

LCQ15: Submission of annual reports and financial statements by public organisations

Following is a question by the Hon Paul Chan Mo-po and a written reply by the Secretary for Home Affairs, Mr Tsang Tak-sing, in the Legislative Council today (February 23):

Question:

At present, most public organisations submit their annual reports and/or audited financial statements regularly to the Legislative Council. In this connection, will the Government inform this Council:

- (a) in the form of a table, of the public organisations which had submitted their annual reports and/or financial statements to the Legislative Council in the past three years, broken down by the time of submission (i.e. four months or less, five to six months, seven to eight months, nine to 10 months, 11 to 12 months and more than 12 months after their respective annual accounting dates), and the original deadlines for them to submit their annual reports and/or financial statements as required;
- (b) whether the authorities had reviewed in the past three years if the deadlines for submitting annual reports and/or financial statements by public organisations were appropriate; if they had, when the review was conducted, of the findings and follow-up actions; if not, whether the authorities will conduct the review; if they will, when they will do so; if not, of the reasons for that; and
- (c) what measures had been adopted by the authorities in the past three years in enhancing the level of corporate governance of public organisations and ensuring that they would adopt timely and effective measures for disclosing relevant information and increasing the transparency of their operation, so as to hold them accountable to the public?

Reply:

President,

- (a) The time limit for submission of annual reports to the Legislative Council (LegCo) by different statutory bodies in the public sector varies. The information provided by

relevant bureaux on the reporting practice of statutory bodies under their respective purview is set out at Annex.

(b) According to the information made available by bureaux in October 2009 as we reviewed the relevant issue, some 60 statutory bodies in the public sector were required to submit annual reports to the LegCo. According to the relevant statutory provisions, more than 50% of these bodies would need to submit annual reports within six months and some 40% would need to submit annual reports in more than six months after the reporting period.

The differences in timing in submission of annual reports for different bodies were mainly due to historical reasons and the difference in functions specific to each statutory body. The actual time required by each statutory body for the preparation and submission of annual reports would depend on the nature of its activities. Given the different nature and varied scale and complexity of the work of different statutory bodies, we concluded that it was neither necessary nor practical to introduce consistency in the time limit. Nonetheless, bureaux shall keep monitoring the time taken by statutory bodies under their respective purview in submitting annual reports to LegCo.

(c) In view of the diverse category of the statutory bodies covered in Annex, the Government monitors the operation of such bodies in different manner and to different extent. In general, there are specific legal provisions in the ordinances which establish these bodies governing their operations. For example, their annual reports, statements of accounts and auditor's reports are required to be submitted to the LegCo, in order to ensure transparency and accountability to the public.

In general, the means through which the Government monitors the operation of statutory bodies include the following:

- (i) requiring a statutory body (normally for public corporations, public bodies, and regulatory bodies carrying out executive functions) to submit a proposed programme of activities, and estimates of income and expenditure for the coming year to the Government for approval; an annual report, statement of accounts and auditor's report to the Government; and/or
- (ii) subject to the nature of the statutory body concerned, sending government representatives to sit on a statutory body as ex officio members or sending government representatives to sit on meetings of a statutory body as attendees; and/or meeting the

statutory body regularly in order to understand the administration and operation of the body.

Bureaux or departments relevant to the work of the bodies concerned are usually responsible for the abovesaid work. Their roles are in general to offer advice from the perspectives of Government's policy in relevant areas in order to enable the bodies concerned to give due regard to the policy of the Government and also the wider public interests in the pursuit of their organisational goals.

Ends/Wednesday, February 23, 2011

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