



HKFA

AFFILIATED TO FIFA & AFC IN 1954

THE HONG KONG FOOTBALL ASSOCIATION LIMITED
香港足球總會有限公司

Your Ref.: CB4/PAC/R74

Our Ref.: PW-0451/20

19 June 2020

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

Dear Mr. CHU,

Public Accounts Committee
Consideration of Chapter 1 of the Director of Audit's Report No. 74
Management of funding for sports development through
the Arts and Sports Development Fund (Sports Portion)

I refer to your letter of 8 June 2020. Our reply is provided in the ensuing paragraphs.

Item (a)

Meeting minutes is attached in **Annex A**.

Item (b)

There is no requirement of HKFA to report the ranking of the Hong Kong Men's Representative Team in the Project Phoenix and the Half-yearly Report of the Five-Year Strategic Plan. The FIFA Ranking of Hong Kong Men's Team is listed

***Note by Clerk, PAC:** *Annex A not attached.*



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below for reference:

Please find below a table for the FIFA Ranking¹ :

Date	HK Men's Team Ranking	Total Country
June 2011	145	208
June 2012	158	208
June 2013	147	209
June 2014	163	209
June 2015	164	209
June 2016	143	209
June 2017	148	211
June 2018	142	211
June 2019	141	211

Item (c)

The Corporate Service Department was responsible to read the contents of paragraph 4.13 and Table 24 of the draft Audit Report. HKFA's comment was provided to HAB for consolidation and the Note 23 in page 83 of the Audit Report was added.

Item (d)

Based on the Procurement Policies and Guidelines in 2014, 3-pages amendments on the Procurement Policies and Guidelines was adopted in 2018 with the following enhancements,

1. A clearer authorisation and approval hierarchy
2. A more stringent tendering/quotation requirements
3. Statements showing the procedures for handling exceptional cases:

Paragraph 3 – “In case the standard procedures are not followed, the reasons should be recorded and an authorised person at a more senior level should be

¹ Source from FIFA official website: <https://www.fifa.com/fifa-world-ranking/ranking-table/men/rank/id12883/>



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designated for giving special approval with justifications in writing."

Paragraph 4 (c) (vi) – “All procurements must follow and comply with the above procedures. Only in acceptable circumstances should exemption from the above procedures be granted with special approval from the designated approving authority/person holding a higher office. Any exemption should be supported by full justifications and properly documented on the procurement records.”

This above exemption paragraphs apply to single quotation where full justifications on procurement records were required.

The Procurement Policies and Guidelines were first circulated to all staff through email in October 2018, and once in subsequent year. In future, regular training will be provided to improve the understanding and awareness of procurement procedures.

Annex B: Procurement Policies and Guidelines in 2018

Annex C: Purchase / Payment Requisition Form

Item (e)

The “HKFA Organisational Regulations” will be proposed to the Board of Directors for consideration. The General Secretary office will be responsible for preparing the regulations upon the endorsement of the Board. Timeline for completion and approved will be make available within this year.

Item (f)

The responsibility of ‘convenor’ and ‘chairman’ were discussed in Board Meeting with mutual consent among the Board Members but no written record can be found.



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Yours sincerely

(PUI Kwan Kay)

Chairman

- cc Secretary for Home Affairs (fax no. 2591 5536)
Director of Leisure and Cultural Services (fax no. 2691 4661)
Chief Executive Officer, Hong Kong Football Association Secretariat
(fax no. 2760-4303)
Secretary for Financial Services and the Treasury (fax no. 2147 5239)
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Authorisation and Approval

2. Authorisation or approval should be sought from the following designated approving authority (a) for procurement before inviting suppliers to submit tender/quotations and/or selecting suppliers for tendering/seeking quotations; and (b) for acceptance of offer of tender/quotation:

Values of the Goods to be Procured	Procurement Authorized by	Tender/Quotation Approved by
HK\$200,001 or above	EC/Board of Directors	EC/Board of Directors
HK\$50,001 to HK\$200,000	Responsible Department Head and Chief Executive Officer	Responsible Department Head and Chief Executive Officer
HK\$20,001 to HK\$50,000	Responsible Department Head and Head of Corporate Governance	Responsible Department Head and Head of Corporate Governance
HK\$20,000 or below	Responsible Department Head	Responsible Department Head

Values of the Services to be Procured	Procurement Authorized by	Tender/Quotation Approved by
HK\$500,001 or above	EC/Board of Directors	EC/Board of Directors
HK\$50,001 to HK\$500,000	Responsible Department Head and Chief Executive Officer	Responsible Department Head and Chief Executive Officer
HK\$20,001 to HK\$50,000	Responsible Department Head and Head of Corporate Governance	Responsible Department Head and Head of Corporate Governance
HK\$20,000 or below	Responsible Department Head	Responsible Department Head

3. In case the standard procedures are not followed, the reasons should be recorded and an authorised person at a more senior level should be designated for giving special approval with justifications in writing.

Types of Procurement

4. The requesting officers should provide specifications and requirements for the procurement to the procurement officer. The request should then be submitted to the designated approving authority as stated in paragraph 2 above for approval to procure and confirmation of funds. For replacement of goods, the requesting officers should make sure the goods to be replaced are beyond economical repair before making the request for procurement. The types of procurement to be adopted should be in accordance with the amounts and nature of the procurement of goods or services:

- (a) Open Tendering (applicable to procurements of goods and services with value exceeding HK\$200,000 and HK\$500,000 respectively)

Notice of tender invitations should be advertised in the press for free response by all interested suppliers or service providers. Tender evaluation report (sample at **Appendix 1**) should be submitted to the Executive Committee for approval of tender (i.e. award of contract).

- (b) Restricted or Single Tendering (applicable to procurements of goods and services with value exceeding HK\$200,000 and HK\$500,000 respectively in which only a limited number of suppliers are available)

This type of tendering is applicable to procurements of goods or services that can only be provided by a limited number of suppliers or suppliers who are sole agents or patented distributors. Therefore, only one or several suppliers or service providers will be invited to submit written tenders. Sufficient justification should be made for prior approval by the Executive Committee before proceeding the tendering exercise. The above information should be clearly recorded in the tender evaluation report (Appendix I) for examination and approval by the Executive Committee.

- (c) General Procurement (applicable to procurements for goods of value HK\$200,000 or below and for services of value of HK\$500,000 or below)

- (i) Written Quotation (applicable to procurements for goods of value above HK\$50,000 up to HK\$200,000 and for services of value above HK\$50,000 up to HK\$500,000) should be sought from **at least five (5)** suppliers, including the successful bidder in the last procurement exercise (whose goods or services meeting the requirements).

- (ii) Written Quotation (applicable to procurements of value above HK\$20,000 up to HK\$50,000) should be sought from **at least two (2)** suppliers, including the successful bidder in the last procurement exercise (whose goods or services meeting the requirements)

- (iii) The management and invitation to bid for (i) and (ii) above should follow the procedures as set out in Paragraphs 9 and 10. The procurement officer must make a written record of the quotations invited and responses. The lowest quotation meeting the requirements should be accepted unless there are other factors such as the quality of products/services or track records of the bidders that will affect the offer of the quotation. Should the lowest quotation not be accepted, sufficient justifications should be submitted for endorsement by the designated approving authority.

- (iv) Verbal Quotation (applicable to procurements of value above HK\$5,001 up to HK\$20,000)

To enhance administrative efficiency, verbal quotations from **not less than two (2)** suppliers or service providers may be used for procurement of miscellaneous item or service. The responsible officer must make a written record of the verbal quotations for verification and approval. The responsible officer should also state the reasons in case the lowest offer is not accepted.

- (v) Quotations may be dispensed with (applicable to procurements of value HK\$5,000 or below)

- (vi) Exemption
All procurements must follow and comply with the above procedures. Only in acceptable circumstances should exemption from the above procedures be granted with special approval from the designated approving authority/person holding a higher office. Any exemption should be supported by full justifications and properly documented on the procurement records.



The Hong Kong Football Association Limited

Purchase / Payment Requisition Form (For purchase amount of more than HK\$500)

No. _____

Requesting Date

Department / Team

Requesting Item	
Purpose of Purchase	

Description	Quantity	Unit Price	Total
TOTAL			

Quotation Information Required: YES

Remarks: _____

Quotation Information			
Supplier / Service Provider	Price Offered	Document Attached	Remarks
1)			
2)			
3)			
Recommended Supplier / Service Provider			
Reason(s) if not the lowest offer			

Budget Code	<input type="text"/>	Budgeted Amount	<input type="text"/>	Remaining Balance after this purchase	<input type="text"/>
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Remarks	<input type="text"/>
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Applied by: _____

Name:

Position:

Approved by: _____

Name:

Position:

Verified by: _____

Name:

Position:

Kerry Wong

Financial Controller

Authorized by: _____

Name:

Position: