



立法會
LEGISLATIVE COUNCIL

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By fax (2583 9063)
18 March 2009

Mr TANG Kwok-bun, Benjamin, JP
Director of Audit
26/F, Immigration Tower,
7 Gloucester Road,
Wanchai
Hong Kong

Dear Mr TANG,

Panel on Welfare Services

Use of the additional subvention to subvented non-governmental organisations for the 2008-2009 salary adjustment

On behalf of the Panel, I write to convey members' concerns about the use of additional subventions by subvented non-governmental organisations (NGOs) under the Lump Sum Grant (LSG) Subvention System.

The Panel has held discussions on the salary adjustment arrangements for staff in subvented NGOs. According to the Administration, LSG of subvented NGOs has been adjusted in line with the 2008-2009 Civil Service Pay Adjustment, and the additional subventions have been allocated to NGOs since September 2008. In the letter to subvented NGOs relating to the additional subventions for pay adjustment dated 16 July 2008, the Director of Social Welfare stated that the additional subventions are expected to be spent for the purpose of pay adjustment for NGO staff. However, members have been recently informed that certain NGOs have used the additional subventions for purposes other than salary adjustment. Members were concerned whether the use of the additional subventions for purposes other than pay adjustment would constitute a misuse of public money and whether the use of the additional subventions for other purposes by subvented NGOs (for example, transferring part of the additional subventions to the Reserved Funds of NGOs concerned) could be subject to audit by the Director of Audit.

Members have agreed that the Panel should write to draw your attention to the above matter.

(Albert CHAN)
Chairman to Panel