



**Hong Kong
Productivity Council**
香港生產力促進局

Executive Director 總裁

APPENDIX 20

29 December 2009

Ms Serena Chu
Public Accounts Committee
Legislative Council
Legislative Council Building
8 Jackson Road, Central
Hong Kong
(Fax no. : 2537 1204)

Dear Ms Chu,

**The Director of Audit's Report on the
results of value for money audits (Report No. 53)**

**Hong Kong Productivity Council:
Corporate governance and administrative issues (Chapter 7)**

Thank you for your letter dated 23 December 2009. Please find enclosed the information requested.

Yours sincerely

Wilson Fung
Executive Director

- c.c Secretary for Commerce and Economic Development (fax no. 2588 1421)
- Commissioner for Innovation and Technology (fax no. 2730 1771)
- Secretary for Financial Services and the Treasury (fax no. 2147 5239)
- Director of Audit (fax no. 2583 9063)
- Chairman, Hong Kong Productivity Council (fax no. 2865 6108)

Standing Committee versus Special Committee

- (a) “A standing committee for general purpose” is generally taken as a committee which in the opinion of the Council would better regulate and manage matters of general and recurrent nature and the committee is set up on a long-standing basis. “A special committee for the special purpose” is taken as a committee set up for an one-off specific issue and so it is usually task-specific or time-limited.

- (b) The terms of reference of the Audit Committee are of a general nature and they cover issues which are recurrent in nature. On 25 January 2006, a paper was circulated to the Council seeking approval for membership of the Audit Committee and Council’s agreement to transform the Audit Committee into a standing committee of the Council. The Council approved the transformation. The Audit Committee is therefore considered as a standing committee and the Executive Director an ex officio member thereof.

- (c) The Council has not perceived any problem with the application of section 5(1)(i) of Cap 1116 in determining the status of the Audit Committee for the purpose of that section. The Council also has not sought any advice from the Administration separately as there were five government officials on the Council advising the Council on Government policies and practices.