

**Further developments and progress made by the Administration
as reported in the Government Minute laid before the Legislative Council in July 2008**

Report No. 49 of the Director of Audit (DoA) — Chapter 5

	DoA's Recommendations	Administration's Response in October 2007	Progress to Date
1	<p>(a) Appoint a date for the HKTB to forward the Business Plan and Budget to the Secretary for Commerce and Economic Development for approval in accordance with section 17B(1) of the HKTB Ordinance.</p> <p>(b) Lay down arrangements for the approval of the HKTB's Business Plan and Budget before the commencement date of the relevant financial year.</p> <p>(c) Ensure that the arrangements are complied with in future.</p>	<p>The Secretary for Commerce and Economic Development (SCED) has said that:</p> <p>(a) the Tourism Commission (TC) has conveyed to the HKTB the Administration's views on the HKTB's strategic directions, work priorities and key expenditure items when the HKTB engages the TC in formulating its Business Plan and Budget. The HKTB has also confirmed that it takes these views into account in finalising its Business Plan and Budget;</p> <p>(b) to formalise the submission and approval process as required by section 17B(1) of the HKTB Ordinance, he has already appointed a date as the deadline for the HKTB to forward its Business Plan and Budget for his approval; and</p> <p>(c) the Administration has also worked out with the HKTB the practical arrangements to ensure that the Business Plan and Budget can be endorsed by its Board and approved by him on a timely basis.</p>	<p>(a) to (c) Completed.</p> <p>The SCED has appointed 28 February as the date before which HKTB has to forward for his approval its annual Business Plan and Budget.</p> <p>We have formulated systematic arrangements with the HKTB to improve its business planning and budget approval process.</p>

	DoA's Recommendations	Administration's Response in October 2007	Progress to Date
2	<p>(a) Review the composition of the Board in the light of the Board's actual operational needs.</p> <p>(b) Ascertain whether there is still a need for appointing members of the Board from the Consumer Council and from the front-line workers of the travel and tourism industry.</p>	<p>The SCED has said that:</p> <p>(a) in considering appointments to the HKTB Board, the Administration takes into account the Board's strategies and work, and the range of talents needed to ensure its effectiveness. Due to the different cycles of appointments to the Board and the Consumer Council, it may not be possible to maintain cross-membership with the Consumer Council at all times. In fact, he has attempted to ensure that the consumer protection angle is taken care of in the Board membership; and</p> <p>(b) as for front-line workers of the tourism trade, he has invited the HKTB to engage the tourism industry at different levels. In addition to the existing practice of conducting prior consultation with travel trade stakeholders, the HKTB has planned to extend the consultation on the HKTB's plans and strategies to non-travel trade stakeholders, such as retail and catering industries, as well as academics, starting from 2007-08. A structured format will be adopted for the consultation and engagement process, with summary of feedbacks gathered being submitted to the respective Committees of the Board.</p>	<p>(a) and (b) Completed.</p> <p>An information paper on the arrangement regarding the appointment of representative of the Consumer Council and frontline worker of the tourism industry to the HKTB has been issued to Legislative Council Panel on Economic Development in January 2008.</p>

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3	Take into account the attendance of members at Board/Committee meetings in considering their reappointment.	<p>The SCED has said that:</p> <p>(a) the Government takes into account the attendance rate of members when considering their reappointment. He also noted that some members' attendance rates were low. He has invited the HKTB Secretariat to inform individual members of their attendance as a reminder of the importance of their attendance. The Secretariat has introduced this practice and issued the first round of reminders since August 2007; and</p> <p>(b) he notes that some members, though unable to attend all meetings due to busy traveling schedules, also contribute to the Board's work in different ways, e.g. giving written advice, attending events organised by the HKTB, liaison with relevant trade, etc.</p>	(a) & (b) Completed.
4	Consider improving the reporting of the performance measures in the Controlling Officer's Report (COR) to better reflect the performance of the HKTB.	The SCED has said that he will, in consultation with the HKTB, consider including in the next COR additional performance indicators, including length of stay and visitor satisfaction, to better reflect the performance of the HKTB.	Completed. Additional performance indicators, including length of stay and visitor satisfaction, have been included in the 2008-09 COR.