

Translation

**LegCo Public Accounts Committee (17 December 2009)
The Director of Audit's Report on the
Office of the Privacy Commissioner for Personal Data
Opening Statement of the
Secretary for Constitutional and Mainland Affairs**

Chairman,

We welcome the Director of Audit's Report on the Office of the Privacy Commissioner for Personal Data (PCPD).

We respect the autonomy of the PCPD, which is an independent statutory body, in its internal management and operation. As the Government provides subvention to the PCPD, we attach great importance to the Director of Audit's observations and recommendations in the Report regarding the administration and operation of the PCPD. We will work closely with the PCPD to ensure appropriate follow-up actions on the recommendations.

In this connection, we have written to the Privacy Commissioner for Personal Data to emphasize the importance for the PCPD to carefully consider the observations and recommendations in the Report, and take appropriate follow-up actions. This should include reviewing internal guidelines, procedures and control mechanisms, in order to ensure good governance and efficient and economical use of resources.

We accept the three recommendations in the Report for the Constitutional and Mainland Affairs Bureau (CMAB). Appropriate follow-up actions have either been taken or will be taken.

First, we have reviewed the appropriateness of the PCPD's conduct in the procurement of the office car in 2003-04. The PCPD purchased the office car without the appropriate approval for virement of funding from its recurrent subvention account to its capital subvention account. Having consulted the Financial Services and the Treasury Bureau, we considered that the act constituted a breach of the requirements of the Memorandum of Administrative Arrangements (MAA) signed in November 1997. I have written to the PCPD to underline the importance of complying with the requirements of the MAA at all times and to remind the PCPD to exercise prudence and strive for economy in its expenditure including the procurement of equipment and services.

Secondly, the Report recommended that the CMAB should consider whether to require the PCPD to return to the Government a fund of \$5 million earmarked for the installation of computer system to implement the Data User Registration Scheme (DURS) if it has no firm plan to implement the scheme in the near future or to allow the PCPD to keep the fund and take measures to ensure that it is not used for other purpose without the CMAB's prior consent. As the PCPD did not indicate earlier any firm plan on implementation of the DURS, we were originally inclined to make arrangements for the PCPD to return the earmarked fund to the Government as recommended in the Audit report. However, accordingly to the latest information provided by the PCPD, the PCPD wishes to implement the DURS in the foreseeable future. Hence, we will follow up with the PCPD on the implementation details before we consider whether the PCPD should be allowed to keep the fund.

As for the recommendation concerning the reporting of the PCPD's performance in the CMAB's Controlling Officer's Report (COR), we are working with the PCPD to develop appropriate outcome and productivity indicators, including indicators on PCPD's promotional activities and the number of codes of practice or guidelines approved/issued by the PCPD. These will be included in the CMAB's COR next year.

I would like to reiterate that the Government attaches great importance to the Director of Audit's Report. We will maintain close liaison with the PCPD to ensure the implementation of the recommendations in the report by the PCPD. The Government will render cooperation with the Public Accounts Committee of the Legislative Council and respond to the Committee's request for information, in order to facilitate the Committee's work.

Thank you, Chairman.

Constitutional and Mainland Affairs Bureau
December 2009