

**For discussion
13 January 2012**

Legislative Council Panel on Home Affairs

**Governance and Monitoring of and Funding for
the National Sports Associations**

Purpose

This paper updates Members on the latest position regarding the measures taken by the Leisure and Cultural Services Department (LCSD) to improve the monitoring of the funding provided for and the governance of “national sports associations” (NSAs).

Background

2. NSAs are non-profit making bodies affiliated to the Sports Federation & Olympic Committee of Hong Kong, China (SF&OC) as well as to their respective international or Asian federations. They are the local sports governing organisations in their respective disciplines established with the objectives of promoting and developing their sports in Hong Kong through different means including the organising of training programmes and competitions, as well as fielding athletes to take part in international competitions. They receive the bulk of their government funding through the subvention provided under the Sports Subvention Scheme (SSS), which the LCSD has administered since April 2004. At present, 58 NSAs are receiving funding support from the SSS.

3. Following the review of the SSS conducted by the Audit Commission and the subsequent public hearing conducted by the Legislative Council (LegCo) Public Accounts Committee in 2009, the LCSD has completed a comprehensive review of the SSS in 2010 with the aim of devising measures to improve its overall efficiency and effectiveness. A series of improvement measures have been introduced since 2011-12.

4. Members were last briefed on 10 June 2011 the measures introduced by the LCSD with a view to improving the monitoring of NSAs’ subvention (details of the measures are set out in the LC Paper No. CB(2) 1973/10-11(03)). We have also reported the latest position on the implementation of the improved

monitoring mechanism through the Government Minute tabled before LegCo in September 2011. The latest position of the various improvement measures is set out below for Members' information.

Progress on Improvement Measures

Administration and Monitoring of the SSS

5. From 2011-12 onwards, the LCSD has provided additional recurrent resources to NSAs to strengthen their manpower in order to enhance their administrative and accounting capabilities. Among the 48 new and 16 upgraded posts approved for the NSAs, 40 new posts have been filled and 11 existing posts have been upgraded as at end December 2011. The remaining ones are expected to be filled shortly upon completion of the recruitment formalities or the attainment of appropriate qualification by existing staff.

6. The reporting requirements for NSAs have been streamlined starting from 2011-12. NSAs are now required to submit only one consolidated Programme Report in the respective quarter of each subvented programme instead of the previous three reports. With the implementation of this simplified system, most (57 out of 58) NSAs are able to submit their Programme Reports for the first quarter of 2011-12 on time. This is a marked improvement compared to the situation before the introduction of the new reporting system.

7. The development of a computerised system to strengthen the monitoring of the SSS and to facilitate timely submission of reports by NSAs is well underway. Phase I of the system will be implemented in early 2012 to improve LCSD's monitoring capacity. Phase II, which will help improve NSAs' communication, operational efficiency and online reporting capacity, is aimed to be completed in early 2013. Two briefings were held in July 2011 to explain the proposed functions of the system and to collect views from NSAs.

8. To enhance the transparency of the Scheme, the LCSD has since July 2011 posted on its website details about the eligibility criteria for joining the SSS to facilitate new applicants to submit their subvention applications for 2012-13. Besides, information on the allocation of subvention to different NSAs over the past three years has been uploaded to the website for information of the general public.

Mid-year Assessments

9. A mechanism for conducting mid-year assessments has been introduced to provide a more timely and objective basis for monitoring the performance of the NSAs, so that appropriate assistance may be provided to them where necessary without delay. The first assessment was completed in November 2011 in which the LCSD have reviewed NSAs' achievement of performance targets and compliance with subvention requirements for the period from April 2010 to June 2011. In general, most NSAs have largely achieved the targets related to programme organisation and athletes' performance. The majority of the NSAs is able to deliver most of the planned number of programmes and recruit the targeted number of participants to these programmes.

10. Given that the various improvement measures have just been implemented since 2011-12, the results of the assessment which largely covers the performance of the NSAs in 2010-11 may not have fully reflected the positive effect of these measures. Nevertheless, we consider that the assessment has provided useful data for continuous monitoring by the LCSD and will serve as good reference for NSAs to carry on with their improvements. The LCSD will inform NSAs individually their assessment results along with areas requiring attention and suggestions for further improvement. They will also take the opportunity of the coming Annual Briefing to be held in early 2012 to brief NSAs the mechanism and common findings of this assessment. NSAs with good performance in certain aspects will be invited to share their experience and practices with other NSAs at the briefing session. With experience gained and feedback from NSAs, the LCSD will refine the mechanism of mid-year assessment with a view to enhancing their relevance to and effectiveness for monitoring of the NSAs.

Best Practice Reference for Governance of NSAs

11. To address the governance issues from the corruption prevention angle, the Corruption Prevention Department of the Independent Commission Against Corruption (ICAC) has, in consultation with the LCSD, the SF&OC and some NSAs, compiled a Best Practice Reference (BPR) to help further enhance NSAs' governance and their capabilities in implementing integrity management and internal controls against corruption. The ICAC and the LCSD co-organised a seminar on 16 December 2011 to launch the BPR. The seminar was attended by some 120 office bearers and executives from 56 NSAs.

12. The BPR aims to provide NSAs with best practice reference on governance structure, integrity management and control measures on various

operational functions, including selection of athletes; management of coaches and umpires; and administration of membership. Management framework and procedures together with guidelines and document templates for implementation of integrity management are available in the BPR for adoption by NSAs. Online version of the BPR is available at the following website:

http://www.icac.org.hk/filemanager/en/Content_1031/nas.pdf

13. To help individual NSAs implement the recommended measures in the BPR according to their individual needs and mode of operation, the LCSD and the ICAC will join hands in 2012 to approach all NSAs proactively to provide tailor-made advice and services.

Advice Sought

14. Members are invited to note the progress of the various improvement measures being taken to enhance the governance and the monitoring of NSAs.

**Home Affairs Bureau
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