



**Report of the Audit Committee of  
Craigengower Cricket Club for the year 2020 / 21**

**紀利華木球會稽核委員會二零二零/二一年度工作報告**

Pursuant to Article 9 of the Club's Articles of Association, the Audit Committee is formed to measure and evaluate the effectiveness of the financial and operational activities of the Club. All Members of the Audit Committee are not General Committee members, Convenors or members of Sub-committees of the Club.

根據本會組織章程細則第 9 條之規定，稽核委員會的成立旨在考量及評估本會財務與運作的成效。稽核委員會所有成員均非本會理事會成員、召集人或其他小組成員。

**Introductory Remark**

**引言**

On 5 March 2021, this Audit Committee (AC) had its six members duly appointed in the Extraordinary General Meeting. The first AC meeting was held on 10 March 2021 in which Tse Hon Kin was elected the Chairman of the AC. One of the missions of this new AC is to prepare the Report for the year 2020/21.

稽核委員會 (AC) 的六名成員於二零二一年三月五日的特別會員大會上，獲正式任命。第一次稽核委員會會議於二零二一年三月十日舉行，謝漢堅先生當選為稽核委員會主席。這個新任稽核委員會的其中一項任務是編寫二零二零/二一年報告。

Time is obviously inadequate for the new AC to exercise proper audit functions on the financial and operational activities for the full year. Therefore this AC will focus on the following up of the recommendations in the 2019/20 AC report and review the progress of implementation of the actions to be taken by the General Committee (GC).

新任稽核委員會顯然沒有足夠的時間對全年的財務和營運活動進行全面的審查。因此，本稽核委員會將重點關注 2019/20 稽核委員會報告中建議的後續行動，並審核理事會的跟進情況。

We also express our initial views on the “Review on Corporate Governance, Risk Management and Food & Beverage Operations” report prepared by the consulting firm M/S Ernst & Young which was submitted to the GC in February 2021. The issue of F & B Operations is being closely monitored by the GC for improvements and as no detailed study had been made, we will just give our observations for the consideration of GC.

我們亦對顧問公司安永所編寫並於二零二一年二月提交給理事的「審視企業管治、風險管理和餐飲營運」報告發表了初步意見。理事會正密切監視餐飲業務的問題，以進行改進工作。由於尚未進行詳細的研究，因此我們只提供觀察結果供理事會參考。

We also state some issues proposed to be addressed by the 2021/22 AC which we consider are important and urgent issues to be tackled.

我們還向二零二一/二二 稽核委員會指出了一些重要且迫切需要解決的問題，好讓他們考慮處理。

This report is composed of 3 parts. Part A is on the “2019/20 Audit Committee’s Observations & Recommendations” and the present position of the recommendations. Part B is the “Audit Committee’s Findings & Recommendations” of the 2020/21 Audit Committee. Part C states the issues not covered by the 2020/21 AC which are suggested to be reviewed by the next (2021/22) AC.

這報告共分為三部分。甲部分是「二零一九/二零稽核委員會的報告」。乙部分是「二零二零/二一稽核委員會的報告」。丙部分陳述了二零二零/二一稽核委員會未涵蓋的問題，建議下一屆（二零二一/二二）稽核委員會跟進。

**PART A: 2019/20 Audit Committee's Observations & Recommendation**

**甲部分：2019/20 稽核委員會之所見和建議**

	<b>2019/20 Audit Committee's Observations &amp; Recommendations</b> 2019/20 稽核委員會之所見和建議	<b>2019/20 GC's Responses</b> 2019/20 理事會的回應	<b>Progress made by the 2020/21 GC</b> 2020/21 理事會取得的進展	<b>2020/21 AC's Comments</b> 2020/21 稽核委員會的意見
<b>A1</b>	<b>Corporate Governance</b> 企業管治			
a.	<p>The GC should assess the effectiveness of the Club's governance.</p> <p>理事會應評估本會的管治是否有效。</p>	<p>Agreed.</p> <p>同意。</p>	<p>An external consultant has been appointed for the purpose.</p> <p>為此已任命了一名外間顧問。</p>	<p>EY's report merely reconfirm the need to establish a governance framework. The 2019/20 AC had the following recommendations which we also agree. The next step for GC action is to come up with a risk management plan which include risk identification; assessment of risk level; measures for risk mitigation; and identification of residual risk if any. An internal audit manager will need to perform control testing to ensure all control procedures are being followed without exception.</p> <p>安永的報告僅重申了建立管治框架的必要性。二零一九/二零年度稽核委員會作出了如下建議，我們亦贊同。理事會下一步的行動是提出一個風險管理計劃，其中包括風險識別；評</p>

	<b>2019/20 Audit Committee's Observations &amp; Recommendations</b> 2019/20 稽核委員會之所見和建議	<b>2019/20 GC's Responses</b> 2019/20 理事會的回應	<b>Progress made by the 2020/21 GC</b> 2020/21 理事會取得的進展	<b>2020/21 AC's Comments</b> 2020/21 稽核委員會的意見
				估風險水平；減免風險的措施；並確定剩餘風險（如有的話）。內部稽核經理將需要執行監控測試，以確保無一例外地遵守所有監控程序。
b.	To develop a risk management programme.  制訂風險管理計劃。	Agreed.  同意。	An external consultant has been appointed for the purpose.  為此已任命了一名外間顧問。	Ditto.  同上。
c.	Set up an internal audit function.  建立內部監控職能。	Agreed.  同意。	An external consultant has been appointed for the purpose.  為此已任命了一名外間顧問。	Ditto.  同上。
d.	Employ an independent external advisor to conduct evaluation of the adequacy of risk management efforts.  聘請外間的獨立顧問，評估現有風險管理工作的充足性。	Agreed & has set up an ad hoc Sub-committee for appointing a management consultant to review the Club's governance.  同意並成立了一個特設小組，進行任命一管理顧問檢視會所的管治。	An external consultant namely EY has been appointed to review the Club's Corporate Governance. A report has also been submitted by EY.  已任命了一名外間顧問「安永」檢視會所的管治。安永亦已提交了一份報告。	Ditto.  同上。

	2019/20 Audit Committee's Observations & Recommendations 2019/20 稽核委員會之所見和建議	2019/20 GC's Responses 2019/20 理事會的回應	Progress made by the 2020/21 GC 2020/21 理事會取得的進展	2020/21 AC's Comments 2020/21 稽核委員會的意見
<b>A2</b>	<b>Food &amp; Beverage 餐飲</b>			
a.	Operating cost is too high, in particular the staff cost.  餐飲服務的營運成本過高，尤以員工成本為然。	The GC shared AC's view.  理事會認同稽核委員會的看法。		See comments in Parts B(2), C(1c) & C(2c).  請參閱乙(2)、丙(1c)及丙(2c)部分的意見。
b.	Professional F&B Manager should be appointed.  應聘請專業的餐飲經理。	Agreed.  同意。	A professional F&B Manager has been appointed.  已聘請一名專業的餐飲經理。	The new manager was on board on 1 Feb 2021. He should be tasked to come up with an improvement plan and a budget for review by GC within a reasonable time.  新任經理已於二零二一年二月一日上任。他應盡快提出一個改進計劃及預算，並由理事會檢視。
c.	Experienced F&B buyer should be appointed.	Agreed.	The F & B Manager is reviewing the current practice in the F&B purchase. He is requested to provide comments and propose improvement from the aspect of practicality to ensure the compliance by the F & B buyer.	Nil.

	<b>2019/20 Audit Committee's Observations &amp; Recommendations</b> 2019/20 稽核委員會之所見和建議	<b>2019/20 GC's Responses</b> 2019/20 理事會的回應	<b>Progress made by the 2020/21 GC</b> 2020/21 理事會取得的進展	<b>2020/21 AC's Comments</b> 2020/21 稽核委員會的意見
	應聘請富有經驗的餐飲部採購員（買手）。	同意。	餐飲經理正在檢視目前餐飲部採購工作的做法。他被要求從執行的角度提出意見及改善方法，以確保餐飲採購員能跟隨既定的指引執行職務。	無。
d.	Professional consultant in the catering industry should be appointed.  應聘請專業餐飲顧問。	Agreed & would appoint a consultant after the appointment of F&B Manager.  同意，並將在聘請餐飲經理後，任命餐飲顧問。	A Member who has had rich experience in F&B industry has been co-opted onto the Ad Hoc F&B Sub-group to provide guidelines.  一名富有餐飲業經驗的會員已獲邀加入專責餐飲小組，以提供指引。	We understand that a member with expert knowledge in F&B were agreed to perform such role.  我們得悉一名具有餐飲業專業知識的會員同意擔任該職務。
e.	Members who have had first-hand experience in the catering industry should be co-opted onto the F&B Sub-committee to provide professional guidance.  邀請擁有相關行業經驗的會員加入餐飲小組，以提供專業指引。	Agreed.  同意。	Ditto.  同上。	Ditto.  同上。
f.	Opinion survey should be conducted periodically.	Agreed.	Some Comments Forms have been provided at the two dining	Nil.

	<b>2019/20 Audit Committee's Observations &amp; Recommendations</b> 2019/20 稽核委員會之所見和建議	<b>2019/20 GC's Responses</b> 2019/20 理事會的回應	<b>Progress made by the 2020/21 GC</b> 2020/21 理事會取得的進展	<b>2020/21 AC's Comments</b> 2020/21 稽核委員會的意見
	定期進行意見調查。	同意。	rooms for Members to express their views. A professional body will be appointed for conducting a survey and analyzing the data.  已在兩間餐廳提供了一些意見表，供會員表達意見。並將任命一所專業機構進行調查和分析數據。	無。
<b>A3</b>	<b>Special Voting Membership System</b> 特別遴選會員制度			
a.	GC should take a courageous move to raise its standard of governance by revamping the SVM system.  理事會應勇於行動，透過改組特別遴選會員制度，提高管治水平。	Agreed. Corporate Governance consultant would be invited to review the situation & propose improvement measures.  同意。企業管治顧問將獲邀檢視情況並提出改善措施以便實行。	A consultant has been appointed to review the situation.  已任命了一名顧問檢視情況。	EY's report only serve to reconfirm the issue with some very high-level suggestions. GC would need to come up with a more concrete plan that can meet the expectation of Home Affairs Bureau.  安永的報告僅通過一些非常高層次的建議來再次確認問題。理事會需要提出一個更具體的計劃，滿足民政事務局的期望。

	<b>2019/20 Audit Committee's Observations &amp; Recommendation</b> 2019/20 稽核委員會之所見和建議	<b>2019/20 GC's Responses</b> 2019/20 理事會的回應	<b>Progress made by the 2020/21 GC</b> 2020/21 理事會取得的進展	<b>2020/21 AC's Comments</b> 2020/21 稽核委員會的意見
b.	The governing structure should be reviewed in particular the share of power & responsibilities between the SVMs & OVMs.  應檢討本會的管治架構，尤其是特別遴選會員與普通遴選會員之間的權責分配。	Agreed & a consultant has been appointed for the purpose.  同意，為此已任命了一名顧問。	A consultant has been appointed to review the situation.  已任命了一名顧問檢視情況。	Ditto.  同上。
c.	Two possible reform proposals were put forward to the GC for consideration.  兩個可行的改革方案已交理事會進行研究。	To be considered by the Constitution Subcommittee & Corporate Governance Review Subcommittee.  有待會章小組及企業管治檢視小組進行研究。	The two "incentive" proposals are not accepted by the GC. The GC is considering to increase the votes entitlement of the OVMs and their representation in the GC.  理事會不接受這兩個「獎勵」式的建議。理事會正在考慮增加普通遴選會員的投票權及其在理事會中的代表。	Nil.  無。
d.	Extensive treating of SVMs should be avoided.	The GC does not encourage such practice and would remind potential election candidates not to do so.	The GC has resolved that GC members should not attend the election related parties six weeks before the election.	No exception noted by Audit Committee.



	<b>2019/20 Audit Committee's Observations &amp; Recommendations</b> 2019/20 稽核委員會之所見和建議	<b>2019/20 GC's Responses</b> 2019/20 理事會的回應	<b>Progress made by the 2020/21 GC</b> 2020/21 理事會取得的進展	<b>2020/21 AC's Comments</b> 2020/21 稽核委員會的意見
	應避免特別遴選會員廣泛宴請的行為。	理事會並不鼓勵這種做法，並將提醒選舉候選人不要進行宴請的活動。	理事會決定，理事會成員在選舉前六週不得參加與選舉有關的宴請。	稽核委員會同樣受限。
<b>A4</b>	<b>Gymnasium</b> 健身室			
a.	A larger Gymnasium with more modern & popular equipment should be provided for Members' work-out.  擴充健身室面積，裝置更多現代化和受歡迎的設備，以供會員使用。	Accepted subject to the availability of space in the Club.  同意擴充健身室的面積，唯須考慮可供發展的空間。	The GC opined that the Club should not focus on making improvement to the Gymnasium only. Instead, the GC will seriously look into the means for upgrading the sub-standard sports facilities of the Club.  理事會認為會所不應只專注於改善健身室。反之，理事會將認真研究把會所不合標準的體育設施升級的方法。	Nil.  無。
<b>A5</b>	<b>Priority Admission to Club Membership</b> 優先處理入會的安排			
a.	The waiting time for member admission is usually 5-6 years but the GC gave priority admission to one who waited for 2 years only. The 2019/20 AC considered the priority	There are cases deserving priority processing for applicant with significant contribution to the development of sports etc.	The matter has already been explained to the 2019/20 AC and the background of the special arrangement made was accepted by them.	Nil.

	<b>2019/20 Audit Committee's Observations &amp; Recommendations</b> <b>2019/20 稽核委員會之所見和建議</b>	<b>2019/20 GC's Responses</b> <b>2019/20 理事會的回應</b>	<b>Progress made by the 2020/21 GC</b> <b>2020/21 理事會取得的進展</b>	<b>2020/21 AC's Comments</b> <b>2020/21 稽核委員會的意見</b>
	<p>admission channel had been abused and could be a source of complaint.</p> <p>入會申請的輪候期通常為五至六年，但理事會曾優先處理一名申請人的入會申請，其輪候時間僅為兩年。二零一九/二零稽核委員會認為優先入會的渠道容易被濫用，更可能引致投訴。</p>	<p>有一些值得優先處理的案例，例如對體育運動的發展有重大貢獻的申請人等。</p>	<p>此問題已向二零一九/二零年稽核委員會解釋，他們亦已接受了相關安排的背景。</p>	<p>無。</p>

### **Recognition to the contributions of the 2019/20 AC by the 2020/21 AC**

#### **2020/21 稽核委員會對 2019/20 稽核委員會貢獻的認可**

As the newly elected AC, we are gifted with an excellent annual audit report prepared by the 2019/20 AC. We also note that in the year 2020, the 2019/20 AC continued to perform its functions and held 4 meetings prior to the holding of the AGM in September 2020. The 2020/21 AC will follow its track of work until the next AC is formed.

作為新當選的稽核委員會，我們很榮幸獲得二零一九/二零稽核委員會撰寫的卓越工作報告。我們還注意到，在二零二零年，二零一九/二零稽核委員會繼續履行其職責，並在二零二零年九月舉行的週年會員大會之前召開了四次會議。二零二零/二一稽核委員會將遵循其工作軌道，直到下一屆稽核委員會成立為止。

**PART B: 2020/21 Audit Committee's Findings & Recommendations**

**乙部分：2020/21 稽核委員會之所見和建議**

	<p align="center"><b>Findings &amp; Recommendations of the 2020/21 Audit Committee 2020/21 稽核委員會之所見和建議</b></p>	<p align="center"><b>General Committee's Responses 理事會的回應</b></p>
<p><b>B1</b></p>	<p align="center"><b>“Review on Corporate Governance, Risk Management and Food &amp; Beverage Operations” 「關於企業管治，風險管理和餐廳營運的審查」</b></p>	
	<p>The Corporate Governance Review Sub-committee in this year was responsible for the appointment of a professional consulting firm to conduct the Review, and to facilitate the firm to conduct a formal review of three areas, namely Corporate Governance, Risk Management and Food &amp; Beverage Operations.</p> <p>本屆的企業管治及審查小組委員會負責任命專業顧問公司進行審查，並協助本會就企業管治、風險管理及餐飲營運這三個範疇進行深入審查。</p> <p>This AC understands that a draft report had been submitted to the GC in February 2021 which had been accepted, and this Sub-committee has assisted the GC to critically evaluate the review and recommendations. It is likely that many recommendations are accepted and implementations have been started, but a few recommendations might have implementations deferred, and some might not be accepted by the GC.</p> <p>稽核委員會知悉，審查報告的草稿已於二零二一年二月提交給理事會，並已被接納。稽核委員會將協助理事會就報告內的評論和建議作出嚴格的評價。當中可能有許多建議已被接納並且已經開始實施，但是一些建議可能推遲實施，或不被理事會接納。</p> <p>This AC suggests to the GC for the drawing up of an implementation plan and setting up of</p>	<p>Agreed. The GC will request the next GC to</p>

	<p style="text-align: center;"><b>Findings &amp; Recommendations of the 2020/21 Audit Committee 2020/21 稽核委員會之所見和建議</b></p>	<p style="text-align: center;"><b>General Committee's Responses 理事會的回應</b></p>
	<p>time schedule for implementation and completion. The plan should include actions taken / to be taken, responsible parties, target date of completion, and status and date of completion. For recommendations deferred and/or not accepted, reasons and analysis should be given by the GC.</p> <p>稽核委員會建議理事會應制定執行方案，並訂下執行時間表。方案應包括已採取/將採取的行動、負責部門、目標完成日期、進度和完成日期。理事會應就暫緩和/或不被接受的建議，提供合適的理由和分析。</p> <p>The 2021/22 AC is suggested to exercise audit functions on the Review and its implementations.</p> <p>建議二零二一/二二稽核委員會履行其職責，對審查報告中提出的建議及其執行方案作出稽核。</p>	<p>look into the matter.</p> <p>同意。理事會將要求下一屆理事會作出跟進。</p>
<b>B2</b>	<b>Food and Beverage Operations 餐飲營運</b>	
	<p>Ever since the taking over of the catering service by the Club in April 2019, loss has been incurred almost continuously. In the year 2020, loss of \$8.2 million was suffered. Loss making is not due to slack management and on the contrary this AC noted with appreciation the devotion of the GC and the F &amp; B Convenor and his Sub-committee. With no previous experience to run such type of food business, and also due to the subsequences of the pandemic and social unrest, it is natural that the Club's F&amp;B operations was badly affected. Knowing the deficiencies as revealed in the past months, the GC took proactive actions to find remedial measures including:</p>	

	<p style="text-align: center;"><b>Findings &amp; Recommendations of the 2020/21 Audit Committee 2020/21 稽核委員會之所見和建議</b></p>	<p style="text-align: center;"><b>General Committee's Responses 理事會的回應</b></p>
	<p>自二零一九年四月理事會自行接管會所的餐飲服務後，幾乎一直錄得虧損。於二零二零年，本會餐飲部的虧損合共八百二十萬元。但虧損並不是由於理事會管理不善而造成。反之，稽核委員會讚揚理事會和餐飲委員會召集人及其小組成員的付出和貢獻。在缺乏經營餐飲業務的經驗下，加上受疫情及社會動盪影響，會所餐飲部所遇到的困境是可以理解的。經過多月來對餐飲部的深入了解，理事會已找出存在的問題，並積極地進行改善工作，包括：</p> <p>(a) The setting up of an Ad Hoc Food &amp; Beverage Sub-group comprising 3 GC members to review for improvements in November 2020. Then a number of meetings with the catering staff had been held for better understanding and exchange of views.</p> <p>在二零二零年十一月成立了由三名理事會成員所組成的專責餐飲小組，旨在研究餐飲部的改進工作。及後，專責餐飲小組透過多次與各餐飲部員工的會面，深入地了解問題和交換意見。</p> <p>(b) Two F &amp; B Consultants to the President who are members of the Club with good experience were coopted to assist and give advice and directions.</p> <p>兩名富餐飲經驗的會員，獲邀擔位會長的餐飲顧問，為專責餐飲小組提供建議和指導。</p>	

	<p style="text-align: center;"><b>Findings &amp; Recommendations of the 2020/21 Audit Committee 2020/21 稽核委員會之所見和建議</b></p>	<p style="text-align: center;"><b>General Committee's Responses 理事會的回應</b></p>
	<p>(c) The recruitment of one F &amp; B Manager and one F&amp;B Buyer to ensure proper management and purchasing can be effected. The F &amp; B Manager has indeed reported duty in early February.</p> <p>透過招募一名餐飲經理和一名餐飲採購員，以確保會所的餐飲服務及採購工作得到妥善的管理。餐飲經理已於二月初到職。</p> <p>(d) The employment of M/S EY to study and give a report covering F &amp; B Operations.</p> <p>聘請安永審視會所餐飲的營運並就所見提交報告。</p> <p>M/S EY's report has been accepted by the GC. This AC and particularly the next AC will be involved to review and evaluate its implementation.</p> <p>理事會已接納安永的報告。本屆稽核委員會及下一屆稽核委員會將審視和評估其執行進度。</p>	<p>Noted.</p> <p>知悉。</p>

**PART C: Issues not covered which are also suggested to be reviewed by the next (2021/22) Audit Committee**

**丙部分：建議由 2021/22 稽核委員會審視的議題**

Owing to the shortage of time, this AC will not be able to work on certain issues, either current issues brought forward from the last AC, or new issues emerged, such as the report of M/S EY. For the avoidance of omission, this AC will suggest the next AC should look into the following issues:

由於時間緊絀，本屆稽核委員會將無法處理某些事項，包括上一屆稽核委員會所提出的事項，及一些新的事項，例如安永的報告。為免遺漏，本屆稽核委員會建議來屆稽核委員會應跟進以下事項：

	<b>Findings &amp; Recommendations of the 2020/21 Audit Committee 2020/21 稽核委員會之所見和建議</b>	<b>General Committee's Responses 理事會的回應</b>
<b>C1</b>	<b>Corporate Governance 企業管治</b>	
	<p>The Private Recreational Lease (PRL) of the Club is due for renewal in 2026. The GC has addressed certain issues of concern raised by the Home Affairs Bureau (HAB) including the promotion of sports and the opening up of our facilities for use by the public. Another issue is the Corporate Governance and this AC considers some issues are inter-related which collectively reflect whether the Corporate Governance of CCC is 'good and effective' as anticipated by the HAB.</p> <p>私人遊樂場地契約（PRL）將於二零二六年續約。理事會已處理了某些由民政事務局提出，令人關注的事項，包括推廣體育運動和開放本會設施供大眾使用等。就企業管治的議題，本屆稽核委員會認為某些事項是互有關聯的，它們將共同反映本會的企業管治能否達至民政局所期望的「良好且有效」。</p>	

	<p style="text-align: center;"><b>Findings &amp; Recommendations of the 2020/21 Audit Committee 2020/21 稽核委員會之所見和建議</b></p>	<p style="text-align: center;"><b>General Committee's Responses 理事會的回應</b></p>
a.	<p>Special Voting Membership issue and Private Recreational Lease (PRL) renewal <u>特別遴選會員的問題和私人遊樂場地契約 (PRL) 續約</u></p> <p>There have been attempts to increase the SVM size through voting in EGMs and amendment of articles to change the election requirements but all were futile. We observe that SVM represents about 3% of the total number of members and the GC members must be elected from SVM. Ageing has consistently reduced the number of SVM and affect the standard of Corporate Governance which will deteriorate. HAB and the public will not consider a club with such governance structure as desirable and effective, which may affect the renewal of the PRL of the Club in 2026.</p> <p>為了增加特別遴選會員的人數，過往已嘗試在特別會員大會上投票以修改章程及改變選舉要求，但都徒勞無功。我們觀察到，特別遴選會員佔會員總數大約百分之三，而理事會的成員必須為特別遴選會員。老齡化令特別遴選會員的數量不斷減少，並使企業管治的效能惡化。民政事務局和公眾不會認為具有這樣的管治結構的會所是理想且有效的，這可能會影響到二零二六年私人遊樂場地契約的續約。</p> <p>This AC has serious concern that if no change of the method of election and the composition of SVM, it can be a good reason for the HAB not to renew the PRL, or to renew with stern terms including the reform of SVM structure.</p>	<p>The GC shares the views of the AC and has invited two OVMs to attend the GC meeting as observers. In the long run, the Articles of Association need to be amended to enable the OVMs to serve on the General Committee. Before the successful amendments of the Articles, the GC intends to invite more OVMs as observers so as to</p>



	<p style="text-align: center;"><b>Findings &amp; Recommendations of the 2020/21 Audit Committee 2020/21 稽核委員會之所見和建議</b></p>	<p style="text-align: center;"><b>General Committee's Responses 理事會的回應</b></p>
	<p>本屆稽核委員會非常憂慮，若特別遴選會員的選舉方法和架構不變，民政事務局有可能藉此不續簽私人遊樂場地契約，或以嚴苛的條件進行續約，包括重整特別遴選會員的架構。</p> <p>It is suggested that the GC should formulate ways of solutions to propose changes which would balance the benefits/anticipations of all parties. It is also expected that the next AC will contribute.</p> <p>建議理事會提出解決方案的方法，以平衡各方的利益/期望。亦期望下一屆稽核委員會為此作出貢獻。</p>	<p>increase OVMs' representation in the GC.</p> <p>理事會同意稽核委員會的觀點，並已邀請了兩個普通遴選會員以觀察員的身份參加理事會的會議。從長遠來看，需要修改組織章程，以使普通遴選會員能為理事會服務。在成功修改組織章程前，理事會打算邀請更多的普通遴選會員擔任觀察員，以增加普通遴選會員在理事會中的代表性。</p>
b.	<p>Composition of the General Committee (GC) <u>理事會的架構</u></p> <p>According to the Articles of Association, only SVM may be elected to be members of the GC and Ordinary Voting Members (OVM) cannot serve in the GC. The present GC recognizes the deficiency that OVMs with good experience and expertise and also willing to contribute are precluded from serving in the GC. The failure to increase the number of</p>	

	<p style="text-align: center;"><b>Findings &amp; Recommendations of the 2020/21 Audit Committee 2020/21 稽核委員會之所見和建議</b></p>	<p style="text-align: center;"><b>General Committee's Responses 理事會的回應</b></p>
	<p>SVM through voting leads to the repercussion of ageing of SVMs and also the decrease of SVM due to passing away. The Lawn Bowl and Tennis Convenors who are OVMs were coopted in the GC to attend GC meetings as observers and as representatives of OVMs.</p> <p>根據組織章程，只有特別遴選會員可能被選為理事會的成員，而普通遴選會員(OVM)不能在理事會中任職。當前的理事會意識到，具有豐富經驗和專業知識且願意作出貢獻的普通遴選會員不能為理事會服務是有缺陷的。無法通過投票增加特別遴選會員的數量會導致特別遴選會員老齡化。同時，特別遴選會員的數量亦因會員逝世而減少。作為普通遴選會員的草地滾球和網球召集人獲理事會邀請，擔任觀察員和普通遴選會員的代表參加理事會會議。</p> <p>This AC finds the presence of two OVMs in the GC meetings an improvement but do not consider it as fully satisfactory. Before any change to admit OVM in the GC can be made, it is suggested that the GC should try more proactive ways to increase the representation of OVMs in the GC.</p> <p>本屆稽核委員會認為在理事會會議中增加兩位普通遴選會員是一項改進，但並不完全令人滿意。建議理事會在未能進行任何改變之前，應嘗試以更主動的方法來提升普通遴選會員在理事會中的代表性。</p>	<p>The GC shares the AC's view that the "Observer" arrangement is not entirely satisfactory but is a temporary arrangement. Due effort will be made to increase OVMs' representation in the GC. This will involve consultation with Members at large and amendments of the Articles of Association.</p> <p>理事會同意稽核委員會的觀點，「觀察員」的安排並不完全令人滿意，而只是一種臨時性安排。我們將盡一切努力增加普通遴選會員在理事會中的代表性。這將涉及與所有會員的協商以及修改組織章程。</p>

	<p style="text-align: center;"><b>Findings &amp; Recommendations of the 2020/21 Audit Committee 2020/21 稽核委員會之所見和建議</b></p>	<p style="text-align: center;"><b>General Committee's Responses 理事會的回應</b></p>
c.	<p>F &amp; B Operations <u>餐飲營運</u></p> <p>Efficiency and profitability of F &amp; B Operations was one of the major concerns of the Members.</p> <p>餐飲業務的效率和盈利是會員的主要關注之一。</p> <p>This AC notes great efforts have been made which have been mentioned in other parts of this report, and are not reiterated here.</p> <p>稽核委員會在本報告其他部分已提及餐飲營運作出了很大的努力，此處不再贅述。</p> <p>The AC will have to review the effectiveness of the F&amp;B operations to ensure more efficient management and reversal of loss making situation.</p> <p>稽核委員會將審查餐飲營運的有效性，以確保高效管理和扭轉虧損狀況。</p> <p>The M/S EY report highlighted non-compliance of the Club's procurement policies and procedures which must be rectified.</p> <p>安永報告指出沒遵從會所的採購政策及程序，必需改正。</p>	<p>Agreed. It is also the aim of the GC.</p> <p>同意。這同樣是理事會的目標。</p> <p>Agreed, actions taken to ensure proper compliance on procurement.</p> <p>同意，已採取行動改正採購程序。</p>

	<p style="text-align: center;"><b>Findings &amp; Recommendations of the 2020/21 Audit Committee 2020/21 稽核委員會之所見和建議</b></p>	<p style="text-align: center;"><b>General Committee's Responses 理事會的回應</b></p>
<b>C2</b>	<b>Financial Sustainability 財政的持續性</b>	
a.	<p>Annual Income and Expenditure <u>年度收入和支出</u></p> <p>There was a change of accounting policy that the entrance fee of new members is not treated as capital income but revenue income. The direct result is that the annual deficit changed to annual surplus. The immediate impact is that members think the club is cash rich and ask the GC be 'generous' on expenditure, such as no fee charge on the use of club equipment and facilities. However, membership entrance fee is not likely to be a continuous and reliable income source as our membership is now almost full (with vacancy of 200).</p> <p>會計政策作出了改變，新會員的入會費不視為資本性收入，而是恆常性收入。直接的結果是年度赤字變為年度盈餘。即時的影響是，會員認為會所現金充裕，並要求理事會放寬支出，例如不收取使用會所設施的費用。但是，由於我們的會員人數將近滿額（空缺剩二百個），因此會員入會費不太可能是持續且可靠的收入來源。</p> <p>The GC is asked to prepare a long-term forecast on the annual amount of income of entrance fee and to ascertain when this source of income might become non-substantial.</p> <p>要求理事會為入會費的年收入額制定一個長期的預測，並確定這種收入來源何時可能變得不實際。</p>	<p>The GC shares the view that the Club should not treat the entrance fee as revenue income as the number of memberships is limited.</p> <p>理事會認同，由於會員人數有限，會所不應將入會費視為恆常性收入。</p> <p>The GC however wishes to point out that admission of additional Members would give the Club more income from the monthly subscription which is one of the main sources of revenue income.</p> <p>但是，理事會希望指出，招收額外的會員將使會所從月費中獲得更多收入。這是會所收入的主要來源之一。</p>

	<p style="text-align: center;"><b>Findings &amp; Recommendations of the 2020/21 Audit Committee 2020/21 稽核委員會之所見和建議</b></p>	<p style="text-align: center;"><b>General Committee's Responses 理事會的回應</b></p>
b.	<p>Increase of Senior Members <u>長者會員的遞增</u></p> <p>Senior Membership is another issue causing the gradual and persistent reduction of monthly membership subscription income. We understand a forecast has been made by the GC that if the existing criteria of selection does not change, then in the year 2033, 50% of the total members will be promoted to Senior Members so that only the rest 50% members have to pay to support a club of over 3,500 members (as at Dec. 2020).</p> <p>長者會員是導致月費收入逐漸和持續減少的另一個原因。我們了解到，理事會已作出預測，如果現有選拔標準維持不變，到了二零三三年，將有百分之五十的會員成為長者會員。因此只能透過剩下的百分之五十會員的月費，支撐起這間擁有超過三千五百名會員的會所（截至二零二零年十二月）。</p> <p>Whilst the AC endorses the admission of Senior Members, there is still a need to raise concern of its impact to club income. The GC is suggested to revise the criteria and to monitor the annual increase. If necessary annual quota may be set to control admission.</p> <p>稽核委員會雖然贊同長者會員的錄取，但仍然有必要關注其對會所收入的影響。建議理事會修改標準並監察長者會員的增長。如有必要，可以設置年度配額來控制錄取。</p>	<p>Agreed. The next GC will be requested to review the criteria and consider introducing an annual quota system.</p> <p>同意。下一屆理事會將被要求審視標準，並考慮引入年度配額制度。</p>

	<p style="text-align: center;"><b>Findings &amp; Recommendations of the 2020/21 Audit Committee 2020/21 稽核委員會之所見和建議</b></p>	<p style="text-align: center;"><b>General Committee's Responses 理事會的回應</b></p>
c.	<p>F &amp; B Operation at loss <u>餐飲虧損</u></p> <p>The huge loss suffered by the F &amp; B Operations was partly due to the pandemic and the earlier social unrest. However, the fundamental issue is the cost structure of the F &amp; B organization. The staff cost for the year 2020 (January to December) amounted to \$21.5M. With the turnover of \$30.9M adversely affected by the COVID 19, a net loss of \$8.2M was recorded. If there were no change of cost structure and the staff expenses of the Bar are also included, the monthly staff cost will be much higher than that found in normal restaurant business in the open market. Prior to the resumption of the restaurant business from the former caterer, the annual restaurant income was less than \$50 million annually. By guesstimate in order to achieve a breakeven situation (no profit/no loss) the annual sales should not be less than \$60M which can hardly be achieved if there were no dynamic reform of the cost structure and exploration of new sources of F &amp; B income.</p> <p>縱使餐飲業務所遭受的巨大虧損，一部分是由疫情和較早前的社會動盪所致。但是，餐飲部的成本結構才是問題的根源。二零二零年（一月至十二月）的員工成本為二千一百五十萬。受新冠肺炎影響，營業額為三千零九十萬，並錄得八百二十萬的淨虧蝕。倘若成本結構不作改善，若然把酒吧員工的開支也計算在內，餐飲部每月的員工開支將較市場上一般餐廳的高得多。在自行接管會所的餐飲服務前，餐廳的年收入每年不到五千萬。若要達致收支平衡（無利潤/虧損），每年的銷售額估計不得少於六千萬。如不改革成本結構及開拓新的餐飲收入來源，這將很難實現。</p>	<p>The loss suffered by the F &amp; B operations is one of the major concerns of the GC. Some measures have been taken to control the expenditure through:</p> <p>餐飲業務的營運虧損是理事會主要關注課題之一。理事會已經採取下列措施來控制支出：</p> <p>a) not filling the vacancies thus reducing the number of staff by 15%, 不填補職位空缺，令員工人數減少百分之十五；</p> <p>b) arranging the catering staff to take all their annual leave when the business activity was low, 當業務並不繁忙時，餐飲部員工已被安排放所有的年假；</p> <p>c) employment of <u>no</u> P/T staff,</p>

	<p style="text-align: center;"><b>Findings &amp; Recommendations of the 2020/21 Audit Committee 2020/21 稽核委員會之所見和建議</b></p>	<p style="text-align: center;"><b>General Committee's Responses 理事會的回應</b></p>
	<p>This AC expects the consolidated actions as previously mentioned will achieve efficiency improvements and rational cost structure, and maintain/improve the food and service quality.</p> <p>本屆稽核委員會希望過往提及的行動能夠提高效率 and 達至合理的成本結構，並保持/改善食品 and 服務質素。</p> <p>There have also been suggestions from this AC and also many members that the sources of income of the F &amp; B Operations can be expanded. This issue will be left for consideration by all related parties including the Ad Hoc F &amp; B Sub-group, the GC and the 2021/22 AC.</p> <p>稽核委員會及許多會員也提出了許多擴大餐飲業收入來源的建議。此問題將交由相關部門（包括專責餐飲小組，理事會 and 二零二一/二二 稽核委員會）研究。</p>	<p>沒有聘用兼職員工；</p> <p>d) negotiating with the utensils cleaning contractor to lower the service fee from \$188,000 in April 2019 to \$125,000 in January 2021,</p> <p>與餐具清潔承包商磋商，將服務費從二零一九年四月的港幣十八萬八千元下調至二零二一年一月的港幣十二萬五千元；</p> <p>e) reducing the food cost,</p> <p>減低食物成本；</p> <p>f) introducing special &amp; festive menus to attract our Members to patronize the Club's catering service; and</p> <p>推出特別菜式及節日菜單以吸引會員光顧會所的餐飲服務；及</p> <p>g) promotional works for our delicacies have been intensified by sending regular promotional materials to Members by e-mails, SMS and through the website and monthly mailing.</p>

	<p style="text-align: center;"><b>Findings &amp; Recommendations of the 2020/21 Audit Committee 2020/21 稽核委員會之所見和建議</b></p>	<p style="text-align: center;"><b>General Committee's Responses 理事會的回應</b></p>
		<p>為加強推廣，我們通過電子郵件每兩週向會員發送宣傳資料，並通過網站和每月郵寄給會員的資訊，加強對我們餐飲服務的宣傳工作。會員已經並且將繼續適時獲得會所的餐飲資訊。</p>
<p>d.</p>	<p><b>Contingent Liability of Premium Payment on Renewal of PRL</b> <u>私人遊樂場地契約續約地價的或有負債</u></p> <p>The Club seems holding a perception that if the PRL is renewed in 2026, a sizeable premium similar to those on residential and commercial land will have to be paid. The GC is saving money for this specific purpose. However, the payment of premium at a certain % of the market rate premium is just a guesstimate. The GC is suggested to take prudent measure and advise members the likely impact of premium payment to the financial aspect of the Club such as the likely increase of monthly membership subscription etc.</p> <p>會所似乎認為，如果私人遊樂場地契約於二零二六年續約，則必須支付與住宅和商業用地相若的地價。理事會為此預備了資金。但是，按市場地價的一定百分比來支付所需地價只是一種推測。建議理事會採取謹慎的措施，並向會員指出支付地價將對會所財務方面造成的影響，例如可能增加會員的月費等。</p>	<p>Agreed. Prudent measure will continue be taken to ensure sufficient money be saved for the premium to be paid. Attempts will also be made to seek clarification from the HKSAR Government regarding the amount of premium that should be paid by the Club in 2026.</p> <p>同意。將繼續採取謹慎措施，以確保有足夠的資金以支付地價。亦會向香港特區政府釐清在二零二六年應繳付的地價金額。</p>



	<p style="text-align: center;"><b>Findings &amp; Recommendations of the 2020/21 Audit Committee 2020/21 稽核委員會之所見和建議</b></p>	<p style="text-align: center;"><b>General Committee's Responses 理事會的回應</b></p>
<b>C3</b>	<b>The Size of the AC 稽核委員會的人數</b>	
	<p>This issue caused hot discussion in the AGM held in Sept 2020 and legal opinion had then been sought. However, there is still no definite answer as whether the Articles of the Club Ordinance or the Companies Ordinance can decide on the maximum number of AC members.</p> <p>這個問題在二零二零年九月舉行的週年會員大會上進行了熱烈的討論，並徵求了法律意見。但是，對於會所的章程或《公司條例》是否可以決定稽核委員會成員的最多人數，仍然未有確切的答案。</p> <p>This AC suggests that the GC and AC meet to agree on the size, and have the agreement passed in the AGM by voting with simple majority. After passing the election of AC members can follow. In the rare case that the GC and AC cannot agree on the size of the next AC, let it be decided by voting in the coming AGM.</p> <p>本屆稽核委員會建議與理事會會面以商定稽核委員會的人數，並在週年會員大會上以表決方式通過該協議。通過協議後，則可以進行稽核委員會成員的選舉。若理事會與稽核委員會未能就下一屆稽核委員會的人數達成共識，則應在即將召開的週年會員大會上投票決定。</p>	<p>An application has been made to the HKSAR Government to limit the maximum number of members of the Audit Committee by amending Article 9(1). The GC is waiting for the approval of the Government.</p> <p>已向香港特別行政區政府提出申請，要求批准修改會章第9(1)條來限制稽核委員會的最多成員的人數。理事會正等待政府的批准。</p>



---

Chairman, Audit Committee  
Tse Hon Kin  
稽核委員會主席  
謝漢堅



---

Fung Yuen  
馮源



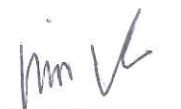
---

Ching Hiu Yuen, Stanley  
程驍遠



---

Lee Wing Kwai, Alex  
李永達



---

Chui Chun Wing, William  
徐振榮



---

Poon Hung Cheong, Nelson  
潘鴻昌