

**Corporate governance and Headquarters administration of the English Schools Foundation**

**Action plan of the English Schools Foundation in response to the Report of the Public Accounts Committee as at September 2008**

	Recommendations of PAC	Response from the ESF to PAC	Action plan as prepared in May 2005	Responsible party	Forecast completion/comments (Position as at September 2008)
1.	<p><b>Corporate governance</b></p> <p>b. To adopt measures to ensure that external members would constitute a majority at each of the respective meetings of the Foundation and ExCom;</p> <p>c. To issue reminders to the related organisations if the attendance rates of their representatives at Foundation meetings were low;</p> <p>d. To amend the Regulations of the ESF to the effect that ESF staff members of ExCom would abstain from voting on matters concerning ESF staff benefits at its meetings; and</p>	<p>This was agreed and had formed the basis of the work of the Governance Reform Task Force.</p> <p>Agreed: reminder would be issued before Foundation meetings.</p> <p>To be considered by the Governance Reform Task Force.</p>	<p>Agreed in principle by Foundation Meeting on 9 December 2004.</p> <p>By June 2005.</p> <p>Governance Reform Task Force to consider (b), (d) and (e) by April 2005 and to publish a consultation paper by May 2005. Foundation to consider the reform in June 2005.</p>	<p>ExCom</p>	<p>Majority of external members was required at Board Meetings. The new Board would commence operations in late October 2008.</p> <p>Members with low attendance rates were deemed to have resigned under the new Regulation.</p> <p>Board members were required to declare any interest and not to vote on a matter in which they were direct beneficiaries under a Code of Conduct drawn up under the new Regulation and approved by the Transitional Board on 27 May 2008.</p> <p>New Remuneration and Terms and Conditions Committee did not have staff members under the new Regulation. Pending that, no staff members had been appointed to the current Conditions of Service Committees established in January 2007.</p>

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	e. To consider repealing section 10(2) of The English Schools Foundation Ordinance so that subsidiary legislation in the form of regulations made under the Ordinance was required to be published in the Gazette and tabled in LegCo	To be considered by the Governance Reform Task Force.			Section 10(2) of The English Schools Foundation Ordinance had been repealed under The English Schools Foundation (Amendment) Ordinance 2008. New Regulation had been approved by LegCo.
3.	<b>Staff remuneration and recruitment</b>  b. The membership of the Remuneration Study Group (RSG) should not be drawn from the ESF's own teaching and non-teaching staff.	The ESF had stated that the RSG's membership was agreed by ExCom and reflected the need for transparency for all stakeholders. ExCom would decide on pay levels.		ExCom	The new Regulation excluded employees from membership of the Remuneration Committee.
4.	<b>Staff housing and medical benefits</b>  c. The ESF should formulate a policy and a plan for disposing of its surplus staff quarters.	The ESF had stated that ExCom would review carefully the audit recommendation in paragraph 5.31(a), having regard to the long-term needs of the ESF and the financial security conferred by the ownership of such fixed assets.	To submit a paper in respect of audit recommendations in paragraph 5.31(a) and (b) to ExCom by June 2005.	ExCom	The review of housing policy and property holdings was in progress under the guidance of the Remuneration Committee and Finance Committee established under The English Schools Foundation (Amendment) Ordinance 2008.