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民政事務局

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HOME AFFAIRS BUREAU

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[*English Translation*]

13 June 2018

Mr Anthony CHU  
Clerk, Public Accounts Committee  
Legislative Council  
Legislative Council Complex,  
1 Legislative Council Road,  
Central,  
Hong Kong

Dear Mr Chu,

**Public Accounts Committee**

**Consideration of Chapter 7 of the Director of Audit's Report No.70**

**Home Affairs Bureau's funding schemes and programmes  
for youth exchange and internship**

Your letter dated 21 May 2018 is well received. As per your enquiries, please find our responses in the attached appendix.

Yours sincerely,

(Sammy Leung)  
for Secretary for Home Affairs

c.c. Secretary for Financial Services and the Treasury  
Director of Audit

**Public Accounts Committee**  
**Consideration of Chapter 7 of the Director of Audit's Report No. 70**  
**Home Affairs Bureau's funding schemes and programmes**  
**for youth exchange and internship**

**For the Home Affairs Bureau**

**Part 2: Management of Funding Schemes for Youth Exchange and Internship**

- 1) According to paragraph 2.6(b) and Case 1, even though Organization A had been late in submitting the financial reports and had not submitted the activity reports of the projects it conducted in the previous year, sponsorship was still granted to it for the next year. How will Home Affairs Bureau ("HAB") improve its assessment criteria to avoid granting sponsorship to organizations which have been non-compliant with the funding guidelines?

We agree to the recommendation made in Chapter 7 of the Director of Audit's Report No. 70 (hereinafter referred to "the Audit Report") that we should conduct a review regularly and take measures to enhance the assessment process where necessary with a view to better taking into account the past track records of applicant organisations. Accordingly, a Demerit-point System has already been introduced to the relevant youth internship and exchange funding schemes, in which, among others, applicant organisations with late submission of required reports will have marks deducted in their future funding applications.

- 2) As advised by HAB in paragraph 3 of Case 1, while the participation rate of a project conducted by Organization A was not high, a respectable number of participants benefited from the programme. Please explain how the project was assessed as having "a respectable number of participants benefiting from the programme".

As pointed out in paragraph 3 of Case 1 in the Audit Report, when assessing the project proposal submitted by Organisation A in 2016-17, the relevant working group noticed that the projects organised by Organisation A in the past "had a respectable number of participants benefiting from the programme". According to our records, the Mainland youth exchange projects conducted by Organisation A were of a significant scale. In the past two years before 2016-17, a total of

six exchange projects were held benefiting 405 young people, with an average number of 67.5 young people participating in each project.

- 3) Regarding paragraph 2.10(a)(ii), please advise the reasons for imposing a sponsorship limit on the overall complementary activities of projects under the Funding Scheme for Youth Internship in the Mainland ("YIFS") only in 2017-2018, and whether HAB currently has any intention to impose a similar limit on the other three funding schemes which are related to exchange projects; if so, of the relevant details and the timetable; if not, the reasons for that. **And**
- 4) According to Table 8 in paragraph 2.10, the sponsorship for complementary activities accounts for 0% to 61% of the total sponsorship for a project. Please provide the criteria for approving such sponsorship, with examples to illustrate the nature of the sponsored activities. In addition, please set out in a table the respective amounts and proportions of sponsorship granted to the complementary activities of the 60 projects referred to in Table 8, as well as the funding schemes under which the sponsorship was granted.

Complementary activities, such as pre-tour training activities and post-tour learning reflection seminars, form a core part of exchange and internship projects. Given the varying nature, destinations, number of both activity days and participants of the projects, the proportion of expenditure attributed to the complementary activities in the total expenditure would also vary accordingly. Besides, some organisations might choose to bear part of the costs of a project themselves (e.g. sponsorship of air tickets or accommodation from other organisations), and hence affecting the proportion of approved sponsorship spent on different parts of a project.

To ensure cost-effectiveness, we have now imposed different suitable sponsorship limits for those complementary activities under different funding schemes in the light of their nature and needs. Taking the Funding Scheme for Youth Internship in the Mainland (YIFS) as an example, owing to the similar nature of different internship projects and the duration eligible for sponsorship falling between 21 days to 42 days, we have standardised the sponsorship limit of complementary activities of internship projects in terms of the total expenditure under the Scheme, viz. the sponsorship of complementary activities shall not exceed 25% of the total sponsorship of each project or \$220,000, whichever is less.

Comparatively speaking, the scale, the number of days, themes and destinations for those exchange projects in the Mainland, Belt and Road countries and other overseas countries can vary greatly. For instance, the cost structure of a 3-day exchange project to study the economic development in Guangdong province can be very different from that of a 14-day voluntary service exchange project across provinces and cities in the Mainland. Considering the diversity of exchange projects, instead of standardising the sponsorship limit to cover the overall cost of complementary activities under each exchange project, we have set a reasonable limit for the individual expenditure items of complementary activities (e.g. production of teaching materials for promotion, day camp activity fees, etc.) to ensure the cost-effectiveness of complementary activities. The assessment panels would also examine the cost-effectiveness of all activities as a whole while vetting the funding applications, and would adjust the sponsorship amount when necessary.

Details of the total sponsorship of the 60 complementary activities and their proportions as mentioned in Table 8 of the Audit Report are in Annex I.

5) Regarding Case 2 in paragraph 2.10 where daily sponsorship rate was not consistently applied in two exchange tours, please advise:

(a) the reason for including transportation under the coverage of sponsorship as no exchange activities were held during the travelling time;

All exchange projects involve travelling time between Hong Kong and the exchange destination. According to the funding criteria of the Funding Scheme for Youth Exchange in the Mainland (YEFS), the sponsorship rate per head is calculated with reference to the number of days, where the amount of sponsorship can be used to cover the cost of transportation to and from Hong Kong. According to the prevailing criteria, the "number of funded days" shall include the travelling time between Hong Kong and the exchange destination.

(b) if HAB had made reference to previous applications as to whether sponsorship should cover transportation before approving funding for the two exchange tours; if not, of the reasons for that; **and**

- (d) as noted by the Audit Commission ("Audit"), the funding guidelines do not specify the circumstances for granting half-day sponsorship to cover transportation, whether HAB will revise the funding guidelines accordingly; if so, of the relevant details and the timetable; if not, the reasons for that; and

As indicated in our response to item (a) above, according to the prevailing criteria, the travelling time of participants between Hong Kong and the exchange destination shall be included when calculating the "number of funded days". Given that all exchange projects vary in content and itinerary, the travelling time involved could also be different. When deciding whether a "half-day" or "full-day" rate in relation to the travelling time should be granted, we often took into consideration the circumstances of individual applications in the past. In order to ensure the consistency of funding approval, we have improved our internal funding guidelines from 2018-19 to clearly set out the method for calculating the travelling time under different scenarios, and illustrated it with examples to assist our staff in the calculation. For example, if the travelling time is not more than four hours, the "half-day" rate should be adopted.

- (c) how HAB will follow up the case in which an excess amount of sponsorship was approved for one of the exchange tours;

As indicated in our response to item (a) above, according to the prevailing criteria, the travelling time of participants between Hong Kong and the exchange destination should be included when calculating the "number of funded days". Therefore, the inclusion of travelling time in the calculation of the "number of funded days" will not result in the disbursement of an excessive amount of sponsorship. The disbursement arrangements for the two exchange projects mentioned above therefore do not involve any excessive amount of sponsorship.

- (e) given that new members will join the Commission on Youth ("CoY") and the Committee on the Promotion of Civic Education ("CPCE") ("the two committees") and their working groups when a new term starts, how will HAB ensure that the criteria employed by members in vetting and approving sponsorship applications will remain consistent.

All the assessment criteria and the funding criteria/the Reference Guide on Funding Allocation have been uploaded onto the relevant Commission/Committee's website for public inspection. The secretariat will also explain the relevant criteria in detail to the assessment panel members before the assessment commences. The criteria for funding approval will not be affected by the change of membership.

- 6) According to paragraph 2.14, a YIFS project was granted a sponsorship exceeding the sponsorship limit for a single project, but HAB records did not document the justification for the departure. Please advise:
- (a) whether any misconduct was involved; if so, of the party that should be held responsible and the relevant follow-up actions and sanctions; **and**
  - (c) measures HAB has in place to prevent non-compliance with limits on sponsorship in future.

As stated in the information that we furnished Audit Commission (hereinafter referred to "Audit") in March this year, prompt follow-up actions had been taken once the non-compliance case was identified. The relevant organisation had also scaled down the internship project to a half. As a result, the sponsorship granted to that project did not exceed the sponsorship limit. As pointed out in the Audit Report, the project concerned was the only case among the 1 050 projects examined by Audit that the approved sponsorship exceeded the limit. To address this, we have reminded our staff about the case and made improvements to the internal funding guidelines by clearly setting out the methodology for our staff to adopt when calculating the amount of sponsorship under different circumstances in order to ensure consistency. Moreover, we have enhanced our computer system which would automatically draw the staff member's attention whenever the amount of sponsorship entered into the system exceeds the applicable sponsorship limits to avoid any non-compliance cases.

- (b) regarding HAB' subsequent response that the project was co-organized by two organizations, whether it means that the amount of sponsorship to be granted to a project can be double or more than double the limits if it is co-organized by two or more than two organizations; and provide figure on the number of projects co-organized by two or more than two organizations; and

No, it is not the case. According to YIFS' application guidelines, a sponsorship limit has been set for each internship project, regardless of it being organised by a single or a number of organisations. Our response in paragraph 2.14 of the Audit Report that "the project was co-organised by two organisations" is merely meant to provide factual information.

There were 13 Mainland internship projects in total jointly organised by two or more organisations in the past four years.

- 7) Regarding the Audit's recommendation in paragraph 2.16(b) that HAB should regularly review the adequacy of practices on assessing project proposals, and based on the review results, take measures to enhance the assessment process where necessary, please advise the outcome of the relevant review and measures to enhance the assessment process.

We agree to Audit's recommendations. The assessment panels consisting of non-official members will continue to take into account the nature and circumstances of individual funding schemes as well as the panel's experience in processing similar applications when deciding on the appropriate assessment approach, including whether to hold interviews for applications. The panels will also put the approach into practice according to the application cycle of the funding schemes.

- 8) Regarding HAB's response in paragraph 2.20(c) that it had imposed a requirement on the minimum number of participants (i.e. 10 participants) for projects under the Funding Scheme for Youth Exchange in the Mainland ("YEFS"), thereby avoiding the recurrence of situations similar to Case 3, please advise:

- (a) the reasons for initially not imposing a requirement on the minimum number of participants for YEFS projects;

As stated in our reply to Audit in March 2018, the sponsorship for eligible Hong Kong participants under the YEFS was calculated on a per head basis. Therefore, organisations generally had no incentive to organise projects with a very small number of participants, bearing in mind that the amount of sponsorship for exchange activities receivable would likely be much lower than the actual cost associated with these activities and the difference would have to be borne by the organisations themselves. Nevertheless, in the light of the experience gained, the relevant working group approved



that the minimum number of participants (i.e. 10 persons) would be set for the YEFS from 2018-19 onwards.

- (b) HAB' considerations in setting a minimum number of participants at 10; **and**
- (d) as suggested by HAB in paragraph 2.20(a), "organizations generally had no incentive to organize projects with a very small number of participants", whether HAB has taken into account the fact that setting a minimum number of participants for YEFS projects may make it impossible for some exchange projects to proceed, such as programmes which are less popular among young people but have significant educational values, thus defeating the original intention for setting up YEFS or stifling some projects which are exceptionally meaningful;

In determining the minimum number of participants, we took into account mainly the cost-effectiveness and the minimum number of participants in other similar funding schemes. It was also necessary for us to consider and strike a balance for those meaningful exchange projects that are targeted at a niche market or not catering to popular appeal. Having studied the above factors, the relevant working group approved that the minimum number of participants would be set at 10 for the YEFS from 2018-19 onwards. Since the implementation of the new requirement, we have not received any feedback from organisations that the requirement hinders their funding applications for organising exchange projects. We will continue to monitor the implementation of the requirement on the minimum number of participants and conduct a review as and when necessary.

- (c) whether the requirement on the minimum number of participants is applicable to projects not yet completed in 2018-2019, and the number of projects conducted before 2018-2019 with fewer than 10 participants;

All the exchange projects in the Mainland with funding approved in or before 2017-18 have already been completed. In the past five years, there was only one exchange project involving less than 10 participants (i.e. the exchange project as shown in Case 3 of the Audit Report).



- (e) whether HAB will consider allowing organizations to, after providing reasonable explanations, continue to conduct certain projects which have less than 10 participants.

Since the implementation of the new requirement, we have received neither any feedback from organisations that the requirement hinders their funding applications for organising exchange projects, nor any applications for organising a project with participants less than 10. We shall continue to monitor the implementation of the requirement on the minimum number of participants and conduct a review as and when necessary.

- 9) According to paragraph 2.22, organizations are required to submit activity reports and financial reports to HAB within three months after the completion of projects. Please advise what items of information are required to be included in the reports. Has HAB examined if three months are too brief a time for report submission, resulting in organizations frequently failing to submit reports on time?

Taking the 2018-19 YEFS as an example, sponsored organisations are required to submit the following reports and documents within three months upon completion of the entire exchange project: an original and a copy of the activity report, activity photos, video recordings (if any), samples of publicity materials, an original and a copy of the financial report verified by an independent certified public accountant (practising) or a public accountant, an auditor's report prepared and issued by an independent certified public accountant (practising) or a public accountant, quotation record sheets, evaluation questionnaires filled by participants, a consolidated report of the questionnaires evaluated, a list of youth participants of the exchange project, receipts relating to exchange rates, etc. In view of the nature and scale of the sponsored projects (sponsorship shall not exceed \$0.68 million), the concerned working group considered that those organisations should be able to submit the required reports and documents within three months upon completion of all activities. In fact, as shown in Table 10 of the Audit Report, over half of the projects could have their reports and documents submitted on time. We shall continue to monitor the implementation of the requirement and conduct a review as and when necessary.

- 10) Regarding HAB's response in paragraph 2.27(b) that it had stepped up efforts in ensuring timely submission of activity reports and financial reports by organizers, please advise the details and effectiveness of its efforts, as well as the current situation concerning the submission of

reports by organizations. Regarding HAB's indication that late submission of report(s) by organizations in previous exercises would be taken into account in the demerit-point system, please provide details of the demerit-point system (including the score ratio and sanctions).

The Demerit-point System has been introduced to the “Funding Scheme for Exchange in Belt and Road Countries” in 2017-18, including the deduction of scores for funding applications submitted by organisations which have a track record of late submission of reports. As revealed by the preliminary information, among the projects in 2017-18, there were eight cases involving late submission of reports as at 31 May 2018, representing a reduction of 5 cases (38.5%) when compared with 13 cases for the same period in 2017.

As for the YEFS and the YIFS, the Demerit Point System has also been introduced in 2018-19. Since the scheme cycle has yet to be completed, there is no information about whether cases of late submission of reports will arise.

Taking the YEFS as an illustration, details of the Demerit Point System are set out in Annex II.

Furthermore, as per our response to the Audit, we have deployed more manpower to monitor the implementation and follow-up action of the large number of exchange/internship projects so as to ensure timely submission of activity reports and financial reports by the sponsored organisations.

- 11) Given that organizations normally will set the deadline for enrolment of an exchange tour at some time before its departure date, and make preparations for the tour in collaboration with the receiving organization(s), it is therefore difficult to understand the response made by HAB in paragraph 2.32 that organizations might still be recruiting until it was close to the start date of the projects, as well as why organizations informed HAB of the cancellation of projects only after the scheduled tour departure dates. It can also be noted that the organizations concerned lack project planning capability. In view of this, will HAB introduce requirements or guidelines on setting enrolment deadline for projects and the timeframe to report cancellation/modification(s) of projects; if they will, what are the details, if not, what are the reasons? Will HAB

consider taking cancellation of projects into account under the demerit-point system?

We agree to Audit's recommendations. As mentioned in paragraph 2.32(b) of the Audit Report, organisations are required to report under the current funding guidelines on any changes of the exchange/internship projects, including the cancellation of a project. As a way of good monitoring and governance, such requirement had been set out in the guidelines more explicitly for the funding exercises for 2018-19 and thereafter, for the compliance of organisations.

According to the latest updated funding guidelines for the 2018-19 YEFS, sponsored organisations who intend to cancel exchange projects should inform the relevant task force in writing at least two weeks before the originally scheduled departure date of the exchange tour with reasons for the cancellation. Moreover, according to the Demerit-point System, if an organisation fails to report or apply for any changes to the itinerary timely (including cancellation of the project), scores will be deducted from the total scores given to an exchange project in the funding application submitted by the organisation in the next round.

In addition, we have reminded organisations, during the briefing session for the YEFS, to inform us timely of the cancellation of a project in accordance with the requirements in the funding guidelines.

We will also introduce the above arrangements to other funding schemes when their next round of applications commences.

We wish to reiterate that the disbursement of sponsorship is on an accountable basis. Therefore, if a project is to be cancelled, the relevant sponsorship will not be released. Young people who have enrolled for the cancelled projects may check information of other sponsored exchange projects through HAB's newly one-stop-information portal to choose exchange projects that suit their needs.

### **Part 3: Provision of Programmes of Youth Exchange**

12) Regarding exchange places of youth programmes:

- (a) whether HAB has conducted surveys on the reasons for the participants joining projects under the International Youth Exchange Programme ("IYEP"), the Summer Exchange Programme ("SEP") and the Guangdong-Hongkong-Macao Youth Cultural Exchange Programme ("CEP")("the three programmes of youth exchange"); if so, of the details; if not, of the reasons for not conducting surveys and keeping the relevant information;

We had in place an opinion survey of participants for the above three programmes of youth exchange. The questionnaires covered issues like participants' opinions on the itinerary arrangements for the exchange tour, the content of exchange activities, arrangement of complementary activities, whether the exchange tour could achieve the intended objective(s), etc. Assessment results could help evaluate the effectiveness of the programmes. Notwithstanding that the questionnaires did not cover participants' reason(s) for joining the respective programmes, according to the questionnaires collected, about 80% of the participants of these programmes agreed/strongly agreed that the exchange tours could achieve their intended objectives (taking the CEP as an example, the programme's objective is to promote mutual understanding among young people in the three places, enrich participants' understanding of each other's culture and broaden their horizons).

- (b) with reference to paragraph 3.4, please provide the number of organizations that have been invited respectively under the three programmes of youth exchange to nominate suitable candidates in the past three years, and advise whether HAB will expand the list of invitees to include all secondary schools, tertiary institutions and youth organizations in Hong Kong; if not, of the reasons for that;

In the past three years, the number of organisations invited to nominate suitable candidates for the three programmes of youth exchange is provided below:

<b>Number of organisations invited to make nominations:</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>
International Youth Exchange Programme (IYEP)	64	64	79
Summer Exchange Programme (SEP)	18	18	18
Guangdong-Hong Kong-Macao Youth	43	43	43

Cultural Exchange Programme (CEP)			
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The type and the number of organisations invited to make nominations depend on the objectives of the exchange programme concerned, the number of exchange places available, the target participants, etc. For example, target participants of the CEP are generally tertiary students aged between 18 and 24 studying in arts and culture related disciplines. Hence, we used to invite nominations from universities in the past.

We will review the invitation list from time to time with a view to fully utilising the exchange places. Again, taking the CEP as an example, we have extended our invitations for nomination to accredited self-financing post-secondary institutions in Hong Kong since 2018-19.

- (c) according to paragraph 3.5, while the numbers of enrolments for IYEP and SEP projects far exceeded their programme capacities, in overall terms 7% of IYEP's capacity and 12% of SEP's capacity were unutilized respectively; please advise whether having unutilized capacity in a project will affect the granting of sponsorship in future;

As seen in paragraph 3.6 of the Audit Report, we pointed out in our response that the selection of candidates for the IYEP and the SEP was based on their merits and only those who had good performance at selection interviews were selected for the exchange tours. For these reasons, the number of youth participants selected for the IYEP and SEP might be lower than the intended programme capacities. This was to ensure that only the right and suitable candidates would participate in the programmes as Hong Kong's youth ambassadors. Moreover, for the IYEP, the actual number of youth participants selected was subject to the hosting capacity of overseas partner countries/provinces/cities, which could only be ascertained at a later stage. Therefore, it might be different from the originally estimated programme capacity.

Every year, when preparing the funding budget and projecting the estimated number of exchange places, we will take all relevant factors into account, including the estimated number of exchange places to be offered by our overseas partner countries/provinces/cities, the application/enrolment situation and the actual number of participants in previous years, etc. In the past five years, we have not taken the initiative to reduce the number of exchange places in preparing our budget, except in cases where

the overseas partner countries/provinces/cities reduced the number of exchange places or were unable to provide such places. Taking the IYEP as an example, the number of places increased from 65 in 2012-13 to 100 in 2017-18.

- (d) regarding HAB's response in paragraph 3.12(a) that " it is important to ensure that only suitable candidates are selected to participate in the IYEP and the SEP", please give examples to illustrate the necessary requirements for a suitable candidate; and

Target participants for the IYEP are young people aged between 18 and 24 with good academic performance and a proven record in community services. They must also possess good language skills, a good command of general knowledge and an understanding of cultures.

Target participants for the SEP are young people aged between 15 and 24 with good language skills and general knowledge, as well as a good understanding of and keen interest in the theme of the study tour.

- (e) whether HAB has reviewed the reasons for the decline in the number CEP projects participants; if it has, of the details; if not, reasons for not conducting a review; with reference to HAB's response in paragraph 3.12(b) that it will step up promotion of CEP, please advise whether funding for and the capacity of CEP projects will be reduced if the projects continue to receive lukewarm response after promotion has been stepped up.

The Government is committed to promoting youth participation in exchange activities with a view to broadening the exposure and horizons of young people. With the implementation of various funding schemes, the number of youth exchange projects has increased in recent years, providing more choices for our young people. Regarding the CEP, we have stepped up our promotion efforts since 2018-19 by extending the invitation for nomination to accredited self-financing post-secondary institutions in Hong Kong, as well as publicising the programme via HAB's webpage and the One-Stop-Information Platform on Internship and Exchange Opportunities. As a result, the response is more encouraging this year as compared to that in the previous year. As at 10 June, a total of 60 youth participants have been recruited, which is equal to the number of exchange places provided under the programme. We will review the effectiveness of the publicity measures as an ongoing initiative.

- 13) Regarding the issue of manpower support mentioned in paragraph 3.14, please advise whether HAB will set the ratio of official delegates to youth delegates for each project.

Currently, we will, having regard to the actual operational need (e.g. location and duration of the exchange programme concerned and the age of youth participants), determine the manpower support for youth exchange programmes organised by the HAB. For example, since the participants of the SEP are comparatively young (minimum 15 years of age) and the destinations are farther away (overseas countries), two staff members from the HAB and one member from the relevant working group will be deployed to accompany the youth delegates. As for the CEP, since all the participants are adults (aged 18 to 24) and the destinations are much closer to Hong Kong (Macao and Guangdong), only one staff member from the HAB will be deployed to accompany the youth delegates.

We consider that the existing arrangement of deploying manpower based on the actual operational need is cost-effective and can ensure the adequacy of manpower support. Looking ahead, we will continue to examine the actual operational need of various exchange programmes and flexibly adjust the manpower support as necessary, instead of setting a fixed ratio of government representatives to youth delegates.

- 14) As it is mentioned in paragraph 3.18 that among IYEP projects conducted in 2012-2013 to 2016-2017, only 33.4% of the participants reported that they had honoured their post-trip voluntary service commitment, please advise:

- (a) whether HAB has stipulated the types of services and service targets in respect of the 50 hours of voluntary services to be provided; if so, please provide the details and explain the original intent of requiring youth delegates to perform 50 hours of voluntary services;

In 2016-17 and before, youth delegates of the IYEP were required to undertake at least 50 hours of voluntary services. Its purpose was to encourage them to participate in community affairs and to contribute to the community with what they had learnt during overseas visits. The IYEP did not specify the types and target beneficiaries of the voluntary services required.



- (b) details of the celebration activities for the 20th Anniversary mentioned in paragraph 3.19(a); whether HAB has compiled a database to record attendance and performance of youth delegates in the celebration activities, and whether providing assistance to those activities is in line with the original intent of requiring youth delegates to perform voluntary services;

Between January and August 2017, Youth Ambassadors have participated and provided assistance in 14 large-scale international conferences and 20-odd major celebration events for the 20th Anniversary of the Establishment of the Hong Kong Special Administrative Region (the “20th Anniversary”). Apart from receiving participants and overseas guests of the events, and providing on-site support, some of the Youth Ambassadors were tasked to be Master of Ceremonies, to assist in interpretation services or to serve as exhibition guides. The large-scale celebration events included the 20th Anniversary Press Conference, the World Sustainable Built Environment Conference 2017, the Belt and Road Experience Sharing Forum, the 20th Anniversary Flag Raising Ceremony, the Inaugural Ceremony of the Fifth Term Government of the Hong Kong Special Administrative Region, the exhibition on the relics from The Palace Museum, the welcoming event for the visit of the aircraft carrier Liaoning, the Heritage Vogue · Hollywood Road carnival, etc. Furthermore, the Youth Ambassadors served as young reporters in various celebration events. They also established a preparatory committee together to plan and conduct two celebration activities to benefit the community. The new arrangements allowed them to experience voluntary work more comprehensively and enabled them to gain more experience in social services. Such arrangements were well received by the Youth Ambassadors who considered the exposure gained and contributions made were more valuable.

- (c) whether HAB was aware of the situation prior to the examination by the Audit; if not, why HAB has not monitored and followed up the provision of post-trip voluntary services by the youth delegates; whether HAB will request the remaining 66.6% of youth delegates to eventually honour their commitment of performing 50 hours of voluntary services; **and**
- (d) whether HAB has implemented any measures in the past to impel youth delegates to honour their commitment; if so, of the details of the measures and why they have been ineffective; if not, the reasons for that.

We have from time to time reminded the youth delegates to complete the remaining hours of voluntary work required and to report progress. Actions are being taken actively to follow up on those cases which the youth delegates have yet to honour their commitment in undertaking voluntary services or to report whether they have performed voluntary service as committed, and to urge the delegates to fulfil the requirement and to report as soon as possible, especially to encourage those who are still at school to make use of the coming summer vacation to perform voluntary services. In addition, should the youth delegates have genuine difficulty in honouring their commitment, they should timely provide an explanation to the HAB. We have already requested the youth delegates concerned to report progress in undertaking voluntary services after the summer vacation. Subject to the specific situation after the summer vacation, we shall decide the appropriate follow-up measures to be taken, for example, to consider informing the nominating organisations and seek their assistance in following up on the matter.

- 15) According to HAB's response in paragraph 3.22(b), given the success of the 20th Anniversary youth ambassador programme, HAB had formulated the proposed programme details of IYEP along this model. Please advise what other similar opportunities will be provided by HAB after the completion of the 20th Anniversary youth ambassador programme to enable youth delegates to gain wider exposure and serve the community. What are the proposed programme details of IYEP?

In view of the success of the 20th Anniversary Youth Ambassadors Scheme, the HAB will regularise the Scheme and continue to include elements of international youth exchange. We are currently working on the details for the proposed arrangements and seeking the views of the Youth Development Commission (YDC). We expect to introduce a new phase of the Youth Ambassador Programme in the latter half of 2018.

- 16) According to paragraph 3.25 and Table 18, the response rates to quotation invitations under the three programmes of youth exchange during the period from 2012-2013 to 2016-2017 were on the low side, especially for IYEP, which had a response rate of only 3.8%. It is even revealed in paragraph 3.26(a) that a non-governmental organization has monopolized the provision of services for IYEP projects. In this connection, does HAB update its invitation lists for quotation every year or examine whether the organizations to be invited for quotations still exist; if not, follow-up actions in this regard?

We review annually and, where appropriate, update the invitation lists for quotation to ensure the validity of the information contained therein. In future quotation exercises, we will arrange briefing sessions to explain in detail the required services to the invited bidders, with a view to helping them understand better the terms and conditions of the quotation documents.

- 17) Given that, as revealed in Table 19 in paragraph 3.26, the proportion of service charges in contractor fees for IYEP projects has increased each year, has HAB set a maximum percentage for the proportion of service charges?

As stated in paragraph 3.26(b) of the Audit Report, service providers currently charge a contractor fee for providing services. The contractor fee comprises a fixed service charge and programme expenses for which a service provider is reimbursed on an actual basis. The fixed service charge covers expenses on back-office support services, training services, support during the trip and post-trip follow-ups undertaken by a service provider. The programme expenses cover the costs to be reimbursed on an accountable basis, including airfare and accommodation. There is neither necessary correlation between the fixed service charge and the variable programme expenses, nor a pre-set ratio between the two items. In fact, as the actual amount of programme expense and its respective percentage shares in the contractor fee can only be finalised upon completion of the whole programme, it is operationally infeasible to pre-determine a ceiling on the proportion of the fixed service charge.

On the other hand, we are obliged to conduct procurement exercises and award contracts in accordance with the Stores and Procurement Regulations of the Government. If a pre-determined ceiling on the fixed service charge is set, it might undermine the intention of some service providers to submit a quotation or even contravene the principle of fairness.

#### **Part 4: Governance Matters and Way Forward**

- 18) According to paragraph 4.3, members of the two committees are appointed by Secretary for Home Affairs. Please advise the time for the commencement and ending of the terms of the two committees in each year. Will HAB openly recruit talents to join the two committees; if so, please advise the arrangements and details of the recruitment exercise; if not, what are the reasons for that?

The Government has established the YDC recently. The former CoY has been incorporated into the YDC. All non-official members of the YDC are appointed for a two-year term from 1 April 2018 to 31 March 2020. Among the non-official members, three are young members appointed through the Pilot Member Self-recommendation Scheme for Youth (the Self-recommendation Scheme).

Furthermore, the Government has recently appointed 6 new members to and re-appointed 10 existing members of the CPCE for a two-year term from 1 April 2018 to 31 March 2020. Among the new members, two are young members appointed through the Self-recommendation Scheme.

19) With reference to paragraph 4.4 and Table 21, please advise:

(a) meeting times of the two committees and their working groups;

We will take into account mainly the expected attendance by members and the actual operational needs when fixing the meeting schedule. Meetings can be convened in the morning, afternoon or evening.

(b) whether HAB has ascertained the reasons for members' low attendance rates and a member's non-attendance of all meetings; and whether the members concerned have made contributions to the two committees and their working groups in other areas; **and**

(c) whether HAB has re-appointed members with low attendance rates or had not attended any meetings in the past; if it has, of the reasons for that; whether HAB will stop re-appointing members with poor attendance rates; if they will, of the time to do so; if not, the reasons for that.

The HAB has constantly reminded members of the Commission/Committee about the importance of attending meetings of the Commission/Committee and their working groups/sub-committees. The HAB has also liaised with those members with low attendance rates to find out the reasons behind.

Apart from attending meetings, members of the Commission/Committee

also participate in the work of various working groups/sub-committees, assessment panels and task forces. They also assist in administering various funding schemes and participate in other projects and activities, such as devising and reviewing relevant guidelines and selection criteria, organising exchange sessions, attending briefing sessions for funding schemes, attending sponsored activities as guest speakers or observers, etc. Most of the said activities/work are conducted at occasions other than main meetings.

In making re-appointments, the Government will consider comprehensively all the relevant factors including the attendance rate, reasons (e.g. health condition) for low attendance (if applicable), contributions other than attending main meetings by the member, the member's commitment to service and his/her capability, etc.

- 20) Regarding HAB's response in paragraph 4.6 that it had stepped up efforts in reminding members, especially those with low attendance rates, of the importance of attending meetings of the two committees and their working groups, please advise the effectiveness of the relevant measures and attendance rates for the meetings, and whether HAB will implement other measures, such as arranging telephone or video conference, to improve the attendance rates of the two committees and their working groups.

Starting from April 2018, the newly established YDC and the CPCE have taken enhanced measures to remind their members about the importance of attending meetings of the Commission/Committee and their sub-committees/working groups. The enhanced measures include sending reminder emails to members to draw their attention to the importance of attending meetings, and providing each member with his/her attendance record three times a year for his/her information. Besides, we have taken into account members' schedules as far as possible when fixing the date and time of meetings with a view to increasing the chance of attendance by members. We have also fixed the schedule of meetings a few months in advance so as to allow sufficient time for members to reserve their time slots for the meetings. For members with low attendance rates, we have also looked into the reasons behind. We will monitor the effectiveness of the above measures.

On the other hand, for those members who are unable to attend a meeting but still want to express themselves, they could inform the secretariat of their views

in advance and the secretariat will relay their views at the meeting. Regarding other means to facilitate the expression of views by those members who are unable to attend meetings, we will take into account the actual circumstances and members' intention in order to work out a practicable and feasible proposal.

- 21) What methods are currently used by HAB to remind members of the two committees to submit the declaration of interest forms, and in what manner will the members submit the forms? Has HAB reviewed if there are any loopholes in the existing mechanism in reminding members in submitting the forms?

The secretariat will normally remind members, by phone calls or emails, to submit their declarations of interests. Members are required to return the duly completed and signed original declarations of interests to the secretariat for record purpose. Starting from April 2018, the newly established YDC and the CPCE have stepped up efforts to remind members to submit their declarations of interests on time. These efforts include sending a circular memorandum on declaration of interests from the secretariat to all members by email, inviting members to complete the declarations of interests and issuing monthly reminders to those members who have not submitted their declarations of interests. The secretariat will adopt a more stringent vetting procedure to ensure the submission of duly completed declarations of interests by members. The HAB will also make use of electronic means to manage the database of interests declared by members.

- 22) Has HAB found out why decisions on declared interests were not documented as mentioned in paragraph 4.11(a), and whether any misconduct was involved? Has HAB made it mandatory for the secretariats to document decisions on declared interests in the past; if not, why did HAB not introduce such a mandatory requirement?

According to the mechanism adopted in 2017-18 and before, the convener of a meeting could allow a member who was involved in potential conflicts of interest to remain in the selection interview as an observer on condition that the member concerned would not comment or vet the applications. In 2017-18 and before, the working group has been adhering strictly to the said mechanism in handling all cases involving potential conflicts of interest. As such, recording the details of individual cases in the minutes of meetings was not required. This practice was in line with the then prevailing mechanism and no negligence was involved.

Having examined the mechanism, we have made further enhancements to it for processing and recording cases of potential conflicts of interest. Starting from 2018-19, all decisions on the declared of interests of members participating in the assessment procedures shall be documented properly.

- 23) While it is suggested in HAB's response in paragraph 4.21 that the Government was committed to expanding exchange and internship opportunities both on the Mainland and in overseas countries, paragraph 4.14 mentions that the provision of youth exchange and internship activities has been mainly focused on projects on the Mainland. What are the reasons for that? How will HAB provide local young people with more international exchange and internship opportunities?

As shown in Table 1 under paragraph 1.8 of the Audit Report, the HAB launched a programme to sponsor both exchange and internship activities in the Mainland in 1998-99. In 2013, the YEFS and the YIFS were implemented to replace the former funding programme. The Government then launched the Funding Scheme for Exchange in Belt and Road Countries and the Funding Scheme for International Youth Exchange in 2016 and 2017 respectively. When organisations become more experienced in organising international exchange programmes, we expect both the number of projects and the number of young people benefited will increase accordingly. With regard to overseas internships, the HAB has launched new programmes to increase internship opportunities in overseas countries recently, including the United Nations Volunteers – Hong Kong Universities Volunteer Internship Programme and the Pilot Scheme on Corporate Summer Internship on the Mainland and Overseas launched in mid-March 2018. The HAB will continue to explore other possibilities of providing overseas internship opportunities.

- 24) According to paragraph 4.17, HAB considers that "in comparison with programmes of youth exchange organized by the HAB directly, funding schemes have been more efficient as well as effective in promoting youth exchange projects in the community". Please advise how HAB will review and enhance its effectiveness in organizing youth exchange programmes directly and the promotion of such programmes. **And**
- 25) Regarding the Audit's recommendation in paragraph 4.20(d) that a review should be conducted on the way forward of providing activities through the programmes of youth exchange, please advise the progress, timetable and conclusions of the review.



As stated in the Audit Report, the Government is committed to expanding exchange and internship opportunities both in the Mainland and in overseas countries to enable young people to better understand the prevailing economic, social and cultural landscape at the national and international levels, as well as the work culture and career prospects in different places. We have promoted the relevant work in various aspects, including mobilising various communities through funding schemes, supporting non-governmental organisations to organise internship/exchange projects, and directly organising internship/exchange projects by the Government. Among them, most of the internship/exchange programmes directly organised by the Government involve the partnership with overseas governments/quasi-government bodies. Examples include the Funding Scheme for International Youth Exchange and the CEP organised jointly with government units outside Hong Kong.

The Government has recently established the YDC, which includes a Task Force on Youth Exchange and Internship (Task Force). In response to the policy directions agreed by the YDC, the Task Force will provide advice on youth exchange and internship programmes outside Hong Kong, and will assist in the implementation of the relevant work. The Government will continue to review the arrangements and practices of youth exchange and internship programmes outside Hong Kong, and consult the Task Force in due course.

Home Affairs Bureau  
June 2018

**Relevant information on the 60 complementary activities mentioned  
in Table 8 of the Audit Report**

	<b>Corresponding Funding Scheme</b>	<b>Total amount in sponsorship of complementary activities (\$)</b>	<b>Proportion of the amount in sponsorship of complementary activities</b>
1	Funding Scheme for Youth Exchange in the Mainland	6,500	2%
2	Funding Scheme for Youth Exchange in the Mainland	7,000	2%
3	Funding Scheme for Youth Exchange in the Mainland	9,339	15%
4	Funding Scheme for Youth Exchange in the Mainland	48,937	12%
5	Funding Scheme for Youth Exchange in the Mainland	9,540	18%
6	Funding Scheme for Youth Exchange in the Mainland	23,780	27%
7	Funding Scheme for Youth Exchange in the Mainland	9,700	8%
8	Funding Scheme for Youth Exchange in the Mainland	31,500	10%
9	Funding Scheme for Youth Exchange in the Mainland	8,100	12%
10	Funding Scheme for Youth Exchange in the Mainland	11,659	2%
11	Funding Scheme for Youth Exchange in the Mainland	8,200	14%
12	Funding Scheme for Youth Exchange in the Mainland	3,300	5%
13	Funding Scheme for Youth Exchange in the Mainland	19,596	16%
14	Funding Scheme for Youth Exchange in the Mainland	25,956	27%

	<b>Corresponding Funding Scheme</b>	<b>Total amount in sponsorship of complementary activities (\$)</b>	<b>Proportion of the amount in sponsorship of complementary activities</b>
15	Funding Scheme for Youth Exchange in the Mainland	20,500	29%
16	Funding Scheme for Youth Exchange in the Mainland	11,570	21%
17	Funding Scheme for Youth Exchange in the Mainland	16,589	21%
18	Funding Scheme for Youth Exchange in the Mainland	9,700	17%
19	Funding Scheme for Youth Exchange in the Mainland	10,960	14%
20	Funding Scheme for Youth Exchange in the Mainland	31,080	21%
21	Funding Scheme for Youth Exchange in the Mainland	10,300	9%
22	Funding Scheme for Youth Exchange in the Mainland	65,410	21%
23	Funding Scheme for Youth Exchange in the Mainland	22,060	36%
24	Funding Scheme for Youth Exchange in the Mainland	166,000	28%
25	Funding Scheme for Youth Exchange in the Mainland	11,154	17%
26	Funding Scheme for Youth Exchange in the Mainland	145,000	24%
27	Funding Scheme for Youth Exchange in the Mainland	8,000	6%
28	Funding Scheme for Youth Exchange in the Mainland	134,900	61%
29	Funding Scheme for Youth Exchange in the Mainland	165,000	32%
30	Funding Scheme for Youth Exchange in the Mainland	11,245	17%
31	Funding Scheme for Youth Internship in the Mainland	96,960	21%

	<b>Corresponding Funding Scheme</b>	<b>Total amount in sponsorship of complementary activities (\$)</b>	<b>Proportion of the amount in sponsorship of complementary activities</b>
32	Funding Scheme for Youth Internship in the Mainland	128,588	16%
33	Funding Scheme for Youth Internship in the Mainland	136,288	17%
34	Funding Scheme for Youth Internship in the Mainland	118,478	16%
35	Funding Scheme for Youth Internship in the Mainland	42,048	5%
36	Funding Scheme for Youth Internship in the Mainland	164,200	20%
37	Funding Scheme for Youth Internship in the Mainland	133,799	26%
38	Funding Scheme for Youth Internship in the Mainland	164,200	20%
39	Funding Scheme for Youth Internship in the Mainland	76,000	15%
40	Funding Scheme for Youth Internship in the Mainland	110,750	31%
41	Funding Scheme for Youth Internship in the Mainland	38,800	5%
42	Funding Scheme for Youth Internship in the Mainland	7,500	13%
43	Funding Scheme for Youth Internship in the Mainland	76,276	10%
44	Funding Scheme for Youth Internship in the Mainland	76,276	10%
45	Funding Scheme for Youth Internship in the Mainland	129,276	16%
46	Funding Scheme for Youth Internship in the Mainland	61,010	7%
47	Funding Scheme for Youth Internship in the Mainland	130,219	34%
48	Funding Scheme for Youth Internship in the Mainland	61,900	7%

	<b>Corresponding Funding Scheme</b>	<b>Total amount in sponsorship of complementary activities (\$)</b>	<b>Proportion of the amount in sponsorship of complementary activities</b>
49	Funding Scheme for Youth Internship in the Mainland	135,550	16%
50	Funding Scheme for Youth Internship in the Mainland	88,505	18%
51	Funding Scheme for Exchange in Belt and Road Countries	17,100	7%
52	Funding Scheme for Exchange in Belt and Road Countries	-	0%
53	Funding Scheme for Exchange in Belt and Road Countries	2,000	2%
54	Funding Scheme for Exchange in Belt and Road Countries	56,069	48%
55	Funding Scheme for Exchange in Belt and Road Countries	16,014	12%
56	Funding Scheme for International Youth Exchange	41,785	18%
57	Funding Scheme for International Youth Exchange	-	0%
58	Funding Scheme for International Youth Exchange	36,000	9%
59	Funding Scheme for International Youth Exchange	-	0%
60	Funding Scheme for International Youth Exchange	27,400	14%

Note: Complementary activities, such as pre-tour training activities and post-tour learning reflection seminars, form a core part of exchange and internship projects. Given the varying nature, destinations, number of both activity days and participants of the projects, the proportion of expenditure attributed to complementary activities would also vary accordingly. Besides, some organisations might choose to bear part of the costs of a project themselves (e.g. sponsorship of air tickets or accommodation from other organisations), and hence affecting the proportion of approved sponsorship spent on different parts of a project.

Details of the Demerit-point System for  
the Funding Scheme for Youth Exchange in the Mainland

The Demerit-point System has been introduced to the Funding Scheme for Youth Exchange in the Mainland to put organisations that do not comply with the “Guidelines for Organising Exchange Projects and Usage of Funding” on record for the purpose of deducting the assessment score obtained by such organisations (a non-compliant organisation will be identified by its registered name and address) in their future funding applications. Details of the system are as follows -

- (a) The Secretariat of the Youth Development Commission will put organisations that do not comply with the “Guidelines for Organising Exchange Projects and Usage of Funding” on record for the relevant task force under the Youth Development Commission to make reference when considering future funding application(s) submitted by the relevant organisations.
- (b) If a sponsored organisation is found to have failed to comply with the “Guidelines for Organising Exchange Projects and Usage of Funding”, such as:
  - (i) for cases of not indicating the appropriate sponsorship wording in the promotion materials/publications, not adopting the appropriate size for the acknowledgement wording, or not reporting to / seeking approval from the relevant task force in the event of a change in the itinerary, **5 points** will be deducted from the total assessment score of the exchange project in the next funding application submitted by the organisation;
  - (ii) for cases of failing to submit the financial report, the activity report and the supporting documents required in relation to the exchange tour to the Secretariat of the Youth Development Commission by the deadline, the organisation will be put on record. For late submission of reports and documents that are overdue for 3 to 6 months by the sponsored organisation, **5 points** will be deducted from the total assessment score obtained by the same organisation in its funding application in the next round. For late submission of reports and documents that are overdue for more than 6 months, **10 points** will be deducted from the total assessment score; and

(iii) for cases of using the sponsored project for individual/commercial promotion purpose, or having received a complaint against the serious malpractice on the part of the sponsored organisation while organising an exchange project and which is substantiated upon investigation, **10 points** will be deducted from the total assessment score of the exchange project in the next funding application submitted by the organisation.

Remark 1:

The total assessment score is 100 points.

Remark 2:

The Government of the Hong Kong Special Administrative Region has set up the Youth Development Commission (YDC) to oversee the formulation and co-ordination of policies relating to youth development, and to steer the bureaux and departments concerned to take forward the relevant initiatives. The former Commission on Youth (CoY) has been incorporated into the YDC. As a result, all references to and exercisable powers of the CoY and its working groups as mentioned in this Funding Scheme have been entirely handed over to and will be administered by the YDC and its task forces.

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Youth Development Commission

April 2018