



中華人民共和國香港特別行政區
Hong Kong Special Administrative Region of the People's Republic of China



立法會秘書處
LEGISLATIVE COUNCIL SECRETARIAT

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23 May 2003

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 for money audits (Report No. 40)**

**Chapter 5: Subvention for staff emoluments
of The Legislative Council Commission**

Further to my letter in the same series of yesterday's date, I wish to provide additional information for the consideration of the Public Accounts Committee (PAC) in its study of the above-mentioned report.

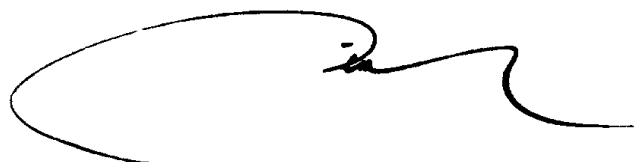
As mentioned in my letter dated 22 May 2003, The Legislative Council Commission has managerial and financial autonomy conferred on it by The Legislative Council Commission Ordinance (LCCO). When exercising its managerial and financial autonomy, the Commission has always been conscious of the need for economy and has been prudent in the management of its financial resources since its inception nine years ago.

While mindful of LCCO's requirement that the terms and conditions of service of staff of the Secretariat should be broadly in line with those of civil servants, the Commission did vary the terms and conditions of service of Secretariat staff which resulted in their being less favourable than those of civil servants in certain cases. Examples include the payment of acting allowance only for acting appointments lasting for more than three months (as opposed to the one-month requirement in the Civil Service), and the non-payment of contract gratuity for temporary staff employed for less than three years (as opposed to the general practice in the Civil Service for paying contract gratuity to temporary staff employed for longer than one year).

I mentioned at the public hearing on 12 May 2003 that the Commission would use its Reserve to fund activities for which no provision had been made. While this is the principle the Commission has been adhering to in its utilization of its Reserve, the Commission had in fact resolved on 24 October 2002 that it would fund operation of future select committees from its Reserve in order to reduce Government's expenditure. The Commission has no intention of keeping the Reserve purely for the sake of keeping it.

I should be grateful if you would forward the above information to PAC for its consideration.

Yours sincerely

A handwritten signature in black ink, consisting of a large, sweeping loop followed by a smaller, more intricate flourish.

(Ricky C C Fung)
Secretary General