

政府總部
勞工及福利局

香港添馬添美道
政府總部



LABOUR AND WELFARE BUREAU
GOVERNMENT SECRETARIAT

Central Government Offices
Tim Mei Avenue
Tamar, Hong Kong

本函檔號 Our Ref.: LWB CR7/5091/04

電話號碼 Tel. No.: 2810 3931

來函檔號 Your Ref.: CB4/PAC/R69

傳真號碼 Fax No.: 2524 7635

5 January 2018

Mr Anthony CHU
Clerk to the Public Accounts Committee
Legislative Council Complex
1 Legislative Council Road
Central
Hong Kong

Dear Mr CHU,

Public Accounts Committee
Consideration of Chapter 1 of the Director of Audit's Report No. 69
Administration of lump sum grants by the Social Welfare Department

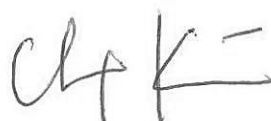
I refer to your letter of 13 December 2017 to the Secretary for Labour and Welfare, and have been authorised to reply as follows –

In 2008, the Labour and Welfare Bureau (LWB) appointed an Independent Review Committee to review the Lump Sum Grant Subvention System (LSGSS). One of the recommendations made by the Review Committee was that the Social Welfare Department (SWD) should consult subvented non-governmental organisations (NGOs) with a view to implementing the Government guidelines on the monitoring of remunerations of senior executives in subvented bodies (i.e. the relevant guidelines in the 2003 Memorandum). Besides, in a meeting of the Lump Sum Grant Steering Committee attended by an LWB's representative in January 2010, it was discussed and agreed that the SWD should request subvented NGOs to submit a Review Report on the Remuneration Packages for Staff in the Top Three Tiers (Review Report) for 2009-10 in accordance with the guidelines as set out in the 2003 Memorandum. While the LWB was aware of and involved in the discussion of the SWD's implementation of the relevant guidelines, there is no record showing that the LWB and the SWD had deliberated on the calculation method of the 50% threshold prior to the implementation.

Arising from the concerns of members of the public and the Legislative Council about how the Government would monitor the remuneration of senior executives of subvented bodies, the SWD sought clarifications from the Administration Wing and the Financial Services and the Treasury Bureau in 2013 and 2017 in respect of the calculation method of the 50% threshold. There is no record showing that the LWB and the SWD had deliberated on the issue prior to the SWD's seeking of the above advice. After learning of the advice of the Administration Wing on the calculation method of the 50% threshold in May 2017, the LWB and the SWD have been in discussion on the follow-up actions. Taking into account the time needed to discuss the arrangement with a large number of NGOs and any possible updating/revision on the guidelines arising from the survey conducted by the Administration Wing on the implementation of the guidelines, the SWD expected that the calculation method of the 50% threshold in accordance with the Administration Wing's advice could be implemented for reporting in the 4th quarter of 2018 to reflect NGOs' positions in 2017-18.

The LWB and the SWD attach much importance to transparency and public accountability of NGOs in the use of public money. In addition to the requirement under relevant guidelines for NGOs to disclose their Annual Financial Reports and Review Reports (where applicable) through designated channels, the SWD has uploaded the reports concerned of NGOs onto the SWD's website from June 2017 onwards to facilitate public access. Furthermore, the Task Force for Review on Enhancement of LSGSS appointed by the LWB and chaired by the Director of Social Welfare is planning to study, among other items in the scope of the review, ways to increase the transparency in the management of subvented NGOs with a view to further enhancing their public accountability.

Yours sincerely,



(Kenneth CHENG)

for Secretary for Labour and Welfare

- cc. Secretary for Financial Services and the Treasury (Attn: Ms Kinnie WONG)
Director of Social Welfare (Attn: Mr KOK Che Leung)
Director of Administration (Attn: Ms Subrina CHOW)
Director of Audit (Attn: Mr Andrew CHANG)