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**F.C. 3/2012 (Revised)**

**Revised Minutes of the 44<sup>th</sup> Meeting of the Finance Committee  
held at 11:00a.m. on Tuesday, 20 March 2012  
in the Boardroom, 2<sup>nd</sup> Floor, HKPC Building  
78 Tat Chee Avenue, Yau Yat Chuen, Kowloon**

**Present** : Chairman - Mr. Victor Ng

Members - Mr. Clement Chen, BBS, JP  
Mr. Davey Chung  
Mr. Adolph Leung, JP  
(representing Mrs. Helen Chan, JP)  
Mrs. Agnes Mak Tang Pik-ye, MH, JP  
Dr. David Ng  
Dr. Dennis Ng Wang-bun, MH

**In attendance from HKPC** :

Mr. Tony Lam	Director, Corporate Services
Mr. Joseph Poon	Director, Technology Development
Mr. Jonathan Ho	General Manager, Corporate Communications
Dr. Samuel Leung	General Manager, Finance and Procurement
Mr. Gordon Lo	General Manager, IT Industry Development (for Matters Arising only)
Mr. Alfonso Tam	Chief Manager, Council Secretariat
Ms. Miranda Yeap	Senior Manager, Council Secretariat

**Welcome**

The Chairman welcomed Dr. Dennis Ng Wang-bun who attended the meeting for the first time.

**Vote of Appreciation**

The Chairman suggested, and Members agreed, to record a vote of appreciation to Dr. Fan Cheuk-hung for his contribution during his tenure as Member.

## **Confirmation of Minutes (F.C. 18/2011 Revised)**

The Revised Minutes of the 43<sup>rd</sup> Meeting of the Finance Committee held on 15 November 2011 had been circulated to Members and there were no further requests for amendments. The Revised Minutes were taken as read, confirmed and signed by the Chairman.

### **I. Matters Arising – Verbal report on an Integrated Enterprise Resource Planning (ERP) System in HKPC**

1. Invited by the Chairman, reported on the progress of implementing an in-house integrated ERP system by utilizing from the HKPC Reserve as endorsed and approved by the Finance Committee at its 43<sup>rd</sup> meeting on 15 November 2011 and the Council at its 118<sup>th</sup> meeting on 22 November 2011. A Request for Information was issued in November 2011 and four ERP service providers had responded. They were invited to give a solution briefing to the IT Management Committee of HKPC in January 2012. The tender specification documents were being prepared and the tender would hopefully be issued in May 2012, whilst aiming for tender evaluation in June to July 2012 and tender award in August 2012.

2. In response to , replied that an open tender would be conducted. The Request for Information was only meant to provide the Management with an initial idea of the market interest, direction and approximate cost. Other interested service providers would be free to submit bids for the open tender.

3. Members noted the progress of the implementation of the ERP System.

### **II. Financial Performance of HKPC for the First Three Quarters of 2011/12 (April – December 2011) (F.C. 1/2012)**

4. Invited by the Chairman to brief Members, reported that for the first three quarters of 2011/12, HKPC's total fee income was \$241.4M, which was less than the budget by HK\$8.3M or 3%, mainly due to the less than budgeted income in consultancy services and in-class training courses. Total expenditure for the same period was HK\$368.8M, or 2% less than the budget, mainly due to savings in staff emoluments and capital expenditure for capital equipment. Total

surplus for April to December 2011 amounted to HK\$6.4M which was less than the budget by \$1.2M.

5. Continuing, reported that the provision for staff annual leave was reduced by 6.8% to HK\$21.5M in December 2011 from a year ago. During the same period, the number of staff annual leave days with financial implication had also been reduced by 11.5%, from 13,455 to 11,910.

8. In line with the practices to better manage the overall financial position, informed Members that the Management was arranging for all capital expenditure to be controlled by the Corporate to ensure that it would be spent as budgeted. On operating income, said that with a number of projects in the pipeline, was carefully optimistic that the topline could be met.

10. In response to enquiry over the percentage drop in housing allowance not tallying with the percentage drop in salaries, explained that only staff of senior consultant rank or above would be entitled to housing allowance, hence the percentage changes would not be proportionate to one another. added that the variance was also due to the fact that the recent retirement/departure of senior staff whose replacement would generally enjoy fringe benefits (such as non-accountable cash allowance) at comparatively lower rates.

12. Members noted HKPC's financial performance of the first three quarters of 2011/12 (April – December 2011).

### **III. Quarterly Report on Investment of HKPC's Funds (April – December 2011) (F.C. 2/2012)**

13. Invited by the Chairman to report, \_\_\_\_\_ briefed Members that as at 31 December 2011, HKPC's cash balance was HK\$146M. \_\_\_\_\_ said that under the existing investment strategy, all of HKPC's funds were placed in time deposits or savings accounts.

\_\_\_\_\_ The actual bank interest income earned by HKPC during the first three quarters of 2011/12 was HK\$0.88M, representing an average return rate of 0.9% which was higher than the 0.01% average interest rate for savings accounts offered by major banks in Hong Kong.

14. In response to Members' concern on the restrictions imposed on the investment of funds, \_\_\_\_\_ informed Members that the Financial Services and Treasury Bureau had not yet come up with an update of the Investment Guidelines for government departments and quangos. \_\_\_\_\_ undertook to follow up and inform HKPC once there was a decision.

16. Members noted the quarterly report on investment of HKPC's funds for the period April-December 2011 as at 31 December 2011.

### **IV. Any Other Business**

#### **(A) Attendance Record of FC Members**

17. Members noted their attendance record in 2011 tabled at the meeting.

### **V. Date of Next Meeting**

18. It was agreed that the date of the next meeting was scheduled for 24 July 2012 at 2:30pm.

19. There being no other business, the Chairman thanked Members for their attendance and the meeting was adjourned at 11:45a.m.