped out with the Division's administrative work, to make air ticket reservations for her.</li></ul>

	<ul style="list-style-type: none"><li>• “Secretary A” reminded Lau <u>by e-mail</u> that she had to fill in the Business Travel Request form, which required approval from the Deputy Executive Director, before her trips.</li><li>• Lau said that she would fill in the form for the trip, and indicated that the trip was already recommended and approved by Leung. She also said that she would apply annual leave after the trip.</li><li>• Later on in the same day, “Secretary A” informed Lau that reservation had been made with the travel agent, and <u>stated that the Finance Division would eventually require approval from the DED about her trip application.</u> The approval hierarchy of staffs’ business trips was also attached in the email of “Secretary A” to Lau for her reference. <i>(Note 3)</i></li></ul>
8 May 2006	<ul style="list-style-type: none"><li>• Lau replied to “Secretary A” by e-mail and said that she would fill in the Business Travel Request Form as per her advice.</li><li>• <b>Leung had a business trip to New York from 26 Apr to 2 May, and had a one-day-off short stay before taking a flight back to Hong Kong on 3 May, arriving on 4 May. As it was a long weekend from 5-7 May, Leung came back to the office on 8 May. Besides, Leung originally planned another business trip to Pattaya, Thailand on 24 Apr, but it was cancelled as she had some other important engagements in Hong Kong.</b> (Therefore, Lau’s written reply to LegCo Chief Council Secretary (R49/5/GEN39) on 19 Mar 2008, in which she mentioned that Leung “went on business trips to Pattaya, Thailand and New York, and stayed in the US for vacation from 24 Apr to 7 May, thus she only returned to Hong Kong on 8 May”, <u>is not entirely accurate.</u>)</li></ul>
11 or 12 May 2006	<ul style="list-style-type: none"><li>• Leung received a phone enquiry from DED about Lau’s business trip, but there was no indication of <u>disapproval.</u></li></ul>

12 May 2006	<ul style="list-style-type: none"> <li>• In the morning, Lau proceeded to confirm the booking with the travel agent herself.</li> <li>• In the evening the same day, "Secretary A" asked "Secretary of DED" about the status of Lau's Business Travel Request Form.  <b>(* Leung was not copied of the enquiry)</b></li> </ul>
15 May 2006 (The day before Lau's departure)	<ul style="list-style-type: none"> <li>• "Secretary of DED" replied that the form "is now on its way" to Leung's office. (At that time, "Secretary of DED" did not indicate if Lau's Business Travel Request was approved or not by DED).  <b>(* Leung was not copied in the correspondence)</b></li> </ul>
16 May 2006 (The day of Lau's departure)	<ul style="list-style-type: none"> <li>• In the morning, "Secretary A" asked Lau for the Business Travel Request Form with DED's approval. <b>(* Leung was not copied of the request)</b></li> <li>• In the afternoon, "Secretary A" <u>asked Lau again</u> if she had the approved form. Lau replied she had not received it yet. <b>(* Leung was not copied of the enquiry)</b> (At the same time, "Secretary A" also checked Leung's office to locate the form, but could not find it.)</li> <li>• In the evening, Lau left for Paris and London as scheduled. (Before Lau took off, there was no record showing that Lau had passed the form with DED's approval to "Secretary A".)</li> <li>• <b>Both "Secretary A" and Lau did not alert Leung that the Business Travel Request Form was not received.</b></li> </ul>
6 June 2006	<ul style="list-style-type: none"> <li>• Upon her return, Lau submitted an application to the Finance Division, claiming expenses for the trip.</li> </ul>

8 June 2006	<ul style="list-style-type: none"><li>• Lau was inquired by the Finance Division on whether she had stayed in London from 24 to 30 May for personal purposes. Lau replied that her stay in London was of personal vacation nature, and the annual leave was approved by DED and Leung in advance.</li><li>• The Finance Division requested Lau to submit the approved Business Travel Request Form. Lau replied that she would submit the Form.</li></ul>
12 June 2006	<ul style="list-style-type: none"><li>• <b>Leung learnt that the form was never received when Lau re-submitted a Business Travel Request Form to her for recommendation endorsement.</b></li><li>• Lau re-submitted a Business Travel Request Form to DED for approval.</li><li>• Upon receiving the Business Travel Request Form, DED asked Leung why Lau re-submitted the form (since she had already disapproved the request).</li><li>• Leung replied that she had asked “Secretary A” and Lau. (Both “Secretary A” and Lau could not locate the original form submitted; and Lau didn’t know the request was disapproved.) Leung said that if she knew that in advance, she would have discussed with the Executive Director and the DED, and might have advised Lau not to join the activity.</li><li>• Leung said that in the future, she would seek DED’s approval before allowing subordinates to take on business trips.</li><li>• DED approved Lau’s business travel request.</li></ul>

Remarks

Note 1: HKTB's Strategic Planning Department organises market review in overseas markets at irregular intervals to understand the market development trends.

Note 2: HKTB's staff handling overseas marketing would be sent to participate in market research activities in source markets, in order to gather first-hand information of market developments.

Note 3: According to HKTB's Financial Policies and Procedures, business travel request of Manager grade must be approved by the Division's General Manager. In the absence of General Manager in the Division, the Executive Director or DED's approval must be sought. Senior Manager of a Division can only recommend Managers to go on business trips, but they have no approval authority.

When the case took place, Leung was the Senior Manager of the Division, and there was no General Manager. It was not until May 07 that Leung was promoted to the General Manager position of the Division.