

**Introductory Remarks by
Chairman of the Public Accounts Committee,
Dr Hon Philip WONG Yu-hong, GBS,
at the First Public Hearing of the Committee
on Monday, 8 May 2006**

Good morning, ladies and gentlemen. Welcome to the Public Accounts Committee's public hearing relating to Report No. 46 of the Director of Audit on the results of value for money audits, which was tabled in the Legislative Council on 26 April 2006.

The Public Accounts Committee is a standing committee of the Legislative Council. It plays the role of a watchdog over public expenditure through consideration of the reports of the Director of Audit laid before the Council on the Government's accounts and the results of value for money audits of the Government and those organisations which receive funding from the Government. The consideration by the Committee of the Director's reports involves gathering evidence relevant to the facts contained in the Director's reports, so that the Committee may draw conclusions and make recommendations in a constructive spirit and forward-looking manner. I also wish to stress that the objective of the whole exercise is such that the lessons learned from past experience and our comments on the performance of the public officers concerned will enable the Government to improve its control over the expenditure of public funds, with due regard to economy, efficiency and effectiveness.

The consideration of the Director's reports follows an established process of public hearings where necessary, internal deliberations and publication of the Committee's report. The Committee has an established procedure for ensuring that the parties concerned have a reasonable opportunity to be heard. After the Committee is satisfied that it has ascertained the relevant facts, it will proceed to form its views on those facts, followed by a process of formulating its conclusions and recommendations to be included in its report. In accordance with Rule 72 of the Rules of Procedure of the Legislative Council, the Committee is required to make its report on the Director's report to the Legislative Council within three months of the date at which the Director's report is laid on the Table of the Council. Before then, we will not, as a committee or individually, be making any public comments.

In addition, to enhance the integrity of the Committee and its work, members of the Committee have recently formalised their agreement on confidentiality as a written confidentiality undertaking. We agree that, in relation to the consideration of the Director's reports, we will not disclose any matter relating to the proceedings of the Committee that is classified as confidential, which shall include any evidence or documents presented to the Committee, and any information on discussions or deliberations at our meetings, other than at meetings held in public. We also agree to take the necessary steps to prevent disclosure of such matter either before or after the Committee presents its report to the Council, unless the confidential classification has been removed by the Committee.

Following a preliminary study of Report No. 46, the Committee has decided, in respect of three chapters in the Report, to invite the relevant public officers to appear before the Committee and answer our questions.

I should like to mention here that, according to the arrangements agreed between the Committee, the Administration and the Director of Audit in 2000, departments should not speak or confirm the audit investigations before tabling of the Director of Audit's report and, after tabling of the report but before public hearings, departments may only respond to press enquiries and should refrain from initiating publicity to counter the audit findings.

It has come to the Committee's attention that prior to and after Report No. 46 was tabled, there has been a large amount of media coverage of the matters dealt with by the Report. Some of the coverage provided details of certain contents of the Report in advance of the Report being made public upon tabling at the Council. There has also been coverage, appearing after the Report was made public, which contains a wide range of comments on certain details of the Report by public officers which go beyond mere response to media enquiries.

The Committee is dismayed at the leakage of the contents of the Report as well as some of the comments that were attributed to public officers. The Committee has therefore written to the Chief Secretary for Administration and urged him to ensure that the agreed arrangements will be observed to facilitate the work of the Committee. I also urge all the witnesses invited to our hearings to facilitate our work by refraining from making any public comment on the Director's reports until we have completed our consideration and published our conclusions.

I now proceed to the public hearing this morning, which is on Chapter 7 of Report No. 46 concerning the financial control and resource management of RTHK.