

財經事務及庫務局
(庫務科)

香港下亞厘畢道
中區政府合署



**FINANCIAL SERVICES AND THE
TREASURY BUREAU
(The Treasury Branch)**

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13 May 2011

(By Fax: 2840 0716)

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

Dear Ms Hon,

**The Director of Audit's Report on the
results of value of money audits (Report No. 56)**

Hong Kong 2009 East Asian Games (Chapter 5)

I refer to your letter of 9 May 2011 requesting a copy of our original response to the Audit Commission relating to paragraph 3.28 of the Audit Report.

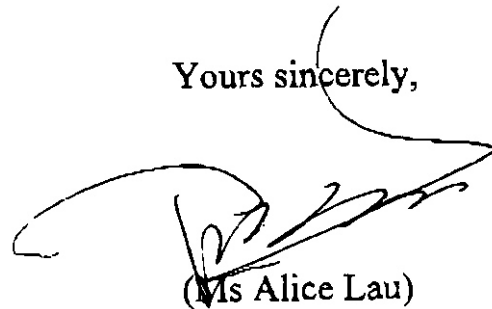
The full text of our original response to the Audit Commission is appended below -

“We understand that Audit's main concerns are whether the original estimates for the 2009 EAG were accurate and whether the full financial implications of the event were

adequately disclosed. We wish to point out that apart from those bureau/departments listed in Table 2 of the report, several other departments, such as the Hong Kong Police Force, Transport Department, etc. had also incurred expenditure under their departmental votes to support the hosting the 2009 EAG in Hong Kong by enhancing services that they provided as part of their day-to-day responsibilities. We expect these departments would have done the same had the event been any other that was of a scale that required an enhanced level of service. While one may regard the expenditure incurred by such departments as part of the overall financial implications of hosting the EAG, the expenditure are quite different from “direct expenditures” such as those incurred by the EAG Company in enabling the hosting of the EAG. We therefore suggest that all expenditure incurred by supporting departments, including but not limited to the expenditure incurred by LCSD, HAB, ISD and HAD as set out in Table 2, be regarded as “other expenditure” for support the hosting of the EAG where appropriate”.

At the hearings we have in response to Members’ questions elaborated on our analyses in connection with the matter discussed in the above exchanges and other related issues.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Alice Lau', written over a large, faint circular mark.

(Ms Alice Lau)

for Secretary for Financial Services
and the Treasury

c.c. Director of Audit (Fax no: 2583 9063)
Secretary for Home Affairs (Fax no: 2840 1902)
Permanent Secretary for Home Affairs (Fax no: 2832 9983)
Director of Leisure and Cultural Services (Fax no: 2606 1824)