

From the President and Vice-Chancellor

Prof. Ng Ching-Fai BE(Chem), MSc, PhD

Ref.: PDO/0312/200 8 December 2003

Ms. Miranda Hon Clerk Public Accounts Committee Legislative Council Building 8 Jackson Road Central Hong Kong

Dear Ms. Hon,

校長:吳清輝教授

Public Accounts Committee Hearing on Report No. 41 Scheduled on 10 December 2003

Thank you for agreeing to the suggestion that the Secretary-General of the University Grants Committee represents the Heads of Institutions, including myself, at your Committee's hearing on 10 December 2003. Please take note that this University has earlier on provided our comments on the Director of Audit's findings and recommendations in Report No. 41, and these have been captured in the Report itself.

2. While the University does not see the need to repeat each and every one of those comments here, I would like to add one further comment as follows:

Par 2.12 (b) The suggestion of an in-depth review of the budgets of the institutions goes against the principle of institutional autonomy and the rules of the existing Block Grant System. The information on the expenditure of the institutions filed periodically with the UGC Secretariat should enable an in-depth review of the expenditure incurred by each institution to be carried out. Therefore the University has reservation about this recommendation.

Yours sincerely

President & Vice-Chancellor

c.c. Secretary-General, UGC
Director of Audit