

**List of measures / actions that will be taken to enhance the control
and monitoring mechanism of the Mega Events Fund**

Measures / actions already taken

1. The Secretariat of the Mega Events Fund (“MEF”) Assessment Committee (“AC”) has started the practice of holding “kick-off meetings” with the organizers of MEF-supported events upon approval of their MEF applications and receipt of their acceptance of the conditional offers to inform the organizers of the expectations of the Government and the MEFAC, as well as the obligation to facilitate the MEFAC Secretariat’s monitoring work.
2. The Tourism Commission has redeployed staff with accounting background to assist with the verification and cross-checking of the post-event reports and audited accounts submitted by organizers of MEF-supported events.
3. The Tourism Commission has started discussion with the Labour Department on the way to define the meaning of “paid jobs” in the funding agreement.
4. The MEFAC Secretariat has started documenting the checking and/or clarifications made with the organizers of MEF-supported events during the verification and cross-checking of the post-event evaluation reports and audited accounts submitted by the organizers.
5. Bearing in mind that the continuity of the MEFAC is important in ensuring the consistency of assessment, the Government has reappointed the Chairman and members of the MEFAC for a new term of two years, and has appointed a new member from the accounting profession and with rich knowledge on the tourism sector to the MEFAC.

6. The MEFAC has started arranging to use tele-conference facilities to enable MEFAC members who are out of town during AC meetings to take part in the meetings.
7. Organizers of MEF-supported events have been asked to develop more scientific methods in counting participants.

Measures / actions to be taken in the near future

1. The MEFAC Secretariat will put a specific requirement in the Guidelines to MEF Application, application form, funding agreement and evaluation form, such that organizers of MEF-supported events must declare any potential conflict of interest, in particular those involving monetary transactions. Such declarations must either be done in writing or be recorded properly in writing.
2. The MEFAC Secretariat will put a specific requirement in the application form and evaluation form, such that organizers of MEF-supported events must disclose their management team and any related-parties who will be actively involved in organizing the events. Such disclosure and the Government's agreement thereto must either be done in writing or be recorded properly in writing.
3. The MEFAC Secretariat will put a specific requirement in the application form and evaluation form, such that organizers of MEF-supported events must disclose any intention on their part to organize in Hong Kong or overseas any kind of activities/events of similar contents and nature to the MEF-supported events. The Secretariat will also develop a standard clause in the funding agreement on such requirement and the need for the organizers to seek the Government's consent.
4. The MEFAC Secretariat will state explicitly in the funding agreement that charges relating to commercial sponsors should not be covered by MEF funding, and that the organizers of MEF-support events must notify the Government in writing and seek the Government's consent should there be any special arrangement for returning sponsorship to

commercial sponsors.

5. The MEFAC Secretariat will record the scores awarded to each MEF application under each individual assessment criteria in the minutes of the corresponding MEFAC meetings.
6. The MEFAC Secretariat will step up monitoring of the declaration of interests in relation to the procurement of services and recruitment of key personnel by the organizers of MEF-supported events.
7. The MEFAC Secretariat will step up random verification on the deliverables and targets as reported by the organizers and request the organizers to ensure that all event expenditure items should be supported by official invoices/receipts. The MEFAC Secretariat will check whether the organizers have fulfilled these requirements when conducting the random document checks.

Measures / actions to be taken in the longer term

1. The Tourism Commission will seek resources for recruiting/deploying on a longer term basis staff members with accounting/auditing knowledge to the MEFAC Secretariat to enhance the effectiveness of its monitoring work.
2. The Tourism Commission will consider whether, and if so how, the assessment criteria for MEF applications and the key performance indicators for MEF-supported events should be updated and revised.
3. The Government will conduct a comprehensive review on the future of the MEF before its expiry in March 2017.