30 November, 2010

Dear Members, Donors, Friends and Supporters of the Foundation,

You must be aware of the recent headline news on the Audit Commission's Report on DSS schools, and the inclusion of our two schools under the long list of DSS schools which are said to have not adhered to some of the Education Bureau guidelines on school governance and administration.

We wish to point out that just like most other DSS schools, HKUGA Primary School and HKUGA College had never been informed during the audit process by either the Audit Commission or the Education Bureau about the allegations, not to say that the two schools had ever been given any chance to respond or give explanations. As expected, audit findings resulting from such a process can at best be controversial, as many of the comments are not well-founded nor supported by facts, while others involve merely minor technicalities which could be easily rectified by schools if notified.

It may be true that there are several cases involving other schools which probably deserve public inquiry, that there is room for improvement in governance and administration generally, and that the Education Bureau could do better in school supervision and realigning their outdated guidelines and regulations. But unfortunately the media have played up the issues with sensational headlines, unfair accusations and biased comments, thereby causing great damage to the good image of the whole DSS school sector, for which many have worked hard to establish in the past decade.

In response to the relevant paragraphs of the Audit Commission Report where our schools have been specifically mentioned, our two School Supervisors have already issued separate letters to parents to clarify the situation. The Chinese versions of the letters are attached herewith for your reference, and the English versions will be available upon request to the Secretariat in the next day or two. You will note that there are not many allegations involving our schools. Some of the comments relate to rather trivial matters largely due to a lack of understanding of relevant operations and insufficient enquiry during the audit, while there are others which point back to government.

Although there is a lot of unfairness in the media about the DSS school sector, which leads to concerns among many people, we are pleased that our parents have shown enormous trust and confidence in our schools in the past two weeks. The schools will continue to communicate with parents, teachers and students on the matter through our usual formal and informal channels.



While the Audit Commission findings do not point to any major problems with our schools, we have taken the opportunity to review and strengthen our systems and procedures. The Finance Subcommittee of the Foundation will initiate further efforts in this direction, including the possible combination of the finance and accounting functions of the two schools, and the setting up of an independent internal control unit.

We also wish to update you of the latest position in respect of our school finances. The Primary School has now been in full operation for sometime, and has been able to accumulate a reserve to finance its planned renovation and future expansion in facilities. And as operations progressively expand, the College finally achieved a surplus last year after several years of initial deficits. Although the accumulated reserve is still small, we are happy to say that this is the first year the Foundation does not need to provide an undertaking to Government to guarantee unlimited financial support for the College. As most of us are aware, we have achieved this through a conscientious effort to keep our cost reasonable without sacrificing quality, and our school fees remain one of the lowest and most affordable among schools of comparable quality and standards.

If you have any query or would like to give us your valuable opinions, please feel free to contact me or our Executive Director, Mr. Andrew Fung (Tel: 2240 6902, 2240 6913, ahkfung2000@yahoo.com.hk).

Yours truly,

S Y Choi Chairman