

**Latest progress in implementing Audit's recommendations on
the Community Investment and Inclusion Fund**

Audit Report para. no.	Audit recommendation	Latest progress
Part 3: Development of social capital		
3.16	<p><u>Project sustainability</u></p> <p>(a) validate the Community Investment and Inclusion Fund ("CIIF") information to be submitted to the Legislative Council ("LegCo") Panel (particularly information relating to project sustainability);</p> <p>(b) conduct reviews of project sustainability on a more regular basis; and</p> <p>(c) include project sustainability in the compilation and publication of performance information.</p>	<p>(a) & (b) The Administration had completed the review on the framework of final performance reports to be submitted by grantees with reference to the definitions and assessment approaches adopted by local and overseas academics on sustainability. The Administration also required grantees to spell out measures to ensure sustainability of their projects in the reports.</p> <p>The Administration would make reference to the assessment tools recommended by independent consultants and issue questionnaires on project sustainability to the operating organisations within two years upon the expiry of the funding period. The initiative was expected to be implemented in mid-2012.</p> <p>The CIIF Secretariat would conduct random checks on data collected to ensure their accuracy. The Administration would report progress to the LegCo Public Accounts Committee ("PAC") in a timely manner.</p> <p>(c) The CIIF was collecting the relevant data through its second evaluation study. Data collection on project sustainability was still in progress. The relevant information was expected to be compiled and published by the end of 2011 and updated annually thereafter. The Administration would report progress to the PAC in a timely manner.</p>

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3.27	<p><u>Pace of fund disbursement</u></p> <p>(a) review the overall achievement of the CIIF objectives and the need for planning new funding injection to sustain the CIIF's social function; and</p> <p>(b) depending on the outcome of the review, reconsider the scale of the CIIF operation.</p>	<p>(a) & (b) To have a more comprehensive understanding of the CIIF's effectiveness in promoting social capital, the Labour and Welfare Bureau ("LWB") had commissioned independent consultants to conduct an evaluation study. The study commenced in October 2010 and would be completed by early 2012. In mid-2011, the consultants submitted to the LWB an interim report, the initial findings of which indicated that the promotion of social capital development had achieved the objectives of the CIIF, including building networks/groups for neighbourhood support, turning assets of the individual into those of the community, and enhancing social harmony. The LWB would, in consultation with the CIIF Committee, actively follow up findings of the final report and consider the way forward for the CIIF. The Administration would report progress to the PAC in a timely manner.</p>
Part 4: Assessment and monitoring of projects		
4.10	<p><u>Review of grantees' audited accounts</u></p> <p>Consider taking regulatory action (e.g. deferring quarterly reimbursements) on those grantees who repeatedly failed to submit audited accounts on time.</p>	<p>The Conditions of Grant (COG) already had provisions to regulate grantees who failed to submit their audited accounts as required. Under the COG, the LWB had the authority to require the grantee to refund forthwith all or any part of the grant which had been paid. In July 2011, the CIIF Secretariat introduced an internal mechanism where, upon grantees' failure to submit their accounts on time, the Secretariat would issue a written notice with a prescribed grace period. If the submission was still outstanding after the grace period, the Secretariat would take appropriate regulatory actions in accordance with the COG and defer the quarterly payment of grant.</p>