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本署檔號 OUR REF: LCSD/4-35/27C Pt. 2
來函檔號 YOUR REF:

31 May 2017

Legislative Council
Public Accounts Committee
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong
(Attn.: Mr Anthony CHU, Clerk)
(Fax No. 2543 9197)

Dear Mr Chu,

**Follow-up to Public Accounts Committee Report No. 68
Provision of district council funds for community involvement projects**

Thank you for your letter of 18 May 2017 concerning the captioned subject. Please find attached Leisure and Cultural Services Department's response for the information requested. For enquiry, please contact the undersigned at telephone number 2601 8807.

Yours sincerely,

(Charlson CHIU)

for Director of Leisure and Cultural Services

c.c. Secretary for Financial Services and the Treasury (Fax No.: 2147 5239)
Director of Audit (Fax No. : 2583 9063)
Director of Home Affairs (Attn.: Mr Howard YAM) (Fax No.: 2834 5466)

Public Accounts Committee
Consideration of Chapter 4 of the Director of Audit's Report No. 68
Provision of district council funds for community involvement projects
Reply to Q1 and Q2

- Q1. According to paragraph 2.9, the number of CI projects (comprising DC projects and LCSD projects) and the number of participants in CI projects are the two key performance indicators shown in HAD's Controlling Officer's Report. According to paragraph 2.14, in March 2017, HAD and LCSD were verifying the accuracy of the CI project statistics (i.e. the number of CI projects and the number of participants in CI projects). Why was it necessary to verify the CI project statistics which had already been reported in the HAD's Controlling Officer's Reports? Had the statistics not been properly verified before they were published in the Controlling Officer's Reports? What was the procedure in place in compiling and verifying the statistics to ensure their accuracy? According to paragraphs 2.29 to 2.31, Director of Leisure and Cultural Services has agreed to complete the verification of the CI project statistics as soon as possible and take measures to ensure the accuracy of the project statistics. Has the verification been completed? Has the verification revealed any inaccuracies in the project statistics reported in the HAD's Controlling Officer's Reports? What measures will be taken to ensure the accuracy of the project statistics in future?
- A1. In light of the Audit's analysis of the project figures, both HAD and LCSD agreed that there was the need to verify the figures again. Upon verification, HAD and LCSD found that the figures on DC-funded CI projects undertaken by LCSD were collated at district level based on information from various sources. Some discrepancies had arisen due to different categorisation and timeframe of the statistics. HAD and LCSD have enhanced coordination at the Headquarters and district levels, and agreed to adopt measures to ensure the uniformity and accuracy of the project statistics. Specifically, a template will be made available for district staff to ensure the figures are provided on the same basis among the 18 districts. The relevant figures will be verified by the LCSD Headquarters and compiled by the HAD Headquarters using a coordinated mechanism and consistent approach.

- Q2. According to paragraph 4.18, Audit examined 38 projects held in 2015-2016 at LCSD venues and found that in 30 (79%) projects, the audience size disclosed in the final report was higher than that recorded by LCSD venue management (with variances ranging from 3% to 323% and averaging 71%).
- a) What is the method used by LCSD venue management in recording the audience size and whether it is different from the method adopted by DCs?
 - b) Whether HAD has noted the situation and what follow-up actions have been taken to address the problem?
- A2. The records kept by LCSD venue management are based on ticket sales report or ticket stubs collected or manual counting during admission. LCSD understands from HAD that figures set out in the final reports submitted to the District Councils were provided by the implementing parties. LCSD also understands that HAD has asked its District Offices to request the implementing parties to obtain the relevant figures from the LCSD venue management in completing the final reports so as to ensure the accuracy of the number of participants/audience in the final reports.