

Laying of the Report Report No. 56 of the Director of Audit on the results of value for money audits was laid in the Legislative Council ("LegCo") on 13 April 2011. The Committee's Report (Report No. 56) was subsequently tabled on 6 July 2011, thereby meeting the requirement of Rule 72 of the Rules of Procedure of the LegCo that the Report be tabled within three months of the Director of Audit's Report being laid.

2. **The Government Minute** The Government Minute in response to the Committee's Report No. 56 was laid in the LegCo on 19 October 2011. A progress report on matters outstanding in the Government Minute was issued on 30 October 2012. The latest position and the Committee's further comments on these matters are set out in paragraphs 3 to 8 below.

Hong Kong 2009 East Asian Games (Chapter 1 of Part 4 of P.A.C. Report No. 56)

3. The Committee was informed that:

Administrative arrangements

- the 2009 East Asian Games (Hong Kong) Limited ("the EAG Company") had refunded the balance of its liquidation account of \$10,199,421 to the Government in August 2011;
- the Liquidator had completed the liquidation process for the EAG Company and the Company was dissolved in December 2011; and

Reconversion of office accommodation into squash courts

- with the support of the Central and Western District Council and the relevant National Sports Association, the Leisure and Cultural Services Department would reconvert the office space at the Hong Kong Squash Centre to six squash courts for multi-purpose use to meet the public demand for facilities for different sport including squash, dancing, fitness training and table tennis.

4. The Committee wishes to be kept informed of the progress made in reconverting the office space at the Hong Kong Squash Centre back to squash courts.

Hong Kong Housing Authority: Management of commercial properties

(Chapter 3 of Part 4 of P.A.C. Report No. 56)

5. Hon Alan LEONG Kah-kit and Hon Kenneth LEUNG declared that they were currently the non-official members of the Hong Kong Housing Authority ("HA").

6. The Committee was informed that:

- the Housing Department ("HD") had implemented the Audit's recommendations, a summary of the updated progress of the implementation is in *Appendix 3*;
- on the part concerning the performance measurement and reporting, the HD had reviewed the performance targets for different types of commercial properties and had developed new key performance indicators ("KPI") to improve the monitoring of the vacancy position of various types of commercial properties such as retail premises, shopstalls and cooked food stalls, carparks and factory premises and to enhance the performance of the commercial operations covered by the business plan for commercial properties operated by the HA. The Commercial Properties Committee ("CPC") of the HA, when considering the 2012-2013 HA's commercial business plan, endorsed the new KPI and the revised approach to setting performance targets, including the reporting of vacancy rates for different categories of non-domestic properties. The progress of the implementation of the new measures would also be reported to the CPC on a regular basis through the mid-year and year-end reviewing exercises; and
- in response to the recommendation to conduct a post-implementation review ("PIR") for the 2005 divestment of the HA's retail and carpark facilities, the HD had engaged the Efficiency Unit to conduct the PIR. The PIR had been completed and the HD had taken note of the PIR's findings and recommendations.

7. The Committee recommends that the issues related to the management of HA commercial properties, including the findings and recommendations of the PIR for the 2005 divestment of the HA's retail and carpark facilities, be followed up by the LegCo Panel on Housing.

P.A.C. Report No. 59 – Part 3
Report of the Public Accounts Committee on Report No. 56 of the Director of Audit
on the Results of Value for Money Audits [P.A.C. Report No. 56]

8. The Committee also wishes to be kept informed of further development on the subject.