



廉政公署

INDEPENDENT COMMISSION AGAINST CORRUPTION

廉政專員 Commissioner, ICAC

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By Hand

6 September 2013

Ms Anita SIT
Clerk to Select Committee
Legislative Council
Legislation Council Complex
1 Legislative Council Road
Central
Hong Kong

Dear Ms Sit,

**Select Committee to Inquire into Matters Relating to
Mr Timothy TONG's Duty Visits, Entertainment, and
Bestowing and Receipt of Gifts during his Tenure as
Commissioner of the Independent Commission Against Corruption**

In relation to the above matter and further to the letter sent to the Chairman of the Public Accounts Committee, Hon Mr Abraham SHEK Lai-him, SBS, JP, by me on 16 May 2013, the ICAC acknowledges the importance of the Major Areas of Study (MAS) identified at the appendix and, naturally, is willing to cooperate with the work of the Select Committee. However we think it is important to bring to your attention certain observations regarding these MAS. These observations in a substantial part echo the matters raised by the Director of Public Prosecutions, Mr Kevin Zervos SC in his letter dated 24 May 2013 to Mr SHEK.

In relation to the area under Part I (a) of the MAS the ICAC is ready to cooperate fully in this regard. Similarly, the ICAC will assist in the provision of the information requested at Part II paragraphs (a) and (b).

Our main concern relates to the MAS under paragraphs (b) to (e) of Part I. As you are aware I am currently leading a specially formed investigation unit to inquire into various matters concerning former ICAC Commissioner TONG. This inquiry, although not limited in scope, is currently focusing on establishing whether, and if so to what extent, certain identified conduct of former Commissioner TONG might amount to criminal misconduct, either under the Prevention of Bribery Ordinance (POBO), the common law offence of Misconduct in Public Office or any other offence that might be disclosed. The formation of this special investigation unit was announced on 14 May 2013.

I am sure you are aware it is usual practice for any law enforcement agency to decline to disclose specific details of its investigations especially while inquiries are in progress. This is in order to protect the integrity of the investigation as well as the reputation of suspected persons while facts are accurately established and evidence secured. In view of the nature of corruption, this is particularly necessary in relation to investigations undertaken by this Commission into alleged bribery and related corrupt practices. Premature disclosure of facts under investigation could adversely affect the current investigation in a number of ways. For instance, the impact on and perception of witnesses from whom statements have been obtained if details of their evidence are discussed, especially in open forum, prior to any decision as to whether a prosecution is warranted in the public interest. Similarly, such disclosure could discourage other potential witnesses from coming forward if there is a perception that their evidence will be publicly examined and commented on other than in the course of court proceedings. The areas covered by (b) to (e) of Part I of the MAS are factual matters that are under specific investigation by the special investigation unit.

The ICAC places much emphasis on the principle of sub judice, not just in relation to investigations which could be statutorily protected by section 30 of the POBO, but in response to the trust placed in the ICAC by members of the community who report corrupt practices to this Commission in the expectation that any subsequent investigation will be carried out fairly, impartially and in the strictest confidence. It should also be noted that there is a general principle that the use of statements and documents obtained in the course of a criminal investigation should only be used for that purpose.

Therefore whilst we understand that the Select Committee may see a need to examine the points raised at Part I (b) to (e) we equally believe that any examination or discussion on those matters should not encroach on the objectives and function of the special investigation unit, which as stated above is led personally by me.

Furthermore we are concerned that if the ICAC investigation establishes evidence upon which the Department of Justice recommends a prosecution in the public interest, it could impact on any subsequent trial in relation to issues of admissibility of evidence and fairness of the trial if evidence collected by the special investigation unit has been examined and discussed in other forums.

We would be most grateful if the Select Committee could bear our concerns in mind when preparing to undertake its study.

I hereby attach the replies to items 1-6, 16-21, 30-35 and 44-48 requested under Part I (a) and Part II (a) and (b) of the Major Areas of Study in both Chinese and English together with the softcopy for your further action.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Simon Y L PEH', written in a cursive style.

(Simon Y L PEH)
Commissioner

Independent Commission Against Corruption

Annex 1

Item 1 : Details of ICAC's policy, rules and guidelines on duty visits when Mr Timothy TONG was serving as the Commissioner of ICAC; whether there have been any reviews on the policy, rules and guidelines during and after Mr TONG's tenure, and what changes have been made as a result of such reviews.

- (a) The ICAC follows government regulations in drawing up its policy, rules and guidelines on duty visits outside Hong Kong, in the form of Commission Standing Orders. Duty visits are considered on a case-by-case basis, taking into account the operational needs such as obligation to attend certain international conferences, duration and place of visit, the status and number of officials to be met, etc. There was no review conducted on the subject during Mr TONG's tenure as Commissioner of ICAC.
- (b) The approving authorities for duty visits outside Hong Kong are as follows :
 - (i) the Chief Executive : for the Commissioner;
 - (ii) the Commissioner : for all non-investigation related duty visits; and for investigation related duty visits by the Deputy Commissioner (who is also the Head of Operations) and Directors of Investigation of the Operations Department; and
 - (iii) Directors of Investigation : for investigation related duty visits of other officers in the Operations Department.
- (c) After a review in May 2013, the ICAC issued further guidelines emphasising that the number of officers joining a duty visit, their duration of stay and participation in programmes of the visit should be kept to the minimum as far as the official purposes of a visit are met.

Annex 2

Item 2 : Details of the procedure for approving duty visits made by the Commissioner of ICAC and other ICAC officers when Mr Timothy TONG was serving as the Commissioner of ICAC; whether there have been any reviews on the procedure during and after Mr TONG's tenure, and what changes have been made as a result of such reviews.

- (a) Duty visits including both invitations to the Commissioner or the Heads of Department (HoDs) to attend visits, meetings and conferences outside Hong Kong, or those initiated by the Commissioner and to be led by him/her or HoDs are normally discussed at the Commissioner's Weekly Meeting (CWM) chaired by the Commissioner of ICAC and attended by the HoDs. It decides on whether or not to accept an invitation, and if yes, the leader and the preliminary composition of the delegation etc. Invitations to other officers in the ICAC are normally handled by HoDs and the approval of the Commissioner will be sought in case of need.
- (b) Duty visits by the Commissioner are approved by the Chief Executive and applications are made on a prescribed form.
- (c) There has been no change to the above procedure during and after Mr TONG's tenure as Commissioner of ICAC.

Annex 3

Item 3 : Details of the procedure for handling the expenses arising from the duty visits made by the Commissioner of ICAC and other ICAC officers, including the arrangements for application, approval and reimbursement, as well as the accounting arrangements; whether there have been any reviews of the procedure during and after Mr TONG's tenure, and what changes have been made as a result of such reviews.

- (a) Expenses arising from duty visits of ICAC officers, including passages, subsistence allowance etc, are handled by the Administration Branch in accordance with government regulations, the Commission Standing Orders and Schedule of Authorities.
- (b) As soon as approval has been given on a duty trip outside Hong Kong, the officer concerned is required to submit to the Supplies Office of the Administration Branch his/her request for the booking of passage together with the written approval for the duty trip. Payments are directly made to the service providers through Treasury's Government Financial Management Information System (GFMIS).
- (c) Upon return from a duty visit, the officer is required to submit a duly completed form (which is the statement of account) for claiming subsistence allowance and other reimbursement, together with the relevant original receipts duly certified by the responsible officer and documentary proof of payment such as hotel tariff to account for the expenditure. The statement of account will be routed through the authorities for approval and then to the Finance Office of the Administration Branch for processing as follows:
 - (i) First tier checking and preparation of payment documents: by an Assistant Clerical Officer to ensure the claim is in compliance with the relevant rules, the amount claimed is correct and supported with duly certified receipts or proof of payment;
 - (ii) Second tier checking: by a Clerical Officer
 - (iii) Third tier checking: by a Senior Clerical Officer
 - (iv) Final verification and certification before payment through GFMIS: by Executive Officer/Finance
- (d) There has been no change to the procedure for handling the expenses arising from duty visits during and after Mr TONG's tenure.

Annex 4

Item 4 : Role and involvement of Mr Timothy TONG when he was serving as the Commissioner of ICAC in the making of the policy, rules, guidelines and the approval and financial procedures governing the duty visits made by the Commissioner and other officers of ICAC.

- (a) The ICAC follows government regulations, and the application and financial procedures governing duty visits outside Hong Kong when developing its related internal policy, rules, procedures and guidelines. As the related rules then existing were developed before Mr Timothy TONG became the Commissioner of ICAC, he had no role or involvement in the making of them.

Annex 5

Item 5 : Measures taken by ICAC to promulgate the policy, rules, guidelines and the approval and financial procedures governing duty visits to ICAC officers at all levels.

- (a) The relevant rules and procedures are stipulated in the Commission Standing Orders (CSO) which are posted up in ICAC's intranet and accessible by all staff. Changes to CSO are brought to the attention of all staff by way of electronic mail messages.

Annex 6

Item 6 : Details of the monitoring and oversight arrangements in respect of duty visits made by the Commissioner of ICAC and other ICAC officers to prevent abuse and ensure compliance with the relevant policy, rules, and guidelines.

- (a) Monitoring and oversight of duty visits in the ICAC are built into the processing of applications as set out in the reply to Items (1) and (2). In addition, the procurement and accounting procedures detailed in the reply to Item (3) help to ensure compliance with the relevant policy, rules and guidelines and prevent any abuse of the system. The ICAC is also subject to periodic checks and inspections by the Audit Commission, the Treasury and the Government Logistics Department.

Annex 16

Item 16 : Details of ICAC's policy, rules and guidelines on official entertainment when Mr Timothy TONG was serving as the Commissioner of ICAC; whether there have been any reviews on the policy, rules and guidelines during and after Mr TONG's tenure, and what changes have been made as a result of such reviews.

- (a) The ICAC follows government policy, rules, and guidelines in drawing up its policy and rules on entertainment functions in the form of the Commission Standing Orders, internal circulars and guidelines. There was no review conducted on the subject during Mr TONG's tenure as Commissioner of ICAC.
- (b) Our rules require that expenses incurred on official entertainment may be reimbursed if prior approval has been obtained from:
 - (i) the Commissioner: for Commission-wide functions or for entertainments hosted by the Corruption Prevention Department and Administration Branch and for operational liaison lunch with government servants, normally from disciplined services department;
 - (ii) the Deputy Commissioner (being also Head of Operations): for entertainments hosted by the Operations Department; and
 - (iii) the Director of Community Relations: for functions hosted by the Community Relations Department.
- (c) Unless the Commissioner has approved otherwise, the expenditure per person, inclusive of tips, is currently subject to the following ceiling:
 - (i) Operational liaison lunch: \$150
 - (ii) Lunch: \$350
 - (iii) Dinner: \$450
- (d) For meals, light refreshments and drinks served during publicity projects, the project coordinator ranked at Senior Commission Against Corruption Officer or above is the approving authority.
- (e) After a review in May 2013, ICAC issued further guidelines whereby the

number of officers attending the event is restricted to not exceeding the number of guests; and splitting of entertainment bills or charging them to different votes are strictly prohibited. To enhance checks and balances, the guidelines also require that :-

- (i) official entertainment hosted by the Commissioner must be endorsed by Head of Operations;
- (ii) official entertainments hosted by Heads of Department must be approved by the Commissioner;
- (iii) those attended by both the Commissioner and Heads of Department must be checked by Assistant Director/Administration to ensure compliance; and
- (iv) all expenditure items including wines, dessert, snacks etc. served before or after the same event must be included as part of the entertainment expenses.

Annex 17

Item 17 : Details of the procedure for approving the hosting of official entertainment by the Commissioner of ICAC and other ICAC officers when Mr Timothy TONG was serving as the Commissioner of ICAC; whether there have been any reviews on the procedure during and after Mr TONG's tenure, and what changes have been made as a result of such reviews.

- (a) Entertainments related to ICAC's major events or involving visitors of prominent status are normally discussed at the Commissioner's Weekly Meeting, with others handled by individual Heads of Department. Formal approval from the approving authorities as stated in the reply to Item (16) for entertainment expenditure must be sought in writing in advance with justifications for holding the function, details of the guests invited and officers to attend etc. by the subject officers.
- (b) In June 2008, ICAC introduced a standard form (Form ICAC 569) requesting officers to include beverages, on top of food and tips, in seeking approval and claiming reimbursement of entertainment expenditure.
- (c) After a review in May 2013, ICAC issued further guidelines on official entertainment. With a view to strengthening control over the approval of official entertainment and reimbursement of the relevant expenses, some clarifications were made to the relevant rules and changes to the claim form as described in the reply to Item (16) and Form 569 respectively. Action is also in progress to computerise this workflow.

Annex 18

Item 18 : Details of the procedure for handling the expenses arising from the official entertainment made by the Commissioner of ICAC and other ICAC officers, including the arrangements for application, approval and reimbursement as well as the accounting arrangements; whether there have been any reviews of the procedure during and after Mr TONG's tenure, and what changes have been made as a result of such reviews.

- (a) Expenses arising from official entertainment are handled by the Administration Branch in accordance with government rules and regulations, the Commission Standing Orders, internal circulars and guidelines.
- (b) The approving authorities and application procedures for hosting entertainment functions are detailed in the replies to Items 16 and 17. After the function, the subject officer will submit the duly certified invoice(s) / receipt(s) together with the approval for the entertainment to the Finance Office of the Administration Branch for payment / reimbursement of the expenses incurred through Treasury's Government Financial Management and Information System (GFMIS). Initial checking will be conducted by an Assistant Clerical Officer to ensure the expenditure is supported with duly certified invoices or receipts in accordance with the approval given. A second and third tier checking respectively by a Clerical Officer and a Senior Clerical Officer is then conducted before payment through GFMIS.
- (c) In June 2008, during the tenure of Mr TONG, a standard form (Form ICAC 569) was introduced, requesting officers to include beverages, on top of food and tips, in seeking approval and claiming reimbursement of entertainment expenditure. After a review in May 2013, the form was further revised to strengthen the control over the approval of official entertainment and reimbursement of the relevant expenses. Action is also in progress to computerise this workflow.

Annex 19

Item 19 : Role and involvement of Mr Timothy TONG when he was serving as the Commissioner of ICAC in the making of the policy, rules, guidelines and the approval and financial procedures governing the official entertainment activities hosted by the Commissioner and other officers of ICAC.

- (a) The ICAC follows government policy, rules, guidelines and the application and financial procedures governing official entertainment when developing its related internal policy, rules and procedures. As they were developed before Mr Timothy TONG's tenure as Commissioner of ICAC, he had no role or involvement in the making of them. Mr TONG was not involved in the introduction of the standard form (Form ICAC 569) in 2008 which was initiated by the Finance Office of the Administration Branch.

Annex 20

Item 20 : Measures taken by ICAC to promulgate the policy, rules, guidelines and the approval and financial procedures governing official entertainment to ICAC officers at all levels.

- (a) The relevant rules and procedures are stipulated in the Commission Standing Orders (CSO) and ICAC circulars which are posted up in ICAC's intranet and accessible by all staff. Changes to CSO are brought to the attention of all staff by way of electronic mail messages.

Annex 21

Item 21 : Details of the monitoring and oversight arrangements in respect of the official entertainment hosted by the Commissioner of ICAC and other ICAC officers to prevent abuse and ensure compliance with the relevant policy, rules and guidelines.

- (a) Monitoring and oversight of official entertainment arranged by ICAC officers are built into the application processes as set out in the replies to Items (16) and (17). In addition, the accounting procedures detailed in the reply to Item (18) and further guidelines introduced in May 2013 (Please refer to paragraph (e) in Item (16)) help to ensure compliance with the relevant policy, rules and guidelines and prevent any abuse of the system. The ICAC is also subject to periodic audits and inspections by the Audit Commission, the Treasury and the Government Logistics Department.

Annex 30

Item 30 : Details of ICAC's policy, rules and guidelines on bestowing and receipt of gifts when Mr Timothy TONG was serving as the Commissioner of ICAC; whether there have been any reviews on the policy during and after Mr TONG's tenure, and what changes have been made as a result of such reviews.

Bestowing of gifts

- (a) Within the spirit of prudent and economical use of government funding and on the basis of reasonableness and necessity, the ICAC follows government policy and guidelines in drawing up its own policy and guidelines on the bestowing of gifts. Since 1996, ICAC has adopted a policy to limit to the minimum the exchange of gifts on official occasions and the change of gifts should be made from organisation to organisation. ICAC also follows Government's Stores and Procurement Regulations in the procurement of gifts whereby subject officers must seek funding approval from the line management for the purchase of gifts and their certification when claiming for reimbursement of the expenses. In line with the relevant government rules, the ICAC did not have any laid down rules or guidelines specifying the types and the amount in value of gifts to be presented. There was no review conducted on the subject during Mr TONG's tenure.
- (b) After a review in May 2013, ICAC issued further guidelines, under which officers should offer only one standard ICAC souvenir if exchange of gifts / souvenirs is unavoidable and should not present any gifts / souvenirs on a personal basis.

Receipt of gifts

- (c) The ICAC follows government policy, rules and guidelines in drawing up its policy, rules and guidelines on acceptance of gifts, in the form of Commission Standing Orders.
- (d) All gifts presented to an officer in his official capacity are gifts to the Commission. They should not be accepted unless they cannot be declined without causing offence or embarrassment. Approval authorities for acceptance of gifts by ICAC officers for personal retention are stipulated in the Schedule of Authorities as follows :

- (i) the Chief Executive: Commissioner in accordance with CSB Circular No. 4/2007
 - (ii) the Commissioner: for directorate officers
 - (iii) Heads of Department (except Director of Community Relations) : for non-directorate officers in respective departments
 - (iv) Assistant Director/Community Relations: for non-directorate officers in the Community Relations Department
 - (v) Assistant Director/Administration: for officers in the Administration Branch
- (e) ICAC does not make rules of its own in this regard.

Annex 31

Item 31 : Details of the procedure for approving the bestowing and receipt of gifts by the Commissioner of ICAC and other ICAC officers when Mr Timothy TONG was serving as the Commissioner of ICAC; whether there have been any reviews on the procedure during and after Mr TONG's tenure, and what changes have been made as a result of such reviews.

Bestowing of gifts

- (a) Gifts presented by the Commissioner of ICAC during duty trips outside Hong Kong are normally decided at the pre-trip meetings chaired by the Commissioner. The selection and distribution of gifts are usually decided by the officer who would present them on behalf of the Commission. The subject officers must seek funding approval and certification from the line management for the purchase of gifts and claim for reimbursement of the expenses respectively. The procedure for approving the bestowing of gifts was not reviewed during Mr TONG's tenure. All staff involved will ensure the new guidelines issued in May 2013 are fully complied with.

Receipt of Gifts

- (a) Approval for acceptance of gifts must be sought on a standard application form from the approving authorities as stated in the reply to Item (30).
- (b) Regarding gifts received by the Commissioner, his Personal Assistant will, on his instruction, write a memo to the Personnel Section of the Administration Branch listing out details of the gifts and disposal methods. For items to be personally retained by the Commissioner, Personnel Section will on his behalf seek the Chief Executive's approval, if required.

Annex 32

Item 32 : Details of the procedure for handling the expenses arising from the bestowing of gifts made by the Commissioner of ICAC and other ICAC officers, including the arrangements for application, approval and reimbursement as well as the accounting arrangements; whether there have been any reviews of the procedure during and after Mr TONG's tenure, and what changes have been made as a result of such reviews.

- (a) Expenses arising from bestowing of gifts are handled by the Administration Branch in accordance with government regulations and guidelines.
- (b) Subject officers must seek from the line management funding approval for the purchase of gifts and certification for claiming reimbursement of the expenses from the Finance Office.
- (c) After procurement of gifts, the subject officer will submit the duly certified invoice(s) / receipt(s) together with the necessary approval to the Supplies Office for ensuring that the procurement procedures comply with the related rules and then to the Finance Office for payment / reimbursement of the expenses through Treasury's Government Financial Management and Information System (GFMIS). Initial checking in the Finance Office will be conducted by an Assistant Clerical Officer to ensure the expenditure is supported with duly certified invoices or receipts in accordance with approval given, to be followed by a second and third tier checking by a Clerical Officer and a Senior Clerical Officer respectively before payment through GFMIS.
- (d) There has been no change to the procedure for handling the expenses on the procurement of gifts during Mr TONG's tenure as Commissioner of ICAC.
- (e) All officers involved will ensure the new guidelines issued in May 2013 are fully complied with.

Annex 33

Item 33 : Role and involvement of Mr Timothy TONG when he was serving as the Commissioner of ICAC in the making of the policy, rules, guidelines and the approval and financial procedures governing the bestowing and receipt of gifts by the Commissioner and other officers of ICAC.

- (a) The ICAC follows government policy, rules and guidelines and the application and financial procedures governing the bestowing and receipt of gifts in developing its related internal rules and guidelines. As the related rules and guidelines were developed before Mr Timothy TONG's tenure as Commissioner of ICAC, he had no role or involvement in the making of them.

Annex 34

Item 34 : Measures taken by ICAC to promulgate the policy, rules, guidelines and the approval and financial procedures governing the bestowing and receipt of gifts to ICAC officers at all levels.

- (a) The relevant rules and procedures are stipulated in the Commission Standing Orders (CSO) and ICAC circulars which are placed in ICAC's intranet and accessible by all staff. Changes to CSO are brought to the attention of all staff by way of electronic mail messages.

Annex 35

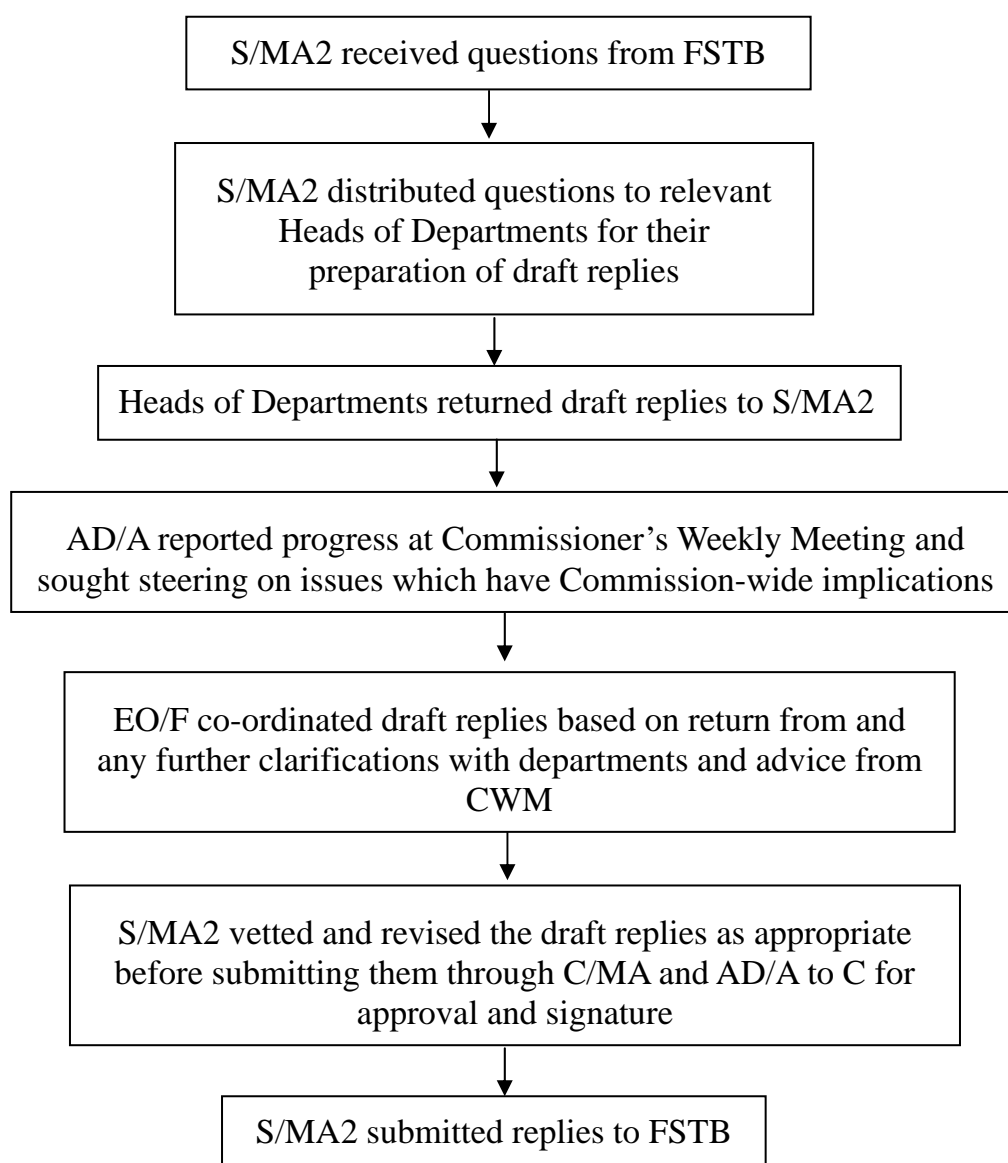
Item 35 : Details of the monitoring and oversight arrangements in respect of the bestowing and receipt of gifts by the Commissioner of ICAC and other ICAC officers to prevent abuse and ensure compliance with the relevant policy, rules and guidelines.

- (a) Monitoring and oversight of the bestowing and receipt of gifts in the Commission are built into the approval processes as set out in the replies to Items (30) and (31). In addition, further guidelines introduced in May 2013 (Please refer to paragraph (b) in Item (30)) help to ensure compliance with the relevant policy, rules and guidelines and prevent any abuse of the system. The ICAC is also subject to periodic audits and inspections by the Audit Commission, the Treasury and the Government Logistics Department.

Annex 44

Item 44 : The workflow of the preparation and vetting of ICAC's replies to Members' initial and supplementary questions on the Estimates of Expenditure 2013-14, with the names and posts of the ICAC officers involved and their respective responsibility in the process.

(a) The workflow is shown below:



Legend of posts and holders

Post	Abbreviation	Post holder
Commissioner	C	Mr PEH Yun-lu, Simon
<u>Heads of Departments include</u>		
Head of Operations	H/Ops	Mr WONG Sai-chiu, Ryan
Director of Community Relations	DCR	Ms MU Fee-man, Julie
Director of Corruption Prevention	DCP	Mr TSE Man-shing
Assistant Director / Administration	AD/A	Mrs AU-YEUNG WONG Mei-fong, Jennie
Chief Staff Officer / Management and Administration, Administration Branch	C/MA	Ms KWAN Yee-lan, Sally
Senior Staff Officer / Management and Administration 2, Administration Branch	S/MA2	Ms LI Kwan-chu, Judy
Executive Officer / Finance, Administration Branch	EO/F	Mr TING Hoi-yan, Josiah

Annex 45

Item 45 : Information that should have been but was not included in the replies, and/or information that was included in the replies but was inaccurate, incomplete or out of date.

- (a) This was related to gifts presented to guests in official capacity and paid out of public funds by the former Commissioner, Mr Timothy TONG, during his tenure. Only information of some food items and small gift items were omitted from the replies inadvertently.
- (b) The Commissioner provided the information of the omissions when he attended the meeting of the LegCo Panel on Security on 27 May 2013. They include:
 - (i) Food items of around \$57,000 in value;
 - (ii) ICAC pens and pins of total value of \$3,650 during a duty trip to Bali in November 2007 for attending a conference; and
 - (iii) ICAC key rings and cufflinks of total value of \$3,750 presented to government officials of different places on various occasions.

Annex 46

Item 46 : How the above omissions, inaccuracies, incompleteness and/or out-of-date information were identified and rectified by ICAC.

- (a) After some media reporting omissions of some souvenir items, the ICAC immediately carried out an extensive manual research of over 25 000 payment records and supporting vouchers kept in around 600 paper files by over 20 staff members involving some 95 man-days and around 1 000 hours of overtime. The ICAC then came to realize that some items of food and small gifts like ICAC key rings and pins had been missed out in our replies to the initial and supplementary replies to the questions of the LegCo Finance Committee. The Commissioner had reported to the LegCo Panel on Security the omissions when he attended its meeting on 27 May 2013.

Annex 47

Item 47 : Whether the omitted information had been initially included but was subsequently removed from the replies; if yes, reasons for and the circumstances leading to the removal of the information, and the relevant records.

- (a) No. The omitted information had never been included and subsequently removed from the replies to the questions of the LegCo Finance Committee.

Annex 48

Item 48 : Reasons for and the circumstances leading to the provision of the inaccurate, incomplete or out-of-date information, and the relevant records.

- (a) The Director of Community Relations and Assistant Director/Administration had discussed the information required in answering the LegCo Finance Committee's initial question raised by Hon Dennis KWOK on the number of occasions on which Mr TONG had presented government officials of different places with gifts paid out of public funds during his tenure and their actual amount on each occasion. After discussion, they decided to provide the required information in relation to **souvenirs** given out on the understanding that food items like cakes and cookies, though presented to government officials, were meant for their staff's consumption. The fact that the information is related to **souvenirs** was clearly specified in the reply dated 3 April 2013 to the Finance Committee after endorsement by the ICAC's Commissioner's Weekly Meeting. When answering the two supplementary questions of the Finance Committee related to the original question, the ICAC built on its previous reply and provided the additional information on 22 April 2013.
- (b) Like many other Government departments using Treasury's Government Financial Management Information System (GFMIS), the ICAC does not keep a separate accounting and payment record or a central register of gifts bestowed. The GFMIS only keeps transaction records chronologically based on the transactions processed in a day by the Finance Office of the Administration Branch. Besides, it does not keep details of individual items and is not meant for the retrieval of transactions by the type of items. Given the time pressure when answering the questions of the LegCo Finance Committee, we had therefore based on the records readily available and kept by user departments, which we knew afterwards that some of the records were incomplete and there were a few inadvertent omissions in the replies. If we were to go through the 25 000 odd transaction records stored in the GFMIS, we had to dig out manually the relevant payment records and vouchers from some 600 paper files, which was a nearly impossible task to provide replies to the questions of the LegCo Finance Committee on or before the deadline.