

THE UNIVERSITY OF HONG KONG

香 港 大 學



校長：徐立之教授
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June 7, 2003

The Hon. Ms. Emily Lau
Deputy Chairman
Public Accounts Committee
Legislative Council
Legislative Council Building
8 Jackson Road
Central
Hong Kong

Dear the Hon. Ms. Lau,

Hearings on the Director of Audit's Report on the
Results of Value for Money Audit, May 14 and June 2, 2003

I write to thank you and the Hon. Mr. Abraham Shek and the Hon. Mr. Lau Kong-wah for leading the PAC hearings on May 14 and June 2, 2003. I found the discussion most useful, and am grateful to all of you for allowing representatives from universities to express their views and explain the practices in their institutions. The hearings have also enabled us to understand better the comments and suggestions put forward by the Director of Audit.

2. At the hearing on June 2, 2003, I made reference to the governance and management structures reform which is being conducted by the University at this very moment. I enclose herewith a copy of the report of the review panel ("*Fit for Purpose*"), and would like to bring to your attention the following recommendations of the review panel which touch on the issues raised at the hearing:

Size of Council and Proportion of Internal and External Members

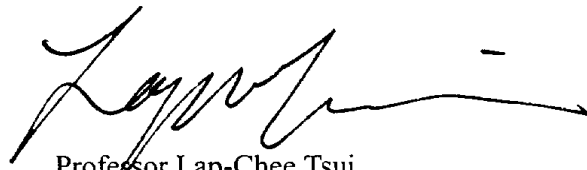
- (a) The size of the University Council will be significantly reduced after the reform, from 54 to 18-24. The ratio of the external to University members on the new Council will be 2:1. Among the internal members, the Vice-Chancellor will be the only *ex-officio* member. All the other internal members will be appointed or elected *ad personam*. This certainly will improve the "independence" of the Council.

The Role of Court

- (b) The three specialists on our review panel are of the view that despite the fact that the University Ordinance states that the Court is the supreme governing body of the University, it is clear from the powers of the Court and the Council as laid down in the relevant Statutes that the Council is the *de facto* governing body of the University, while the Court functions as an advisory body.
- (c) While our review panel does not feel that it is necessary for us to change the Ordinance to clarify the role of Court, the University has no objection to necessary changes to the Ordinance to define more clearly the Court's role. If such amendments to University Ordinance are regarded necessary, the University would need the assistance from the Government in dealing with the complicated legal procedure for Ordinance changes.
3. At the June 2 hearing and in connection with the discussion on student hostels, you indicated that you were interested in information on students' family background and living conditions. The University conducts a survey on the non-academic background of new full-time undergraduate students admitted each year. A copy of the report on the latest survey ("*A Profile of New Full-time Undergraduate Students 2002*") is attached. You may be interested in Section 5 (Living Conditions) and Section 6 (Family Background) of the report.
4. I am sure that the PAC will make fair and objective judgements, and provide guidelines for the institutions to better use their resources. I am looking forward to reading the Committee's report in due course.

With best regards,

Yours sincerely,



Professor Lap-Chee Tsui
Vice-Chancellor

cc: The Hon. Mr. Lau Kong-wah } _ with enclosure
The Hon. Mr. Abraham Shek }
Secretary-General, University Grants Committee

Encl.

***Note by Clerk, PAC:**

The report of the review panel and the report entitled "A Profile of New Full-time Undergraduate Students 2002" not attached.