

**Port Welfare Committee  
Review on Income and Expenditure Account**

**Background**

In an attempt to review the annual income and expenditure account of the Port Welfare Committee in the past five years, the Marine Department proposes to implement some cost reduction measures in order to maximize the usage of the donations received for the welfare of all serving seamen. A summary statement of the income and expenditure account of the Committee from 1995-96 to 1999-2000 is provided at Annex for members' reference.

**Observation**

2. As reflected from the annual account, the Committee has maintained an average income of about \$120,000 per year from donations received. As regards expenditure, there has been a moderate increase from about \$21,800 to \$24,000 (i.e. about 10%) during the last five years, mainly attributable to the increase in the accountancy and audit fees. Although the increase is considered reasonable, the fact that the annual expenditure on accountancy and audit fees has amounted to over 10% of the Committee's yearly income has become a matter of concern and suggestions were received from the shipping community that the Committee should try to explore cheaper means to provide the necessary service.

**Proposal**

3. Since the Committee's accounts is relatively simple and the money involved limited, the Marine Department can appoint a departmental staff to provide the service required. In order to reduce the Committee's expenditure on accounting and auditing services, the Marine Department proposes to :-

- (a) appoint an officer of the Marine Department to take up the book keeping and accounting duties of the Committee; and
- (b) invite quotations for the appointment of a certified public accountant as the auditor of the Committee's accounts.

4. Taking into account of the simple and straight forward nature of the accounts of the Committee, it is considered that the proposed changes would not have any adverse effect on its functions and operation.

**Advice sought**

5. Members' advice is sought on the proposal set out in para. 3 above.

Port Welfare Committee Secretariat  
April 2000