

Government's response to LegCo Subcommittee on WKCD's Report on Phase III Study

Following is the response of the Home Affairs Bureau today (June 20) to Legislative Council Subcommittee on West Kowloon Cultural District Development's Report on Phase III Study:

The Administration has consulted the Subcommittee closely when formulating the proposal for the West Kowloon Cultural District (WKCD) development and the WKCD Authority (WKCDA) Bill. We have taken on board many of the Subcommittee's suggestions and views in the proposal for the WKCD development and the WKCDA Bill and proposed amendments. The WKCDA Bill includes a series of measures to enhance the corporate governance and financial management of the Authority. The relevant measures are as follows:

Corporate Governance

* The WKCDA has to submit an annual report to the Financial Secretary. The report shall specify the work and activities of the Authority for that financial year and how they relate to the Authority's functions and objectives, the work and activities of the committees, the statement of accounts and the auditor's report. The report shall be laid on the table of the Legislative Council.

* The Bill also specifies that the WKCDA has to submit a corporate plan covering a programme of activities and projects that the Authority proposes to conduct for the next 3 years and a business plan covering the details of the activities and projects that are to be conducted or implemented in the next financial year to the Secretary of Home Affairs for record purpose.

Audit Committee

* The Bill requires the WKCDA to set up an Audit Committee.

* In addition, the Director of Audit may conduct an examination into the economy, efficiency and effectiveness with which the Authority has expended its resources in performing its functions.

* To tally with the practices of listed companies, the Bill will also require that the Audit Committee of the Authority shall consist of at least one member who possesses appropriate qualification or expertise in accounting or financial management.

Enhancing public accountability

* Requiring the Chairman and the Chief Executive Officer of the WKCD Authority to attend meetings of the Legislative Council upon request, and answer questions raised by LegCo Members.

Avoiding Conflict of Interest

* The Bill provides that a board member or committee member will have to disclose any interest that he has upon his first appointment and also at the beginning of every year after the appointment. A member also has to disclose his interest if he becomes aware of any interest not previously disclosed, or if there is change to the interest disclosed.

* The Authority and its committees will be included in Schedule One of the Prevention of Bribery Ordinance and Schedule 1 of the Ombudsman Ordinance.

Financial Management

* The Board has to manage its resources with due care and diligence, and invest in a financially prudent manner, in such classes or descriptions of investment as specified by the Financial Secretary.

* An Investment Committee will also be established for the purposes of monitoring investments made by the Authority and overseeing the management of such investments. The committee chairman and members should possess expertise or experience in the fields related to the duties of the committee.

Determining the Terms and Conditions of Employment

* There will also be a Remuneration Committee to advise the Authority on issues regarding the terms and conditions of employment of the Authority's employees.

Ends/Friday, June 20, 2008