



RADIO TELEVISION HONG KONG

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Ref. : RTHK/CR 12/38 IV

Ms Miranda HON
Clerk, Public Accounts Committee
Legislative Council Building
8 Jackson Road
Central
Hong Kong

BY FAX AND EMAIL

Dear Ms Hon,

**The Director of Audit's Report on the
results of value for money audits (Report No. 46)**

Chapter 7 – RTHK: financial control and resource management

As requested in your letter of 6 June 2006, the additional information PAC requires is set out in the papers attached and also sent via email to cwywong@legco.gov.hk.

Yours sincerely,

(Kenneth WOO)
for Director of Broadcasting

Encl.

P.S. e-mail copies to :
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Reply to the Public Accounts Committee
on the Director of Audit's Report
on the results of value for money audits (Report No. 46)

- (a) The percentage of TSA staff who had their scheduled rest days on Sundays during the period 6 June 2005 to 5 June 2006 is 32%. There has been a decrease when compared to the percentage during the period September 2004 to March 2005, as reported by Audit in paragraphs 3.20 and 4.19.
- (b) (i) Guidelines regarding the certification of the journey details in vehicle logbooks are set out in the following documents:
- (I) Para. 32 of Government Logistics Department's Standing Orders for Driving Government Vehicles (GLT 18A):
- "A driver is required to provide a daily record of his work by completing a vehicle logbook or other designated forms, and/or by inputting data into a data recording device depending on the instructions/requirements of individual departments."*
- (II) Para. 7 of Instructions in Vehicle Log Book (GF 100):
- "At the end of each journey, the officer using the car or authorizing the journey must sign his name followed by the designation of the post he holds in the signature column. The driver's signature will only be accepted for journeys between office and garage and at waiting points."*
- (ii) The logbook for the vehicle used mainly by the Director of Broadcasting used to be certified by the Departmental Transport Officer (DTO) since May 2000. Therefore, the Director of Broadcasting had all along been under the impression that the journey details entered therein had been properly certified, even after the issue of RTHK Administrative Circular No. 9/2003 in October 2003.

- (c) In relation to government guidelines or regulations on the parking location of a departmental vehicle after office hours, General Regulation 307 lays down that:

"Outside working hours all Government vehicles should be parked in a departmental garage or in a secure place off the public highway. It is the driver's responsibility to ensure that all doors and windows are closed and locked before leaving the vehicles."

- (d) (i) RTHK has maintained a two-tier system for settlement of expenses on entertainment incurred from official duties. The financial ceilings for entertainment expenses incurred under the first tier, i.e. "Official Entertainment", are \$250 and \$400 for lunch and dinner per head respectively. They refer to functions held at the corporate level. The ceilings follow those promulgated by the Director of Administration.

The second tier, "Programme-related Entertainment", requires that the spending limits should be set at \$250 and \$325 for lunch and dinner per head respectively, as promulgated in RTHK Accounting Circular No. 2/2003. Claims for entertainment incurred from programme production are settled under this arrangement. The financial limits are internally set and used to be approved annually by the former Finance Branch. However, since 16.5.95, the then Secretary for the Treasury has advised that there was no need to seek its approval.

The function held on 4 March 05 was held as a corporate event and therefore, the total expenses incurred could in principle be settled under the first tier, i.e. "Official Entertainment". As such, the upper limit of \$400 per head, which is in line with the financial ceiling set by the Director of Administration for dinner, was mentioned at the hearing held on 11 May 06.

- (ii) The financial ceilings for lunch per head incurred from "Official Entertainment" and "Programme-related Entertainment" have remained at \$250, and that for dinner per head incurred from "Official Entertainment" at the level of \$400, in line with the limits promulgated by the Director of Administration.

The only difference lies in the financial ceiling for dinner in the case of "Programme-related Entertainment". In this respect, RTHK considered in 2003 to upgrade the ceiling to \$400 to be in line with the limits promulgated by the Director of Administration. However, taking into account the financial environment of the government at that time, RTHK concluded at the time that it was not a good timing to increase the financial limit and decided that the ceiling for dinner should remain unchanged.

With a lapse of about 3 years since the last review, RTHK agrees that it is time to consider reviewing the internal financial ceilings on entertainment expenses, in line with the limits promulgated by the Director of Administration.