



# ARCHITECTURAL SERVICES DEPARTMENT 建築署

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26 May 2017

Mr Anthony CHU  
 Clerk to the Public Accounts Committee  
 Legislative Council  
 Legislative Council Complex  
 1 Legislative Council Road  
 Central, Hong Kong

Dear Mr CHU,

## Public Accounts Committee

### Consideration of Chapter 6 of the Director of Audit's Report No. 68 Management of projects financed by the Lotteries Fund

Thank you for your letter dated 18 May 2017 requesting response / information to facilitate the Public Accounts Committee's consideration of the above chapter. Please find our reply below:

- (a) According to paragraph 5 of Case 7 in paragraph 3.6, more than 19 years after the substantial completion of the works in December 1997, owing to the social centre for the elderly not having been assigned to the Administration, the account of Project G could not be finalized. What are the reasons behind this case? What lessons have been learned from this case? What improvement measures will be taken to prevent recurrence of the anomalies?

From 1998 to 2008, ArchSD had repeatedly requested the developer to provide the information on the cost of the works which was required for determining the amount of construction cost to be reimbursed to the developer. After receipt of related information from the developer in January 2009, ArchSD issued the final cost advice to SWD on 13 March 2009 for their following up with relevant parties on finalising the accounts and completing the assignment of the social

centre for the elderly to the Government. To assist SWD to prevent recurrence of similar incident, ArchSD will proactively offer suitable assistance/technical advice to SWD to enable the latter to follow up with the developer for expedited submission of the required information.

- (b) Furthermore, according to paragraph 3.6, as of September 2016, the Architectural Services Department was the technical adviser for 20 projects which had been completed but the project accounts had not been finalized. What is the latest position? What measures will be taken to finalize the project accounts as early as possible?

There are now 7 projects pending finalization of project accounts and 2 projects for which the project accounts have been finalized and are in the process of being closed. Of the 7 projects pending finalization of project accounts: one project is within the Defects Liability Period and hence the project has not reached the stage for finalization of the project account; ArchSD has issued final cost advice to SWD for 4 projects and SWD is following up with the developers on defects rectification or document submission for these projects; ArchSD has also issued final cost advice to SWD for 1 project and SWD is following up with the developer for completing the assignment of the premises to the Government (Case 7); for the remaining project, the finalization of its project account is pending resolution of legal matters. ArchSD would provide assistance/technical advice to assist the SWD to close the project accounts as soon as practicable.

Yours sincerely,



( Mrs. Sylvia LAM )

for Director of Architectural Services

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