

財經事務及庫務局
(庫務科)

香港下亞厘畢道
中區政府合署



FINANCIAL SERVICES AND THE
TREASURY BUREAU
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26 May 2006

Clerk to Public Accounts Committee
(Attn.: Ms Miranda Hon)
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. 46)**

Chapter 7: RTHK: financial control and resource management

Thank you for your letter dated 20 May 2006.

(a) RTHK's expenditure on official entertainment

The expenditure of RTHK on official entertainment is charged under Head 160 Subhead 000 Operational expenses. The financial provision under this subhead operates as a one-line vote, covering all recurrent expenditure of RTHK. As Controlling Officer, Director of Broadcasting is given autonomy and flexibility in deploying the funds within this subhead having regard to relevant rules and guidelines governing the proper use of resources. This is in line with the provision under section 12(2) of the Public Finance Ordinance that "a controlling officer shall be responsible and accountable for all expenditure from any head or subhead for which he is the controlling officer, and for all public moneys and government property in respect of the department or service for which he is responsible".

Given the diversity of business nature and variation in size of budget among different bureaux/departments, the funding requirement of each Controlling Officer for official entertainment varies. As a general principle, bureaux/departments should exercise strict economy when entertaining guests and avoid accusations of extravagance. However, it is incumbent upon the Controlling Officers to decide and account for the use of their entertainment expenses. The Financial Services and the Treasury Bureau(FSTB) is not in a position to determine whether the level of official entertainment expenses of an individual department is on the high or low side when compared to that of other government bureaux/departments.

(b) RTHK's organising six spring receptions a year

For the reasons stated above, the need for organising spring or annual receptions in RTHK is an operational matter for the Director of Broadcasting to decide having regard to the operational needs of the Department as well as the relevant rules and guidelines. As far as spring receptions are concerned, a general guideline that spring or annual receptions could only be held with full justifications is clearly set out in the circular issued by the Director of Administration in March 2003. It is not for FSTB to advise whether the number of spring receptions held by RTHK is appropriate or not.

Yours sincerely,



(Miss Amy Tse)
for Secretary for Financial Services
and the Treasury

c.c. Secretary for Commerce, Industry and Technology
Director of Audit
Director of Broadcasting

Internal
AA/SFST