

## **THE HONG KONG HOUSING AUTHORITY**

### **Memorandum for the Commercial Properties Committee, Finance Committee and Management & Operations Committee**

#### **Delegated Financial Limits**

#### **Annual Report on Approvals Granted under Delegated Authority and Write-offs of Irrecoverable Rent from 1 April 1996 to 31 March 1997**

#### **PURPOSE**

To inform Members of the approvals granted under delegated authority and the write-offs approved during the year ended 31 March 1997. These approvals were given in accordance with the delegated financial limits approved by the Establishment and Finance Committee (EFC) on 13 May 1996 vide EFC Paper No. 41/96.

#### **APPROVALS GRANTED UNDER DELEGATED AUTHORITY**

2. At the EFC meeting held on 27 April 1989, Members agreed that a report on approvals granted under delegated powers by the Housing Department Tender Board and by all officers at or above the Assistant Director (D2) level should be submitted for information each year.

3. During the year 1996/97, approvals granted by the Housing Department Tender Board and by officers at or above the Assistant Director (D2) level were on construction works, maintenance and minor works, environmental planting, acquisition of items of standard stores (e.g. uniform) and non-standard stores (e.g. locker), computer and related purchase/services, cleansing and security guard contracts, and appointment of consultants etc.

4. A summary of tenders approved by the Housing Department Tender Board during 1996/97 is as follows -

<b>Nature of Expenditure</b>	<b>Total amount approved \$M</b>	<b>Highest amount approved \$M</b>	<b>Lowest amount approved \$M</b>
Recurrent	66.2	5.0	0.2
Non-recurrent	<u>75.3</u>	<u>5.0</u>	<u>0.1</u>
Total	141.5	5.0	0.1

There were 25 approvals for recurrent expenditure, 24 approvals for non-recurrent expenditure, giving a total of 49 approvals for the year. Details of the approvals granted are given at **Annex 1**.

5. During 1996/97, 558 approvals of expenditure, totalling \$926.4M, were granted by officers at, or above, the Assistant Director (D2) level, with the highest amount approved being \$13.5M. Details of the approvals granted are given at **Annex 2**.

6. The only one approval granted for the increase of the original contract sum, i.e. variation of \$1M or more, during 1996/97 is as follows -

<b>Approving authority</b>	<b>Number of approvals</b>	<b>Total amount of increase approved \$M</b>
Assistant Director/ Housing Architect	1	2.12

7. A summary of approvals granted during 1996/97 for virement of funds in excess of \$500,000 and for supplementary provisions is as follows -

<b>Approving Officer</b>	<b>Number of approvals</b>	<b>Total amount vired \$M</b>	<b>Highest amount vired \$M</b>	<b>Lowest amount vired \$M</b>
Director of Housing	5	92.8	72.5	3.5
Deputy Director/Administration	3	4.6	1.8	1.3
Deputy Director/Finance*	2	1.8	1.2	0.6
Assistant Director/Finance*	5	4.5	1.1	0.6
Total	<u>15</u>	<u>103.7</u>	<u>72.5</u>	<u>0.6</u>

\* Assistant Director/Finance has been upgraded to Deputy Director/Finance with effect from 14 February 1997

## WRITE-OFFS APPROVED

8. During 1996/97, the total amount of rent written-off (including counterfeit bank notes) is as follows -

		<b>(i)</b> <b>Amount of Write-off \$</b>	<b>(ii)</b> <b>Total Amount of Rent Receivable \$M</b>	<b>(i)/(ii)</b>  <b>%</b>
<b>Domestic</b>				
Rent (including licence fees for Temporary Housing Area)		1,455,416	8,925	0.01631
Counterfeit Bank Notes and Coins		9,220	-	0.00010*
	Sub-total	1,464,636	8,925	0.01641
<b>Commercial</b>				
Rent		316,780	4,605	0.00688
	Total	1,781,416	13,530	0.02329
	1995/96	996,252	12,180	0.01354

\* As a percentage of the total domestic rent receivable.

9. The total domestic rent written off was \$1.5 million whereas the total commercial rent written off was \$0.3 million. The amount of domestic and commercial rent written off is relatively small, which is 0.023% of the total rent received/receivable. These write-offs, which were considered necessary because the tenants had absconded or gone bankrupt or remained untraceable, were approved by departmental officers under delegated authority in accordance with Financial Instruction No. 17 of 1993/94 and No. 14 of 1996/97.

10. The counterfeit bank notes and coins written off during 1996/97 are as follows -

<b>Counterfeit Bank Note</b>	<b>Number of Bank Notes</b>	<b>Amount \$</b>
\$1,000	7	7,000
\$100	22	2,200
\$20	<u>1</u>	<u>20</u>
	30	9,220
1995/96	12	3,710

## **REVIEW OF THE DELEGATED FINANCIAL LIMITS**

11. A review of the delegated financial limits has just been completed in light of the recent re-organisation of the Department. A paper will be submitted to the Finance Committee shortly to seek Members' approval on the revised limits.

**PUBLICITY**

12. No publicity is considered necessary.

**INFORMATION**

13. This paper is issued for Members' information.

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