

Chapter XX : Central Administration and Other Services

Audit Commission

20.1 Noting that there was a slight reduction in the provision for value for money audits from 0.035% to 0.032% of total government spending, Ms Emily LAU sought elaboration on the reduction in monetary term. She also enquired about the selection criteria for audit topics and whether priority would be accorded to topics that incurred more public resources.

20.2 The Director of Audit (D of A) advised that the provision for value for money audits in 2004-05 was about \$5 million less than that in 2003-04. The decrease was mainly attributed to the reduction in staff cost as a result of natural wastage. On selection criteria, D of A explained that value for money audits were planned to ensure the best deployment of available resources. Factors such as auditability, materiality, risk, timeliness and efficacy would be taken into account in prioritizing topics for detailed investigation. There was also a growing demand for more in-depth and broad-based audit reviews as in the case of the review of the University Grants Committee funded institutions.

Central Policy Unit

20.3 Mr HUI Cheung-ching enquired about the criteria adopted by the Central Policy Unit (CPU) in selecting topics of research studies. He asked if CPU would commission studies on topics of wide public interest, such as facilitating Mainland private enterprises to locate their offices and business operations in Hong Kong. He also questioned why the majority of research reports were not made available to the public. Ms Emily LAU pointed out that since the researches conducted by CPU were publicly funded and the studies might be of interest and benefits to the community at large, it would be necessary for the Administration to release these reports to the public. Her views were shared by Miss Margaret NG.

20.4 The Deputy Head of CPU (DH, CPU) explained that the topics for research studies were determined by CPU after internal discussions or proposed by Government departments. There were generally two types of research studies: regular studies on socio-economic-political trends in the neighbouring regions and specific studies on topics relevant to Hong Kong. The latter studies were basically quite preliminary in nature in terms of policy formulation, and were therefore more suitable for internal reference by the Chief Executive (CE), the Chief Secretary for Administration (CS), the Financial Secretary (FS) and the

Chapter XX : Central Administration and Other Services

respective Bureau Secretaries, rather than for public information. Nevertheless, CPU was aware of Members' view in this respect, and had tried to release research reports in appropriate cases. For example, CPU had published the findings of the baseline study on Hong Kong's creative industries and arranged a symposium for public discussion of the report. Given the policy intention to step up public policy research as announced in this year's Policy Address, CPU would endeavour to release research reports as far as possible. He admitted that this would have to be done in a gradual manner.

20.5 Referring to the overseas practices where reports of research studies undertaken by Government would be released to the public, Miss Margaret NG doubted why similar arrangements could not be made by CPU. DH, CPU explained that the role and functions of CPU, which were to provide alternative policy advice to three clients (i.e. CE, CS and FS within government), was unique. It was not directly comparable to think tanks overseas. Since most of the topics under study either involved sensitive information and analysis or related to preliminary stage of policy formulation, premature release of such information to the public might not be appropriate. To meet public expectation on the release of reports, CPU would have to change its present mode of operation. This would take some time.

20.6 Ms Emily LAU enquired about the procurement process for the research studies. DH, CPU explained that contracts were awarded through restricted tenders in accordance with the established procedures adopted by the Government. CPU would shortlist and invite those organizations which had the relevant experience in the field to submit tenders. There were at present 10 consultancy companies and/or organizations eligible for tendering for CPU contracts. Ms LAU expressed concern on the limited number of eligible consultancy companies and/or organizations. DH, CPU said that this was due to the limited number of organizations with experience in the field of public policy research. The Administration would welcome any suggestions of suitable consultants for inclusion in the list.

Independent Commission Against Corruption

20.7 Referring to the study to be undertaken by the Independent Commission Against Corruption (ICAC) on the existing regulatory functions of the Securities and Futures Commission (SFC) and the Hong Kong Exchanges and Clearing Company Limited (HKEx) on listing, Mr Henry WU enquired about the estimated provision for the study and the approach in taking forward the study.

Chapter XX : Central Administration and Other Services

20.8 In reply, the Commissioner, ICAC (C, ICAC) said that the study was proposed by the Financial Services and the Treasury Bureau. The Corruption Prevention Department (CPD) of ICAC would study SFC and HKEx's respective procedures and practices for the performance of listing functions to ensure that there were adequate checks and balances in their internal control procedures so as to minimize corruption opportunities under the "dual filing" system of the existing regulatory regime for listing. The cost of the study would be absorbed by the existing resources of CPD and no additional provision would be required. It was expected that the study would be completed in 2004 and the recommendations would be submitted to the relevant authorities for consideration.

The Ombudsman

20.9 Referring to The Ombudsman's recent statement that in her second term she intended to review the functions and powers of the Ombudsman under The Ombudsman Ordinance (Cap. 397) (the Ordinance), Ms Emily LAU noted that no provision had been earmarked for such a review in the Estimates 2004-05, while pointing out that a decision on The Ombudsman's reappointment might not have been taken when the Estimates were prepared. She enquired if the review was triggered by the lack of sufficient power for The Ombudsman to carry out certain investigations. She also asked whether The Ombudsman was the most appropriate authority to conduct the review and whether there would be public consultation on any proposals for change.

20.10 The Ombudsman advised that the review would be done in-house. As such, the cost of the review would be absorbed within the operating expenditure of the Office. In any event, following implementation of the one-line vote funding arrangement, the Office of The Ombudsman (the Office) now enjoyed flexibility in the deployment of resources, including engagement of temporary or part-time staff to cope with fluctuations in workload.

20.11 On the review itself, The Ombudsman thought that the existing system which was modelled on the "classical ombudsman" mode, was fundamentally appropriate. However, her experience in the past five years suggested that the restrictions under clause 10, Schedules 1 and 2 of the Ordinance might be too unnecessarily restrictive. On occasions, these excluded involvement of her Office despite the fact that such involvement would not contravene the spirit of the current restrictions. Given that the Ombudsman system had been in place for 15 years, The Ombudsman considered it timely to

Chapter XX : Central Administration and Other Services

conduct an overall review of the operation of the Ordinance. This would also accord with the views expressed by some Legislative Council (LegCo) Members at their last meeting with The Ombudsman held in December 2003. The Ombudsman said it would be appropriate for her Office to initiate the review because of its intimate knowledge of the operation of the Ordinance and practices overseas. There was as yet no timetable for the review. The Ombudsman expected if the review concluded that changes were desirable, she would submit her findings to the Administration for consideration. It would then be up to the Administration, as a matter of policy, to decide whether to accept The Ombudsman's proposals and if so, to seek legislative amendments. Legislative proposals would then be submitted to the Legislature for scrutiny through the normal legislative procedure. As regards public consultation, The Ombudsman said that this should be a matter for the Administration if it considered any proposal to be controversial and required public input on its policy content.

The Chief Executive's Office

20.12 Miss Margaret NG expressed concern on the low utilization rate of the Government House given that only six Open Days were held in 2003-04. Having regard to the high maintenance cost, Miss NG opined that it would not be cost-effective to restrict the Government House for the exclusive use by CE. To optimize the use of the Government House, consideration should be given to opening part of the Government House to the public with a view to boosting tourism as well as generating revenue from functions organized by non-profit making organizations and public organizations.

20.13 The Chief Executive Officer (Administration)/CE's Office (CEO(Adm)) advised that the utilization rate of Government House was in fact quite high. Apart from being the official venue for CE and the Government to receive and hold important official functions for dignitaries such as heads of states, high-ranking officials as well as VIPs of different sectors and countries, the Government House was also opened for reservation by local charitable, non-profit making or public organizations for holding events that were of benefit to the community on three Fridays every month. In 2003-04, there were on average about 16 functions held at the Government House per month with a total of 3 100 participants. The number of Open Days had also been increased from four to six in 2003-04. The Administration would consider increasing the use of the Government House as far as practicable taking into account past experience. CEO(Admin) added that as the use of the Government House by charitable and

Chapter XX : Central Administration and Other Services

non-profit making organizations was free of charge, no revenue would be generated in this respect. At Miss NG's request, the Administration undertook to provide details of all the functions held at the Government House in 2003-04.

The Legislative Council Commission

20.14 Referring to the Secretary for Environment, Transport and Works' earlier comments on the setting of room temperature at too low a level in the LegCo Building, Ms Emily LAU enquired about the measures being adopted by the LegCo Commission in conserving energy. In reply, the Secretary General, Legislative Council Secretariat (SG, LegCo) said that the air-conditioning system of the LegCo Building was maintained by the Electrical and Mechanical Services Department which was also responsible for the maintenance of the air-conditioning systems of most Government offices. In line with the prevailing standard of general Government offices, the room temperature in the LegCo Building was maintained in the range of 22°C to 23°C. He had not received any complaints from other Government officials about the room temperature level of the LegCo Building. He added that the LegCo Secretariat was committed to discharging its functions in an environmentally responsible manner. By way of illustration, the LegCo Chamber would only be used for meetings with larger number of participants for energy saving purpose. While savings achieved through various conservation measures could hardly be quantified, a report covering the goal, policy and measures being adopted by the Secretariat in respect of environmental protection was available for public inspection at the LegCo website.

20.15 Noting from the estimate of the Department of Justice (D of J) that the number of bills and pages of subsidiary legislation to be gazetted in 2004 would be significantly less than that in 2003, Ms Emily LAU enquired if a corresponding decrease in the workload of the Legal Service Division (LSD) of the LegCo Secretariat should be reflected in the estimate of the LegCo Commission.

20.16 SG, LegCo clarified that the workload and manpower requirements of LSD were not directly related to the number of bills and subsidiary legislation to be gazetted. Apart from scrutinizing bills and subsidiary legislation and making reports thereon, LSD also provided legal advice and support for committees of LegCo and for individual Members on matters relating to the business of LegCo. Besides, the LegCo Commission was not provided with

Chapter XX : Central Administration and Other Services

D of J's estimate at the time when it prepared its own estimate, which was made independently taking into account the average workload of LSD over the past years.

Legal Aid Department

20.17 Ms Emily LAU noted with concern about the 2.7% increase in the estimated provision for litigation services under the Legal Aid Department, which in her view was at variance with the Government's goal of reducing public expenditure. The Director of Legal Aid (DLA) explained that the estimated provision included both the department's operating expenditure and legal aid costs. The increase was mainly attributed to the rise in legal aid costs arising from anticipated increase in legal aid applications and certificates. The increase was relatively mild as this had been partly offset by the deletion of posts and the civil service pay cut.

20.18 Ms Emily LAU then referred to the figures for active cases under "Assigning out and monitoring of cases" and enquired about the persistently large number of outstanding civil cases and the reason for the further increase in such cases from 2002 to 2004. DLA assured Ms LAU that these were active cases with on-going legal proceedings. The cases had all been assigned to private practitioners.