



中華人民共和國香港特別行政區政府總部教育局
Education Bureau
Government Secretariat, The Government of the Hong Kong Special Administrative Region
The People's Republic of China

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1 December 2010

Ms Miranda HON
Clerk to Public Accounts Committee
Legislative Council
8 Jackson Road
Central
Hong Kong

*Urgent by post and fax
(Fax No. 2537 1204)*

Dear Ms Hon,

**The Director of Audit's Report on the
Results of Value for Money Audits (Report No. 55)**

**Administration of the Direct of the Direct Subsidy Scheme (Chapter 1)
and Governance and administration of
Direct Subsidy Scheme Schools (Chapter 2)**

I refer to your letter dated 30 November 2010 on the above.

2. Concerning the occasions on which Secretary for Education (SED) was informed of the irregularities of Direct Subsidy Scheme (DSS) schools, and details of the irregularities identified, please note that the irregularities identified of DSS schools are normally dealt with at the appropriate level without bringing to SED personally. However, SED would be informed and give steer in those cases with policy implications and public concern. Within the time slot available, we have checked through our records available for the past three years. I wish to confirm that SED was personally involved in the following two cases.

3. The case of which a school sponsoring body subsequently gave up the operation of the school the Pegasus Philip Wong Kin School (Pegasus) was brought to SED's attention in May 2008. The sponsor indicated its wish of giving up the operation of the school. There were then several discussions held at the Senior Directorate Meetings of the Education Bureau from May to November 2009 focusing on the related follow-up actions. As the meetings, the discussions were on the follow up action pertaining to the case of Pegasus and the records are not relevant to the PAC's public hearing, these are therefore not attached.

4. The other case brought to SED's attention is a school covered in the Director of Audit's Report on the results of value for money audits (Report No. 55). Since 10 November 2010 up to today, this case has been covered among others in a total of six working meetings with SED regarding this Audit's Report. There are no minutes of the working meetings. SED was informed that a warning letter was issued to the school in question on 12 November 2010 and we were contemplating to appoint members to the School Management Committee of the school having regard to its irregularities and malpractices.

Yours sincerely,



(Miss Grace Kwok)
for Secretary for Education

c.c. Secretary for Financial Services and the Treasury (Fax no.: 2147 5239)
Director of Audit (Fax no.: 2583 9063)