

The Audit Commission ("Audit") conducted a review of the work of the Electrical and Mechanical Services Department ("EMSD") in monitoring the safe operation of lifts and escalators ("L&Es").

2. The Lifts and Escalators Ordinance (Cap. 618) ("L&E Ordinance"), effective from 17 December 2012, regulates the installation, maintenance and operation of L&Es, and EMSD is responsible for the administration and enforcement of L&E Ordinance. L&E Ordinance stipulates that a Registered Contractor ("RC") and a Registered Engineer ("RE") should be appointed respectively for: (a) installation and maintenance of L&E; and (b) examination and certification of the safe working condition of an L&E. As of December 2015, 72 486 L&Es (63 561 lifts and 8 925 escalators) were regulated under the L&E Ordinance in Hong Kong, while 12 086 (20%) lifts and 331 (4%) escalators aged 35 years or more. In 2015, there were 2 029 L&E reportable incidents involving 2 237 injuries.

3. The Committee noted the following findings from the Director of Audit's Report:

- Audit sample checked 70 of 2 974 RC change-over cases from January 2014 to September 2015 and discovered that as of December 2015, three RCs had not submitted the change-over examination reports 548 to 729 days after taking over the L&E maintenance work, and 15 RCs submitted their reports 32 to 110 days after taking over the work;
- from January 2014 to September 2015, out of 137 L&Es involved changes of RCs where the incoming RCs assumed maintenance service more than one month after termination of service of the outgoing RCs, EMSD had issued prohibition orders on 36 L&Es 34 to 298 days after maintenance service termination and had not issued prohibition orders on 21 L&Es as of December 2015;
- from January 2013 to September 2015, EMSD had issued 32 warning letters to 16 RCs for non-compliance with L&E Ordinance and the EMSD Code of Practice. Three RCs had each received three or more warning letters within 12 months. Also, notwithstanding that warning letters had been issued to two RCs for non-compliance with significant EMSD requirements, no performance monitoring point was accorded to them because the non-compliance issues were not covered under the Performance Assessment Scheme;

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- up to 31 December 2015, the Disciplinary Action Review Panel set up by EMSD had not reviewed the need for disciplinary hearings for two RCs who had been convicted of offences under the L&E Ordinance in December 2013 and July 2015 respectively, and for an RC who had received four warning letters from June to September 2015;
- EMSD had not issued guidelines on the maximum number of L&Es to be examined and certified by an RE on a single day. From January 2014 to September 2015, 62 REs had conducted examination and certification for 7 to 13 lifts on a single day on a total of 146 occasions, but EMSD only requested for explanations from four REs;
- from July 2014 to June 2015, 185 use permits of L&Es were renewed 1 to 279 days later than their expiry dates, but EMSD had only issued prohibition orders to 113 L&Es up to 31 December 2015, and three orders had been issued one to three days after the permit expiry dates. Audit sample checked 50 prohibition orders issued from January 2014 to June 2015 and found out that none of them were served before order effective dates;
- EMSD could not provide the number and details of non-reportable L&E incidents that had come to its notice in 2015. Of the investigations conducted by EMSD on 23 non-reportable incidents (e.g. fire occurrence and failure of a cable connector of a lift) in 2015, Audit considered that EMSD should keep in view whether some non-reportable incidents might pose safety risk and might warrant classifying them as reportable incidents; and
- as L&E information was kept in different computerized systems, the numbers of EMSD inspections of L&Es conducted in 2014 as listed in 2015-2016 Controlling Officer's Report were respectively 7% and 17% greater than those reflected in the L&E Ordinance System developed by EMSD.

4. The Committee did not hold any public hearing on this subject. Instead, it asked for written responses regarding the measures to improve the monitoring of RCs and REs, the site inspections and other regulatory actions, the scope of reportable incidents, the guidelines for the issuance of prohibition orders and the management of EMSD's information systems for L&Es. The replies from Director of Electrical and Mechanical Services are in *Appendix 15*.

5. The Committee wishes to be kept informed of the progress made in implementing the various recommendations made by Audit.