

Our Ref.: SWD 1/103/980/87  
Your ref. : CB(4)/PAC/R62  
Tel. No.: 2892 5100  
Fax. No.: 2893 6903

2 May 2014

Clerk to Public Accounts Committee  
(Attn.: Ms Mary SO)  
Legislative Council Complex  
1 Legislative Council Road  
Central  
Hong Kong

Dear Ms SO,

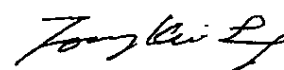
**The Director of Audit's Report on the  
Results of value for money audits (Report No. 62)**

**Promoting the development of social enterprise  
(Chapter 7)**

Thank you for your letter of 30 April 2014 on the captioned subject.

The required information as stated in your letter and our response is attached at **Annex**. Please feel free to contact the undersigned or LAM Bing-chun, Chief Social Work Officer (Rehabilitation and Medical Social Services)1, at 2892 5131 if further information is required.

Yours sincerely,



(FONG Kai-leung)  
for Director of Social Welfare

|  |                     |
|--|---------------------|
| c.c. Secretary for Labour and Welfare                                  | (fax no. 2543 0486) |
| Secretary for Home Affairs   | (fax no. 2537 6319) |
| Director for Home Affairs  | (fax no. 2574 8638) |
| Permanent Secretary for Financial Services & the<br>Treasury(Treasury) | (fax no. 2596 0729) |
| Secretary for Financial Services and the Treasury                      | (fax no. 2147 5239) |
| Director of Audit  | (fax no. 2583 9063) |

The Director of Audit's Report on the  
Results of Value for Money Audits (Report No.62)

Promoting the development of social enterprises  
(Chapter 7)

(a) Criteria adopted by Advisory Committee on the “Enhancing Employment of People with Disabilities through Small Enterprise” project (3E Project)

Reply : The following will primarily be considered in the vetting of applications received under the 3E Project:

- (a) viability of the business plan;
- (b) management capability of the agency including experience, qualification, past performance in business, track records of other business(es) funded under the Project; and
- (c) the extent of benefit to persons with disabilities, e.g., the number of persons with disabilities to be employed, the salary payable to the persons with disabilities against the total operating cost.

(b) (i) : approved application for a project which had the highest average grant per persons with disabilities.

Reply :

|     | Key Stage   | Average Time (days) |
|-----|---|---------------------|
| (a) | From submission of application to submission of all relevant information requested by SWD (14/9/2012-28/9/2012) | 14                  |
| (b) | From submission of all relevant information to notification of assessment result (28/9/2012-25/10/2012)         | 27                  |

|       |  |     |
|-------|--|-----|
| (c)   | From notification of assessment result to signing of agreement (25/10/2012-12/3/2013)<br>Note <sup>1</sup> : | 138 |
| Total |  | 179 |

(b) (ii) : approved application for a project which had ceased operation

Reply :

|       | Key Stage   | Average Time (days) |
|-------|---|---------------------|
| (a)   | From submission of application to submission of all relevant information requested by SWD (1/2/2008-1/2/2008) | 0                   |
| (b)   | From submission of all relevant information to notification of assessment result (1/2/2008-25/3/2008)         | 53                  |
| (c)   | From notification of assessment result to signing of agreement (25/3/2008-10/4/2008)                          | 16                  |
| Total |   | 69                  |

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<sup>1</sup> As a normal practice, agreement will only be signed upon confirmation of the date of project commencement. Project Secretariat sent email on 29 October 2012 to request necessary information, such as actual commencement date and name of the shop, to be included in the drafting of the Agreement. The grantee only replied on 3 December 2012. Moreover, the grantee had to rectify an error identified by the Project Secretariat in profit and loss projection of business plan. The grantee only rectified the error on 6 February 2013. The Agreement was subsequently signed on 12 March 2013

(b) (iii) : approved application for a project which is still operating

Reply :

|       | Key Stage  | Average Time (days) |
|-------|--|---------------------|
| (a)   | From submission of application to submission of all relevant information requested by SWD (10/3/2008-5/6/2008) | 87                  |
| (b)   | From submission of all relevant information to notification of assessment result (5/6/2008-25/7/2008)          | 50                  |
| (c)   | From notification of assessment result to signing of agreement (25/7/2008-12/8/2008)                           | 18                  |
| Total |  | 155                 |

(b) (iv) : rejected application

Reply :

|     | Key Stage  | Average Time (days) |
|-----|--|---------------------|
| (a) | From submission of application to submission of all relevant information requested by SWD (27/4/2009 - 16/10/2009) Note <sup>2</sup> | 172                 |
| (b) | From submission of all relevant information to notification of assessment result   | N.A.                |
| (c) | From notification of assessment result to  | N.A.                |

<sup>2</sup> The Assessment Panel Meeting was held on 23 June 2009. As requested, the applicant had to revisit the business plan with major areas of concern, including staff training, work safety, job duties of the disabled employees, etc. After three months, the applicant did not provide further information or re-submit the application. On 16 October 2009, Project Secretariat informed the applicant vide a letter that the application will not be considered by the Assessment Panel. The applicant can resubmit the application which will be subject to the same assessment procedures.

|  |                      |     |
|--|----------------------|-----|
|  | signing of agreement |     |
|  | Total                | 172 |

(c) Reasons for approving and rejecting applications in (b) above

Reply : Applications not satisfying the criteria in (a) above would not be supported by the Assessment Panel.