



立法會
LEGISLATIVE COUNCIL

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本函檔號 OUR REF CB2/PL/WS
電話 TELEPHONE 2869 9653
圖文傳真 FACSIMILE 2869 9652

By fax (2840 0569)
18 March 2009

Hon John C Tsang
Financial Secretary
5/F, Main Wing
Central Government Offices
Lower Albert Road
Central
Hong Kong

Dear Mr Tsang,

Panel on Welfare Services

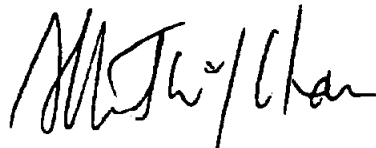
**Supplementary subvention to subvented non-governmental organisations
for the 2008-2009 salary adjustment**

I write on behalf of the Panel to convey its view that the Administration should be more stringent in monitoring the use of additional subventions relating to the 2008-2009 pay adjustment of staff for subvented non-governmental organisations (NGOs) under the Lump Sum Grant (LSG) Subvention System.

You may recall that the additional subventions to subvented NGOs were approved by the Finance Committee of the Legislative Council in July 2008 as a part of the 2008-2009 Civil Service Pay Adjustment. The Panel is of the view that the sole purpose of granting the additional subventions to NGOs under the LSG Subvention System should be for the increase of salary for NGO staff in the 2008-2009 financial year. The Panel noted with concern that certain NGOs have used the additional subventions granted to them since September 2008 for purposes other than pay adjustment.

The Panel has noted that under the Public Finance Ordinance (Cap.2), the Director of Social Welfare, being the controlling officer of social welfare subventions, has a duty to monitor the proper use of the additional subventions granted to NGOs and is accountable to the Financial Secretary for the performance of his duties as controlling officer. The Panel considers that the Administration should (1) take remedial measures so that NGOs which have received the additional subventions for 2008-2009 pay adjustment should only use the additional subventions for the designated purpose and (2) in future impose a clear condition on the exclusive use of the additional subventions for the increase of salary for NGO staff.

The Panel hopes that you would give personal attention to the concerns and views stated above.

A handwritten signature in black ink, appearing to read 'Albert Chan', written in a cursive style.

(Albert Chan)
Chairman to Panel