

THE GOVERNMENT MINUTE

in response to the

**REPORT OF
THE PUBLIC ACCOUNTS COMMITTEE
No. 71A and No. 72**

of May and July 2019

11 December 2019

**THE GOVERNMENT MINUTE IN RESPONSE TO THE
PUBLIC ACCOUNTS COMMITTEE REPORT NO. 71A
DATED MAY 2019**

**REPORT ON THE RESULTS OF VALUE FOR
MONEY AUDITS (Report No. 71)**

Centre for Food Safety: Import control of foods

The Government accepts the views and recommendations made by the Audit Commission (Audit) and the Public Accounts Committee (PAC) on import control of foods by the Centre for Food Safety (CFS) of the Food and Environmental Hygiene Department (FEHD). CFS has taken actions to follow up on the recommendations. The progress made is set out in the following paragraphs.

Control of Foods Imported by Air, Land and Sea

2. CFS is committed to ensuring the safety of imported foods and adheres to its established procedures in implementing a pre-entry licensing system, verifying health documents, and conducting food inspections and surveillance at various food import control points of air, land and sea routes. CFS has rolled out concrete and effective measures to enhance its effectiveness by phases, including updating the guidelines where there were inadequacies or ambiguities, enhancing training and supervision of its frontline staff, strengthening staff's law enforcement mindset and improving the maintenance of data and records, etc.

Control of Food Imports by Air

3. Foods imported by air are mainly fresh provisions. Due to the short air freight time to Hong Kong, importers sometimes have difficulties submitting supporting documents (e.g. health certificates) when applying for import licences, as these documents may be shipped together with the consignments. Provided that food safety is not affected, CFS will consider the circumstances of individual cases and facilitate business operation by allowing importers to present the original supporting documents for custom clearance at the Airport Food Inspection Office (AFIO). To ensure the safety of imported foods, officers at the AFIO will examine the import documents of the food consignment concerned and conduct food inspections by adopting a risk-based approach. CFS has enhanced the guidance and training for and supervision of its frontline staff regarding the control of foods imported by air, including setting out the number of samples to be collected and formulating the guidelines on random sampling for physical inspections at the AFIO.

4. In taking samples of imported foods by air, CFS definitely does not accept pre-selected food samples from importers. According to its Operational Manual in use, CFS staff must personally inspect each consignment of the targeted food by taking samples at random and examine the import documents. Having regard to Audit's observations on individual cases, CFS has further reminded its staff to strictly comply with the relevant guidelines. In addition, CFS has implemented improvement measures and stepped up supervisory inspections to ensure that its staff observe fully the relevant guidelines (including the Operational Manual on food sample collection) at the AFIO. Efforts have also been made to enhance training and the refresher course on Contamination Monitoring System tests for AFIO staff.

Control of Food Imports by Road

5. For the control of foods imported by road, CFS has liaised with the Customs and Excise Department (C&ED) to address the problem of vehicles evading CFS inspection of food consignments at the Man Kam To Food Control Office (MKTFCO). After deliberations, cooperation between CFS and C&ED has been strengthened to extend joint operations targeting vegetable vehicles to cover vehicles carrying regulated foods (e.g. eggs, meat, etc.). In addition, CFS has put in place an improvement measure by issuing a checklist on the required import documents for different types of food and the items to be inspected for the frontline staff at the MKTFCO. The guidelines on physical inspection and random sampling have also been updated to ensure compliance by CFS staff in their performance of duties.

6. Besides, CFS has adopted measures to require the frontline staff at the MKTFCO to check whether the vehicles and containers transporting chilled meat and poultry are on the approved list of CFS, and to ensure that only those on the list are released. In addition to the above routine inspections, CFS will re-inspect the list of vehicles and containers approved for transporting chilled meat and poultry at two-year intervals.

Control of Food Imports by Sea

7. For the control of foods imported by sea, routine physical inspections of food consignments are mainly conducted at the warehouses, cold storages or cold stores of the importers concerned. This is similar to the practice of other economies (e.g. New Zealand, Singapore, etc.) in inspecting foods imported by sea. Owing to intrinsic constraints (e.g. insufficient cold storage facilities for food inspection/sampling), the inspection work of CFS at the Kwai Chung Customhouse (KCCH) checkpoint has been limited. CFS is actively considering the feasibility of setting up a formal food control office with chilling facilities at the KCCH checkpoint to enhance inspections of targeted food consignments.

8. Under the existing practice, when targeted food consignments are imported by sea, CFS will arrange compulsory physical inspections of the original sealed containers at the KCCH checkpoint. For food consignments being inspected at warehouses or cold stores of importers, CFS has updated the Operational Manual to clarify that the requirement for CFS staff to witness the act of breaking container seals is only applicable to relatively high-risk target refrigerated containers (but not containers selected for routine inspections), so as to accurately reflect the work requirements for frontline staff in conducting physical inspections.

9. CFS has reviewed the workflow of issuing import licences for import of regulated foods by sea and implemented a series of improvement measures to tackle the problem of importers applying for a number of import licences for spare use. The computer system has been enhanced to ensure that the same food consignment will not be issued with multiple import licences. For a consignment selected for physical inspection as required under the licence, but where inspection is not subsequently conducted because of cancellation of the import licence by the importer, CFS will enter the information of the cancelled licence into a monitoring system such that the consignment concerned will still be subject to physical inspection by CFS if the importer re-applies for a new import licence for the same food consignment. Moreover, CFS has stepped up supervision to ensure that officers will take appropriate follow-up actions in accordance with the Operational Manual against importers late in submission of original health certificates for food consignments imported by sea.

Control of Live Food Animals and Live Aquatic Products

10. CFS has implemented various improvement measures concerning the control of live food animals and live aquatic products, including checking whether the consignee's name on the animal health certificate is identical with the importer's name on the permit issued by the Agriculture, Fisheries and Conservation Department (AFCD) during import inspections, and verifying whether the quantities of livestock admitted to slaughterhouses match the quantities shown on the movement permits issued by officers at boundary control point to drivers, for which CFS will clarify the information with the relevant parties where necessary.

11. Regarding the Food Import Declaration Form for completion by drivers, CFS has instructed its frontline staff to clarify information with the drivers if necessary, such as when the import quantities on the form are greater than the quantities listed on the health certificate. CFS has also reviewed and simplified the declaration form. The revised form will be introduced within this year to collect necessary information from drivers more effectively for food traceability.

Registration and Inspection of Food Traders

12. Under the Food Safety Ordinance (Cap. 612), any person who carries on a food importation/distribution business shall register with FEHD as a food importer/distributor. CFS has taken measures to further remind its staff at the boundary control points to check the importer's registration status immediately upon the arrival of an imported food consignment, and to take appropriate enforcement actions against unregistered food importers.

13. For the inspection of food traders, CFS has enhanced supervision to ensure that officers of the Food Importer/Distributor Registration and Import Licensing Office keep a proper record of the findings of inspections and follow-up actions and take appropriate follow-up actions on unsuccessful inspections, including issuing letters to the food traders concerned and putting them on the monitoring list based on the circumstances of individual cases. Moreover, CFS has improved its monitoring system for food trader registration to prompt its staff to arrange inspections of food traders on the monitoring list when they apply for renewal of registration.

Improvements to Information Technology Systems of CFS

14. CFS is developing and setting up five major information technology (IT) systems, namely a Food Trader Portal, a Food Import and Export Control System, a Food Incident Management System, a Food Surveillance System and a Food Classification and Coding System, with a view to supporting the work of its frontline staff and reinforcing its capability in control and surveillance of imported foods, management of food safety incidents, risk assessment and food traceability. These IT systems are expected to be rolled out in an order of priorities starting from end 2019 and be completed by 2024.

15. In developing the above IT systems, CFS will pay special attention to data organisation and structuring in system design, with particular reference to the retrieval, use and integration of data, to better support food safety control. The interfacing of these systems will also be examined to ensure mutual transfer and systematic integration of data to form a central database for easy management, retrieval and analysis of data to support risk assessment and risk-based inspections and surveillance.

16. Detailed progress of CFS's implementation of the recommendations of Audit and PAC is provided at the Enclosure 1.

**THE GOVERNMENT MINUTE IN RESPONSE TO THE
PUBLIC ACCOUNTS COMMITTEE REPORT NO. 72
DATED JULY 2019**

**REPORT ON THE RESULTS OF VALUE FOR
MONEY AUDITS (Report No. 72)**

Chapter 2 – Management of Greening Master Plans

17. The Government accepts the recommendations made in the Director of Audit's Report No. 72 regarding the management of Greening Master Plans (GMPs) and has taken appropriate follow-up actions. The progress made is reported below.

Development and implementation of Greening Master Plans

18. The Civil Engineering and Development Department (CEDD) has completed a review for the completed greening works under the GMPs for Southeast New Territories (NT) and Northwest NT and has taken into account the Audit's findings and recommendations in identifying potential planting sites (i.e. "potential planting areas" referred by the Director of Audit's Report) in the remaining Southwest NT and Northeast NT GMPs.

19. To enhance the feasibility of planting at potential locations for the remaining GMPs for Southwest NT and Northeast NT, CEDD has stepped up site investigation works by arranging more trial pits and no-dig detection scanning to ascertain the underground conditions comprehensively. CEDD has already completed the pedestrian surveys at critical locations which may affect the implementation of the proposed greening works, such as major transport points and school areas, and put in place measures to examine the impact of various planned and committed projects in the vicinity of the greening proposals under the remaining GMPs for better coordination with interfacing projects.

20. On plant species selection, CEDD has set reference rates for planting theme tree species and native plant species for greening works under the remaining GMPs, and would strive to meet the reference rates when implementing the greening works. CEDD would also select theme tree species for planting at focal points in accordance with the district-specific greening themes where practicable.

Handover and maintenance of greening works under Greening Master Plans

21. As regards the handover arrangement for the greening works completed under GMPs, CEDD and the Leisure and Cultural Services Department (LCSD) have jointly devised a common handover record form, covering adequate details of GMP trees and shrubs to facilitate follow-up maintenance works by LCSD after the handover. CEDD will verify the completed works with LCSD during their joint site inspections to ensure that all greening works implemented under the remaining GMPs are accurately and completely recorded in the mutually agreed handover record form.

22. LCSD will enhance its Tree Data Bank System (TDBS) and input therein, for monitoring purpose, all information on trees planted under GMPs and handed over to LCSD for regular maintenance. As for shrubs, since it is impractical and not cost-effective to count the shrubs one by one during handover, LCSD will input their planting locations and size of planting areas into TDBS. LCSD will also remind responsible staff to keep the handover records properly and input information of trees and planting areas into TDBS in future GMP projects.

23. LCSD has all along been maintaining close dialogues with and offering comments to CEDD on the GMP planting proposals from the maintenance point of view, and will continue to share with CEDD its experience and difficulties encountered in carrying out daily plant maintenance in different planting environments, so as to facilitate effective and sustainable greening works under GMPs.

24. Besides, drawing reference to the guidelines on tree planting and maintenance issued by the Development Bureau (DEVB), LCSD has updated its internal guidelines to ensure timely replanting as appropriate.

Overseeing and public engagement of Greening Master Plans

25. On progress monitoring, CEDD reported the outcome of the greening works under GMPs for Southeast NT and Northwest NT to the GMP Committee and the Greening, Landscape and Tree Management Section (GLTMS) of DEVB in March and April 2019 respectively. CEDD also consulted the GMP Committee on the proposed improvement measures for the remaining GMPs for Southwest NT and Northeast NT in June 2019. CEDD will continue to update the GMP Committee and the GLTMS on the progress and outcome of the remaining GMPs. With reference to the “Street Tree Selection Guide”, CEDD has completed an overall review of the plant species under GMPs for urban areas and NT, and has identified more species for planting in the remaining GMPs and future greening works.

26. Since March 2019, GLTMS has been checking and following up with government departments and private sector/public organisations in respect of the progress of the 288 to-be-followed up medium to long-term measures. As at end October 2019, 270 measures have been handled with only 18 under review.

27. To promote greening in the territory, CEDD would include the provisions for organising community planting events and planting ceremonies in the works contracts for the remaining GMPs for Southwest NT and Northeast NT. CEDD's website has been updated with the latest GMP information with a view to facilitating public understanding of GMPs and encouraging community participation in greening works.

Overall progress

Encl. 2 28. The Government has taken forward all the recommendations made by the Audit, with details of the implementation progress set out at Enclosure 2.

Chapter 3 – Employment services provided by the Labour Department

29. Labour Department (LD) has been actively following up on the recommendations made by the Audit and the PAC on its provision of employment services.

30. LD has introduced various improvement measures with a view to providing more effective and convenient employment and recruitment services for job seekers and employers. LD also strives to provide dedicated employment services for job seekers with special needs to enhance their employment opportunities, including young job seekers, elderly and middle-aged job seekers, ethnic minority job seekers and job seekers with disabilities.

31. Taking account of the local economic and employment situation, LD will continue to review the operation of its services from time to time and initiate adjustments or enhancements in a timely manner so as to better meet the changing needs of both job seekers and employers.

Encl. 3 32. A summary of the latest progress made by LD in implementing various recommendations of Audit and PAC is at Enclosure 3.

Chapter 4 – Administration of the Civil Aid Service

Encl. 4 33. The Government accepts the recommendations made by the Audit regarding the Administration of the Civil Aid Service (CAS), as noted by the PAC of the Legislative Council. CAS has taken appropriate follow-up actions on the specific recommendations of Audit and the progress is set out at Enclosure 4. A summary of the progress made is reported below.

Training and Services of Civil Aid Services Members

34. CAS has strengthened the attendance management of CAS members to ensure that the minimum training and service requirements as stipulated in CAS Regulations and Orders are met. In-year review and annual performance interview have been implemented to closely monitor members' attendance. Advice and counselling will be given to members whose attendance is below the requirements. Summary and/or formal disciplinary actions will be taken against those members with a persistently poor record of attendance. In September 2019, formal disciplinary proceedings have been initiated against 11 serious and repeated low attendance cases. A Formal Disciplinary Inquiry Board will be held in November 2019 to handle four cases. For the remaining seven cases, one alleged member has resigned and three alleged members claimed that they would submit their resignation. For the other three cases, letters have been issued to the members concerned asking them to defend and explain the allegations against them.

35. On the other hand, to ensure proper record of the decision for accepting/rejecting a non-emergency service request, CAS has promulgated guidelines on handling non-emergency service requests in September 2019. CAS has also reviewed the performance pledge for the mountain search and rescue emergency call-out response time and defined the basis for measuring target lead time.

36. CAS has stepped up measures to ensure fair and equitable allocation of duties requiring special skills and proper processing of attendance claims for pay and allowances by the CAS Headquarters. The measures include service-wide recruitment, establishing the duty allocation system and issuing guidelines on processing and approving attendance claim forms.

Management of the Civil Aid Service Cadet Corps

37. The Cadet Corps Service Steering Committee (CCSSC) was formed in June 2019 to explore ways to increase and monitor cadets' participation in training, community services and recreational and social activities. During the summer holidays from June to August, self-initiated community services on 17 occasions including visits to elderly and rehabilitation homes have been arranged for Cadet Corps. The CCSSC will continue to explore other opportunities to increase and enrich cadets' participation in community, recreational and social activities.

38. To encourage intake of members, CAS has been working closely with post-secondary institutions such as recruiting Vocational Training Council (VTC) students through a partnership scheme. For the “Groom Our Cadets to be Instructors” Scheme launched in November 2017, over 100 retired cadets were enrolled as adult members. The Cadet Corps Training and Development Committee has also reviewed the cadet training and promotion system and a report with recommendations on promotion criteria, succession plan and Cadet Corps development plan was endorsed in mid-October 2019 and the recommendations were implemented on 1 November 2019.

Administrative Issues

39. Clear guidelines have been developed to standardise and expedite the recovery process of unreturned uniforms and accoutrements, and actions have been taken on writing off outstanding cases of arrears of revenue where further recovery actions are not warranted in accordance with the Stores and Procurement Regulations (SPRs).

40. The function of CAS Audit Office has also been reviewed. Its functions (including the audit visits) will be enhanced and the unit audit inspection will be changed to quality assurance (QA) visit. The enhanced audit visit and QA visit have been implemented on a trial basis for one year starting from October 2019 to cover all CAS units.

41. To remind relevant staff of the need to strictly comply with the requirements in the SPRs, departmental guidelines were issued in September 2019. The guidelines will be updated where necessary and circulated regularly at a six-monthly interval. Moreover, to impress upon CAS staff the importance of compliance with SPRs in procurement activities, all concerned staff have been advised of the requirements in various internal meetings and section heads have been reminded to monitor compliance by their staff.

42. CAS has also taken actions to improve the management of stores and dangerous goods. In particular, since June 2019, the Supplies Section has been conducting inventory check of various volunteer stores units and the whole exercise is expected to be completed by end-2019. Moreover, the daily operations of the Dangerous Goods Store have been taken up by the CAS Stores Company with the assistance from CAS (department) to ensure compliance with relevant fire services requirements at all times.

43. Looking ahead, CAS recognises the need to enhance its governance, and a full review on the administration, training and operations in CAS (department and auxiliary force) has been conducted. The CAS Commissioner and the Chief Staff Officer of CAS will closely monitor the progress and results of the remedial and improvement actions.

Chapter 5 – Environment and Conservation Fund

44. The Government accepts the views and recommendations made by the Audit and the PAC on the Environment and Conservation Fund (ECF).

45. The ECF has constantly developed and improved over the years since its establishment. In recent years, the Environmental Protection Department (EPD) has proactively conducted reviews in respect of facilitating the application process, shortening the processing time of applications, streamlining the overall procedures and improving the efficiency of processing payments, and has adopted new measures to enhance the operation of the ECF after consulting the ECF Committee.

46. The EPD will take appropriate follow up actions according to the recommendations of the Audit and the PAC to continuously enhance the operation of the ECF. The progress made is reported below.

Administration of applications

47. In the administration of applications of ECF-funded projects/programmes, the EPD has achieved significant progress in shortening the processing time of applications to within six months in recent years. The EPD will continue to conduct briefing/experience sharing sessions for potential applicants to explain the application requirements and assist them in preparing information required in the vetting process. The EPD will also share best practices or past meritorious projects with potential applicants to encourage and facilitate potential applicants to submit meritorious applications to ECF.

48. In parallel, the EPD has already required the Secretariats of all vetting sub-committees under the ECF Committee to issue agenda, papers and documents to the members at least one week or as early as possible before the date of a meeting.

49. The EPD will conduct random checking of applications under the funding programme of nature conservation management agreement projects regarding the receipt of double benefits from other funding schemes of the Government.

Monitoring of project implementation and accounts finalisation

50. The EPD has put in place the practice to closely monitor the commencement and progress of ECF-funded projects. Out of the 15 ECF-funded projects which have not been commenced one year after approval, two had been completed and 13 had been withdrawn by September 2019.

51. The measures to ensure timely submission of required documents by grantees of the ECF has also been strengthened through training sessions and sharing of good practices to help grantees avoid delay in documents submission. In addition, the EPD will also take into account the applicants' past records of punctuality in documents submission when considering new applications.

52. The EPD will continue to remind the grantees to comply with ECF funding conditions on publicity and it is now a standing practice that no funding support will be given for the provision of souvenirs. Site inspections are regularly scheduled and properly recorded to ensure that such site inspections are properly conducted during project implementation.

53. Among the 303 completed ECF-funded projects with project accounts not yet finalized as identified in the Audit Report, the EPD has already taken action to finalise about 200 accounts. In addition, the EPD has already completed a review on the disbursement and reimbursement mechanism with a view to streamlining the overall procedures to facilitate funds payment and expedite project accounts finalisation for future projects.

Governance and administrative issues

54. While noting that the contribution of a member should not be related solely to attendance of meeting, the EPD will continue to encourage members to attend meetings as far as possible. The EPD will document the justifications for recommending members with low attendance records for reference by the approving authorities in future reappointment.

55. Commencing with the new terms for the ECF Committee, Environment Campaign Committee and their vetting sub-committees in October 2018 and January 2019 respectively, all members are required to submit separate declaration forms for the committee(s) and vetting sub-committee(s) that they have joined.

56. The current ECF Database which was developed in-house in 2011 will be revamped with some enhanced functions, such as an automatic bring-up function to remind the responsible officer to conduct site inspections. It is expected that the revamped ECF Database will be launched by the third quarter of 2020.

Conclusions and recommendations

57. The progress made on actions taken by the Government, in light of the recommendations of the Audit and the PAC, is set out in Enclosure 5.

Chapter 6 – Hong Kong Arts Festival Society Limited

58. The Government and the Hong Kong Arts Festival Society Limited (HKAFSL) generally accept the recommendations made by the Audit with regard to HKAFSL, and have been taking appropriate follow-up actions as set out below.

Programme Management

59. In respect of procurement of goods and services, HKAFSL has made improvement in the documentation of justifications for the non-compliance quotation requirements and incorporated the practice into its quotation review documentation and procurement guidelines. At the same time, HKAFSL has already maintained a supplier list for some specific services, such as printing and site decorations, and will continue to monitor the list. A refresher briefing on the procurement guidelines and relevant quotation requirements was conducted in April 2019 to all serving staff while relevant information is also included in the induction briefing for new staff. HKAFSL will continue to review its procurement policy to ensure that it is in line with good governance and management principles of subvented organisations while at the same time being practicable.

60. Regarding the management of programme crew, HKAFSL is planning for the appropriate and practicable measures and/or mechanisms to be implemented at the next Hong Kong Arts Festival (HKAF) in 2020 to address the Audit's recommendations.

61. The LCSD has discussed with HKAFSL on the reporting requirements on attendance and already specified separate sets of performance indicators for paid audience of festival programmes and "Festival Plus" in the Funding Services Agreement (FSA) of 2019-20. In ticketing aspect, HKAFSL drew up a written guideline on standard operating procedure, approval procedure, and change management for the use of blocked seats in August 2019, and will inform LCSD about any change of blocked seats periodically as required and report to LCSD the final number of tickets collected by Young Friends Scheme members in the Self-evaluation and Assessment Report.

Funding of the Hong Kong Arts Festival Society Limited

62. LCSD will continue to monitor the use of government subvention by HKAFSL to ensure that its Festivals are delivered in accordance with FSAs through scrutinising the reports and accounts submitted by HKAFSL, attending its Executive Committee meetings, as well as exchanging views through meeting and correspondences, etc. On the other hand, LCSD respects the artistic autonomy of HKAFSL and would avoid micro-managing its operation.

63. In recent years the Government has increased its subventions, on both time-limited and recurrent bases, to support the activities of HKAFSL. To encourage arts groups to widen and diversify its sources of income and, while doing so, also seek to enhance its liaison with stakeholders and broaden its audience base, the Government has launched the Art Development Matching Grants Scheme to provide matching grants for eligible donations/sponsorship received. HKAFSL, being one of the beneficiaries of the scheme, has been receiving matching grants from the scheme since 2016-17.

64. Since the five-year time-limited funding will expire in 2023-24, LCSD plans to commence a review in 2020-21. In the meantime, LCSD will monitor the performance and progress of HKAFSL for proper and effective use of the concerned subvention in meeting the specific objectives to groom local artists and to stage performance in the New Territories regions.

65. HKAFSL has, taking into account all relevant factors including market conditions, competitiveness, audience appetite and educational and community value, as well as cost, reviewed the practices on setting ticket prices for the programmes at the next HKAF in 2020.

66. HKAFSL has put in place a checklist and reminder mechanism to ensure timely submission of reports to LCSD, whilst LCSD has devised a checklist to step up the monitoring of the timely submission of reports and ensuring the documentation of actions taken. Moreover, true copies of the reports submitted by HKAFSL have been stamped with date chop with proper records maintained. HKAFSL will, as recommended by the Audit, maintain relevant records of consultation with the Government in relation to the selection of the new Chairman of its Executive Committee in future.

67. LCSD has already worked with HKAFSL to revise the performance indicators, taking into account the actual performance results. The performance indicators for 2018-19 were set higher than the preceding year upon provision of the time-limited subvention of \$8 million, i.e. an overall increase of four more programmes which include 19 performances, as well as 86 more educational and community activities. The performance indicators for 2019-20 have also been set, taking into account the actual performance results of 2018-19.

Governance and Administrative Issues

68. All current members of HKAFSL's Executive Committee and supporting committees have signed undertakings on declaration of conflicts. HKAFSL will adopt the two-tier reporting system for declaration of conflicts of interest as suggested by the Audit by the end of this calendar year. Regarding the salary revisions in future, HKAFSL will seek endorsement of the Executive Committee for the arrangement.

69. HKAFSL is of the view that the turnover rate can be lowered if better terms of employment can be offered. In the meantime, HKAFSL has already taken some measures, such as making improvement to office accommodation and enhancing staff training opportunities. A team building exercise was also conducted in August 2019.

70. In respect of the submission of IR623 forms to the Inland Revenue Department, HKAFSL has reminded its staff to ensure that the forms should be submitted as soon as possible.

The progress made in implementing the various Audit recommendations

Encl. 6 71. Details on the follow-up actions taken by LCSD and HKAFSL in response to the recommendations of the Audit are provided at Enclosure 6.

Chapter 7 – Hospitality training provided by the Hotel and Tourism Institute, the Chinese Culinary Institute and the International Culinary Institute

72. The VTC accepts the recommendations made by the Director of Audit on the hospitality training provided by the Hotel and Tourism Institute, the Chinese Culinary Institute and the International Culinary Institute (referred to collectively as “the Institutes”), and has taken follow-up actions as appropriate. The progress made is reported below.

Management of Programmes

73. Regarding programme planning, VTC has reviewed and enhanced its programme development process starting from the academic year (AY) 2019/20 to minimise postponement or cancellation of programmes. In addition, the Institutes have strengthened publicity and student support services to improve the enrolment, retention and pass rates of programmes. In cases of over-enrolment, the Institutes have taken measures to ensure the effective deployment of resources to maintain the standard of teaching and learning before admission is confirmed. With regard to the evaluation of the learning outcomes, the Institutes have taken measures to encourage more graduates’ employers to take part in the Survey of Employers’ Views.

74. In respect of the industrial attachment requirement, VTC has made necessary amendments to the General Academic Regulations to clarify the scope of the requirement to facilitate programme development, and taken measures to ensure that any deviations from the requirement will have to go through an approval process.

Management of The T Hotel and Training Restaurants

75. To optimise the utilisation of The T Hotel, VTC will enhance monitoring of the occupancy situation and adopt suitable enhancement measures, while taking into consideration students' training needs. For instance, more rooms have been allotted to the agency booking channels for sales and the offer of discounted rates will be extended into the high seasons. Furthermore, measures are being taken to improve the utilisation of the training spa, including stepping up promotion to hotel guests and collaboration with other VTC units. Efforts to gauge guests' feedback on the Hotel's service have also been strengthened, resulting in a significant improvement in response rate of the guest satisfaction survey.

76. To improve management of the training restaurants, VTC has extended the microbiological tests to cover the Western training restaurant at the Kowloon Bay Complex and implemented updated guidelines for the tests. VTC is also exploring the feasibility of alternative food waste treatment methods at its Kowloon Bay Complex and Tin Shui Wai Building. To enhance diners' experience, VTC has collaborated with The Dining Society to utilise its surplus fund in implementing projects to upgrade relevant facilities and strengthen training for trainees.

Administrative Issues

77. VTC has enhanced its campus management in environmental and accident prevention aspects. While awaiting the completion of the Carbon Footprint Reduction Plan in 2020, VTC has adopted environmental targets for all academic years since AY 2018/19. With regard to accident prevention, VTC is reviewing all accidents in the past two years and shall devise suitable preventive measures by the end of this year. The updated accident handling procedure has also been implemented to specify clearly the required follow-up actions and timeline.

78. In terms of staff management, VTC has streamlined the recruitment procedure and reviewed the roles of administrative support posts with a view to improving recruitment. Efforts have also been stepped up to remind and encourage staff's participation in continuous professional development activities in accordance with the requirement.

79. Lastly, VTC improved the Institutes' stocktaking practice by enlarging the sampling size of the 2018-19 annual stocktaking exercise. Training has also been conducted to reiterate key inventory control measures to relevant staff. In addition, VTC adopted a number of initiatives to strengthen the Institutes' Inventory Management System in August 2019. VTC shall also ensure that surprise stock and security checks will be conducted as stipulated in the Stores Manual by February 2020.

Way forward

80. The Education Bureau will continue to maintain close liaison with VTC to ensure that prompt follow-up action will be taken on the recommendations made in the Audit Report.

Progress made in implementing Audit's recommendations

Encl. 7 81. A summary of the progress in implementing Audit's recommendations is at Enclosure 7.

Chapter 8 – Sustainable Fisheries Development Fund and Sustainable Agricultural Development Fund

82. The Government generally accepts the Audit's comments and recommendations on the Sustainable Fisheries Development Fund (SFDF) and Sustainable Agricultural Development Fund (SADF). Regarding the audit recommendations made in three respects, the AFCD has implemented various enhancement measures to improve the operational efficiency of the funds, encourage more applications, and further promote sustainable development of the agriculture and fisheries industries. The progress made is reported below.

Application Processing and Project Monitoring under the Funds

83. AFCD has finished reviewing the administration of SFDF and SADF, and also obtained the endorsement of the advisory committees concerned for implementation of the enhancement measures to strengthen the operational effectiveness of the funds. The measures include meeting applicants and explaining the supplementary information required by AFCD to reduce the time required for correspondence, vetting SFDF applications involving lower funding amount and simpler nature by circulation, and lowering the percentage of the maximum amount of administrative charges for SFDF projects. Take the Equipment Improvement Project (EIP) as an example, during the period between early 2019 and October 2019, all together seven projects were approved by circulation of application information and the amount of funding involved was about HK\$43 million, amounting to about 41% of the total funding granted under SFDF currently. Fishermen can thus be benefited directly by procuring equipment. Vetting applications by circulation has in general enhanced the efficiency in vetting applications.

Achieving of Fund Objectives

84. Since the funds were opened for application, AFCD has been promoting and encouraging optimal use of the two funds, e.g. organising briefing sessions and liaison meetings, distributing promotional leaflets and/or invitation letters to parties such as local fishermen, fish farmers, farmers and related organisations; conducting consultation meetings with applicants to assist them in submitting and amending project proposals, and organising workshops for improving applicants' methods and skills in writing proposals. Take the Farm Improvement Scheme (FIS) as an example, since the launch of publicity measures from March to October 2019, AFCD has received a total of 46 applications, which shows an increase of 35% as compared with 34 cases in the same period last year. This reflects that the publicity measures are in general effective. All in all, together with EIP mentioned in paragraph 83 above, AFCD has implemented major enhancement measures for the two dedicated projects under the two funds. AFCD will also continue to closely monitor the utilisation of the two funds to ensure proper use of the funds and will keep on promoting sustainable development of the agriculture and fisheries industries.

85. AFCD has already completed the review of the final reports of two completed SFDF projects and uploaded the final reports and audited accounts of the two projects onto AFCD's website for public inspection. A number of projects under the funds will be completed in the coming two years. AFCD intends to review the overall effectiveness of the funds by then.

Governance Issues

86. AFCD has closely monitored the trend of attendance rate of advisory committee members in committee meetings. The secretariats have all along been making efforts to schedule meetings so that more members are available to attend. The secretariats circulate discussion papers and agendas to all members prior to each meeting so that members who are unable to attend the meeting can provide written comments on agenda items. AFCD will ensure that the first-tier declaration forms are always distributed to committee members every year and that all declaration forms completed by the members are duly received. In addition, AFCD has amended the internal guidelines, including laying down guidelines on the distribution of agendas (and discussion papers) and draft minutes of meetings.

87. The tenure of the Advisory Committees of SADF and SFDF will expire at the end of 2019 and in early 2020 respectively. When considering re-appointment of a member, the Secretary for Food and Health will give full consideration to the factors suggested by the Audit.

88. The progress of AFCD's implementation of various audit recommendations is set out at the Enclosure 8.

Centre for Food Safety: Import control of foods
Progress in implementing Audit's and PAC's Recommendations

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| Part 2A: Control of Foods Imported by Air | | |
| Para. 2.13 of Audit Report | <p>Audit has recommended that the Director of Food and Environmental Hygiene (DFEH) should –</p> <ul style="list-style-type: none"> (a) take measures to ensure that import licences are issued after the submission of supporting documents from importers as far as practicable; (b) review the propriety of granting discretion by staff of Centre for Food Safety (CFS) in circumstances where food consignments are released without the submission of original health certificates or Export Declarations by importers and without the conduct of physical inspections, and take remedial measures as appropriate (e.g. take measures to ensure that physical inspections are conducted prior to the release of consignments and issue guidelines to facilitate granting discretion by CFS staff); and (c) ensure that appropriate training for handling cases involving the import of foods requiring European Union (EU) Export Declarations is provided to CFS staff. | <p>The import of frozen meat, chilled meat, frozen poultry or chilled poultry requires an import licence under the Import and Export Ordinance (Cap. 60). Application for import licence application must be supported by a health certificate issued by the issuing entity of the place of export covering the relevant consignment or with specific approval from DFEH.</p> <p>Foods imported by air are mainly fresh provisions like chilled meat and poultry meat. Due to the short air freight time to Hong Kong, importers sometimes have difficulties submitting supporting documents (e.g. health certificates) when applying for import licences, as these documents may be shipped together with the consignments. Provided that food safety is not affected, CFS will consider the circumstances of individual cases and facilitate business operation by allowing importers to present the original supporting documents for custom clearance at the Airport Food Inspection Office (AFIO).</p> <p>In light of Audit's recommendations, CFS has conducted a review and issued a new guideline which requires that with effect from January 2019, every import consignment of foods regulated under the Imported Game, Meat, Poultry and Eggs Regulations (Cap. 132AK) must be accompanied by the original copy of health certificate (or Export Declaration agreed under the import protocol between CFS and EU for meat imports) and undergo risk-based inspection at the AFIO prior to release. The new guideline has been operating smoothly since its implementation.</p> <p>CFS has enhanced training for the frontline staff since October 2018. For example, Senior Health Inspectors (SHIs) will brief Health Inspectors (HIs) newly posted to the AFIO on the details of various guidelines and import</p> |

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| | | <p>requirements, and experienced HIs will provide on-site training to new incumbents of AFIO. In addition, SHIs will conduct weekly supervisory visits, whereas Chief Health Inspectors (CHIs) will conduct monthly supervisory visits and chair bi-monthly staff meetings.</p> <p>As the recommendations have been implemented and follow-up work will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p> |
| Para. 2.16 of Audit Report | <p>Audit has recommended that DFEH should –</p> <p>(a) lay down guidelines on the number of food samples to be inspected in a physical inspection of foods imported by air; and</p> <p>(b) take measures to ensure that CFS staff select food samples randomly for the conduct of physical inspections (including, for example, extending CFS's "randomisation sampling" to inspection of foods imported by air).</p> | <p>Making reference to the food sampling guidelines of the Codex Alimentarius Commission (Codex), CFS has drawn up new guidelines on food inspections (including specifying the number of food samples to be inspected in a physical inspection) applicable to all boundary food control points. The new guidelines have been implemented since June 2019.</p> <p>In addition, CFS issued supplementary guidelines on random sampling for physical inspections at the AFIO in November 2018 and instructed all frontline staff to strictly comply with the guidelines.</p> <p>As the recommendations have been implemented and follow-up work will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p> |
| Para. 2.26 of Audit Report | <p>Audit has recommended that DFEH should –</p> <p>(a) take measures to ensure that food samples collected for Contamination Monitoring System (CMS) tests are selected by CFS staff themselves at the AFIO;</p> <p>(b) remind CFS staff at the AFIO to properly weigh the food samples selected for CMS tests to ensure that the weight of a food sample is</p> | <p>In taking samples of imported foods, CFS definitely does not accept pre-selected food samples from importers. According to the Operational Manual, CFS staff must personally inspect the targeted consignment of foods by taking samples at random and examine the import documents. Taking into account Audit's observations on individual cases, CFS has further reminded all staff to strictly comply with the relevant guidelines and collect food samples by adopting a risk-based approach.</p> |

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| Page 60 of PAC Report | <p>approximately 1 kg as required by the Operational Manual;</p> <p>(c) remind CFS staff at the AFIO to remove, as far as possible, inedible parts of food samples in the conduct of CMS tests; and</p> <p>(d) provide refresher courses on the conduct of CMS tests for CFS staff at the AFIO.</p> <p>PAC recommends that CFS should take measures to ensure that all food samples collected for all tests, in particular CMS tests, are selected by CFS staff themselves at AFIOs.</p> | <p>Since October 2018, CFS has implemented improvement measures and enhanced supervisory inspections to ensure compliance with the relevant guidelines (including the Operational Manual on food sample collection) at the AFIO.</p> <p>CFS issued supplementary guidelines on CMS tests in March 2019 to remind staff at the AFIO to take the edible parts from food samples and weigh them properly.</p> <p>In addition, CFS organised a refresher course on CMS tests for AFIO staff in November 2018, and completed the production of training videos in early 2019. The video clips have been uploaded to the AFIO Intranet for reference and self-learning by its staff.</p> <p>As the recommendations have been implemented and follow-up work will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p> |
| Part 2B: Control of Foods Imported by Road | | |
| Para. 2.44 of Audit Report | <p>Audit has recommended that DFEH should take further measures to address the problem of vehicles evading CFS inspection of food consignments at the Man Kam To Food Control Office.</p> | <p>Further to the discussion with the Customs and Excise Department (C&ED), the joint operations of CFS and C&ED targeting vegetable vehicles have been extended to cover vehicles carrying regulated foods (e.g. eggs and meat) since January 2019.</p> <p>As the recommendation has been implemented and follow-up work will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p> |
| Para. 2.52 of Audit Report | <p>Audit has recommended that DFEH should –</p> <p>(a) take measures to ensure that CFS staff follow the guidelines issued in July 2018 in the conduct of physical inspections;</p> <p>(b) seek legal advice on the definition of</p> | <p>CFS has issued a checklist on the inspection of imported consignments of meat, poultry, egg, milk and frozen confections for the frontline staff at boundary control points. The checklist reminds the frontline staff of the required import documents for different types of foods and the items to be inspected. It was introduced in September 2018 and has been functioning well.</p> |

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| | <p>“frozen” in the relevant Regulations under the Public Health and Municipal Services Ordinance from the Department of Justice (DoJ);</p> <p>(c) take measures to ensure that frontline CFS staff fully check that food consignments are imported with appropriate import documents;</p> <p>(d) clarify with the General Administration of Customs (GAC) of the Mainland any irregularities relating to health certificates as soon as practicable, and document the actions taken to deal with the irregularities; and</p> <p>(e) take measures to ensure that discrepancies between import documents are promptly clarified.</p> | <p>Since October 2018, CFS has implemented improvement measures and enhanced supervision to ensure that its staff follow the guidelines when carrying out their duties. Staff are reminded to clarify with the relevant Mainland authorities any irregularities on the spot where necessary during verification of documents and keep record of the cases. CFS has also sought DoJ's advice on the definition of “frozen” in the Imported Game, Meat, Poultry and Eggs Regulations.</p> <p>As the recommendations have been implemented and follow-up work will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p> |
| Para. 2.56 of Audit Report | <p>Audit has recommended that DFEH should –</p> <p>(a) lay down guidelines on the number of food samples to be inspected in a physical inspection of foods imported by road;</p> <p>(b) evaluate the trial run of the “randomisation sampling” of chilled/frozen meat or poultry, modify the methodology where warranted, and apply the methodology to other foods (e.g. eggs);</p> <p>(c) set guidelines on the number of food types to be examined in a consignment; and</p> <p>(d) ensure that inspection checklists are randomly checked by SHIs and that regular on-site supervisory inspection visits are carried out by the Inspectors.</p> | <p>Making reference to Codex's food sampling guidelines, CFS has drawn up new guidelines on food inspections (including specifying the number of food samples to be inspected in a physical inspection) applicable to all boundary food control points. The new guidelines have been implemented since June 2019.</p> <p>CFS issued the guidelines on random sampling of chilled/frozen meat/poultry in September 2018. The guidelines have been functioning smoothly. Guidelines on random sampling of egg consignments are being drafted, and a trial run will be conducted in Q4 of 2019 after seeking the views of frontline staff. CFS has also implemented new guidelines on the type of food samples to be collected in a consignment and the relevant physical inspections (including specifying the number of food samples to be inspected) since November 2018 and June 2019 respectively.</p> <p>Since October 2018, CFS has enhanced supervision (including weekly supervisory checks by SHIs and monthly supervisory checks by CHIs) to ensure that frontline</p> |

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| Para. 2.65 of Audit Report | Audit has recommended that DFEH should keep under review the adequacy of the guidelines on collection of food samples for laboratory tests and modify the guidelines where warranted. | <p>operations are conducted according to the relevant guidelines.</p> <p>As the recommendations have been implemented and follow-up work will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p> |
| Para. 2.62 of Audit Report | <p>Audit has recommended that DFEH should –</p> <ul style="list-style-type: none"> (a) take measures to ensure that vehicles transporting chilled foods are approved by CFS; (b) include containers approved for carrying chilled foods in the list of vehicles approved for transporting consignments of chilled foods; (c) take measures to ensure that all the containers carrying consignments of chilled foods are approved by CFS for transporting such foods; and (d) consider conducting periodic examinations similar to the first-time examination of the condition of vehicles transporting consignments of chilled foods to ensure that the vehicles are continually suitable for transporting consignments of such foods. | <p>Since September 2018, CFS has included the containers approved for carrying chilled meat/poultry in the approved vehicle list for transporting chilled meat and poultry. Through the inspection checklist for the frontline staff of boundary food control points, frontline staff are required to check whether the vehicles and containers transporting chilled meat and poultry are on the above list, and to ensure that only approved vehicles and containers are released.</p> <p>Starting from February 2019, in addition to routine checking, re-inspections of the approved vehicles and containers for transporting chilled meat and poultry are conducted at two-year intervals.</p> <p>As the recommendations have been implemented and follow-up work will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p> |
| Part 2C: Control of Foods Imported by Sea | | |
| Para. 2.88(a) and (c) of the Audit Report | <p>Audit has recommended that DFEH should –</p> <ul style="list-style-type: none"> (a) sort out the discrepancy between the requirement of the Operational Manual and the actual inspection practices; and (c) take further measures to ensure that all food consignments imported from Japan are subjected to radiation tests. | <p>CFS updated the Operational Manual in March 2019 to clarify that the requirement for CFS staff to witness the act of breaking container seals is only applicable to relatively high-risk target refrigerated containers, not containers selected for routine inspections.</p> <p>C&ED has clarified at the PAC hearing that it has been providing CFS with information on all seaborne food consignments imported from Japan. CFS reiterates that it has all along conducted radiation testing on every</p> |

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| | | <p>consignment of imported Japanese food with hand-held devices, and adopted a risk-based approach to take food samples for CMS test as an extra and supplementary measure to ensure food safety.</p> <p>As the recommendations have been implemented and follow-up work will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p> |
| Para. 2.88(b) of Audit Report | Audit has recommended that DFEH should take measures to improve the utilisation of the checkpoint at Kwai Chung Customhouse (KCCH), including for example, improving its cold storage facilities. | <p>Routine physical inspections of food consignments imported by sea are mainly conducted at the warehouses, cold storages or cold stores of the importers concerned. This is similar to the practice of other economies (e.g. New Zealand, Singapore, etc.) in inspecting foods imported by sea. Nonetheless, to strengthen monitoring of foods imported by sea, CFS set up the KCCH checkpoint in October 2015. The KCCH checkpoint is an additional facility for inspecting high-risk food containers on top of routine inspections of food consignments at the warehouses, cold storages or cold stores of importers. Before the KCCH checkpoint was set up, CFS was aware that given the practical circumstances (including that it was a temporary checkpoint without chilling facilities, and it would be difficult to install chilling facilities there), this checkpoint could not be used for inspection of refrigerated food containers. Consequently, all selected refrigerated food containers (whether high-risk or not) have to be inspected at the warehouses or cold stores of the importers concerned.</p> <p>For this reason, the KCCH checkpoint is basically meant for inspection of food containers with higher food safety risks (i.e. consignments with potential food safety risks as revealed by intelligence, foods coming from economies with food safety incidents, consignments of importers who have previously disregarded instructions to contact CFS for food inspections, and food imports which information is doubtful, etc.) which do not involve frozen foods.</p> <p>Taking into account Audit's recommendation,</p> |

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| | | CFS is exploring with the Architectural Services Department, C&ED and Electrical and Mechanical Services Department the possibility of setting up a food control office with cold storage facilities at the KCCH. |
| Para. 2.102 of Audit Report | <p>Audit has recommended that DFEH should –</p> <ul style="list-style-type: none"> (a) complete the exercise to identify and cancel unused import licences in a timely manner; (b) ensure that the measures taken to prevent importers from cancelling their import licences when their consignments are selected for physical inspection are duly carried out and monitor the effectiveness of the measures taken; (c) take further measures to deal with the situation where importers cancel their import licences and apply for new ones with the submission of import permissions; (d) continue to identify and cancel unused import licences on a regular basis; and (e) for import licences issued based on photocopies of health certificates – <ul style="list-style-type: none"> (i) take measures to ensure that follow-up action to deal with delay in submitting original health certificates by importers is taken until the importers have submitted the certificates; and (ii) take measures to ensure that follow-up action is carried out properly in accordance with CFS's Operational Manual and practices unless there are justified reasons for not doing so. | <p>For cases with import licences issued based on the submission of import permission, CFS completed the exercise of identifying expired unused import licences at the end of 2018. The importers concerned have been informed in writing to return the expired unused licences for cancellation.</p> <p>CFS has put in place an improvement measure since October 2018. For a consignment selected for physical inspection as required under the licence, but where inspection is not subsequently conducted because of cancellation of the import licence by the importer, CFS will enter the information of the cancelled licence into a monitoring system such that the consignment concerned will still be subject to physical inspection by CFS if the importer re-applies for a new import licence for the same food consignment.</p> <p>In addition, CFS enhanced its computer system in October 2018 to facilitate identification of cases where an importer applies for more than one import licence for the same food consignment, so that the same food consignment will not be issued with multiple import licences.</p> <p>For import licences issued based on photocopies of health certificates, CFS has, since June 2018, stepped up efforts to follow up on delays in submitting original health certificates, including contacting importers who fail to submit original health certificates within 42 days from the date of issue of the import licence (i.e. before the expiry of the import licence which is valid for six weeks), enhancing supervision to ensure that the relevant officers issue reminders and/or warning letters to these importers in accordance with the Operational Manual, and putting these importers on the monitoring list</p> |

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| Page 65 of PAC report | PAC recommends that CFS should explore a more effective way to identify and cancel unused import licences on a regular basis. | <p>based on the circumstances of individual cases for appropriate follow-up actions.</p> <p>As the recommendations have been implemented and follow-up work will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p> |
| Para. 2.108 of Audit Report | <p>Audit has recommended that DFEH should –</p> <ul style="list-style-type: none"> (a) take measures to ensure that discrepancies, if found, in import documents are investigated and rectified; (b) consider selecting additional import licences to compensate for those that could not be subjected to physical inspection due to cancellation; (c) take measures to ensure that warning letters are issued to importers for breaching the conditions of import licences where applicable; (d) take measures to ensure the accuracy of figures quoted in letters for releasing food consignments; (e) take measures to ensure that physical inspections of food consignments (in respect of the 5% inspection requirement and overall examination of the whole consignment and cross-checking to supporting documents) are conducted in accordance with the Operational Manual; and (f) take measures to ensure that CFS staff select food samples randomly for the conduct of physical inspections (including, for example, extending the “randomisation sampling” to inspection of foods | <p>Since October 2018, CFS has taken a series of improvement measures to –</p> <ul style="list-style-type: none"> (i) remind its frontline staff to clarify with importers any discrepancies identified in the import documents, and to keep a record of the actions taken; (ii) select additional import licences to make up for those cancelled import licences that could not be subjected to physical inspection; and (iii) enhance supervision of frontline staff to ensure that they discharge their duties according to the relevant guidelines. For example, import documents should be checked in accordance with the Operational Manual and warning letters should be issued, where applicable, to importers in breach of the conditions of import licences. <p>In December 2018, CFS fine-tuned the Operational Manual to provide clearer guidance to frontline staff on random sampling of foods imported by sea in physical inspections.</p> <p>CFS has formulated new guidelines on food inspections (including specifying the number of food samples to be inspected in a physical inspection) applicable to all boundary food control points. The new guidelines have been implemented since June 2019.</p> <p>Since October 2018, CFS has enhanced supervision (including weekly supervisory checks by SHIs and monthly supervisory checks by CHIs) to ensure that frontline</p> |

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| | imported by sea). | <p>operations are conducted according to the relevant guidelines.</p> <p>As the recommendations have been implemented and follow-up work will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p> |
| Part 3: Control of Live Food Animals and Live Aquatic Products | | |
| Para. 3.16 of Audit Report | <p>Audit has recommended that DFEH should –</p> <ul style="list-style-type: none"> (a) ensure that, prior to the release of consignments of livestock, the livestock are originated from approved farms in the Mainland; (b) in cases where the livestock are imported from farms not on the list of registered farms or there are other irregularities, seek immediate clarification with the GAC; and (c) take measures to ensure that the permits of the Agriculture, Fisheries and Conservation Department (AFCD) are always shown to CFS for checking upon arrival of the livestock at the Man Kam To Animal Inspection Station in accordance with the terms of the permits, or make use of the permits received from AFCD to verify that the livestock are covered by valid permits when they are being imported into the territory. | <p>CFS has stepped up the supervision since October 2018. Prior to the release of consignments of livestock, the frontline staff of CFS will seek immediate clarification with the relevant Mainland authorities if the registration status of the farms concerned is not confirmed or there are other irregularities.</p> <p>Under the Rabies Regulation (Cap. 421A), AFCD issues a permit to importers that import food animals from the Mainland. As stated in an additional clause of the permit, the permit is for multiple use within the validity period and the importer should produce it to the officer authorised by AFCD (i.e. a CFS officer) when the animals are shipped to Hong Kong. However, as the goods vehicle driver that conveys the animals to Hong Kong is not the permittee (i.e. the importer), it is impractical in actual operation to adhere to the above clause by requiring the importer to produce the permit for inspection upon the arrival of each livestock consignment.</p> <p>After discussions with AFCD and the importers concerned, CFS has put in place an arrangement since November 2018 under which importers are required to produce the original AFCD permit to CFS each month after obtaining the permit from AFCD, and CFS officers will make photocopies of the relevant documents accordingly. CFS officers will check whether the consignee's name on the animal health certificate is identical with the importer's name on the valid AFCD permit during import inspections.</p> <p>As the recommendations have been</p> |

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| | | implemented and follow-up work will be carried out on an on-going basis, we recommend deleting this part from the next progress report. |
| <p>Para. 3.32 of Audit Report</p> <p>Page 66 of PAC report</p> | <p>Audit has recommended that DFEH should ensure that –</p> <p>(a) CFS clarifies with drivers (and importers where necessary) in cases of any discrepancies noted between food import declaration forms and original animal health certificates, and take action to rectify the discrepancies where warranted;</p> <p>(b) Field Officers clarify with drivers in circumstances where unclear information is filled in by the drivers on the food import declaration forms; and</p> <p>(c) in inspecting consignments involving several types of live fish, CFS inspects more than one type of fish and verifies the types against those shown on the original animal health certificates.</p> <p>PAC recommends that CFS should consider reviewing its guidelines on the import control of live aquatic products taking into account the practical difficulties to verify accurately the quantity of the consignments as stated in the food import declaration forms and original animal health certificates.</p> | <p>CFS has implemented improvement measures since October 2018. For example, the frontline staff will request drivers to clarify and correct the information where necessary, such as when the import quantities filled in by the driver on the Food Import Declaration Form are greater than the quantities listed on the health certificate. Moreover, CFS will verify the fish types against those shown on the animal health certificates and inspect at least half of the fish types in the consignment.</p> <p>CFS has conducted a review and simplified the Food Import Declaration Form to be filled out by drivers to collect necessary information more effectively for food traceability. The simplified form will be introduced shortly. A relevant notice will be posted at various boundary food control points. The frontline staff will also advise drivers to use the new form.</p> <p>As the recommendations have been implemented and follow-up work will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p> |
| <p>Para. 3.38 of Audit Report</p> | <p>Audit has recommended that DFEH should –</p> <p>(a) identify and clarify any discrepancies between the admitted quantities of livestock and the quantities shown on the animal health certificates; and</p> <p>(b) take follow up action on those cases of which the admitted quantity of</p> | <p>CFS has implemented an improvement measure since September 2018 to check whether the quantities of livestock admitted to slaughterhouses match the quantities shown on the movement permits issued by officers at boundary control points to the drivers on a daily basis. If the admitted quantities of livestock are greater than those recorded on the animal health certificates, CFS will verify the information with the relevant parties where necessary.</p> |

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| | livestock was greater than that recorded on the animal health certificate. | As the recommendations have been implemented and follow-up work will be carried out on an on-going basis, we recommend deleting this part from the next progress report. |
| Part 4: Registration and Inspection of Food Traders | | |
| Para. 4.11 of Audit Report | <p>Audit has recommended that DFEH should –</p> <ul style="list-style-type: none"> (a) take measures to ensure that follow-up actions are taken on those licensees that have failed to reply to the Food Importer/Distributor Registration and Import Licensing Office (FIRLO) concerning exemption of registration; and (b) step up publicity efforts to raise food importers'/distributors' awareness of the registration requirement of the Food Safety Ordinance. | <p>Under the Food Safety Ordinance (Cap. 612), any person who carries on a food importation or distribution business is required to register with Food and Environmental Hygiene Department (FEHD) as a food importer or distributor. The registration is effective for a period of three years (subject to renewal every three years). As a trade facilitation measure, food importers or distributors that have already obtained a relevant licence under other ordinances are exempted from the registration requirement. However, in cases where the licensees carry on a food importation or distribution business, they are required to provide, upon the request of FEHD, information relating to their licences and businesses for review of their eligibility for exemption.</p> <p>CFS has, since October 2018, implemented the improvement measures of keeping record of unresponsive licensees and according priority to follow up on their cases. Moreover, since March 2019, the Environmental Hygiene Branch of FEHD has conducted a trial run to issue letters to the licence and permit holders during the licence/permit renewal exercises to request the holders to return the reply slips stating whether they are engaging in food importation or distribution businesses.</p> <p>CFS will continue to raise the awareness of the trade on the registration requirements under the Food Safety Ordinance through various publicity channels.</p> <p>As the recommendations have been implemented and follow-up work will be carried out on an on-going basis, we recommend deleting this part from the next</p> |

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| | | progress report. |
| Para. 4.21 of Audit Report | <p>Audit has recommended that DFEH should –</p> <ul style="list-style-type: none"> (a) conduct inspections (e.g. when conducting import documents checking or at the point of importing food consignments) to detect unregistered food importers; (b) take enforcement actions against those unregistered food importers where warranted; (c) take measures to ensure that inspections are conducted in accordance with the inspection plan; (d) ensure that all the improvement measures relating to the checking of invoices during inspections are duly carried out; (e) take measures to ensure that FIRLO takes follow-up actions on unsuccessful inspections; (f) take further actions to resolve cases of which the results of follow-up actions are unsatisfactory (e.g. in cases where the food importers/ distributors failed to respond to CFS enquiries); and (g) require FIRLO to conduct further inspections to replace unsuccessful inspections with no follow-up action taken to meet the target number of inspections where warranted. | <p>Since September 2018, CFS has stepped up efforts to remind staff at the boundary control points to check the registration status of the importer immediately upon the arrival of an imported food consignment. CFS will take enforcement against unregistered food importers based on the circumstances of individual cases.</p> <p>In October 2018, CFS revised the inspection checklist and report form. Apart from the findings and follow-up actions, the inspection officers also keep record of the number of invoices inspected and take photographs for record purpose.</p> <p>CFS has enhanced supervision to ensure that the licensing offices have taken appropriate follow-up actions on unsuccessful inspections, including issuance of letters to the food traders concerned, reminding them to notify FEHD if there is any change in their registration particulars, and putting food traders involved in unsuccessful inspections but with a valid registration status on the monitoring list.</p> <p>Since the end of 2018, CFS has deducted the number of unsuccessful inspections from the annual number of inspections and conducted additional inspections on food traders to make up for the shortfall in the number of successful inspections. Moreover, the food trader monitoring system has been improved to prompt CFS staff to arrange inspections on food traders on the list when they renew registration.</p> <p>As the recommendations have been implemented and follow-up work will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p> |

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| Para. 4.26 of Audit Report | <p>Audit has recommended that DFEH should –</p> <p>(a) require FIRLO to report more information on inspections to senior management (e.g. information on unsuccessful inspections with no follow-up action taken and the reasons for not following up); and</p> <p>(b) digitise the results of inspections to facilitate the formulation of the risk-based inspection plan.</p> | <p>Since October 2018, CFS has enhanced supervision to ensure that inspecting officers keep a proper record of the findings of inspections and follow-up actions (including issuance of letters to the food traders) for checking by supervisory officers.</p> <p>Moreover, CFS has, since October 2018, implemented the improvement measure of entering the results of inspections into computer for record to facilitate the formulation of risk-based inspection plans.</p> <p>As the recommendations have been implemented and follow-up work will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p> |
| Part 5: Other Issues Relating to Import Control of Foods and Way Forward | | |
| Para. 5.10 of Audit Report | <p>Audit has recommended that DFEH should –</p> <p>(a) keep in view the latest changes in factors relevant to the updating of food safety standards, i.e. latest international development, new scientific evidence, and changes in other prevailing circumstances (e.g. emerging food incidents, results of public consultations, and other competing priorities); and</p> <p>(b) having regard to the relevant factors and any latest changes in the factors, closely monitor the updating of food safety standards for shellfish toxins and mycotoxins, with a view to updating the standards in a timely manner.</p> | <p>Food and Health Bureau and CFS have been closely monitoring the international developments and measures relating to safeguarding of food safety, including making reference to the food safety standards of Codex and other economies, as well as taking into account the local dietary practice and risk assessment results, to timely update the local food safety standards and regulatory arrangements on the basis of scientific evidence.</p> <p>Upon completion of the amendments to the Food Adulteration (Metallic Contamination) Regulations in 2018, CFS has been working on proposals to update the regulatory regime for harmful substances (including mycotoxins and trans fat) in food and plans to conduct public consultation on the proposals.</p> <p>As the recommendations have been implemented and follow-up work will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p> |

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| Para. 5.16 of Audit Report | <p>Audit has recommended that DFEH should take measures to –</p> <ul style="list-style-type: none"> (a) ensure that data on imported foods are accurately inputted into the Food Import Control System (FICS); and (b) prevent recurrence of errors and omissions in the FICS in future. | <p>In September 2018, CFS provided a briefing on data input requirements to its frontline staff. It has also enhanced supervision by carrying out regular supervisory checks on data input since November 2018.</p> <p>Since January 2019, CFS has strengthened the functions of the FICS by requiring mandatory input of several types of data that were more frequently omitted in the past. A new FICS, which enables automated and computerised verification and checks, will be set up by phases to support the workflow of food import control.</p> <p>As the recommendations have been implemented and follow-up work will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p> |
| Para. 5.23 of Audit Report | <p>Audit has recommended that DFEH should –</p> <ul style="list-style-type: none"> (a) review the adequacy of the practices of individual food control offices on the conduct of supervisory visits, taking into account the requirements of the Operational Manual and the relevant observations in this Audit Report; and (b) based on the results of the review, take measures to ensure that supervisory visits are properly carried out in future. | <p>Since October 2018, CFS has stepped up supervisory measures, formulated a checklist to ensure proper conduct of supervisory visits and enhanced the record of supervisory visits to better assess staff performance and give advice.</p> <p>As the recommendations have been implemented and follow-up work will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p> |
| <p>Para. 5.29 of Audit Report</p> <p>Page 58, Item (e) of PAC Report</p> | <p>Audit has recommended that DFEH should, in planning for the interfacing of the computer system of CFS with the Trade Single Window, explore opportunities for enhancing CFS's existing import control practices having regard to the observations in this Audit Report.</p> <p>PAC urges CFS to make good use of the new dedicated team to conduct a comprehensive review of various systems under CFS, including upgrading</p> | <p>CFS has put in place a dedicated team in the end of 2017 to look closely at its operational workflow, revamp its information technology (IT) systems for higher efficiency, and enhance its mode of operation through IT to support the work of its frontline staff and reinforce its capability in food import control, surveillance, incident management, risk assessment and traceability.</p> <p>CFS is developing and building five major IT systems, namely a Food Trader Portal, a Food Import and Export Control System, a Food</p> |

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| | <p>the information system and the workflows associated with the import control of foods so that the procedures/workflows could be rationalised and simplified to ensure the integrity of the input data, avoid manual errors and enhance its monitoring of staff's compliance with guidelines, among other objectives. The work of the dedicated team should be expedited and any recommendations made by the team should be implemented as soon as possible.</p> | <p>Incident Management System, a revamped Food Surveillance System and a Food Classification and Coding System. These IT systems are expected to be rolled out in order of priorities commencing from end 2019, and be completed by 2024.</p> <p>In developing the above IT systems, CFS will pay special attention to system design in data organisation and data structure, with particular reference to retrieval, use and integration of data in support of food safety management. The interfacing of these systems will also be examined to ensure mutual transfer and systematic integration of data to form a central database for easy management, retrieval and analysis of data to support risk assessment and risk-based inspections and surveillance.</p> <p>As the recommendations have been implemented and follow-up work will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p> |
| <p>Para. 5.35 of Audit Report</p> <p>Page 58 of PAC Report</p> | <p>Audit has recommended that DFEH should consider the need for conducting a comprehensive review of CFS's import control of foods, taking into account the findings and recommendations in this Audit Report.</p> <p>PAC urges CFS to –</p> <ul style="list-style-type: none"> (a) set up a mechanism to review the work flows at various food control offices in order to identify whether they could achieve their intended purpose and are practical, as well as other areas of improvements; (b) supplement new guidelines where necessary or revise/update existing guidelines/Operational Manual, as the case may be; (c) enhance its communication channels with the relevant authorities in the Mainland and | <p>A task group, led by the Controller, CFS, was set up in early 2019 to take forward the recommendations of the Audit and PAC concerning the work of CFS in food safety management and import control. The task group has commenced comprehensive reviews on CFS' operational manuals and guidelines, staff management and supervision arrangements, training requirements, and manpower and resource requirements. As mentioned above, CFS has started rolling out concrete and effective short, medium and long term measures by phases to enhance its effectiveness, including updating guidelines in which inadequacies or ambiguities were found, enhancing training and supervision of its frontline staff, strengthening staff's law enforcement mindset and improving the maintenance of data and records, etc. In 2019-20, 35 additional civil service posts will be created in CFS along with an additional provision of \$25 million to review and implement the enhancement measures.</p> |

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| | <p>other countries/areas from which foods are imported so that CFS could be informed of any updates (e.g. the list of registered farms as shown on the website of GAC) and any discrepancies found during the import control could be clarified as soon as practicable; and</p> <p>(d) review whether its establishment and manpower are sufficient to ensure that they could handle the increasing workload at the food control offices.</p> | <p>To ensure the safety of imported foods, CFS will continue to maintain close liaison with consulates, Mainland and overseas food authorities, importers, C&ED and other relevant organisations.</p> <p>As the recommendations have been implemented and follow-up work will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p> |

**Management of Greening Master Plans
Progress in implementing Audit's Recommendations**

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| Part 2: Development and implementation of Greening Master Plans | | |
| 2.13 | <p>The Director of Civil Engineering and Development should –</p> <p>(a) review the reasons for the considerable number of trees and shrubs not planted at the potential planting areas under the works contracts for Greening Master Plans (GMPs) for New Territories (NT) and take into account Audit's findings and recommendations on the matter with a view to better setting out the planting locations when developing GMPs;</p> <p>(b) explore further measures to enhance the assessment of feasibility of planting at areas with underground utilities with a view to facilitating the development of GMPs; and</p> <p>(c) when developing GMPs –</p> <p>(i) conduct pedestrian flow surveys at critical areas (e.g. planting locations near major new development or re-development projects) where necessary; and</p> | <p>(a) The Civil Engineering and Development Department (CEDD) has completed a review for the completed greening works under the GMPs for Southeast NT and Northwest NT. To summarise, the reasons for not being able to plant at the potential planting areas include obstruction by unexpected underground utilities, public objections and new developments in the district. CEDD has also taken into account Audit's findings and recommendations in identifying suitable potential planting sites for greening in the remaining GMPs for Southwest NT and Northeast NT.</p> <p>(b) CEDD has stepped up site investigation works by arranging more trial pits and no-dig detection scanning to find out the underground conditions comprehensively with a view to enhancing the chance of successful planting in the remaining GMPs.</p> <p>(c)(i) CEDD has completed the pedestrian surveys at critical locations under the remaining GMPs which may affect the implementation of the proposed greening works, such as major transport points and school areas.</p> |

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| | <p>(ii) strengthen measures to ensure that interfacing projects are taken into account (e.g. reminding CEDD's consultants to identify any proposed, on-going and recently completed studies which would have a bearing on GMPs).</p> | <p>(c)(ii) CEDD has looked into the impacts of various planned and committed projects (including proposed, ongoing or recently completed studies) in the vicinity of the greening proposals under the remaining GMPs. Departments with interfacing projects would be consulted to check whether the greening proposals would affect their works for better coordination and any necessary adjustment.</p> <p>As the recommendations (a) and (c)(i) have been taken forward, and (b) and (c)(ii) will be implemented on an on-going basis, we recommend that this part be deleted from the next progress report.</p> |
| 2.25 | <p>The Director of Civil Engineering and Development should –</p> <p>(a) consider setting target rates for planting theme trees in order to better realise the greening themes for each district under GMPs and endeavour to meet the target rates when implementing GMPs;</p> <p>(b) take measures to enhance the assessment of feasibility of planting at focal points under GMPs; and</p> <p>(c) plant theme trees at focal points under GMPs to realise the district-specific greening themes as far as practicable.</p> | <p>(a) CEDD has set the reference rate for planting theme tree species for greening works under the remaining GMPs, and would strive to meet the reference rate at the implementation stage. Reasons for not reaching the reference rate will be documented.</p> <p>(b) In order to enhance the feasibility of planting at focal points, CEDD has stepped up site investigation works, as mentioned in para. 2.13(b) above, to identify suitable locations for planting theme trees at focal points as far as practicable.</p> <p>(c) Notwithstanding that focal points are usually subject to greater site constraints due to higher pedestrian and/or traffic flow (such as bus</p> |

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| | | <p>terminals, roundabouts or central dividers), CEDD would endeavour to select theme tree species for planting at focal points where practicable.</p> <p>As the recommendations will be implemented on an on-going basis, we recommend that this part be deleted from the next progress report.</p> |
| 2.33 | <p>The Director of Civil Engineering and Development should consider setting target rates for planting native plant species and endeavour to meet the target rates when implementing GMPs.</p> | <p>CEDD has set the reference rate for planting native plant species for greening works under the remaining GMPs and would strive to meet the reference rate at implementation stage. Reasons for not reaching the reference rate will be documented.</p> <p>As the recommendation will be implemented on an on-going basis, we recommend that this part be deleted from the next progress report.</p> |
| Part 3: Handover and maintenance of greening works under Greening Master Plans | | |
| 3.9 | <p>To ensure that all greening works completed under GMPs are properly handed over and such works are properly and accurately recorded, the Director of Civil Engineering and Development and the Director of Leisure and Cultural Services should work out handover records showing the greening works handed over at the handover date in order to meet the different recording needs of CEDD and the Leisure and Cultural Services Department (LCSD) arising from their different definitions of trees and different measurement bases for shrubs (e.g. working out a common form of handover records with sufficient details).</p> | <p>CEDD and LCSD have jointly devised a common handover record form for the remaining GMPs. The new form covers relevant details of the GMP trees and shrubs including information of trees of all sizes (not just limited to those with diameter at breast height 95 mm or more) to facilitate follow-up maintenance works by LCSD after the handover.</p> <p>As the recommendation has been taken forward, we recommend that this part be deleted from the next progress report.</p> |

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| 3.10 | The Director of Civil Engineering and Development should, in preparing the handover records, take measures (e.g. checking against the contracts for greening works completed and joint site inspection results) to ensure that all greening works completed under GMPs as agreed to be taken over by LCSD are accurately and completely included therein. | <p>For future handover work, CEDD would conduct site checks for the completed greening works and verify the completed works with LCSD during joint site inspections to ensure that all greening works implemented under the remaining GMPs are accurately and completely recorded in the mutually agreed handover record form.</p> <p>As the recommendation will be implemented on an on-going basis, we recommend that this part be deleted from the next progress report.</p> |
| 3.11 | The Director of Leisure and Cultural Services should properly record in LCSD's inventory records the greening works taken over based on the handover records. | LCSD will enhance the Tree Data Bank System (TDBS) so as to allow all GMP trees, planting locations and size of planting areas of shrubs to be input into the system for the GMP projects in Southwest NT and Northeast NT. Enhancement of TDBS will be completed by the end of 2019. |
| 3.20 | <p>The Director of Leisure and Cultural Services should –</p> <p>(a) take measures to ensure timely replanting of replacement trees as appropriate;</p> <p>(b) share LCSD's experiences in maintenance of plants with CEDD with a view to assisting CEDD's development of GMPs, including reasons for not replanting replacement trees/shrubs (e.g. due to dense planting conditions and windy locations) and for removal of trees/shrubs (e.g. due to traffic consideration and suitability of plant species at specific locations);</p> <p>(c) strengthen measures in maintaining trees and shrubs planted under</p> | <p>Making reference to Development Bureau (DEVB)'s relevant guidelines on tree planting and maintenance, LCSD has updated its internal guidelines –</p> <p>(i) to remind its staff and contractors to ensure timely replanting and to make reference to the greening themes and the plant palettes of GMPs for replacement planting during maintenance; and</p> <p>(ii) to remind its staff to closely monitor the overall performance of horticultural contractors in carrying out proper plant maintenance to ensure healthy</p> |

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| | <p>GMPs to ensure the healthy establishment and growth of plants; and</p> <p>(d) issue guidelines requiring LCSD staff to make reference to the greening themes and the plant palettes of GMPs for replanting of trees and shrubs during maintenance.</p> | <p>establishment and growth of plants. Such plant maintenance works include watering, weeding, pruning, fertilising as well as pest and disease control, etc. in maintaining trees and shrubs planted under GMPs.</p> <p>For the projects in Southwest NT and Northeast NT, CEDD and LCSD conducted meetings since 2018 with the latest meetings held in July and August 2019 to discuss the planting proposals. During the meetings, LCSD shared their experience in maintenance of plants and their maintenance concerns on the proposed locations, and suitable adjustments to the planting proposals were made by CEDD as appropriate and agreed with LCSD. LCSD will continue to share with CEDD its experience and concerns in carrying out daily plant maintenance, so as to facilitate effective and sustainable greening works in developing GMP projects.</p> <p>As the recommendations have been implemented and will be carried out on an on-going basis, we recommend that this part be deleted from the next progress report.</p> |
| Part 4: Overseeing and public engagement of Greening Master Plans | | |
| 4.18 | <p>The Director of Civil Engineering and Development should –</p> <p>(a) ensure the periodic reporting of the progress and results in implementing greening works under GMPs for NT to the GMP Committee and the Greening, Landscape and Tree Management Section (GLTMS); and</p> | <p>(a) CEDD reported to the GMP Committee and the GLTMS of the DEVB on 22 March 2019 and 1 April 2019 respectively on the outcome of the greening works under the GMPs for Southeast NT and Northwest NT. CEDD also</p> |

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| | <p>(b) review the plant species under GMPs for urban areas and NT, taking into account the additional tree species recommended by the newly published Street Tree Selection Guide, with a view to identifying more plant species under GMPs for replanting and future greening works.</p> | <p>reported to the GMP Committee on the proposed improvement measures and consulted members on the remaining GMPs for Southwest NT and Northeast NT at the GMP Committee meeting on 18 June 2019. CEDD would continue to report progress and outcome of the remaining GMPs to the GMP Committee and the GLTMS.</p> <p>(b) With reference to the “Street Tree Selection Guide”, CEDD has completed an overall review of the plant species under GMPs for urban areas and NT in order to identify more plant species for planting in the remaining GMPs and future greening works. The supplementary lists of plant species will be uploaded to GMP website.</p> <p>As the recommendations will be implemented on an on-going basis, we recommend that this part be deleted from the next progress report.</p> |
| 4.19 | <p>The Secretary for Development should –</p> <p>(a) monitor the progress of the to-be-followed-up medium and long-term measures under GMPs for urban areas on a more regular and systematic basis; and</p> <p>(b) set target dates for completing the to-be-followed-up medium and long-term measures under GMPs for urban areas as far as practicable.</p> | <p>The GLTMS has since March 2019 asked government departments and public organisations/private sector to monitor the to-be-followed-up medium and long-term measures under GMPs for urban areas.</p> <p>For these 288 measures, 85 have been completed, 16 will be implemented, 39 will be considered as part of the development parameters of the project, and 130 are considered not feasible (reasons being: the original location is no longer suitable for planting due to</p> |

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| | | <p>change in surrounding environment, or changes in land use in on-going development).</p> <p>Departments are still exploring the feasibility of the remaining 18 items and GLTMS will monitor the development of the remaining items, with target completion by end of 2019.</p> |
| 4.28 | <p>The Director of Civil Engineering and Development should provide updated GMP information on CEDD's website with a view to facilitating the public's understanding of GMPs and engaging their participation in greening works.</p> | <p>CEDD has updated the GMP information on its website in June 2019.</p> <p>As the recommendation has been taken forward, we recommend that this part be deleted from the next progress report.</p> |
| 4.29 | <p>The Secretary for Development should, in collaboration with the Director of Civil Engineering and Development, continue to take measures to engage and encourage public organisations and the private sector in the implementation of greening measures under GMPs.</p> | <p>In March 2019, GLTMS wrote to public organisations/private sector to encourage their implementation of the greening measures under GMPs. GLTMS will continue to seek their support in future as necessary.</p> <p>To promote greening in the territory, CEDD would organise community planting events and planting ceremonies for the remaining GMPs for Southwest NT and Northeast NT. Students, District Councillors, members of Rural Committees and government officials will be invited to join these activities.</p> <p>As the recommendation will be implemented on an on-going basis, we recommend that this part be deleted from the next progress report.</p> |

**Employment services provided by the Labour Department
Progress on implementing the recommendations of Audit and the PAC**

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| Part 2: General Employment Services for All Job Seekers | | |
| 2.21 of the Audit Report | <p>Audit has recommended that the Commissioner for Labour should conduct a comprehensive review on the general employment services. In particular, the Commissioner for Labour should –</p> <p>(a) review whether the employment services provided to the registered job seekers meet their needs and in the light of the results of the review, rationalise the employment services provided to registered job seekers and non-registered job seekers to better meet their needs;</p> | <p>Labour Department (LD) has reviewed the general employment services for job seekers provided by its job centres, industry-based recruitment centres and Telephone Employment Service Centre, with a view to ensuring that the employment and recruitment services implemented continue to match with the prevailing economic and labour market situations as well as meet the changing needs of both job seekers and employers. As a result of the review, LD will enhance the functions of the Interactive Employment Service (iES) website to provide new services exclusively for registered job seekers so as to encourage more job seekers to register with LD for employment services.</p> |
| | <p>(b) review the appropriateness of using the number of registered job seekers as a key performance indicator in the Controlling Officer's Report (COR);</p> | <p>With the introduction of new exclusive services under the iES website for registered job seekers mentioned above, the number of registered job seekers will be an indicator of the effectiveness of the new measures. Therefore, the number of registered job seekers can continue to be used as a key performance indicator on LD's employment services.</p> |

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| | <p>(c) review the cost-effectiveness of and the need to rationalise the services provided by the job centres, recruitment centres and Telephone Employment Service Centre; and</p> <p>(d) explore measures to address the issue of decreasing number of visitors to job centres and recruitment centres.</p> | <p>(c) and (d) LD has reviewed the general employment services for job seekers provided by its job centres, recruitment centres and Telephone Employment Service Centre. As a result of the review, LD has introduced new or enhanced measures to encourage more job seekers to visit the job centres and recruitment centres. These measures include –</p> <p>(i) installing touch screen service kiosks on training information of the Employees Retraining Board (ERB) in job centres so that job seekers can get access to the training information of ERB conveniently;</p> <p>(ii) organising more thematic district-based job fairs at job centres for posts which are attractive to and suitable for different job seekers having regard to the labour market situation (e.g. part-time vacancies that are suitable for the elderly and homemakers, vacancies with no or little Chinese language requirements for ethnic minorities (EMs), vacancies under large infrastructure projects, etc.);</p> <p>(iii) inviting new employers which may be more popular with job seekers (e.g. top retail brands, hotels and club house) to participate in job fairs staged at the two industry-based recruitment centres for the catering and retail industries;</p> <p>(iv) proactively canvassing vacancies from employers of the construction industry for staging job fairs at the Construction Industry Recruitment Centre, in particular those who have never used its service before;</p> <p>(v) strengthening the collaborations with</p> |

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| | | <p>non-governmental organisations (NGOs) and training bodies for referring job seekers in need to attend the recruitment activities or make use of various employment services of LD;</p> <p>(vi) enhancing and upgrading the facilities for job seekers at job centres (e.g. vacancy search terminals, computers equipped with resume-writing software and internet connection, printers, writing pads, job searching related reference materials, etc.) constantly; and</p> <p>(vii) promoting and publicising the employment and recruitment services of LD provided to job seekers and employers through territory-wide publicity campaigns including advertisements via public transport, newspapers, online media, and posters displayed at prominent poster sites across the territory.</p> <p>As the follow-up work on the recommendations under paragraph 2.21 has been carried out, we recommend this paragraph be deleted from the next progress report.</p> |
| 2.30 of the Audit Report | Audit has recommended that the Commissioner for Labour should consider reviewing the effectiveness of the district-based job fairs and the industry-based job fairs in securing placements for job seekers and employers. | <p>LD has reviewed the effectiveness of its general employment services for job seekers, including the district-based job fairs and the industry-based job fairs in securing placements for job seekers and employers.</p> <p>Employers in general consider district-based job fairs organised by LD as an effective channel for them to recruit staff as evidenced by the keen participation of employers in the event. Employers need to wait for three to six months before they can take part in a district-based job fair.</p> |

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| | | <p>LD has introduced the following measures to enhance the effectiveness of district-based job fairs and the industry-based job fairs –</p> <ul style="list-style-type: none"> (i) organising more thematic district-based job fairs at job centres for posts which are attractive to and suitable for different job seekers (e.g. part-time vacancies that are suitable for the elderly and homemakers, vacancies with no or little Chinese language requirements for EMs, vacancies under large infrastructure projects, etc.) having regard to the labour market situation; (ii) encouraging employers to participate in job fairs and recruit persons with special employment needs with a view to attaining more placements; (iii) offering advice to employers participating in job fairs to encourage and assist them in improving the employment terms of their job vacancies and providing more variety of job vacancies to job seekers; and according priority to employers who offer job vacancies with more variety and better employment terms so as to enhance the overall attractiveness and cost effectiveness of job fairs; (iv) strengthening the collaborations with NGOs and training bodies for referring job seekers in need to attend the job fairs; (v) appealing to employers of retail, catering and construction industries with vacancies suitable for and welcomed by job seekers for staging job fairs in the three industry-based recruitment centres with a view to attaining more placements; and |

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| | | <p>(vi) arranging employers offering vacancies of similar job types to stage job fair at the recruitment centres on the same day as far as possible so that job seekers may have more job interview opportunities.</p> <p>As the follow-up work on this recommendation has been carried out, we recommend this paragraph be deleted from the next progress report.</p> |
| 2.36 of the Audit Report | <p>Audit has recommended that the Commissioner for Labour should –</p> <p>(a) continue to make necessary enhancement to iES website to strengthen the design and functionality of the website with a view to making the provision of information and services more efficient and improving user experience; and</p> | <p>(a) and (b) LD will continue to enhance the functionality and design of the iES website to provide job seekers and employers with more convenient employment services and better user experience. For example, the online job vacancy form was enhanced in August 2019 to facilitate employers to submit job vacancy information for large-scale job fairs.</p> <p>Moreover, LD will continue to enrich the content of the iES mobile app and incorporate more useful and updated employment information to meet job seekers' needs. For example, advice on avoiding job traps was uploaded to the mobile app in May 2019.</p> <p>As the follow-up work on the recommendations under paragraph 2.36 has been carried out, we recommend this paragraph be deleted from the next progress report.</p> |
| | <p>(b) consider providing more essential and useful information on iES mobile app to meet job seekers' needs.</p> | |

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| 2.44 of the Audit Report | <p>Audit has recommended that the Commissioner for Labour should –</p> <p>(a) separately disclose in COR the number of direct placements through LD's referrals and indirect placements without going through LD's referrals, and disclose the calculation method of indirect placement; and</p> | <p>(a) and (b)</p> <p>LD has reviewed the performance indicators on employment services for able-bodied job seekers provided in COR. Starting from 2020, LD will disclose in COR both the number of direct placements through LD's referrals and indirect placements without going through LD's referrals, as well as the calculation method of relevant figures.</p> |
| | <p>(b) consider the need to revise LD's performance indicators to better measure the effectiveness of employment services provided by it.</p> | |

Part 3: Dedicated Employment Services for Job Seekers with Special Needs

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| 3.25 of the Audit Report | <p>Audit has recommended that the Commissioner for Labour should –</p> <p>(a) review whether the Youth Employment Training Programme (YETP) meets the needs of young job seekers in finding jobs and ascertain the reasons why the number of trainees of YETP has been on a decreasing trend despite the relatively high unemployment rate for young people aged 15 to 24;</p> | <p>To attract more young people to join YETP, LD reviews the Programme and gauges the views of stakeholders from time to time with a view to enhancing the scheme. Through revising the tender requirements and service specifications for training and employment support services, LD puts in place enhancement measures so that the services provided can better cater for the needs of young people and market demand.</p> <p>To encourage employers in hiring young people and to provide them with quality on-the-job training (OJT) with a view to promoting youth employment, LD expanded the scope of YETP on 1 September 2018 to cover part-time OJT and increased the maximum amount of monthly training</p> |
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| | | <p>allowance payable to employers who engage young people and provide them with OJT from \$3,000 to \$4,000 (for a period of 6 to 12 months). LD has revised the content, module and training hours of various course types under the pre-employment training (PET) with effect from programme year 2019/20 starting on 1 September 2019 so as to cater for the needs of young people and rapid changes of the labour market.</p> <p>LD will continue to closely collaborate with employers and encourage them to provide quality and diversified OJT opportunities for young people from different walks of life with a view to enhancing their employability.</p> <p>As the follow-up work on this recommendation has been carried out, we recommend this part be deleted from the next progress report.</p> |
| | <p>(b) take measures to reduce the number of cancelled training classes and ensure that the training progress of YETP trainees and the variety of course types are not affected by the cancellation of courses as far as practicable;</p> | <p>Starting from programme year 2019/20, YETP introduces new courses on finance, wealth management and e-commerce as well as vocational language to enrich the training categories and cater for the needs of young people and the changing labour market. Besides, the contents, modules and training hours of different course types have been revised to facilitate the successful staging of courses.</p> <p>LD will continue to collaborate with service providers for exchange on course arrangements and measures to enhance course attractiveness.</p> <p>As the follow-up work on this recommendation has been carried out, we recommend this part be deleted from the next progress report.</p> |

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| | <p>(c) take measures to encourage more YETP trainees to enrol in OJT; and</p> <p>(d) keep in view the completion rates of OJTs of YETP trainees, conduct analysis on the reasons for early termination of OJTs with a view to ascertaining whether further measures can be taken to help trainees complete their OJTs.</p> | <p>(c) and (d)</p> <p>LD will launch a pilot scheme to encourage young people to undergo and complete OJT under YETP through the provision of a retention allowance, thereby stabilising employment. The three-year pilot scheme is planned for launching in 2020.</p> <p>LD canvasses more suitable and attractive OJT vacancies, and collaborates with employers in staging special employment projects and thematic job fairs to meet the diverse needs of young people.</p> <p>Starting from July 2019, LD compiles monthly statistical reports on the reasons for early termination of OJTs. For trainees whose OJTs are ended prematurely due to inadequate work skills or reasons on the part of the trainees warranting assistance (e.g. behavioural problem), LD will approach the case managers concerned for appropriate follow-up measures with an aim to enhance the trainees' employability and job stability through better equipping themselves.</p> |
| 3.35 of the Audit Report | <p>Audit has recommended that the Commissioner for Labour should –</p> <p>(a) closely monitor the number of members using Youth Employment Start (Y.E.S.) services and take appropriate action to follow up with the operator for failing to meet the pertinent target;</p> <p>(b) urge the Y.E.S. operator to take measures to attract more young people to use the Y.E.S. services;</p> | <p>(a) and (b)</p> <p>LD has been closely monitoring the number of members using Y.E.S. services and working with the operator to take measures to attract more young people to use Y.E.S. services. For example, the operator has launched an incentive programme and is planning new school activities to encourage more young people to use Y.E.S. services.</p> |

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| | (c) take measures to ensure the accuracy of information reported in the COR and ensure that the performance indicator in the COR reflects precisely the intention of LD; and | LD has revised the description of the relevant performance indicator on the usage of Y.E.S. services in the 2019-20 COR to reflect precisely the intention that the indicator refers to the number of times Y.E.S. services were used. |
| | (d) monitor the attendance rate for each training activity organised by Y.E.S. and, where necessary, take appropriate follow-up action with the operator for training activities which have not achieved the target attendance rate. | <p>LD conducts regular meetings with the operator to review the attendance rate of all training activities and requires the operator to take enhancement measures against training activities with low attendance rate, where appropriate.</p> <p>As the follow-up work on the recommendations under paragraph 3.35 has been carried out, we recommend this paragraph be deleted from the next progress report.</p> |
| 3.61 of the Audit Report | <p>Audit has recommended that the Commissioner for Labour should –</p> <p>(a) take measures to encourage employers to join Employment Programme for the Elderly and Middle-aged (EPEM) for their eligible placements;</p> | <p>LD has taken measures to encourage employers to join EPEM by stepping up promotional efforts. These include: (i) promotion of EPEM to employers, trade unions and institutes of various industries through the Tripartite Committee Meetings organised by LD; (ii) promotion of EPEM to employers participating in job fairs organised by LD; and (iii) promotion of EPEM to the public through placing advertisements in public transports, etc.</p> <p>As the follow-up work on this recommendation has been carried out, we recommend this part be deleted from the next progress report.</p> |

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| | (b) review the effectiveness of EPEM in promoting the employment of elderly and middle-aged job seekers; | <p>LD enhanced EPEM in September 2018 and significantly increased OJT allowance for each job seeker aged 60 or above engaged, from the original ceiling of \$18,000 (6 months x \$3,000 allowance per month) to a maximum of \$48,000 (12 months x \$4,000 allowance per month).</p> <p>LD has reviewed the effectiveness of the enhanced EPEM in promoting the employment of elderly and middle-aged job seekers. According to statistics after the enhancement, there is a discernible increase in the number of placements eligible for joining EPEM and the number of applications by employers for OJT allowance, in particular those involving job seekers aged 60 or above.</p> <p>As the follow-up work on this recommendation has been carried out, we recommend this part be deleted from the next progress report.</p> |
| | (c) monitor the completion rates of OJTs under EPEM and take measures to help elderly and middle-aged job seekers complete OJTs as far as possible; | (c) and (d) LD will launch a pilot scheme to encourage elderly persons aged 60 or above to undergo and complete OJT under EPEM through the provision of a retention allowance, thereby stabilising employment. The three-year pilot scheme is planned for launching in 2020. |
| | (d) monitor the retention rates for placements under EPEM with OJT allowance granted and take measures to help those elderly and middle-aged job seekers who have difficulty in staying in employment; | To better monitor the OJT and retention status of EPEM participants and help them complete OJTs as far as possible, LD has enhanced the follow-up with EPEM participating employers and employees. Since May 2019, during the regular follow-up with employees and employers, in addition to the verification of the employers' compliance with the requirements of EPEM and other relevant legislation, LD will also look into the employees' work adaptation, performance and other concerns. |

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| | | <p>With a view to encouraging EPEM participants to complete OJTs and stay in employment, LD will give necessary advice and counseling to employees in need and liaise with their employers for making appropriate arrangements as situations warrant.</p> |
| | <p>(e) compile the retention rates of placements under EPEM by month for a longer employment period of at least up to 12 months; and</p> | <p>With the extension of the OJT period up to 12 months since September 2018, starting from the survey in April 2019, LD has compiled the retention rates of placements since January 2018 with OJT allowance granted under EPEM for a longer employment period of at least up to 12 months.</p> <p>As the follow-up work on this recommendation has been carried out, we recommend this part be deleted from the next progress report.</p> |
| | <p>(f) when disclosing information on placements secured under EPEM, distinguish the number of placements eligible for EPEM from the number of placements for which the employers joined EPEM.</p> | <p>LD has already distinguished information on the number of placements eligible for joining EPEM and the number of applications for OJT allowance by employers under EPEM when disclosing the data on request from the public, media and parties concerned. LD will continue to provide such information as appropriate.</p> <p>As the follow-up work on this recommendation has been carried out, we recommend this part be deleted from the next progress report.</p> |
| <p>3.74 of the Audit Report</p> | <p>Audit has recommended that the Commissioner for Labour should –</p> <p>(a) step up efforts to increase the number of placements for Ethnic minority (EM) job seekers; and</p> | <p>With a view to enhancing the employment opportunities for EM job seekers, LD will launch a pilot programme in conjunction with NGOs to provide employment services for EM job seekers and render support in</p> |

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| | (b) make more efforts to encourage EM job seekers to attend the employment briefings to better understand the latest labour market situation and improve their job search skills. | <p>their job search through a case management approach in 2020.</p> <p>LD's job centres have established close contacts with EM bodies, NGOs serving EMs, religious bodies, schools, etc. in their locality and disseminated information on job fairs and schedules of employment briefings. LD's employment assistants proficient in EM languages have proactively reached out to EM communities and encourage EMs to participate in the employment support services such as employment briefings.</p> <p>As the follow-up work on this recommendation has been carried out, we recommend this part be deleted from the next progress report.</p> |
| 3.79 of the Audit Report | Audit has recommended that the Commissioner for Labour should take further action to promote the employment of EMs among employers and continue to encourage employers to indicate that EMs are welcome for the posts when placing job vacancies with LD. | <p>LD has taken the following actions to promote the employment of EMs among employers and encourage employers to indicate that EMs are welcome for the posts when placing job vacancies with LD –</p> <ul style="list-style-type: none"> (i) when employers place job vacancies with LD, remind employers to consider the genuine needs of the posts when specifying the language requirement and encourage them to relax the language requirement as far as possible so as to enable more EMs to apply for the vacancies; (ii) canvass vacancies suitable for EMs and encourage employers to indicate that “EMs are welcome for the posts” when placing job vacancies with LD through various channels, including arranging experience sharing sessions for employers, organising inclusive job fairs, etc.; and (iii) upload pre-set job duty descriptions in Chinese and English to the iES website |

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| | | <p>to help employers reduce the time for filling out the relevant job vacancy information and facilitate their provision of the information in both Chinese and English.</p> <p>In launching the pilot programme in conjunction with NGOs to provide employment services for EM job seekers mentioned above, the commissioned NGOs will be required to help promote the employment of EMs among employers and provide support services to employers engaging EMs under the programme.</p> |
| 3.98 of the Audit Report | <p>Audit has recommended that the Commissioner for Labour should –</p> <p>(a) endeavour to achieve the divisional targets on the number of registered job seekers with disabilities and the number of placements;</p> | <p>The Selective Placement Division (SPD) of LD has been keeping monthly statistics on the number of registered job seekers with disabilities and the number of placements. The statistics are closely monitored by management staff and SPD will strive to achieve the divisional targets.</p> <p>As the follow-up work on this recommendation has been carried out, we recommend this part be deleted from the next progress report.</p> |
| | <p>(b) monitor the time taken for job seekers with disabilities to successfully have placements and endeavour to help job seekers with disabilities to secure placements, especially those who have waited for a long time without placements;</p> | <p>SPD has enhanced its monitoring mechanism since September 2019 by compiling statistics on the time taken to secure placements for job seekers with disabilities and devising new measure to keep track of cases with no placements achieved for more than six months.</p> <p>As the follow-up work on this recommendation has been carried out, we recommend this part be deleted from the next progress report.</p> |

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| | <p>(c) report the number of direct and indirect placements separately and disclose the calculation method of the number of indirect placements for job seekers with disabilities in COR; and</p> <p>(d) take measures to help job seekers with disabilities stay in their placements for longer period of time, for example, by matching the requirements of job vacancies against the working abilities of job seekers and referring jobs which are commensurate with the expectations of job seekers with disabilities on job nature, work environment and work requirements.</p> | <p>SPD will report the number of placements secured by referral service of SPD and the number of placements secured by job seekers making job applications to employers direct subsequent to the assistance provided by SPD separately and disclose the relevant calculation method in COR for 2020-21.</p> <p>LD will launch a pilot scheme to encourage persons with disabilities who secure jobs under the Work Orientation and Placement Scheme (WOPS) or by referrals of SPD to stay longer in their jobs through the provision of a retention allowance, thereby stabilising employment. The three-year pilot scheme is planned for launching in 2020.</p> <p>In addition, SPD has enhanced the monitoring of the matching of job vacancies against job seekers' abilities and preference so as to help them stay in their jobs for longer period of time.</p> |
| 3.117 of the Audit Report | <p>Audit has recommended that the Commissioner for Labour should –</p> <p>(a) closely monitor the percentage of the WOPS placements staying in employment after the end of allowance period and take measures to help the job seekers with disabilities stay longer in their placements;</p> | <p>In addition to the progress set out in paragraph 3.98(d) of the Audit Report above, since 2015, SPD has strengthened the post placement follow-up including monitoring of the retention percentage of WOPS placements up to the 12th month of employment. SPD has enhanced the monitoring of the matching of job vacancies against job seekers' abilities and preference so as to help them stay in their jobs for longer period of time.</p> <p>As the follow-up work on this recommendation has been carried out, we recommend this part be deleted from the next progress report.</p> |

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| | (b) rationalise the number of PET classes to be held in future, closely monitor the number of participants in PET programme and take effective follow-up action to improve the participation rate; and | <p>SPD organises one PET class each month for new registrants. Additional classes will be held on a need basis. Monthly statistics on the number of participant of PET classes have been kept and monitored closely by management staff.</p> <p>To improve the participation rate, the content of the training was reviewed in September 2018. The revised content has been adopted in classes held starting from May 2019 to better suit the need of participants.</p> <p>SPD will continue to closely monitor the number of participants in PET programme and the training needs of persons with disabilities so as to maintain the efficiency and effectiveness of PET programme.</p> <p>As the follow-up work on this recommendation has been carried out, we recommend this part be deleted from the next progress report.</p> |
| | (c) publish the performance against the pledges of WOPS. | SPD will publish the performance against the pledges of WOPS of the previous year in January of each year in the webpage of the Interactive Selective Placement Service of SPD starting from 2020. |
| 57 (P.35 of the PAC Report) | <p>PAC urges LD to –</p> <p>(a) conduct a comprehensive review on the various employment and recruitment services with a view to rationalising these services provided to job seekers and employers to better meet their changing needs;</p> | LD has reviewed the general employment and recruitment services with a view to rationalising these services provided to job seekers and employers to better meet their changing needs. For details, please refer to the progress set out regarding paragraph 2.21 of the Audit Report above. |

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| | | <p>As the follow-up work on this recommendation has been carried out, we recommend this part be deleted from the next progress report.</p> |
| 57 (P.36 of the PAC Report) | (b) step up efforts in assisting job seekers with special needs, with a view to helping them secure placements and staying in their placements for longer period of time; | <p>Please refer to the progress set out regarding paragraphs 3.25(c) and (d), 3.61(c) and (d), 3.74(a) and (b) and 3.98(a) and (d) of the Audit Report above for the measures in assisting the young job seekers, the elderly and middle-aged job seekers, EM job seekers, and job seekers with disabilities respectively to secure employment and stay in their placements for longer period of time.</p> |
| | (c) review the effectiveness of YETP and EPEM in serving their objectives of promoting employment of young people and elderly and middle-aged job seekers respectively; | <p>LD has reviewed the effectiveness of YETP and the enhanced EPEM. For details, please refer to the progress set out regarding paragraphs 3.25(a) and 3.61(b) of the Audit Report above for YETP and EPEM respectively.</p> <p>As the follow-up work on this recommendation has been carried out, we recommend this part be deleted from the next progress report.</p> |
| | (d) review the effectiveness of operating and the need to maintain the 13 job centres and three recruitment centres, and consider enhancing their functions and initiating new services to better cater for job seekers' changing needs; | <p>LD has reviewed the effectiveness of its general employment services for job seekers, including the effectiveness of operating its 13 job centres and three recruitment centres. LD considers that to cater for the needs of job seekers and employers in various districts throughout the territory, and to cope with the future possible economic changes, there is continued need to maintain the existing job centres and recruitment centres.</p> <p>LD will keep in view the situations and needs of job centres and recruitment centres and enhance their cost-effectiveness through careful and flexible deployment of manpower and resources as well as introducing new services and enhancing dedicated employment services in specific</p> |

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| | | <p>job centres, such as stepping up the employment services for EMs and deploying more staff proficient in EM languages to job centres serving more EM job seekers, and organising job fairs in the form of online job interviews in job centres of remote districts, etc.</p> <p>For the measures in enhancing the functions and initiating new services in job centres and recruitment centres, please refer to the progress set out regarding paragraphs 2.21(c) and (d) of the Audit Report above.</p> <p>As the follow-up work on this recommendation has been carried out, we recommend this part be deleted from the next progress report.</p> |
| | (e) review the effectiveness of the pilot programme to provide employment services for EM job seekers through a case management approach; | <p>LD will launch a pilot programme in conjunction with NGOs to provide employment services for EM job seekers through a case management approach to render support in their job search in 2020. LD will conduct a review on the effectiveness of the pilot programme after accumulating more operational experience.</p> |
| | (f) review the effectiveness of district-based job fairs and the industry-based job fairs in securing placements for job seekers; | <p>LD has reviewed the effectiveness of district-based job fairs and the industry-based job fairs in securing placements for job seekers. For details, please refer to the progress set out regarding paragraph 2.30 of the Audit Report above.</p> <p>As the follow-up work on this recommendation has been carried out, we recommend this part be deleted from the next progress report.</p> |

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| | (g) review its manpower deployment and expenditure in view of the low unemployment rate and continuous decrease in the number of LD's registered job seekers, such as redeploying the resources to enhance its dedicated employment services for job seekers with special needs and/or assist those industries with recruitment difficulties; | <p>LD has reviewed the general employment and recruitment services with a view to rationalising these services provided to job seekers and employers to better meet their changing needs. For details, please refer to the progress set out regarding paragraphs 2.21(c) and (d) of the Audit Report above.</p> <p>As the follow-up work on this recommendation has been carried out, we recommend this part be deleted from the next progress report.</p> |
| | (h) review and if necessary revise the performance indicators of LD's various employment services to better measure their effectiveness; and | <p>LD has reviewed the performance indicators of its various employment services. For details, please refer to the progress set out regarding paragraphs 2.44(a) and (b), 3.35(c) and 3.98(a) and (c) of the Audit Report above for the employment services for able-bodied job seekers, young people and persons with disabilities respectively.</p> <p>As the follow-up work on this recommendation has been carried out, we recommend this part be deleted from the next progress report.</p> |
| | (i) devise short, medium and long term plans to address the labour shortage issue in various industries in Hong Kong. There is strong view from a member requesting the Administration to expedite the importation of labour. | <p>The Government operates different schemes for employers to apply for importation of labour on account of their actual operational circumstances so as to supplement skills not readily available in the local labour market and sustain the competitiveness and development needs of Hong Kong. Depending on the skill levels and/or educational requirements of the job vacancies concerned, employers may apply to the Immigration Department for admission of professionals or to LD for importation of workers at technician level or below under the Supplementary Labour Scheme.</p> <p>Relevant government bureaux and departments (B/Ds) will closely monitor the</p> |

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| | | <p>manpower demand and supply of different sectors. On the premise of safeguarding the employment priority of local workers, employers may apply to import workers on a targeted and limited basis.</p> <p>As the follow-up work on this recommendation has been carried out, we recommend this part be deleted from the next progress report.</p> |

Administration of the Civil Aid Service
Progress of implementing Audit's Recommendations

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| Part 2: Training and Services of Civil Aid Service Members | | |
| 2.8 (a) and (b) | <p>In para. 2.8, Audit has recommended that Civil Aid Service (CAS) Management should –</p> <p>(a) strengthen measures to ensure that CAS members comply with the minimum training requirements stipulated in CAS General Order; and</p> <p>(b) remind CAS members who have not fulfilled the minimum training requirements to apply for exemption with justifications in accordance with CAS General Order.</p> | <p>A new CAS Circular (No. 4/2019) on “Attendance Management and Efficiency Exemption” was issued on 2 May 2019 to instruct all units to review the attendance of all officers and members and ensure that those who are eligible would apply for efficiency exemption. Besides, the existing Attendance Management Information System (AMIS) has been further strengthened to provide statistical reports for the review. Officers concerned are also required to take the following measures to ensure that all of their members comply with the attendance requirement –</p> |
| 2.21 (a) and (b) | <p>In para. 2.21, Audit has recommended that CAS Management should –</p> <p>(a) strengthen measures to ensure that CAS members comply with the minimum service requirements stipulated in CAS General Order; and</p> <p>(b) remind CAS members who have not fulfilled the minimum service requirements to apply for exemption with justifications in accordance with CAS General Order.</p> | <p>(i) In-year monitoring – interviewing members whose attendance is below the requirement and giving them advice; and</p> <p>(ii) Annual interview – interviewing all members, giving advice and counselling to those who fail to meet the efficiency requirements, asking them to sign the Annual Attendance Record and Efficiency Exemption Application (if applicable), and conducting summary and/or formal disciplinary actions if necessary.</p> <p>The above actions on attendance monitoring and annual interview for 2018 were completed by Company Commanders in end July 2019. All Regional Commanders submitted their consolidated report of actions taken to the</p> |

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| | | <p>Commissioner in end August 2019.</p> <p>As the measures have been implemented and will continue on an ongoing basis, we recommend deleting this part from the next report.</p> |
| <p>2.8 (c) and (d)</p> | <p>Audit has recommended that CAS Management should –</p> <p>(c) remind CAS staff to keep proper documentation on approval made by CAS Management; and</p> <p>(d) explore ways to retain new recruits of CAS members.</p> | <p>All staff concerned have been reminded to strictly comply with the relevant requirements to keep proper record of approval made by CAS Management. Besides, various actions to retain new recruits were implemented in May 2019 as set out below, and CAS will continuously monitor and review the effectiveness –</p> <p>(i) Applicants' availability for attending recruit training will be further confirmed at the final recruitment interview and applicants will be allowed to select a recruit class that suits their schedule. They will be briefed in detail about the training programme, time schedule and attendance requirements before the commencement of the recruit training;</p> <p>(ii) A young and junior CAS member will be assigned as the mentor to each recruit class to share his/her experience with the new recruits and help them adapt to CAS life. Besides, a two-way communication channel between instructors and recruits has been established; and</p> <p>(iii) New recruits are encouraged to participate in CAS activities and events in order to strengthen their sense of belonging.</p> <p>As the measures have been implemented</p> |

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| | | and will continue on an ongoing basis, we recommend deleting this part from the next report. |
| 2.21 (c) and (d) | <p>Audit has recommended that CAS Management should –</p> <p>(c) promulgate guidelines on accepting non-emergency service requests from B/Ds and outside agencies, and require CAS staff to keep proper records on the requests and document the reasons for accepting or rejecting the requests; and</p> <p>(d) regarding emergency services provided by the Mountain Search and Rescue Company –</p> <p>(i) remind CAS officers to record the time of call-outs made to individual members to facilitate the monitoring of the members' response times to call-outs; and</p> <p>(ii) define clearly the basis for measuring the target lead time for mountain emergency call-out operations in CAS guidelines and take measures to meet the target.</p> | <p>CAS reviewed the “Guidelines for Assessing the Non-emergency Service Requests” and new guidelines were subsequently implemented in September 2019. All CAS staff are required to follow the new guidelines to assess the requests and make proper record on the requests and reasons for accepting or rejecting the requests. CAS will continue to monitor the progress to ensure the guidelines are followed.</p> <p>CAS also reviewed the performance pledge for the mountain search and rescue emergency call-out response time and defined the basis for measuring target lead time. CAS will closely monitor the fulfilment of the performance pledge and keep proper record.</p> <p>As the measures have been implemented and will continue on an ongoing basis, we recommend deleting this part from the next report.</p> |
| 2.28 | <p>Audit has recommended that CAS Management should –</p> <p>(a) follow up the five cases of CAS members failing to attend any unit training nor provide any service as soon as possible in accordance with the procedures</p> | <p>As mentioned in the follow-up actions on para. 2.8 (a) and (b) and para. 2.21 (a) and (b) above, CAS strengthened the AMIS to ensure close monitoring of all members' attendance in training and services. In-year</p> |

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| | <p>stipulated in CAS General Order No. 3.6.4; and</p> <p>(b) take measures to ensure that the procedures stipulated in CAS General Order No. 3.6.4 are followed for all cases of non-compliance with the efficiency requirements.</p> | <p>and annual interviews will be conducted, and advice and counselling will be given to those who fail to meet the efficiency requirements. Summary and/or formal disciplinary actions will be taken, if necessary. 11 serious, repeated and loss of contact cases, identified up to 1 September 2019 were referred to the Formal Disciplinary Inquiry Board (FDIB) for direct action. A FDIB will be held in November 2019 to handle four cases (including one of the five cases mentioned in the Audit Report). For the remaining seven cases, one alleged member has resigned and three alleged members claimed that they would submit their resignation. For the other three cases, letters have been issued to the members concerned asking them to defend and explain the allegations against them. The other four cases mentioned in the Audit Report will be submitted to the FDIB in end 2019/early 2020.</p> |
| 2.42 | <p>Audit has recommended that CAS Management should –</p> <p>(a) ascertain whether there are other CAS members who are also qualified for those duties that used to be carried out by only a few members and avoid allocating duties only to a few members as far as practicable;</p> <p>(b) take prompt measures to implement a fair and equitable duty allocation system, giving due consideration to the audit findings in paragraphs 2.34 and 2.35;</p> | <p>(a) and (b) Service-wide invitations for taking up duties requiring special skills were issued in March 2019. Suitable applicants were selected to take up designated duties. The same arrangement will be adopted in future and the invitation will be issued on an annual basis.</p> <p>“Guidelines for the Allocation of Regular Service and Unit Administration Duty” were issued on 19 October 2018. Returns of Companies/Units were received in December 2018. CAS reviewed the returns and consulted the Independent Commission Against Corruption (ICAC) for their advice in June 2019. In August 2019, ICAC confirmed that they were satisfied with the</p> |

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| | <p>(c) step up efforts in monitoring the processing of attendance claim forms; and</p> <p>(d) remind CAS members/staff to comply with the requirements stipulated in CAS General Order and circular pertinent to the submission of claims for pay and allowances.</p> | <p>duty allocation in CAS and had no further comments. CAS will closely monitor the compliance of the guidelines.</p> <p>As the measures have been implemented and will continue on an on-going basis, we propose deleting this part from the next progress report.</p> <p>(c) and (d) A new CAS Circular (No. 5/2019) on "Points to Note for Completing the Attendance Claim Forms" was endorsed by the Commissioner Conference and issued in May 2019 to announce the new requirements, guidelines and procedures to complete, certify and approve attendance claim forms. To complement the promulgation of the circular, a briefing was held on 30 May 2019 with over 150 officers and members attended. Besides, CAS staff and unit administration teams were reminded to conduct checking before submission of the claim forms. A relevant CAS General Order will be issued in December 2019.</p> |
| Part 3: Management of Civil Aid Service Cadet Corps | | |
| 3.20 | <p>Audit has recommended that CAS Management should –</p> <p>(a) ascertain the reasons for insufficient nominations of centralised training courses provided for CAS cadets and take measures to encourage participation;</p> <p>(b) explore ways to better utilise CAS resources so that essential training courses for CAS cadets (e.g. those courses which are mandatory for the promotion of cadets to senior ranks) can be</p> | <p>(a) and (b) CAS Cadet Corps Training and Development Committee meetings were held to review the cadet centralised training courses in May and August 2019. Views and recommendations regarding course content, minimum participation requirement, class size, duration and course date were collected. The Cadet Corps Training and Development review report was finalised in October 2019 and Cadet courses will be suitably adjusted in late 2019. Suggestions and</p> |

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| | <p>provided as planned;</p> <p>(c) explore effective measures to improve the performance of the provision of community services as far as practicable;</p> <p>(d) take measures to grasp available community service opportunities and encourage CAS cadets to participate in community services;</p> <p>(e) step up efforts in increasing the variety of community services by expanding the scope of self-initiated community services; and</p> <p>(f) step up actions to increase cadets' participation in training, community services and recreational and social activities, including –</p> <p>(i) promulgating additional guidelines on follow-up</p> | <p>recommendations will be incorporated for the course planning in 2020.</p> <p>(c) to (e) The Cadet Corps Service Steering Committee was formed in June 2019 and chaired by Assistant Cadet Corps Commander (2) to monitor the participation of cadets in community services and explore different kinds of community services for CAS cadets. General recommendations are to enhance the cooperation with government departments such as AFCD and Environmental Protection Department (EPD) to widen the diversity of community services for CAS Cadets. Apart from working with AFCD and EPD on various projects such as crowd management duty in the Wetland Park and environmental protection campaign in Country Parks, 17 self-initiated community services, such as visiting elderly and rehabilitation homes, were conducted from June to August 2019. It is estimated that 2019 performance target for cadet community service duties could be achieved. Besides, Cadet Corps will conduct other self-initiated community services to provide more opportunities for CAS cadets to care for and serve the community.</p> <p>As the measures have been implemented and will continue on an ongoing basis, we recommend deleting this part from the next report.</p> <p>(f) Procedures were implemented in January 2019 to monitor the annual attendance of cadets for the period from January to December 2018. Cadet Corps Company Commanders were also requested in writing on 1 August 2019 to monitor cadets' attendance for the period from January</p> |

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| | <p>procedures on unsatisfactory attendance of cadets (e.g. not participating in any services) and further follow-up actions for cases where there is no improvement in the cadets' attendance after all the existing follow-up actions have been taken; and</p> <p>(ii) reminding CAS officers to take appropriate follow-up actions in accordance with CAS guidelines and keep proper records on all the follow-up actions taken.</p> | <p>to June 2019. Cadet instructors/officers are reminded to follow the aforementioned procedures and CAS guidelines to contact and/or interview those cadets with unsatisfactory attendance, give them advice and counselling, and review the cases once every six months. Records on advice/counselling and other follow-up actions will be properly documented. Regular meeting chaired by Deputy Commissioner (Administration) would be conducted with Cadet Corps Senior Officers to closely monitor the attendance of cadets.</p> <p>As the measures have been implemented and will continue on an ongoing basis, we recommend deleting this part from the next report.</p> |
| 3.30 | <p>Audit has recommended that CAS Management should –</p> <p>(a) formulate action plans to address the vacancy situation of senior-rank cadets as soon as possible; and</p> <p>(b) monitor the shortage of CAS members in the CAS Cadet Corps and take appropriate follow-up actions to address the issue.</p> | <p>At the Cadet Corps Training and Development Committee meetings held in May and August 2019, views and opinions regarding revising cadet's promotion criteria and succession plan as well as reviewing training for cadets were examined. A review on the promotion criteria, succession plan and Cadet Corps development plan was completed in October 2019 and the recommendations were implemented on 1 November 2019.</p> <p>CAS has also enhanced the recruitment of members by working with post-secondary institutions and recruiting their students as CAS members. In particular, CAS has been working closely with the Vocational Training Council (VTC) to recruit VTC students through a partnership scheme, and it is anticipated that about 100 VTC students will be enrolled in</p> |

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| | | <p>November 2019. Besides, CAS will continue to implement the "Groom Our Cadets to be Instructors" Scheme (launched in November 2017) to encourage suitable retired cadets to enrol as adult members, thereby to assist in cadet training and share their knowledge and experience. The Scheme was found to be very effective, under which over 100 retired cadets were recruited from November 2017 to August 2019. Cadet Corps will continue to encourage retired cadets to enrol as instructors and fill the vacancies.</p> |
| Part 4: Administrative Issues | | |
| 4.9 | <p>Audit has recommended that CAS Management should –</p> <p>(a) promulgate the practice for following up unreturned uniforms and accoutrements in CAS guidelines and take measures to ensure compliance by CAS staff with a view to expediting the recovery actions in respect of arrears of revenue and write-off actions if further recovery actions are not warranted; and</p> | <p>(a) CAS has reviewed the workflow of returning uniforms and accoutrements from CAS members/cadets when they retire, resign and are discharged from the Auxiliary Force. A set of clear workflow with well-defined rules has been developed for the Records Offices and the Accounts Office with a view to standardising and expediting the recovery process of unreturned uniforms and accoutrements.</p> <p>The review has also recommended exempting certain uniform items (e.g. socks, belt and scarf) from returning by outgoing CAS members/cadets, having regard to the low value of the items concerned and for personal hygiene. The new workflow and the revised list of uniform and accoutrement items to be returned by outgoing CAS members/cadets took effect from 1 November 2019.</p> <p>As regards the 314 outstanding cases of arrears of revenue as</p> |

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| | <p>(b) take measures to strengthen CAS internal audit function and consider extending the scope of the internal audits to cover more aspects of the financial control of the CAS Auxiliary Force.</p> | <p>at 31 October 2018, up to 31 October 2019, write-off action has been taken on 269 cases (85.7%) where further recovery actions are not warranted in accordance with the Stores and Procurement Regulations (SPRs). For the remaining 45 cases, three had been settled and one had been cancelled upon return of uniform and accoutrement items by the concerned outgoing member. Recovery actions will continue for the remaining cases according to the new workflow.</p> <p>Since the recommendation has been implemented and will continue on an on-going basis, we propose deleting this part from the next progress report.</p> <p>(b) A working group was formed in May 2019 to review the functions, methodology and scope of internal audit of the CAS (auxiliary force). In August 2019, the working group proposed changing the unit audit inspection to quality assurance (QA) visit. Besides, the CAS Audit Office will enhance its audit function to include inspecting QA, examining unit management, financial control and performing compliance audit. The proposal was endorsed by the Commissioner and has been implemented on a trial basis for a year starting from October 2019 to cover all CAS units.</p> |
| 4.14 | <p>Audit has recommended that CAS Management should –</p> <p>(a) take measures to ensure that the requirements stipulated in SPRs are complied with, including –</p> <p>(i) ensuring that at least</p> | <p>CAS has taken action to ensure that procurement of goods and services and management of stores comply with the SPRs. Departmental guidelines were issued in September 2019 to remind staff of the</p> |

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| | <p>five written quotations are invited for purchases with value exceeding \$50,000;</p> <p>(ii) consolidating purchases of goods/services of a similar nature to achieve better economy of scale; and</p> <p>(iii) seeking proper approval for contract variations;</p> <p>(b) take measures to ensure that CAS staff invite quotations from suppliers on CAS supplier list by rotation together with the last successful supplier if its performance is satisfactory and avoid over-reliance on only a few suppliers for providing goods/services;</p> <p>(c) remind CAS staff to conduct more market research before setting essential requirements in quotation exercises;</p> <p>(d) take measures to ensure that funds are sufficient before conducting quotation exercises;</p> <p>(e) take measures to avoid ambiguity in the terms and conditions of the quotation documents; and</p> <p>(f) take measures to ensure that CAS staff performing duties related to procurement declare their conflict of interests in the quotation process.</p> | <p>need to comply with the requirements in the SPRs in procurement of goods and management of stores. Extracts of the relevant SPRs have been included in the departmental guidelines for ready reference by subject officers. The guidelines will be updated where necessary and circulated every six months. Besides, all subject officers have been advised of the requirements of the SPRs in various internal meetings. Section heads have been reminded to monitor compliance of the SPRs for procurement activities of their section.</p> <p>Moreover, all subject officers have been specifically advised to –</p> <p>(i) strictly comply with the relevant requirement of inviting at least five quotations for purchases with value exceeding \$50,000;</p> <p>(ii) consolidate purchases of goods/services of a similar nature to achieve better economy of scale;</p> <p>(iii) seek proper approval from the delegated authority for contract variations;</p> <p>(iv) invite quotations from suppliers on Government Purchasing card supplier lists by rotation to avoid over-reliance on only a few suppliers for providing goods/services, and comply with the relevant SPRs and obtain proper approval from the delegated authority;</p> <p>(v) conduct more market research before setting essential requirements in quotation exercises;</p> <p>(vi) comply with the practice to confirm with budget holders on availability of</p> |

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| | | <p>fund before conducting quotation exercises; and</p> <p>(vii) sign and properly document the declaration form of conflict of interests even if the quotation exercise has been cancelled.</p> <p>Supplies Section has amended the terms and conditions of all quotation documents to include the requirement that “free quotation samples may be required within 14 days upon our request” in June 2018 to give clarity to the terms and conditions.</p> <p>Since the recommendations have been implemented and will continue on an on-going basis, we propose deleting this part from the next progress report.</p> |
| 4.26 | <p>Audit has recommended that CAS Management should –</p> <p>(a) take measures to ensure that the requirements of SPRs are complied with, including –</p> <p>(i) updating the store records promptly once returned stores are received;</p> <p>(ii) conducting annual inventory verifications on departmental stores and maintaining an accurate and up-to-date inventory records; and</p> <p>(iii) preparing vouchers and lists of stores when conducting disposal exercises of stores items;</p> | <p>(a) The subject officers have been reminded to update the store records timely once returned stores are received.</p> <p>The schedule of Annual Inventory Check 2019 for volunteer units started in June 2019. Up to end-October 2019, 31 out of 32 volunteer stores units have been checked and the inventory check for the remaining unit will be completed in November 2019. CAS will conduct inventory check at least once a year in accordance with SPR 715(b).</p> <p>Besides, CAS started annual inventory verifications on office units in October 2019. As at end-October 2019, 22 out of 23 office units have been verified, and the verification for the remaining office unit will be completed</p> |

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| | <p>(b) take follow-up actions on the irregularities identified in the Audit's inventory checks as mentioned in paragraph 4.18(c);</p> <p>(c) take prompt follow-up actions on the irregularities identified by Audit (see para. 4.24(c) to (e)) relating to the management of Dangerous Goods Store and consult the Director of Fire Services where necessary; and</p> <p>(d) take measures to ensure compliance with the pertinent fire services requirements at all times.</p> | <p>in November 2019.</p> <p>All staff concerned have been reminded to prepare vouchers and lists of stores when conducting disposal exercises of stores items. Since July 2018, five disposal exercises have been conducted in accordance with the requirements stipulated in the SPRs.</p> <p>Since the recommendations have been implemented and will continue on an on-going basis, we propose deleting this part from the next progress report.</p> <p>(b) CAS will conduct annual inventory verifications on departmental stores in October 2019 and rectify the irregularities identified in the Audit's inventory checks. Thereafter, CAS will ensure that accurate and up-to-date inventory records are maintained for all departmental stores.</p> <p>It is also relevant to note that the missing digital camera mentioned in the Audit Report had been located and the discrepancy between the physical quantity and quantity as shown in the inventory sheet had been rectified.</p> <p>(c) and (d) All defects and irregularities of the Dangerous Goods Store were rectified on 22 February 2019 and checked by the Fire Services Department on 28 February 2019.</p> <p>On 1 June 2019, the CAS Stores Company with the assistance from CAS (department) took up the responsibility for and management of the daily operations of the Dangerous Goods Store to ensure compliance with relevant fire services requirements at all times.</p> |

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| | | <p>Since the recommendations have been implemented and will continue on an on-going basis, we propose deleting this part from the next progress report.</p> |
| 4.30 | <p>Audit has recommended that CAS Management should –</p> <ul style="list-style-type: none"> (a) enhance the governance of CAS to ensure that an established mechanism is in place to oversee and regularly report to the relevant CAS authorities the follow-up actions on the issues identified in this Audit Report; (b) raise the awareness of CAS staff and CAS members on the need to comply with government regulations and guidelines, and CAS General Order respectively; (c) promulgate in CAS General Orders – <ul style="list-style-type: none"> (i) the terms of reference of the Commissioner's Office; and (ii) the quorum requirement and frequency of the meetings of the Commissioner's Conference, the Commissioner's Committee and the Commissioner's Office; and (d) properly document the records of meetings of the Commissioner's Office and the declaration of conflict of interests by CAS members. | <p>A full review of administration, training and operations in the CAS (department and auxiliary force) was conducted to enhance the governance and ensure that all government regulations and guidelines, CAS Ordinance, CAS Regulation and CAS General Orders are complied with. The senior management of the CAS (auxiliary force), i.e. Deputy Commissioners and Senior Assistant Commissioners, were assigned to head different working groups to review the duties under their purview and make remedial/improvement recommendations. Commissioner and Chief Staff Officer will closely monitor the progress and submit regular progress reports to the Security Bureau.</p> <p>All related General Orders were reviewed. The first batch of the updated orders, including the revision to General Order 2.1.1 to include the terms of reference of the Commissioner's Office as well as the quorum requirement and frequency of meetings of the Commissioner's Conference, the Commissioner's Committee and the Commissioner's Office, was issued on 1 October 2019 and the remaining ones will be issued in January 2020. All CAS staff were reminded to keep proper documentation.</p> |

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| | | Since the recommendations have been implemented and will continue on an on-going basis, we propose deleting this part from the next progress report. |

**Environment and Conservation Fund
Progress in implementing Audit's Recommendations**

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| Part 2: Administration of applications | | |
| 2.11 (a) and (b) | Keep in view the processing time of Environment and Conservation Fund (ECF) applications, strengthen measures to help complete the processing as soon as practicable and provide assistance to the applicants where necessary and appropriate. | <p>The EPD has taken concrete steps in facilitating the application process under the various funding programmes such as expediting the clarification process with the project applicants and conducting briefing/experience sharing sessions for potential applicants. Significant progress has been achieved in shortening the processing time of applications to within six months in recent years. 97% and 99% of the applications received in 2017-18 and 2018-19 were processed within six months as compared to only 23% and 37% in 2013-14 and 2014-15 respectively.</p> <p>Although the submission of information remains primarily the responsibilities of the applicants under the competition-based approach, the EPD will continue to conduct briefing/experience sharing sessions for potential applicants to explain the application requirements and provide them with assistance in preparing information required in the vetting process. Since April 2018, eight such briefing/experience sharing sessions have been held with positive feedback from the participants.</p> <p>As the recommendation has been implemented and will be carried out on an on-going basis, we recommend that this part be deleted from the next progress report.</p> |
| 2.11 (c) | Explore further measures to encourage and facilitate potential applicants to submit meritorious applications to ECF. | From April 2018 to October 2019, the EPD has organised eight briefing/experience sharing sessions to share best practices with potential applicants and also showcase the approved meritorious projects through various means. For |

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| | | <p>example, two TV series, each featuring five ECF-funded projects were shown in September 2018 and April 2019 respectively and two research projects were also promoted through online/printed advertorials. The EPD will continue to organise briefing/experience sharing sessions and promote various funded activities on the social media and has also maintained a "Media Coverage" column under the ECF website to enable potential applicants and interested parties to learn more about ECF projects that were featured in various channels at a glance.</p> <p>As the recommendation has been implemented and will be carried out on an on-going basis, we recommend that this part be deleted from the next progress report.</p> |
| 2.26 (a) | Issue discussion papers/summaries of project applications to members of the subcommittees as early as possible. | <p>Meeting papers and documents for the Research Projects Vetting Sub-committee and Nature Conservation Sub-committee under the Advisory Council on the Environment are normally submitted to members one week before the date of the meeting. The EPD has taken steps to ensure that agenda, papers and documents for both the Waste Reduction Projects Vetting Sub-committee and the Environmental Education and Community Action Projects Vetting Sub-committee are also submitted to members at least one week before the meeting or as early as possible.</p> <p>As the recommendation has been implemented and will be carried out on an on-going basis, we recommend that this part be deleted from the next progress report.</p> |

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| 2.26 (b) | Consider stipulating the time frame for issuing discussion papers/ summaries of project applications to members of the subcommittees in the procedural guidelines for all ECF funding programmes. | <p>The EPD has already required the Secretariats of all vetting sub-committees to issue discussion papers and summaries of project applications to members at least one week before the date of the meeting. This time frame will also be stipulated in the procedural guidelines for all funding programmes which will be reviewed to incorporate other improvement measures at the same time.</p> <p>As the recommendation has been implemented and will be carried out on an on-going basis, we recommend that this part be deleted from the next progress report.</p> |
| 2.26 (d) | Carry out random checking of applications under the funding programme of nature conservation management agreement projects regarding the receipt of double benefits from other funding schemes of the Government. | The EPD will conduct random checking regarding the receipt of double benefits from other funding schemes of the Government for future applications of Nature Conservation Management Agreement projects. |
| Part 3: Monitoring of project implementation and accounts finalisation | | |
| 3.11 (a) | Closely monitor the commencement and progress of ECF-funded projects and take measures to ensure that there is no undue delay in commencement and completion. | The EPD has put in place the practice to closely monitor the commencement and the progress of ECF-funded projects. All the projects that have not commenced long after approval or not completed long after commencement are Environmental Education and Community Action projects with facilities/installations. These projects normally require a longer time in commencement and completion due to the need to undertake feasibility studies and completion of tendering procedures. Out of the 15 ECF-funded projects which have not been commenced one year after approval (as at September 2018), the EPD has closed all 15 cases by confirming completion or withdrawal of the applications. |

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| | | <p>As the recommendation has been implemented and will be carried out on an on-going basis, we recommend that this part be deleted from the next progress report.</p> |
| 3.11 (b) | <p>Strengthen measures to ensure the timely submission of required documents by the grantees.</p> | <p>The EPD has arranged to assist grantees in submitting the required documents through training sessions and sharing of good practices to help grantees avoid delay in documents submission. Since April 2018, seven training sessions have been conducted to teach grantees how to prepare and submit the necessary reports and documents for fund disbursement in a proper and timely manner. In addition, the EPD will take into account project applicants' past records of punctuality in documents submission as an eligibility criterion when considering the same organisation's new application(s) under the same funding scheme.</p> <p>As the recommendation has been implemented and will be carried out on an on-going basis, we recommend that this part be deleted from the next progress report.</p> |
| 3.11 (c) | <p>Continue to remind the grantees to comply with ECF funding conditions on publicity.</p> | <p>The EPD has made a practice to remind potential applicants during briefing sessions and successful applicants when their projects are approved to comply with ECF funding conditions on publicity and to seek EPD's advice on the publicity materials proposed for their projects before production where in doubt. It is now a standing practice that funding support will no longer be given for the provision of souvenirs in ECF-funded projects.</p> <p>As the recommendation has been implemented and will be carried out on an on-going basis, we recommend that this</p> |

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| | | part be deleted from the next progress report. |
| 3.11 (d) | Take measures to ensure that site inspection is conducted in the course of each project. | <p>All subject teams have been reminded to draw up a schedule of inspection on a monthly basis. The inspections carried out are recorded in the registry of each subject team for regular examination by the relevant team head.</p> <p>The EPD will enhance the function of the master ECF Database during the system revamping by including an automatic bring-up function to remind staff to conduct site inspections in a timely manner.</p> |
| 3.18 | Take prompt actions to process project accounts finalisation. | Among the 303 completed ECF-funded projects with project accounts not yet finalised (as at September 2018) identified in the Audit Report, the EPD has already taken action to finalise about 200 accounts (as at 31.10.2019). In addition, the EPD has already completed a review on the disbursement and reimbursement of funds arrangement of ECF-funded projects with a view to streamlining the overall procedures to facilitate funds payment to the grantees and expedite project accounts finalisation for future projects. |
| Part 4: Governance and administrative issues | | |
| 4.30 (a) | Keep in view members' attendance at meetings and continue to explore effective measures to encourage members with low attendance to attend meetings as far as possible. | While noting that the contribution of a member should not be related solely to attendance of meetings as he/she may offer professional views on vetting applications through circulation of discussion notes as well as participate in events organised by the grantees during project implementation, the EPD will continue to encourage members with low attendance to attend meetings as far as possible. |

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| | | As the recommendation has been implemented and will be carried out on an on-going basis, we recommend that this part be deleted from the next progress report. |
| 4.30 (b) | Properly document the justifications for recommending members with low attendance records to the approving authorities for reappointments. | <p>The EPD has required the Secretariats to document the justifications for recommending members with low attendance records to the approving authorities for reappointments in future.</p> <p>As the recommendation has been implemented and will be carried out on an on-going basis, we recommend that this part be deleted from the next progress report.</p> |
| 4.30 (f) | Take measures to ensure that declaration forms for registering members' interests are submitted by members in a timely manner and are properly maintained. | <p>Commencing with the new terms for the ECF Committee, Environmental Campaign Committee and their vetting sub-committees in October 2018 and January 2019 respectively, all members are now required to submit separate declaration forms for the committees and vetting sub-committees they have joined.</p> <p>As the recommendation has been implemented and will be carried out on an on-going basis, we recommend that this part be deleted from the next progress report.</p> |
| 4.38 | Make better use of information technology in monitoring the processing of applications and progress of approved projects. | The EPD has reviewed and confirmed the need to redesign and revamp the master ECF Database to enhance the provision of management information. The procurement of the required professional services was initiated in July 2019 and it is expected that the revamped Database will be launched for use by Q3 2020. |

Hong Kong Arts Festival Society Limited
Updated Progress of Implementing Audit's Recommendations

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| Part 2: Programme Management | | |
| <i>Procurement of goods and services</i> | | |
| 2.8 | <p>Audit has recommended that the Executive Director, Hong Kong Arts Festival Society Limited (ED, HKAFSL) should –</p> <p>(a) take measures to ensure that the quotation requirements as laid down in the Hong Kong Arts Festival Society Limited (HKAFSL)'s procurement guidelines are complied with;</p> <p>(b) in circumstances where the quotation requirements are not complied with (e.g. due to limited number of suppliers), document the justifications for the non-compliance and ensure that HKAFSL staff obtain the approval of the Executive Director;</p> <p>(c) consider maintaining a supplier list for each individual type of goods and services; and</p> <p>(d) making reference to the Government's procurement regulations –</p> <p>(i) consider obtaining more quotations in procuring goods and services involving larger amounts; and</p> | <p>HKAFSL –</p> <p>(a) conducted a refresher briefing for all serving staff in April 2019. The procurement guidelines and relevant quotation requirements are also included in the induction briefing for new staff;</p> <p>(b) has incorporated the recommended practice of documenting the justifications for any non-compliance into its quotation review documentation and procurement guidelines. Endorsement by supervisory staff is required for acceptance of quotation prior to final approval by the Executive Director; and</p> <p>(c) has already maintained a supplier list for some specific services, such as printing and site decorations, and will continue to monitor the list.</p> <p>As the follow-up actions of the recommendations have been implemented and will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p> <p>(d) HKAFSL will continue to review the procurement policy including requirements for procuring goods and services involving larger amounts and the need for setting appropriate financial limits, to ensure that it is in line with good governance and management principles of subvented organisations while at the same time being practicable.</p> |

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| | (ii) keep under review the need for setting a financial limit on procurement, exceeding which tender procedures have to be followed. | |
| Management of programme crews | | |
| 2.18 | <p>Audit has recommended that ED, HKAFSL should –</p> <p>(a) take measures to enhance documentation on the use of manpower resources in the production of arts programmes;</p> <p>(b) enhance documentation on the payment of service fees to programme crews; and</p> <p>(c) consider the need for signing service agreements with programme crews, having regard to the need for enhancing accountability and control on payment of service fees.</p> | <p>HKAFSL is planning for the implementation of appropriate and practicable measures and/or mechanisms at the next Hong Kong Arts Festival (HKAF) in 2020 to address the recommendations.</p> |
| Ticketing matters | | |
| 2.31 | <p>Audit has recommended that ED, HKAFSL should –</p> <p>(a) clarify with the LCSD the definition of paid audience and attendance rate and report accordingly to LCSD;</p> <p>(b) draw up written guidelines on the use of blocked seats to ensure that the number of blocked seats is kept to a minimum and blocked seats are released as soon as possible and as far as possible;</p> | <p>HKAFSL –</p> <p>(a) has clarified with LCSD the definition of paid audience and attendance rate, and reported the related performance indicators in accordance with the agreed requirements in the Self-evaluation and Assessment Report and the Funding Application for 2019-20;</p> <p>(b) drew up a written guideline on standard operating procedure, approval procedure and change management to be followed in the use of blocked seats in August 2019;</p> |

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| | <p>(c) report to LCSD periodically information on blocked seats, including the number of seats blocked and the number of blocked seats subsequently released; and</p> <p>(d) report to LCSD the number of tickets collected by Young Friends Scheme (YFS) members.</p> | <p>(c) will inform LCSD about any change of blocked seats periodically as required; and</p> <p>(d) will report to LCSD the final number of tickets collected by YFS members in the Self-evaluation and Assessment Report.</p> <p>As the follow-up actions of the recommendations have been implemented and will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p> |
| 2.32 | <p>Audit has recommended that the Director of Leisure and Cultural Services should specify in the Funding Services Agreements (FSAs) whether paid audience of programmes other than HKAF arts programmes should be included in the “number of paid attendance”.</p> | <p>LCSD has discussed with HKAFSL on the reporting requirements on attendance and specified the following separate performance indicators in the FSA of 2019-20 –</p> <p>(i) Number of paid audience excluding complimentary tickets (attendance rate*)</p> <p>* attendance rate = (number of paid audience ÷ number of tickets available for sale) × 100%</p> <p>(ii) Number of paid audience for Festival Plus</p> <p>As the follow-up actions of the recommendation have been implemented and will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p> |
| Part 3: Funding of the Hong Kong Arts Festival Society Limited | | |
| <i>Income of the Hong Kong Arts Festival Society Limited</i> | | |
| 3.9 | <p>Audit has recommended that Director of Leisure and Cultural Services should –</p> <p>(a) ensure that the review of the</p> | <p>(a) Since the five-year time-limited funding will expire in 2023-24, LCSD plans to commence a review in 2020-21. In the meantime, LCSD will monitor the performance and progress of HKAFSL</p> |

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| | <p>effectiveness of the time-limited subvention to HKAFSL is carried out in a timely manner; and</p> <p>(b) continue to monitor the use of government subventions by HKAFSL to ensure that HKAFs are delivered in accordance with FSAs.</p> | <p>for proper and effective use of the concerned subvention in meeting the specific objectives to groom local artists and to stage performance in the New Territories regions; and</p> <p>(b) LCSD will continue to monitor the use of government subvention by HKAFSL to ensure that HKAFs are delivered in accordance with FSAs through scrutinising the reports and accounts submitted by HKAFSL, attending its Executive Committee meetings, exchanging views through meeting and correspondences, etc. On the other hand, LCSD respects the artistic autonomy of HKAFSL and would avoid micro-managing its operation.</p> <p>As the follow-up actions of the recommendations have been implemented and will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p> |
| 3.10 | <p>Audit has recommended that ED, HKAFSL should, taking into account all relevant factors, review the practices on setting ticket prices for HKAF programmes.</p> | <p>HKAFSL has, taking into account all relevant factors including market conditions, competitiveness, audience appetite and educational and community value, as well as cost, reviewed the practices on setting ticket prices for the programmes at the next HKAF in 2020.</p> <p>As the follow-up actions of the recommendation have been implemented and will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p> |

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| <i>Conditions of subvention</i> | | |
| 3.17 | <p>Audit has recommended that ED, HKAFSL should –</p> <p>(a) maintain records of the consultation with the Government regarding the selection of the Chairman of the Executive Committee;</p> <p>(b) step up efforts to ensure that reports are submitted to LCSD in a timely manner in accordance with FSAs; and</p> <p>(c) maintain proper records on reports submitted to LCSD.</p> | <p>HKAFSL –</p> <p>(a) will maintain relevant records of consultation with the Government regarding the selection of the Chairman of the Executive Committee in future;</p> <p>(b) has reminded relevant staff to closely observe the submission deadlines of the reports, put in place a checklist and reminder mechanism to ensure timely reporting in future. The Report on Implementation of Activities and the Self-evaluation and Assessment Report for 2018-19 were submitted on time by 30 June 2019; and</p> <p>(c) will maintain proper records on reports submitted to LCSD.</p> <p>As the follow-up actions of the recommendations have been implemented and will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p> |
| 3.18 | <p>Audit has recommended that Director of Leisure and Cultural Services should –</p> <p>(a) take follow-up actions on late submission of reports (e.g. ascertain why the reports are not submitted on time and urge for their timely submission) by HKAFSL;</p> <p>(b) maintain proper records of reports submitted by HKAFSL, including the date of submission; and</p> <p>(c) in consultation with HKAFSL,</p> | <p>LCSD –</p> <p>(a) has reinforced arrangements by devising a checklist to step up the monitoring of the timely submission of reports and ensuring the documentation of action taken;</p> <p>(b) has stamped the true copies of the reports submitted by HKAFSL with date chop starting from 2017-18. LCSD will further enhance the registry of reports submitted by HKAFSL; and</p> <p>(c) has already worked with HKAFSL to revise the performance indicators taking into account the actual performance</p> |

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| | <p>consider revising the expected levels of performance for indicators in FSAs, taking into account the actual performance results.</p> | <p>results. The performance indicators for 2018-19 were set higher than the preceding year, i.e. an overall increase of four more programmes which include 19 performances as well as 86 more educational and community activities. The performance indicators for 2019-20 have also been set, taking into account the actual performance results of 2018-19.</p> <p>As the follow-up actions of the recommendations have been implemented and will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p> |
| Part 4: Governance and Administrative Issues | | |
| <i>Governance issues</i> | | |
| 4.11 | <p>Audit has recommended that ED, HKAFSL should –</p> <p>(a) remind members of the Executive Committee and the supporting committees to sign and submit undertakings on declaration of conflicts of interest;</p> <p>(b) consider adopting a two-tier reporting system for declaration of conflicts of interest; and</p> | <p>(a) As at June 2019, all current members of HKAFSL's Executive Committee and supporting committee have signed and submitted the undertakings on declaration of conflicts.</p> <p>As the follow-up actions of the recommendation have been implemented and will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p> <p>(b) HKAFSL will adopt the two-tier reporting system for declaration of conflicts of interest as suggested by the Audit by the end of this calendar year.</p> |

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| | (c) seek the Executive Committee's endorsement of the details of salary revisions in future. | (c) HKAFSL will seek endorsement of the Executive Committee for any future salary revisions. As the follow-up actions of the recommendation have been implemented and will be implemented on an on-going basis, we recommend deleting this part from the next progress report. |
| Administrative issues | | |
| 4.22 | <p>Audit has recommended that ED, HKAFSL should –</p> <p>(a) take effective measures to address the high staff turnover rate, taking into account staff's reasons for leaving HKAFSL; and</p> <p>(b) ensure that IR623 forms are promptly submitted when non-resident entertainers arrive in Hong Kong.</p> | <p>HKAFSL –</p> <p>(a) is of the view that the turnover rate can be lowered if better terms of employment can be offered. In the meantime, HKAFSL has already taken some measures, such as making improvement to office accommodation and enhancing staff training opportunities. A team building exercise was also conducted on 9 August 2019; and</p> <p>(b) has reminded its staff to ensure that IR623 forms should be submitted as soon as possible.</p> <p>As the follow-up actions of the recommendations have been implemented and will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p> |

Hospitality training provided by the Hotel and Tourism Institute, the Chinese Culinary Institute and the International Culinary Institute
Progress in implementing Audit's Recommendations

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| Part 2: Management of Programmes | | |
| <i>Programme planning</i> | | |
| 2.7 | Audit has recommended that the Executive Director, VTC should identify lessons to be learnt from the postponement/cancellation of planned programmes with a view to enhancing the programme development of the Hotel and Tourism Institute, the Chinese Culinary Institute (CCI) and the International Culinary Institute (referred to collectively as “the Institutes”) in future. | <p>The relevant programme teams reviewed the reasons for the postponement/cancellation of programmes and found that a lead time for programme development longer than planned had led to insufficient time for marketing and promotion of programmes. The Institutes expected that closer monitoring of the programme development progress would help enhance the process.</p> <p>Starting from the academic year (AY) 2019/20, the relevant Programme Boards have stepped up monitoring of the programme development process. Where there are new cases of postponement and cancellation of programmes, the respective Programme Boards will review the case to identify suitable remedial and improvement actions within three months of the postponement/cancellation.</p> <p>As the follow-up actions of the recommendation have been implemented and will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p> |
| <i>Evaluation of programme performance</i> | | |
| 2.17 | <p>Audit has recommended that the Executive Director, VTC should –</p> <p>(a) step up efforts to enhance the performance of programmes offered by the Institutes, in particular, the enrolment rates, the retention rates and the pass rates;</p> | <p>For the purpose of making continuous improvement, the Institutes will continue to monitor and conduct annual analysis on the performance of the programmes. At discipline-level, the relevant programme leaders, programme boards, the Quality Assurance Committee and the Academic</p> |

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| | | <p>Committee will review annually the key performance indicators, including the enrolment rates, retention rates and pass rates, as stipulated in the VTC Programme Review Manual. They will propose improvement actions as necessary in the Programme Quality Analysis Report.</p> <p>The Institutes regularly carry out promotion and publicity activities to enhance enrolment. Since February 2019, the Institutes have stepped up promotion and publicity of less popular programmes through social media, #Hashtag campaign and school talks, etc. Subsequent to the enhanced promotion campaign, two of the previously postponed programmes, namely the Higher Diploma in Wine and Beverage Business Management and the Diploma in International Culinary Arts were successfully launched and offered in AY 2019/20.</p> <p>To maintain exit quality, the Institutes uphold the standards for students to pass a module/programme. Therefore, the pass rate in a year is determined by the performance of the particular cohort/class. As of AY 2019/20, the Institutes will provide additional support measures to better help students cope with their studies. These include extra manning for the language training under the Chatteris English Enrichment Programme to provide authentic English interaction with students and an additional Teaching Associate to support students with special educational needs. It is envisaged that these measures could improve both the retention rates and pass rates.</p> |

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| | | <p>As the follow-up actions of the recommendation have been implemented and will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p> |
| | <p>(b) ensure as far as possible that the number of students enrolled should not exceed the plan by a significant margin and, in cases where over-enrolment cannot be avoided, take effective measures to mitigate the possible adverse impacts of over-enrolment on the programmes;</p> | <p>The Institutes have taken and will continue to take measures to ensure effective deployment of existing and additional resources where necessary to maintain the standards of teaching and learning based on the student enrolment situation. For instance, after student admission, the staffing, equipment and facilities arrangement for programmes are suitably reviewed and adjusted through addition of resources or reallocation from other programmes.</p> <p>In the case of over-enrolment, the concerned sections will work together to ensure that teaching resources, facilities and equipment are adequate to uphold programme standard and quality before confirmation of student admission.</p> <p>As the follow-up actions of the recommendation have been implemented and will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p> |
| | <p>(c) take measures to encourage more graduates to give consent for VTC to contact their employers in the Survey of Employers' Views; and</p> | <p>As agreed by its Statistics Committee in April 2019, VTC has fine-tuned the format and wording of the student survey to encourage more graduates to give consent for VTC to contact their employers in the Survey of Employers' Views starting from the graduates of the AY 2018/19 cohort.</p> <p>As the follow-up actions of the recommendation have been implemented and will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p> |

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| | (d) review the criteria for covering employers in the Survey of Employers' Views so that more graduates' employers can be covered in the Survey. | The Statistics Committee of VTC agreed on 26 June 2019 that the criteria of job relevancy in the Survey of Employers' View should be relaxed by including all graduates reporting to be engaged with jobs of a duration of at least three months irrespective of whether the jobs are relevant to their studies, so as to extend the coverage of the survey. The above recommendation was forwarded to the Vocational and Education Management Committee for further consideration and approval in October 2019. |
| Industrial attachment | | |
| 2.25 | <p>Audit has recommended that the Executive Director, VTC should –</p> <p>(a) where necessary, review General Academic Regulations (GARs) and make timely revisions with a view to facilitating programme development; and</p> <p>(b) take measures to ensure that deviations from GARs are properly approved if considered justifiable.</p> | <p>For the benefit of students' learning, VTC has reviewed and updated GARs to clarify the scope of industrial attachment to include adoption of work-integrated learning, field work, practicum, etc. as fulfilment of the requirement of Industrial Attachment. The Vocational Education and Training Academic Board approved the revised GARs on 29 May 2019.</p> <p>VTC will ensure that written justification for deviation from the updated GARs, if any, will be submitted for approval by the relevant committees, such as the Discipline Academic Committee according to the established procedures.</p> <p>As the follow-up actions of the recommendation have been implemented and will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p> |

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| Part 3: Management of The T Hotel and Training Restaurants | | |
| <i>Management of The T Hotel</i> | | |
| 3.18 | <p>Audit has recommended that the Executive Director, VTC should –</p> <p>(a) take measures to improve the occupancy rate of The T Hotel to achieve the optimal occupancy rate;</p> | <p>In addition to market factors, the hotel's occupancy is also driven by factors like students' training needs, facilities' capacity and duration of the integrated learning experience in different programmes. The Yield Management Committee of the Institutes will meet more frequently on a regular basis as well as on a need basis to enhance monitoring of the planned occupancy and strive for optimal occupancy of the hotel, taking into consideration students' training needs and facilities' capacity.</p> <p>In this regard, the Yield Management Committee met on 7 July and 6 September 2019 to address the hotel performance and space utilisation issues. As soon as the hotel refurbishment work was completed on 4 August 2019, the Committee took note of the status of hotel rooms reserved for practical training in areas of front desk, rooming, escort, and housekeeping services. While these dedicated rooms were well utilised for training and could not be allotted for guest booking, they were still included in the calculation of the occupancy rate. As such, the Committee noted that the occupancy rate alone could not fully reflect the space utilisation of The T Hotel.</p> <p>To optimise occupancy, the Institutes increased allotment of rooms to online travel agents (OTAs) for sale and the Yield Management Committee decided at the meeting in September 2019 that discounted rates would also be offered in high seasons.</p> |

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| | | <p>As the follow-up actions of the recommendation have been implemented and will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p> |
| | <p>(b) consider allocating more room nights of The T Hotel to the agency booking channel;</p> | <p>The Institutes have increased the daily allocation to the agency booking channel (including OTAs) from three to eight rooms since the beginning of August 2019.</p> <p>As the follow-up actions of the recommendation have been implemented and will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p> |
| | <p>(c) take measures to improve the utilisation of the training spa in The T Hotel;</p> | <p>To improve utilisation of the training spa, the Institutes have implemented a new practice that students would introduce the spa facilities to hotel guests before escorting them to their rooms since May 2019. In addition, the closing time of the training spa has been postponed by two hours from 6:00 p.m. to 8:00 p.m. to better accommodate hotel guests' visit patterns since the completion of the spa refurbishment programme on 1 August 2019.</p> <p>Other measures to improve the utilisation of the training spa, such as collaboration with other VTC units and engagement of outsourced therapists, are in progress. The Institutes, in collaboration with the Youth College, organised a one-day spa workshop in March 2019 for 19 students pursuing Diploma of Vocational Education in Beauty Care. The Institutes are planning to provide 400 training places for Youth College students in AY 2019/20, subject to the actual enrolment of the Beauty Care programme.</p> <p>As the follow-up actions of the recommendation have been implemented and will be implemented on an on-going basis,</p> |

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| | | we recommend deleting this part from the next progress report. |
| | (d) take measures to improve the response rate of the guest satisfaction survey of The T Hotel; and | <p>The T Hotel placed comment cards on the writing desks in guest rooms to draw the attention of the guests and invited them to complete the comment cards upon checking-out to help improve the response rate. As such, the response rate increased from 18% in 2018 to 45% in 2019 over the same period from April to August. VTC will continue to monitor the response rate of the guest satisfaction survey and take improvement measures as appropriate.</p> <p>As the follow-up actions of the recommendation have been implemented and will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p> |
| | (e) expedite the follow-up actions on the two outstanding recommendations made by Internal Audit Unit in 2013 on the operation of The T Hotel. | <p>The Institutes have followed up on the two outstanding recommendations. Since August 2019, The T Hotel has maintained proper documentation for sample checks of quotations of food and beverage (FB) items and established a local supplier list for non-FB items.</p> <p>As the follow-up actions of the recommendation have been implemented and will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p> |
| <i>Management of training restaurants and hotel lounge</i> | | |
| 3.36 | <p>Audit has recommended that the Executive Director, VTC should –</p> <p>(a) consider extending the microbiological tests to cover the Western training restaurant at the VTC Kowloon Bay Complex;</p> | <p>VTC has extended the microbiological tests to cover the Western training restaurant at the VTC Kowloon Bay Complex since March 2019.</p> |

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| | | As the follow-up action of the recommendation has been implemented and will be implemented on an on-going basis, we recommend deleting this part from the next progress report. |
| | (b) continue to monitor the results of microbiological tests and improve the hygiene conditions of students' hands and food contact surfaces; | <p>With a view to improving the hygiene conditions, the Institutes have drawn up a new sampling plan and updated the guidelines for microbiological tests for implementation effective from March 2019. The updated guidelines cover all types of tests, the test procedures, the microbiological standards and frequency of tests.</p> <p>As the follow-up actions of the recommendation have been implemented and will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p> |
| | (c) collect feedback from the customers of the training restaurants and The T Hotel Lounge on the trainees' Putonghua standard (in addition to English standard); | <p>The Institutes have incorporated a question on the trainees' Putonghua standard (in addition to English standard) in the customers' feedback questionnaire since June 2019.</p> <p>As the follow-up action of the recommendation has been implemented and will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p> |
| | (d) explore other food waste treatment methods at the VTC Kowloon Bay Complex and the VTC Tin Shui Wai Building; and | The Institutes have explored the feasibility of engaging food waste collectors at the VTC Kowloon Bay Complex and the VTC Tin Shui Wai Building. Given that the average food waste per day for both campuses are below the minimum quantity of waste required by the collectors, it is considered not economical to engage a food waste collector. The Institutes are exploring the feasibility of alternative treatment methods at the two campuses. |

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| | <p>(e) in collaboration with The Dining Society (TDS), devise a plan to put the surplus fund of TDS into gainful use.</p> | <p>TDS endorsed in its Annual General Meeting in July 2019 to use the surplus fund to enhance customers' dining experience and upgrade relevant facilities. Examples of planned projects are as follows –</p> <p>(a) upgrade and maintenance of TDS membership website;</p> <p>(b) provision of student award for best decoration at the training restaurants and The T Hotel;</p> <p>(c) upgrade of TDS facilities; and</p> <p>(d) provision of CCI Master Chef Programme Scholarship.</p> <p>Further projects to enhance customers' dining experience, such as the Projection Mapping (animated culinary scenes projected on the dining table), are in progress. Proposals for funding projects would be discussed in the regular TDS Executive Committee meetings.</p> <p>As the follow-up actions of the recommendation have been implemented and will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p> |
| Part 4: Administrative Issues | | |
| <i>Campus management</i> | | |
| 4.17 | <p>Audit has recommended that the Executive Director, VTC should –</p> <p>(a) endeavour to improve the environmental performance of the Institutes;</p> | <p>VTC has commissioned a consultant since 2017 for a Carbon Footprint Reduction Plan. The study area includes devising longer-term carbon reduction targets, roadmap and implementation plans for VTC campuses. The Plan is expected to be completed</p> |

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| | | by 2020 and VTC will follow up suitably to improve the environmental performance of the Institutes. |
| | (b) consider setting campus environmental targets for every year (instead of alternate years) or, alternatively, extending the environmental targets to cover two years; | VTC has set environmental targets for every academic year since AY 2018/19. As the follow-up action of the recommendation has been implemented and will be implemented on an on-going basis, we recommend deleting this part from the next progress report. |
| | (c) conduct an analysis of the accidents in past years and endeavour to take effective measures with a view to reducing the occurrence of accidents; | The Chairman of the Safety, Health and Environmental Local Committee of the Institutes is reviewing the accidents in the past two years and the Committee will devise suitable follow-up actions as appropriate. The review is targeted to be completed by the end of December 2019. |
| | (d) take measures to ensure that accidents are handled in a timely manner according to the procedures stipulated in the VTC Safety Management Manual; and | Since 21 August 2019, the Institutes have implemented the updated accident handling procedures, which specify that the Institute Secretariat should be notified of any accident within 48 hours and an investigation report with recommended actions should be followed within 14 working days after the accident. |
| | (e) in the revised accident handling procedures, consider setting a reasonable time limit for the submission of accident reports to the Institute Secretariat to ensure the timeliness of the submission. | The Chairman of the Safety, Health and Environmental Local Committee will review every accident for identification of preventive measures as appropriate. As the follow-up actions of the recommendation have been implemented and will be implemented on an on-going basis, we recommend deleting this part from the next progress report. |

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| Staff management | | |
| 4.28 | <p>Audit has recommended that the Executive Director, VTC should –</p> <p>(a) take remedial measures to reduce the number of vacant posts and staff turnover and monitor the effectiveness of the measures; and</p> | <p>The Institutes have reviewed and streamlined the procedures and means of recruitment to speed up the recruitment process, for example, streamlining the recruitment process concerning former teaching staff with a proven track record.</p> <p>In addition, the Institutes have reviewed the roles of the administrative support posts to improve recruitment. Upon a rank review on the job requirements of clerical staff, the Institutes have upgraded seven Executive Assistant (EA) posts from EAIII to EAI rank to better reflect their roles and responsibilities, thereby improving recruitment and retention of EA staff.</p> <p>As the follow-up actions of the recommendation have been implemented and will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p> |
| | <p>(b) step up efforts in encouraging staff who did not attain 40 or more Continuous Professional Development (CPD) hours within two consecutive years to actively participate in CPD activities, in particular those staff who did not attain the minimum 40 CPD hours consistently and those who attained less than half of the minimum hours.</p> | <p>The Institutes issued the annual CPD statistics for AY 2017/18 to Section Heads in December 2018 for immediate follow-up actions such as encouraging their staff who fell below the requirement to engage in CPD activities.</p> <p>The Institutes remind Section Heads and staff regularly through emails and meetings of the minimum CPD requirement and the trainings/programmes eligible for CPD. They also post CPD requirements and procedures of updating CPD records on the Intranet to facilitate staff's participation.</p> <p>As the follow-up actions of the recommendation have been implemented and will be implemented on an on-going basis,</p> |

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| | | we recommend deleting this part from the next progress report |
| <i>Inventory management</i> | | |
| 4.35 | <p>Audit has recommended that the Executive Director, VTC should –</p> <p>(a) closely monitor the effectiveness of the measures taken to improve inventory control;</p> | <p>The Institutes reiterated procedures for stores transfer and condemnation in the training on stores control in March 2019.</p> <p>The Institutes will continue to monitor the measures taken to improve inventory control and review their effectiveness through annual stocktaking and surprise stock and security checks.</p> <p>As the follow-up actions of the recommendation have been implemented and will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p> |
| | <p>(b) in view of the fact that 15.5% of items selected for inspection were found missing in the stocktaking exercise for financial year 2017-18, increase the sample size in the next stocktaking exercise;</p> | <p>The Institutes have enlarged the sample size of the 2018-19 annual stocktaking exercise to 2 400 items, representing 35% of total store items, as compared with 618 items in 2017-18 (representing 9% of total store items). In 2018-19, the number of missing items found in the exercise was 86 (representing 3.6% of the samples), a significant improvement as compared with 96 (15.5% of the samples) in the 2017-18 exercise.</p> <p>As the follow-up actions of the recommendation have been implemented and will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p> |
| | <p>(c) complete the review of the inventory control system as soon as possible;</p> | <p>The Institutes conducted training on stores control for staff in March 2019 to reiterate key control measures.</p> |

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| | <p>(d) in light of the results of the review of the inventory control system, implement measures to address the issues identified in the review in a timely manner; and</p> | <p>In July 2019, the Institutes conducted a review to identify improvement actions required on inventory control. Apart from specifying the timeline of improvement actions, the Institutes completed key actions as follows by end August 2019 –</p> <ul style="list-style-type: none"> (a) implementation of workflow on movements of personal computers (PCs) and related equipment to enable easy identification of users; (b) verification of owners and locations of PCs, monitors, printers and scanners for updating the records in the inventory management system (IMS); (c) clearance of condemnation backlogs; and (d) provision of user training for IMS application. <p>In September 2019, the Institutes reiterated the roles of Stores Controlling Officers and the need for surprise stock and security checks.</p> <p>As the follow-up actions of the recommendations have been implemented and will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p> |
| | <p>(e) ensure that the surprise stock and security checks are conducted as stipulated in the Stores Manual.</p> | <p>By February 2020, the Institutes will conduct surprise stock and security checks as stipulated in the Store Manual for the 2019-20 financial year. The Supplies Unit will examine related logbooks every year during the annual stocktaking exercise.</p> |

**Sustainable Fisheries Development Fund and
Sustainable Agricultural Development Fund
Progress in implementing Audit's Recommendations**

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| Part 2: Application Processing and Project Monitoring | | |
| 2.17 | <p>Audit has recommended that the Director of Agriculture, Fisheries and Conservation should –</p> <p>(a) promptly implement the recommendations of the AFCD review relating to processing of the Sustainable Fisheries Development Fund (SFDF) and the Sustainable Agricultural Development Fund (SADF) applications (see paras. 2.7 and 2.8);</p> <p>(b) closely monitor the application processing time for SFDF and SADF and take further measures to shorten the processing time;</p> <p>(c) keep under review the need to take further measures to improve the Equipment Improvement Project (EIP) application arrangements;</p> | <p>(a) to (c) AFCD has enhanced the monitoring of internal application processing and the communication with applicants, including meeting with applicants and explaining the supplementary information required as necessary, in order to facilitate the applicants' submission of information to be specific, explicit and in accordance with the requirements of AFCD. AFCD will explain the information required clearly and specifically, and make at most two requests for submission of supplementary information, so as to reduce the time required for processing applications and handling correspondence.</p> <p>In addition, AFCD has streamlined the vetting procedures upon the approval by the SFDF Advisory Committee (SFDFAC) that include direct vetting of all SFDF applications by SFDFAC instead of initial vetting by a working group before SFDFAC vetting to expedite the processing of applications. Meanwhile, AFCD has also implemented the measure to invite members to raise questions on the projects in writing and request the applicants to provide supplementary information required before the SFDFAC meetings. If necessary, AFCD will hold briefing sessions before the SFDFAC meetings to explain individual project applications and to invite applicants to attend the meetings to respond to the questions/provide supplementary information. Moreover, AFCD has, upon the</p> |

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| | | <p>approval by SFDFAC, implemented the vetting process by circulation of paper to vet EIP projects and general project applications of simpler nature and involving lower funding amount to shorten the processing time of such applications.</p> <p>Under the measures mentioned above, AFCD will update the internal guidelines on processing applications and implement other measures in phases that are conducive to the submission of applications by the applicants, such as strengthening support to the applicants, providing sample application forms and simplifying the application forms.</p> <p>As for SADF, the preliminary assessment results will continue to be circulated to members of the SADF Advisory Committee (SADFAC) before its meetings in order to seek members' advice and to invite members to make further enquiries on the applications. Moreover, SADF will arrange briefing sessions as necessary so that members can have a better understanding of the applications.</p> <p>AFCD has enhanced the vetting procedures since December 2017 to expedite the vetting process and to facilitate SADFAC members' early advice on the projects. The secretariat will circulate the information of the projects that have been preliminarily assessed to members for preliminary vetting and ask them if they have any follow-up questions or comments that require response and/or submission of supplementary information from the applicants. The secretariat will ask members again before the SADFAC meetings if they have any supplementary comments or questions that call for applicants' response in advance and if they consider it necessary to invite the applicants to attend the meetings.</p> |

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| | <p>(d) promptly implement the recommendations in the AFCD review relating to the imposition of administrative charges for EIP projects (see para. 2.16);</p> <p>(e) consider setting guidelines on administrative charges imposed by EIP project applicants; and</p> <p>(f) keep under review the level of administrative charges imposed by EIP applicants and devise further measures to contain the administrative charges so as to ensure their reasonableness where necessary.</p> | <p>In addition, at the SADFAC meeting held in July 2019, AFCD further elaborated the details of the projects as well as the justifications to support or reject the applications, so that the Committee can consider the projects more effectively and expedite the vetting work.</p> <p>Meanwhile, SADF is revising the internal processing procedures with a view to shortening the processing time, including returning the applications with insufficient basic information to the applicants as early as possible, and expediting the processing of other applications.</p> <p>(d) to (f) AFCD has reviewed the administrative workload of the EIP projects and proposed an appropriate adjustment of the maximum number of participants in each project application to reduce the ratio of administrative charges to project grants. Upon the agreement by SFDFAC, AFCD has increased the maximum number of participants in each project application from 200 to 400 and adjusted the percentage of the maximum amount of administrative charges for applications with over 200 participants from the current 20% to 18% of the overall project grant to enhance the administrative effectiveness of the projects.</p> |
| 2.38 | <p>Audit has recommended that Director of Agriculture, Fisheries and Conservation should –</p> <p>(a) promptly implement the recommendations of the AFCD review relating to the submission of SFDF projects' reports and financial statements by grantees (see para. 2.23);</p> | <p>(a) and (b) AFCD has implemented the measure to remind grantees in a timely manner through e-mails and letters to submit reports, financial statements and supplementary information, and has specified the report requirements and provided a sample of</p> |

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| | <p>(b) closely monitor the timeliness of submission of reports and financial statements by SFDF grantees, and instigate further improvement measures where necessary;</p> <p>(c) promptly implement the recommendations of the AFCD review relating to inspections of progress of SFDF projects (see para. 2.27), and instigate further improvement measures where necessary;</p> <p>(d) ensure that applicable recommendations for the monitoring of SFDF projects are also implemented for SADF projects;</p> <p>(e) in cases where the dates of achieving project milestones have been revised, update the funding agreements to reflect the revisions prior to the signing of the agreements;</p> | <p>reports to the grantees in the e-mails and letters. AFCD will arrange meetings with grantees to explain the report requirements and other information/documents requested if necessary. For those grantees who fail to submit reports or supplementary information on time, AFCD has established an advisory/warning mechanism and devised guidelines for handling requests of delaying submission of reports/supplementary information. Where necessary, the disbursement of grants can be suspended or terminated in accordance with the terms and conditions of the funding agreement concerned.</p> <p>Under the measures mentioned above, AFCD is updating the internal guidelines.</p> <p>(c) and (d) AFCD has started reflecting on major comments, providing suggestions to grantees after each inspection and keeping proper records.</p> <p>AFCD will devise a set of clear inspection procedures and guidelines, together with a programme of review, in order to record the relevant follow-up work and its progress. SADF will make reference to the approach of SFDF to enhance the current monitoring measures.</p> <p>(e) AFCD has started requesting successful applicants to update all the dates of achieving project milestones as well as the dates of commencement and completion of projects prior to the signing of the funding agreements.</p> <p>As the recommendation has been implemented and will be carried out on an on-going basis, we recommend that this part be deleted from the next progress report.</p> |

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| | <p>(f) take immediate measures to rectify the anomalous case (see para. 2.34) in which the grantee has not purchased any of the insurances required by the funding agreement;</p> <p>(g) ensure that there is no recurrence of cases similar to the anomalous case (see (f) above) in future;</p> <p>(h) provide assistance to grantees to help them conduct tendering exercises;</p> <p>(i) keep in view the need to modify the existing procurement practices, taking into consideration the industry practices; and</p> <p>(j) take measures to ensure that procurements made by grantees comply with the requirements of the funding agreements, including –</p> <p>(i) the required number of quotations are always obtained by grantees;</p> <p>(ii) in circumstances where the required number of quotations cannot be obtained (e.g. sole supplier of the procured goods or services), justifications for</p> | <p>(f) and (g) AFCD has taken measures to follow up with the grantee who still has not purchased insurances, including considering the grantee's application for exemption from procuring insurance due to special circumstances and issuing warning to the grantee who has not purchased insurances.</p> <p>AFCD will closely monitor the procurement of insurance for projects to ensure that there is no recurrence of cases similar to the anomalous case in future.</p> <p>As the recommendations have been implemented and will be carried out on an on-going basis, we recommend that this part be deleted from the next progress report.</p> <p>(h) to (j) AFCD has provided a sample of tender documents to grantees of EIP to help them conduct tendering exercises.</p> <p>AFCD will remind grantees to comply with the relevant procurement requirements. Prior approval from AFCD for adopting other procurement practices must be obtained by grantees. AFCD will also request grantees to submit procurement reports in a timely manner and monitor the procurement exercise of grantees during the project period. AFCD will keep in view the progress of the projects and to review the existing procurement practices.</p> <p>As the recommendations have been implemented and will be carried on an on-going basis, we recommend that this part be deleted from the next progress report.</p> |

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| | <p>deviations from the requirement are provided by grantees;</p> <p>(iii) more favourable quotations are always accepted by grantees;</p> <p>(iv) in circumstances where less favourable quotations are accepted, justifications for accepting such quotations are provided by grantees;</p> <p>(v) written quotations, instead of verbal quotations, are always obtained by grantees;</p> <p>(vi) in circumstances where written quotations cannot be obtained, prior approval from the Director for adopting other procurement practices are obtained by grantees; and</p> <p>(vii) follow-up action is taken on any incongruous quotations obtained by grantees.</p> | |
| Part 3: Achieving of Fund Objectives | | |
| 3.18 | <p>Audit has recommended that Director of Agriculture, Fisheries and Conservation should –</p> <p>(a) make better effort to encourage and facilitate the agriculture and fisheries industries to make good use of SADF and SFDF in implementing projects which contribute towards the sustainable development of the</p> | <p>Since the funds opened for applications, AFCD has been promoting the two funds (including the Farm Improvement Scheme (FIS) and EIP) through various means, for example, organising briefing sessions and liaison meetings; distributing promotional leaflets and/or invitation letters to local</p> |

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| | <p>industries; and</p> <p>(b) ensure that effective measures are promptly implemented to enhance the publicity of SADF and SFDF, and to facilitate applicants to apply for funding under SADF and SFDF.</p> | <p>fishermen, fish farmers, farmers and related organisations; and arranging one-to-one consultation meetings to offer technical advice or guidance to potential applicants, with a view to assisting them in submitting or amending their proposals and improving the quality of applications. Since the launch of the two funds, AFCD has held over 50 meetings with applicants to provide technical advice. AFCD will enhance the above work in future.</p> <p>On the other hand, to assist the agriculture and fisheries organisations, relevant agencies and groups in writing their proposals, AFCD organised the “Workshop on writing skills for SFDF/SADF applications” in June 2019 with the Open University of Hong Kong with a view to enhancing their understanding of the current fund application procedures and improving their ways and skills in writing proposals. AFCD has also participated in the HKPC SME One Fund Fair 2019 organised by the Hong Kong Productivity Council in September 2019 to further boost the promotion and publicity of the two funds.</p> <p>Besides, AFCD will update the list of projects that may benefit from SFDF and SADF from time to time and upload the information onto its website for the reference of prospective applicants.</p> <p>In February 2019, AFCD wrote again to local tertiary institutions, agriculture organisations and related NGOs to promote SADF and invite them to submit fund applications. Also, liaison meetings with fishermen were held to promote SFDF between January and February, as well as between May and June 2019. Since the two funds opened for applications, AFCD has held more than 160 meetings with the above organisations to exchange ideas on the challenges faced by the local agriculture and fisheries industries.</p> |

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| | | <p>AFCD will continue to publicise the fund applications through regular contacts with local fishermen, farmers as well as agriculture and fisheries organisations.</p> <p>Regarding FIS, AFCD sought assistance from District Council members in placing promotional leaflets of FIS in their district offices in January 2018. Leaflets were also distributed once again for promoting FIS to farmers across the territory in February 2019. To further step up the publicity efforts, an outreach taskforce set up in March 2019 visits all crop farms participating in the Local Vegetable Farm Voluntary Registration Scheme, the Accredited Farm Scheme and the Organic Farming Support Service, flower farms and livestock farms to assess the farms' need for farm machinery and proactively invite the farmers in need to submit applications for FIS. The whole outreach scheme is expected to be completed within one year. In addition, in March 2019, AFCD produced promotional short video clips to be broadcast through social media with a view to attracting more farms to submit FIS applications. Since the launch of the above publicity measures from March to October 2019, AFCD has received a total of 46 applications, which shows an increase of 35% as compared with 34 cases in the same period last year. So far, AFCD has received a total of over 290 applications and the amount of grant involved is about \$9 million.</p> <p>Regarding EIP, AFCD publicises and introduces the project through organising liaison meetings with fishermen and briefing sessions, as well as arranging to meet individual fishermen groups and representatives. Since the launch of EIP in December 2017, a total of eight applications have been received. The number of fishermen involved reaches as high as 1 400 and the amount of grant is about</p> |

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| | | <p>\$50.5 million.</p> <p>As the recommendations have been implemented and will be carried on an on-going basis, we recommend that this part be deleted from the next progress report.</p> |
| 3.23 | <p>Audit has recommended that Director of Agriculture, Fisheries and Conservation should –</p> <p>(a) expedite the review of two completed SFDF projects; and</p> <p>(b) consider the need to evaluate the overall achievements of SFDF, SADF and their subsidiary programmes vis-à-vis the overall objective of putting the development of the agriculture and fisheries industries on a sustainable path.</p> | <p>(a) AFCD completed the review of the final reports of the two completed projects in March 2019. The final reports and audited accounts of projects have been uploaded onto AFCD's website for public inspection.</p> <p>As the recommendation has been implemented and will be carried out on an on-going basis, we recommend that this part be deleted from the next progress report.</p> <p>(b) A number of projects under the funds will be completed in the next two years. AFCD intends to review the overall effectiveness of the funds by then.</p> |
| Part 4: Governance Issues | | |
| 4.12 | <p>Audit has recommended that Director of Agriculture, Fisheries and Conservation should closely monitor the trend of attendance rates of committee members and take remedial measures as appropriate.</p> | <p>AFCD has closely monitored the trend of attendance rates of committee members. The secretariats have all along been making efforts to schedule meetings so that more members are available to attend, and each meeting has been attended by half or more than half of the members. In addition, the secretariats circulate discussion papers and agendas to all members prior to each meeting so that members who are unable to attend the meeting can provide written comments on</p> |

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| | | <p>agenda items.</p> <p>AFCD will take appropriate measures to encourage members to attend meetings, including reminding members of the importance of attending meetings, scheduling meetings for date/time that is convenient to most members and reminding members before meetings, and provide assistance as far as possible.</p> <p>As the recommendation has been implemented and will be carried out on an on-going basis, we recommend that this part be deleted from the next progress report.</p> |
| 4.13 | <p>Audit has recommended that the Secretary for Food and Health should, in re-appointing members to serve on committees of SFDF and SADF –</p> <p>(a) give due consideration to members' past attendance at meetings; and</p> <p>(b) for members who had difficulties in attending meetings and whose re-appointments are essential, take measures to encourage them to attend meetings in future.</p> | <p>(a) The tenure of SADFAC and SFDFAC will expire on 30 November 2019 and 2 March 2020 respectively. When considering re-appointment of a member to serve on the committees, the Secretary for Food and Health will take into account a number of factors, including the member's experience in his/her professional field, his/her contribution to the operation of the funds, past attendance at meetings, etc.</p> <p>(b) As mentioned previously, AFCD will take appropriate measures to encourage members to attend meetings, including reminding members of the importance of attending meetings, scheduling meetings for date/time that is convenient to most members and reminding members before meetings.</p> |

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| 4.23 | <p>Audit has recommended that Director of Agriculture, Fisheries and Conservation should –</p> <ul style="list-style-type: none"> (a) ensure that first-tier declaration forms are always distributed to committee members for their completion every year; (b) take measure to follow up with the committee members concerned if they have not submitted their first-tier declaration forms; (c) take measures to facilitate committee members to fully declare their interests, including providing examples of common interests that need to be declared; and (d) regularly remind the committee chairman of the need to make rulings on interests declared by members at the meetings, and document the rulings made in the minutes of the meetings so as to enhance transparency and accountability. | <p>Regarding the committee members who did not submit their first-tier declaration forms in 2018, AFCD has taken follow-up actions and received the completed forms. The secretariats of SADF and SFDF distributed first-tier declaration forms to committee members for completion in December 2018 and March 2019 respectively, and duly received all declaration forms which members were required to submit for 2019.</p> <p>AFCD will ensure that first-tier declaration forms are always distributed to committee members for their completion every year, and also ensure that all declaration forms completed by the committee members are duly received. Prior to each meeting, AFCD will circulate to committee members the guidelines on the declaration of interest system devised by the ICAC, in which examples of common interests that need to be declared are provided. In the committee Chairman's brief, AFCD will remind the chairmen to ask members to declare interests and make rulings before discussing each project. After the meeting, AFCD will also duly record the declaration of interests and the chairman's ruling in minutes of meeting. The funds have implemented the measure of providing clearer guidelines for declaration and recommendations on handling the declaration in the Chairman's brief prior to committee meetings in future to facilitate the chairman in making rulings.</p> <p>As the recommendations have been implemented and will be carried out on an on-going basis, we recommend that this part be deleted from the next progress report.</p> |

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| 4.31 | <p>Audit has recommended that Director of Agriculture, Fisheries and Conservation should –</p> <p>(a) consider laying down guidelines on the distribution of agendas (and discussion papers) and draft minutes of meetings; and</p> <p>(b) ensure that proceedings of meetings are accurately and completely recorded in minutes of meetings.</p> | <p>AFCD has revised the internal guidelines, including laying down guidelines on the distribution of agendas (and discussion papers) and draft minutes of meetings. AFCD will continue to ensure that the proceedings of meetings are accurately and completely recorded in minutes of meetings, and the draft will be submitted to committee members for comments or amendments.</p> <p>As the recommendations have been implemented and will be carried out on an on-going basis, we recommend that this part be deleted from the next progress report.</p> |
