



中華人民共和國香港特別行政區政府總部食物及衛生局

Food and Health Bureau, Government Secretariat  
The Government of the Hong Kong Special Administrative Region  
The People's Republic of China

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17 February 2017

Ms Maisie LAM  
Clerk to Panel  
Panel on Health Services  
Legislative Council Complex  
1 Legislative Council Road  
Central  
(Fax: 2185 7845)

Dear Ms LAM,

**Panel on Health Services  
Management and Control of Works Programmes  
of the Hospital Authority**

I refer to your letter dated 27 January 2017 addressed to the Secretary for Food and Health relaying the Hon YUNG Hoi-yan's request for information on the mechanism adopted by the Hospital Authority (HA) in relation to the management and control of HA's works programmes. In consultation with HA, the requisite information is set out in the ensuing paragraphs.

2. HA has in place a comprehensive management and control mechanism for its minor works programme in all public hospitals including the Prince of Wales Hospital (PWH), with a view to safeguarding proper and effective use of public funds. Key elements of the management and control framework include :-

(a) Structure with clear delineation of roles and responsibilities

- i) The HA Head Office is responsible for developing and formulating management policies and strategies; setting up and implementing related system of internal controls; allocating funding to and ensuring proper monitoring of project spending by clusters; as well as providing guidance, advice and support at corporate level in the overall management of consultants and contractors;
- ii) The Clusters, such as the New Territories East Cluster in the case of PWH, are responsible for the planning and execution of minor works projects in the respective hospitals and clinics under their management, including supervision of works quality and quantities, monitoring project progress and expenditures, as well as appraising the performance of consultants and contractors; and
- iii) The Term Maintenance Surveyors (TMS) and Term Quantity Surveyors (TQS), being external building professionals engaged to exercise independent control, are responsible for undertaking design, statutory submission, site supervision and management of the contractor; as well as cost estimation, works valuation and payment certification respectively.

(b) Processes for effective quality control and risk management

- i) Headed by a qualified building professional, the Cluster Facility Management Team of each cluster prepares submission of a proposed project with detailed justifications, cost estimate and works programme for consideration by the respective cluster / hospital management, the HA Head Office and the Food and Health Bureau. During the project implementation period, the quality and progress of works are supervised by the Cluster Facility Management Team through regular site inspections and monthly liaison meetings, and monitored by the respective cluster / hospital management through quarterly review meetings; and
- ii) Payment claims by contractors are all required to be properly substantiated, thoroughly checked and processed, and correctly charged to the projects concerned. Before a payment is effected by HA, all internal control and operating procedures with built-in system control



must have been cleared, in order to ensure that :-

- all the original invoices submitted by the contractors are properly supported by approved works orders and independently verified with payment certificates issued by TMS and TQS;
- all spending, including any outstanding liability, are correctly charged to the projects concerned and captured in the HA's financial system; and
- the aggregate project expenditures are contained within the approved budget sum.

(c) Independent assurance on adequacy and effectiveness of management and control

- i) The Internal Audit function of HA has provided additional independent assurance of the effective functioning of the system of internal control as executed by line management at both HA Head Office and clusters. Audits on capital works are regularly conducted as an integral part of the risk-based audit plans of the Internal Audit function. This has included an audit of the management of term contracts for minor works and an audit of key financial and reporting controls which concluded that the design of the control framework for minor works projects included adequate financial and reporting controls;
- ii) Since its inception, HA has worked closely with the Corruption Prevention Department (CPD) of the Independent Commission Against Corruption (ICAC) to help reduce corruption risks by strengthening relevant practices and procedures. Over the years, CPD has completed corruption prevention assignment reports covering areas of capital works including letting and administration of contracts, control of minor works and most recently, in late 2015, completed an assignment report on the administration of term maintenance contracts for planned maintenance works projects (minor works). This latter report covered invitation and assessment of tenders, issue of works orders, site supervision, granting of extension time, acceptance of works, assessment of payment, final account and monitoring of contractor performance;
- iii) Governance mechanisms have been established to ensure that audit findings and the results of ICAC CPD assignments are brought to the attention of HA senior management, action plans agreed and implementation monitored; and
- iv) To further strengthen public accountability, HA has since 2014-15 appointed an external auditor to audit the annual financial statements for

the minor works programme undertaken by HA. To ensure transparency, a report on the key minor works projects implemented together with the audited financial statements are submitted to the Legislative Council on an annual basis.

Yours sincerely,



( Ms Pandora Lam )  
for Secretary for Food and Health

c.c. Chief Executive, Hospital Authority (Attn : Ms Dorothy Lam)