

財經事務及庫務局

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FINANCIAL SERVICES AND THE
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來函檔號 Your Ref. : CB4/PAC/R67

3 January 2017

Mr Anthony Chu
Clerk to Public Accounts Subcommittee
Legislative Council Complex
1 Legislative Council Road
Central
Hong Kong

Dear Mr Chu,

Public Accounts Subcommittee

Consideration of Chapter 2 of the Director of Audit's Report No. 67

Funding of universities by the University Grants Committee ("UGC")

Thank you for your letter of 13 December 2016 to the Secretary for Financial Services and the Treasury. I am authorised to reply on the Secretary's behalf.

Definition of "commissioning of facilities"

Please find enclosed an email this branch sent to the UGC Secretariat on 6 December 2016 regarding the subject matter. In short, for the purpose of finalising the accounts of capital works projects, "project commissioning date" refers to the date when the project commences functional operation.

Return of unspent project balances and unsupported expenses

UGC Secretariat has advised you vide its ^{Appendix 14}~~letter~~ of ~~23 December 2016 on the same matter~~ that there is no clear evidence showing that universities have intentionally delayed the submission of project final accounts beyond time limit specified in the UGC Notes on Procedures unreasonably. UGC Secretariat has advised this branch separately that they are not aware of any cases in which universities have delayed returning the unspent project balances and unsupported expenses when required by UGC Secretariat in the process of account finalisation.

Given the foregoing, this branch understands from the UGC Secretariat that no interest had ever been charged due to delay in account finalisation, or delay in return of unspent project balances and unsupported expenses, among the 171 cases under reference in your letter.

This branch will consider the propriety of imposing interest or other penalty charges to protect the interest of the Government in cases involving intentional delays in the finalisation of accounts, or in returning unspent project balances and unsupported expenses due to the Government. We will consult relevant parties.

Yours sincerely,



(Jasmine Choi)
for Secretary for Financial Services
and the Treasury

c.c. Secretary-General, University Grants Committee (fax no. 2523 1522)
Secretary for Education (fax no. 2810 7235)
Director of Audit (fax no. 2583 9063)



To: Kelvin YP SIU/UGC/HKSARG@UGC
Cc: Tommy HY TSANG/UGC/HKSARG@UGC, Jasmine SY CHOI/TSYB/HKSARG@TSYB,
Edmund MC CHIU/TSYB/HKSARG@TSYB
Bcc:
Subject: FC 3/2012 - commissioning of facilities
From: Denny LK HO/TSYB/HKSARG - Tuesday 06/12/2016 12:32

Dear Kelvin,

In FC 3/2012, there is no definition of “commissioning of the facilities”. We suggest interpreting “commissioning of the facilities” along the following line -

"For the purpose of finalising the final accounts of capital works projects, “project commissioning date” refers to the date when the project commences functional operation. After the completion of project construction (viz. the “completion”), a project may require time for testing and commissioning purpose, before the project could commence functional operation (viz. “commissioning”). Project commissioning is not tied with the defect liability period."

Thank you.

Denny
AS(W)1, TsyB