

**THE GOVERNMENT MINUTE**

**in response to the**

**REPORT OF  
THE PUBLIC ACCOUNTS COMMITTEE  
No. 65**

**of February 2016**

**25 May 2016**



**THE GOVERNMENT MINUTE IN RESPONSE TO THE  
PUBLIC ACCOUNTS COMMITTEE REPORT NO. 65  
DATED FEBRUARY 2016**

**REPORT ON THE RESULTS OF VALUE FOR  
MONEY AUDITS  
(Report No. 62)**

**MATTERS OUTSTANDING**

**Planning, construction and redevelopment of public rental housing flats**  
(Chapter 1 of Part 4 of PAC Report No. 62)

The Housing Department (HD) has taken appropriate actions to follow up on the subjects reported to Public Accounts Committee (PAC) of the Legislative Council (LegCo). A summary of the progress of implementing the recommendations is set out at Enclosure 1. As all the recommended measures have been completed or will be implemented on an on-going basis, we recommend that this part should be deleted from the next progress report.

Encl. 1

**REPORT ON THE RESULTS OF VALUE FOR  
MONEY AUDITS  
(Report No. 63)**

**MATTERS OUTSTANDING**

**Administration of road safety measures**

(Paragraphs 3 and 4 of Part 3 of PAC Report No. 63)

2. Departments concerned have been pursuing the Audit's recommendations to improve the administration of road safety measures. As set out in the Government Minute of November 2015, there is one outstanding item and the up-to-date progress is at Enclosure 2.

Encl. 2

**Recoverability of the outstanding advances to the United Nations High Commissioner for Refugees**

(Paragraphs 8 to 10 of Part 5 of PAC Report No. 63)

3. The Government has continued to urge the United Nations High Commissioner for Refugees (UNHCR) to make renewed efforts to appeal to the international community for donations with a view to settling the outstanding advances, which remain at \$1,162 million. The Security Bureau wrote to the Hong Kong Sub-office of the UNHCR in March 2016 again to reiterate the Government's stance and register the Hong Kong community's expectation of an early recovery of the outstanding advances.

4. Although it is not optimistic that repayment can be made by UNHCR in the near future, the Government will continue to pursue an early repayment of the outstanding advances from UNHCR.

**Footbridge connections between five commercial buildings in the Central District**

(Paragraphs 11 to 13 of Part 5 of PAC Report No. 63)

5. General building plan in respect of the proposed Footbridge A (the Building Plan) submitted by the owner of Building II in late July 2015 was disapproved by the Building Authority on 29 September 2015 mainly because of insufficient information provided. As at mid-March 2016, the Building Plan was being revised by the owner for further submission to the Buildings Department. The owner of Building II also needs to obtain permission from the owner(s) of Building I for the connection works for construction of Footbridge A in due course.

### **Small house grants in the New Territories**

(Paragraphs 14 to 17 of Part 5 of PAC Report No. 63)

6. The existing Small House Policy has been in operation for a long period of time. A review of this policy would inevitably bring into play many controversial and complex issues, involving, among others, legal, environmental, economic and land use planning considerations. As we have stated previously, having regard to the complexities of the issues involved and the fact that our work priority in the short to medium term is to increase land supply, the review of the Small House Policy is not a matter of high priority for the time being and there is no timetable for the task. The Government will continue to handle this review carefully and judiciously, engaging stakeholders as well as the wider community in constructive dialogue over the relevant issues as and when necessary.

### **Direct land grants to private sports clubs at nil or nominal premium**

(Paragraphs 38 to 40 of Part 5 of PAC Report No. 63)

#### ***Review of the Private Recreational Lease (PRL) Policy***

7. Home Affairs (HAB) has set up an inter-departmental working group in mid-2014 to conduct the review. The review cuts across policy responsibilities of different bureaux and departments (B/Ds) and involves different types of PRL. Having regard to the need to strike a proper balance amongst various considerations including sports development needs, land use, interests of PRL lessees and their members, and the wider public interest, the working group has to deliberate on the full range of issues relating to the PRL policy with a view to formulating a practicable way forward. Based on current progress, HAB aims to complete the review in 2016 and will brief the LegCo Panel on Home Affairs on the review findings thereafter.

#### ***Implementation of the “opening-up” requirement***

8. HAB placed another round of advertisements in the print media in February 2016 to encourage eligible outside bodies to make use of sport facilities operated by PRL lessees.

#### ***Monitoring of compliance with lease conditions***

9. HAB is monitoring the utilisation rates of sports facilities on PRL sites, in particular with regard to the implementation of the opening-up schemes, and has conducted annual inspections of PRL sites held by 24 private sports clubs to ensure their compliance with the approved opening-up schemes.

10. Lands Department (LandsD), in consultation with HAB and other relevant B/Ds, continues to follow up on cases of irregularity and suspected non-compliance with lease conditions identified in the Audit Report and will take lease enforcement action as appropriate. LandsD has also conducted site inspections of PRLs where lease renewal is not yet due and will follow up in consultation with HAB as appropriate.

***Progress made in implementing Audit's and PAC's recommendations***

Encl. 3 11. A summary of progress in implementing Audit's and the PAC's specific recommendations is at Enclosure 3.

**Management of roadside skips**

(Paragraphs 41 to 43 of Part 5 of PAC Report No. 63)

12. The Joint Working Group (JWG) led by the Environment Bureau (ENB)/Environmental Protection Department (EPD) is actively taking forward two short-term measures to better manage and facilitate the operation of roadside skips.

13. After considering factors such as the distance away from residential areas, proximity to existing landfills and fill banks so as to facilitate operation of skip trade, and related land use restrictions, the JWG proposed to make available land at Tseung Kwan O Area 137 Fill Bank in Sai Kung and at Siu Lang Shui in Tuen Mun for leasing as short-term tenancy sites to the trade for storing idling skips. The JWG consulted the relevant committees of the Sai Kung and Tuen Mun District Councils on the proposed sites in March this year, and is now following up on the suggestions by these two committees. The JWG is preparing the tender conditions for the short-term tenancies with a view to invite tenders this year after completing the preparation work, so that we can provide suitable sites to the trade for placing idling skips as soon as possible.

14. In addition to the above measure to reduce the number of skips placed at roadside and in public places, the Hong Kong Police Force (HKPF) and the LandsD are continuing with enhanced enforcement actions to tackle obstruction problems caused by roadside skips. To enhance enforcement efficiency, JWG has drawn up arrangements for engaging a term service provider to support the enforcement departments in speedy removal of roadside skips which cause obstruction. The contract service will be commissioned when the short-term tenancy sites are available for placing idling skips, so as to achieve greater deterrent effect.

15. JWG will implement the above short-term measures and, having regard to the effectiveness of the measures, consider if there is a need to introduce further measures such as a regulatory system in the longer term. The JWG also reported the work progress to the Panel on Environmental Affairs of the LegCo at its meeting of 25 April 2016.

### **Progress made in implementing Audit's Recommendations**

Encl. 4 16. A summary of the progress of implementing the Audit's recommendations is at Enclosure 4.

### **Provision of health services for the elderly** (Chapter 2 of Part 8 of PAC Report No. 63)

#### **Services provided by the Department of Health (DH)**

##### *Elderly health assessment services of DH*

17. DH has earlier planned to provide additional manpower resources to two Elderly Health Centres (EHCs) with the highest demands for first-time health assessments. A new clinical team has been set up and commenced operation in March 2015 in one of the above EHCs. Upon implementing a number of improvement measures by DH, the median waiting time for first-time health assessments at EHCs has further reduced from 17.4 months in July 2015 to 10.2 months in February 2016. Another new clinical team will be established in April 2016 and the waiting time is expected to further improve. DH will also publish the median waiting times of all EHCs on the Elderly Health Service (EHS) website ([www.elderly.gov.hk](http://www.elderly.gov.hk)) and at EHCs starting from April 2016 to increase transparency and facilitate the elderly to choose enrolling at those EHCs with relatively shorter waiting time. DH will explore the feasibility of setting a performance pledge for waiting time for first-time health assessment after reviewing the operation of the two new clinical teams. An evaluation of the Elderly Health Assessment Pilot Programme and a comprehensive review of the Elderly Health Care Voucher Scheme (EHCVS) are both in progress. The strategic directions and service capacity of EHCs will be reviewed taking into account the findings of these studies.

##### *Administration of DH's Elderly Health Care Voucher Scheme*

18. DH is collaborating with the Jockey Club School of Public Health and Primary Care of the Chinese University of Hong Kong to conduct a comprehensive review of the EHCVS. We will make reference to the findings of the evaluation to consider further enhancing the EHCVS as appropriate. As DH has taken forward the recommendation, we propose deleting this part from the next progress report.

***Progress made in implementing Audit's and PAC's recommendations***

Encl. 5 19. A summary of progress in implementing the Audit's and PAC's recommendations is set out at Enclosure 5. DH will continue to report progress as appropriate.

**Services provided by the Hospital Authority (HA)**

***HA's provision of specialist out-patient service***

Waiting time for specialist out-patient clinics (SOPCs) consultation

20. HA completed the comprehensive review of the appointment scheduling practices of SOPCs and has identified good practices on scheduling appointments for patients in order to optimise the use of the earliest available slots. Such good practices have been incorporated into the SOPC Operation Manual issued to all SOPCs on 1 January 2016. HA will continue to monitor the effectiveness of this measure in managing the waiting time of SOPCs.

21. As this measure has been implemented on an on-going basis, we suggest deleting this part from the next progress report.

***Progress made in implementing Audit's and PAC's recommendations***

22. A summary of progress in implementing the Audit's and PAC's recommendations is set out at Enclosure 5.

**New Civil Aviation Department Headquarters  
(Chapter 3 of Part 8 of PAC Report No. 63)**

Encl. 6 23. The Government has taken follow-up actions to implement the recommendations made by the Audit and the PAC of the LegCo regarding the new Civil Aviation Department headquarters project. Details of the actions taken to follow up on the outstanding item as reported in the PAC Report No. 65 are set out at Enclosure 6.

**Government's efforts in enhancing tree safety  
(Chapter 5 of Part 8 of PAC Report No. 63)**

Encl. 7 24. The Government has taken follow-up actions to implement the recommendations of the Audit and PAC of the LegCo on enhancing tree safety. A summary of the progress is set out at Enclosure 7. Since actions have been taken to address all the Audit's recommendations, we recommend that this part should be deleted from the next progress report.



**Provision of cycle track network in the New Territories**  
(Chapter 7 of Part 8 of PAC Report No. 63)

Encl. 8 25. The Government has taken follow-up actions to implement the recommendations in the Audit Report on the provision of cycle track network in the New Territories. A summary of the progress is set out at Enclosure 8.

**Services provided by the Government Laboratory**  
(Chapter 8 of Part 8 of PAC Report No. 63)

26. The Government has taken further actions to follow up on the recommendations of the Audit in respect of the services provided by the Government Laboratory. Details of the actions taken on the subject are set out below.

***Provision of laboratory services to user bureau and departments***

27. The Government Laboratory (GL) has completed its review on the performance targets with a view to improving the dissemination of information on its performance. A number of performance measures in the Controlling Officer's Report (COR) have been revised. For instance, the turnaround time of the non-complicated DNA profiling cases is shortened from 66 to 60 working days, and the turnaround time of the counterfeiting/forgery cases is shortened from 33 to 30 working days, from 2016 onwards. Furthermore, new targets including urgent samples in relation to pharmaceutical incidents and Chinese medicine incidents respectively are included in the COR. The enhancement work on the sample management system concerned has been completed.

28. Regarding liaison with clients, GL has completed its review on the existing memorandum of understanding (MOU) with the HKPF. An amplified MOU was signed between GL and HKPF on 16 February 2016 for better defining and predicting the service needs.

***Management of chemicals, samples, exhibits and equipment***

29. Funding has been applied to develop a new computer system that will include stock management functions such as indication of stock levels and expiration of chemicals.

**Administration of the air traffic control and related services**  
(Part 4 of PAC Report No. 63A)

30. The Government has been following up on the recommendations of the Audit Commission (Audit) and the PAC of the LegCo on administration of the air traffic control (ATC) and related services. The up-to-date progress is reported in the ensuing paragraphs.

31. Ensuring aviation safety and efficient air traffic management is the topmost priority of the Civil Aviation Department (CAD). CAD has conducted stringent acceptance tests and comprehensive safety assessment on the new Air Traffic Management System (ATMS) in accordance with international aviation safety management standards and established Government procedures, in order to ensure that the system operation complies with the safety management and contract conditions requirements. All acceptance tests of the new ATMS have been completed. CAD is generally satisfied with the test results. All outstanding priority items identified during the test events have been fully addressed by the contractor to ensure safe commissioning of the new ATMS.

32. Meanwhile, CAD has formulated a comprehensive training plan which consists of a series of intensive training sessions for air traffic controllers and relevant staff, to help them acquire the necessary competency and build up confidence to master the new ATMS.

33. With air traffic safety being the paramount concern, both CAD and Transport and Housing Bureau (THB) have appointed independent consultants to assess and ascertain the system readiness and human factor effectiveness of the project, to ensure the safety, reliability and stability of the new ATMS. CAD has made reference to its consultant's advice when formulating the safety case report. According to the assessment of the consultant appointed by THB, the system engineering of the new ATMS is safe, stable and reliable.

34. Having considered the recommendation of THB's consultant on phased functional implementation for transition to the new ATC system, CAD currently plans to launch the new ATMS incrementally from June 2016 onwards. The use of the new ATMS will be progressively expanded in terms of operating time and the scope of service coverage over a period of about five months. Subject to actual experience and progress, and upon the final consent of the Secretary for Transport and Housing based on independent consultant's advice, the new ATMS will be fully commissioned and operated by October/November 2016.

Encl. 9 35. A summary of the progress made is at Enclosure 9.

**REPORT ON THE RESULTS OF VALUE FOR  
MONEY AUDITS  
(Report No. 65)**

**Chapter 1 – Government’s efforts in managing municipal solid waste**

36. Based on the 2005 Policy Framework on the Management of Municipal Solid Waste (MSW) (2005-2012), the Government has published the Hong Kong Blueprint for Sustainable Use of Resources (2013-2022) (the Blueprint) which laid out the updated implementation plans of various initiatives to promote waste reduction and recycling, and to develop advanced treatment facilities to tackle our waste management challenges in a sustainable manner. We will also implement various initiatives on a timely basis to live up to public aspirations for a quality living environment and closely engage the relevant stakeholders including the LegCo throughout the process.

37. Since 2014, ENB/EPD have taken steps to enhance collection and dissemination of waste data and statistics. These include taking additional measures to further ensure accuracy in calculating recovery rates, and to enhance dissemination of information about estimation of landfill lifespan. We would like to reiterate that the data on disposal and recovery of different types of waste are collected and analysed under a robust statistical framework. The effectiveness of Government’s work to promote waste reduction and recycling has not been compromised by the fluctuations in waste recovery rates and the estimation of remaining serviceable lives of the landfills. Besides, as landfills are the last resort for waste disposal, it is necessary for the Government to adopt prudent planning assumptions in projecting their remaining capacity to cater for the need of maintaining high environmental hygiene standards of the city in parallel to our vigorous pursuit of waste reduction initiatives. We will continue to enhance communications with the public to facilitate understanding of the various data and information.

38. The Government agrees with the Audit and the PAC that we should step up efforts to clearly publicise the significant landfill problem and promulgate our strategy to tackle it. In this regard, ENB/EPD, in collaboration with various stakeholders, are taking actions on various fronts to reach out to the community and to raise public awareness of waste reduction, source separation of waste and clean recycling.

39. The Government appreciates the concerns about the implementation progress of the producer responsibility schemes (PR schemes) and MSW charging scheme. In fact, the Government has been making proactive efforts to expedite the

implementation of these policy initiatives and have made noticeable progress. Since the launch of the Blueprint, we have drawn up legislative proposals for three PR schemes for the LegCo's scrutiny after extensive public consultation. They include the extension of the plastic shopping bag charging to the entire retail sector with effect from 1 April 2015, and two new PR schemes on waste electronic and electrical equipment and glass beverage containers respectively. We will also conduct studies to assess the need for any enhanced efforts to promote the recycling and proper disposal of other products through a PR scheme according to the timeframe set out in the Blueprint, and will consult the community and the LegCo as appropriate. As for MSW charging, the Government has accepted the specific recommendations on the implementation framework made by the Council for Sustainable Development after completion of a public engagement process. An inter-departmental working group has been set up to steer and coordinate the preparatory work, and we aim at getting ready the legislative proposal for the enabling legislation as soon as practicable within the 2016-17 legislative session.

40. We would like to stress that the targets set out in the Blueprint, including reducing the per capita disposal rate of MSW by 40% by 2022, are practical and achievable. There are no fundamental deficiencies on their formulation or our strategy to achieve them. While we do not consider it necessary to develop a new waste management blueprint, we would constantly review our waste management policies and initiatives to ensure that they are responsive to the new challenges posed by social development, keep pace with public aspirations and are timely and adequate to address the needs of the industry. We will make reference to the practices adopted by other overseas jurisdiction and take into account feedback from the concerned parties in enhancing our initiatives.

Encl. 10 41. The progress made on actions taken by the Government, in light of the recommendations of Audit and PAC is set out in Enclosure 10 respectively.

## **Chapter 2 – Reduction and recycling of food waste**

42. “A Food Waste & Yard Waste Plan for Hong Kong: 2014–2022” (the Food Waste Plan) serves as an effective means to communicate with the public on Government's commitment and comprehensive strategy to tackle food waste. The Government has been actively implementing the relevant initiatives which include, among others, the launch of Food Wise Hong Kong Campaign (FW Campaign), the planning and implementation of Organic Waste Treatment Facilities (OWTFs) and the development of private food waste treatment facility at Eco Park, and other food waste reduction/recycling initiatives. We do not consider these efforts ‘piecemeal’ as they have been taken forward in line with the strategies and action items set out in the Policy Framework for the Management of Municipal Solid Waste (2005-2014) which covered food waste, and those in the Blueprint as well. While

ENB/EPD have spared no efforts in pursuing actions and measures in reducing food waste, it would take some time before meaningful reduction in the quantities of food waste being disposed at the landfills could be achieved, based on the experience of other economies.

43. In response to recommendations of the Audit and the PAC, the Government is committed to implementing a number of improvement measures.

44. First, ENB/EPD will continue to vigorously pursue the various components of the FW Campaign including enhancing the efforts within the Government, as well as among government-subsidized non-governmental organisations (NGOs) and private organisations providing food and catering services, to encourage participation in the Campaign including the Food Wise Charter (FW Charter). ENB/EPD will promptly provide any necessary assistance to those interested.

45. Moreover, ENB/EPD will continue to provide every support to all relevant B/Ds in implementing food waste reduction initiatives, irrespective of whether they have signed up the FW Charter. For departments which are venue managers but not food waste generators, they will be encouraged to provide technical advice to their tenants on food waste reduction and other appropriate support. ENB/EPD has developed guidelines to facilitate signee of the FW Charter to compile and report measurable food waste reduction data for evaluating the effectiveness of the relevant measures.

46. With a view to mobilizing the whole community to reduce food waste and to fostering a cultural shift in the long run, ENB/EPD will continue to take various actions and initiatives including promotion through announcement in the public interest and media, social mobilization through Big Waster Facebook and web site, as well as public education through roving exhibitions and training sessions.

47. To further promote green lunch practice at schools, ENB/EPD will, in collaboration with the Education Bureau (EDB) and the Environment and Conservation Fund (ECF) Secretariat, organise case sharing sessions to promote good lunch practice; commend best performing schools in terms of food waste reduction; encourage more schools to implement on-site meal portioning through ECF funding; and promote green lunch practice under the FW Campaign to maximize publicity.

48. ENB/EPD will take measures to ensure that OWTF Phase 1 will commence operation in 2017 and will endeavour to take forward OWTF Phases 2 and 3 as early as practicable. ENB/EPD has also been actively engaging sources of food waste in the catchment area of OWTF Phase 1 to work out the

food waste delivery arrangements. Our targets are the various commercial and industrial food waste generation establishments, such as hotels, food manufacturing/processing factories, restaurants, shopping malls, food catering services companies, etc. as well as Government departments and public institutions/organisations which either manage or own facilities that produce food waste. ENB/EPD has also been discussing with the Food and Environmental Hygiene Department (FEHD) the detailed arrangement of food waste collection at the 36 wet markets identified.

49. The HD will also continue to consider how to encourage food waste recycling in public rental housing (PRH) estates, in ways in support of the Government's Food Waste Plan. In parallel, the HD will continue with the clear priority for food waste reduction in PRH estates. As for private housing estates, ENB/EPD will consider ways to strengthen support and assistance to the housing estates on promoting on-site food waste recycling.

Encl. 11 50. The progress made on actions taken by the Government, in light of the recommendations of Audit and PAC is set out in Enclosure 11 respectively.

### **Chapter 3 – Use and disposal of vacant school premises**

#### ***Overview***

51. It has all along been the Government's policy objective to put vacant school premises (VSP) into gainful use. When there is a vacant or to-be-vacated school premises, the Education Bureau (EDB), having considered various factors, will earmark premises suitable for educational use and may be required for re-allocation for school or other educational use. As regards other VSP, EDB would notify the Planning Department (PlanD) and other relevant departments for PlanD's consideration of suitable long-term alternative uses in accordance with the central clearing house mechanism. The Government generally accepts the recommendations of Audit and PAC. EDB, the Development Bureau (DEVB), the Lands Department (LandsD), PlanD and the Housing Department (HD) are taking follow-up actions actively, with a view to implementing the recommendations as far as practicable. The relevant progress report is set out in the ensuing paragraphs.

#### ***Identifying vacant school premises***

##### ***Maintaining a comprehensive VSP database***

52. Audit and PAC noted with concern that VSP database maintained by the Infrastructure and Research Support Division of EDB might not have included information of all VSP in a comprehensive manner, such as those schools whose

registrations were shown as “cancelled” in the school registration database. As EDB has reported to the PAC, school closure as shown in the school registration database may not necessarily lead to VSP or VSP that requires handling by the Government. Nevertheless, in order to make the VSP database more comprehensive for improving the use and disposal of VSP, EDB has completed a stocktaking exercise to reconcile the records in the VSP database and the school registration database so as to identify cases of VSP which were possibly missed out and take appropriate follow-up action.

*Improved and updated VSP database*

53. EDB has improved and updated the VSP database from the perspective of handling VSP in order to clarify the definition of VSP that need to be handled, with a view to enabling EDB to take appropriate follow-up action more properly. Moreover, to further improve the arrangements of the use and disposal of VSP, EDB is drawing up a “Procedural Manual for Handling VSP” (hereafter as “Procedural Manual”) for all relevant EDB sections to follow. The Procedural Manual will clearly set out the policy objectives and detailed procedures in identifying and categorising VSP, earmarking and allocating VSP for schools or other educational uses, and handling of cases with physical possession of the premises not delivered to the Government. EDB expects that the Procedural Manual would be completed in June 2016.

*Mechanism for earmarking VSP and periodical review*

54. EDB needs to earmark/retain some VSP to cater for the anticipated demand for school places and to allow flexible arrangements required for meeting the changing demand, including the uncertainty involved. In the new Procedural Manual, EDB will clearly set out the conditions and procedures to be followed by each EDB section in earmarking VSP.

55. EDB will ensure that the list of VSP will be circulated within EDB on a half-yearly basis to invite new and/or updated proposals on educational uses and/or short-term uses (where appropriate) of VSP, and update on the implementation timeline (if any) of the earmarked uses so that individual sections may propose short-term uses of the VSP with reference to the timeline. EDB will also continue to circulate, on a half-yearly basis, a list of VSP earmarked for educational use but suitable for short-term use to relevant B/Ds (including the HAB, Home Affairs Department (HAD), LandsD, PlanD and Social Welfare Department (SWD)) with a view to identifying short-term use pending the deployment of such premises for the earmarked use so that the land resources can be gainfully used.

### *Central Clearing House Mechanism*

56. The Government will ensure that VSP continue to be handled in accordance with the established central clearing house mechanism. According to the established mechanism, EDB may only retain VSP that are required to be allocated for school use. For premises which are proposed for other educational uses, EDB needs to put forward its proposed use with justification to PlanD for assessment and may need to compete with other government departments for the use of the VSP. PlanD will consider suitable long-term alternative uses (e.g. government, institution or community, residential and other uses) for vacant or to-be-vacated school sites when EDB notifies PlanD and other relevant departments that it no longer requires the sites concerned for allocation for school use. Upon confirmation on the future uses for the sites of the VSP under the Government's internal mechanism, PlanD will inform the departments concerned for their follow-up actions as appropriate. In the meantime, relevant B/Ds would, where appropriate, pursue and arrange temporary or short-term uses to ensure effective utilisation of land resources. For example, for VSP on government land under the management of LandsD where the sites are not immediately required for the long-term uses identified, LandsD would try to put the sites, together with the VSP, to temporary uses, such as allocating them for use by B/Ds, renting them out by short-term tenancy upon identification of a suitable temporary use, or including the VSP on the list of vacant government sites of the relevant districts for application for greening and community uses on a short-term basis.

### *VSP included in the School Improvement Programme*

57. In light of the recommendations made by Audit and PAC, EDB would continue to critically evaluate all relevant factors when planning and approving school improvement/extension works in the future, including whether the school premises would be vacated in the near future, schools' operational needs, and the interests of the schools and the students concerned, etc.

### *Disclosure of information relating to VSP to the LegCo*

58. As mentioned in paragraph 53 above, EDB has improved and updated the VSP database and clarified the VSP that require handling. When providing information in relation to VSP to LegCo in future, EDB will compile the related information based on the updated VSP database and the nature of the questions, and with reference to the replies and information in respect of individual premises provided at the PAC hearings.



*Allocating VSP for educational or other uses*

59. In the Procedural Manual to be newly drawn up, EDB will clearly set out the factors for consideration in earmarking/retaining VSP for school or other educational uses, with a view to improving the mechanism for identification and handling of VSP. While aiming to put VSP into gainful use, EDB needs to earmark/retain certain VSP to cater for the anticipated demand for school places and to allow flexible arrangements required for meeting the changing demand, including the uncertainty involved. In addition, EDB also needs VSP to flexibly address various and changing needs, including re-provisioning of existing schools to improve their learning and teaching environment or decanting use by schools undergoing in-situ redevelopment or extension works, etc. EDB therefore considers it is neither feasible nor appropriate to impose any fixed target on the length of the vacancy period of a VSP or the number of VSP retained. With the policy objective of putting VSP into gainful use in mind, EDB strives to facilitate the re-use of VSP in an expeditious manner to avoid prolonged idling of VSP. EDB would notify PlanD and other relevant departments of those VSP confirmed to be not required to be allocated by EDB for school or other educational use in accordance with the central clearing house mechanism as soon as possible.

60. For some of the VSP allocated by EDB, there may be uncontrollable or unforeseeable factors such as local concerns which may affect their uses including the timeline. In addition, the implementation of the related renovation or building works would depend on various factors including readiness of the projects and funding priorities. Nevertheless, EDB would closely monitor the follow-up actions to avoid unnecessary delay in putting allocated VSP to use as far as practicable.

61. EDB and LandsD have reached a consensus on the mechanism and procedures for handling VSP and strengthened communication and coordination in accordance with the mechanism with a view to putting VSP into gainful use as soon as possible. LandsD will continue to take suitable action to recover possession of VSP (including VSP on land for which there is a cessation/diminution of user clause in the land lease and VSP held on government land licences) as appropriate and will put the VSP to suitable use having due regard to the circumstances. For VSP of which LandsD has been notified in accordance with the central clearing house mechanism, LandsD will make early arrangements to put them to suitable use. Where a long-term use has been identified and agreed upon within the Government, LandsD will make arrangements to dispose of the site accordingly. Where implementation of the identified long-term use will take time or where a long-term use is yet to be determined, LandsD will try to put the site together with the VSP to temporary use, such as allocating it for use by a B/D, renting it out by short-term tenancy upon identification of a suitable temporary use, or including the VSP on the list of vacant government sites of the relevant districts for application for greening and community uses on a short-term basis.

62. Hong Kong Housing Authority (HKHA) has been making the best efforts in acquiring suitable land for public housing and optimizing the development potential of each piece of land. Sites of VSP are one of the sources of land supply. The long-term alternative uses of those VSP sites which have been confirmed as no longer required to be allocated by EDB for school or other educational uses are identified by PlanD through the central clearing house mechanism. HKHA will actively consider the sites of VSP suggested by PlanD for public housing developments, regardless of whether the sites fall within HKHA's estates or not.

63. HKHA has been participating in the aforesaid mechanism and succeeded in using some of these VSP sites for new public housing development, e.g. the PRH developments in Fung Shing Street in Wong Tai Sin and Wing Tai Road in Chai Wan. HKHA will continue to identify and acquire public housing land through the aforesaid mechanism. For VSP in housing estates with Government leases, redevelopment of the VSP requires the consent of all owners, which involves compliance with the requirements under the law, the Government lease and the Deed of Mutual Covenant, the issue of multiple ownership, etc. It will take considerable time to resolve these issues.

#### ***Handling cases of VSP not surrendered***

64. In respect of the use and disposal of VSP on private land, EDB has discussed with LandsD on the mechanism to handle these cases and strengthened mutual communication and cooperation in order to improve the handling of these cases. When a VSP is newly identified in future, EDB will contact LandsD to consult it on the information relating to the land on which the VSP is located, including details about the type of land (e.g. whether the land is under a Private Treaty Grant), whether the land lease contains a land use restriction clause and cessation/diminution of user clause, etc., to facilitate follow-up of the relevant cases.

65. For VSP which EDB considers required for school or other educational uses, EDB will further liaise with LandsD on how to recover possession of the land as far as practicable in accordance with the provisions of the relevant contracts (including land leases, tenancy agreements or service agreements). EDB will keep improving its mechanism and measures, including how to handle VSP on private land, to keep up with the latest developments in the society. However, the Government must act in accordance with the contracts concerned, for example, whether the land lease contains a cessation/diminution of user clause. Besides, recovering possession of land by exercising the right conferred by the contract may not be the only way to make gainful use of the land. EDB needs to consider the merits of individual cases.

### ***Property management of vacant school premises***

66. EDB conducted a wider research and consulted relevant government departments with regard to the suppliers list for property management service in February 2016. An expanded list of suppliers for property management services (with the number of service providers increased from six to 30) has been compiled and uploaded to EDB's Departmental Portal for sharing in accordance with the relevant internal circular.

67. Regarding the monitoring of contractors' performance, EDB reviewed the inspection mechanism to ensure that the findings of inspections of VSP managed by contractors would be properly documented. EDB also improved the reporting system in February 2016 by requiring the existing contractors to prepare more comprehensive monthly reports on their work done to facilitate monitoring of the contractors' performance.

68. HKHA's property management agency keeps surveillance of VSP located within HKHA's public housing estates by daily patrol at the surrounding areas. Repair and maintenance is arranged on a need basis which is mainly for the sake of ensuring building safety.

### ***The progress of implementing Audit's recommendations***

Encl. 12 69. The progress of implementing the recommendations of Audit and PAC is summarised at Enclosure 12.

## **Chapter 4 – Operation of Hongkong Post**

70. The Government accepts the recommendations made by the Director of Audit and the PAC on Hongkong Post (HKP)'s operation. HKP has been taking proactive follow-up actions to implement these recommendations.

### ***Performance of the HKP as a trading fund***

71. While it is the Government's policy that HKP will continue to operate as a trading fund, HKP will build on the effort made hitherto and pursue with relevant B/Ds additional measures to provide a conducive environment for the Post Office Trading Fund (POTF)'s sustainable development in the long run.

72. In the course of the review of the target rate of return for POTF in 2016, HKP is exploring with Financial Services and the Treasury Bureau whether and how the inherent constraints faced by POTF and the universal service obligation imposed on HKP could be taken into account when setting the target rate of return for the POTF.

73. In addition, we are examining the areas in which enhanced flexibility (e.g. with regard to human resource management, financial management and procurement) would facilitate HKP's operation. In the light of the examination outcome, we will pursue with the relevant B/Ds. The Framework Agreement for the POTF is due for review in 2016. We will take the opportunity to examine if there is scope for seeking enhanced flexibility for the POTF.

74. HKP completed a business review in 2015. We will keep up the effort in pursuing the identified new business opportunities.

### ***Management of mail processing***

#### *Underpayment of postage*

75. Following a comprehensive review of the prevailing mechanism and procedures for the detection and processing of underpaid mail items, we have been implementing improvement measures with the objectives of enhancing risk management and accountability as well as optimising resource deployment while at the same time protecting revenue.

76. In addition to raising staff awareness of the need to be more vigilant in detecting underpayment of postage through training and regular briefings, we have increased the minimum quantity, by mail category, to be checked by supervisors at different stages of mail processing taking into account their respective risk levels, and promulgated the requirement for strict compliance by the staff concerned. To enhance operational efficiency, mail items identified to carry insufficient postage are centrally processed at the Central Mail Centre (CMC). In addition, we have enhanced the Integrated Postal Services System (IPSS) to automate surcharge calculation, the issue of dues labels in replacement of dues stamps and recording of the surcharge amount to be collected by item. The IPSS also captures statistics on the processing of underpaid mail items for monitoring the underpayment trend and identifying high risk areas. Starting from 19 April 2016, instead of collecting the surcharge from addressees and delivering the underpaid/unpaid mail items at the door by delivery postmen, addressees are required to pay the surcharge and collect the underpaid/unpaid mail items at the designated post offices.

77. To increase public awareness, we have stepped up publicity through various channels that underpayment of postage would result in delivery delay. We will continue to monitor the trend of underpayment of postage and will consider the need for more stringent measures (e.g. increasing the surcharge for underpaid items) to deter underpayment if warranted.

*Procurement of airfreight services*

78. We are reviewing the practice of waiving contract deposits from contractors of airfreight services with a view to implementing the review outcome from the next tender exercise onwards (i.e. for the service period from 1 April 2017 onwards). We will ensure compliance with applicable Stores and Procurement Regulations in all future tender exercises, and provide sufficient justifications and documentation for any decisions which depart from the regulations and established practice.

79. To ensure that allotment of airfreight capacity which does not follow the intended allotment sequence is fully justified and to enhance supervisory/managerial monitoring in this regard, we will add a new function for generating exception reports in our information system by June 2016.

*Control and administration of overtime work in HKP*

80. To improve the administration of overtime work in HKP, we have enhanced awareness of, and compliance with, the control mechanism stipulated in the Departmental Rules. All the procedural requirements governing approval of applications for overtime work (including approval for exceeding the monthly overtime ceiling of 60 hours when there are exceptional or emergency situations or in circumstances of genuine need) are strictly enforced. To support supervisors and managers in the administration of overtime work, we have enhanced the departmental Attendance Management System and e-Duty System to allow these officers to access an online list of staff approaching the monthly overtime ceiling of 60 hours, to provide auto-alerts when the staff are approaching the monthly overtime ceiling, and to stop further allocation of overtime duty to staff who have exceeded the monthly overtime ceiling of 60 hours in the absence of prior approval from the designated directorate officer(s). We conduct monthly reviews on the reasons for overtime work in each operational division and will continue to minimise overtime work at source through process-re-engineering, application of new technology, etc.

81. We are conducting a review on the standard time for processing and delivering different types of mail. We aim to complete the review by end 2016 and implement the new yardsticks in early 2017. In addition, we aim to complete the beat survey exercise for the overdue delivery beats by end 2017.

82. We have stepped up effort since 2011-12 to work down the overall balance of uncompensated time-off in lieu (TOIL) hours in HKP. As a result, the overall uncompensated TOIL balance has decreased to 197 100 hours as at 31 March 2016 (or a reduction of 44% since 31 March 2012). The uncompensated TOIL balance of all staff have been contained within the service-wide ceiling of 180 hours, and 83% of the staff who had an uncompensated TOIL balance in HKP as at 31 March 2016 had accumulated less than 50 hours.

83. We are reviewing the manpower situation in various operational units having regard to operational requirements. We will continue to keep the manpower situation under regular review and will in the process maintain close communication with staff and staff unions.

### ***Management of post offices***

84. We will continue to closely monitor the operational and financial performance of individual post offices, taking account of the updated planning standards and guidelines for post office provision and other relevant factors (e.g. Government's commitment to provide accessible postal services to the public, demand for postal services in the local community, financial viability, and availability of alternative postal facilities in the neighbourhood). We will also take appropriate measures to manage the costs of service provision of post offices, explore new revenue streams for our post office network (e.g. promoting counter collection for online purchases) and identify opportunities for further rationalisation.

85. We adjusted the service points of the mobile post offices in May 2016 and will review the service points biennially. Where justified, we will adjust the service provision of the mobile post offices in response to the postal needs of the local community.

### ***Management of postal vehicles***

86. We have reviewed the formula and the assumptions used for calculating the utilisation rates of different types of departmental vehicles in HKP, taking account of the prevailing organisation of postal operations and the actual vehicle deployment arrangements. The updated calculation methodology took effect from April 2016. For the 15 departmental vehicles identified to be under-utilised, despite functional limitations (e.g. electric vehicles are unable to undertake longer journeys), we have as far as operationally practicable increased their utilisation.

87. From June 2015, we require the conduct of a cost-benefit analysis for all procurement requests for departmental vehicles to ensure that they are fully justified. In April 2016, we completed the installation of global positioning system on departmental postal vehicles in the Speedpost/Parcel teams to enhance performance monitoring of these teams.

88. We have stepped up action to achieve better value for money in procuring hired vehicle service by encouraging market participation and market competition, e.g. by relaxing the service/technical requirements. We will keep up our effort in this regard while giving due consideration to our operational needs and

cost-effectiveness. In addition, for hired vehicles deployed for motorised delivery beats and the Speedpost teams for which surprise call point checks and superior spot checks are required, monthly compliance reports on the conduct of beat inspections are submitted to Postal Services Branch Headquarters for monitoring starting from July 2015.

### ***Management of Central Mail Centre and General Post Office Building***

89. On the utilisation of the work stations on the fifth floor of the CMC, we have reviewed the allocation plan in the light of our updated operational needs. Most of them have already been taken up and all the remaining work stations have designated usage.

90. In support of Government's overall project objective and project programme for the development of Site 3 at the New Central Harbourfront, HKP has been working closely with the relevant Government bureaux and departments on the reprovisioning of the General Post Office (GPO) Building and has been making its best endeavour to take forward those tasks falling within its purview in a timely manner in accordance with the established mechanism for implementing public works projects under the Public Works Programme. The reprovisioning of the GPO Building comprises two parts, viz. reprovisioning of the district-tied facilities (i.e. the GPO Counter Office and the Post Office Box Section, the GPO Delivery Office and the Speedpost Section) to a location north of Lung Wo Road within Site 3 of the New Central Harbourfront to meet the postal needs of the local community and reprovisioning of the HKP's Headquarters to a government site adjacent to the CMC in Kowloon Bay. We aim to consult the Central and Western District Council (DC) and the Kwun Tong DC respectively on the two GPO-related reprovisioning projects in 2016. We will ensure that available floor space at the GPO Building will be put to gainful use before reprovisioning.

### ***Progress of implementing Audit's and PAC's recommendations***

Encl. 13 91. A summary of the progress of implementing Audit's and the PAC's recommendations is set out at Enclosure 13.

## **Chapter 5 – Burial and cremation services**

92. The Government generally accepts the recommendations made by the Audit regarding burial and cremation services. The FEHD has accordingly taken follow-up actions on them as appropriate. The progress made is reported below.

### ***Supply of Public Niches***

93. The Government announced a total of 24 potential sites in 18 districts over the territory through three batches in July 2010, December 2010 and April 2011 for columbarium development. Audit has recommended that FEHD should step up efforts to implement the District-based Columbarium Scheme and devise more effective measures for promoting local acceptance of columbarium development projects.

94. FEHD has all along been committed to taking forward these projects such that the 18 districts would collectively share the responsibility of developing public columbarium facilities. We have so far obtained support from the relevant DCs for eight projects offering about 452 000 niches, which account for around 52% of the projected total provision. FEHD intends to consult five DCs on six projects in 2016. A tentative schedule for consulting the relevant DCs of the remaining projects is being worked out. We will take all possible measures to address the concerns of DC members and local residents in order to secure their support for the projects.

95. Due to the lack of vacant land in the urban area and difficulties in gaining local acceptance, it is increasingly difficult to find suitable sites in areas where there are well developed infrastructural facilities. We will continue to search for suitable sites having regard to the unit costs, technical feasibility and public acceptability for constructing public columbaria.

96. In view of the shortage in supply of public niches in the short run, we will step up efforts to promote co-location of ashes in allocated public niches, scattering of ashes at gardens of remembrance and at sea, and the Internet Memorial Service. Furthermore, a temporary storage service for ashes is provided in the concerned crematorium for two months free of charge upon completion of the cremation service. In the coming two years, FEHD would increase the capacity of its temporary storage facilities to about 50 000 urns. We will also devise more effective promotion and publicity measures and collaborate with the Board of Management of the Chinese Permanent Cemeteries (BMCP) in promoting co-location of ashes, with a view to optimising the use of space in niches and urn graves already allocated.

### ***Burial Grounds and Cremation Services***

97. Given the shortage of sites for construction of public columbaria, FEHD stands ready to explore utilising any former coffin burial grounds confirmed to be technically feasible for columbarium development by the relevant works departments.



98. Regarding the results of the full-scale survey of urn graves and the follow-up actions on mismatch cases, the majority of these cases involve discrepancies between the full names of the deceased on the headstones and those which appeared in the file records. It was not uncommon for the older generations of Chinese to have more than one name. We will act on these cases (i.e. rectifying the inconsistency in the names of the deceased as shown on the grave and in official records) as and when the descendants of the deceased come forward to apply for exhumation of the remains of the deceased or for grave repairs. This approach helps avoid causing unnecessary distress to the descendants of the deceased. We prefer to take such a pragmatic approach given that the majority of the cases were a historical problem dated back many years.

99. On booking of cremation services, it is FEHD's performance pledge that "an applicant may book a cremation session within the next 15 days from the day of application". Members of the public tend to book the rest days (e.g. Saturday, Sunday and public holidays) or auspicious days on the Lunar calendar for arranging funeral service. A 15-day booking period is considered reasonable given the lead time that the bereaved families may need to prepare for the funeral and invite mourners to attend. Lengthening the booking period may lead to higher non-booking rate for cremation sessions on weekdays/non-preferred days. On the other hand, if such 15-day booking period is shortened, the choice of days open to the bereaved families will be reduced. We have no plans to change the 15-day working period. Additional cremation sessions will be arranged in designated crematoria as appropriate to meet service demand if the regular cremation sessions are fully booked. Following completion of the re-provisioning works at Cape Collinson Crematorium (Phase II), six new cremators have been put into service by phases since December 2015, leading to an increase in the number of available cremation sessions by over 20%. This will help relieve the pressure in competing for cremation sessions on popular days.

### ***Regulation of Private Columbaria, Undertakers of Burials and Funeral Parlours***

100. The Government introduced the Private Columbaria Bill (the Bill) into LegCo on 25 June 2014, proposing a licensing regime for regulating private columbaria. We are committed to taking forward the licensing regime, with a view to ensuring compliance with statutory and government requirements, enhancing protection of consumer interests and putting the further development of the trade on a sustainable path. We are working closely with the Bills Committee with a view to having the Bill passed before the LegCo summer recess of 2016.

101. Upon enactment of the Bill, FEHD will put in place a mechanism to facilitate coordination with other concerned government departments in order to process the applications for specified instruments as quickly as possible. While FEHD will be the main department to oversee the implementation of the new

legislation, other government departments will continue to discharge their duties within their purview. FEHD will inspect private columbaria and enforce the laws in close consultation with other relevant departments. Besides, FEHD will promulgate relevant guidelines and information through FEHD's website and other media, with a view to facilitating applicants to seek various compliance instruments (including licence, exemption and temporary suspension of liability).

102. Food and Health Bureau/FEHD briefed the Food Safety and Environmental Hygiene Panel of the LegCo in January 2016 on the anticipated issues that must be handled at the initial stage of implementing the licensing regime under the Bill.

103. At present, there are 81 undertakers whose licences do not carry restriction on temporary storage of ashes on the premises. FEHD will impose restrictions through the addition of licensing conditions upon the renewal of their licences in due course.

### ***Way Forward***

104. Upon completion of the allocation process in August 2015, 5 069 new niches remained unallocated at Wo Hop Shek Kiu Tau Road Columbarium Phase V. Allocation of these remaining 5 069 niches commenced in January 2016 and completed in late March 2016. From April 2016 to 2018, the following stock of niches is expected to be available for allocation: 855 niches in the Wong Nai Chung project and 1 250 niches in the Cheung Chau Columbarium Extension by FEHD, some 24 900 niches in Eastern and Southern Districts by the BMCPC, and some 47 000 niches in private cemeteries run by religious organisations that are yet to be allocated. For the niches to be provided under the Tsang Tsui project (scheduled for completion in 2019), we will consider in advance the best timing for rolling out the allocation process such that successful applicants for the first batch of niches can deposit their ancestors' ashes in the allocated niches as soon as the new columbarium project is completed.

105. FEHD will continue to explore and consider other more effective options and measures to further promote awareness and the acceptance of green burial. FEHD is closely monitoring the usage of memorial walls and will endeavour to provide new memorial walls well before the existing plaque spaces are used up. For example, an additional 5 925 plaque spaces were provided in the Cape Collinson Columbarium in late April 2016. We will also set up a new Garden of Remembrance under the Tsang Tsui project. To further promote the usage of the Internet Memorial Service, FEHD is developing a mobile app using advanced technology to better serve our customers.

106. Moreover, the Government is actively considering cavern development as a new source of land supply for columbarium development. The Civil Engineering and Development Department (CEDD) has commissioned a consultancy study in September 2012 to explore, amongst others, the feasibility of housing columbaria in rock caverns. FEHD will keep in view the progress of CEDD's study on this front.

***Progress Made in Implementing Audit's Recommendations***

Encl. 14

107. Actions have been taken in response to the recommendations of Audit including the implementation of improvement measures as appropriate. A summary of the progress made in implementing Audit's recommendations is at the Enclosure 14. As these measures will be implemented on an on-going basis and implementation of some of these will be reported to the LegCo Panel, we recommend deleting the relevant parts from the next progress report.

**Chapter 6 – Efforts of the Narcotics Division and Beat Drugs Fund in combating drug abuse**

108. The Government accepts the recommendations made by the Director of Audit regarding the efforts of the Narcotics Division (ND) and Beat Drugs Fund (BDF) in combating drug abuse, as well as the comments by the PAC.

109. The ND has been following up on the recommendations and comments. The progress is set out below.

***Independent Evaluation Research of the Healthy School Programme with a drug testing component (HSP (DT))***

110. The PAC has requested an update every six months on the progress and results of the independent evaluation research of the HSP (DT).

111. The Beat Drugs Fund Association (BDFA) has commissioned an independent research team to carry out the subject evaluation research in the 2015/16 school year to assess the overall effectiveness of the HSP (DT), and make recommendations on revisions and/or refinements to the programme where appropriate. The research team has been conducting qualitative and quantitative analysis since September 2015. When the evaluation is completed, we will brief the LegCo Panel on Security.

***Marking Scheme for the Funding Exercises of the BDF Regular Funding Scheme***

112. The PAC has also requested an update on the progress in adopting a marking scheme with weightings and passing marks for each assessment criterion for the funding exercises of the BDF Regular Funding Scheme.

113. Currently, the Action Committee Against Narcotics (ACAN) adopts a simple marking scheme by giving an overall mark for the relevant applications in the vetting process. Following up on the recommendation made by the Director of Audit that a marking scheme with weightings and passing marks for each assessment criterion should be adopted, the ND has, upon consulting the ACAN and BDFA, developed a revised marking scheme in line with the recommendation. The plan is to adopt the revised marking scheme in the 2016 funding exercise of the BDF Regular Funding Scheme.

***Progress of Implementing the Audit's Recommendations***

114. The ND has been taking follow-up actions on the other recommendations made by the Director of Audit. A summary of the progress is at the Enclosure 15.

Encl. 15

**Chapter 7 – Protection of revenue on dutiable commodities and motor vehicle first registration tax**

115. The Government welcomes the observations and recommendations made by the Audit on the protection of government revenue from excise duties on dutiable commodities (DCs) and motor vehicle first registration tax (FRT). The Customs and Excise Department (C&ED) has taken follow-up actions to address the recommendations as appropriate.

***Licence and Permit controls of DCs***

116. In the light of the observations and recommendations of the Audit, C&ED has reviewed the licence and permit system of DCs. Apart from taking more stringent enforcement actions against non-compliance cases, C&ED has also tightened the control over the import/export of DCs via public cargo working areas by mounting regular operations and imposing suitable permit conditions to guard against cases of duty evasion.

### ***Enforcement against illicit DCs and management of seized items***

117. C&ED has stepped up the publicity and education efforts to promote law-abiding behaviour of incoming passengers in making use the duty-free cigarette concession. In parallel, C&ED has also tightened the enforcement actions against recalcitrant offenders as well as those with non-payment records of compound penalty.

118. C&ED has taken measures to improve stock recording and checking of volatile seized goods and their storage, and ensure the compliance of guidelines on safe custody of documentary exhibits. Mechanisms have also been put in place to monitor the progress of seizure disposals.

### ***Administration and protection of FRT***

119. C&ED has enhanced the FRT system to ensure that the stipulated supervisory endorsement for the downward adjustment of the published retail price is obtained for reassessment cases. C&ED has also taken measures and deployed additional resources to enhance the administration of the FRT regime, in particular on the assessment of the PRP and processing of cases for prosecution.

### ***Progress made in implementing the Audit's recommendation***

Encl. 16 120. A summary of progress in implementing the Audit's recommendations is at Enclosure 16.

## **Chapter 8 – Management of the public lighting system**

121. The Government accepts the views and recommendations made by the Audit and the PAC of the LegCo regarding the management of the public lighting system. The relevant departments have taken appropriate follow-up actions. The progress is set out below.

### ***Availability of the road lighting system and management of the Public Lighting Information System***

122. Under the current contracts for the management, operation, installation and maintenance of the public lighting system (Management-operation-maintenance contracts (MOM contracts)), the Highways Department (HyD) requires the MOM contractors to carry out regular maintenance and repair works for all road lights in the whole territory under HyD's purview. HyD has been conducting audits on the MOM contractors' completed maintenance and repair works regularly and the area of audit covers all the lighting points in the

whole territory. Besides, HyD has been carrying out independent night inspections which serve as an additional measure to monitor the performance of the MOM contractors. The current nighttime inspection routes mainly cover the locations which are accessible by vehicles. In response to the Audit's recommendations, HyD has reviewed and updated the independent night inspection routes to cover all roads accessible by vehicles including newly constructed roads. In addition, HyD has enhanced the inspection route selection computer programme to cater for both the randomness of selection and the laid-down requirement for all designated routes to be selected for inspection at least once a month.

123. To facilitate the management of public road lights, HyD has set up the Public Lighting Information System (PLIS) for managing the inspection and maintenance record database for years. HyD has recently completed a review on the PLIS to identify areas for improvement and explore ways to enhance the system to meet the current operational needs of HyD for more effective and efficient management of public road lights. One of the proposed enhancements in the system upgrading work is to incorporate the latest Geographic Information System technology to assist in the management of public road lights (including planning of inspection routes). HyD is now seeking funding to upgrade the PLIS.

#### ***Attendance to fault calls of road lighting***

124. HyD is revisiting all the concerned cases as pointed out by the Audit about non-compliance of contractors in respect of attendance to fault calls and arrangement for fault rectification works as stated in the contracts. If non-compliance of contractors is found, HyD will request the contractors to take corrective measures and pursue actions against them including taking appropriate regulatory actions such as payment deduction.

125. To facilitate our checking for compliance of all fault cases handled by the contractors, HyD has requested the contractors to report completion of fault repair together with completion photos (in addition to the detailed information on all fault cases including, inter alia, the receipt time, acknowledgement time, arrival time and completion time). This new arrangement has been in place since November 2014. HyD will continue to conduct site visits on a random or need basis. The completion photos submitted by the contractors are required to show information including the lamp post number for verification. If required, HyD can also require the contractors to submit real time photos on site via mobile device.

#### ***Management of maintenance works of road lighting***

126. HyD has been monitoring and will continue to closely monitor the performance of the MOM contractors on timely implementation of scheduled maintenance works. HyD has been carrying out monthly checking to ensure that

the works are carried out in accordance with the stipulated frequencies. HyD has also required the relevant contractors to expedite actions on completing the outstanding scheduled maintenance works which could not be fully completed because of external constraints, in accordance with the contractual arrangements.

127. HyD has taken steps to improve the management of operation and maintenance of road lighting. HyD will continue to review contract terms, and consider incorporating suitable provisions in future contracts as appropriate for continuous improvement of the management of operation and maintenance of road lighting.

### ***Operation and maintenance of special lighting***

128. HyD has been working with the Electrical and Mechanical Services Trading Fund (EMSTF) in improving the management of operation and maintenance contracts of special lighting. HyD understands that the targetted equipment availability is affected by some complicated cases. EMSTF has agreed to bring up all these cases in monthly progress meetings to alert HyD in order to speed up the maintenance works.

129. After setting up the Special Lighting Information System in 2014, HyD and EMSTF have commenced synchronising the special lighting equipment databases (including unifying the locations and names of equipment) to avoid omission. Regular updates and checking are also being conducted. HyD has added the omitted items back to the database for regular patrol service.

### ***Installation of public lights***

130. HyD has stepped up progress monitoring of lighting installation works and, in collaboration with the HAD, strengthened the progress monitoring of village lighting installation.

131. As regards the installation of road lights, the progress of the lighting works could be affected by various external factors, for example, the obstruction of underground utilities which renders the originally proposed lamp post position infeasible. Also, HyD will take into account road closure in other road projects nearby and formulate the timetable of relevant road lighting works. As such, more time will be required for completing the works. HyD is reviewing the proposed public lighting installations included in the Public Lighting Programme (PLP) and has modified the database on the proposed public lighting installation with a view to enhancing the monitoring and expediting actions on those lights that had remained outstanding for over one year.

132. For village lighting, HyD and HAD have agreed to jointly conduct a comprehensive review on all the applications. Since some village lights and associated lighting cables are located within private land, HyD, in collaboration with associated departments, will need to collect views from villagers so as to confirm the exact location of the proposed lights. HyD will also need to obtain land owners' consent for carrying out the lamp post installation and trench works for cable laying. The process of consultation and seeking consent for some of the items takes a longer time. This has subsequently affected the progress of village lighting installation works. HyD will continue to work with HAD in reviewing the items and their priorities, so as to expedite the handling of backlog items. The items with prolonged objections that could not be resolved will be deleted from the PLP such that resources can be concentrated on those feasible items. HyD will keep the Public Lighting Vetting Committee (PLVC) informed of any change of the priority of the approved items and seek endorsement from PLVC accordingly.

#### ***Implementation of energy saving measures***

133. HyD has included the requirement for replacing electromagnetic ballasts by non-dimmable electronic ones in all public lighting MOM contracts and will continue to monitor the contractors' works to ensure their compliance.

134. HyD has been conducting a review on the cost-effectiveness of energy saving measures and a series of trials before implementing any such measures. HyD will keep abreast of the market trend and latest technology development. It will also consider a wider application of Light Emitting Diode when its technology development is mature and market price is reduced to a comparable level with high pressure sodium lamps.

#### ***Progress made in implementing Audit's recommendations***

135. A summary of the progress of implementing Audit's recommendations is at Enclosure 17.

Encl. 17

### **Chapter 9 – Support for Self-reliance Scheme**

#### ***Overall***

136. The Government runs the Support for Self-reliance (SFS) Scheme under the Comprehensive Social Security Assistance (CSSA) Scheme to encourage and assist able-bodied CSSA recipients aged 15 to 59 to secure employment and move towards self-reliance while providing them with financial assistance. To this end, the SWD has been commissioning NGOs to operate the Integrated



Employment Assistance Programme for Self-reliance (IEAPS) under the SFS Scheme to provide employable CSSA recipients with a range of one-stop integrated employment assistance services since January 2013. The Government agrees with the recommendations of the Audit regarding the SFS Scheme. SWD has been actively following up on the recommendations as appropriate and the progress is reported below.

### ***Enhancing monitoring of service performance***

#### **Job-securing rate, classroom training hours and work exposure service sessions**

137. In December 2015 and January 2016, SWD wrote to all the operators to remind them of the need to comply with the contractual requirements and met with operators whose service performance should be improved. SWD required the operators to take immediate improvement measures so that contract requirements on job-securing rates as well as number of classroom training and work exposure service hours could be met. SWD will continue to play the gatekeeping role by closely monitoring the service outputs and quality of the operators based on the Quarterly Performance Summary<sup>1</sup> and the Benchmark Report<sup>2</sup>, meeting with management personnel of the operators on a need basis to tighten monitoring of their performance, and requiring operators that fall behind requirements to submit an action plan within one month on improvement measures to be taken to enhance the service outputs and quality.

#### **Service capacity**

138. SWD has reviewed the methodology of setting service capacity of IEAPS projects to make better use of resources in providing employment assistance services for CSSA recipients. SWD will also closely monitor the utilisation of the service capacity for the current IEAPS projects and seek an action plan and additional services by the concerned operator to put any unused capacity to gainful use.

### ***Strengthening risk assessment of possible abuse and measures for proper handling of exemption of service recipients from attending IEAPS activities***

139. SWD has been conducting risk assessment on possible abuse in connection with service recipients being exempted from attending IEAPS

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<sup>1</sup> **Performance Summary** mainly includes the number of cases under various services, the number of persons having secured employment, the number of hours of classroom training and work exposure services provided, etc.

<sup>2</sup> **Benchmark Report** mainly includes data in the performance summary compared with the highest, **lowest** and average percentage figures of the 41 employment assistance projects.

activities. For operators with relatively poor performance in case handling, SWD has increased the number of cases (in which exemptions from attending IEAPS activities have been granted) to be checked during regular monitoring visits and has conducted regular random checks on these cases granted if they have reached a certain number of times over the past three months.

140. SWD reminded all operators and Social Security Field Units (SSFUs) in December 2015 of the need to exercise exemptions properly. Apart from regular reminders, SWD will organise training programmes for staff of the operators and SSFUs to enhance their skills in proper handling of employment assistance service cases.

#### ***Improving operators' compliance with SWD procedural guidelines***

141. SWD wrote to all operators in December 2015 and will continue to remind them of the need to comply with SWD procedural guidelines in providing employment assistance services on a half-yearly basis.

#### ***Making better use of computer system to analyse the profile of SFS Scheme participants***

142. SWD has enhanced database management to improve the effectiveness in integrating and analysing participants' information submitted by the operators. Starting from February 2016, SWD has compiled the following statistics on a quarterly basis to facilitate monitoring of service performance of the operators –

- number of participants by sex, age group, educational attainment and duration of receiving CSSA;
- number of participants by job nature, income and working hours; and
- number of participants by median monthly income and working hours.

#### ***Reporting the performance requirements and overall performance of the SFS Scheme***

143. Starting from February 2016, SWD has uploaded the performance requirements for operators and the service performance of the operators on the SWD's website which will be updated on a quarterly basis.

### *Commissioning NGOs to provide welfare services on a competitive basis*

144. SWD will carefully consider the selection mode of NGOs if and when IEAPS is extended beyond its current term.

### *Progress made in implementing the Audit's recommendations*

Encl. 18 145. A summary of the progress in implementing the Audit's recommendations is set out at Enclosure 18.

## **Chapter 10 – Shine Skills Centre**

### *Overall*

146. The overall objective of the rehabilitation policy in Hong Kong is to prevent disabilities; to help persons with disabilities develop their physical and mental capabilities as well as their ability to integrate into the community; and to create a barrier-free physical environment through a comprehensive range of effective measures, with a view to ensuring that persons with disabilities can participate in full and enjoy equal opportunities both in terms of their social life and personal growth.

147. The Labour and Welfare Bureau (LWB) has been promoting the employment of persons with disabilities through the SWD, the Shine Skills Centre (SSC) of the Vocational Training Council (VTC), the Selective Placement Division of the Labour Department and the Employees Retraining Board. The SSC run by the VTC is one of the service units which provides vocational rehabilitation services for and promotes employment of persons with disabilities. VTC agreed with the recommendations made by the Audit and the PAC of the LegCo for improving the operation and services of the SSC. Progress made by VTC in taking forward the recommendations is reported below.

### *Preparing Students for Open Employment*

148. In light of the Audit recommendation for VTC to provide detailed information on the destinations of SSC graduated students, VTC has posted the relevant information on its website since 29 December 2015<sup>3</sup>. As regards the PAC's question on why the SSC did not exclude those in supported employment or working in sheltered workshops in calculating the percentage of SSC graduated

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<sup>3</sup> Link to the statistics:  
<http://statistics.vtc.edu.hk/summary2/SkCtr/SkCtrEmp/SkCtrEmpMain.jsp?pages=emp&type=emp&by4=sum>

students in employment, VTC consulted its Committee on Vocational Training for People with Disabilities on the presentation of the data on open employment, supported employment and sheltered workshops at its meeting in March 2016 and will further consult the Committee on scope of enhancement, if any, at the next meeting in November 2016. SSC is also planning a follow-up employment survey for graduates of the past two years. The pilot run will start in summer 2016.

### ***Administrative issues***

149. With regard to the Audit recommendation for VTC to take prompt measures to put the two vacant floors at SSC (Pokfulam) building to gainful use, the LWB has convened inter-departmental meetings to assist VTC in completing the procedures of changing the land use for the premises as soon as practicable so as to facilitate the setting up of a day activity centre and a hostel for persons with severe intellectual disability therein, tentatively scheduled to operate in mid-2017. These services are in dire demand. LWB and SWD briefed the LegCo Panel on Welfare in April 2016 on the above proposal which was supported by Members of the Panel. LWB will continue to monitor this subject and will take up coordination work as appropriate.

150. The Government has taken note of PAC's recommendation on allocating more resources, including additional floor spaces, to VTC for enhancing and expanding SSC's training programmes. LWB will coordinate and examine the effectiveness of this option vis-à-vis that of other similar training services, with the aim to maximise the utilisation of the limited floor spaces in better serving the needs of persons with disabilities.

### ***Way forward***

151. LWB will continue to maintain close liaison with the relevant government B/Ds and organisations, the Rehabilitation Advisory Committee, stakeholders, concern groups and different service providers, including amongst others, VTC, to improve and enhance the existing rehabilitation policy and measures in a timely manner, including vocational rehabilitation and promotion of employment of persons with disabilities.

### ***Progress made in implementing Audit's recommendations***

152. A summary of the progress in implementing Audit's recommendations is at Enclosure 19.

**Planning, Construction and Redevelopment of Public Rental Housing Flats  
Reporting of further development as per PAC's request  
(as at 25 May 2016)**

<b>Para. No.</b>	<b>Audit's/PAC's Recommendations</b>	<b>Progress to date</b>
Para. 4-5 of PAC Report	<p><i>Management of public rental housing (PRH) construction projects</i></p> <p>PAC was informed that –</p> <p>the Hong Kong Housing Authority (HA) would continue to conduct its annual rolling five-year Budget and Forecast exercise and assess its medium term financial projections. On the long-term financial arrangement, the Government would seek approval of the Legislative Council (LegCo) Finance Committee (FC) for funding to support public housing development when it reached agreement with HA on the quantum and timing of funding injection.</p>	<p>HA will continue to conduct its annual rolling five-year budget and forecast exercise in accordance with the established mechanism to prudently assess its financial position and future funding requirements. HA will also maintain close dialogue with the Government. When the Government and HA have reached consensus on the quantum and timing of funding injection, the Government will seek approval from FC of LegCo at an appropriate time for funding to be drawn from the Housing Reserve.</p> <p>Since the Housing Reserve (the balance of which now stands at \$74 billion) has been set up by the Government to support public housing development of HA and the discussion between the Government and HA on the latter's funding requirements will be on-going, we recommend deleting this part from the next progress report.</p>
Para. 4-5 PAC Report	<p><i>Redevelopment of PRH estates</i></p> <p>PAC was informed that –</p> <p>the Housing Department (HD) had conducted a review in order to prepare an implementation plan and assess the resource requirements for the next Comprehensive Structural Investigation (CSI) Programme which was expected to start in 2018.</p>	<p>HD has formulated an implementation plan and conducted an assessment on the resource requirements for the next CSI Programme expected to start in 2018.</p> <p>As the work has been completed, we recommend deleting this part from the next progress report.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to date
<p>Para. 4-5 PAC Report</p>	<p><i>Public Housing Construction Programme 2015-2016 to 2019-2020</i></p> <p>PAC was informed that –</p> <p>based on the latest projection of the Long Term Housing Strategy (LTHS) on the housing demand, the Government had adopted the total housing supply target of 480 000 units for the coming ten-year period from 2015-2016 to 2024-2025, among which the public housing supply target was 290 000 units (comprising 200 000 PRH units and 90 000 subsidised sale flats). According to HA Building Committee paper of June 2015, the total public housing production for the five-year period from 2015-2016 to 2019-2020 would be 95 800 units, which fell short of the level of 290 000 units required by the LTHS target for the ten-year period from 2015-2016 to 2024-2025. The Administration would put in extra efforts to make up the difference in the second five-year period (from 2020-2021 to 2024-2025).</p>	<p>According to the latest projection of long term housing demand, the Government has adopted 460 000 units as the total housing supply target for the ten-year period from 2016-17 to 2025-26, among which the public housing target is 280 000 units (comprising 200 000 PRH units and 80 000 subsidised sale flats).</p> <p>According to the latest announced figures, the estimated total public housing production by HA and the Hong Kong Housing Society in the five-year period from 2015-16 to 2019-20 is about 97 100 flats, comprising about 76 700 PRH units and about 20 400 subsidised sale flats. The estimated total public housing production of the five-year period commencing from 2015-16 is higher than that of the last three five-year periods.</p> <p>The Government has been making public at regular intervals –</p> <ul style="list-style-type: none"> <li>(i) the housing supply target and the construction progress of public housing, which includes announcing the housing supply target for the next ten-year and the land identification progress in the annual progress report of LTHS; and</li> <li>(ii) the estimated production number of public housing under HA in the next five years on its website.</li> </ul> <p>As the above work will be on-going, we recommend deleting this part from the next progress report.</p>

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## Administration of Road Safety Measures

Para. No.	Audit's Recommendations	Progress to date
<b>Part 3: Measures to tackle speeding and red light jumping</b>		
3.18 (b)	The Commissioner for Transport, in conjunction with the Commissioner of Police, should explore measures to improve the effectiveness of the present enforcement camera systems, drawing on overseas experience where appropriate.	In exploring new measures to enhance the effectiveness of the present red light camera system, the Transport Department (TD) has considered taking frontal photo of the offending vehicles as recommended by the Audit. In this connection, TD has consulted the Privacy Commissioner for Personal Data and commissioned a consultant to conduct a privacy impact assessment (PIA). The consultant opined that collecting vast amount of facial images by the frontal camera, which is not normally required by the Hong Kong Police Force (HKPF) for prosecution of the offending driver, may breach the Data Protection Principle 1 of the Personal Data (Privacy) Ordinance (Cap 486). TD and HKPF are studying the findings of the PIA as well as conducting an assessment of the cost effectiveness of installing frontal cameras, before deciding the way forward.

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**Direct Land Grants to Private Sports Clubs at Nil or Nominal Premium  
Progress in implementing the Audit and PAC Recommendations**

<b>Para. No.</b>	<b>Audit's Recommendations</b>	<b>Progress to date</b>
<b>General</b>		
Para. 5.8 of the Audit Report	<p>Audit recommends that the Administration should –</p> <p>(a) work out a timetable for the policy review, so that new policy directions on private recreational leases (PRLs) would be in place before the expiration of a number of PRLs;</p> <p>(b) take into account the needs and demands of different stakeholders (namely, the interests of the private sports clubs on PRLs and their members, and the wider public interest) and strike a proper balance between different objectives;</p> <p>(c) set out key principles to be adopted for the renewal of existing PRLs and the granting of new PRLs in future, with a view that public interest will be better served; and</p> <p>(d) conduct a similar review of the 37 PRLs granted to non-governmental organisations (NGOs) and other organisations (i.e. uniformed groups, welfare organisations, national/district sports associations and civil servants' associations) to ascertain if the Administration is facing similar problems and challenges ahead with these PRLs.</p>	<p>An inter-departmental working group has been set up to conduct a comprehensive policy review. We aim to complete the review in 2016.</p>



<b>Para. No.</b>	<b>Audit's Recommendations</b>	<b>Progress to date</b>
<p>Page 59 of the PAC Report</p>	<p>PAC urges that in renewing the PRLs for a 15-year term, the Home Affairs Bureau (HAB) should ensure that the following conditions of the prevailing PRL policy are met –</p> <ul style="list-style-type: none"> <li>(a) the site not being required for a public purpose;</li> <li>(b) there being no significant breach of lease conditions;</li> <li>(c) the lessee having a non-discriminatory membership policy; and</li> <li>(d) HAB having approved the “opening-up” scheme submitted by the lessee for fulfilling the greater access requirement.</li> </ul>	<p>We will continue to follow the prevailing policy in renewing the PRLs pending the outcome of the policy review.</p>
<p><b>PART 2: Government policy decisions in 1969 and 1979</b></p>		
<p>Para. 5.9 of the Audit Report</p>	<p>Audit recommends that the Administration should –</p> <ul style="list-style-type: none"> <li>(a) examine individual PRLs on a case-by-case basis and consider how they should be revised/refined in the light of changes in circumstances, taking into account the key principles set in the forthcoming policy review on PRLs;</li> <li>(b) set up an effective mechanism to monitor the use of PRL sites, including the requirement to approve the developments on the PRL sites and the conduct of regular site inspections under the enforcement regimes of the HAB/LandsD;</li> </ul>	<p>Upon completion of the policy review, Lands Department (LandsD) and HAB will consider on a case-by-case basis whether additional lease conditions are necessary.</p> <p>HAB has conducted annual inspections of PRL sites held by 24 private sports clubs to ensure compliance while LandsD also conducts site inspections of PRLs. This issue will be further addressed by the policy review.</p>

<b>Para. No.</b>	<b>Audit's Recommendations</b>	<b>Progress to date</b>
	<p>(c) draw up planning standards to help assess how PRL sites should in future be reasonably apportioned among sports and non-sports facilities to meet the purpose of the PRLs;</p> <p>(d) keep the clubs' membership and their use of the PRL sites under regular review;</p> <p>(e) step up controls to ensure that in future, commitments made to Executive Council (ExCo) relating to PRL policy are properly followed through for implementation; and</p> <p>(f) in future cases of sufficient importance, seek the advice of ExCo before granting the PRL.</p>	<p>This issue will be addressed by the policy review.</p> <p>HAB monitors the usage of sports facilities on PRL sites through quarterly returns from lessees and annual site inspections. Since this will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p> <p>We are handling matters related to the PRLs in accordance with ExCo's policy decisions.</p> <p>We will seek the advice of ExCo where necessary.</p>
<b>PART 3: Implementation of the "opening-up" requirement</b>		
<p>Para. 5.9 of the Audit Report</p>	<p>Audit recommends that the Administration should –</p> <p>(g) keep the approved "opening-up" schemes for individual private sports clubs under regular review and monitor the scheme usage by Outside Bodies;</p> <p>(h) closely monitor how the club mentioned in paragraph 3.22 of the Audit Report would implement its proposed "opening-up" scheme on the PRL before approval is granted;</p>	<p>HAB monitors the implementation and usage of the approved "opening-up" schemes through quarterly reports and annual site inspections. Since this will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p> <p>In view of the fact that the club has demonstrated its capability and readiness to implement the greater access requirements, HAB approved the revised "opening-up" scheme submitted by the club in November 2015.</p>

<b>Para. No.</b>	<b>Audit's Recommendations</b>	<b>Progress to date</b>
	<p>(i) continue stepping up publicity on the clubs' facilities available for use by Outside Bodies and coordinating with the Education Bureau (EDB) to encourage schools in the vicinity of the clubs to make more use of the clubs' facilities; and</p> <p>(j) take note of the obstacles ahead which might discourage Outside Bodies from using the clubs' facilities and take steps to overcome them as far as possible.</p>	<p>HAB has discussed with the EDB how to encourage schools to make more use of the clubs' facilities.</p> <p>HAB has followed up with individual lessees with low utilisation with a view to increasing usage rates.</p> <p>HAB placed another round of advertisements in the print media in February 2016 and will consider other publicity measures as necessary.</p>
Page 67 of the PAC report	PAC urges the Administration to step up its efforts to remind the clubs to promote the availability of their sports facilities.	

**PART 4: Monitoring of compliance with lease conditions**

Para. 5.9 of the Audit Report	<p>Audit recommends that the Administration should –</p> <p>(k) follow up the irregularities/suspected non-compliances with Conditions of Grant reported in Examples 9 to 15; (see also pages 68-69 (i) – (vii) of PAC report):</p> <p>Example 9 Unauthorised building works</p> <p>Examples 10 &amp; 11 Slopes not properly maintained</p>	<p>As at mid-March 2016, ten out of the 15 clubs involved have rectified the breaches. LandsD will continue to follow up on cases of irregularities or suspected non-compliance in conjunction with HAB and other bureaux and departments (B/Ds).</p> <p>All unauthorized building works were removed or rectified. As action has been completed, we recommend deleting this part from the next progress report.</p> <p>Buildings Department (BD) has completed the concerned slope remedial works for Example 10 and would follow up with the club on payment of the costs incurred.</p>
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<b>Para. No.</b>	<b>Audit's Recommendations</b>	<b>Progress to date</b>
	<p>Example 11 Breaches and possible breaches of user restriction and alienation (see also page 60 &amp; 61 (i) of PAC Report)</p> <p>Example 12 (see also page 61 (ii) of PAC Report) One private sports club was found to have breached the lease condition on alienation by failing to first obtain a waiver from the LandsD before allowing the installation of radio base stations on the rooftop of the club's premises which was used for commercial purposes;</p> <p>(l) conduct checks on the suspected commercial/subletting cases identified in Example 12 in paragraph 4.13, with scope expanded where appropriate, to other private sports clubs holding PRLs, and determine the full extent and propriety of such practices; and</p> <p>(m) critically review the existing PRLs and improve the Conditions of Grant in the long term, taking into account the useful Special Conditions identified in some of the existing PRLs which may help effective implementation of the</p>	<p>For Example 11, BD has acknowledged completion of the slope works by the club.</p> <p>As action has been completed, we recommend deleting this part from the next progress report.</p> <p>As at mid-March 2016, nine out of the 13 clubs involved have rectified the breaches mentioned in Example 12. LandsD is following up with the other clubs with a view to clarifying and seeking rectification of lease breaches where such are established.</p> <p>LandsD has made an offer of terms for a waiver to the club for regularisation of the radio base station. The club has accepted the offer. LandsD is preparing the relevant documents for execution by the club to complete the regularisation.</p> <p>As at mid-March 2016, seven out of the 11 clubs involved have rectified the breaches. LandsD is following up with the other clubs with HAB, with a view to seeking rectification if breaches are established.</p> <p>Upon expiry of existing PRLs, LandsD and HAB will consider whether additional conditions should be added on a case-by-case basis.</p>

<b>Para. No.</b>	<b>Audit's Recommendations</b>	<b>Progress to date</b>
	Government's policy on PRLs (see also page 70 of the PAC report).	
Page 70 of the PAC Report	PAC urges the Administration to – establish a proper monitoring mechanism over PRLs to ensure the clubs' compliance with the Conditions of Grant and to safeguard public interest, including exploring the development of a set of guidelines on PRL conditions and rules which the clubs are expected to observe.	This issue will be addressed in the policy review.
Page 60 of the PAC report	PAC also urges HAB and LandsD to expeditiously implement the relevant improvement measures to safeguard public interest.	
<b>PART 5: Way forward</b>		
Para. 5.9 of Audit Report	<p>Audit recommends that the Secretary for Home Affairs should –</p> <p>(n) work collaboratively with the Secretary for Development and Heads of other relevant government departments to assess whether any of the PRLs due for renewal should be renewed;</p> <p>(o) review whether the current practice of only assessing alterations that have been made to the Memorandum and Articles of Associations (M&amp;As) since the last renewals is sufficient to ensure that all clubs on PRL sites have duly met the non-discriminatory membership policy requirement;</p>	<p>This issue will be addressed by the policy review.</p> <p>When considering applications for PRL renewal, we will examine the M&amp;As of the clubs to ensure that they meet the non-discriminatory membership policy requirement.</p>

<b>Para. No.</b>	<b>Audit's Recommendations</b>	<b>Progress to date</b>
	<p>(p) monitor the progress of the renewals for the 16 expired PRLs, including those clubs which had submitted timetables for rectifying breaches on PRLs; and</p> <p>(q) review the current status of the PRL which had expired since 1996, but was still under "hold-over" arrangement on quarterly basis, and critically consider whether the existing "hold-over" arrangement should continue.</p>	<p>Of the 16 expired PRLs, 13 have been renewed. We will complete the renewal of the remaining three PRLs as soon as possible.</p> <p>We are planning for alternative use of the site on a long-term basis.</p>

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**Management of Roadside Skips**  
**Updated Progress of Implementing Audit's Recommendations**  
**(As at 25 May 2016)**

<b>Para. No.</b>	<b>Audit's Recommendations</b>	<b>Progress to date</b>
5.6(c)	<p>Audit has recommended that the Secretary for Development, the Secretary for the Environment and the Secretary for Transport and Housing should jointly, based on the results of para. 5.6(a) and (b):</p> <p>(i) formulate strategies and action plans for regulating and facilitating skip operations; and</p>	<p>The Joint Working Group (JWG) is taking forward the following short term measures to tackle the problems caused by roadside skips:</p> <p>(a) to identify suitable sites to be made available to skip operators through tendering on short-term tenancies (STTs) for storage of "idling" skips and/or to facilitate skips to be placed in suitable commercially managed sites of other uses, with a view to reducing the number of such skips placed on roads or in public places; and</p> <p>(b) to enhance enforcement efficiency by engaging term contract service providers to help relevant Government departments speed up the removal of roadside skips.</p> <p>On (a), the JWG proposed to make available land at Siu Lang Shui in Tuen Mun and at Tseung Kwan O Area 137 Fill Bank for leasing on STTs to skip operators for placing idling skips in 2016.</p> <p>On (b), the JWG has drawn up the terms for engaging term contract service providers to help enforcement departments speed up the removal of roadside skips. This contract service will be commissioned when the STT sites are available for placing idling skips.</p>

<b>Para. No.</b>	<b>Audit's Recommendations</b>	<b>Progress to date</b>
5.6(c)	(ii) assign a Government department to take up the responsibility for regulating and facilitating skip operations.	5.6(c)(ii) and 5.6(d) The Government will, having regard to the effectiveness of the above short-term measures, consider the need for introducing further measures such as a regulatory system in the longer term.
5.6(d)	conduct a review to reassess whether the current situation justifies Government actions to introduce a regulatory system to regulate and facilitate skip operations.	

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**Provision of Health Services for the Elderly  
Progress in implementing the Audit's and PAC's Recommendations**

Para. No.	Audit's/PAC's Recommendations	Progress to date
<b>Part 2: Elderly Health Assessment Services of the Department of Health (DH)</b>		
Para. 2.18 of Audit Report	<p>Audit has recommended that the Director of Health should –</p> <p>(a) critically review the Elderly Health Centre (EHC) capacity to ascertain if it has been aligned with the growth of the elderly population;</p> <p>(b) explore the feasibility of setting a performance pledge for the waiting time for the elderly who wish to enrol for EHC membership and first-time health assessment;</p> <p>(c) set strategic directions, taking on board the Audit's observations (see paras. 2.6 to 2.17), to assist the EHCs to allocate their resources to cope with the growing demand for health assessment services; and</p> <p>(d) keep the strategic directions in (c) above under regular review and monitor the waiting list of elderly awaiting membership enrolment and first-time health assessment in each EHC.</p>	<p>With implementation of various improvement measures, the overall median waiting time for first-time health assessments has further decreased from 17.4 months in July 2015 to 10.2 months in February 2016.</p> <p>Further improvements are expected with the establishment of another new clinical team in April 2016.</p> <p>DH will also publish the median waiting times of all EHCs on the Elderly Health Service (EHS) website (<a href="http://www.elderly.gov.hk">www.elderly.gov.hk</a>) and at EHCs starting from April 2016 to increase transparency and facilitate the elderly to choose enrolling at those EHCs with relatively shorter waiting time. DH shall closely monitor the waiting time and explore the feasibility of setting a performance pledge after reviewing the operation of the two new clinical teams.</p> <p>An evaluation of the Elderly Health Assessment Pilot Programme (EHAPP) and a comprehensive review of the Elderly Health Care Voucher Scheme (EHCVS) are both in progress. The strategic directions and service capacity of EHCs will be reviewed taking into account the findings of these studies.</p>

<b>Para. No.</b>	<b>Audit's/PAC's Recommendations</b>	<b>Progress to date</b>
Page 113 of PAC report	<p>PAC urges the Director of Health to expedite measures to resolve the problem of long waiting time for enrolment to EHCs to receive first-time health assessments, and to set a performance target on the waiting time and a timetable in achieving the target.</p> <p>PAC recommends the Director of Health to –</p> <p>(a) conduct a comprehensive review on EHCs' mode of operation to better cope with the growth in service demand arising from an ageing population in the coming decades; and</p> <p>(b) collect relevant statistics to ascertain the demands for elderly healthcare services, and the extent of how such demands have been/are to be met by the various initiatives introduced, such as EHCVS and EHAPP.</p>	<p>Please see the responses to para. 2.18 of the Audit Report above.</p> <p>An evaluation on the EHAPP and a comprehensive review of the EHCVS are both in progress. The strategic directions and service capacity of EHCs will be reviewed taking into account the findings from these studies.</p>
Para. 2.32 of Audit Report	<p>Audit has recommended that the Director of Health should –</p> <p>(b) take into account the result of the implementation of the EHAPP in reviewing the EHC capacity to ascertain if it has been aligned with the growth of the elderly population (see para. 2.18(a)).</p>	<p>Please see the responses to para. 2.18 of the Audit Report above.</p>
<b>Part 4: Administration of DH's Elderly Health Care Voucher Scheme</b>		
Para. 4.37 of Audit Report	<p>Audit has recommended that the Director of Health should –</p> <p>(a) expedite the DH's routine checking to cover the examination of selected claims of all enrolled healthcare service providers</p>	<p>Adopting a risk-management approach, DH is finalizing the revised inspection strategy and monitoring protocols which are aimed for implementation</p>

<b>Para. No.</b>	<b>Audit's/PAC's Recommendations</b>	<b>Progress to date</b>
	<p>(EHCPs) over a 15-month cycle as far as possible;</p> <p>(b) avoid adopting a standard pattern of routine checking; and</p> <p>(d) review the effectiveness of conducting follow-up inspections to deter errors/omissions and, where warranted, take escalated action by issuing advisory letters or warning letters to the EHCPs.</p>	<p>in 2016.</p> <p>As the revised protocols will be implemented on an ongoing basis, we recommend deleting this part from the next progress report.</p>
<p>Para. 4.40 of Audit Report</p>	<p>Audit has recommended that the Director of Health should plan for the conduct of another comprehensive review of the EHCVS.</p>	<p>DH is collaborating with the Jockey Club School of Public Health and Primary Care of the Chinese University of Hong Kong to conduct a comprehensive review of the EHCVS. We will make reference to the findings of the evaluation to consider further enhancing the EHCVS as appropriate. As DH has taken forward the recommendation, we suggest deleting this part from the next progress report.</p>
<p>Page 116 of PAC Report</p>	<p>PAC recommends DH to consider making enhancements to the eHealth System so that more detailed statistics could be compiled for assessing the effectiveness of the programme.</p>	<p>DH is collaborating with the Jockey Club School of Public Health and Primary Care of the Chinese University of Hong Kong to conduct a comprehensive review of the EHCVS. The review, inter alia, will explore the views of service providers on the collection of more detailed information through the electronic system of EHCVS.</p> <p>As DH has taken forward the recommendation, we recommend deleting this part from the next progress report.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to date
<b>Part 5: Hospital Authority's Provision of Specialist Out-patient Service to Elderly Patients</b>		
Para. 5.22 of Audit Report	<p>Audit has recommended that the Chief Executive, Hospital Authority (HA) should –</p> <p>(a) conduct a comprehensive review of the appointment scheduling practices of the specialist out-patient clinics (SOPCs);</p> <p>(b) in the light of the results of the review, implement measures to optimise the use of the earliest available appointment slots in scheduling appointments for patients;</p> <p>(c) take action to ensure that the appointment slots from cancelled appointments are timely released and are put to effective use as far as possible; and</p> <p>(d) disseminate the good practices for clearing backlog of Routine cases, and encourage SOPCs to adopt such good practices.</p>	<p>(a) – (d)</p> <p>HA completed the comprehensive review of the appointment scheduling practices of SOPCs and has identified good practices on scheduling appointments for patients in order to optimise the use of the earliest available slots. Such good practices have been incorporated into the SOPC Operation Manual which was issued to all SOPCs on 1 January 2016. HA will continue to monitor the effectiveness of this measure in managing the waiting time of SOPCs.</p> <p>The SOPC Phone Enquiry System, first piloted in the Queen Elizabeth Hospital in Kowloon Central Cluster, aims to facilitate patients to give advance notice to SOPCs of their intention to cancel or reschedule their appointments. HA has extended the system to the other six clusters in 2015-16. With the full implementation of the system in all clusters, cancelled appointments can be put to effective use and the released quotas can be fully utilized.</p> <p>As the above measures have been implemented on an on-going basis, we suggest deleting this part from the next progress report.</p>

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**New Civil Aviation Department Headquarters  
Updated Progress of Implementing Audit's and PAC's Recommendations  
(as at 25 May 2016)**

<b>Para. No.</b>	<b>Audit's/PAC's Recommendations</b>	<b>Progress to date</b>
Part 4 of the PAC Report No. 65, Para. 23-25	The Committee wishes to be informed of further development on the investigation by the Transport and Housing Bureau (THB) on the implementation of the new Civil Aviation Department (CAD) Headquarters project.	The investigation by the THB into the irregularities on the implementation of the new CAD Headquarters project is being undertaken in a comprehensive and in-depth manner covering areas of concerns from different perspectives. The Investigation Officer (at the rank of a Deputy Secretary in THB) has been closely monitoring the progress of investigation to ensure that the investigation is conducted in a fair and equitable manner and in strict compliance with the stipulated requirements. The investigation has now reached a critical stage. THB has asked the relevant staff to provide information and response to specific questions so as to establish whether there is any prima facie evidence to support the initiation of disciplinary actions against the staff in question. THB is working towards completing the required investigation work in accordance with relevant procedural requirements as soon as possible. Based on the outcome of the investigation, the Government will take necessary follow-up actions, including appropriate administrative or disciplinary action, in accordance with established civil service procedures.

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**Government's efforts in enhancing tree safety**  
**Updated Progress of Implementing Audit's and PAC's Recommendations**  
**(as at May 2016)**

Para. No.	Audit's/PAC's Recommendations	Progress to date
<b>Part 2: Coordinating the work of tree management departments</b>		
<i>Delineation of management responsibilities for roadside trees</i>		
2.33	<p>The Secretary for Development should:</p> <p>(a) having regard to the findings of the roadside tree survey, expedite action to review the policy considerations concerning the maintenance approach for roadside trees, and sort out the delineation of maintenance responsibilities of the surveyed trees of the Tree Management Office's roadside tree survey so that the departments concerned can promptly take up the maintenance responsibilities; and</p> <p>(b) step up efforts to further promote the adoption of the lion's share principle by departments for taking up tree management responsibilities, taking due account of cost-effectiveness and public interest.</p>	<p>Para. 2.33 and 2.46</p> <p>Development Bureau has reviewed the policy considerations on roadside tree maintenance, and has promulgated new policy directive in this respect. With effect from 1 January 2016, the Leisure and Cultural Services Department has assumed the maintenance responsibility of roadside trees on unleased/unallocated government land within ten metres from kerb of public roads which were previously under ad hoc maintenance by the LandsD. The new arrangement has been put into effect through the promulgation of the Development Bureau Technical Circular (Works) No. 6/2015 on Maintenance of Vegetation and Hard Landscape Features.</p>
<b><i>Maintenance of roadside trees on unallocated government land</i></b>		
2.46	The Secretary for Development and the Director of Lands should consider implementing regular maintenance for trees on unallocated government land, particularly roadside trees, which currently are under ad hoc maintenance.	As these recommendations have been implemented, we recommend deleting this part from the next progress report.
2.47	The Director of Lands should expedite action to complete the special tree inspection for roadside trees on village access roads and footpaths in rural areas.	
		The tree inspection work was started in December 2013 and is in progress. LandsD expects that the special tree inspection exercise would be completed by the end of 2016-17 as scheduled.

		<p>As action has been taken to address the Audit's recommendation, we recommend deleting this part from the next progress report.</p>
<p><b>Part 4: Management information systems and databases</b></p>		
<p><i>Tree Management Information System</i></p>		
<p>4.12</p>	<p>The Secretary for Development should:</p> <ul style="list-style-type: none"> <li>(a) take measures to promptly complete the Tree Management Information System (TMIS) enhancement project in order to deliver the expected functions and reap the benefits of the TMIS;</li> <li>(b) review the system development issues encountered previously and draw lessons therefrom for reference by the enhancement project; and</li> <li>(d) review and modify, when appropriate, the complaint handling function of the TMIS with a view to putting it to effective use.</li> </ul>	<ul style="list-style-type: none"> <li>(a) and (b) The TMIS enhancement project has been completed and launched in November 2015. The enhanced TMIS has greater system capacity and is equipped with new functions which improve its operational efficiency and user-friendliness for better support of tree management work. The standardized e-forms are downloadable for off-line use, which enable the systematic recording of Tree Risk Assessment by non-TMIS user departments and their appointed consultants/contractors.</li> <li>(d) With the completion of TMIS enhancement project, a clear demarcation of spatial boundary for the core tree management departments can be provided, which has raised accuracy in identifying the tree maintenance responsibilities i.e. "tree owner" or "maintenance party" for taking prompt actions in handling complaint.</li> </ul> <p>As these recommendations have been implemented, we recommend deleting this part from the next progress report.</p>

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**Provision of cycle track network in the New Territories  
Progress in implementing the Audit's Recommendations**

Para. No.	Audit's Recommendations	Progress to date
<b>Part 3: Works contract management</b>		
<i>Implementation of cycle-track improvement works</i>		
3.35	<p>Audit has recommended that the Director of Civil Engineering and Development should:</p> <p>(a) review the feasibility of widening the cycle-track sections with a width of less than 3.5 m along Sections A and B as far as possible.</p>	<p>(a) The Civil Engineering and Development Department (CEDD) has completed the review and identified that a section of about 100 metres (m) long cycle-track near Tuen Mun Hospital could be widened from 3 m to 4 m. The widening works are being arranged for implementation.</p> <p>As follow-up actions on this recommendation have been completed, we recommend deleting this part from the next progress report.</p>
3.36	<p>Audit has recommended that the Commissioner for Transport should consider taking measures at appropriate locations where warranted to alert cyclists to ride more carefully along narrow cycle-track sections.</p>	<p>The TD has completed the review on narrow cycle-track sections and identified 128 locations where improvement measures were warranted. The TD is issuing works requests to the Highways Department (HyD) for implementing the improvements including additional traffic signs, road markings, etc. The improvements are targeted for completion by 2017.</p> <p>As the improvement works will be monitored under the established works request monitoring system, we recommend deleting this part from the next progress report.</p>



Para. No.	Audit's Recommendations	Progress to date
<b>Part 4: Traffic management and maintenance of cycle tracks</b>		
<i>Designation of cycle-dismount zones</i>		
4.34	<p>Audit has recommended that the Commissioner for Transport should:</p> <p>(b) consider taking measures, as far as possible and without compromising cycling safety, to minimise mandatory cycle dismount zones along existing cycle tracks and in planning new cycle tracks in future; and</p> <p>(c) in collaboration with the Commissioner of Police, conduct a review of cyclists' compliance with the dismount requirement when crossing mandatory cycle dismount zones.</p>	<p>(b) The TD has completed the review and identified about 150 mandatory dismount zones at existing cycle tracks which can be lifted. The TD is following up with HyD for removing the related traffic signs or replacing the related traffic signs by advisory ones. The removal works are targeted for completion by 2017.</p> <p>As the improvement works will be monitored under the established works request monitoring system, we recommend deleting this part from the next progress report.</p> <p>(c) Upon completing the above removal works mentioned in paragraph 4.34(b), the TD will collaborate with the Police to review cyclists' compliance with the mandatory cycle dismount requirement with a view to exploring measures to increase compliance as appropriate.</p>

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**Administration of the air traffic control and related services**  
**Updated Progress of Implementing Audit's and PAC's Recommendations**  
**(as at 25 May 2016)**

<b>Para. No.</b>	<b>Audit's/PAC's Recommendations</b>	<b>Progress to date</b>
<p>Para 2.23(a) of the Audit Report</p> <p>and</p> <p>Page 73 of the PAC Report (points (b), (c) and (d))</p>	<p>Audit has recommended that the Director-General of Civil Aviation (DGCA) should –</p> <p>(a) in conjunction with the Air Traffic Management System (ATMS) contractor, expedite action in rectifying the outstanding deficiencies/observations in the ATMS and closely monitor the remaining contract work to minimise further project delay.</p> <p>PAC urges CAD to –</p> <p>(b) ensure that all the deficiencies/observations identified during the Factory Acceptance Tests and Sites Acceptance Tests must be completely and satisfactorily resolved prior to putting the new ATMS into operation;</p> <p>(c) request the Contractor to take all possible effective measures to expedite the implementation of the new ATMS contract; and</p> <p>(d) closely monitor the performance of the Contractor and take pro-active effective measures to ensure that the Contractor settles the outstanding issues in a timely and satisfactory manner.</p>	<p>CAD has continued to closely monitor the remaining work of the ATMS contractor through enhanced communication and supervision to expedite the implementation progress.</p> <p>All the acceptance tests of the new ATMS have been completed in accordance with the requirements specified in the contract. CAD is generally satisfied with the test results. All the priority items have been fully addressed. As for non-priority items, they are minor in nature and do not affect the safe commissioning of the new ATMS. CAD is working with the contractor to address these items in a timely manner.</p> <p>CAD has been delivering training sessions to Air Traffic Control (ATC) operational staff, to help them acquire the necessary competency and build up confidence to master the new ATMS. CAD's current plan is to launch the new ATMS incrementally from June 2016 onwards.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to date
<p>Para 2.23(b) and (c) of the Audit Report and Page 73 of the PAC Report (point (e))</p>	<p>Audit has recommended that DGCA should –</p> <p>(b) step up maintenance efforts to address surveillance data display (SDD) problems (frozen/hang-up) in the existing ATC system; and</p> <p>(c) continue the efforts to deal with the issues of operating the existing ATC system until the new ATC system is available.</p> <p>PAC urges CAD to –</p> <p>(e) closely monitor the existing ATC system and take pro-active effective measures to ensure the existing ATC system is timely maintained in good operational conditions until the new ATC system is commissioned.</p>	<p>CAD has stepped up efforts to enhance maintenance measures to address SDD problems of the existing ATC system. Through a one-off enhancement measure for the existing ATMS conducted in 2014, including upgrading the relevant SDD workstations and optimising radar signal inputs, etc., the system loading continues to stay well within the margin of the safety performance indicator. CAD also continues to work closely with the system contractor and maintenance service provider to maintain the existing ATC system to ensure its reliable and efficient operation until after the new ATC system is fully commissioned.</p>
<p>Page 74 of the PAC Report (point (f))</p>	<p>PAC urges CAD to –</p> <p>(f) consider formulating a contingency plan as soon as possible to deal with the termination of the ATMS contract in case that the Contractor has failed to provide a safe, reliable and stable system by the first half of 2016 or any other indicative date to be set by CAD/THB.</p>	<p>CAD plans to launch the new ATMS incrementally from June 2016 onwards and has formulated a contingency plan to ensure the existing system can continuously provide a safe, reliable and stable ATC service. The contingency plan has reviewed the system maintainability, availability, supply of spare parts, and provision of software maintenance support services from the system supplier for the existing ATMS, among others.</p>
<p>Para 2.24 of the Audit Report</p>	<p>Audit has recommended that the Secretary for Financial Services and the Treasury should consider imposing an expenditure ceiling on the unused project estimate of the ATC system.</p>	<p>Based on CAD's latest estimate on the expenditure and cash flow requirements, the Financial Services and the Treasury Bureau (FSTB) has imposed an expenditure ceiling on the ATC system replacement project.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to date
		As the recommendation has been implemented, we recommend deleting this part from the next progress report.
Pages 74 and 75 of the PAC Report (points (a), (b), (c) and (d))	<p>PAC urges THB to –</p> <p>(a) consider engaging external and independent experts immediately to assess the safety and performance of the new ATMS as well as the likelihood of completing Phase 1 of the new ATMS contract by the ATMS Contractor in the first half of 2016, and then formulate a plan on the way forward for the ATC system replacement project accordingly based on the expert findings;</p> <p>(b) closely monitor the performance of CAD to ensure that there will be no further delay in the implementation of the ATC system replacement project;</p> <p>(c) step up its supervisory role to ensure the effective implementation of major projects by CAD in the future; and</p> <p>(d) update the LegCo and/or obtain the FC's approval, where applicable, in the future for any subsequent substantial variations in its approved funding proposals, such as contract variations or delays in the implementation of major projects.</p>	<p>(a) CAD engaged a consultant in 2012 to provide expert advice and conduct safety assessment workshops for colleagues involved in formulating the safety case report on the design, implementation and transition of the new ATC system. THB appointed another consultant in November 2015 to advise the Secretary for Transport and Housing of the system and staff readiness for the new ATMS. According to the assessment of THB's consultant, the ATMS is safe, stable and reliable and in line with the good practice in other ATC centres. THB's consultant has also made recommendations to cater for user preference and operational effectiveness. CAD has developed an action plan to ensure the recommendations will be adequately addressed prior to commissioning the new system.</p> <p>(b) THB has been monitoring the progress of the ATMS project closely and receives regular update reports from CAD. THB is represented at the Steering Committee on ATMS Project chaired by the Deputy Director-General of Civil Aviation.</p> <p>(c) The Government plans to create a supernumerary Administrative Officer Staff Grade B (D3) post</p>

<b>Para. No.</b>	<b>Audit's/PAC's Recommendations</b>	<b>Progress to date</b>
		<p>in CAD, to be designated as Deputy Director-General of Civil Aviation (2) (DDGCA(2)), to strengthen the capacity of CAD's senior management in taking forward various key projects as well as enhancing the overall administrative control and management of the department. The proposed DDGCA(2) will work closely with THB on implementation of major projects by CAD.</p> <p>(d) THB will update the LegCo and/or obtain the FC's approval in the future for any subsequent substantial variations in its approved funding proposals where appropriate.</p> <p>As this recommendation will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>

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**Government's efforts in Managing Municipal Solid Waste  
Updated Progress of Implementing Audit's and PAC's Recommendations  
(as at 25 May 2016)**

Para. No.	Audit's/PAC's Recommendations	Progress to date
<b>Part 2: Reduction in Municipal Solid Waste (MSW)</b>		
<p>Para. 2.34(a) of Audit Report</p> <p style="text-align: center;">and</p> <p>Page 66 of PAC Report (point (a))</p>	<p>Audit has recommended that the Secretary for the Environment (SEN) and the Director of Environmental Protection (DEP) should:</p> <p>(a) in collaboration with the Commissioner for Census and Statistics and the Commissioner of Customs and Excise:</p> <p>(i) take measures to obtain accurate statistics on the quantities of locally-generated recyclables recovered for export for estimating the MSW-generation quantities and recovery rates; and</p> <p>(ii) strengthen actions to enhance the accuracy of import and export recyclable statistics and take remedial actions where warranted;</p> <p>PAC urges DEP to:</p> <p>(a) take measures to improve the accuracy of statistics collected for evaluating the effectiveness of MSW related programmes;</p>	<p>As reported to PAC before, since April 2014, Environment Bureau (ENB) and the Environmental Protection Department (EPD) have, in collaboration with Census and Statistics Department (C&amp;SD) and Customs and Excise Department (C&amp;ED), implemented measures to enhance the accuracy of statistics on the quantities of locally-generated recyclables recovered for export.</p> <p>As at February 2016, seven thematic workshops had been conducted for recyclers and traders of major recyclables. Written guidelines on how to lodge accurate trade declarations were prepared and distributed to the workshop participants. These workshops will continue to be conducted. We will also ensure the robust implementation of the strengthened quality control mechanism of domestic export declarations of plastic recyclables.</p> <p>As follow-up actions have been taken and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>
<p>Para. 2.34(b) and (c) of Audit Report</p>	<p>Audit has recommended that SEN and DEP should:</p> <p>(b) set revised time targets for implementing the producer responsibility schemes (PR schemes) on vehicle tyres,</p>	<p>EPD will continue to expedite actions on the PR schemes being developed. We will also conduct studies on the PR schemes for other products between 2016 and 2018. In doing so, we will take stock of the present position of the relevant products and</p>

Para. No.	Audit's/PAC's Recommendations	Progress to date
	<p>packaging materials and rechargeable batteries;</p> <p>(c) expedite actions to implement the PR schemes on Waste Electrical and Electronic Equipment and glass beverage bottles;</p>	<p>assess the need for any enhanced efforts to promote their recycling and proper disposal. We will accordingly consider whether a PR scheme should be introduced and if so, the relative priority, and will consult the community and LegCo as appropriate.</p>
<p>Para. 2.34(d) of Audit Report</p>	<p>Audit has recommended that SEN and DEP should:</p> <p>(d) strengthen efforts with a view to implementing the MSW charging scheme as soon as possible; and</p>	<p>We will continue to expedite our preparatory work for MSW charging so as to get ready the legislative proposals for the enabling legislation as soon as practicable within the 2016/17 legislative session.</p>
<p>Para. 2.34(e) of Audit Report</p> <p>and</p> <p>Page 66 of PAC Report (point (c))</p>	<p>Audit has recommended that SEN and DEP should:</p> <p>(e) conduct a post-implementation review of the implementation of the 2005 Policy Framework and inform the LegCo Panel on Environmental Affairs (EA Panel) of the review results.</p> <p>PAC urges SEN to:</p> <p>(c) strengthen efforts to continue the implementation of long-term policies formulated by the previous terms of Government as appropriate with a view to achieving the targets set with the consensus of the community;</p>	<p>The 2013 Blueprint represents continued refinement of the action plans and the timetables of our waste management initiatives the 2005 Policy Framework in the light of our experience and latest developments. ENB and EPD plan to brief the LegCo EA Panel in 2016 on the progress and initial achievements of our waste management measures promulgated in the 2013 Blueprint when the waste statistics for 2015 are available.</p>
<p>Para. 2.52(a) and (b) of Audit Report</p> <p>and</p> <p>Page 69 of PAC Report</p>	<p>Audit has recommended that SEN and DEP should:</p> <p>(a) consider conducting consumer surveys to assess the effectiveness of PR schemes in future; and</p> <p>(b) strengthen actions with a view to improving the accuracy of statistics collected for evaluating</p>	<p>We have been reviewing the extended PR scheme on plastic shopping bags (PSBs) and will take into account the Audit recommendations. We will similarly give due consideration to the recommendations when implementing other PR schemes.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to date
	the effectiveness of PR schemes in future.	
Page 69 of PAC Report	<p>PAC recommends that SEN and DEP should, in implementing similar schemes in future:</p> <p>in addition to the reduction in the number of PSBs being disposed of at landfills, provide LegCo with and publish information on the reduction in weight of PSBs being disposed of at landfills before and after implementation of the scheme.</p>	We have been reviewing the extended PR scheme on PSBs and will take into account the recommendation.
Page 67 of PAC Report Para. 62 (point (c))	<p>PAC urges DEP to:</p> <p>(c) expedite the implementation of Integrated Waste Management Facility (IWMF), PR schemes, MSW charging scheme and Organic Waste Treatment Facility (OWTF) with a view to meeting the targets set out in the 2013 Blueprint or any new blueprint to be developed by the Administration.</p>	<p>As regards the implementation of IWMF, EPD commenced the pre-qualification exercise in March 2015 to invite interested companies to make submissions for pre-qualification. The pre-qualification exercise has been completed and four contractors have been prequalified to participate in the next tendering stage. Preparatory works for the tender are now in progress, with a view to inviting tender in 2016 and commissioning the facility in 2023.</p> <p>The first phase of OWTF is under construction and anticipated to commence operation in 2017. The tendering of the second phase of OWTF will soon commence.</p> <p>In relation to MSW charging and PR schemes, please refer to progress reported above in response to paras. 2.34(b), (c) and (d) of Audit Report.</p>



Para. No.	Audit's/PAC's Recommendations	Progress to date
<b>Part 3: Recovery of MSW</b>		
<p>Para. 3.20(a) of Audit Report</p> <p>Para. 3.20(b) of Audit Report</p> <p>and</p> <p>Page 66 of PAC Report (point(b))</p>	<p>Audit has recommended that SEN and DEP should:</p> <p>(a) vigilantly monitor significant fluctuations in the MSW-recovery rates and ascertain the causes as soon as possible in future;</p> <p>(b) periodically publish the enhanced MSW-recovery rates achieved;</p> <p>PAC urges DEP to:</p> <p>(b) closely monitor the trend of important estimation relating to MSW, in particular the key performance indicators on Government's actions in managing MSW, to identify any anomalies or areas of concern and take appropriate follow-up actions as early as possible;</p>	<p>As reported to PAC before, EPD has been vigilantly monitoring monthly changes in external trade of recyclables, and seeking clarifications with C&amp;SD in the event that unusual fluctuations have been detected. EPD has also been closely monitoring monthly changes in the disposal of solid wastes at landfills. We will continue to publish reports on waste statistics annually.</p> <p>As follow-up actions have been taken and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>
<p>Para. 3.20(c) of Audit Report</p>	<p>Audit has recommended that SEN and DEP should:</p> <p>(c) consider providing appropriate assistance through the Recycling Fund to promote the sustainable development of the waste-plastics recycling industry with a view to enhancing the recovery and recycling of waste plastics; and</p>	<p>The Recycling Fund was officially launched on 6 October 2015. As at May 2016, the Advisory Committee on Recycling Fund has approved 29 applications from recyclers and non-profit making organisations. EPD will monitor the implementation progress of approved projects vigilantly.</p>
<p>Para. 3.20(d) of Audit Report</p>	<p>Audit has recommended that SEN and DEP should:</p> <p>(d) closely monitor and periodically publish the quantity of recovery of locally-generated waste plastics.</p>	<p>As reported to PAC before, EPD has been vigilantly monitoring monthly changes in domestic exports of plastic recyclables. We will continue to publish the quantity of recovery of locally-generated waste plastics annually.</p>

<b>Para. No.</b>	<b>Audit's/PAC's Recommendations</b>	<b>Progress to date</b>
		As follow-up actions have been taken and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.
Para. 3.39(a) of Audit Report	<p>Audit has recommended that SEN and DEP should, in implementing the source-separation programme (SS Programme):</p> <p>(a) strengthen promotion efforts to encourage participating housing estates and commercial and industrial (C&amp;I) buildings to provide the EPD with statistics on recyclables collected from waste separation bins by completing and returning standard forms;</p>	<p>Since end 2015, EPD has issued letters to housing estates joining the source-separation programme to encourage them to return to EPD the monthly statistics using a standard template. Follow up calls have also been made to ensure the matter is attended to by the building managers.</p> <p>As follow-up actions have been taken and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>
Para. 3.39(b) of Audit Report and Para. 3.39(c) of Audit Report	<p>Audit has recommended that SEN and DEP should, in implementing the SS Programme:</p> <p>(b) consider publishing the number of housing estates and the corresponding population which have provided the EPD with statistics on recyclables collected and those not providing the statistics; and</p> <p>(c) compute and publish the per-household-per-day quantities of recyclables collected by the participating estates which have provided the EPD with statistics on recyclables collected.</p>	EPD has been publishing the relevant information since late April 2016. Such information includes the number of estates (and the corresponding population) who return statistics on recyclables collected, and the overall average per-household-per-month quantities of recyclables collected from the estates in 2015. EPD has also been seeking permission from individual housing estates for publishing their per-household-per-month figures.

Para. No.	Audit's/PAC's Recommendations	Progress to date
<b>Part 4: Recycling of MSW</b>		
<p>Para. 4.30(a) of Audit Report</p>	<p>Audit has recommended that SEN and DEP should, in managing EcoPark tenancies:</p> <p>(a) provide necessary assistance to related tenants and explore ways and means to effectively enforce tenants' compliance with related requirements stated in EcoPark tenancies with a view to minimising:</p> <p>(i) actual recycling throughput being significantly lower than that specified in tenancies;</p> <p>(ii) prolonged suspension of recycling operation; and</p> <p>(iii) significant delays in commencing recycling operation;</p>	<p>EPD will continue to provide assistance to related tenants, including early releasing part of the rental deposits and performance guarantee where justified, providing advice and guidance to expedite plant construction process, and facilitating tenants to liaise with local waste producers. Meanwhile, EPD will keep in view if there is any serious and substantial breach of tenancy conditions and exercise the rights of landlord to enforce the contract terms against defaulting tenants accordingly.</p> <p>As follow-up actions have been taken and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>
<p>Para. 4.30(b) of Audit Report</p>	<p>Audit has recommended that SEN and DEP should, in managing EcoPark tenancies:</p> <p>(b) expedite necessary actions with a view to repossessing Lot 4 and re-letting the site as early as possible;</p>	<p>We will continue to engage Department of Justice (DoJ) to pursue legal actions with a view to repossessing the Lot and re-letting the site as early as possible.</p>
<p>Para. 4.30(c) of Audit Report</p>	<p>Audit has recommended that SEN and DEP should, in managing EcoPark tenancies:</p> <p>(c) explore ways and means to repossess a leased site earlier in future if the related tenant fails to comply with significant tenancy requirements;</p>	<p>EPD has been collaborating with DoJ to explore ways to expedite legal actions to repossess the leased site in the event the tenant concerned fails to comply with the tenancy requirements.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to date
Para. 4.30(d) of Audit Report	<p>Audit has recommended that SEN and DEP should, in managing EcoPark tenancies:</p> <p>(d) charge reasonable rental for temporary use of vacant land lots by profit-making organisations; and</p>	<p>There is currently no vacant lot available for temporary storage purpose. EPD has been conducting a review of the suitable charging scheme for temporary use of vacant lots by commercial tenants and will consult the FSTB in due course.</p>
Para. 4.30(e) of Audit Report	<p>Audit has recommended that SEN and DEP should, in managing EcoPark tenancies:</p> <p>(e) in collaboration with the Director of Lands and the Director of Planning, explore suitable land sites for letting to the recycling industry under STTs.</p>	<p>EPD has been working with the Planning Department and the LandsD to step up land search for STT sites. Several potential sites have been identified, and we have been working with LandsD to carry out further evaluation of the sites and consultation with local stakeholders.</p>
<b>Part 5: Treatment and Disposal of MSW</b>		
Para. 5.21(a) of Audit Report	<p>Audit has recommended that SEN and DEP should:</p> <p>(a) strengthen efforts with a view to reducing MSW generation and increasing MSW recovery; and</p>	<p>We have stepped up our efforts to appeal to the public for support to implement the 2013 Blueprint in light of the recommendations from the Audit report. They include organising various educational publicity programmes and implementing policies initiatives such as PR schemes.</p> <p>As follow-up actions will continue to be taken on an on-going basis, we recommend deleting this part from the next progress report.</p>
Para. 5.21(b) of Audit Report	<p>Audit has recommended that SEN and DEP should:</p> <p>(b) in seeking funding approval for landfill extension works in future, provide LegCo with quantifiable information and the underlying assumptions in estimating the remaining serviceable lives of landfills.</p>	<p>As reported to PAC before, we would provide LegCo with quantifiable information and the underlying assumptions in funding applications for landfill extension works in future.</p> <p>As the follow-up actions will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to date
Page 66 of PAC Report (point(d))	PAC urges SEN to:  (d) provide LegCo, in future, with more accurate estimation of the remaining serviceable lives of the three landfills as well as the underlying assumptions in the estimation with more quantitative information.	
<b>Part 6: Way Forward</b>		
Para. 6.15(a) of Audit Report	Audit has recommended that SEN and DEP should:  (a) strengthen efforts to clearly publicise the significant landfill problem with a view to gaining public consensus and support on the vital need for Hong Kong to implement a holistic strategy on handling MSW, focusing on reduction in MSW generation, increase in MSW recovery and increase in MSW treatment by IWMF; and	We will continue to appeal to the public for support to implement the 2013 Blueprint to achieve the targeted results. We have enhanced our communications with the public through organising various educational and publicity programmes and implementing policies initiatives such as PR schemes.  As follow-up actions will continue to be taken on an on-going basis, we recommend deleting this part from the next progress report.
Para. 6.15(b) of Audit Report	Audit has recommended that SEN and DEP should:  (b) explore ways and means to increase the quantity of MSW treatment instead of disposing of large quantities of MSW at landfills.	As reported to PAC before, EPD commissioned a study for planning of future waste management and transfer facilities in September 2015. The main objective of the study is to develop a territory-wide plan and strategy on the provision of additional waste treatment and bulk waste transfer facilities for handling solid waste in an environmentally acceptable, sustainable and cost-effective manner to meet Hong Kong's sustainable development needs. According to the current programme, the study is expected to complete in Q2 2017.

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**Government's efforts in Reduction and Recycling of Food Waste  
Updated Progress of Implementing Audit's and PAC's Recommendations  
(as at 25 May 2016)**

Para. No.	Audit's/PAC's Recommendations	Progress to date
<b>Part 2: Reduction in Food Waste</b>		
<i>Timely actions not taken to address the food waste disposal problem</i>		
<p>Para 2.37(a) of Audit Report and Pages 114-115 of PAC Report (points (a) to (c))</p>	<p>Audit has recommended that SEN and DEP should:</p> <p>(a) be vigilant in monitoring the generation and disposal of food waste against the targets and take early corrective actions in future;</p> <p>PAC urges SEN to:</p> <p>(a) strengthen the coordinating efforts among and supports from government departments for the initiatives on food-waste reduction. Consideration might be given to forming a high-level cross-departmental group to be chaired by the Chief Secretary for Administration (CS) to steer such coordination efforts;</p> <p>(b) SEN to strengthen efforts to closely monitor the trend of food-waste disposal at landfills with a view to taking early corrective actions to meet the target set in the 2014 Food Waste Plan, i.e. the reduction of food waste disposal at landfills by 40% by 2022;</p> <p>(c) DEP to develop an effective mechanism to collect data for evaluating and monitoring the effectiveness of the key measures for the reduction and recycling of food waste.</p>	<p>EPD will continue to monitor closely the disposal of food waste at landfills against the targets set in the "Food Waste and Yard Waste Plan for Hong Kong : 2014 – 2022".</p> <p>As reported to PAC before, in addition to the annual waste disposal survey, EPD is now commissioning a food waste survey/audit for the food and beverage sector with a view to obtaining reliable information for carrying out analysis for the evaluation of the effectiveness of the Food Wise Hong Kong Campaign (FW Campaign) in reducing food waste generated in the sector.</p> <p>Ultimately, the effectiveness of the key measures for the reduction and recycling of food waste will be captured in our annual waste disposal survey.</p> <p>EPD is closely coordinating with the relevant B/Ds on taking forward the relevant food waste management initiatives.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to date
<b><i>Many B/Ds invited but not signing the FW Charter</i></b>		
<p>Para 2.37(b) of Audit Report</p>	<p>Audit has recommended that SEN and DEP should:</p> <p>(b) remind B/Ds having been invited to sign the Food Wise Charter (FW Charter) of the need to demonstrate full support to the Government's policy on food-waste reduction by signing the Charter;</p>	<p>EPD will continue to remind relevant B/Ds of the need to demonstrate full support to the Government's policy on food-waste reduction by signing the FW Charter.</p> <p>Further to the previous report to PAC in December 2015 that ten government departments signed the charter, the number has increased to 16 as at April 2016.</p> <p>To support B/Ds which have signed FW Charter, EPD delivered talks and seminars to the HKPF and the Correctional Services Department (CSD) on 26 November 2015 and 24 February 2016 respectively sharing experience and views in the area of food waste reduction and recycling. EPD will continue to provide support to B/Ds which have signed FW Charter.</p> <p>As the recommendation will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>
<b><i>Need to improve evaluation of HKFWC effectiveness</i></b>		
<p>Para. 2.37(c) of Audit Report</p>	<p>Audit has recommended that SEN and DEP should:</p> <p>(c) take actions to ascertain the reasons of many FW Charter signees not submitting returns and their difficulties in doing so with a view to providing necessary assistance to them;</p>	<p>EPD is liaising with FW charter signees to facilitate them in submitting feedbacks and to learn about the difficulties they are experiencing. Where necessary, EPD will conduct on-site visits to provide necessary advice and assistance.</p> <p>As the recommendation will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>

<b>Para. No.</b>	<b>Audit's/PAC's Recommendations</b>	<b>Progress to date</b>
Para. 2.37(d) of Audit Report	<p>Audit has recommended that SEN and DEP should:</p> <p>(d) issue guidelines on methodologies for compiling measurable food-waste reduction data;</p>	<p>EPD has already developed a set of guidelines on methodologies for compiling measurable food-waste reduction data for different sectors. These guidelines have been uploaded onto Food Wise Hong Kong web site on 3 May 2016 for reference by the general public.</p> <p>As the recommendation has been implemented, we recommend deleting this part from the next progress report.</p>
Para. 2.37 (e) of Audit Report	<p>Audit has recommended that SEN and DEP should:</p> <p>(e) strengthen efforts to encourage FW Charter signees to submit returns and related measurable data;</p>	<p>EPD called for another round of returns on relevant data from Charter signees on 6 November 2015. To further encourage FW Charter signees to submit returns and related measurable data, EPD has developed guidelines for facilitating returns. Subject to the views from FW Charter signees, EPD will explore the necessity to organize seminars to brief FW Charter signees on the methodologies for compiling measurable food waste reduction data. Where necessary, EPD will conduct on-site visits to FW Charter signees to provide necessary advice and assistance.</p> <p>As the recommendation will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>
Para. 2.37(f) of Audit Report	<p>Audit has recommended that SEN and DEP should:</p> <p>(f) consider publishing the good practices of the best-performing FW Charter signees together with their food-waste-reduction data, and extend some forms of commendation to them;</p>	<p>As reported to PAC before, EPD has already publicized some success stories of FW Charter signees on the website of FW Campaign, and through roving exhibitions. Upon consultation with parties concerned, EPD will continue to publish the good practices together with their food waste reduction achievements on the</p>



<b>Para. No.</b>	<b>Audit's/PAC's Recommendations</b>	<b>Progress to date</b>
		<p>website of FW Campaign for sharing with the public and the trade.</p> <p>As the recommendation will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>
<p>Para. 2.37(g) of Audit Report</p>	<p>Audit has recommended that SEN and DEP should:</p> <p>(g) explore ways and means to evaluate the effectiveness of the FW Campaign and the extent of achieving the projected reduction of food waste by 5% to 10% by 2017-18, using 2011 as the base year;</p>	<p>As reported to PAC before, EPD is conducting a food waste survey and audit for food and beverage sector with a view to providing information to evaluate the effectiveness of the FW Campaign in the sector. The baseline survey/audit report was finalized in 2014. The field work of the interim survey/audit was completed and the draft interim survey/audit report is being finalized.</p> <p>EPD will continue to closely monitor progress of various measures and make any corrective/enhancement actions as necessary to ensure that the food waste reduction target would be met. Ultimately, the effectiveness of the key measures for the reduction and recycling of food waste will be captured in our annual waste disposal survey.</p>
<p>Para. 2.37(h) of Audit Report</p>	<p>Audit has recommended that SEN and DEP should:</p> <p>(h) consider publishing the food-waste reduction data of the B/Ds having signed the FW Charter to show the effectiveness of their efforts made in reducing food waste and in support of the Government's policy on food-waste reduction.</p>	<p>EPD is consulting the B/Ds which have signed the FW Charter to publish the food waste reduction data, together with achievements made by other FW Charter signees in reducing food waste.</p>

<b>Para. No.</b>	<b>Audit's/PAC's Recommendations</b>	<b>Progress to date</b>
<p>Page 115 of PAC report (points (c) and (a))</p>	<p>PAC urges SEN to:</p> <p>(c) organize effective large-scale campaigns and step up publicity on food –waste reduction with a view to mobilizing the whole community to reduce food waste and fostering a cultural shift in the long run.</p> <p>PAC urges DEP to:</p> <p>(a) take proactive follow-up actions and effective monitoring measures with a view to involving the whole community to participate in the FW Campaign in order to achieve the target of reducing 180 to 360 tonnes per day of food waste by 2017-2018.</p>	<p>Further to the various ongoing food waste reduction initiatives, EPD launched a new scheme on food waste avoidance and reduction, the “Food Wise Eateries” Scheme, on 2 November 2015 to encourage catering industry to implement initiatives of offering portioned meal and adopting food waste avoidance and reduction measures, and to encourage more partners to sign the FW Charter. With a view to mobilizing the whole community to reduce food waste and fostering a cultural shift in the long run, EPD will continue to take on various actions and initiatives including promotion through announcement in the public interest and media placement, social mobilization through Big Waster Facebook and web site, public education through roving exhibitions and training sessions.</p> <p>As the recommendation will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>
<p><b><i>Food-waste reduction at Correctional Services Department institutions and Hospital Authority hospitals</i></b></p>		
<p>Para 2.49 of Audit Report</p>	<p>Audit has recommended that the Commissioner of Correctional Services, in collaboration with the DEP, should:</p> <p>(a) conduct a review of the CSD institutions having:</p> <p>(i) relatively low per-PIC-per-day food-waste quantities with a view to identifying good practices; and</p>	<p>CSD emphasised that persons-in-custody (PICs) should be treated in a prudent, reasonable and fair manner. Due care should be taken to strike a balance among various factors, including available resources of institutions, manpower, discipline, stability and anticipated number of PICs. CSD will continue to explore appropriate approaches and means to further promote food waste reduction. They have been monitoring the food-waste quantities in correctional institutions with a view to identifying</p>

Para. No.	Audit's/PAC's Recommendations	Progress to date
	<p>(ii) relatively high per-PIC-per-day food-waste quantities with a view to identifying areas for improvement.</p>	<p>good practices and areas for improvement.</p> <p>Three sessions of training workshop was held on 3, 9 and 16 December 2015 respectively for catering staff for sharing experience and good practice of food waste reduction. Food Wise Ambassadors (惜食大使) were appointed in all institutions in January 2016.</p> <p>On 24 February 2016, EPD was invited to brief deputy heads of institutions, Food Wise Ambassadors and catering staff on food waste problems in Hong Kong and tips for food waste reduction. Activities for promoting food waste reduction, such as slogan/poster design competition, were also organized in April 2016.</p>
<p>Para. 2.50(a) of Audit Report</p>	<p>Audit has recommended that the Chief Executive, HA, in collaboration with DEP, should:</p> <p>(a) conduct a review of the HA hospitals having :</p> <p>(i) relatively low per-in-patient-per-day food waste quantities with a view to identifying good practices; and</p> <p>(ii) relatively high per-in-patient-per-day food waste quantities with a view to identifying areas for improvement; and</p>	<p>HA conducted a Special Meeting among its hospitals on 23 October 2015 to identify and share good practices, with a view to further preventing and reducing food waste where practicable. All hospitals with patient meals served have subsequently implemented the following good practices :</p> <ul style="list-style-type: none"> <li>• Minimise the number of spare meals as far as possible; and</li> <li>• Ensure timely updating of patient meal number in the Dietetic and Catering Management System.</li> </ul> <p>Initial review of the food waste generated (per-in-patient-per-day) in Grantham Hospital and Kowloon Hospital/Hong Kong Eye Hospital/Hong Kong Buddhist Hospital showed that the amount of</p>

<b>Para. No.</b>	<b>Audit's/PAC's Recommendations</b>	<b>Progress to date</b>
		<p>food waste was reduced from 0.58 kg and 0.46 kg as stated in the report of the audit conducted in July 2015, to 0.33 kg and 0.35 kg respectively in November 2015.</p> <p>The HA Working Group on Food Service has been established in HA Head Office with representatives from all clusters to monitor and oversee follow-up actions in relation to the results of food waste surveys conducted in HA hospitals.</p> <p>Meetings of the Working Group will be held at least biannually with the target to reducing food waste. The last meeting was held in April 2016, and the next Annual Food Waste Survey will be conducted in August 2016.</p> <p>As the recommendation will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>
<p>Para. 2.50(b) of Audit Report</p>	<p>Audit has recommended that the Chief Executive, HA, in collaboration with DEP, should:</p> <p>(b) consider periodically publishing the per-in-patient-per-day food waste quantities of individual HA hospitals.</p>	<p>HA will conduct the Annual Food Waste Survey for all hospitals in August 2016. Afterwards, publication format on food waste information will be formulated in 2016-17.</p> <p>As the recommendation will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>
<p><b><i>Food Waste Reduction at Schools</i></b></p>		
<p>Para. 2.88(a) of Audit Report</p>	<p>Audit has recommended that SEN and DEP, in collaboration with SED, should:</p>	<p>On 7 December 2015, EPD and EDB issued a joint letter to all primary and secondary whole-day schools inviting them to complete a questionnaire on</p>

<b>Para. No.</b>	<b>Audit's/PAC's Recommendations</b>	<b>Progress to date</b>
	(a) consider periodically conducting surveys on lunch practices of all whole-day schools with a view to obtaining and publishing pertinent statistics;	their current lunch practices in schools, including the use of disposable lunch boxes and adopting on-site meal portioning (OMP). We will conduct further survey periodically in the future.
Para. 2.88(b) of Audit Report	<p>Audit has recommended that SEN and DEP, in collaboration with Secretary for Education (SED), should:</p> <p>(b) based on survey results in (a), conduct a review of the schools with a view to identifying areas for improvement in reducing per-student-per-lunch food-waste quantities;</p>	The information collected in the survey mentioned in 2.88(a) above will be analyzed with a view to exploring possible measures to further promote food waste reduction at schools.
Para. 2.88(c), (d) and (e) of Audit Report	<p>Audit has recommended that SEN and DEP, in collaboration with SED, should:</p> <p>(c) encourage schools to carry out assessments of their feasibility to adopt OMP;</p> <p>(d) for schools which are assessed to be technically feasible to adopt OMP, encourage them to adopt the arrangement as far as possible;</p> <p>(e) for schools which are assessed to be technically not feasible to adopt OMP, encourage them to use reusable lunch boxes instead of disposable ones;</p>	<p>The joint letter mentioned in our response to 2.88(a) above also encouraged those schools that have not yet adopted OMP arrangement to apply to the Environment and Conservation Fund (ECF) for funding for implementing OMP for students. 28 schools have expressed interest to apply to ECF for funding in their returned questionnaires; EPD will approach them individually for follow up.</p> <p>EPD has arranged sharing sessions with schools on the successful implementation of OMP and other green lunch practices in schools so as to encourage schools to adopt OMP and other green lunch practice as far as possible. (Please also refer to the actions taken mentioned in our response to 2.88(g) below.)</p> <p>EPD, in collaboration with EDB, will continue to encourage whole-day schools to adopt green lunch practices including reviewing the relevant</p>

Para. No.	Audit's/PAC's Recommendations	Progress to date
		<p>guidelines and circulars and commending schools with good performance. Those schools which are not feasible to adopt OMP will be encouraged to use reusable lunch boxes as far as possible.</p>
<p>Para. 2.88(f) of Audit Report</p>	<p>Audit has recommended that SEN and DEP, in collaboration with SED, should:</p> <p>(f) review the targets on reduction of using disposable lunch boxes at schools;</p>	<p>EPD will review the targets on reduction of using disposable lunch boxes at school based on the information collected in the survey mentioned in our response to 2.88(a) above.</p>
<p>Para. 2.88(g) of Audit Report</p>	<p>Audit has recommended that SEN and DEP, in collaboration with SED, should:</p> <p>(g) consider extending some forms of commendation to schools showing good performance in terms of food-waste reduction, and publishing their per-student-per-lunch food-waste quantities and good practices in food-waste reduction;</p>	<p>Schools with good performance in implementation of OMP were invited to share their good practice and experience on food waste reduction in a briefing session on ECF funding support on 2 February 2016. Another sharing session will be held in May 2016.</p> <p>Commendations will be given to schools with good performance on green lunch practices at the annual Hong Kong Green School Award Presentation Ceremony scheduled for September 2016. The schools will also be invited to share their successful experience in food waste reduction during the ceremony.</p>
<p>Para. 2.88(h) of Audit Report</p>	<p>Audit has recommended that SEN and DEP, in collaboration with SED, should:</p> <p>(h) consider issuing guidelines to schools on methodologies of measuring food-waste quantities;</p>	<p>EPD has already incorporated guidelines on methodologies of measuring food waste quantities in the food waste survey form issued to ECF recipient schools in early January 2016. Another set of detailed guidelines were issued in March 2016 and posted onto EPD's waste reduction website.</p> <p>The methodologies of measuring food</p>

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		waste quantities will also be explained in the school sharing sessions.
Para. 2.88(i) of Audit Report	<p>Audit has recommended that SEN and DEP, in collaboration with SED, should:</p> <p>(i) encourage schools to provide quantities of food waste in surveys; and</p>	<p>The guidelines mentioned in our response to 2.88(h) above provide guidance to schools on measuring food waste quantities.</p> <p>Schools will also be asked to provide their food waste quantities in the school survey mentioned in our response to 2.88(a) above.</p>
Para. 2.88(j) of Audit Report	<p>Audit has recommended that SEN and DEP, in collaboration with SED, should:</p> <p>(j) explore ways and means to evaluate the effectiveness of EPD actions to promote green lunch practices, including the Green Lunch Charter.</p>	<p>EPD will explore the means of effectiveness evaluation based on the results of the survey mentioned in our response to 2.88(a) above.</p> <p>To sustain the publicity effect of the Green Lunch Charter, EPD will continue to promote green lunch practice in schools through the FW Charter.</p>
Para. 2.89(a) of Audit Report	<p>Audit has recommended that SEN and DEP should, in managing OMP projects funded by the ECF:</p> <p>(a) take follow-up actions on schools not submitting returns on quantities of food waste generated before and after adopting OMP;</p>	<p>The ECF Secretariat issued follow-up letters on 3 November 2015 to all the 32 schools approved with ECF funding in or after July 2011 reminding them to provide food waste quantities both before and after adopting OMP as required under the conditions of receiving funding from ECF.</p> <p>Since some ECF recipient schools had not kept record of their food waste quantities before implementing OMP, in future schools will be required to provide in advance their food waste quantity before adopting OMP in their ECF application form.</p> <p>Collection of food waste quantity data from ECF recipient schools is still ongoing. Reminders will be issued to</p>

Para. No.	Audit's/PAC's Recommendations	Progress to date
		<p>schools if the return of data remains outstanding by end of each academic year.</p> <p>Since the submission of returns from schools is an on-going exercise, we recommend deleting this part from the next progress report.</p>
<p>Para. 2.89(b) of Audit Report</p>	<p>Audit has recommended that SEN and DEP should, in managing OMP projects funded by the ECF:</p> <p>(b) consider publishing the per-student-per-lunch food-waste quantities of the schools before and after adopting OMP and their good practices in food-waste reduction; and</p>	<p>By end of 2015/16 academic year, EPD will analyse the data collected and publicise relevant data of the good performing schools on the website of ECF.</p>
<p>Para. 2.89(c) of Audit Report</p>	<p>Audit has recommended that SEN and DEP should, in managing on-site meal portioning projects funded by the ECF:</p> <p>(c) expedite actions to finalise the accounts of completed project.</p>	<p>The ECF Secretariat has liaised and collaborated with the Electrical and Mechanical Services Trading Fund to expedite action to finalise the accounts of completed projects.</p>
<p>Para. 2.90(a) of Audit Report</p>	<p>Audit has recommended that SED, in collaboration with SEN and DEP, should:</p> <p>(a) take action to ascertain the reasons of the four new schools installed with OMP facilities not adopting OMP, and provide necessary assistance for them to adopt the meal arrangement as far as possible; and</p>	<p>The EDB issued letters to the four schools concerned in late November 2015 to ascertain their reasons for not implementing OMP. One of them has already implemented OMP since the commencement of the 2015/16 school year.</p> <p>Site visits were also paid to the remaining three schools in early December 2015 to understand the problems and difficulties encountered.</p> <p>One school was found to have adopted meal portioning in classroom which could achieve similar effect as OMP.</p>



<b>Para. No.</b>	<b>Audit's/PAC's Recommendations</b>	<b>Progress to date</b>
		<p>For the remaining two schools, despite the difficulties in implementing OMP, they have also taken suitable green lunch measures, such as using reusable containers and cutlery.</p> <p>EDB will, in collaboration with EPD, provide further assistance to these two schools to help them overcome the difficulties as far as possible and encourage them to adopt meal portioning in classroom as an alternative where appropriate.</p>
<p>Para. 2.90(b) of Audit Report</p>	<p>Audit has recommended that SED, in collaboration with SEN and DEP, should:</p> <p>(b) take measures to ensure that all new schools installed with related facilities adopt OMP.</p>	<p>During the design and building stage of the school premises, EDB would inform the school sponsoring body that OMP facilities have been included as standard facilities and require them to adopt OMP as far as practicable. Upon handing over of the school premises to the school, school development officers of EDB will follow up the implementation plan of the school and provide assistance to ensure that the school will adopt OMP unless there are exceptional circumstances with justifiable reasons.</p> <p>In the light of the experience and different practices of schools in implementing OMP, EDB also plans to review and explore viable measures to facilitate schools to adopt different modes of meal portioning taking into account the diversified circumstantial factors and school-based needs.</p> <p>As the recommendation will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to date
<b>Part 3: Recycling of Food Waste</b>		
Para. 3.13(a) of Audit Report	<p>Audit has recommended that SEN and DEP should:</p> <p>(a) take measures to provide clear, relevant and important information to the LegCo and Advisory Council on the Environment (ACE) in future; and</p>	<p>EPD will continue to provide clear, relevant and important information in submissions to the LegCo and ACE in future.</p> <p>As the recommendation will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>
Para. 3.13(b) of Audit Report	<p>Audit has recommended that SEN and DEP should:</p> <p>(b) strengthen efforts to encourage more C&amp;I premises to participate in the Food Waste Recycling Partnership Scheme.</p>	<p>The Food Waste Recycling Partnership Scheme is now being held at the Eastern District. EPD has engaged three shopping malls (Cityplaza, Taikoo Place and Kornhill Plaza), 25 restaurants and two supermarkets to participate in this session of the scheme held from December 2015 to May 2016. Since March 2016, a trial pro-active food waste collection service has commenced at the Food and Environmental Hygiene Department (FEHD)'s Po On Road wet market and cooked food center. EPD has also started engaging the participants of the next session to be held in Yau Tsim Mong District from June to November 2016. We have successfully secured the agreement of some big shopping malls in the district to participate in the scheme.</p>
<b><i>Food Waste Recycling in Public Rental Housing Estates</i></b>		
Para. 3.50(a) and (b) of Audit Report	<p>Audit has recommended that the Director of Housing, in collaboration with SEN and DEP, should:</p> <p>(a) in implementing food-waste recycling schemes in Public Rental Housing (PRH) estates in future:</p>	<p>HD will continue giving priority to promoting food-waste reduction at source. The following lists some of HD's key initiatives progressed to date:</p> <p>i) Since 2005, we have partnered with green groups to organise the</p>

Para. No.	Audit's/PAC's Recommendations	Progress to date
	<p>(i) invite as many households as possible to participate in the schemes;</p> <p>(ii) strengthen efforts to encourage households to participate in the schemes; and</p> <p>(iii) consider extending some forms of commendation to the participating households; and</p> <p>(b) take the lead to practise food-waste recycling in PRH estates to set an example for private housing estates to follow.</p>	<p>“Green Delight in Estate” which is a community-based programme to promote environmental protection. Under the programme, we organised a series of educational campaign to encourage cherishing food and reduction of food waste at source, which include :</p> <ul style="list-style-type: none"> <li>✧ “<i>Cherish food with reward</i>”, inviting residents to pledge for cherish food;</li> <li>✧ “<i>Food waste has value</i>”, inviting residents to provide recipes using food residue;</li> <li>✧ “<i>Empty your plate</i>”, encouraging residents to finish all food and not to leave food on the plate;</li> <li>✧ “<i>Eat light, Eat right</i>”, inviting residents to suggest “Eat light recipes”;</li> <li>✧ “<i>All about waste</i>”, using quizzes to promote environmental protection; and</li> <li>✧ “<i>Waste Reduction Photo Competition</i>”, inviting residents to snapshot any environmental initiatives.</li> </ul> <p>ii) HD has also produced two video clips namely “Everybody Has Their Own Way to Save Food” (一人一個「惜食」行動) and “Go Green. Eat Light. So Easy!” (環保輕食好 Easy) to promote eating “light” and environment-friendly, which were broadcast on the HA</p>

<b>Para. No.</b>	<b>Audit's/PAC's Recommendations</b>	<b>Progress to date</b>
		<p>Housing Channel at the lift lobbies of domestic blocks; and</p> <p>iii) HD has launched another community-based programme, "Let's Join Hands to Reduce Waste in Our Estates", focusing on the key message that reducing waste at source, including food waste, is the responsibility of every resident.</p> <p>As for food-waste recycling, HD will continue to consider how to encourage food-waste recycling in PRH estates, in ways in support of the Government's 2014 Food Waste Plan. A meeting was held in December 2015 between EPD and HD to discuss technical issues related to food waste recycling at PRH estates.</p>
Page 115 of PAC Report	<p>PAC urges DEP to:</p> <p>(b) strengthen efforts to encourage participation of households residing in PRH and private housing estates in food waste recycling schemes, and take appropriate and timely follow-up actions to continuously improving the participation levels.</p>	<p>EPD will continue to support HD in trying out source separation and collection of food waste from PRHs for proper treatment.</p> <p>EPD will continue to provide technical support to the private housing estates which have joined the Food Waste Recycling Projects in Housing Estates under the ECF funding scheme.</p>
Page 121 of PAC Report	<p>PAC recommends that:</p> <p>(b) Director of Housing, SEN and DEP should explore ways to finance food-waste recycling schemes in PRH estates.</p>	<p>HD will continue to consider how to encourage food-waste recycling in PRH estates, in ways in support of the Government's 2014 Food Waste Plan.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to date
<b><i>Food Waste Recycling in Private Housing Estates</i></b>		
Para. 3.67(a) of Audit Report	<p>Audit has recommended that SEN and DEP should:</p> <p>(a) in implementing food-waste recycling schemes in private housing estates:</p> <p>(i) consider providing support and strengthen efforts to encourage participating estates to invite more households to participate in the schemes in future; and</p> <p>(ii) consider extending some forms of commendation to the best-performing housing estates;</p>	<p>The Food Waste Recycling Projects in Housing Estates funded by ECF have included funding support for private housing estates to carry out relevant education &amp; promotional activities, and to engage NGO to promote more households to participate in food waste reduction and recycling. EPD is reviewing further measures to encourage participation, and the appropriate commendation to the best-performing housing estates.</p>
Para. 3.67(b) and 3.67(c) of Audit Report	<p>Audit has recommended that SEN and DEP should:</p> <p>(b) strengthen efforts on implementing trial schemes on separating and collecting food waste from the domestic sector;</p> <p>(c) conduct a review of the need to provide more incentives to housing estates participating in food-waste recycling schemes so that they can continue participating in the schemes;</p>	<p>The ECF agreed in September 2014 to provide extended funding support (with a maximum of 50% of the actual operation cost and a ceiling of \$0.3 million) to those estates that have completed the projects to enable the estates to continue their food waste recycling projects. The ECF also agreed in September 2014 to earmark an additional of \$10 million to accommodate more applications, in addition to \$50 million originally earmarked in 2011.</p> <p>As on-site recycling is not the most suitable long term solution for Hong Kong, EPD will carry out a review of the continuation of the Food Waste Recycling Projects in Housing Estates nearer the time of commissioning of the first OWTF in 2017.</p>

<b>Para. No.</b>	<b>Audit's/PAC's Recommendations</b>	<b>Progress to date</b>
Para. 3.67(d) of Audit Report	<p>Audit has recommended that SEN and DEP should:</p> <p>(d) assess the condition of the four idle food-waste treatment machines with a view to transferring the appropriate ones for gainful use in other projects; and</p>	<p>The ECF Secretariat will identify suitable projects for transfer of the food waste treatment machines that are still in working condition. Potential outlets include other ECF projects for various communities.</p> <p>As at April 2016, three out of the four estates identified with idle food waste treatment machines have applied for extended funding support to continue with food waste recycling activities. For the fourth idle food waste treatment machine, the ECF Secretariat is identifying another suitable project for transfer.</p>
Para. 3.67(e) of Audit Report	<p>Audit has recommended that SEN and DEP should:</p> <p>(e) strengthen assistance provided to the private housing estates concerned with a view to commencing the 24 approved food-waste recycling projects as early as possible.</p>	<p>EPD will continue to provide technical support to the estates, through the operation of a help-desk, for the implementation of on-site food waste recycling, and reduction of food waste. EPD will keep under review the need for further assistance.</p>
<b><i>2014 Food Waste Plan</i></b>		
Para. 4.11(a) of Audit Report	<p>Audit has recommended that SEN and DEP should strengthen efforts and expedite actions to:</p> <p>(a) implement the various measures set out in the 2014 Food Waste Plan;</p>	<p>EPD will continue to implement the various measures set out in the 2014 Food Waste Plan. The progress of key measures was covered by the relevant items in this table.</p>
<b><i>Future OWTFs</i></b>		
Para. 3.39(a) of Audit Report	<p>Audit has recommended that SEN and DEP should:</p> <p>(a) in implementing a works project in future:</p>	<p>For works projects in future, EPD will follow the recommendations in preparation of the consultancy agreement, tender and contract documents, and funding submissions to the LegCo.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to date
<p>and</p> <p>Page 116 of PAC Report</p> <p>and</p>	<p>(i) take measures to ensure that significant work requirements are included in a consultancy agreement; and</p> <p>(ii) endeavour to make a reasonable cost estimate so that the Government can earmark sufficient funding for the project; and</p> <p>PAC urged DEP to:</p> <p>(d) take measures to ensure that detailed design of work projects have been finalized and significant work requirements have been included in the Tender Documents prior to the tendering of works projects in future;</p> <p>(f) Strengthen efforts to address any challenges arising from the construction of the other phases of OWTF with a view to expediting the implementation schedule as far as practicable; and</p> <p>(h) ensure that the information provided to LegCo in the future on other phases of OWTF is accurate, up-to-date and complete, and report to the FC and EA Panel in a timely manner of any significant changes to the original proposals.</p>	<p>As the recommendation will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>
<p>Page 121 of PAC report</p>	<p>PAC recommends that:</p> <p>(a) SEN and DEP should endeavour to provide information requested by LegCo in future.</p>	

<b>Para. No.</b>	<b>Audit's/PAC's Recommendations</b>	<b>Progress to date</b>
<p>Para. 4.11(b) of Audit Report</p> <p>and</p> <p>Page 115 of the PAC Report</p>	<p>Audit has recommended that SEN and DEP should strengthen efforts and expedite actions to:</p> <p>(b) ensure that OWTF Phase 1 would commence operation by 2017 and, subject to resource availability, commission OWTF Phases 2 and 3 by 2020 and 2022 respectively;</p> <p>PAC urges SEN to:</p> <p>(d) closely monitor the implementation of OWTF Phases 1 to 3 to ensure that they would be commissioned on schedule without further delay;</p>	<p>OWTF 1 – The project is under construction and is anticipated to commission in 2017.</p> <p>OWTF 2 – It is anticipated to commence tendering in 2016/2017 with a view to commencing operation by 2020. Under the current programme, EPD plans to seek funding approval from the LegCo in 2017.</p> <p>OWTF 3 – EPD will take forward its Environmental Impact Assessment (EIA) and Engineering Feasibility Study in 2016, with a view to commencing operation by 2022.</p>
<p>Para. 4.11(c) of Audit Report</p>	<p>Audit has recommended that SEN and DEP should strengthen efforts and expedite actions to:</p> <p>(c) commence planning for additional OWTFs to treat the remaining food waste that can be separated and collected for treatment;</p>	<p>As reported to PAC before, EPD has identified a site in Shek Kong for the development of OWTF Phase 3. EPD will take forward its EIA and Engineering Feasibility Study in 2016, with a view to commencing operation by 2022. EPD will continue to identify suitable sites for additional OWTFs to treat the remaining food waste that can be separated and collected for treatment.</p>
<b><i>Collection of Food Waste for Recycling</i></b>		
<p>Para. 3.39(b) of Audit Report</p> <p>and</p>	<p>Audit has recommended that SEN and DEP should:</p> <p>(b) take measures to ensure that adequate quantity of food waste is collected and delivered to OWTF Phase 1 for treatment upon its commissioning in mid-2017.</p>	<p>As reported to PAC before, EPD has been liaising proactively with senior management of the major C&amp;I stakeholders, and has touched base with potential food waste collectors to work out the possible system for separating, collecting and transporting food waste to OWTFs for treatment.</p>
<p>Para. 4.11(d) &amp; (e) of Audit Report</p>	<p>Audit has recommended that SEN and DEP should strengthen efforts and expedite actions to:</p>	<p>In February 2016, Secretary for the Environment issued letters to 15 public institutions, 11 major developers, three food catering</p>



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<p>and</p> <p>Page 113 of PAC Report</p> <p>and</p> <p>Pages 115 to 116 of PAC Report</p>	<p>(d) based on lessons learned from the operation of the Pilot Plant and the food waste recycling schemes in the private housing and PRH estates:</p> <p>(i) critically assess if sufficient food waste could be collected for treatment by the OWTFs; and</p> <p>(ii) map out and implement an effective system for separating, collecting and transporting food waste from the C&amp;I and domestic sectors to OWTFs for treatment;</p> <p>(e) liaise with the C&amp;I sector to make suitable arrangements (including provision of suitable vehicles) for transporting food waste to OWTFs; and</p> <p>PAC emphasized that:</p> <p>ENB/EPD must first develop a comprehensive plan to encourage the public and private sectors to handle their food waste in a proper manner so that adequate amount of food waste would be collected and transported to OWTF for treatment.</p> <p>PAC urges SEN to:</p> <p>(e) map out the implementation of an effective system for separating, collecting and transporting sufficient food waste from the C&amp;I and domestic sectors to OWTFs for treatment;</p> <p>(f) consider introducing incentives or other effective measures to</p>	<p>services companies and four chain restaurants groups to appeal for their support in source separation and delivery of food waste to OWTF-1 upon its commissioning in 2017.</p> <p>EPD's service contractor has started contacting the C&amp;I sector to arrange briefing sessions for the management and front line staffs.</p> <p>Meetings with FEHD were held to discuss the detailed arrangement of food waste collection at the 36 wet markets identified.</p> <p>Meetings with other government departments and quasi-government organizations providing catering services, such as the HA, have been held to discuss the possible incorporation of food waste separation and delivery services in their catering services contracts.</p> <p>The potential food waste collection services providers were also being contacted to explore the types of vehicles suitable for collection and delivery of food waste to OWTF-1.</p> <p>EPD with the assistance of FEHD started a trial pro-active food waste collection service in FEHD wet markets from March to September 2016 to test out the various modes of collection and delivery of food waste from wet markets to OWTF-1.</p> <p>EPD is working out the options of food waste delivery in collaboration with other government departments which generate food waste at their establishments.</p>

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	<p>encourage the transportation of food waste to OWTFs;</p> <p>(g) consider formulating effective measures to coordinate the handling of food waste generated from schools, CSD institutions, HA hospitals and public estates, such as by recycling them locally or transporting them to future OWTFs;</p> <p>(e) take measures to implement an effective system for separating, collecting and transporting sufficient food waste from the C&amp;I and domestic sectors to OWTFs for treatment; and</p> <p>(g) report to EA Panel on the operation of OWTF Phase 1, in particular, the collection and delivery of food waste to the related OWTF, upon its commissioning, and the progress of development of the other phases of OWTF.</p>	<p>EPD is arranging training sessions to C&amp;I establishments who have expressed interest in participating in source separation of food waste.</p>
<b><i>Use of Compost</i></b>		
<p>Para. 4.11(f) of Audit Report</p>	<p>Audit has recommended that SEN and DEP should strengthen efforts and expedite actions to:</p> <p>(f) explore ways and means to make beneficial use of the compost that would be generated by OWTF Phases 1 to 3.</p>	<p>Compost generated from OWTF Phase 1 and 2 will need to meet the compost quality standards specified in the contract to ensure beneficial use of the compost. As reported to PAC before, EPD will review the technology to be adopted for OWTF Phase 3 in the engineering feasibility study to be conducted later in 2016. The use of composting for OWTF 3 has not yet been determined.</p>

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## Use and disposal of vacant school premises

Item No.	Para. No.	Audit's/PAC's Recommendations	Progress to date
<b>Part 2: Identifying vacant school premises (VSP)</b>			
1.	Para. 2.18 of the Audit Report; Pages 154-156 and 163 of the PAC Report	<p>Audit has recommended that the SED should:</p> <p>(a) review the 14 cases of VSP that had not been brought to the Infrastructure and Research Support Division's (IRSD) attention before as found by Audit and find out whether there were other similar cases, take follow-up action on the VSP concerned according to the established mechanism;</p>	<p>EDB has reviewed the 14 cases including consultation and verification with the LandsD on the land status, conditions in the land leases and the present deployments of the VSP concerned. The result of the review shows that school closure as shown in the registration records might not necessarily give rise to VSP.</p> <p>Among these 14 cases, ten school premises have been redeployed for school or other uses and four of them have in fact changed the school name or the level status in the registration records only, which led to the records on school closure. For the remaining premises that are still vacant, one is located on a site involving both private land and government land for which LandsD is processing an application for a short-term tenancy in respect of the government land portion. The other three are located on private land. One of them has been planned for conversion into a post-graduate hostel. LandsD is processing the application for a temporary waiver for another. The remaining one is located on private land with virtually no user restriction and there is no user cessation clause in its land lease.</p> <p>Since EDB has completed the follow-up action, we recommend deleting this item from the next progress report.</p>

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		<p>(b) take measures to improve the mechanism for identifying VSP and maintaining a comprehensive database on VSP;</p> <p>PAC has urged EDB to take improvement measures expeditiously to ensure that the database of VSP would contain complete and up-to-date information necessary for the identification, screening, allocation and management of VSP by EDB.</p>	<p>EDB has completed the stocktaking exercise to reconcile records in the VSP database and the school registration database so as to identify cases of VSP which have possibly been missed out. EDB has identified a total of 3,221 records for further follow-up. It is noted that some records contained entries of “in operation” and “closed/cancelled” under the same school name at the same school premises/property address. In order words, those cases only involved changes in a particular session of the schools only. After reviewing the records and conducting site visits (where required), it is confirmed that there are 1,941 school records involving schools which are still operating under the same school name, i.e. they do not involve VSP. For the remaining 1,280 school records, representing 666 addresses, their status as at 1 May 2016 is as follows:</p> <p><u>Follow-up action completed</u></p> <p>(a) 168 premises/property addresses are within commercial buildings. As the buildings are privately owned for commercial purpose, these premises/property addresses are not under the purview of the VSP that require handling by the Government;</p> <p>(b) 174 premises have been demolished. For example, the school premises were located in demolished public housing estates that no longer exist;</p> <p>(c) 33 VSP of which PlanD and other relevant departments have been notified in accordance with the central clearing house mechanism;</p> <p>(d) 183 premises are now registered as</p>

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			<p>schools and are being used and hence are not VSP. Upon review, it is noted that 43 premises involving changes in the school name only, 49 premises involving cessation of the evening session only, seven premises involving updates of the details of the relevant registered addresses only, 30 premises involving return of part of the premises that have been temporarily on loan (e.g. some classrooms), three premises involving in-situ redevelopment of the premises and four premises involving merging with other schools. The remaining 47 premises are now used/continued to be used by another school. In future, when a school ceases operation or a registration is cancelled and a VSP is resulted, EDB will handle the case in accordance with the established mechanism on handling VSP;</p> <p><u>Follow-action being carried out</u></p> <p>(e) 78 premises are being used for non-school uses, with 44 on private land and the remaining 34 on government land. EDB is verifying with LandsD whether their uses comply with the conditions of the relevant land leases, tenancy agreements or land licences etc. to facilitate follow-up action in accordance with the established mechanism;</p> <p>(f) 18 are vacated ex-school premises, with seven on private land and the remaining 11 on government land. EDB is verifying with LandsD the status of the concerned government land and whether the relevant land</p>

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			<p>leases of those on private lands contain a cessation/ diminution of user clause so as to facilitate follow-up action in accordance with the established mechanism; and</p> <p>(g) After conducting site visits to 12 property addresses, EDB is verifying their land statuses with LandsD and seeking further information on the types of land (e.g. government land or private land) to facilitate follow-up action.</p> <p>After verifying the information of the above 108 addresses for which follow-up actions are being carried out, EDB would consider whether there is a need to include them in the new VSP database.</p> <p>The new VSP database covers vacant or known to-be-vacated school premises, and premises being deployed for short-term or time-limited use. The finance type of the former school and information relating to the land on which the VSP is located will also be recorded, including details about the type of land (e.g. whether the land is under a Private Treaty Grant (PTG)), whether the land lease contains a land use restriction clause and cessation/diminution of user clause, etc., with a view to strengthening the identification, analysis and follow-up of VSP in the future.</p> <p>As at 1 May 2016, the new VSP database contains information of 41 premises, including 17 vacant premises, three partly vacant premises, four known to-be-vacated premises and 17 ex-school premises currently on short-term/time-limited use. The above vacant premises include those nine VSP earmarked for school and other educational use which were not yet being used and two premises on private</p>

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			<p>land with no earmarked use as at 30 April 2015 as mentioned in the Audit Report, four VSP arising from cessation of the relevant school use during the period from May 2015 to 1 May 2016, and two VSP which have been “returned” to PlanD under the central clearing house mechanism and subsequently retrieved by EDB in light of the anticipated demand for school places in the districts.</p>
		<p>(c) consider issuing to all sections concerned a comprehensive manual to lay down requirements and provide guidelines on the identification, screening, allocation and management of VSP;</p> <p>(d) conduct exercises to determine uses of VSP half-yearly in accordance with the established mechanism; and</p> <p>PAC has urged EDB to take a more proactive role in allocating the use of VSP and promoting their gainful use by its divisions and/or stakeholders by formulating a policy and/or directives on the allocation and use of VSP and to promote the optimal use of VSP.</p>	<p>EDB expects to complete the “Procedural Manual for Handling VSP” (hereafter as “Procedural Manual”) in June 2016. It will set out the requirements and guidelines on the identification, screening, allocation and management of VSP for all related EDB sections to follow. The Procedural Manual will clarify the definition of VSP that needs to be handled by the Government (the types of land and school in question will be the main consideration factors), the responsibilities of and factors to be considered by individual EDB sections in the identification and assessment of possible use of VSP, the procedures and timeline of notifying IRSD for follow-up action, IRSD’s procedures of handling VSP upon receipt of notification, and the mechanism to update the new VSP database.</p> <p>According to the Procedural Manual, when there is a new case involving cessation of operation of a school, the Regional Education Offices and School Registration and Compliance Section have to notify IRSD so that the latter may take appropriate follow-up action with LandsD and update the VSP database.</p> <p>EDB will ensure that the list of VSP will</p>

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			<p>be circulated within EDB on a half-yearly basis to invite new and/or updated proposals on educational uses and/or short-term uses (where appropriate) of VSP, and update on the timeline of the earmarked uses so that individual sections may propose short-term uses of the VSP with reference to the timeline.</p> <p>Based on the latest information provided by the related EDB sections, EDB will also continue to circulate, on a half-yearly basis, a list of VSP earmarked for educational use but suitable for short-term use to relevant B/Ds (including the HAB, Home Affairs Department (HAD), LandsD, PlanD and Social Welfare Department (SWD)) with a view to identifying short-term use pending the deployment of such premises for the earmarked use so that the land resources can be gainfully used.</p>
		<p>(e) enhance transparency on uses of VSP arising from all kinds of reasons.</p> <p>PAC has urged EDB to provide LegCo with complete and updated information of VSP to facilitate LegCo's monitoring role in future.</p>	<p>EDB's data on VSP submitted to LegCo were first compiled in relation to the questions raised during LegCo's examination of the estimates of expenditure concerning the policy on "Consolidation of Under-utilised Primary Schools" (Consolidation Policy). Since then, EDB has been mainly adopting the Consolidation Policy as the framework for preparing subsequent replies and information on VSP for the sake of consistency and have set out the framework adopted clearly in the replies.</p> <p>After re-organising the records in the past six months, EDB has improved and updated the VSP database to clarify the definition of VSP which need to be handled. When providing information in relation to VSP to LegCo in future, EDB</p>



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			<p>will compile the related information based on the updated VSP database and the nature of the questions, and with reference to the replies and information in respect of individual premises provided at the PAC hearings.</p> <p>Since EDB has taken follow-up action and will continue to do so on an on-going basis, we recommend deleting this item from the next progress report.</p>
2.	Page 154 of the PAC Report	<p>PAC has urged EDB to set an indicative timeframe for handling each VSP case as far as practicable to avoid VSP being left idle for a long period of time. In addition, EDB should avoid adopting a case-by-case approach and adhere to the mechanisms on the handling of VSP as far as practicable.</p>	<p>EDB needs to earmark/retain certain VSP to cater for the anticipated demand for school places and to allow flexible arrangements required for meeting the changing demand, including the uncertainty involved. It is therefore not feasible or appropriate to impose any fixed target on the vacancy or retention period of a VSP or the number of VSP earmarked.</p> <p>Setting a fixed target for the vacancy period or number of VSP may result in returning VSP in haste and compromising the flexibility required for meeting the changing and various educational needs, including reprovisioning of existing schools to improve their learning and teaching environment or decanting use by schools undergoing in-situ redevelopment or extension works, etc. With the policy objective of putting VSP into gainful use in mind, EDB will notify PlanD and other relevant departments of VSP confirmed not required to be allocated by EDB for school or educational use under the central clearing house mechanism as soon as possible. PlanD will consider suitable long-term alternative uses for the sites. In recent years, EDB has been actively taking forward School Allocation Exercises. A total of</p>

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			<p>eight VSP had been allocated for school use in the past three years.</p> <p>As at 1 May 2016, the new VSP database contains information of 17 vacant premises, including those nine VSP earmarked for school and other educational use which were not yet being used and two premises on private land with no earmarked use as at 30 April 2015 as mentioned in the Audit Report, four VSP arising from cessation of the relevant school use during the period from May 2015 to 1 May 2016, and two VSP “returned” to PlanD under the central clearing house mechanism and subsequently retrieved by EDB in light of the anticipated demand for school places in the districts. EDB has already launched a School Allocation Exercise in respect of one of the VSP. The remaining premises will be handled in accordance with the guidelines as set out in the Procedural Manual as soon as possible.</p> <p>Since EDB has taken follow-up action and will continue to do so on an on-going basis, we recommend deleting this item from the next progress report.</p>
3.	Para. 2.26 of the Audit Report; Page 162 of the PAC Report	<p>Audit has recommended that SED should critically evaluate all relevant factors, including continued use of the premises concerned, in planning for and approving school improvement/extension works in the future.</p> <p>PAC has urged that EDB, in approving future school improvement/extension works, should critically</p>	<p>EDB had already endeavoured to prudently deploy public resources during the implementation of the School Improvement Programme (SIP) from 1994 to 2007. Since it took time to plan an SIP project, changes in time and circumstances could lead to unforeseen development, including the Consolidation Policy launched from the 2003/04 school year, under which public sector primary schools not meeting the minimum threshold number of primary one students would not be allocated primary one class. While</p>

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		<p>evaluate all relevant factors, such as decline in student population, in order to ensure that public money would be well-spent to deliver the intended benefits of such works for the students.</p>	<p>striving to adhere to the principle of prudent use of public resources, EDB at that time was also mindful that it would be unfair to those schools and students should the Government put a halt to the respective SIP works simply because of a possibility of under-enrolment in the future as SIP aimed at improving a school's facilities and in turn learning and teaching environment which did not fully meet the prevailing standard. Moreover, these public sector schools built according to the old planning standards were generally less competitive in student admission than newly-built schools. Terminating SIP completely would diminish these schools' capacity of student admission and result in a vicious cycle. In addition, on top of the condition of individual schools, the need of the district as a whole, including the need for school premises for whole-day conversion of existing primary schools and reprovisioning of existing schools, was also one of the considerations. There were also cases where the schools were located in housing estates to be redeveloped but without any definite programme at the time SIP works were being carried out. Under such circumstances, SIP works continued to proceed such that students of the schools would not be deprived of the opportunity to enjoy improved facilities. Besides, some SIP works involved only minor improvement works or were near completion. Terminating the SIP works at that time would not be in the best interests of the schools and the students concerned.</p> <p>EDB would continue to critically evaluate all relevant factors when planning and approving school</p>

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			<p>improvement/extension works in the future, including whether the school premises would be vacated in the near future, the schools' operational needs and the interests of the schools and students concerned.</p> <p>Since EDB has taken follow-up action and will continue to do so on an on-going basis, we recommend deleting this item from the next progress report.</p>
<b>Part 3: Allocating VSP for educational or other uses</b>			
4.	Para. 3.19 of the Audit Report; Page 157 of the PAC Report	<p>Audit has recommended that SED should:</p> <p>(a) review the 29 VSP that were not being used as at 30 April 2015, especially those having been left idle for a long period of time, with a view to taking appropriate measures to improve the mechanism for handling VSP;</p>	<p>Among the 29 VSP:</p> <ul style="list-style-type: none"> <li>● four were confirmed to be not required to be allocated by EDB for school or other educational use, and PlanD and LandsD have been notified in accordance with the central clearing house mechanism;</li> <li>● 14 have been reused or reallocated/planned for educational use;</li> <li>● two are on private land and require further discussion between EDB and relevant departments on the way forward; and</li> <li>● nine are earmarked for educational use. They will be handled in accordance with the aforementioned mechanism on the handling of VSP (the School Allocation Exercise for one of them is in progress).</li> </ul> <p>Since EDB has completed following up with the recommendation concerned, we recommend deleting this item from the next progress report.</p>

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		(b) for the eight VSP that had not been earmarked for any use, review whether they should be returned to the Government for consideration on alternative uses;	<p>Among the eight VSP:</p> <ul style="list-style-type: none"> <li>● four were confirmed to be not required to be allocated by EDB for school or other educational use, and PlanD and LandsD have been notified of in accordance with the central clearing house mechanism;</li> <li>● two have been reused for school use; and</li> <li>● two are on private land and require further discussion between EDB and relevant departments on the way forward.</li> </ul>
		(c) continue to exercise stringent control on the earmarking of VSP for educational uses and regularly review the need to retain the earmarked VSP;	<p>In the new Procedural Manual being drawn up, EDB will clearly set out the conditions and internal procedures to be followed by EDB sections in earmarking VSP. When considering whether to earmark a VSP, factors needed to be taken into account include the size, location, physical conditions, etc., of the school premises, suitability of the school premises for educational use, demand for public sector school places in the district, reprovisioning needs of existing schools especially those in the same district, the need for decanting premises for schools undergoing in-situ redevelopment or extension works, and the need to provide diversity in the school system, etc., with a view to meeting various educational needs in the territory and supporting relevant policy initiatives as well as to ensuring gainful use of precious land resources.</p> <p>With the policy objective of putting VSP into gainful use in mind, EDB strives to facilitate the re-use of VSP in an expeditious manner as far as practicable. In the half-yearly internal circulation,</p>

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			<p>EDB will remind all sections to determine the need to allocate the VSP for school or other educational use in an expeditious manner, such that EDB could notify PlanD and other relevant departments of those VSP confirmed to be not required to be allocated by EDB for school or other educational use in accordance with the central clearing house mechanism as early as possible. PlanD will consider suitable long-term alternative uses for the sites.</p> <p>Since EDB has taken follow-up action and will continue to do so on an on-going basis, we recommend deleting this item from the next progress report.</p>
		<p>(d) closely monitor the follow-up actions after allocation of a VSP to avoid unnecessary delay in putting the VSP to use; and</p>	<p>For some of the VSP allocated by EDB, there may be uncontrollable or unforeseeable factors such as local concerns which may affect their uses including the timeline. In addition, the implementation of the related renovation or building works would depend on various factors including readiness of the projects and funding priorities. Nevertheless, EDB would closely monitor the follow-up actions to avoid unnecessary delay in putting allocated VSP to use as far as practicable.</p> <p>Since EDB will continue to carry out the above action on an on-going basis, we recommend deleting this item from the next progress report.</p>

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		<p>(e) where there are sound justifications for earmarking VSP for long-term educational uses and the VSP concerned are available for application for short-term uses, continue to provide other B/Ds with relevant information of the VSP through the existing mechanism and consider whether other possible interested parties such as NGOs and community organizations may also be provided with such information so that they may apply through the subject bureau/department.</p> <p>PAC has urged EDB to consider ways to promote the use of VSP remaining on the circulation list within EDB. If these VSP were considered not suitable for educational use, they should be returned to PlanD under the central clearing house mechanism for considering their alternative uses expeditiously.</p>	<p>EDB will ensure that the list of VSP will be circulated within EDB on a half-yearly basis to invite new and/or updated proposals on educational uses and/or short-term uses (where appropriate) of VSP, and update on the timeline (if any) of the earmarked uses so that individual sections may propose short-term uses of the VSP with reference to the timeline. EDB will also continue to circulate, on a half-yearly basis, a list of VSP earmarked for educational use but suitable for short-term use to relevant B/Ds (including HAB, HAD, LandsD, PlanD and SWD) with a view to identifying short-term use pending the deployment of such premises for the earmarked use so that the land resources can be gainfully used.</p> <p>Once EDB confirms that a VSP is not required to be allocated by EDB for school or other educational use and can be released, EDB will notify PlanD and other relevant departments of the VSP under the central clearing house mechanism as early as possible. PlanD will consider suitable long-term alternative uses for the sites.</p> <p>Since EDB has taken follow-up action and will continue to do so on an on-going basis, we recommend deleting this item from the next progress report.</p>
5.	Para. 3.20 of the Audit Report and Page 159 of the PAC Report	Audit has recommended that the Director of Lands (D of Lands) should ensure that interested parties have ready access to updated and complete information about VSP available for use for community, institutional or non-profit-making purposes	<p>LandsD will continue to notify policy bureaux of government sites (including ex-school premises) available for short-term uses with a view to inviting applications for use by B/Ds and other interested parties known to them.</p> <p>LandsD will continue to include the ex-school premises which are available</p>

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		<p>on a short-term basis.</p> <p>PAC has urged that LandsD should ensure that interested outside parties could have ready access to updated and complete information about VSP available for short-term uses, such as by uploading the list onto LandsD's website for public inspection.</p>	<p>for public application for appropriate temporary uses into "the list of vacant government sites available for application for short-term uses". The list containing regularly updated information and location plan of the sites concerned will continue to be circulated to District Councils, District Offices and District Social Welfare Offices regularly. The list is readily available at District Lands Offices (DLOs) for inspection by interested outside parties and members of the public.</p> <p>Internal guidelines have been issued to standardise and refine the arrangements for public inspection of the list at DLOs.</p> <p>Since LandsD will handle the above matter through its daily operation, we recommend deleting this item from the next progress report.</p>
6.	Para. 3.21 of the Audit Report and Page 159 of the PAC Report	<p>Audit has recommended that the Director of Housing should put the VSP with a vacancy period of 4.6 years to gainful use as soon as possible.</p> <p>PAC has urged HD to review its mechanism in assessing the use of possible sites, including VSP, for housing development with a view to expediting the whole process so that these sites could be released to other departments for more gainful uses should the sites be considered not suitable for housing purpose.</p>	<p>After discussion amongst HD, PlanD and EDB and in view of the intention to re-use the concerned school site for educational use, in January 2016, EDB has retrieved that VSP from PlanD which has once been "returned" to PlanD under the central clearing house mechanism.</p> <p>HD agreed with Audit's comments and also acknowledged that, although it was a relatively small site, HD should have tried harder to come to a firm decision earlier on whether or not the site could be used for public housing.</p> <p>Under the central clearing house mechanism, HD will actively consider the sites of VSP proposed by PlanD for public housing development and will carry out feasibility study as soon as possible in determining whether the sites are suitable for public housing</p>



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			<p>development. If these sites are determined to be not suitable for public housing development, HD will promptly inform PlanD to release the sites to other departments for more gainful long-term uses.</p> <p>For VSP in housing estates with Government leases, redevelopment of the VSP requires the consent of all owners, which involves compliance with the requirements under the law, the Government lease and the Deed of Mutual Covenant, the issue of multiple ownership, etc. HD estimates that it will take considerable time to resolve these issues.</p> <p>For VSP that require extended time prior to the commencement of public housing construction works, HD will welcome other departments and organisations to rent the concerned VSP for short-term uses.</p> <p>Since HD will carry out the above action on an on-going basis, we recommend deleting this item from the next progress report.</p>
7.	Page 160 of the PAC Report	PAC has urged DEVB to strengthen the coordination and promotion on the use of VSP under the central clearing house mechanism amongst B/Ds. Consideration could be given to appointing a government department to perform such a coordinating role so as to ensure that valuable land resources could be put to optimal use in an efficient and timely manner.	DEVB noted the recommendation by PAC. The Government will ensure that VSP continue to be handled in accordance with the established central clearing house mechanism. PlanD will consider suitable long-term alternative uses for vacant or to-be-vacated school sites when EDB notifies PlanD and other relevant departments that it no longer requires such sites for allocation for school use. Upon confirmation on the future uses for the sites of the VSP under the Government's internal mechanism, PlanD will inform the departments concerned for their follow-up as

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			<p>appropriate, so as to ensure gainful use of precious land resources.</p> <p>Since DEVB has taken follow-up action and will continue to do so on an on-going basis, we recommend deleting this item from the next progress report.</p>
8.	Para. 3.29 of the Audit Report	<p>Audit has recommended that SED should:</p> <p>(a) consider exploring ways to maximise the utilisation of the four VSP that were partially utilised for their current uses; and</p>	<p>Among these four VSP, one VSP is located on private land. For the remaining three VSP located on government land, EDB is handling the remaining part of one of the school premises on government land, and will include the other two VSP in the list of VSP for circulation within EDB on a half-yearly basis for proposals on educational uses and/or short-term uses (where appropriate).</p> <p>EDB will also circulate the relevant information to relevant B/Ds (including the HAB, HAD, LandsD, PlanD and SWD) with a view to identifying suitable short-term use.</p> <p>If there is any proposed use, EDB may need to consult the organisation currently using the premises.</p>
		<p>(b) regularly review the need of those VSP that had been allocated for temporary uses over a relatively long period of time.</p>	<p>With the policy objective of gainful use of resources in mind, EDB will continue to exercise stringent control over the usage of relevant premises by regularly reviewing the need to retain those VSP for educational use and the timeline.</p> <p>Having said that, EDB needs to earmark/retain certain VSP to cater for the anticipated demand for school places in future and to allow flexible arrangements required for meeting the</p>

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			<p>changing demand, including the uncertainty involved, and the various and changing needs. EDB needs to retain or reserve some VSP for a period of time before allocation or return under the central clearing house mechanism afterwards for consideration of alternative long-term use. EDB will strive to identify short-term use pending the deployment of such premises for the earmarked use so that the land resources can be gainfully used. Moreover, EDB needs to retain some VSP as decanting premises for schools undergoing in-situ redevelopment or extension works.</p> <p>Since EDB has taken follow-up action and will continue to do so on an on-going basis, we recommend deleting this item from the next progress report.</p>
<b>Part 4: Handling cases of VSP not surrendered</b>			
9.	Para. 4.11 of the Audit Report	<p>Audit has recommended that SED and D of Lands should:</p> <p>(a) expedite action to take appropriate actions on the 71 VSP the physical possession of which has not been delivered to the Government after cessation of school operation;</p>	<p>In respect of the use and disposal of VSP on private land, EDB has agreed with LandsD on the improvement mechanism for handling these cases. The details are appended in the relevant workflow in Appendices 33 and 34 of the PAC Report No. 65, including the situation when a school sponsoring body refuses to surrender the site and hence necessitates recovery of possession of the site from the grantee. EDB will strengthen the communication and cooperation with LandsD, including taking a more proactive approach to consult LandsD on the information of the sites concerned and discuss appropriate action to take when a VSP arises in future.</p>
		<p>(b) review the handling of cases of VSP located on private land that are required to be but not yet surrendered to the Government under the land lease and improve the mechanism for recovering possession of the VSP; and</p>	<p>Among the 71 VSP, the land leases of</p>

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		<p>(c) review the recording and monitoring mechanism of VSP the physical possession of which has not been delivered to the Government, and consider releasing information on such cases.</p>	<p>28 of them do not have a cessation/diminution of user clause. Unless there is a breach of the lease, or land resumption is required by the Government, otherwise LandsD has no rights to take further action. There are 34 VSP whose land leases contain a cessation/diminution of user clause, while the remaining nine VSP were held on government land licences.</p> <p>As at 1 May 2016, of the 34 VSP with a cessation/diminution of user clause in the land lease, 26 are under EDB's purview. Among these 26 premises, 19 are being used, six are under temporary waiver granted by LandsD for educational use and the remaining VSP requires further discussion between EDB and relevant departments on the way forward. Of the remaining eight VSP under LandsD's purview, the possession of one lot (among the eight lots comprising the VSP) that is subject to the cessation/diminution of user clause has been recovered, the current use of two VSP is in compliance with the lease conditions and no re-entry action is warranted; two VSP involve proposals submitted for other uses which are being considered/processed by LandsD in consultation with the relevant policy bureaux in accordance with the prevailing policy, while LandsD continues with actions to recover possession of the other three VSP.</p> <p>As regards the nine VSP held on government land licences, five involve proposals submitted for other uses which are being processed and the possession of one VSP has been recovered. LandsD will continue to take appropriate action to recover possession of the remaining three VSP with a view to putting them to</p>

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			<p>optimal use.</p> <p>LandsD has strengthened its monitoring mechanism. Regular reviews of the progress of recovering the possession of land and putting VSP to good use are conducted by senior officers at the district and headquarters levels.</p>
10.	Page 158 of the PAC Report	<p>PAC has urged EDB to take a more proactive role and follow up with LandsD on appropriate actions to take back VSP not surrendered by the School Sponsoring Bodies (SSBs) concerned if the relevant land leases contain a cessation/diminution of user clause.</p>	<p>In respect of the use and disposal of VSP on private land, EDB has discussed with LandsD on the mechanism to handle these cases and strengthened mutual communication and cooperation. The relevant workflow is illustrated in Appendices 33 and 34 of the PAC Report No. 65. For the purpose of enhancing the arrangement of VSP on private land, when a VSP is identified in future, EDB will take a more proactive approach to consult LandsD on the information relating to the land on which the VSP is located, including details about the type of land (e.g. whether the land is under a PTG), whether the land lease contains a land use restriction clause and cessation/diminution of user clause, etc.</p> <p>For such VSP which EDB considers required for school or other educational uses, EDB will further liaise with LandsD on how to recover possession of the land as far as practicable in accordance with the provisions of the relevant contracts (including land leases, tenancy agreements or service agreements).</p> <p>EDB will keep improving its mechanism and measures, including how to handle VSP on private land, to keep up with the latest developments in the society. However, the Government must act in accordance with the contracts concerned.</p>

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			<p>Since EDB and LandsD have taken follow-up action and will continue to do so on an on-going basis, we recommend deleting this item from the next progress report.</p>
11.	Page 158-159 of the PAC Report	<p>PAC has urged LandsD to:</p> <p>(a) expedite the handling of the VSP with earmarked use, with a view to properly using these premises in a speedy manner within the practical limitations;</p>	<p>Table 11 of the Audit Report referred to 73 VSP not put to use as at 30 April 2015 for which LandsD was the responsible department. Together with four VSP which were under EDB's purview and not being used at that time but which EDB has subsequently notified PlanD in accordance with the central clearing house mechanism for consideration of alternative uses from May to December 2015, there are 77 VSP in total and the position as at 1 May 2016 is as follows:</p>
		<p>(b) If the physical possession of the VSP has not been delivered to the Government, appropriate action should be taken in accordance with the relevant land lease.</p>	<p>(i) for the 28 VSP which are located on private land –</p> <ul style="list-style-type: none"> <li>• 21 do not have a cessation/diminution of user clause in the land lease. Unless there is a breach of the lease, or land resumption is required by the Government, otherwise LandsD has no rights to take further action at the moment.</li> <li>• seven have a cessation/diminution of user clause in the land lease (among the eight lots comprising one of the VSP, only one lot is subject to the cessation/diminution of user clause and possession of which has been recovered). The lease in respect of one VSP was modified in 2012 to accommodate another non-profit making use; two VSP involve proposals submitted for</li> </ul>

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			<p>other uses which are being considered/processed by Lands D in consultation with the relevant bureaux in accordance with the prevailing policy, while LandsD continues to take action to recover possession of the other three VSP.</p> <p>(ii) for 49 VSP which are located on government land –</p> <ul style="list-style-type: none"> <li>● two VSP have been approved for alternative long-term uses pending site possession by the project proponents;</li> <li>● 18 VSP with planned uses/applications are being considered/processed by LandsD;</li> <li>● 21 VSP have been included in the list of vacant government sites available for application for short-term uses;</li> <li>● The possession of one VSP has recently been recovered. LandsD is taking action to recover physical possession of seven VSP. In some of these cases, the former licensees have objected to returning the sites to the Government on the basis that the school premises had been constructed at their own cost and they wish to retain the premises for other uses. At present, the concerned parties of four VSP have put forward proposals to retain the sites for short-term uses. These proposals are being considered in consultation with the relevant B/Ds pending the identification of long-term uses by the Government.</li> </ul>

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12.	Para. 4.19 of the Audit Report	<p>Audit has recommended that SED should:</p> <p>(a) for Case 4 in paragraph 4.16 in which a surrender clause was omitted from the service agreement, strengthen the control and exercise caution in preparing service agreements to prevent recurrence of similar incidents in future;</p>	<p>It is now a standard arrangement to include the site surrender clause in a Service Agreement (SA) where applicable. A memo has also been issued to all relevant EDB sections reminding them about the procedures for handling school reprovisioning and SAs to prevent recurrence of similar incidents. The memo will be re-circulated regularly.</p>
		<p>(b) for Case 5 in paragraph 4.17 in which a side agreement was entered into with the SSB to the effect of nullifying the surrender clause in the service agreement, strengthen the control and exercise caution in handling future cases involving deviation from the standard surrender arrangement for reprovisioning cases and put in place suitable measures to prevent recurrence of similar incidents;</p>	<p>Since EDB has taken follow-up action and will continue to do so on an on-going basis, we recommend deleting this item from the next progress report.</p>
		<p>(c) for Case 6 in paragraph 4.18, consult the LandsD on how to take forward the carving out and surrender of School H so as to make the surrendered site accessible and usable; and</p>	<p>EDB is further exploring with relevant departments (including LandsD) on how to require the SSB to carve out and surrender the site of the VSP in accordance with the SA. EDB will explore the possibility of requiring the SSB to assist in resolving the issues of accessibility and utility connection to make the premises of School H usable after surrender.</p> <p>EDB will also handle similar cases with</p>



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			caution to prevent recurrence of similar incidents in future.
		(d) review other cases of VSP arising from school re-provisioning but not surrendered to the Government and take appropriate follow-up actions.	<p>EDB has discovered three other cases in which schools have been re-provisioned but the VSP were not surrendered. Details are set out below:</p> <ul style="list-style-type: none"> <li>● One VSP is on private land. It was previously a special school which was later re-provisioned. The land lease concerned contains a user cessation clause. Since re-provisioning of special schools was not under the school allocation mechanism at that time, no SA was signed and the SSB was not required to surrender the school premises upon re-provisioning. The VSP is now being used by another special school.</li> <li>● One VSP is on both private and government land. The land lease concerned contains a user cessation clause. The SA signed also contains a surrender clause covering the private land portion. Since there are other structures on the private land (including a hospital and a convent), and facilities such as means of escape etc. of the VSP straddle on that private land, the SSB could not carve out and surrender only the school portion of the private land. EDB will explore with the SSB and relevant departments on how to follow up with the land surrender properly. The VSP is now being used by a secondary school as a decanting premises during its in-situ redevelopment.</li> <li>● One VSP is on private land. Its land lease contains a user cessation</li> </ul>

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			<p>clause. The SA signed does not contain a surrender clause. This VSP has been reused as a kindergarten.</p>
<b>Part 5: Property management of VSP</b>			
14.	Para. 5.12 of the Audit Report	<p>Audit has recommended that SED should maintain a comprehensive list of service providers of property management services for procuring property management services for VSP.</p>	<p>EDB conducted a wider research and consulted relevant government departments with regard to the suppliers list for property management service in February 2016. An expanded list of suppliers for property management services (with the number of service providers increased from six to 30) has been compiled and uploaded to EDB's Departmental Portal for reference by other divisions in accordance with the relevant EDB's internal circular.</p> <p>Since EDB has completed following up with the recommendation, we recommend deleting this item from the next progress report.</p>
15.	Para. 5.19 of the Audit Report	<p>Audit has recommended that SED should:</p> <p>(a) review the inspection mechanism. requiring EDB staff to properly document the results of inspections to VSP managed by contractors;</p>	<p>EDB completed the review on the inspection mechanism in February 2016, including preparation of relevant recording documents, and implemented measures to ensure that the findings of inspections of VSP managed by contractors would be properly documented.</p> <p>Since EDB has completed following up with the recommendation, we recommend deleting this item from the next progress report.</p>

<b>Item No.</b>	<b>Para. No.</b>	<b>Audit's/PAC's Recommendations</b>	<b>Progress to date</b>
		(b) evaluate the contractor's performance upon completion of a property management service contract on VSP; and	<p>EDB completed the review on the relevant mechanism in February 2016, including preparation of relevant assessment documents, and implemented measures to arrange detailed assessment of the performance of the contractors upon completion of the contracts.</p> <p>Since EDB has completed following up with the recommendation, we recommend deleting this item from the next progress report.</p>
		(c) require the property management service contractors to prepare comprehensive monthly reports on their work done in accordance with the contracts.	<p>EDB improved the reporting system in February 2016 and implemented measures including preparation/improvement of relevant recording documents, requesting the prevailing contractors to prepare more detailed monthly reports in respect of the works conducted to facilitate close monitoring of the contractors' performance.</p> <p>Since EDB has completed following up with the recommendation, we recommend deleting this item from the next progress report.</p>

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**Operation of the Hongkong Post**  
**Updated Progress of Implementing Audit's and PAC's Recommendations**  
**(as at 25 May 2016)**

Para. No.	Audit's/PAC's Recommendations	Progress to date
<b>Overall Comments</b>		
Page 200 of the PAC Report	<p>PAC urges Secretary for Commerce and Economic Development and Postmaster General (PMG) to:</p> <p>(a) fundamentally review the operation of Hongkong Post (HKP) in its dual role as a trading fund and a government department;</p> <p>(b) take the opportunity when the target rate of return for HKP is to be reviewed in 2016 to discuss with the FSTB on a more realistic rate of return; and</p> <p>(c) continue to explore measures to provide enhanced flexibility to facilitate HKP's operation.</p> <p>PAC urges PMG to conduct a review of the postal and courier market, in particular, the fast-expanding e-commerce, so as to identify a niche position for HKP which has a vast and comprehensive network of post offices.</p> <p>PAC wishes to be informed of the results of the discussion between Secretary for Commerce and Economic Development, PMG and the FSTB on the new rate of return for HKP and any new arrangements to enhance flexibility in HKP's operation.</p>	<p>(a) While it is the Government's policy that HKP will continue to operate as a trading fund, HKP will build on the effort made hitherto and pursue with relevant B/Ds additional measures to provide a conducive environment for the Post Office Trading Fund (POTF)'s sustainable development in the long run.</p> <p>(b) In the course of the review of the target rates of return for POTF in 2016, HKP is exploring with FSTB whether and how the inherent constraints faced by POTF and the universal service obligation imposed on HKP could be taken into account when setting the target rate of return for the POTF.</p> <p>(c) We are examining the areas in which enhanced flexibility (e.g. with regard to human resource management, financial management and procurement) would facilitate HKP's operation. In the light of the examination outcome, we will pursue with the relevant B/Ds. The Framework Agreement for the POTF is due for review in 2016. We will take the opportunity to examine if there is scope for seeking enhanced flexibility for the POTF.</p> <p>(d) HKP completed a business review in 2015. We will keep up the effort in pursuing the identified new business opportunities.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to date
<b>Part 2: Management of mail processing</b>		
<i>Underpayment of postage</i>		
Para. 2.15(a) of the Audit Report	PMG should conduct a review on the HKP's measures in detecting mail items with underpaid postage.	We have completed a review of the prevailing mechanism and procedures for the detection and processing of underpaid mail items, taking account of the Director of Audit's and the PAC's recommendations. Enhanced measures have since been implemented with the objectives of enhancing risk management and accountability as well as optimising resource deployment while at the same time protecting revenue. These measures include:
Para. 2.15(b) of the Audit Report  and  Page 201 of the PAC Report	PMG should, in the light of the results of the review, enhance the HKP's control mechanism in detecting underpaid mail items, including:  (i) reminding frontline staff to be more vigilant in identifying underpaid mail items;  (ii) laying down requirement on the number of mail items that should be checked by the frontline staff;  (iii) maintaining statistics on the extent of underpayment of postage being spotted so as to determine whether the measures for detecting underpayment need to be enhanced; and  (iv) stepping up efforts in reminding the public to ensure that sufficient postage is affixed on mail items to avoid surcharge or possible mailing delay.  PAC urges HKP to strike a balance when considering utilizing its already constrained manpower and resources to detect mail items with insufficient postage and recover underpaid postage to achieve cost-effectiveness in the use of resources. However, HKP should also have regard to the deterrent effect of its actions and the message its actions will convey to the public about	

<b>Para. No.</b>	<b>Audit's/PAC's Recommendations</b>	<b>Progress to date</b>
	<p>the importance of paying sufficient postage for their mail items as part of the educational and promotional work.</p>	<p>automate surcharge calculation, the issue of dues labels in replacement of dues stamps and recording of the surcharge amount to be collected by item. The IPSS also captures statistics on the processing of underpaid mail items for monitoring the underpayment trend and identifying high risk areas;</p> <p>(d) Starting from 19 April 2016, instead of collecting the surcharge from addressees and delivering the underpaid/unpaid mail items at the door by delivery postmen, addressees are required to pay the surcharge and collect the underpaid/unpaid mail items at the designated post offices; and</p> <p>(e) To increase public awareness, we have stepped up publicity through various channels that underpayment of postage would result in delivery delay.</p> <p>As these recommendations have been implemented/will continue to be implemented on an ongoing basis, we recommend deleting this section from the next progress report.</p>
<p>Para. 2.15(c) of the Audit Report</p>	<p>PMG should consider taking stringent measures to prevent underpayment of postages (e.g. increasing the level of surcharge) should the situation deteriorate.</p>	<p>We will continue to monitor the trend of postage underpayment and review the need for more stringent deterrent measures, including increasing the surcharge level for underpaid mail items.</p>
<p><b><i>Procurement of airfreight services</i></b></p>		
<p>Para. 2.29(a) of the Audit</p>	<p>PMG should review the HKP's practice of waiving contract deposits from contractors of airfreight services who failed the financial vetting and whose</p>	<p>We are reviewing the practice with a view to implementing the review outcome from the next tender exercise onwards (i.e. for the service period</p>

Para. No.	Audit's/PAC's Recommendations	Progress to date
Report	estimated contract value exceeded \$5 million.	from 1 April 2017 onwards).
<p>Para. 2.29(b) of the Audit Report and</p> <p>Page 202 of the PAC Report</p>	<p>HKP should provide accurate information to the Central Tender Board (CTB) on the results of the HKP's financial vetting and the justifications for waiving the contract deposits.</p> <p>PAC urges HKP, as a government department, to follow the Government's Stores and Procurement Regulations (SPRs) in tender exercises. It should provide sufficient justifications and documentation for its decisions which depart from the regulations and established practice for the relevant authority's approval to increase transparency and accountability.</p>	<p>We informed CTB of the details of the financial vetting results for the 2016-17 airmail tender exercise and the justifications for HKP's decision of not requiring the successful tenders to furnish a contract deposit. CTB noted HKP's decision and approved the results of 2016-17 tender exercise. CTB also reminded HKP to observe FC No. 3/2015 when reviewing the contract deposit requirements in future airmail tender exercises. We undertook to do so.</p> <p>We will ensure compliance with applicable SPRs in all future tender exercises, and provide sufficient justifications and documentation for any decisions which depart from the regulations and established practice.</p> <p>As these recommendations have been implemented/will be implemented on an ongoing basis, we recommend deleting this section from the next progress report.</p>
Para. 2.29(c) of the Audit Report	PMG should enhance the computer system by adding an exception reporting function to highlight instances where the actual allotment to contractors for airfreight services did not follow the intended allotment sequence to facilitate supervisory/managerial review.	We are developing a proper monitoring mechanism, taking account of applicable procurement regulations and operational practices. Enhanced system functions (e.g. generation of exception reports) will be ready by end June 2016. Meanwhile, supervisors conduct daily checks on the allotment process for six major destination countries, supplemented by regular superior checks by managers.
Para. 2.29(d) of the Audit Report	PMG should step up the monitoring of the allotment process.	

Para. No.	Audit's/PAC's Recommendations	Progress to date
<b><i>Control and administration of overtime</i></b>		
<p>Para. 2.39(a) of the Audit Report and</p> <p>Page 204 of the PAC Report (point (a) to (c) and (e))</p>	<p>PMG should monitor closely the overtime work by HKP staff to ensure compliance with the relevant Civil Service Regulations (CSRs) and Civil Service Bureau circular, and ensure that senior management's endorsement is obtained in exceptional circumstances where non-compliance is justified.</p> <p>PAC urges HKP to:</p> <p>(a) maintain close communication with its staff and the workers' unions to understand the problems faced by the frontline staff in their daily work and work together with the staff and unions to devise any new measures to address the significant overtime issue;</p> <p>(b) act as a good employer by closely monitoring the workload of its staff. Consideration should be given to exploring the use of new technology and work re-engineering in the workflow in order not to overburden HKP staff with regular overtime work;</p> <p>(c) conduct a comprehensive review on the manpower situation and deployment and explore measures, including the need for additional civil servant posts and/or non-civil service contract (NCSC) staff, to address the manpower shortage problem with a view to alleviating the significant overtime work of its staff; and</p> <p>(e) implement effective measures to monitor and control the granting of overtime work for its staff.</p>	<p>We have implemented the following measures to enhance the administration of overtime work in HKP:</p> <p>(a) All the procedural requirements governing approval of applications for overtime work (including approval for exceeding the monthly overtime ceiling of 60 hours when there are exceptional or emergency situations or in circumstances of genuine need) are strictly enforced;</p> <p>(b) To support supervisors and managers in the administration of overtime work, we have enhanced the departmental Attendance Management System and e-Duty System to allow these officers to access an online list of staff approaching the monthly overtime ceiling of 60 hours and to provide auto-alerts when the staff are approaching the monthly overtime ceiling. The system will not accept allocation of overtime duty to staff in excess of the monthly overtime ceiling of 60 hours in the absence of prior approval from the designated directorate officer(s);</p> <p>(c) We conduct monthly reviews on the reasons for overtime work in each operational division and will continue to minimise overtime work at source through process-re-engineering, application of new technology, etc.;</p> <p>(d) To enhance awareness of, and compliance with, the control mechanism stipulated in the CSRs and departmental guidelines, we will continue to organise regular</p>



<b>Para. No.</b>	<b>Audit's/PAC's Recommendations</b>	<b>Progress to date</b>
		<p>briefings for supervisors and managers and re-circulate the guidelines regularly to the staff concerned; and</p> <p>(e) We will continue to keep the manpower situation under regular review and will in the process maintain close communication with staff and staff unions.</p>
<p>Para. 2.39(b) of the Audit Report</p>	<p>PMG should continue monitoring closely the uncompensated overtime hours balance with a view to reducing it to an acceptable level.</p>	<p>We have stepped up effort since 2011-12 to work down the overall balance of uncompensated TOIL hours in HKP, including the establishment of a dedicated time-off in lieu (TOIL) clearance team. As a result, the overall uncompensated TOIL balance has decreased to 197 100 hours as at 31 March 2016 (or a reduction of 44% since 31 March 2012). The uncompensated TOIL balance of all staff have been contained within the service-wide ceiling of 180 hours, and 83% of the staff who had an uncompensated TOIL balance in HKP as at 31 March 2016 had accumulated less than 50 hours.</p>
<p><b><i>Overtime of Mail Distribution Division</i></b></p>		
<p>Para. 2.55(a) of the Audit Report and Page 204 of the PAC Report (point (d))</p>	<p>PMG should consider carrying out a comprehensive review of the standard time for processing and delivering different types of mail items.</p> <p>PAC has urged HKP to expedite a comprehensive review of the standard time for processing and delivering different mail items and conduct regular beat revision exercises in order to formulate an updated workload for delivery postmen.</p>	<p>HKP is conducting a comprehensive review on the standard time for processing and delivering different types of mail items. We expect to complete the review by end 2016 and implement the new yardsticks in early 2017.</p>

<b>Para. No.</b>	<b>Audit's/PAC's Recommendations</b>	<b>Progress to date</b>
Para. 2.55(b) of the Audit Report	PMG should ensure that beat revision exercises are carried out in a timely manner according to the prescribed schedule.	HKP aims to complete the beat survey exercise for the overdue delivery beats by end 2017.
Para. 2.55(c) of the Audit Report	PMG should consider carrying out supervisory checks by the Beat Survey Team (BST) on more delivery beats.	<p>The BST has increased the number of its monthly supervisory checks from four beats a month to six beats a month since November 2015, and will further increase this to eight beats a month in June 2016.</p> <p>As this recommendation has been implemented, we recommend deleting this section from the next progress report.</p>
Para. 2.55(d) of the Audit Report	PMG should ensure that the BST compile statistics on cases where the Team found the actual mail delivery time taken by delivery postman (DPM) is significantly deviated from the scheduled completion time and investigate the reasons for the variance to facilitate follow-up action and future beat revision exercises.	<p>Starting from November 2015, the BST submits monthly reports on its supervisory checks (including deviation cases and the reasons for the deviations) to the Postal Services Branch Headquarters to facilitate timely follow-up actions.</p> <p>As this recommendation has been implemented, we recommend deleting this section from the next progress report.</p>
Para. 2.55(e) of the Audit Report	PMG should explore the feasibility of using technologies (e.g. personal digital assistants with tracking function) to keep track of the time required for DPM to complete the delivery tasks with a view to providing more accurate information for beat revision exercises.	All delivery postmen in the Mail Delivery Division are equipped with Portable Digital Assistants (PDAs) for instant recording of the delivery status of mail items. The PDAs are due for replacement in 2017. In reviewing our functional requirements, we will examine the merits and feasibility of incorporating additional functions into the device (including global positioning system (GPS) and/or tour monitoring system) for enhancing control of outdoor duties. Subject to funding approval, we aim to implement the PDA replacement programme in phases from Q3, 2017 to Q1, 2018.

Para. No.	Audit's/PAC's Recommendations	Progress to date
<b><i>Monitoring of staff regularly working long overtime</i></b>		
Para. 2.66(a) of the Audit Report	PMG should review the operation and workload of different sections at the Air Mail Centre (AMC) with a view to rationalising their workload and reducing the need for overtime work.	<p>We have implemented the following measures to ease the situation:</p> <p>(a) We have re-engineered the work processes at the AMC to reduce manual effort, e.g. scaling down the operations on Sundays and public holidays. In addition, we will further relocate some of the work processes to the General Post Office (GPO) Building to help alleviate manpower shortage at the AMC;</p> <p>(b) We completed a review on the duty hours of the staff at the AMC in end 2015 to ensure that the operating hours of the AMC can be covered by the regular workforce as far as operationally practicable. We have also redeployed some staff from other operational units to the AMC for reinforcement. Since September 2014, we have been training up a wider pool of staff to share out the overtime work at the AMC. In addition, starting from August 2015, we have deployed leave reserve staff to the AMC to cover temporary absence arising from staff on training;</p> <p>(c) We have embarked on a comprehensive manpower review for the AMC. The review on the manpower capacity and the workload of platform operations was completed in March 2016. We aim to complete the reviews for the other units at the AMC by end 2016;</p> <p>(d) We have enhanced on-the-job</p>
Para. 2.66(b) of the Audit Report	PMG should provide more training to AMC staff in order to expand the pool of staff possessing specific experience/expertise and facilitate flexible staff deployment.	
Para. 2.66(c) of the Audit Report	PMG should take necessary action to reduce the vacancy rate of NCSC staff working at the AMC.	

Para. No.	Audit's/PAC's Recommendations	Progress to date
		<p>training to equip AMC staff with the necessary skills and knowledge for enhanced operational performance; and</p> <p>(e) We have stepped up effort to fill NCSC vacancies in the AMC, e.g. by distributing recruitment advertisements in Tung Chung by means of household circulars and engaging the assistance of Labour Department (LD) in arranging recruitment campaigns in Tung Chung in 2015. We have also increased the salary for AMC staff on overnight shift from 1 November 2015 with a view to attracting more candidates and improving staff retention.</p> <p>As a result of the above measures:</p> <p>(a) During the period from April 2015 to March 2016, the overtime hours incurred by AMC staff has reduced by 21% and the number of staff working overtime in excess of the monthly departmental ceiling of 60 hours has reduced by 75% year-on-year; and</p> <p>(b) Following the completion of the recruitment exercises held in December 2015, the vacancy rate of NCSC staff in the AMC dropped from 10.6% in 2014/15 to 2.3% as at 31 March 2016.</p>
Para. 2.66(d) of the Audit Report	<p>PMG should remind frontline supervisors to:</p> <p>(i) strictly follow the relevant regulations in the granting of TOIL; and</p>	<p>To ensure compliance with the service-wide requirement that TOIL is preferably granted before a staff member takes his earned leave unless the staff concerned has accumulated the maximum amount of earned vacation leave permissible under the relevant</p>

<b>Para. No.</b>	<b>Audit's/PAC's Recommendations</b>	<b>Progress to date</b>
	<p>(ii) avoid requiring staff who took long sick leave to work long overtime unless they have fully recovered.</p>	<p>CSRs, we introduced a self-declaration requirement (initially in Postal Services Branch in August 2015 and subsequently extended to all offices in January 2016) whereby all staff are required to declare their accumulated uncompensated TOIL balance and vacation leave balance when submitting vacation leave applications. In support of this measure, staff can now check their uncompensated TOIL balance, in addition to their vacation leave balance, online.</p> <p>TOIL will be granted unless the accumulated vacation leave balance of the staff concerned has reached 90% of their permitted vacation leave accumulation ceiling. Starting from January 2016, an exception report could be generated on request to assist monitoring by supervisors.</p> <p>As a standing practice, we will avoid requiring staff who have taken long sick leave to work long overtime unless they have fully recovered. In parallel, to guard against possible abuse, we will continue to closely monitor the sick leave applications of individual staff and invoke the mechanism under CSR1291 where warranted.</p> <p>As this recommendation have been implemented/will be implemented on an ongoing basis, we recommend deleting this section from the next progress report.</p>
<b>Part 3: Management of post offices</b>		
<p>Para. 3.12(a) of the Audit Report</p>	<p>PMG should conduct regular reviews on the performance of post offices and make efforts to improve their overall performance, taking into account the demand for postal services, financial</p>	<p>We will continue to keep the operational and financial performance of individual post offices under regular review, taking account of the updated planning standards and guidelines for</p>

<b>Para. No.</b>	<b>Audit's/PAC's Recommendations</b>	<b>Progress to date</b>
	<p>viability and manpower utilisation of individual post offices.</p>	<p>post office provision and other relevant factors (e.g. Government's commitment to provide accessible postal services to the public, demand for postal services in the local community, financial viability, availability of alternative postal facilities in the neighbourhood, etc.). We will continue to take appropriate measures to manage the costs of service provision of post offices, rationalise the staffing of post offices, explore new revenue streams for our post office network and identify opportunities for further rationalisation. Please also see our response to the Director of Audit's recommendation in paragraph 3.12(b).</p> <p>As this recommendation will be implemented on an ongoing basis, we recommend deleting this section from the next progress report.</p>
<p>Para. 3.12(b) of the Audit Report</p>	<p>PMG should continue the HKP's efforts to rationalise the post office network, including exploring the feasibility of consolidating the services provided by post offices to enhance resource utilisation and efficiency.</p>	<p>We will continue with our effort to rationalise the post office network. Progress since the publication of the Director of Audit's Report and the PAC Report is set out below :</p> <p>(a) <i>Cloud View Road Post Office</i>: Cloud View Road Post Office was closed after close of business on 31 December 2015; and</p> <p>(b) <i>On Ting Post Office</i>: On Ting Post Office was closed after close of business on 31 December 2015.</p> <p>We will continue to closely monitor the overall performance of our post office network and take appropriate actions to ensure its cost-effective operation.</p>

<b>Para. No.</b>	<b>Audit's/PAC's Recommendations</b>	<b>Progress to date</b>
		As this recommendation will be implemented on an ongoing basis, we recommend deleting this section from the next progress report.
Para. 3.18(a) of the Audit Report	PMG should review the existing routes of the two mobile post offices service the New Territories taking into account the service points' mail traffic and their proximity to nearby postal facilities.	Following a review of the existing routes of the two mobile post offices in the light of local service demand and other relevant considerations, we have ceased service provision at 13 service points and adjusted the visiting frequency and duration of selected service points from May 2016.
Para. 3.18(b) of the Audit Report	PMG should keep in view the service performance of mobile post offices.	<p>We will monitor the transaction volume of, and the service demands for, individual service points in the daily operation of the mobile post offices. In addition, we will conduct a review of the service points biennially. Where justified, we will adjust the service provision of the mobile post offices in response to the postal needs of the local community.</p> <p>As this recommendation will be implemented on an ongoing basis, we recommend deleting this section from the next progress report.</p>
Para. 3.18(c) of the Audit Report	PMG should explore the potential of using mobile post offices to replace some post offices where feasible.	<p>When considering opportunities to rationalise the operation of our post office network, we will, where appropriate, examine the feasibility of replacing some post offices by using mobile post offices.</p> <p>As this recommendation will be implemented on an ongoing basis, we recommend deleting this section from the next progress report.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to date
<b>Part 4: Management of postal vehicles</b>		
Para. 4.18(a) of the Audit Report	PMG should ensure that the use of HKP's vehicles instead of hired vehicles is fully justified (e.g. by cost-benefit analysis) when procuring new vehicles for mail transportation.	<p>We reinforced the procedural requirements for procurement of departmental vehicles by requiring the conduct of a cost-benefit analysis for all procurement requests with effect from June 2015.</p> <p>As this recommendation has been implemented, we recommend deleting this section from the next progress report.</p>
Para. 4.18(b) of the Audit Report	PMG should review the methodology used and the accuracy of the pre-determined factors (e.g. loading/unloading time) in the calculation of the utilisation rate of HKP's vehicles.	<p>We have reviewed the formula and the assumptions used for calculating the utilisation rates of different types of departmental vehicles in HKP, taking account of the prevailing organisation of postal operations and the deployment arrangements for different vehicle types. The updated methodology has been used for calculating the utilisation rates of departmental vehicles from April 2016.</p> <p>As this recommendation has been implemented, we recommend deleting this section from the next progress report.</p>
Para. 4.18(c) of the Audit Report	PMG should closely monitor the utilisation of the HKP's vehicles (particularly those with low utilisation rates) and take effective actions to optimise their usage.	<p>With the availability of more accurate and reliable vehicle utilisation data under the updated calculation methodology, we will closely monitor the utilisation of HKP's vehicles and continue to take effective actions to optimise their usage.</p> <p>Notwithstanding limitations (e.g. functional limitations of electric vehicles to undertake longer journeys, primary use of the vehicles as reserve vehicles to ensure uninterrupted service provision, shortage of postman drivers,</p>



<b>Para. No.</b>	<b>Audit's/PAC's Recommendations</b>	<b>Progress to date</b>
		<p>aged vehicles, etc.), we have as far as operationally practicable sought to increase the utilisation of the postal vehicles which were identified in the audit report to have a low utilisation rate (i.e. below 50% in 2014-15). These measures include:</p> <ul style="list-style-type: none"> <li>(a) identifying additional duties for the vehicles concerned as far as operationally feasible; and</li> <li>(b) expanding the pool of postman drivers by arranging more suitable candidates with driving licences to attend training and take the test for driving government vehicles.</li> </ul> <p>As a result, the overall utilisation rate of the 14 vehicles* concerned for the period from September 2015 to March 2016 has been lifted to 60%, compared to 42% in 2014-15.</p> <p>* One of the 15 under-utilised vehicles mentioned in the audit report subsequently retired from service.</p> <p>As this recommendation will be implemented on an ongoing basis, we recommend deleting this section from the next progress report.</p>
<p>Para. 4.18(d) of the Audit Report</p>	<p>PMG should explore efficient and effective means of monitoring the Speedpost/Parcel Teams and the vehicles provided to them (e.g. using GPS tracking device) to ensure proper use of vehicles and proper performance of the teams.</p>	<p>Installation of GPS on all departmental postal vehicles in the Speedpost/Parcel teams was completed in April 2016. Subject to a review on the effectiveness of the facility to be completed by October 2016, we may consider installing mobile GPS on hired vehicles in the long run to support more efficient performance management of these vehicles.</p>

<b>Para. No.</b>	<b>Audit's/PAC's Recommendations</b>	<b>Progress to date</b>
<p>Para. 4.29(a) of the Audit Report</p>	<p>PMG should closely monitor the extent of competition in HKP's procurement of hired vehicles, and, where necessary, take effective action to promote competition including further relaxing tender requirements or splitting the contracts.</p>	<p>HKP is committed to encouraging market participation and market competition in our procurement of hired vehicle services in order to achieve better value for money, and has been taking action in this direction (e.g. relaxing the service/vehicle specifications while meeting operational needs) in our recent hired vehicle procurement exercises with positive results.</p> <p>We will continue with our effort to encourage market participation and market competition in future procurement of hired vehicle services while giving due consideration to the need to meet our overall operational needs and maintain uninterrupted service provision in a cost-effective manner.</p> <p>As this recommendation will be implemented on an ongoing basis, we recommend deleting this section from the next progress report.</p>
<p>Para. 4.29(b) of the Audit Report</p>	<p>PMG should ensure that sufficient surprise call point checks and superior spot checks are conducted on hired vehicles.</p>	<p>As hired vehicles are engaged on a time-charge basis, we have put in place mechanisms to verify the on-time performance of hired vehicles, i.e. whether their arrival and departure at designated call points follow the scheduled arrival/departure time and that any extension of time is fully justified.</p> <p>For hired vehicles deployed for motorised delivery beats and the Speedpost teams for which surprise call point checks and superior spot checks are required, starting from July 2015, monthly compliance reports on the conduct of beat inspections are submitted to Postal Services Branch</p>

<b>Para. No.</b>	<b>Audit's/PAC's Recommendations</b>	<b>Progress to date</b>
		<p>Headquarters for monitoring. In addition, four Senior Postal Officer posts were created in November 2015 for two years, in the first instance, for stepping up the conduct of superior checks.</p> <p>As this recommendation will be implemented on an ongoing basis, we recommend deleting this section from the next progress report.</p>
<b>Part 5: Management of Central Mail Centre and General Post Office Building</b>		
<p>Para. 5.13(a) of the Audit Report</p>	<p>PMG should ensure that in future changes to accommodations reprovisioned from the International Mail Centre (IMC) to the CMC are approved by the Property Vetting Committee (PVC) in a timely manner.</p>	<p>We will ensure that for all future changes to the Schedule of Accommodation for the accommodation reprovisioned from the IMC to the CMC, where the PVC's approval is required under the Accommodation Regulations, we will seek such approval in a timely manner.</p> <p>As this recommendation will be implemented on an ongoing basis, we recommend deleting this section from the next progress report.</p>
<p>Para. 5.13(b) of the Audit Report</p>	<p>PMG should monitor the usage of work stations at the office area of the CMC to avoid prolonged vacancy.</p>	<p>The updated utilisation of the 46 work stations on the fifth floor of the CMC is set out below:</p> <p>35 work stations have been taken up by staff in Mail Processing Division, Productivity Service Section, Planning and Development Division, Information System Services Division and Management Services Section;</p> <p>One work station will be taken up by the Planning and Development Division upon completion of recruitment and post creation;</p> <p>Seven work stations are reserved for</p>

<b>Para. No.</b>	<b>Audit's/PAC's Recommendations</b>	<b>Progress to date</b>
		<p>miscellaneous duties to be carried out by staff in different Divisions from time to time; and</p> <p>Three work stations are reserved for vacant posts that are subject to review.</p>
<p>Para. 5.20(a) of the Audit Report</p>	<p>PMG should, in collaboration with the relevant government B/Ds, take appropriate measures to facilitate the Government's project for the reprovisioning of the GPO Building.</p>	<p>It is Government's plan to develop Site 3 at the New Central Harbourfront upon the completion of the Central-Wan Chai Bypass and the relocation of the relevant facilities. The reprovisioning of the GPO Building will be taken forward in step with the development of Site 3, which Government expects to commence in the next two to three years.</p> <p>The GPO reprovisioning project comprises two parts, viz. reprovisioning of the district-tied facilities and reprovisioning of the HKP's Headquarters. The district-tied facilities (i.e. the GPO Counter Office and the Post Office Box Section, the GPO Delivery Office, and the Speedpost Section) will be reprovisioned to a location north of Lung Wo Road within Site 3 of the New Central Harbourfront to meet the postal needs of the local community. HKP's Headquarters will be reprovisioned to a government site adjacent to the CMC in Kowloon Bay.</p> <p>In support of Government's overall project objective and project programme for the development of Site 3, HKP has been working closely with the relevant Government B/Ds all along, and has been making its best endeavour to take forward those tasks falling within its purview in a timely manner in accordance with the established mechanism for</p>

Para. No.	Audit's/PAC's Recommendations	Progress to date
		<p>implementing public works projects under the Public Works Programme. We aim to consult the Central and Western District Council and the Kwun Tong District Council respectively on the two GPO-related reprovisioning projects in 2016.</p>
<p>Para. 5.20(b) of the Audit Report</p>	<p>PMG should monitor the usage of space at the GPO Building with a view to putting it into gainful use before its reprovisioning.</p>	<p>HKP has been taking action to make use of the vacant space arising from the relocation of the GPO sorting office to the CMC in accordance with a plan formulated after the relocation. The progress for taking up the remaining available space is set out below:</p> <p>(a) <i>some 710 m<sup>2</sup> reserved for the Air Registered Mail Section to be relocated from the AMC:</i> The relocation is expected to take place in Q4, 2016 upon completion of the building maintenance works and conversion works; and</p> <p>(b) <i>470 m<sup>2</sup> reserved for use as offices and storage space:</i> The accommodation is expected to be taken up in mid-2016 upon completion of the building maintenance works and conversion works.</p> <p>The Building Management Committee of the GPO Building will closely monitor space utilisation of the building to ensure that available floor space is put to gainful use before reprovisioning.</p>

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**Burial and Cremation Services  
Progress in Implementing Audit's Recommendations**

Para. No.	Audit's Recommendations	Progress to date
<b>Part 2: Supply of Public Niches</b>		
2.21	<p>Audit has recommended that the Director of Food and Environmental Hygiene should:</p> <p>(a) step up efforts to implement the District-based Columbarium Development Scheme, including taking measures in consultation with the relevant government departments to expedite the completion of traffic impact assessment studies;</p> <p>(b) devise more effective measures for promoting local acceptance of columbarium development projects; and</p> <p>(c) for projects under planning with high niche unit cost, explore with the relevant government departments alternatives to lower the niche unit cost.</p>	<p>We have so far obtained support from the relevant District Councils (DCs) for eight projects (offering about 452 000 niches, which account for around 52% of the projected total provision of 873 000 niches from the 24 projects). We are planning to approach the relevant DCs for the remaining 16 projects. FEHD will consult five DCs for six projects in 2016. A tentative schedule for consulting the relevant DCs of the remaining projects is being worked out.</p> <p>Whether all the 24 projects could materialise depends on the outcome of the traffic impact assessments, engineering feasibility studies (if applicable) and technical feasibility studies as well as DC consultation.</p> <p>We will take all feasible measures to address concerns of local residents and DC members with a view to persuading them to accept the columbarium development projects in the districts concerned.</p> <p>Due to the lack of vacant land in the urban area and difficulties in gaining local acceptance, it is increasingly difficult to find suitable sites in areas where there are well developed infrastructural facilities. We will continue to search for suitable sites having regard to the unit costs, technical feasibility and public acceptability for development of public columbaria.</p>

<b>Para. No.</b>	<b>Audit's Recommendations</b>	<b>Progress to date</b>
		<p>As the above measures will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>
<p>2.27</p>	<p>Audit has recommended that Director of Food and Environmental Hygiene should, in view of the acute shortage in short-term supply of niches from 2016 to 2018:</p> <ul style="list-style-type: none"> <li>(a) closely monitor the Tsang Tsui Project to ensure its timely completion in 2019 to meet the accumulated demand;</li> <li>(b) devise a plan and explore measures to address the acute short-term shortage; and</li> <li>(c) consider the feasibility of advancing the allocation of the niches to be provided under the Tsang Tsui Project with a view to alleviating the anticipated acute short-term shortage.</li> </ul>	<p>FEHD has been closely monitoring the Tsang Tsui Project to ensure its timely completion in 2019 for provision of 160 000 niches.</p> <p>During the period from mid-2016 to 2018, the following stock of public niches is expected to be available for allocation: 855 niches in the Wong Nai Chung project and 1 250 niches in the Cheung Chau Columbarium Extension by FEHD, 24 924 niches in Eastern and Southern Districts by the Board of Management of the Chinese Permanent Cemeteries (BMCP), and some 47 000 niches in private cemeteries run by religious organisations. Meanwhile, we will step up efforts to promote co-location of ashes in public niches, scattering of ashes at gardens of remembrance and at sea, and the Internet Memorial Service in the coming years. Furthermore, a transitional temporary storage service for ashes is provided in the concerned crematorium for two months free of charge upon completion of the cremation service. If the temporary storage service is still needed upon expiry, the applicant may apply for extension of the ashes storage duration in the temporary storage facility at Kwai Chung Crematorium. No paying of tribute will be permitted during the temporary storage period. We have about 23 000 temporary urn storage spaces in place to meet the current demand. In the coming two years, FEHD would increase the capacity of its temporary</p>

<b>Para. No.</b>	<b>Audit's Recommendations</b>	<b>Progress to date</b>
		<p>storage facilities to about 50 000 urns.</p> <p>For the niches to be provided under the Tsang Tsui project (scheduled for completion in 2019), we will consider in advance the best timing for rolling out the allocation process such that successful applicants for the first batch of niches can deposit their ancestors' ashes in the allocated niches as soon as the new columbarium project is completed.</p> <p>As the above measures will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>
2.39	<p>Audit has recommended that the Secretary for Food and Health and Director of Food and Environmental Hygiene should:</p> <p>(a) critically review the arrangements for allocating new niches, taking account of:</p> <p>(i) the public expectation of a fair and efficient mechanism;</p> <p>(ii) the concerns of LegCo Members; and</p> <p>(iii) the Ombudsman's comments ; and</p> <p>(b) report to LegCo the results of the review, with full disclosure of all the rationale and justifications of different options to enhance transparency.</p>	<p>A review of the current allocation arrangements will be completed before the niches at Tsang Tsui are available for allocation in 2019. In conducting the review, the Food and Health Bureau/FEHD will take into account the views of B/Ds and various stakeholders, with a view to providing a fair and efficient allocation arrangement that best serves the public interest.</p> <p>As the review results will be reported to the LegCo Panel in due course, we recommend deleting this part from the next progress report.</p>



Para. No.	Audit's Recommendations	Progress to date
<b>Part 3: Burial Grounds and Cremation Services</b>		
3.7	<p>Audit has recommended that Director of Food and Environmental Hygiene should:</p> <p>(a) continue to identify suitable coffin burial grounds for developing columbarium facilities, including those sections reserved as buffer for providing additional burial spaces; and</p> <p>(b) for coffin burial grounds considered not suitable for reuse, keep in view their development potential for columbarium facilities requiring less foundation and structural works, e.g. outdoor columbarium walls.</p>	<p>Given the shortage of sites for construction of columbaria, FEHD will explore the utilisation of former coffin burial grounds technically feasible for columbarium development, subject to confirmation by the relevant works departments.</p> <p>As the above measures will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>
3.19	<p>Audit has recommended that Director of Food and Environmental Hygiene should:</p> <p>(a) continue to monitor the availability of vacant urn burial grounds for developing columbarium facilities and gardens of remembrance for green burial;</p> <p>(b) review the overall progress of following up mismatch cases of urn graves; and</p> <p>(c) consider reporting to LegCo the results of the full-scale survey of urn graves and the progress of following up mismatch cases.</p>	<p>We will continue to monitor the availability of vacant urn burial grounds for developing columbarium facilities and gardens of remembrance for green burial.</p> <p>Upon completion of the full-scale survey of urn graves in the second quarter of 2016, we will consider whether it is necessary to report its result to the relevant LegCo Panel.</p> <p>As and when the descendants related to mismatch cases come forward to apply for exhumation of the remains of the deceased or for grave repairs, action will be taken to rectify the inconsistency in the names of the deceased. This approach is to avoid causing unnecessary distress to the descendants. We favour taking such a pragmatic approach since the majority of cases were a historical problem dated back many years.</p>

<b>Para. No.</b>	<b>Audit's Recommendations</b>	<b>Progress to date</b>
		<p>FEHD management is well aware of the progress made in handling the mismatch cases. The majority of the mismatch cases involve discrepancies between the full names of the deceased as shown on the headstones and in the file records. It was not uncommon for the older generations of Chinese to have more than one name. So far, the amendment of records does not appear to be a common concern to the bereaved families. Hence, we do not consider it necessary to report to LegCo the progress of following up such mismatch cases.</p> <p>As the above measures will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>
3.28	<p>Audit has recommended that Director of Food and Environmental Hygiene should:</p> <p>(a) with the increase in the overall cremation capacity after completing the reprovisioning projects, review and enhance the performance pledge on booking of cremation services; and</p> <p>(b) identify and take more effective measures in promoting the use of eco-coffins.</p>	<p>FEHD reviews the performance pledge of its cremation service from time to time taking into account the views of users, the availability of resources and operational feasibility. Under the present performance pledge, an applicant may book a cremation session within the next 15 days from the day of application. Members of the public tend to book the rest days (e.g. Saturday, Sunday and public holidays) or auspicious days on the Lunar calendar for arranging funeral service. A 15-day booking period is considered reasonable given the lead time that the bereaved families may need to prepare for the funeral and invite mourners to attend. Lengthening the booking period may lead to higher non-booking rate for cremation sessions on weekdays/non-preferred days. On the other hand, if such</p>

<b>Para. No.</b>	<b>Audit's Recommendations</b>	<b>Progress to date</b>
		<p>15-day booking period is shortened, the choice of days open to the bereaved families will be reduced. We have no plans to change the 15-day working period.</p> <p>At present, additional cremation sessions will be arranged in designated crematoria to meet service demand if the regular cremation sessions are fully booked. Following completion of the re-provisioning works at Cape Collinson Crematorium (Phase II), six new cremators have been put into service by phases since December 2015, leading to an increase in the number of available cremation sessions by over 20%. This will help relieve the pressure in competing for cremation sessions on popular days.</p> <p>FEHD will continue to promote the use of eco-coffins through publicity in FEHD's webpage and distribution of leaflets and booklets at venues of FEHD and other departments/public organisations.</p> <p>As the above measures will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>
3.43	<p>Audit has recommended that Director of Food and Environmental Hygiene should:</p> <p>(a) take the following measures to increase the public's use of the unused urn spaces in allocated niches to meet public demand for niches:</p> <p>(i) conducting a survey to ascertain the reasons for not</p>	<p>There are merits in increasing the use of the unused urn spaces in allocated niches through more effective promotion and publicity measures as well as collaboration with the BMCPC in promoting the co-location of ashes. Nevertheless, the actual need for co-location may not arise until such time as close relatives within the same family pass away.</p> <p>FEHD will work with the BMCPC on</p>

Para. No.	Audit's Recommendations	Progress to date
	<p>placing additional urns in niches with a view to devising more effective promotion and publicity measures;</p> <p>(ii) enhancing the public's awareness of the service by placing a prominent note on relevant application forms of burial and cremation services and in the booklet "A Guide to After-Death Arrangements";</p> <p>(iii) considering the feasibility of providing incentives for using the service, e.g. waiving the service fee; and</p> <p>(iv) working together with the BMCPC to carry out promotion and publicity activities;</p> <p>(b) promote placing urns of cremated ashes in urn graves of public cemeteries and review the level of fee of this service; and</p> <p>(c) actively promote FEHD's service of temporary storage of cremated ashes by:</p> <p>(i) placing a prominent note of the service on relevant application forms of burial and cremation services and in the booklet "A Guide to After-Death Arrangements"; and</p> <p>(ii) facilitating the public to use the service by accepting cremated ashes stored in an urn.</p>	<p>promotion and publicity activities of co-location of ashes.</p> <p>In the existing application forms for new niche allocation and used niche allocation, we have included notes highlighting the choice of co-location of ashes that is open to families. There is also a section on placing additional urns in allocated niches in the booklet "A Guide to After-Death Arrangements".</p> <p>FEHD anticipates that, some private columbaria will cease operation upon enactment of the Private Columbaria Bill and there could be quite a large number of cases involving displaced ashes. FEHD may have to make use of its temporary storage facilities for ashes as a contingency measure.</p> <p>As the above measures will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>

Para. No.	Audit's Recommendations	Progress to date
<b>Part 4: Regulation of Private Columbaria, Undertakers of Burials and Funeral Parlours</b>		
4.16	<p>Audit has recommended that Director of Food and Environmental Hygiene should plan ahead to:</p> <p>(a) devise an enforcement system under the proposed licensing scheme in a timely manner, with a mechanism for coordinating the efforts of other enforcement departments to ensure efficiency and effectiveness in taking enforcement actions against unlicensed columbaria; and</p> <p>(b) take measures to facilitate private columbaria to apply for licences under the proposed licensing scheme.</p>	<p>Under the proposed licensing scheme, the various eligibility criteria for licences (e.g. those relating to town planning, land leases and building safety) reflect the requirements of other relevant authorities. FEHD will put in place a mechanism to facilitate coordination with these authorities in order to expedite the processing of applications as far as possible. Likewise, FEHD will inspect private columbaria and enforce the laws in close consultation with other relevant departments.</p> <p>FEHD will promulgate relevant application guide and information in its website and other media as well as organise briefings for the trade to facilitate applications to seek various specified compliance instruments under the proposed licensing scheme.</p> <p>As the above measures will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>
4.27	<p>Audit has recommended that, regarding the temporary storage of cremated ashes by the 81 undertakers of burials with old licences, Director of Food and Environmental Hygiene should:</p> <p>(a) consider including an additional licensing requirement on the time limit for temporary storage; and</p> <p>(b) expedite action to impose additional licensing requirements.</p>	<p>The imposition of time limit for temporary storage of ashes by the licensed undertakers should take into account the demand from the public for such services. An appropriate time could be when there is either a noticeable decline in the demand for niches or a significant increase in the supply of niches.</p> <p>At present, there are 81 undertakers whose licences do not carry restriction on temporary storage of ashes on the premises. FEHD will impose restrictions through adding licensing</p>

<b>Para. No.</b>	<b>Audit's Recommendations</b>	<b>Progress to date</b>
		<p>conditions upon the renewal of their licences in due course.</p> <p>As the above measures will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>
<b>Part 5: Way Forward</b>		
5.15	<p>Audit has recommended that Director of Food and Environmental Hygiene should step up efforts to continue to promote green burials, particularly:</p> <p>(a) consider establishing a register of green burials for citizens to register their wishes for scattering of ashes at gardens of remembrance or at sea;</p> <p>(b) provide adequate spaces for mounting memorial plaques at gardens of remembrance, and explore the use of other means for paying tribute to the deceased;</p> <p>(c) search for a suitable site for providing a memorial place for scattering of ashes at sea; and</p> <p>(d) monitor the utilisation of the Internet Memorial Service, and identify additional promotion measures.</p>	<p>FEHD will continue to explore and consider other options and measures to further promote awareness and the acceptance of green burials.</p> <p>FEHD is closely monitoring the usage of gardens of remembrance and memorial walls, and will endeavour to provide new memorial walls well before the existing plaque spaces are used up. Specifically, a total of about 1 260 additional plaque spaces were provided in the gardens of remembrance at Kwai Chung Columbarium, Fu Shan Columbarium and Cape Collinson Columbarium respectively in June 2015. Furthermore, an additional 5 925 plaque spaces were provided in Cape Collinson Columbarium in late April 2016 and 10 000 plaque spaces will be provided in Tsang Tsui by 2019.</p> <p>To further promote the usage of the Internet Memorial Service, FEHD is developing a mobile app to make use of the advanced mobile technology and to better serve the public.</p> <p>As the above measures will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>

<b>Para. No.</b>	<b>Audit's Recommendations</b>	<b>Progress to date</b>
5.21	<p>Audit has recommended that Secretary for Food and Health and Director of Food and Environmental Hygiene should:</p> <p>(a) examine the feasibility of the two new measures for ensuring the sustainability in the supply of public niches, i.e. setting a time limit for occupation of niches, and evening out the traffic impact of columbarium developments; and</p> <p>(b) keep in view the progress of the study on rock cavern development.</p>	<p>The introduction of time-limited niches represents a fundamental change to existing practices, as public niches have all along been allocated on a permanent basis. We will continue to explore possible traffic evening out arrangement in order to reduce the traffic flow during the two peak grave sweeping periods in Ching Ming Festival and Chung Yeung Festival. To implement such an arrangement, various issues will have to be resolved, such as the provision of separation and fire safety facilities in the premises, operational feasibility and acceptability to the users, etc.</p> <p>The CEDD has commissioned a consultancy study in September 2012, to explore, amongst others, the feasibility of housing columbaria in rock caverns. FEHD will keep in view the progress of CEDD's study on the potential of rock cavern for columbarium development.</p> <p>As the above measures will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>

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**Efforts of the Narcotics Division and Beat Drugs Fund in Combating Drug Abuse  
Summary of Progress of Implementing the Audit's Recommendations**

<b>Para. No.</b>	<b>Audit's Recommendations</b>	<b>Progress to date</b>
2.23(a), 2.36(a), (b), (c), (d), (e)	<p><b>Ongoing efforts in collecting drug-related data</b></p> <p>Audit has recommended that the Commissioner of Narcotics should:</p> <p>(a) expedite action on developing the qualitative module of the Supplementary Drug Abuse Monitoring System to enhance understanding of the drug situation and formulation of suitable anti-drug policies and programmes;</p> <p>(b) strengthen ongoing efforts to encourage reporting agencies to report drug abuse information to the Central Registry of Drug Abuse (CRDA) as far as possible, particularly for those which have not done so for years;</p> <p>(c) expedite the work on collecting more comprehensive data about the drug abuse population in Hong Kong;</p> <p>(d) take prompt follow-up actions with the HKPF on interfacing the computer systems to enable electronic transmission of drug abuse information to the CRDA;</p> <p>(e) step up efforts to widen the reporting network of the CRDA and regularly update the reporting agencies list in Schedule 4 of the Dangerous Drugs Ordinance; and</p> <p>(f) in collaboration with the Secretary for Education, consider engaging</p>	<p>(a) – (e)</p> <p>The Narcotics Division (ND) has made ongoing efforts in encouraging reporting. There has been further liaison with stakeholders after the release of the Audit Report. ND will liaise with different sectors to address issues of concern of different agencies in a more focused manner, and offer more assistance as far as possible.</p> <p>ND will continue to look into other drug-related data from different surveys and sources so as to obtain a more comprehensive picture of the latest drug abuse situation.</p> <p>(f) ND has completed the data collection for the current student</p>



<b>Para. No.</b>	<b>Audit's Recommendations</b>	<b>Progress to date</b>
	<p>directly with schools not participating in the student surveys in working out ways to address their concerns and hence securing their collaboration in the surveys.</p>	<p>survey. ND will, in discussion with the EDB, consider appropriate measures for the next exercise.</p> <p>As the recommendations will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>
<p>2.23(b), (c), (d), (i)</p>	<p><b>Healthy School Programme with a drug testing component (HSP(DT))</b></p> <p>Audit has recommended that the Commissioner of Narcotics should:</p> <p>(a) in collaboration with Secretary for Education, make greater efforts to encourage school sponsoring bodies and secondary schools to participate in the HSP(DT);</p> <p>(b) in collaboration with Secretary for Education, take further steps to encourage participation in the voluntary drug testing by students and in anti-drug activities by students, parents and/or teachers, taking into account the experience of those schools with higher participation rates and findings of the forthcoming evaluation research of the HSP(DT);</p> <p>(c) in collaboration with Secretary for Education, identify the reasons for some participating schools not organising anti-drug activities for parents, continue to render appropriate assistance in encouraging parent participation in those activities, and promote experience sharing by participating schools; and</p>	<p>(a) – (c)</p> <p>ND has been following up with the EDB on the recommendations. The progress will be reported under the independent Evaluation Research of the HSP(DT).</p>

<b>Para. No.</b>	<b>Audit's Recommendations</b>	<b>Progress to date</b>
	(d) step up checking of information provided to the LegCo.	<p>(d) ND has adopted a new system of data entry with computer validation checking to ensure consistency and reliability. In this connection, based on the latest figures provided by participating schools in the 2014/15 school year, the full-year number of students in the participating schools should be 50 007, and the number of students joining the drug testing should be 21 745. ND will continue to improve the system to step up checking of information provided to LegCo.</p> <p>As the recommendations will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>
2.23(e)	<p><b>RESCUE Drug Testing Scheme (RDT)</b></p> <p>Audit has recommended that the Commissioner of Narcotics should carry out further study on the RDT in consultation with interested parties on aspects of concern in drawing up detailed proposals for the RDT.</p>	<p>ND has been engaging stakeholders in ongoing dialogues.</p> <p>As the recommendation will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>
2.23(f), (h), 2.50, 5.6(a)	<p><b>Anti-drug public education and publicity efforts</b></p> <p>Audit has recommended that the Commissioner of Narcotics should:</p> <p>(a) take measures to further improve public awareness of the hotline service “186 186” and instant messaging service “98 186 186”;</p> <p>(b) analyse the views of the young adults collected through the annual</p>	<p>(a) Efforts have been and will continue to be made to promote the use of the services.</p> <p>(b) Arrangement has been made to collect the views of young adults in</p>

<b>Para. No.</b>	<b>Audit's Recommendations</b>	<b>Progress to date</b>
	<p>opinion surveys for planning future publicity initiatives;</p> <p>(c) take measures to ensure that more target schools of the education and training programmes are covered within a reasonable time frame;</p> <p>(d) closely monitor the effectiveness of the initiatives in promoting participation in the education and training programmes and take further measures where necessary;</p> <p>(e) endeavour to award the contracts for the education and training programmes before the start of a school year as far as possible so that the contracted NGOs will have sufficient time to promote the programmes to schools;</p> <p>(f) re-launch the advanced training programmes for key school staff with the necessary improvements incorporated as soon as possible; and</p> <p>(g) continue to closely monitor the drug situation taking into account the need to:</p> <p>(i) accord priority to young adult drug abusers in combating the hidden drug abuse problem; and</p> <p>(ii) conduct a review of the contributing factors to the decline in the number of drug abusers to shed light on the future direction of anti-drug work.</p>	<p>the latest round of annual opinion survey. Reference will be made to the survey findings in considering suitable publicity measures.</p> <p>(c) – (f) Efforts have been and will continue to be made to encourage participation and improve the relevant workplan.</p> <p>(g) Young adult drug abusers have been identified as one of the target groups in the anti-drug public education and publicity initiatives. Such efforts will continue.</p> <p>As the recommendations will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>

<b>Para. No.</b>	<b>Audit's Recommendations</b>	<b>Progress to date</b>
3.9(a), (b), (d), (e)	<p><b>Overall management of the Beat Drugs Fund (BDF)</b></p> <p>Audit has recommended that the Commissioner of Narcotics should:</p> <p>(a) review the adequacy of adopting the one-tier reporting system for declaration of interests for the Governing Committee (GC);</p> <p>(b) strengthen the monitoring of the reporting by members of the GC under the present one-tier reporting system to prevent undeclared potential conflicts;</p> <p>(c) consider tabling the annual financial statements and annual reports of the BDF in LegCo and providing the Panel on Security with the requested information on the operation of the BDF; and</p> <p>(d) disclose more information about the BDF on the website for easy access by all stakeholders.</p>	<p>(a) – (b) Enhancement measures have been adopted to monitor the reporting by Members. The Chairman has categorically reminded Members to declare interests before the start of each GC meeting. Details on the declaration requirements are also tabled for reference by all Members.</p> <p>Existing arrangements, such as requiring Members to declare interests in the reply slip when papers are being circulated, have continued to be vigorously implemented.</p> <p>(c) In recent years, ND has reported to the LegCo Panel on Security on the implementation of anti-drug initiatives, including BDF issues, on an annual basis. Such efforts will continue as appropriate.</p> <p>(d) Arrangement has been made to disclose more BDF information online, including project information, statistics, and deliverables.</p> <p>As the recommendation will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>

Para. No.	Audit's Recommendations	Progress to date
<p>3.9(c), 4.11, 4.20</p>	<p><b>BDF project application, management, and implementation</b></p> <p>Audit has recommended that the Commissioner of Narcotics should:</p> <p>(a) review the performance measurement and reporting of the BDF and make improvement as appropriate (e.g. developing outcome targets and indicators);</p> <p>(b) review the issues on the controls of projects, including:</p> <p>(i) requiring grantees to expand the audit scope of their auditors to cover grantees' compliance with key terms and conditions in the grant agreements;</p> <p>(ii) specifying requirements on recruitment of project staff;</p> <p>(iii) specifying the unallowable costs and restricting the charging of administrative expenses to project funds;</p> <p>(iv) specifying requirements on avoiding and declaring conflicts of interest; and</p> <p>(v) specifying the records retention period;</p> <p>(c) based on the review results in (b) above, take appropriate measures to improve the control over projects;</p> <p><i>Project application</i></p> <p>(d) consider developing a marking</p>	<p>(a) – (c), (g) – (i)</p> <p>It is the current practice for ND to suitably report to and consult the GC and ACAN concerning the management of projects, especially when significant project delays/implementation problems are involved.</p> <p>(d) A revised marking scheme with</p>

Para. No.	Audit's Recommendations	Progress to date
	<p>scheme with weightings and passing marks for each assessment criterion for vetting panel members to assess the project applications;</p> <p>(e) publicise details of the briefing sessions on the Regular Funding Scheme so that more potential applicants can attend the briefing sessions;</p> <p>(f) explore giving more support to help unsuccessful applicants make improvement in their future project proposals;</p> <p><i>Project implementation</i></p> <p>(g) inform the GC and the Action Committee Against Narcotics (ACAN) of projects which have encountered significant delays or implementation problems, and seek their advice where necessary;</p> <p>(h) consider taking regulatory actions against grantees in cases of serious delays in submission of their progress reports, final reports or auditors' reports in accordance with funding agreement provisions; and</p> <p>(i) tighten the vetting of funding applications for the acquisition of specialised equipment to ensure that the applicants have demonstrated that they have the necessary expertise/support to undertake the projects before giving funding support.</p>	<p>weightings and passing marks for each assessment criterion has been developed for adoption in the 2016 funding exercise of the BDF Regular Funding Scheme.</p> <p>(e) – (f) Since October 2015, information on briefing sessions to be held has been publicised online for wider participation.</p> <p>As the recommendations will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>

Para. No.	Audit's Recommendations	Progress to date
<p>3.18(a), (b), (c), (d), (e), 4.27(a), (b), 5.6(b)</p>	<p><b>Further utilising the resources under the BDF</b></p> <p>Audit has recommended that the Commissioner of Narcotics should:</p> <p><i>Regular Funding Scheme</i></p> <p>(a) ascertain the reasons for the decrease in funding applications with a view to devising effective measures to solicit more projects to meet the funding objectives of the Regular Funding Scheme;</p> <p>(b) strengthen efforts to encourage applicants to propose more worthy projects in specific priority areas to address prevailing drug abuse problem in a timely manner;</p> <p>(c) review the grant allocation arrangement to ensure that sufficient recognition is given to priority area projects vis-à-vis non-priority area projects;</p> <p><i>Special Funding Scheme (SFS)</i></p> <p>(d) continue to provide assistance for the Drug Dependent Persons Treatment and Rehabilitation Centres (DTRCs) still operating under Certificates of Exemption to upgrade and/or relocate their</p>	<p>(a) – (b)</p> <p>ND will continue to liaise with stakeholders and encourage them to submit worthwhile proposals.</p> <p>ND will also enhance the promotion of the BDF, and ascertain any difficulties faced by the applicants in applying for funding.</p> <p>(c) and (h)</p> <p>ND, in consultation with the ACAN and the GC of the Beat Drugs Fund Association (BDFA), will continue to monitor the operation of the BDF closely, including reviewing on a regular basis the allocation of resources and effectiveness of projects funded.</p> <p>ND will review the need and timing for conducting an overall review at an appropriate juncture, while continuing to take into account the latest drug trend, and changes in number and characteristics of drug abusers, in devising priority areas for allocation of resources.</p> <p>(d) – (g)</p> <p>ND is making ongoing efforts to assist DTRCs. ND is also exploring whether and how any further facilitation measures can be made.</p>

<b>Para. No.</b>	<b>Audit's Recommendations</b>	<b>Progress to date</b>
	<p>facilities to meet the licensing standards;</p> <p>(e) review the need for expanding the SFS to cover new players as specified in the 2010 FC paper;</p> <p>(f) review the requirement on obtaining at least ten tenders for works projects with reference to the government practice;</p> <p>(g) expedite action on the review of the facilitation arrangement with a view to providing clear guidance to potential applicants; and</p> <p>(h) in consultation with the GC of the BDF, conduct an overall review of the BDF with a view to evaluating its effectiveness, reviewing the allocation of resources and formulating future strategies for the BDF.</p>	<p>As the recommendations will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>
4.27(c)	<p><b>SFS</b></p> <p>Audit has recommended that the Commissioner of Narcotics should closely monitor the works progress of Project 4 to ensure that the project is completed on time and provide necessary assistance to the grantee in case of difficulties encountered in the project implementation.</p>	<p>ND has been monitoring closely the works progress of Project 4 and providing assistance to the grantee as appropriate. ND will continue with such efforts.</p> <p>As the recommendation will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>

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**Protection of revenue on dutiable commodities and  
motor vehicles first registration tax  
Updated Progress of Implementing Audit's Recommendations**

Para. No.	Audit's Recommendations	Progress to date
<b>Part 2: Licence and Permit Control of Dutiable Commodities</b>		
2.33(a)	<p>C&amp;ED should consider integrating the existing computer systems (Road Cargo System (ROCARS) and the Customs Control System (CCS)) to enable electronic transfer of data for:</p> <p>(i) the automatic selection of Dutiable commodity (DC) consignments for cargo examination using DC permit numbers; and</p> <p>(ii) the automatic updating of the permit condition endorsement records after cargo examination.</p>	<p>C&amp;ED is developing a new Dutiable Commodities System (DCS) to replace all functions on DC licence and permit control currently under CCS. The new DCS will integrate with ROCARS and data on Customs actions on the control of DC will be transferable between the two systems. The DCS will be rolled out in early 2017.</p>
2.33(b)	<p>C&amp;ED should consider the need for enhancement measures to ensure that DC permit numbers are input in ROCARS submissions.</p>	<p>C&amp;ED reminded DC traders to input DC permit numbers into ROCARS during four Dutiable Commodities Customer Liaison Group meetings held on 14 and 15 December 2015. A letter conveying the same message was also issued to all DC licensees in December 2015. C&amp;ED will review the situation at intervals and implement further enhancement measures where necessary.</p>
2.33(c)	<p>C&amp;ED should take more stringent enforcement actions against all cases of non-compliance with the permit condition of land boundary customs clearance, seeking legal advice where appropriate.</p>	<p>C&amp;ED has taken and will continue to take more stringent enforcement actions against all cases of non-compliance of permit conditions, including those related to land boundary customs clearance, and will uphold the enhanced approach. C&amp;ED will seek legal advice on the upcoming detections as appropriate. As this will be done on an on-going basis, we recommend deleting this part from the next progress report.</p>

<b>Para. No.</b>	<b>Audit's Recommendations</b>	<b>Progress to date</b>
2.33(d)	C&ED should remind the land control point staff to strictly follow the guidelines on conducting cargo examination of dutiable goods.	All relevant personnel have been reminded to strictly comply with the guidelines on conducting cargo examination of dutiable goods through regular training and briefing sessions. Since follow-up action has been completed, we recommend deleting this part from the next progress report.
2.33(e)	C&ED should amend the cargo examination guidelines to bring the scope of check on DCs covered by Removal Permits on par with that for Export and Duty-paid Permits.	The relevant cargo examination guidelines have been duly amended. Since follow-up action has been completed, we recommend deleting this part from the next progress report.
2.33(f)	C&ED should tighten control over the endorsement of permit conditions by restricting the endorsement right to staff of relevant divisions.	C&ED has completed a review of the endorsement right of all existing permit conditions. The new endorsement right restrictions, having incorporated Audit's recommendations, will come into effect in April 2016. Since follow-up action has been completed, we recommend deleting this part from the next progress report.
2.33(g)	C&ED should impose suitable permit conditions on all cases of import/export of DCs by sea via public cargo working areas to guard against duty evasion through over-shipment/short-shipment of DCs.	C&ED has completed a review of the permit conditions imposed on DCs by sea via public cargo working areas. Suitable permit conditions have been imposed since the first quarter of 2016. Since follow-up action has been completed, we recommend deleting this part from the next progress report.
2.33(h)	For all cases of import/export of DCs via public cargo working areas but with Customs' checking conducted at other places, C&ED should put in place control to prevent the checked cargoes from being tampered with prior to their loading to/unloading from the carriers.	C&ED has commenced conducting regular operations since the fourth quarter of 2015 to prevent the checked cargoes from being tampered with prior to their loading to/unloading from the carriers. Since this will be implemented on an on-going basis, we recommend deleting this part from the next progress report.

<b>Para. No.</b>	<b>Audit's Recommendations</b>	<b>Progress to date</b>
2.33(i)	C&ED should serve notices of removal on owners of idle stocks of DCs and take appropriate actions to dispose of any unclaimed DCs.	C&ED has been trying to contact the owners of the idle stocks, urging them to rebond/remove the idle stocks of DCs from warehouses. Meanwhile, C&ED is seeking legal advice on the gazette notice arrangement for those unidentified owners of the idle stocks. Appropriate follow-up actions on the disposal of unclaimed DCs will be taken upon receiving legal advice.
<b>Part 3: Enforcement against Illicit Dutiable Commodities and Management of Seized Items</b>		
3.17(a)	C&ED should step up publicity and education to encourage law-abiding behaviour of incoming passengers when carrying DCs into Hong Kong and closely monitor the effectiveness of such measures in addressing the increasing problem of one-time abusers of the duty-free concessions.	C&ED has stepped up publicity at all control points, including strengthening broadcast, putting up posters and distributing leaflets, so as to remind incoming passengers about the duty-free concessions and relevant penalties of breaching the law. Since this will be implemented on an on-going basis, we recommend deleting this part from the next progress report.
3.17(b)	C&ED should take stronger enforcement actions against recalcitrant offenders by amending the enforcement guidelines such that all their past offence records will be taken into account in determining whether they should be prosecuted or allowed to pay compound penalty in lieu.	C&ED has reviewed the enforcement guidelines, and the revised guidelines have been promulgated in May 2016. Since follow-up action has been completed, we recommend deleting this part from the next progress report.
3.17(c)	C&ED should tighten monitoring enforcement actions against repeated offenders with a compounding history or records of non-payment of compound penalty.	C&ED has tightened up the enforcement actions against repeated offenders by taking into account of all relevant factors, including the past compounding records and non-payment records of compound penalty of the offenders in handling such cases. Since action will be implemented on an on-going basis, we recommend deleting this part from the next progress report.

Para. No.	Audit's Recommendations	Progress to date
3.17(d)	C&ED should take measures to ensure that the information in the law enforcement database is up-to-date and accurate.	C&ED has completed the system enhancement work on the Case Processing System to include mandatory input and auto validation check of the offender's identity number, as well as strengthened supervisory checking to ensure that the information in database is up-to-date and accurate. Since follow-up action has been completed, we recommend deleting this part from the next progress report.
3.39(a)	<p>C&amp;ED should draw lessons from Cases A to F (see paras. 3.22 to 3.26) to improve the safe custody of physical and documentary exhibits, including:</p> <ul style="list-style-type: none"> <li>(i) improving the storage method of volatile seized goods;</li> <li>(ii) enhancing the stocktaking procedures for ascertaining physical quantities of seized goods so that any discrepancies can be detected for early remedial action;</li> <li>(iii) conducting a comprehensive check on other seizure cases with outstanding legal proceedings to ascertain whether there are problems similar to Cases A and E for documentary exhibits; and</li> <li>(iv) stepping up efforts to locate any mislaid documents and take measures to ensure compliance with the relevant guideline.</li> </ul>	<ul style="list-style-type: none"> <li>(i) To reduce the evaporation rate of volatile seized goods, metal drums have been procured to replace the jelly cans for storage use.</li> <li>(ii) Apart from the volume, C&amp;ED will also record the weight of seized volatile goods. Any discrepancies will be reported for early follow-up actions.</li> <li>(iii) and (iv) C&amp;ED has conducted a comprehensive check on all seizure cases with outstanding legal proceedings to ascertain whether all case documents are properly kept in the respective case files.</li> </ul> <p>Following the comprehensive check mentioned above, for cases found to have certain original documents not duly incorporated in the case files, the</p>

<b>Para. No.</b>	<b>Audit's Recommendations</b>	<b>Progress to date</b>
		<p>concerned case officers have been asked to locate the mislaid documents</p> <p>C&amp;ED has also enhanced the existing checking mechanism to ensure each new “warrant of arrest” case is incorporated with all original documents before depositing into the central registry.</p> <p>Since the above actions will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>
3.39(b)	C&ED should closely monitor the progress of seizure cases under legal proceedings, such as the compliance with the stipulated frequency of review of outstanding warrants of arrest.	C&ED has implemented a quarterly reporting system to ensure that outstanding “warrant of arrest” cases are brought up for a timely review. Since this will be implemented on an on-going basis, we recommend deleting this part from the next progress report.
3.39(c)	C&ED should expedite action to clear long outstanding cases of seized goods and vehicles.	<p>C&amp;ED has already put in place a central monitoring mechanism to monitor seizure disposal actions, in particular the long outstanding cases.</p> <p>Of the 483 outstanding cases mentioned in Table 9 of para. 3.34(b) and the 141 outstanding seized vehicles mentioned in Table 9 of para. 3.35(b), the seized goods of 478 cases (or 99%) and 124 vehicles (or 88%) have been disposed of. For those remaining cases, court proceedings or investigations are still underway, and C&amp;ED will take appropriate actions in due course.</p>

<b>Para. No.</b>	<b>Audit's Recommendations</b>	<b>Progress to date</b>
3.39(d)	C&ED should conduct a review of the long-term storage requirements of seized goods to see if there is scope for achieving cost savings by reducing the leased storage spaces.	The storage requirement of seized goods depends mainly on the quantity/volume as well as the nature of the goods seized during law enforcement operations. Monthly report on the utilization of storage spaces has been prepared to facilitate management review and control with a view to reducing the leased storage area and thus the rental costs. Since this will be implemented on an on-going basis, we recommend deleting this part from the next progress report.
3.39(e)	C&ED should, in the planned reprovisioning of the vehicle detention centre, critically review the actual vehicle storage requirements, taking into account the on-going measures to monitor and clear the long outstanding seized vehicle cases.	C&ED has taken into account the projected number of vehicles in reviewing the space requirements and thus the area of the vehicle detention centre has been reduced to around 37,000m <sup>2</sup> with effect from 30 July 2015. The area of the vehicle detention centre will be further reduced to around 30,000 m <sup>2</sup> upon reprovisioning to Stonecutter Island after 2017. C&ED will closely monitor the usage of the centre and the disposal progress of the confiscated vehicles.
<b>Part 4 : Administration and Protection of the First Registration Tax</b>		
4.21(a)	C&ED should tighten controls to ensure that the records of risk status of registered traders are kept up-to-date.	C&ED completed a full-scale exercise to update all traders' risk status on 28 August 2015. A supervisory monitoring mechanism to ensure regular and timely updating of the records has been implemented since 1 October 2015. Since the monitoring mechanism will be implemented on an on-going basis, we recommend deleting this part from the next progress report.

<b>Para. No.</b>	<b>Audit's Recommendations</b>	<b>Progress to date</b>
4.21(b)	C&ED should take measures to ensure that the stipulated supervisory endorsement for downward adjustment of Published Retail Price (PRP) is always obtained in cases with multiple reassessment requests.	On 1 March 2016, C&ED has completed the enhancement of the FRT system to ensure that all the stipulated supervisory endorsement for downward adjustment of PRP is obtained for multiple reassessment requests. Since follow-up action has been completed, we recommend deleting this part from the next progress report.
4.21(c)	C&ED should lay down requirements on Senior Superintendent's endorsement of downward adjustment of provisional taxable values in reassessment cases concerning vehicles imported for personal use similar to the PRP reassessment cases.	C&ED has adopted a supervisory endorsement mechanism for cases with vehicles imported for personal use similar to that for PRP reassessment since 1 October 2015. Since follow-up action has been completed, we recommend deleting this part from the next progress report.
4.21(d)	C&ED should, in consultation with the FSTB, the DoJ and the TD, work on legislative amendments to the Motor Vehicles (First Registration Tax) Ordinance to improve the control regime over FRT, including extension of the time bar for taking prosecution actions.	<p>C&amp;ED has put in place various measures to improve the situation. In order to secure timely prosecution within the statutory time bar, C&amp;ED has already been taking various steps which have proved to be effective in expediting the prosecution actions. In the past few months, the suspected cases upon referral from TD were all investigated by C&amp;ED, with prosecution instituted on appropriate cases within the statutory time bar of six months.</p> <p>Drawing on the operational experience gained in the light of the enhanced enforcement strategy, C&amp;ED is reviewing the effectiveness of the legislative provisions. The review covers a number of issues, such as the registration of importers and distributors, the submission requirements for PRP lists, the six-month bar for prosecution and penal provisions, etc.</p>

<b>Para. No.</b>	<b>Audit's Recommendations</b>	<b>Progress to date</b>
		<p>The effectiveness of the administrative measures to address the issues concerned in the review, in particular in expediting the prosecution actions, is also a key factor for considering whether or not it warrants tightening up the legislative regime through amendments to the ordinance. The review is expected to be completed by mid-2016.</p>

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### Management of the Public Lighting System

Para. No.	Audit's Recommendations	Progress to date
<b>Part 2: Operation and maintenance of road lighting</b>		
<i>Availability of the road lighting system</i>		
2.14	<p>The Director of Highways should:</p> <p>(a) improve the monitoring of road lighting availability by:</p> <p style="padding-left: 20px;">(i) setting adequate inspection routes for the night inspections of the Management-operation-maintenance contract (MOM contract) areas with a view to covering all the lighting points as far as possible;</p> <p style="padding-left: 20px;">(ii) tightening control over the annual review of inspection routes to ensure that new roads are duly included in the routes; and</p> <p style="padding-left: 20px;">(iii) enhancing the route selection computer programme to cater for both the randomness of selection and the laid-down requirement for all designated routes to be selected for inspections at least once a month; and</p>	<p>In response to the Audit Report that about 14 400 road lights accessible by vehicles were not included in the routes of independent nighttime inspection, the HyD has already reviewed and updated the routes of independent nighttime inspection to cover these road lights. As the recommendation has been implemented, we recommend that this part should be deleted from the next progress report.</p> <p>To ensure that new roads will be duly included in the inspection routes, HyD has promulgated an internal Divisional Instruction to set out the detailed requirements to conduct and monitor regular annual reviews on inspection routes. HyD will also continue to remind relevant staff of strict adherence to the above requirements. As HyD will implement the recommendation on an on-going basis, we recommend that this part should be deleted from the next progress report.</p> <p>HyD has enhanced the in-house programme to cater for both the randomness of selection and the laid-down requirement for all designated routes to be selected for inspections at least once a month. As the recommendation has been implemented, we recommend that this part should be deleted from the next progress report.</p>

Para. No.	Audit's Recommendations	Progress to date
	(b) review the cost-effectiveness of extending the use of the Public Lighting Control and Monitoring System (PLCMS), taking into account factors such as changes in maintenance costs and advancement in technology.	Since the trial use of PLCMS in 2008, regular reviews have been carried out. During the last review in 2014, further extension of the use of PLCMS was considered not cost-effective taking account of the capital cost, annual recurrent cost and savings in contractors' patrol cost. HyD will continue to regularly review the use of PLCMS taking into account all relevant factors. The next review is scheduled to be carried out by the end of 2016.
<b><i>Attendance to fault calls</i></b>		
2.25	<p>The Director of Highways should:</p> <p>(a) clearly define the two time limits for completing different types of repair works for urgent faults for the effective monitoring of contractors' performance in attending to fault calls;</p> <p>(b) review the different time limits used for measuring urgent fault call cases by the three contractors to see if they are fully justified having regard to the nature of repair works involved and take appropriate action if there is any irregularity found;</p>	<p>HyD has collected the actual time for completing the repair works for various fault types based on the past fault cases under the three MOM contracts. HyD is carrying out a review on the definition of the two time limits for completing repair works of different urgent fault types for effective monitoring of contractors' performance in attending to fault calls.</p> <p>HyD has reviewed the time limits used for measuring urgent fault call cases by the three contractors. For the contractor which used three-hour time limit for over 98% of cases, no non-compliance is found. For the two contractors which used 12-hour time limit for all 718 cases (58 and 660 cases respectively), it is found that 696 cases were actually completed within three hours but were mistakenly classified as 12-hour time limit cases in their completion reports submitted. HyD has reminded the contractors to fill in the correct time limit in the</p>

<b>Para. No.</b>	<b>Audit's Recommendations</b>	<b>Progress to date</b>
	<p>(c) seek explanations from the contractor concerned for not following the rules in measuring its compliance with the time limits for completing fault rectification works and take regulatory actions on confirmed cases of non-compliance in accordance with the contract provisions;</p> <p>(d) seek explanations from the contractor concerned for stating in its monthly reports full compliance with the time limit in providing confirmation on fault rectification which was not substantiated by the case details and take regulatory actions on confirmed cases of non-compliance in accordance with the contract provisions;</p>	<p>reports to reflect the real situation. Amongst the remaining 22 cases, the time limits for 12 cases were actually 12 hours and the contractors have correctly categorised and handled the cases in accordance with the contract requirements. As for the remaining ten cases, HyD found that they did not comply with the contract requirements and has taken appropriate regulatory actions with the contractor including payment deduction. As the recommendation has been implemented, we recommend that this part should be deleted from the next progress report.</p> <p>HyD is carrying out a review and 42 cases have been found to be non-compliant. Action is being taken to deduct payment in accordance with the contract provisions. HyD is reviewing the remaining cases. If non-compliance is identified, HyD will seek explanations from the contractor and take appropriate regulatory actions with the contractor including payment deduction.</p> <p>HyD has carried out a review and taken regulatory actions against the contractors on confirmed cases of non-compliance in accordance with the contract provisions, including payment deduction. As the recommendation has been implemented, we recommend that this part should be deleted from the next progress report.</p>

Para. No.	Audit's Recommendations	Progress to date
	<p>(e) address the inadequacies in monitoring the contractors' performance in attending to fault calls and verify the accuracy of contractors' monthly reports against the case details;</p> <p>(f) issue guidelines on site inspections of fault call cases to require staff concerned to:</p> <p>(i) maintain proper records of their inspections;</p> <p>(ii) rationalise the frequency of inspection, taking into account the assurance already provided by the contractors' photographs of their completed fault rectification works; and</p> <p>(iii) build in adequate safeguards to ensure the authenticity of the contractors' photographs of completed fault rectification works;</p> <p>(g) formalise the arrangements for contractors to submit photographs of their completed fault rectification works as a contractual requirement; and</p> <p>(h) consider publishing performance pledges on target response times to fault call attendance and fault rectification under the MOM contracts to improve accountability and transparency.</p>	<p>HyD has reminded relevant staff to step up the monitoring of contractors' performance in attending to fault calls. HyD is preparing internal guidelines with a view to ensuring adequacy in monitoring contractors' performance in attending to fault calls and verifying the accuracy of contractors' monthly reports against the case details.</p> <p>HyD is preparing internal guidelines to address these issues. Meanwhile, the staff concerned have maintained proper record of their inspection of fault call cases and conducted authenticity check on the contractors' submitted photos of completed fault rectification works.</p> <p>HyD will incorporate this requirement in future contracts. As HyD will implement the recommendation on an on-going basis, we recommend that this part should be deleted from the next progress report.</p> <p>HyD has been regularly reviewing the departmental performance pledges and will take into account this recommendation in its coming review.</p>

Para. No.	Audit's Recommendations	Progress to date
<b>Management of maintenance works</b>		
2.37	<p>The Director of Highways should:</p> <p>(a) step up monitoring of the contractors' scheduled maintenance works to ensure that they are carried out in accordance with the stipulated frequencies;</p> <p>(b) consider incorporating suitable provisions in future MOM contracts for making deductions from the monthly lump-sum fees for the non-performance of maintenance works;</p> <p>(c) follow up outstanding maintenance works with contractors concerned for completed MOM contracts and where appropriate, seek legal advice on the possible actions to be taken;</p> <p>(d) review the service lives of all types of lamps currently in use with a view to determining the most cost-effective replacement cycles and keep proper records of the review results; and</p>	<p>HyD has been using the Public Lighting Information System (PLIS) which was developed in early 2000s to monitor the scheduled maintenance works of the 146 000 public road lights. In recent years, HyD found that the system performance is unable to satisfy its current operational needs. HyD has planned to upgrade the system and is now seeking the funding required for the upgrading. Before the upgrading of PLIS is completed, HyD will step up the monitoring of the contractors' scheduled maintenance works by monthly checking to ensure that the works are carried out in accordance with the stipulated frequencies.</p> <p>HyD will incorporate suitable provisions in future contracts for making deductions from the monthly lump-sum fees for the non-performance of maintenance works. As HyD will implement the recommendation on an on-going basis, we recommend that this part should be deleted from the next progress report.</p> <p>HyD is reviewing the outstanding items with the contractors of completed MOM contracts and will seek legal advice on possible actions to be taken as appropriate.</p> <p>HyD is collecting the failure data of lamps for statistical analysis and review on the most cost-effective lamp replacement cycle. HyD will keep proper record of the review results.</p>

Para. No.	Audit's Recommendations	Progress to date
	(e) require contractors concerned to expedite action on completing the outstanding scheduled maintenance works and the replacement of temporary overhead cables by permanent ones.	HyD is regularly monitoring the progress of outstanding scheduled maintenance works and replacement of overhead cables through monthly progress meetings and reports. HyD will require the contractors to expedite action on completing the outstanding works and replacement of temporary overhead cables by permanent ones. As HyD will implement the recommendation on an on-going basis, we recommend that this part should be deleted from the next progress report.
<b><i>Management of the Public Lighting Information System</i></b>		
2.46	<p>The Director of Highways should:</p> <p>(a) set a target completion date for verifying/rectifying the discrepancies found in the lamppost locations between the PLIS and the GeoInfo Map;</p> <p>(b) require the contractors concerned to:</p> <p>(i) take prompt actions to rectify the problems of inaccurate and incomplete records in the PLIS; and</p> <p>(ii) account for the failure to detect such problems in their annual inspections of lampposts, and gantry sign and roadside directional sign lighting;</p>	<p>While the discrepancies in the longitude and latitude readings of the position of the lamp posts may not affect HyD's road lighting maintenance works, HyD targets to complete rectifying the discrepancies for lamppost locations in Hong Kong Island and Kowloon by using Mobile Mapping System Technology in 2016. For the New Territories, HyD targets to complete rectifying the discrepancies in 2018.</p> <p>HyD is working with the contractors to rectify the inaccurate and incomplete records in PLIS. HyD will continue to conduct audit on the record of lampposts, gantry sign and roadside directional sign lighting in PLIS and issue default notice for payment deduction if non-compliance is identified according to the contractual requirements. HyD will also duly reflect the contractor's performance in this regard in the contractor's performance report.</p>

Para. No.	Audit's Recommendations	Progress to date
	<p>(c) take regulatory actions against any non-compliance with the contract requirements on proper maintenance of the PLIS records;</p> <p>(d) remind relevant staff to carry out inspections on the contractors' completed works as laid down in the MOM contracts; and</p> <p>(e) conduct a review of the PLIS with a view to improving the system performance for better supporting road lighting maintenance works.</p>	<p>HyD has planned to upgrade the PLIS including a proposed enhancement to generate exception reports to enable more efficient and effective monitoring and control of the performance in the inspection, repair and maintenance of the road lighting system. HyD has also reminded relevant staff to carry out inspections on contractors' works in updating and verifying on the PLIS data as laid down in MOM contracts.</p> <p>HyD has completed the review and is now seeking funding to upgrade the PLIS.</p>
<b>Part 3: Operation and maintenance of special lighting</b>		
3.21	<p>The Director of Electrical and Mechanical Services should:</p> <p>(a) incorporate the target equipment availability requirements and fault attendance service standards of the Service Level Agreement (SLA) in the general special lighting subcontract;</p> <p>(b) in conjunction with the Director of Highways:</p> <p>(i) closely monitor the achievement of the target equipment availability requirements of the SLA and step up maintenance efforts if there is any indication that the</p>	<p>The target equipment availability requirement (99.5%) and the fault attendance service standards (98.5%) as laid down in the SLA have been incorporated into the new general special lighting subcontract. As the recommendation has been implemented, we recommend that this part should be deleted from the next progress report.</p> <p>The equipment availability is closely monitored in the monthly SLA meeting between HyD and the Electrical and Mechanical Services Trading Fund (EMSTF). EMSTF has strengthened measures to deal with the</p>

<b>Para. No.</b>	<b>Audit's Recommendations</b>	<b>Progress to date</b>
	<p>target is not met;</p> <p>(ii) immediately incorporate the omitted footbridges/subways/walkways in the SLA/subcontract for providing the regular patrol service, rectify any faulty lights thereat and tighten control to prevent similar omission in future; and</p> <p>(iii) tighten control to ensure that any revised service requirements of a new SLA are promptly reflected in the subcontracts;</p>	<p>revised methodology in calculating availability. The availability requirements of 99.5% have been met since June 2015. Furthermore, complicated cases involving special arrangement (such as road closure) will be escalated in time to the monthly meeting between HyD and EMSTF if the fault has remained unresolved for over one month. As HyD and EMSTF will implement the recommendation on an on-going basis, we recommend that this part should be deleted from the next progress report.</p> <p>The 22 footbridges/subways/walkways omitted due to not up-to-date database have been incorporated into the SLA/subcontract for providing the patrol service. The faulty lights mentioned have all been rectified. Apart from timely updating, EMSTF is performing data matching exercise among the records of HyD, EMSTF and the subcontractors on a quarterly basis. The first three data matching exercises were conducted in October 2015, January and April 2016 respectively. As HyD and EMSTF will implement the recommendation on an on-going basis, we recommend that this part should be deleted from the next progress report.</p> <p>EMSTF has incorporated clauses for adjustment of maintenance requirements into the new subcontracts so that any revised SLA requirements can be promptly reflected in the subcontracts. As the recommendation has been implemented, we recommend that this part should be deleted from the next progress report.</p>



<b>Para. No.</b>	<b>Audit's Recommendations</b>	<b>Progress to date</b>
	<p>(c) remind Subcontractor A to record all key dates/times in fault attendance reports;</p> <p>(d) keep proper record of faulty lights found in underpasses/noise enclosures;</p> <p>(e) speed up rectification of faulty lights found during regular patrols; and</p>	<p>Subcontractor A was reminded in August 2015 to record the times in hours and minutes in its fault attendance reports in addition to the dates only. All records since September 2015 were checked and found to be in order. In addition, mobile reporting technology that automatically logs all key dates/times has been incorporated in the new subcontract A. As the recommendation has been implemented, we recommend that this part should be deleted from the next progress report.</p> <p>Since October 2015, video/photo recording has been used during patrolling of underpasses/noise enclosure to assist the counting and keeping of proper record of faulty lights found. EMSTF has also amended the template for patrol and maintenance report to include filling the number of faulty lights found. As EMSTF will implement the recommendation on an on-going basis, we recommend that this part should be deleted from the next progress report.</p> <p>297 of the 368 faulty lamps found during regular patrols have been rectified. The remaining faulty lamps are pending permission for excavation for underground cable replacement, road closure or removal of obstacles, and rectification will be completed by June 2016. In order to speed up the rectification work of faulty lights found during regular patrols, EMSTF has specified in the new subcontract A that these rectification works shall be completed within the same time frame as that for reported lamp failure cases. Complicated cases involving special</p>

Para. No.	Audit's Recommendations	Progress to date
	(f) tighten control to ensure that the group replacement of lamps and cleaning of lanterns are carried out in accordance with the stipulated frequencies in the SLA.	<p>arrangement (such as road closure) should be timely escalated to the monthly meeting between HyD and EMSTF if the fault has remained unresolved for over one month.</p> <p>To tighten control, mobile reporting technology will be used in the new subcontracts to keep track of the maintenance activities of the subcontractors, and the reporting requirements have been enhanced to ensure contractors' adherence to the scheduled maintenance programme. EMSTF has also extended its ISO 55001 asset management system to cover these special lighting installations in October 2015. As EMSTF will implement the recommendation on an on-going basis, we recommend that this part should be deleted from the next progress report.</p>
3.22	The Director of Highways should closely monitor the equipment availability for general special lighting and consider aligning the fault attendance service standards for general special lighting in the SLA with those used in the MOM contracts for road lighting where warranted by circumstances.	HyD will closely monitor the equipment availability for general special lighting and consider aligning the fault attendance service standards for general special lighting in the SLA with those used in the MOM contracts for road lighting, having regard to the resources required due to increase in service requirements.
<b>Part 4: Installation of public lights</b>		
<i>Installation of road lights</i>		
4.6	<p>The Director of Highways should :</p> <p>(a) step up monitoring of progress of lighting installation works by providing the Public Lighting Vetting Committee (PLVC) with accurate situation reports and ageing analyses of outstanding cases;</p>	HyD will regularly provide PLVC with accurate situation reports and ageing analyses of outstanding cases. HyD provided the PLVC with an updated situation report for its meeting held in April 2016. As HyD will implement the recommendation on an

Para. No.	Audit's Recommendations	Progress to date
	(b) expedite actions on the 649 road lights that had remained outstanding for over one year.	<p>on-going basis, we recommend that this part should be deleted from the next progress report.</p> <p>HyD is reviewing the status and progress of the 649 lighting installation works with a view to identifying ways and means to expedite the works as far as practicable. HyD provided the PLVC with an updated situation report for its meeting held in April 2016.</p>
<b><i>Installation of village lights</i></b>		
4.18	<p>The Director of Highways should :</p> <p>(a) take measures to meet the demand for village lighting in good time;</p> <p>(b) consider implementing another accelerated installation programme to clear the backlog of approved village lighting works in one go;</p> <p>(c) in collaboration with the Director of Home Affairs, step up monitoring of the progress of the approved village lighting installation works to ensure that there is no delay in setting up site meetings and taking follow-up actions;</p>	<p>HyD is working together with the HAD to streamline the Village Lighting Procedures with a view to implementing the village lighting installation works more efficiently. HyD and HAD have agreed to formulate a mechanism on deletion of long-idled items which aims at saving resources and processing the feasible items more speedily. Preliminary assessment on new applications will be conducted to eliminate the infeasible applications before they are discussed by PLVC.</p> <p>Other improvement measures include:</p> <p>(i) Starting from Public Lighting Programme 2017/18, HyD will advance the call of village lighting submissions by six months. HAD will arrange site visits so that relevant parties can confirm the lighting locations and cable routing before the applications are submitted to PLVC for approval;</p>

<b>Para. No.</b>	<b>Audit's Recommendations</b>	<b>Progress to date</b>
	<p>(d) keep up-to-date the status information of approved village lighting installation works in the HyD's database; and</p> <p>(e) in consultation with the Director of Home Affairs, keep the PLVC informed of any re-prioritisation of the approved installation works items.</p>	<p>(ii) HAD together with HyD will review all unduly long cases of approved lighting installation works with a view to deleting those cases which will unlikely to have any progress in the foreseeable future (e.g. due to technical constraints and strong local objections); and</p> <p>(iii) Regular meetings will be held between HyD and HAD to review the progress of follow-up actions and discuss special cases.</p> <p>As HyD and HAD will implement the recommendations on an on-going basis, we recommend that para. 4.18(a), (b) and (c) should be deleted from the next progress report.</p> <p>HyD has liaised with HAD and set up a database to keep and update the status of the village lighting installation works. HyD will regularly update and send the database to HAD for agreement. As HyD and HAD will implement the recommendation on an on-going basis, we recommend that this part should be deleted from the next progress report.</p> <p>Both HyD and HAD have agreed that all changes in the approved village lighting installation works will be submitted to PLVC for endorsement. As HyD and HAD will implement the recommendation on an on-going basis, we recommend that this part should be deleted from the next progress report.</p>

Para. No.	Audit's Recommendations	Progress to date
<b>Part 5: Implementation of energy saving measures</b>		
5.11	<p>The Director of Highways should :</p> <p>(a) take measures to ensure that the MOM contractors comply with the 2008 Divisional Instruction requirement on replacing electromagnetic ballasts by non-dimmable electronic ones;</p> <p>(b) review the 2013 Divisional Instruction on the use of Ceramic Discharge Metal Halide (CDM) lamps on subsidiary roads and continue to monitor the latest development of Light Emitting Diode (LED) lights for consideration of their wider application in the public lighting system; and</p> <p>(c) consider conducting a review of the cost-effectiveness of speeding up the use of energy saving devices, especially when the existing devices are approaching the end of their service lives.</p>	<p>HyD has incorporated this requirement in all public lighting MOM contracts. Before the upgrading of PLIS is completed, HyD will review the compliance of this requirement during monthly meetings with the contractors.</p> <p>HyD is reviewing the 2013 Divisional Instruction on the use of CDM lamps. HyD will continue to keep abreast of the latest development of LED. When its technology development is mature and market price is reduced to a competitive level with high pressure sodium lamps, HyD will consider its wider application in the public lighting system as appropriate.</p> <p>HyD has been conducting cost-and-benefit analysis and series of trials before implementing any energy saving measures. HyD will keep abreast of the latest technology and market trends and continue to review the cost-effectiveness when introducing energy saving measures. As HyD will implement the recommendation on an on-going basis, we recommend that this part should be deleted from the next progress report.</p>

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**Support for Self-reliance Scheme by Social Welfare Department  
Updated Progress of Implementing the Audit's Recommendations**

<b>Para. No.</b>	<b>Audit's Recommendations</b>	<b>Progress to date</b>
<b>Part 2: Monitoring and reporting on achievement of Scheme objectives</b>		
<i>Monitoring achievement of Scheme objectives</i>		
2.15 (a), (b) & (c)	<p>Audit has recommended that the Director of Social Welfare (DSW) should:</p> <p>(a) continue to monitor the number of Comprehensive Social Security Assistance (CSSA) unemployment cases and Integrated Employment Assistance Programme for Self-reliance (IEAPS) participants' job-securing rate and off-CSSA-net rate under the extended IEAPS currently in operation;</p> <p>(b) explore ways to conduct regular analysis of the profile of Support for Self-reliance (SFS) Scheme participants more efficiently for evaluating the effectiveness of the Scheme; and</p> <p>(c) consider collecting views from participants of the IEAPS.</p>	<p>♦ SWD will continue to closely monitor the number of CSSA unemployment cases, IEAPS participants' job-securing rate and off-CSSA-net rate under the current IEAPS service contract, which runs from 1 April 2015 to 31 March 2017.</p> <p>♦ SWD has compiled quarterly statistical reports relating to the profile of the service recipients under the IEAPS since February 2016. SWD will compile the report on a quarterly basis thereafter.</p> <p>♦ SWD has drawn up feedback forms for participants and will conduct the survey on a yearly basis starting from the second quarter of 2016.</p> <p>(a) – (c) As appropriate actions on the above-mentioned matters have been taken/are being taken, we suggest deleting them from the next progress report.</p>

Para. No.	Audit's Recommendations	Progress to date
<b><i>Reporting on achievement of Scheme objectives</i></b>		
2.22(a) & (b)	<p>Audit has recommended that the DSW should:</p> <p>(a) report the performance targets and indicators for the SFS Scheme with a view to enhancing transparency and accountability; and</p>	<ul style="list-style-type: none"> <li>◆ SWD has uploaded the performance requirements for the IEAPS and the performance of NGOs operating the IEAPS (the operators) on the SWD's website since February 2016. Such information will be updated quarterly.</li> </ul>
	<p>(b) review the proper basis and data required for assessing and reporting performance of the IEAPS.</p>	<ul style="list-style-type: none"> <li>◆ For assessing and reporting the performance of the IEAPS, SWD has since September 2015 included those who had joined the previous Integrated Employment Assistance Scheme and were transferred to 'Ordinary Employment Assistance Services' under the IEAPS in the total number of IEAPS participants.</li> </ul> <p>(a) – (b) As appropriate actions on the above-mentioned matters have been taken, we suggest deleting them from the next progress report.</p>
<b>Part 3: Commissioning NGOs to provide employment assistance services</b>		
<b><i>Procedures for commissioning NGOs</i></b>		
3.10	<p>Audit has recommended that the DSW should commission NGOs to provide welfare services on a competitive basis, taking into account NGOs' past performance in the selection process.</p>	<ul style="list-style-type: none"> <li>◆ SWD will carefully consider the selection mode of NGOs if and when IEAPS is extended beyond its current term.</li> </ul>

Para. No.	Audit's Recommendations	Progress to date
<i>Specifying service requirements</i>		
3.23(a), (b), (c) & (d)	<p>Audit has recommended that the DSW should:</p> <p>(a) critically review the methodology for setting service capacity for the current and past IEAPS contracts to identify what lessons can be learned for future exercises;</p>	<ul style="list-style-type: none"> <li>◆ SWD has reviewed the methodology of setting service capacity. In addition to making reference to the previous average number of unemployment CSSA cases, SWD will in future also take into account the actual number of service recipients of different categories of employment assistance programmes as well as the trend of the number of unemployed persons in Hong Kong when drawing up the service capacity for employment assistance services for CSSA recipients and the corresponding classroom training and work exposure service hours.</li> </ul>
	<p>(b) closely monitor the use of the service capacity for the current IEAPS contracts and put any unused capacity to gainful use;</p>	<ul style="list-style-type: none"> <li>◆ SWD will continue to closely monitor the performance of the operators including the use of the service capacity for the current IEAPS contracts.</li> <li>◆ If and when the number of service capacity in a particular project is not fully utilised, SWD will require the concerned operator to provide an action plan within one month in order to find out the reasons why it is unable to meet the service requirements. The operator is also required to propose in the action plan its remedial actions for meeting the service requirements.</li> <li>◆ In addition, SWD arranges Project Managing Officers (PMOs) to examine the 41 projects under the</li> </ul>



Para. No.	Audit's Recommendations	Progress to date
		<p>IEAPS half-yearly. Apart from regular monitoring visits, the respective officers of SWD (for example Social Security Officers of various ranks) will also meet with the management personnel of the operators on a need basis.</p> <ul style="list-style-type: none"> <li>◆ SWD will require the operators to provide additional services, for example, increasing the number of classroom training hours of Strengthened Employment Assistance Services (i.e. Category II Services) and the service capacity of Special Training and Enhancement Programme (i.e. Category IV Services), where necessary.</li> </ul>
	<p>(c) assess the need to provide further guidance on the qualification of caseworkers and the ratio of service recipients to caseworkers; and</p>	<ul style="list-style-type: none"> <li>◆ Suitable guidance has been set out in the Service Specifications of the IEAPS which requires the operators to provide different types of staff including, among others, project manager, caseworker(s) and supporting/clerical staff in sufficient number to meet the service requirements.</li> <li>◆ Operators are required to utilise resources in arranging suitable manpower and equipment, based on their actual service and operational needs, to ensure service quality and meet the service performance requirements as specified in the Service Specifications.</li> </ul>
	<p>(d) assess the need to provide further guidance on insurance for IEAPS projects.</p>	<ul style="list-style-type: none"> <li>◆ In future commissioning exercise, SWD will provide further guidance on insurance for IEAPS projects by specifying, for example, aspects relating to indemnity amount,</li> </ul>

Para. No.	Audit's Recommendations	Progress to date
		<p>public liability, etc. as necessary in the Service Specifications.</p> <p>(a) – (d) As appropriate actions have been taken on the above-mentioned matters, we suggest deleting them from the next progress report.</p>
<p><b>Part 4 : Provision of employment assistance services</b></p>		
<p><i>Providing strengthened employment assistance services</i></p>		
<p>4.12(a), (b) &amp; (c)</p>	<p>Audit has recommended the DSW should:</p> <p>(a) ascertain the reasons for some projects under the IEAPS not providing the number of classroom training hours and work exposure service sessions as specified in the contracts, with a view to taking effective measures to help the NGOs meet the requirements;</p>	<p>◆ SWD has since December 2015 been adopting the following improvement measures to help operators meet service requirements:</p> <p>✧ For projects whose service performance should be improved as reflected in the Benchmark Reports for the first two quarters under the current IEAPS service contract, running from 1 April 2015 to 31 March 2017, the respective officers of SWD (such as Social Security Officers of various ranks) met with the management personnel of the operators and reminded them of the need to comply with the service requirements in December 2015 and January 2016. SWD will continue to meet with those operators whose service performance should be improved as required.</p> <p>✧ The operators are also required</p>

Para. No.	Audit's Recommendations	Progress to date
		<p>to:</p> <ul style="list-style-type: none"> <li>■ provide action plans within one month;</li> <li>■ provide the reasons why the service requirements cannot be met; and</li> <li>■ propose in the action plans their improvement measures for meeting the service requirements.</li> </ul> <p>✧ SWD will review the action plans provided by the operators and monitor closely whether they have taken appropriate remedial actions to improve the service performance.</p>
	<p>(b) remind the NGOs of the need to comply with the contract requirement of providing the specified number of classroom training hours and work exposure service sessions; and</p> <p>(c) tighten the monitoring of the classroom training and work exposure services provided by the NGOs and take effective follow-up actions when an NGO is not meeting the requirements.</p>	<ul style="list-style-type: none"> <li>◆ In December 2015, SWD wrote to all the operators to remind them of the need to comply with the contractual requirements of providing the specified number of classroom training and work exposure service hours. SWD will continue to remind them of such contractual requirements on a half-yearly basis.</li> <li>◆ In December 2015 and January 2016, SWD met with those operators whose service performance should be improved in order to understand the reasons and to require them to take immediate improvement measures. SWD will continue to meet with those operators whose service performance should be improved as required.</li> <li>◆ In addition to conducting half-yearly monitoring visits to the operators by PMOs, the respective</li> </ul>

Para. No.	Audit's Recommendations	Progress to date
		<p>officers of SWD (such as Social Security Officers of various ranks) will meet with the management personnel of the operators on a need basis to tighten the monitoring of their service performance.</p> <p>(a) – (c) As appropriate actions have been taken/in train on the above-mentioned matters, we suggest deleting them from the next progress report.</p>
<b><i>Monitoring attendance and deterring abuse</i></b>		
4.21(a), (b) & (c)	<p>Audit has recommended the DSW should:</p> <p>(a) take measures to ensure that staff of the SWD and the NGOs adequately verify service recipients' justifications (e.g. taking up casual employment and falling sick) for not attending the activities of their service programmes under the IEAPS having regard to the risk of abuse;</p>	<ul style="list-style-type: none"> <li>◆ In December 2015, SWD wrote to all operators and Social Security Field Units (SSFUs) to remind them of the need and importance to adequately verify service recipients' justifications for not attending the activities of their service programmes under IEAPS. SWD will continue to remind them on a half-yearly basis.</li> <li>◆ Self-learning kits to SSFUs and operators were disseminated in December 2015 and April 2016 respectively to refresh and supplement the staff's knowledge and understanding of the relevant work procedures.</li> <li>◆ To strengthen the monitoring of the operators, SWD has since December 2015 conducted half-yearly supervisory checks through independent visits to the operators by SWD's Social Security Officers I to review on a random basis the cases that have been spot checked by PMOs.</li> </ul>

Para. No.	Audit's Recommendations	Progress to date
		<ul style="list-style-type: none"> <li>◆ Starting from January 2016, SWD has conducted regular random checks on cases where exemptions from attending IEAPS activities granted by the operators has reached a certain number of times over the past three months to check if the exemptions are properly exercised with sufficient justifications.</li> </ul>
	<p>(b) ensure that sanction is correctly imposed in accordance with SWD sanction rules to meet the intended objectives; and</p>	<ul style="list-style-type: none"> <li>◆ In December 2015, SWD wrote to all SSFUs to remind them of the need and importance to impose sanction properly and determine sanction period accurately. SWD will continue to remind them on a half-yearly basis.</li> <li>◆ A self-learning kit was disseminated in December 2015 to refresh and supplement staff of SSFUs' knowledge and understanding on the determination of sanction period.</li> </ul>
	<p>(c) take appropriate follow-up actions on the four cases identified by Audit where the period of sanction was not correctly determined, and ascertain whether there were other similar cases.</p>	<ul style="list-style-type: none"> <li>◆ SWD has taken follow-up actions on the four cases identified by the Audit and rectification had been made.</li> <li>◆ To enhance the awareness of staff of SSFUs in determining the period of sanction correctly, reminder was sent and a self-learning kit was disseminated to SSFUs in December 2015.</li> </ul> <p>(a) – (c) As appropriate actions have been taken/in train on the above-mentioned matters, we suggest deleting them from the next progress report.</p>

Para. No.	Audit's Recommendations	Progress to date
<b>Part 5 : Monitoring and evaluating project performance</b>		
<i>Project performance</i>		
5.10(a), (b), (c) & (d)	<p>Audit has recommended the DSW should:</p> <p>(a) regularly collect separate performance data for all Category II services from the NGOs and compile comprehensive performance information covering all service recipients to effectively monitor and evaluate project performance under the IEAPS;</p>	<ul style="list-style-type: none"> <li>◆ In April 2015, SWD made enhancements to the SFS Scheme database to safeguard its accuracy and completeness on one hand while enable the operators to record the data of the IEAPS participants more effectively on the other.</li> <li>◆ Since April 2015, SWD has been collecting separate data for Category II Services on a regular basis. Based on the data collected, SWD will compile comprehensive information on service performance of the operators regularly.</li> </ul>
	<p>(b) in monitoring and evaluating the performance of individual projects, pay particular attention to those having relatively poorer performance, ascertain the underlying reasons and take appropriate measures to improve their performance;</p>	<ul style="list-style-type: none"> <li>◆ SWD has since December 2015 been adopting the following improvement measures to help operators meet service requirements: <ul style="list-style-type: none"> <li>✧ For projects whose service performance should be improved as reflected in the Benchmark Reports for the first two quarters under the current IEAPS service contract, running from 1 April 2015 to 31 March 2017, the respective officers of SWD (for example Social Security Officers of various ranks) met with the management personnel of the operators and reminded them of the need to comply with the service</li> </ul> </li> </ul>

Para. No.	Audit's Recommendations	Progress to date
		<p>requirements in December 2015 and January 2016. SWD will continue to meet with those operators whose service performance should be improved as required.</p> <ul style="list-style-type: none"> <li>✧ The operators are also required to: <ul style="list-style-type: none"> <li>■ provide action plans within one month;</li> <li>■ provide the reasons why the service requirements cannot be met; and</li> <li>■ propose in the action plans their improvement measures for meeting the service requirements.</li> </ul> </li> <li>✧ SWD will review the action plans provided by the operators and monitor closely whether they have taken appropriate remedial actions to improve the service performance.</li> </ul>
	<p>(c) take full account of the past performance of the NGOs in future exercises of commissioning NGOs to provide employment assistance services; and</p>	<ul style="list-style-type: none"> <li>◆ SWD will take full account of the past performance of the NGOs in operating various employment assistance programmes when assessing service proposals in future exercises of commissioning NGOs for operating the IEAPS.</li> </ul>
	<p>(d) enhance the risk-based approach in conducting monitoring visits, visiting more projects with relatively poorer performance.</p>	<ul style="list-style-type: none"> <li>◆ The risk-based approach in monitoring projects with relatively poor performance has been enhanced. Starting from December 2015, the following improvement measures have been adopted: <ul style="list-style-type: none"> <li>✧ the number of monitoring visits to these projects will be increased; and</li> </ul> </li> </ul>

Para. No.	Audit's Recommendations	Progress to date
		<p>✧ the respective officers of SWD (for example Social Security Officers of various ranks) will meet with the management personnel of the operators to remind them of the need to comply with the contract requirements and to achieve the stipulated service outcome.</p> <p>(a) – (d) As appropriate actions have been taken/in train on the above-mentioned matters, we suggest deleting them from the next progress report.</p>
<b><i>Compliance with guideline requirements</i></b>		
5.14(a) & (b)	<p>Audit has recommended the DSW should:</p> <p>(a) regularly remind the NGOs of the need to comply with the SWD procedural guidelines; and</p> <p>(b) require SWD staff to conduct more sample checks on compliance with the SWD procedural guidelines during monitoring visits to the NGOs and take appropriate follow-up actions on any irregularities identified.</p>	<ul style="list-style-type: none"> <li>◆ In December 2015, SWD wrote to all the operators to remind them of the need and importance to comply with the SWD procedural guidelines. SWD will continue to remind them on a half-yearly basis.</li> <li>◆ In December 2015, the operators reminded their staff members involved in the IEAPS of the need to comply with SWD's procedural guidelines.</li> <li>◆ SWD has since December 2015 been conducting half-yearly supervisory checks through independent visits to the operators by SWD's Social Security Officers I to review on a random basis the cases that have been spot checked by PMOs.</li> <li>◆ SWD has increased the number of sample checks of cases by 10%</li> </ul>



<b>Para. No.</b>	<b>Audit's Recommendations</b>	<b>Progress to date</b>
		<p>during the monitoring visits to operators since the first quarter of 2016.</p> <ul style="list-style-type: none"><li>◆ A self-learning kit was disseminated in April 2016 to refresh and supplement staff of operators' knowledge and understanding on the relevant work procedures.</li></ul> <p>(a) – (b) As appropriate actions have been taken/in train on the above-mentioned matters, we suggest deleting them from the next progress report.</p>

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**Shine Skills Centre**  
**Updated Progress of Implementing the Audit's Recommendations**  
**in Report No. 65 by Vocational Training Council**

Para. No.	Audit's Recommendations	Progress to date
<b>Part 2: Preparing students for open employment</b>		
<i>Reporting of information on graduated students' employment</i>		
2.13(a), (b), (c) & (d)	<p>Audit has recommended that the Executive Director, Vocational Training Council (VTC) should:</p> <p>(a) consider providing detailed information on the destinations of Shine Skills Centre (SSC) graduated students on the VTC website and to the FC of the LegCo;</p> <p>(b) in the employment survey, collect information on the number of graduated students employed under the Work Orientation and Placement Scheme (WOPS) and include the information in reporting the detailed destinations of the students;</p> <p>(c) devise a structured mechanism for ascertaining and reporting to the SSC management the reasons for some SSC graduated students not</p>	<p>(a) The destinations of SSC graduated students as set out in Table 7 of the Audit Report have been posted on VTC's website since 29 December 2015<sup>1</sup>, and will be provided to the FC of LegCo as and when required. Presentation of the data on open employment was discussed at the meeting of the VTC Committee on Vocational Training for People with Disabilities on 17 March 2016. The Committee will further deliberate on scope of enhancement, if any, at its next meeting in November 2016.</p> <p>(b) The number of graduates with employment engaged in WOPS has been obtained from the LD. The correlation between employment duration and WOPS will be analysed in the upcoming survey in summer 2016.</p> <p>(c) SSC has worked out a mechanism to receive regular reports from Managers of the three SSC sites on the reasons for some SSC</p>

<sup>1</sup> <http://statistics.vtc.edu.hk/summary2/SkCtr/SkCtrEmp/SkCtrEmpMain.jsp?pages=emp&type=emp&by4=sum>

<b>Para. No.</b>	<b>Audit's Recommendations</b>	<b>Progress to date</b>
	<p>having taken up open employment so that timely follow-up action would be initiated; and</p> <p>(d) consider conducting, for graduated students of each academic year, a follow-up employment survey at an appropriate time after the first survey to ascertain the sustainability of the employment of graduated students.</p>	<p>graduated students not having taken up open employment. Follow up actions endorsed by the VTC Shine Skills Centre Academic Board have been duly completed, and improvement measures will be implemented on an on-going basis. Student counsellors have arranged career talks for students so as to enhance their job hunting skills. SSC has also distributed a self-learning kit for students, which assists students to familiarise themselves with the different steps in job hunting and grasp the essential skills in securing employment.</p> <p>(d) The proposed tracking system has been discussed and agreed upon by the SSC management. The follow-up employment survey has been drafted by VTC's Statistics Section and the pilot run will start in summer 2016.</p> <p>(a) – (d) As appropriate actions have been taken on the above-mentioned matters, we suggest deleting them from the next progress report.</p>
<b><i>Provision of career guidance services</i></b>		
2.22(a), (b) & (c)	<p>Audit has recommended that the Executive Director, VTC should:</p> <p>(a) take measures to ensure the accuracy of the monthly returns submitted by the Student Counsellors;</p>	<p>(a) SSC has developed a new IT data compilation system to support Student Counsellors in entering monthly returns accurately. Trial runs of the system were performed in January 2016, and the system has been rolled out in May 2016.</p>

Para. No.	Audit's Recommendations	Progress to date
	<p>(b) ascertain the reasons for fewer jobs secured and trial work placements arranged by some Student Counsellors and take measures to enhance their output as appropriate; and</p> <p>(c) consider setting benchmarks in respect of the number of jobs secured and the number of trial work placements arranged by the Student Counsellors and closely monitor the actual performance against the benchmarks.</p>	<p>(b) The placement duties, among other duties that the Student Counsellors have, such as developing students' attributes (job/life attitude and skills), counselling work, centre activity involvement and communication with students' families and employers, are considered in totality in evaluating Student Counsellors' performance. The current Performance Management System provides the framework for evaluating the staff members' achievement of the goals and competency level.</p> <p>Follow-up actions have been duly completed and improvement measures will be taken on an on-going basis. These include the provision of additional training to students and planning of more strategic approaches to secure jobs and trial work placements. There are also centrally targeted placement opportunities identified to improve the placement number.</p> <p>(c) SSC has devised and endorsed a benchmarking system taking account of the varying student abilities and relevant factors affecting placement counts. Monitoring of the actual performance in respect of the number of jobs secured and the number of trial work placements arranged by the Student Counsellors against the benchmarks will be taken on an on-going basis.</p> <p>(a) – (c) As appropriate actions have been taken on the above-mentioned</p>

Para. No.	Audit's Recommendations	Progress to date
		matters, we suggest deleting them from the next progress report.
<b>Part 3: Management of vocational assessments and training programmes</b>		
<i>Timeliness of issuing vocational assessment reports</i>		
3.5(a) & (b)	<p>Audit has recommended that the Executive Director, VTC should:</p> <p>(a) take measures to ensure that vocational assessment reports are issued to persons with disabilities within the target time; and</p> <p>(b) consider releasing early comments on performance in vocational assessment to the persons with disabilities who are not recommended to receive vocational training to facilitate them to make alternative arrangements.</p>	<p>(a) A new work flow has been created for ensuring that the assessment reports can be issued within the target timeline.</p> <p>(b) SSC has arranged to release early comments to those who are recommended to receive training at sheltered workshop or day activity centre so that the persons with disabilities could make early arrangements.</p> <p>(a) – (b) As appropriate actions have been taken on the above-mentioned matters and improvement measures will be taken on an on-going basis, we suggest deleting them from the next progress report.</p>
<i>Provision of training programmes</i>		
3.13(a) & (b)	<p>Audit has recommended that the Executive Director, VTC should take measures to:</p> <p>(a) improve the relevance of the training programmes to the job requirements of the graduated students; and</p>	<p>(a) The SSC Programme Board, comprising both internal and external members (Programme Advisors), is responsible for maintaining regular reviews and evaluation of the programmes to ensure the continuous development, improvement and relevance of the programmes. The SSC Programme Board holds</p>

<b>Para. No.</b>	<b>Audit's Recommendations</b>	<b>Progress to date</b>
		<p>regular meetings. Through identifying the generic, transferable soft and vocational skills that students need, the programmes are adjusted to better equip students for employment. Building on strengths and eliminating weaknesses of the training contents, the programmes are modified regularly to ensure that they are current and responsive to the ever-changing needs of the workplace. Actions have been taken in the following areas:</p> <ul style="list-style-type: none"><li data-bbox="954 898 1450 1093">(i) industrial visits made and advice from Programme Advisors sought to capture the up-to-date market information on job needs;</li><li data-bbox="954 1137 1450 1451">(ii) the teaching content of the modules and the materials have been reviewed and revised where necessary by phases within the programmes to ensure that job market needs have been catered for; and</li><li data-bbox="954 1496 1450 1899">(iii) the relevance rates have also been established as a regular review item in SSC's internal assessment exercise. Issues and improvement measures need to be reported to the VTC Shine Skills Centre Academic Board and Programme Board as a requirement; and</li></ul>

<b>Para. No.</b>	<b>Audit's Recommendations</b>	<b>Progress to date</b>
	(b) collaborate with more NGOs for the provision of part-time training courses by the SSC.	<p>(b) SSC has strengthened the collaboration with more NGOs for identifying part-time training courses to address different training needs of persons with disabilities.</p> <p>(a) – (b) As appropriate actions have been taken on the above-mentioned matters and improvement measures will be taken on an on-going basis, we suggest deleting them from the next progress report.</p>
<b><i>Admission of students to full-time training programmes</i></b>		
3.19	Audit has recommended that the Executive Director, VTC should set a target time for processing applications for SSC full-time training programmes and monitor the actual time taken against the target.	<p>SSC has already set a target timeline for processing admission applications and would monitor the actual time and take improvement measures as required.</p> <p>As appropriate action has been taken on the above-mentioned matter and improvement measures will be taken on an on-going basis, we suggest deleting it from the next progress report.</p>
<b><i>Monitoring of training programmes</i></b>		
3.29(a), (b), (c), (d), (e) & (f)	<p>Audit has recommended that the Executive Director, VTC should:</p> <p>(a) take measures to ensure that SSC training sites establish proper procedures for ascertaining and recording the reasons for all dropout cases;</p>	(a) While SSC has all along been keeping the records for dropout cases indicating the reasons in broad categories and additional support would be provided on case-by-case basis, a more comprehensive system has been worked out to ascertain and record the reasons for all dropout cases to facilitate the additional support where appropriate.

Para. No.	Audit's Recommendations	Progress to date
	<p>(b) take measures to ensure that SSC training sites draw up formal action plans to enhance the completion rate of SSC students and monitor the effectiveness of the action plans;</p> <p>(c) consider setting a target completion rate for each full-time training programme;</p> <p>(d) take measures to enhance the completion rates of full-time training programmes with lower completion rates;</p> <p>(e) cover all employers of graduated students, or a representative sample of them, in the employer satisfaction surveys; and</p> <p>(f) stipulate guidelines on class observation for full-time training programmes and class evaluation for part-time training courses.</p>	<p>(b) The Heads of SSC branches have been required to report their improvement actions in their internal annual assessment exercise in order to achieve better monitoring and enhanced completion rate.</p> <p>(c) and (d) These recommendations were deliberated at the VTC Shine Skills Centre Academic Board in March 2016. Having taken into account the past performance and relevant factors, each programme has set its own target completion rate, ranging from 75% to 85%.</p> <p>SSC will continue to monitor and take necessary actions to enhance the completion rates of programmes that have completion rates lower than the target.</p> <p>(e) SSC has revamped the methodology and work flow for sending out employment survey questionnaires to all employers.</p> <p>(f) Detailed class observation guidelines, the observation form, lesson plan template and observation schedule have been updated.</p> <p>(a) – (f) As appropriate actions have been taken on the above-mentioned matters and improvement measures will be taken on an on-going basis, we suggest deleting them from the next progress report.</p>



Para. No.	Audit's Recommendations	Progress to date
<b>Part 4: Administrative issues</b>		
<i>Usage of SSC(PF) building</i>		
4.6(a), (b) & (c)	<p>Audit has recommended that the Executive Director, VTC should:</p> <p>(a) take prompt measures to address the issue of vacant floor spaces of the SSC (Pokfulam) building;</p> <p>(b) closely monitor the usage of the SSC (Pokfulam) building and take measures to improve the usage where warranted; and</p> <p>(c) monitor the enrolment situation of the SSC (Pokfulam) and, in consultation with the LWB, contemplate the way forward for the SSC (Pokfulam).</p>	<p>(a) and (b) VTC submitted, on 16 October 2015, an application to the LandsD for waiver for change of land use for the setting up of a Hostel for Severely Mentally Handicapped Persons (HSMH) and a Day Activity Centre (DAC) at the subject premises. Approval for waiver was given by the LandsD on 11 March 2016. The SWD sought the endorsement of the Lotteries Fund Advisory Committee at its meeting held on 11 December 2015 of the funding application for the related fitting out works, procurement of furniture and equipment and other improvement works. Barring unforeseen slippage and taking into account the time required for selecting a NGO to operate the HSMH and DAC and for the NGO to fit out the premises, the HSMH and DAC will commence service in mid-2017.</p> <p>(c) SSC (Pokfulam) enrolled 58 and 56 students in 2014/15 and 2015/16 respectively against the planned places of 60. LWB will continue to maintain close liaison with VTC and other relevant stakeholders to update or enhance vocational rehabilitation and promotion of employment of persons with disabilities. For this purpose, LWB takes into account different relevant factors, including the needs of persons with disabilities in Hong Kong, and the feasibility and</p>

<b>Para. No.</b>	<b>Audit's Recommendations</b>	<b>Progress to date</b>
		<p>sustainability of different service modes, with the aim to utilize resources, including SSC (Pokfulam) in a more effective manner and to better serve the various development needs of persons with disabilities.</p> <p>(a) – (c) As the monitoring and improvement measures will be taken on an on-going basis, we suggest deleting them from the next progress report.</p>
<b><i>Staff recruitment</i></b>		
4.13(a), (b) & (c)	<p>Audit has recommended that the Executive Director, VTC should:</p> <p>(a) take measures to ensure that the SSC keeps proper records relating to recruitment exercises;</p> <p>(b) document properly justifications for the granting of salaries higher than the minimum pay of specified pay ranges to candidates; and</p> <p>(c) consider the need to conduct sample vetting of assessment forms and board reports for the recruitment of short-term contract staff and part-time staff by the VTC's Human Resources Division (HRD).</p>	<p>(a) – (c) SSC will take measures to ensure that records relating to recruitment are properly kept. Internal vetting of assessment forms and board reports will be conducted by VTC's HRD.</p> <p>(a) – (c) As appropriate actions have been taken on the above-mentioned matters and improvement measures will be taken on an on-going basis, we suggest deleting them from the next progress report.</p>
<b><i>Continuous professional development (CPD) of staff</i></b>		
4.19(a) & (b)	<p>Audit has recommended that the Executive Director, VTC should:</p> <p>(a) step up efforts in encouraging those SSC staff who did not attain 40 CPD hours within two consecutive years to actively participate in CPD activities; and</p>	<p>(a) SSC will continue to step up the efforts in encouraging staff to actively participate in CPD activities, and will arrange job-related staff training.</p>

<b>Para. No.</b>	<b>Audit's Recommendations</b>	<b>Progress to date</b>
	(b) monitor the attainment of CPD hours by SSC staff.	<p>(b) VTC has a central system to support the CPD arrangements. This system can support SSC management in monitoring and reviewing the CPD situation for further enhancement.</p> <p>(a) – (b) As appropriate actions have been taken on the above-mentioned matters and improvement measures will be taken on an on-going basis, we suggest deleting them from the next progress report.</p>
<b><i>Inventory control</i></b>		
4.34(a), (b), (c), (d), (e), (f), (g) & (h)	<p>Audit has recommended that the Executive Director, VTC should:</p> <p>(a) take measures to ensure that the SSC conducts annual stocktaking in accordance with the VTC's requirements;</p> <p>(b) require the VTC's Supplies Section to follow up on those SSC branches which have not reported the results of annual stocktaking before the deadlines specified by the Chief Supplies Officer;</p> <p>(c) take measures to ensure that SSC branches maintain proper stocktaking records (e.g. recording the inventories that have been checked in stocktaking);</p> <p>(d) Take measures to ensure that correct barcode labels are attached to all the SSC's inventories;.</p>	<p>(a) All SSC units have conducted annual stock taking exercise in accordance with the VTC's Stores Manual and relevant inventory guidelines and have taken measures to ensure that inventory records are properly kept.</p> <p>(b) SSC has worked out with the VTC's Supplies Section on confirming the receipt of stock-taking records with reference to the due dates.</p> <p>(c) Management at all levels has taken up the role to maintain proper stocktaking records.</p> <p>(d) To enhance stock control and recording, VTC has sourced contractors to develop a stock tracking system with the use of QR code to replace the use of barcode labels.</p>

Para. No.	Audit's Recommendations	Progress to date
	<p>(e) take measures to ensure that goods received from suppliers by the SSC are recorded in the store records in a timely manner;</p> <p>(f) ask the Shine Technical Aids and Resource Centre (STARC) to record the movements of technical aids in the loan register in a timely manner;</p> <p>(g) ask the STARC to locate its technical aids (that had been renewed or returned but had not been recorded in the loan register) and to take appropriate action to follow up the overdue items; and to update the loan register promptly for renewals and returns; and</p> <p>(h) consider devising a more effective system to control the movements of the technical aids.</p>	<p>(e) SSC has worked out with the VTC's Supplies Section for introducing a more efficient store records system and for work procedure for better monitoring the store records.</p> <p>(f) To ensure that in future the recording would be completed in a timely manner, the standard procedure of technical aids loan service have been reviewed and the revised procedure will be put into practice.</p> <p>(g) The overdue items have been followed up with the loan parties, and follow-up actions will be taken as appropriate<sup>2</sup>.</p> <p>(h) SSC has reviewed the measures for devising a more effective system to control the movements of the technical aids.</p> <p>(a) – (h) As appropriate actions have been taken on the above-mentioned matters and improvement measures will be taken on an on-going basis, we suggest deleting them from the next progress report.</p>

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<sup>2</sup> There are two items outstanding from the same borrower and follow-up action will continue.