

THE GOVERNMENT MINUTE

in response to the

**REPORT OF
THE PUBLIC ACCOUNTS COMMITTEE
No. 73**

of February 2020

27 May 2020

**THE GOVERNMENT MINUTE IN RESPONSE TO THE
PUBLIC ACCOUNTS COMMITTEE REPORT NO. 73
DATED FEBRUARY 2020**

**REPORT ON THE RESULTS OF VALUE FOR
MONEY AUDITS
(Report No. 70)**

MATTERS OUTSTANDING

Consumer protection against unfair trade practices, unsafe goods, and short weights and measures

(Chapter 2 of Part 4 of PAC Report No. 70)

The Consumer Council has been taking follow-up actions as appropriate to address the recommendations of the Audit Commission (Audit). A summary of the updated progress of the outstanding item is set out in the

Encl. 1

Enclosure 1.

Government's efforts in managing excavation works on public roads

(Chapter 4 of Part 4 of PAC Report No. 70)

2. The relevant Bureaux/Departments (B/Ds) have taken appropriate follow-up actions to address the outstanding recommendations made by the Audit.

Exploring the use of Common Utility Enclosures (CUEs)

3. The Highways Department (HyD) has been closely monitoring the progress of the consultancy study¹ to review the implementation of CUEs in new development areas in Hong Kong. The consultant completed all the tasks specified in the consultancy study, developed the procedures concerned, and is preparing the final report targeted for completion in Q2 2020. HyD will take timely follow-up actions on the findings and recommendations of the consultancy study.

¹ The major objectives of the consultancy study are to review the applicability of CUEs in new development areas and to address the construction, management, maintenance, operation, security, safety and legal liability issues for recommending a practical implementation framework of CUEs in new development areas.

Progress made in implementing Audit's recommendations

- Encl. 2 4. A summary of the updated progress of the outstanding items is set out in the Enclosure 2. As all the follow-up actions on the recommendations had been completed, we recommend deleting this chapter from the next progress report.

**REPORT ON THE RESULTS OF VALUE FOR
MONEY AUDITS
(Report No. 70A)**

MATTERS OUTSTANDING

Management of restored landfills

(Chapter 1 of Part 4 of PAC Report No. 70A)

Encl. 3

5. The Government has been actively following up the recommendations of the Audit and the Public Accounts Committee (PAC) Reports. A summary of the progress made on the outstanding item is reported in Enclosure 3. As all the recommendations have been implemented and will be carried out on an on-going basis, we recommend deleting this part from the next progress report.

Sha Tin Section of Route 8

(Chapter 2 of Part 4 of PAC Report No. 70A)

6. The Government accepts the views and recommendations made by the Audit and the PAC on the Sha Tin Section of Route 8 and has taken follow-up actions as appropriate. The progress made is reported below.

Administration of Contracts A, B and C

7. In response to the recommendations of the Audit and the PAC of the Legislative Council (LegCo) regarding the administration of Contracts A, B and C, HyD and the Civil Engineering and Development Department have been implementing corresponding measures on strengthening vetting of a consultant's design, handling responses to tender queries, investigation works prior to tender invitation as well as the relevant procedures for preparing contracts and tender documents. As all the recommendations on the administration of Contracts A, B and C have been implemented or will continue to be implemented on an on-going basis, we suggest deleting these parts from the next progress report.

Usage of Sha Tin Section

8. To optimise the use of this route in order to alleviate traffic congestion between Kowloon and Sha Tin, the top priority is to address the bottleneck problem at the existing approach roads to Route 8 and to attract more motorists heading for the urban areas to use Route 8. To this end, the government completed the construction of an additional lane at the approach road from Tai Po Road (Sha Tin Section) southbound leading to Route 8 near Scenery Court in 2015,

and implemented the widening works of Tai Po Road (Sha Tin Section)² in July 2018, which is expected to be completed in 2023. In addition, the Government is implementing the investigation study of the strategic highway project of Trunk Road T4³ to confirm a detailed scope of the project and its technical feasibility. The study started in June 2018 and is expected to be completed in 2021.

9. In the meantime, the Transport Department (TD) will keep under review the bus and minibus services passing through Sha Tin Section, and the basket of factors for the introduction of new services as stated in paragraph 4.7 of the Audit Report, and will enhance the services having regard to the passenger demand for better utilisation of this road section. At present, there are 30 bus routes passing through Tsing Sha Highway. TD and the bus companies will implement six improvement items relating to bus routes via Tsing Sha Highway by phases from Q2 2020 onwards, including the introduction of new routes and enhancement of existing services. Furthermore, to better utilise the road section, TD also proposed the introduction or re-routeing of ten franchised bus routes via Tsing Sha Highway under the Bus Route Planning Programme 2020-2021. Besides, the restriction on red minibuses to operate via Sha Tin Section of Tsing Sha Highway has been relaxed since 20 October 2019. The operators of red minibuses have introduced services plying between Tai Po and Tsuen Wan via this road section.

10. As all the recommendations regarding the usage and management of Sha Tin Section have been implemented or will be followed up in other context on an on-going basis, we suggest deleting this part from the next progress report.

Management of Management, Operation and Maintenance (MOM) Contract for Sha Tin Section

11. A Government Monitoring Team (GMT), comprising officers from TD, HyD, the Electrical and Mechanical Services Department (EMSD) and the Architectural Services Department (ArchSD), has been implementing the recommendations on the management of the MOM contract for Sha Tin Section on an on-going basis. The GMT will continue to strive for better management of the MOM contract for the Tsing Sha Control Area. In view of this, we suggest deleting these parts from the next progress report.

Progress made in implementing Audit's and PAC's Recommendations

12. A summary of the progress of implementing Audit's and PAC's recommendations is set out at Enclosure 4.

Encl. 4

² The project comprises the widening of the section of Tai Po Road (Sha Tin Section) between Sha Tin Plaza near Sha Tin Rural Committee Road and Man Wo House of Wo Che Estate near Fo Tan Road from a dual two-lane carriageway to a dual three-lane carriageway.

³ The project comprises construction of a strategic road connecting Tsing Sha Highway and Shing Mun Tunnel Road in the west and Sha Tin Road in the east, so as to provide a road link with dual two-lane carriageway between West Kowloon/Tsuen Wan and Ma On Shan/Sai Kung.

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

MATTERS OUTSTANDING

Monitoring of charitable fund-raising activities
(Paragraphs 3 to 5 of Part 3 of PAC Report No. 71)

13. Government departments concerned have been following up on the recommendations made by the Audit and the PAC on the monitoring of charitable fund-raising activities. The progress made is reported below.

14. Home Affairs Bureau (HAB) has been assigned to co-ordinate inputs from relevant B/Ds in formulating a response to the Law Reform Commission (LRC)'s recommendations for the Government's overall consideration. Following the coordination by HAB and with reference to the recommendations in the LRC Report, Audit Report as well as in the PAC Report, the Government has introduced a series of administrative measures relating to charitable fund-raising activities in phases with effect from 1 August 2018 and 1 April 2019. A summary of the latest progress on the implementation of the recommendations of Audit and PAC is set out at Enclosure 5.

Encl. 5

Management of squatter and licensed structures
(Paragraphs 6 to 9 of Part 3 of PAC Report No. 71)

15. The Government has been taking follow-up actions as appropriate to address Audit's recommendations. A summary of the updated progress of the outstanding items is set out in Enclosure 6.

Encl. 6

Kai Tak Cruise Terminal
(Paragraphs 10 and 11 of Part 3 of PAC Report No. 71)

16. The Tourism Commission together with relevant Government departments has implemented in full all the recommendations made by the Audit regarding Kai Tak Cruise Terminal and the overall cruise tourism development in Hong Kong. As such, we recommend deleting this item from the next progress report.

Management of projects financed by the Lotteries Fund
(Paragraphs 12 and 13 of Part 3 of PAC Report No. 71)

17. Regarding the assignment of the social centre for the elderly to the Government in Case 7, the Social Welfare Department (SWD) has been urging closely, through the Government Property Agency (GPA) and the Lands Department (LandsD), the grantee and the developer to complete the assignment as soon as possible. In February 2020, LandsD clarified to the grantee legal issues related to the right to assign the social centre for the elderly to the Government in response to the latter's enquiry. Besides, LandsD suggested refining the conditions of assignment between the developer and the grantee to clearly define the right to receive reimbursement of the project cost from SWD.

18. SWD will continue to work with GPA and LandsD with a view to completing the assignment procedure as soon as possible. Once the assignment procedure is completed, SWD will finalise the project accounts after reimbursement of the project cost.

Government's support and monitoring of charities
(Paragraphs 3 to 5 of Part 4 of PAC Report No. 71)

19. Government departments concerned have been following up on the recommendations made by the Audit and the PAC on Government's support and monitoring of charities. The progress made is reported below.

Administration of land granted to charities for operating welfare/social services

Monitoring of application and proper use of income generated from hostel/serviced residence on site granted by private treaty grant (PTG)

20. Among the eight cases named in the Audit Report in which the leases specifically permitted the running of hostel/dormitories, relevant B/Ds confirmed that they were satisfied with the current use or operation of hostels/dormitories under Leases F, G, H, I, J, M and N. As regards Lease L, LandsD has been closely following up with the grantee for an early submission of further information and documents particularly those showing the use of surplus income from the grantee. LandsD in collaboration with relevant B/Ds would continue to closely follow up on the case to examine whether the use or operation of the non-profit making hostel under Lease L may be considered as satisfactory.

Regulation of Chinese temples

21. In respect of the renewal of the expired delegation agreement of the remaining one delegated temple, the Chinese Temples Committee Secretariat has been actively discussing with the delegated organisation concerned with a view to re-entering into the delegation agreement as soon as possible.

Way Forward

22. The LRC made recommendations on the regulation of charitable organisations and charitable fund-raising activities in its Report in December 2013. As the recommendations touch upon the duties and responsibilities of a number of Government B/Ds, HAB has been assigned to co-ordinate inputs from relevant B/Ds for formulating a response to LRC's recommendations. HAB has been actively following up the co-ordination and has made reference to the recommendations in the Audit Report No. 68 as well as in the PAC Report No. 68A. In this regard, the Government has introduced a series of administrative measures with effect from 1 August 2018 and 1 April 2019 respectively with a view to enhancing the transparency of charitable fund-raising activities, safeguarding the interests of donors and facilitating the conduct of fund-raising activities. A summary of the progress of the items which the Government is following up is set out at Enclosure 7.

Encl. 7

Provision of district council funds for community involvement projects (Paragraphs 6 to 9 of Part 4 of PAC Report No. 71)

23. The Home Affairs Department (HAD) has taken actions to follow up on the recommendations of the Audit and the PAC on management of conflicts of interest in community involvement projects by issuing guidelines on "other declarable interests" (the Guidelines) and good practice in handling declaration of interests and making rulings at meetings by Chairpersons (the Good Practice) to District Council (DC) Secretariats. As at 13 March 2020, all 18 DCs have adopted the Guidelines and the Good Practice. As the recommendations have been implemented, we recommend that this part should be deleted from the next progress report.

Fresh food wholesale markets (Paragraphs 6 and 7 of Part 5 of PAC Report No. 71)

24. The Food and Health Bureau and the Agriculture, Fisheries and Conservation Department (AFCD) have been actively following up the recommendations in the Audit Report, and are liaising with relevant departments and stakeholders to take actions to address the improvement items as recommended by the Director of Audit in relation to various aspects. A summary of the progress made is reported in the Enclosure 8.

Encl. 8

Hong Kong Academy for Performing Arts

(Paragraphs 8 and 9 of Part 5 of PAC Report No. 71)

- Encl. 9 25. The Government and the Hong Kong Academy for Performing Arts (HKAPA) generally accept the recommendations made by the Audit and the PAC of the LegCo. HAB and the HKAPA have continued to take appropriate actions to take forward Audit's recommendations. Details of the progress made are set out at Enclosure 9.

Management of water supply and demand

(Paragraphs 10 and 11 of Part 5 of PAC Report No. 71)

- Encl. 10 26. The Water Supplies Department (WSD) has been taking follow-up actions as appropriate to address Audit's recommendations. A summary of progress of the outstanding items is set out in Enclosure 10.

Planning, construction and redevelopment of public rental housing flats

(Paragraphs 12 to 14 of Part 5 of PAC Report No. 71)

- Encl. 11 27. The Housing Department has taken appropriate actions to follow up on the subjects reported to PAC of the LegCo. A summary of the progress of implementing the recommendations is set out at Enclosure 11. As all the recommended measures have been completed or will be implemented on an on-going basis, we recommend that this part should be deleted from the next progress report.

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

(Paragraphs 15 and 16 of Part 5 of PAC Report No. 71)

28. The Government has continued to urge the United Nations High Commissioner for Refugees (UNHCR) to make renewed efforts to appeal to the international community for donations with a view to settling the outstanding advances, which remain at \$1,162 million. The Security Bureau (SB) reiterated again by letters to the Hong Kong Sub-office of the UNHCR in March and August 2019 and in March 2020, as well as at a meeting with the Representative of UNHCR in China in December 2018 the Government's stance and registered the Hong Kong community's expectation of an early recovery of the outstanding advances.

29. The Government noted the PAC's concern about the progress of recovery of the outstanding advances, and that it had already referred the matter to the Panel on Security for further follow-up. SB has brought such concern to UNHCR's attention in its letters issued in March and August 2019 and March 2020 as well.

30. The PAC suggested to the Panel on Security in March 2020 that the Government should re-consider writing off the outstanding payment. The Government is considering the suggestion.

Small house grants in the New Territories

(Paragraphs 21 to 23 of Part 5 of PAC Report No. 71)

31. The Court of First Instance of the High Court (CFI) handed down a judgment and subsequent orders on a judicial review of the small house policy on 8 April and 30 April 2019 respectively. The CFI ruled that the Free Building Licence and Land Exchange arrangements for building small houses on private land under the policy, being the lawful traditional right and interest of the indigenous inhabitants of the "New Territories" within the meaning of Article 40 of the Basic Law, are lawful and constitutional, while the PTG and Land Exchange arrangements for building small houses on government land under the policy are not. The CFI also stated that the judgment would take effect on 8 October 2019. Since the judgment involves the interpretation of Article 40 of the Basic Law which is of constitutional importance, having considered legal advice, the Government lodged an appeal on 9 July 2019 with the Court of Appeal against the CFI judgment. The hearing of the appeal has been scheduled to be held in August 2020.

32. Since the judgment took effect, LandsD has suspended the processing of the applications already received for building a small house on government land by way of PTG and Land Exchange arrangements. The receipt of new applications for these two types of grants has been suspended since 8 April 2019. Pending the results of the appeal, the aforesaid arrangements will be maintained.

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

(Paragraphs 24 to 26 of Part 5 of PAC Report No. 71)

Review of the Private Recreational Lease (PRL) Policy

33. An inter-departmental working group convened by HAB completed the policy review on PRL in March 2018 and made the following recommendations –

- (a) handling the leases held by “community organisations” and “private sports clubs” differently and granting new special purpose leases (instead of PRLs) to sports and recreational sites held by “community organisations”;
- (b) continuing to handle the sites held by private sports clubs under PRL policy but the lease conditions should be significantly modified to better meet the dual needs of supporting sports development and optimising land use;
- (c) taking into account the contribution of private sports clubs in promoting sports development in Hong Kong when considering the renewal of their leases upon expiry;
- (d) requiring private sports clubs suitable for lease renewal to pay a concessionary premium to be set at one-third of the Full Market Value land premium;
- (e) requiring private sports clubs to further open up their facilities to eligible outside bodies up to 30% of their total sports capacity and partner with sports organisations to organise sports programmes that can be open for enrolment by individual members of the public with a minimum sports programme hours of 240 per month;
- (f) drawing up the list of allowable sports supporting facilities and ancillary facilities for PRLs;
- (g) enhancing the monitoring of PRLs and the corporate governance of the lessees; and
- (h) defining the principles in approving applications for new sites for sports and recreational use.

34. HAB launched a six-month consultation on 20 March 2018 to solicit views from the public and stakeholders on the recommendations of the review. During the public consultation, a total of 4 250 submissions were received. The public consultation report is available at HAB’s website (https://www.hab.gov.hk/en/publications_and_press_releases/consultation_prls.htm).

35. HAB briefed the LegCo Panel on Home Affairs on the outcome of the public consultation on 25 February 2019. In handling the leases which have expired or will soon expire, the Government will add relevant conditions in the new leases, including requiring private sports clubs to further open up their sports and

recreational facilities and enhancing the monitoring on PRLs and corporate governance of the lessees in accordance with items (a) to (c) and (e) to (h) in paragraph 33 above. As regards item (d) on the charging of concessionary land premium, it will be implemented starting from 2026-27. HAB is studying and making reference to the views gathered during the public consultation to follow up and finalise the detailed arrangement to implement the recommendation.

Implementation of the “opening-up” requirement

36. HAB placed a round of advertisements in the print media in July 2019 to encourage eligible bodies to make use of sport facilities operated by PRL lessees. It will place another round of advertisements in Q2 2020 and continue to identify appropriate platforms to promote the opening-up schemes.

Monitoring of compliance with lease conditions

37. HAB has been monitoring the utilisation rates of sports facilities on PRL sites, in particular with regard to the implementation of the opening-up schemes. It will continue to conduct annual inspections of PRL sites held by 24 private sports clubs to ensure their compliance with the approved opening-up schemes.

38. LandsD, in consultation with HAB and other relevant B/Ds, has completed all the required follow-up actions on cases of irregularities and suspected non-compliance with lease conditions identified in the Audit Report No. 61. LandsD has also conducted site inspections of PRLs where lease renewal is not yet due and will follow up in consultation with HAB as appropriate.

39. The Government has concluded the PRL policy review and implemented all Audit’s and PAC’s specific recommendations. We thus recommend deleting the item “Direct land grants to private sports clubs at nil or nominal premium” from the next progress report.

Management of roadside skips

(Paragraphs 27 to 29 of Part 5 of PAC Report No. 71)

40. With the co-ordinated actions of the Joint Working Group on Management of Roadside Skips⁴ (JWG), the Government continues its efforts to enhance the management and control of roadside skips.

⁴ The JWG is led by the Environment Bureau and the Environmental Protection Department and comprises the Development Bureau, the Transport and Housing Bureau, the Food and Environmental Hygiene Department (FEHD), HyD, the Hong Kong Police Force, LandsD, TD, and HAD (on a need basis).

Encl. 12

41. A summary of the progress of implementing the Audit's recommendations is at Enclosure 12. As the recommendations stated in the Director of Audit's Report 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.

Provision of long-term care services for the elderly

(Paragraphs 30 to 32 of Part 5 of PAC Report No. 71)

42. The Government has been taking actions to actively follow up on the recommendations of the Audit on strengthening the provision of long-term care services for the elderly. In the light of the PAC's wish to be kept informed of updates on the subject as stated in its Report No. 73, we highlight the latest developments as follows.

43. On supporting ageing in place of frail elderly persons, the Government will provide an additional 3 000 service quota under the Integrated Home Care Services (Frail Cases) in total in 2020 and 2021, which represents an increase of around 29% compared to 10 365 home care places at present. The Government will also provide 1 000 additional Community Care Service Vouchers in 2020-21, bringing the total to 8 000, to provide services for more elderly persons in need.

44. On residential care services, the Government has been implementing 51 development projects since 2019-20 to gradually provide, inter alia, about 7 100 subsidised and non-subsidised residential care places. The Government will also continue to purchase additional EA1 places from eligible residential care homes for the elderly under the Enhanced Bought Place Scheme to provide an additional 5 000 subsidised residential care places in phases from year 2019-20 onwards.

Looking ahead

45. The Government will implement the above initiatives for the provision of elderly services on an ongoing basis. We suggest this item be deleted from the next progress report.

Administration of the air traffic control and related services

(Paragraphs 33 to 36 of Part 5 of PAC Report No. 71)

46. The Civil Aviation Department (CAD) fully commissioned the new Air Traffic Management System (ATMS) on 14 November 2016 and has properly handled the teething issues identified. The ATMS has been operating smoothly for over three years up to now. It has been providing round-the-clock air traffic services in a safe, reliable and smooth manner during the period.

47. In 2019, the total number of aircraft movements handled by the ATMS increased by 3.1% as compared with 2018, affirming the performance of the ATMS and professional performance of frontline air traffic control officers and technical personnel. The ATMS also successfully handled the increased air traffic during the traditional busy travel periods. During the peak air traffic flow of the Lunar New Year, the ATMS handled 2 495 flights on 23 January 2020, setting a new single-day record.

48. Besides, since the full commissioning of the system, during the period when the Hong Kong International Airport recovered from the impact of various super typhoons and tropical storms, the ATMS performed satisfactorily and no irregularity was detected. All these demonstrate the capability of the ATMS in overcoming the challenges brought by adverse weather and clearing the traffic backlogs caused by severe weather.

49. The Transport and Housing Bureau and CAD will continue to closely monitor the performance of the ATMS and optimise the system and enhance system functionality in order to cope with the air traffic demand.

50. As all the recommendations from the Audit and the PAC on ATMS have been implemented, we recommend deleting this part from the next progress report.

Use and disposal of vacant school premises

(Paragraphs 37 to 40 of Part 5 of PAC Report No. 71)

Allocating vacant school premises (VSP) for educational or other uses

51. In respect of the remaining one VSP on private land that was not earmarked for any use, the Education Bureau (EDB) was discussing with the school sponsoring body on the surrender of the VSP.

52. For the 49 VSP under LandsD's purview, as at end December 2019, no follow-up action was required by the Administration in terms of pursuing alternative land use for four cases which had been approved for short term uses/would soon be deployed for long term use. Another four VSP were located on private land with a cessation/diminution of user clause in the land lease and LandsD was processing proposals submitted by the lessees for other uses. Among the remaining 41 VSP on government land, LandsD was processing planned uses from B/Ds or short-term tenancy/private treaty grant applications in respect of 27 VSP, and had included/would include 11 VSP in the list of vacant government sites available for application for short-term uses on the "GeoInfo Map" Website. The remaining three VSP were not available for short-term uses for the time being due to technical reasons, such as possible slope problems, and their situations were kept under review.

Handling cases of VSP not surrendered

53. As at end-January 2019, among the 41 VSP the physical possession of which have not been delivered to the Government after cessation of school operation which warrant further action, 19 were under EDB's purview. Of the 19 VSP, 18 were being used for educational purposes. EDB has allocated the remaining VSP to another school for reprovisioning purpose upon redevelopment and would take forward the school building project according to the established procedures.

54. Regarding the other 22 VSP, as at end December 2019, six VSP were reused for school and other educational purposes (hence in compliance with lease conditions); and LandsD had repossessed eight VSP and would continue to recover possession of two VSP and process the proposals submitted by the lessees/occupiers for other uses in respect of six VSP.

55. EDB was discussing with the school sponsoring body with regard to Case 6 in Audit Report No. 65. In respect of the other VSP arising from reprovisioning which was on both private land and government land, the required carving-out works have been completed. The school portion on private land was retained by the land owner while the school portion on government land has been redeployed for use by another school.

Access to information about VSP available for application for short-term uses

56. The list of VSP (amongst other vacant government sites) under LandsD's management and available for application for short-term uses was uploaded onto the "GeoInfo Map" Website and would be updated on an on-going basis. Non-governmental organisations (NGOs) or social enterprises might submit applications for renting such sites for community, institutional or non-profit making uses on a short-term basis.

57. Since the follow-up actions have either been completed or are being taken on an on-going basis to put the VSP to gainful use wherever practicable, we recommend deleting this item from the next progress report.

Joint-office operation on water seepage in buildings
(Paragraphs 43 to 45 of Part 5 of PAC Report No. 71)

58. Subsequent to the Government's last report on 15 May 2019, the Joint Office (JO) formed by the FEHD and the Buildings Department (BD) continued to actively follow up the recommendations by the Audit in a bid to implement the recommendations as far as practicable. The latest progress is reported below.

59. JO has completed enhancement of the essential functions of the Water Seepage Reports Management System (management system), so as to generate letters, minutes and referral memos to BD and WSD, as well as perform data analysis and compile management reports. JO has also completed inputting data of report cases into the management system, and is testing accuracy of the management system in compiling management and statistical reports.

60. Since the second half of June 2018, JO has applied new testing technologies, such as infrared thermography and microwave tomography, in three pilot districts (i.e. Kowloon City, Wanchai, and Central and Western), where applicable. With experience gained and data obtained through pilot application of the new testing technologies, JO has since September 2019 extended application of the new testing technologies to five other pilot districts (i.e. Sham Shui Po, Kwai Tsing, Tuen Mun, Tai Po and North District). JO is refining the technical guidelines and procedures relating to the use of the new testing technologies and is planning to gradually extend such technologies to other pilot districts.

61. Taking into account Audit's recommendations, JO has implemented a series of improvement measures. As all the follow-up actions have been taken or will be carried out on an on-going basis, we recommend that this item be deleted from the next progress report.

Hospital Authority's management of public hospital projects
(Paragraphs 51 and 52 of Part 5 of PAC Report No. 71)

62. The Government and the Hospital Authority have taken follow-up actions on management of hospital projects and commissioning of hospital facilities as reported to the PAC. These include incorporating standard provisions related to unrecorded utilities, noise and vibration into new construction contracts, and increasing the utilisation of major equipment in the North Lantau Hospital (Phase 1) etc. As all the recommended measures have been completed or will continue to be implemented on an on-going basis, we recommend deleting this part from the next progress report.

Regulation of non-franchised bus and school private light bus services
(Paragraphs 53 and 54 of Part 5 of PAC Report No. 71)

63. Having regard to the views and recommendations made by the Audit and the PAC on the regulation of non-franchised bus and school private light bus services, the Government has taken follow-up actions as appropriate. The latest progress made is reported below.

Administration of Licensing Requirements

64. TD has communicated with the trade in respect of the proposal of tightening the requirements on service contracts provided for each service endorsement, and reached a consensus with the trade on the need to allow flexibility in vehicle deployment to minimise the impact on service users resulting from the tightened requirement on the vehicle number. Upon the renewal of individual service endorsement of a Passenger Service Licence (PSL), the trade has to provide service contract(s) to justify the number of vehicles applying for service endorsement. Specifically, the number of vehicles stipulated in the service contract(s) submitted should be at least 50% of the number of vehicles applying for service endorsement. The measure concerned, which involves the re-engineering of administrative workflow, was implemented in the fourth quarter of 2019.

65. Meanwhile, TD is considering the proposal of aligning the validity periods of PSL Certificates and related PSLs, and the legislative timetable.

Regulatory controls over unauthorised operations

66. In order to deter PSL holders from avoiding sanction(s) through transferring out all the vehicles under the PSL, TD proposes to enhance the existing regulatory framework and is consulting the Department of Justice (DoJ) on the details. Subject to DoJ's advice, TD will commence the required preparation work in the second quarter of 2020.

67. TD has, in consultation with DoJ and the Hong Kong Police Force, completed a review on the applicability and effectiveness of possible additional enforcement tools (including the use of fixed penalty tickets or summons) to tackle cases of non-franchised buses breaching the PSL conditions. It is recommended that we maintain the current practice to hold inquiries and to temporarily suspend, vary and cancel a PSL as the penalty, which has more deterrent effect than other enforcement tools.

Progress made in implementing Audit's recommendations

68. A summary of the latest progress of implementing Audit's recommendations is set out at Enclosure 13.

Encl. 13

Operation of the Land Registry

(Paragraphs 55 and 56 of Part 5 of PAC Report No. 71)

69. The Land Registry and the relevant B/Ds have been following up on the Audit recommendations regarding operation of the Land Registry. A summary of the progress of the outstanding items is set out in the Enclosure 14.

Encl. 14

Provision of government office accommodation and utilisation of government sites

(Paragraphs 59 and 60 of Part 5 of PAC Report No. 71)

70. The GPA has taken appropriate actions to follow up on the recommendations made by the Audit on the provision of government office accommodation and utilisation of government sites. A summary of the progress made is set out at Enclosure 15.

Encl. 15

Administration of lump sum grants by the Social Welfare Department

(Paragraphs 3 to 5 of Part 6 of PAC Report No. 71)

71. The Government accepts the views and recommendations of the Audit and the PAC regarding the administration of lump sum grants (LSGs) by SWD, with follow-up actions taken as appropriate. Further to the report on 31 October 2019, the progress made is reported below.

Financial monitoring

72. In respect of the monitoring of the financial position of NGOs subvented by SWD, SWD will continue to monitor their compliance with the relevant requirements stipulated in the LSG Manual and the Best Practice Manual. SWD will also continue to review the Annual Financial Reports and annual audited financial statements submitted by NGOs to ascertain the soundness of their financial position.

73. Regarding the cost apportionment arrangement, SWD will continue to study the matter through the Task Force for Review on Enhancement of LSG Subvention System, and draw up a set of cost apportionment guidelines on the use of LSG subvention, including a reasonable and appropriate apportionment arrangement for operation costs between Funding and Service Agreement (FSA) activities and non-FSA activities, for NGOs' reference. SWD will also continue to render guidance to individual NGOs on the cost apportionment arrangement where necessary.

Monitoring of service delivery by SWD

74. SWD has been collaborating with the operators of individual services to review the reasons for underperformance in service delivery and identify improvement measures. SWD has extended the scope of eligible service users in order to boost the service utilisation rate, and refined the definition and calculation method of service outputs to cover some direct and indirect service hours. With a view to optimising the use of public money, SWD has refined the subvention calculation principle of individual services by cutting short the subvention review cycle of the services concerned.

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

Encl. 16 75. A summary of the latest progress in the implementation of the specific recommendations of Audit and PAC is at Enclosure 16.

Centre for Food Safety: Management of food safety
(Chapter 1 of Part 9 of PAC Report No. 71)

Encl. 17 76. The Centre for Food Safety of the FEHD has implemented measures to follow up on the recommendations of the Audit and the PAC. A summary of the progress of the remaining issue is set out in the Enclosure 17.

Management of signboards by the Buildings Department
(Chapter 4 of Part 9 of PAC Report No. 71)

Encl. 18 77. The BD has taken appropriate follow-up actions to implement the recommendations made by the Audit. The latest progress is set out at Enclosure 18.

Radio Television Hong Kong: Provision of programmes
(Chapter 5 of Part 9 of PAC Report No. 71)

78. Radio Television Hong Kong (RTHK) and the EDB have continued to follow up proactively on the views and recommendations of the Audit regarding the provision of programmes by RTHK since the submission of the Progress Report in October 2019. The latest progress is reported below.

Production of Programmes

79. RTHK has conducted the first focus group study for the Community Involvement Broadcasting Service (CIBS) and the commissioning of television (TV) programmes in November 2019 and January 2020 respectively, to collect views from the participants, listeners and audience on how to enhance awareness of relevant programmes as well as promotion, etc. RTHK will conduct the studies on a regular basis. On the basis of the views collected from the focus group studies, RTHK will formulate more appropriate arrangements and strategies for CIBS and the commissioning of TV programmes.

Broadcasting of Programmes and New Media Services

80. For content licensing, RTHK has stepped up relevant promotional strategies, including exploring more diversified markets, such as promotion to airline companies, and participating in more international TV programme showcases to promote RTHK's programmes. RTHK will continue to evaluate the effectiveness of these measures in a timely manner, and will further refine the marketing strategies as and when required.

Evaluation of Programmes and Other Administrative Issues

81. Regarding the procurement procedures for the Radio Audience Surveys and the TV Programmes Appreciation Index (TVAI) Surveys, RTHK has completed the review and removed the mandatory requirements imposed on the service providers and enhanced the marking schemes to ensure that the procurement procedures are in compliance with the Government's procurement regulations (including the pro-innovation government procurement policy). RTHK plans to adopt the revised procurement procedures and marking schemes in 2020-21 for the new round of Radio Audience Surveys and TVAI Surveys.

82. Furthermore, RTHK has commissioned a survey organisation in November 2019 to conduct the "RTHK TV Channel Penetration Survey" to collect information and data on the penetration/take-up patterns of the digital terrestrial television channels, viewing habits and preferences of the audience, with a view to ascertaining the reasons for low ratings. The survey concerned is still in progress. In early 2020, RTHK has made use of a social media analytical tool to collect cross-media data (including webpages and mobile devices) for live webcast and rerun programmes with a view to obtaining information on the number of viewers of RTHK's programmes in a more comprehensive manner.

83. RTHK will further collect detailed data of programme ratings to ascertain the reasons for low ratings, take measures to improve popularity of TV programmes and formulate targets/standards for programme quality and awareness of programmes of different categories.

Evaluation of School Educational Television Programmes (ETV)

84. ETV service will be repositioned. The future direction of EDB will be producing more diverse multimedia resources in support of learning and teaching through engagement of service providers in the market. Therefore, EDB will forge a more flexible relationship with RTHK. In future, RTHK could be one of the service providers which EDB would engage on a need basis. In this connection, with effect from 2020-21, EDB will cease to provide annual funding to RTHK for production of certain number of ETV programmes.

85. Although there will be a change in the collaboration relationship between RTHK and EDB on the production of ETV programmes, under the new mode of production, RTHK will continue to make good use of resources, strictly contain the production cost and streamline production process, so as to enhance the productivity of its production staff.

Progress Made in Implementing Audit's Recommendations

Encl. 19 86. A summary of the latest progress in the implementation of the specific recommendations of Audit is at Enclosure 19.

Barrier-free access facilities at government premises
(Chapter 6 of Part 9 of PAC Report No. 71)

87. The Government agrees with all the recommendations made by the Director of Audit. Relevant B/Ds have taken appropriate follow-up actions on them. The follow-up actions taken on the outstanding items as reported in the progress report of October 2019 are set out below.

BD's work in updating the Design Manual

88. The Technical Committee on Design Manual: Barrier Free Access has discussed all 28 items (involving proposals for improving the Design Manual) as mentioned in PAC Report No. 71. Follow-up actions are in progress. The BD will continue to review and update the Design Manual on an ongoing basis.

Management of retrofitting works for barrier-free facilities at government premises

89. ArchSD will continue to improve project administration for retrofitting works. In this regard, ArchSD has reviewed and revised the operational procedure to enhance the control mechanism on the issuance of works orders. ArchSD has also issued a reminder to ask project officers and consultants to make more accurate cost estimates for works orders.

90. In collaboration with FEHD, ArchSD has completed 12 projects under the Public Toilet Refurbishment Programme. ArchSD will continue to work closely with FEHD to take forward the remaining two projects as soon as practicable.

Summary of progress made in implementing Audit's recommendations

Encl. 20 91. A summary of the latest progress made in implementing Audit's recommendations is at the Enclosure 20.

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

MATTERS OUTSTANDING

Centre for Food Safety: Import control of foods
(Part 4 of PAC Report No. 71A)

Encl. 21

92. The Centre for Food Safety of the FEHD has implemented measures to follow up on the recommendations of the Audit and the PAC. A summary of the progress of the remaining issue is set out in the Enclosure 21. As all the recommendations have been implemented or will be carried out on an on-going basis, we recommend deleting this part from the next progress report.

REPORT ON THE RESULTS OF VALUE FOR MONEY AUDITS (Report No. 73)

Chapter 1 – Planning, provision and management of public toilets by the Food and Environmental Hygiene Department

93. The Government welcomes the comments of the PAC and the Audit on FEHD's planning, provision and management of its public toilets and agrees with their recommendations as a whole. We have taken proactive follow-up actions to implement some of the PAC and Audit recommendations, and are now exploring the implementation of the remaining ones as far as practicable.

94. FEHD has taken the initiative to gradually upgrade public toilets under its management in recent years, as well as planning and constructing new public toilets as appropriate to cater for the needs of the public.

95. For recommendations on the planning of public toilets, FEHD will review its guidelines and criteria on construction and reprovisioning of public toilets. In reviewing the adequacy of public toilets at tourist spots, FEHD will communicate with the Tourism Commission with a view to serving the needs of tourists and to listen to the views of the industry on the refurbishment or facelifting works of the public toilets at major tourist spots. Furthermore, FEHD will rationalise the procedures of public consultation with a view to minimising works delay.

96. As for refurbishment of public toilets, FEHD has been carrying out refurbishment works for public toilets under its management. After the review on overall progress of the Public Toilet Refurbishment Programme (PTRP) conducted in 2018, the Enhanced Public Toilet Refurbishment Programme (Enhanced PTRP) was formulated in the same year. Under the Enhanced PTRP, we have further divided the improvement works of the public toilets into two subtypes of works, namely refurbishment and facelifting works (facelifting projects mainly include replacement of aged facilities and installation of new features, with the prevailing layout and exterior wall remaining unchanged). Our aim is to shorten the overall timeline for implementing a refurbishment project to about two to three years while a facelifting project would take about one to 1.5 years to complete.

97. It was announced in the 2019-20 Budget that the Government would make an additional allocation of over \$600 million to implement the Enhanced PTRP, under which FEHD will roll out the refurbishment or facelifting works for about 240 public toilets under its management by phases in five years as from 2019-20, so as to improve their facilities and hygiene condition. FEHD has been working closely with ArchSD and the refurbishment or facelifting projects for 42 public toilets in the first year have progressively commenced. Among them, ten facelifting projects were completed. We have included 49 public toilets in the Enhanced PTRP in 2020-21 and are planning to include some public toilets with high utilisation rates in 2021-22. FEHD will prioritise the remaining public toilets for inclusion in the Enhanced PTRP having regard to their utilisation rates, locations and maintenance conditions of facilities, as well as the time lapsed since they were constructed or last refurbished, with special attention to those with high utilisation rates and in ageing conditions. Subject to the progress of the Enhanced PTRP, FEHD will consider bidding for additional resources to expedite the refurbishment of the remaining public toilets in due course.

98. Regarding the provision of accessible unisex toilets (AUT) to the existing 418 public toilets, ArchSD has conducted the feasibility study for 411 public toilets and found them infeasible due to various reasons including site constraints, local objections and complicated land issues. As for the remaining seven public toilets, two public toilets had been included in PTRP, and ArchSD is expected to complete the feasibility study for the remaining five public toilets by July 2020. For public toilets included in the PTRP and Enhanced PTRP which are without AUT, the Working Group on Upgrading of Public Toilets will regularly review the situation of the public toilets concerned and AUT will be provided as far as possible when the technical issues are resolved.

99. ArchSD will strengthen the monitoring of public toilet projects so that they can be completed timely. The strengthened measures include monitoring the works progress and resources deployed by the contractors, and holding additional progress meetings with contractors. When the works progress is slow, ArchSD will conduct high-level management interviews and duly reflect the contractor's performance in its quarterly performance report.

100. On expediting the implementation of public toilet works projects, ArchSD will continue to work in collaboration with FEHD for early application for land allocation, rationalising public consultation procedures and expediting design vetting, and will strengthen the monitoring of consultants and contractors to ensure that the projects can be completed timely.

101. To avoid water main connection works causing delays to public toilet works projects, and to ensure the requirements of the Waterworks Ordinance are complied with, ArchSD will gather record of water mains in the vicinity of the site and carefully review the site constraints affecting the proposed water main connection routing. ArchSD will also liaise with WSD and other relevant department(s) (e.g. LandsD if land issues are involved) for planning of water main connection at the early inception stage of the toilet project in case any difficulty is envisaged.

102. For the conversion works of aqua privies into flushing toilets, ArchSD will continue to provide timely technical support to FEHD to expedite the completion of the remaining conversion projects as far as practicable.

103. FEHD is enhancing the efforts and efficiency of public toilet management and maintenance by continuing to make good use of technology and stepping up collaboration with relevant departments (ArchSD and EMSD). Specific measures include provision of dedicated deep cleansing teams for public toilets in all districts on top of routine cleansing services, assessing the demand for and usage pattern of public toilets by counting the number of users of public toilets under FEHD's management with the use of infrared sensor counting technology, pilot schemes to enhance air quality and other facilities in public toilets, etc.

104. FEHD is actively exploring new facilities and technologies outside Hong Kong for improving public toilet facilities through various channels including the internet, reaching out to the market suppliers and service providers, and conducting overseas visits. Besides, ArchSD is exploring the use of the innovative "Design for Manufacture and Assembly" method on public toilet works projects for off-site fabrication of some toilet components such as prefabricated wall panels with urinals, modular cabinets with integrated wash basins and sanitary fittings, etc. so as to minimise on-site assembly works and expedite works progress, and shorten the closure period of the toilets during the works.

105. Since March 2020, FEHD has applied the newly developed mobile application "minor works order record system" to make repair requests to ArchSD and EMSD, as well as to track the progress and enhance the efficiency of repair works. Separately, ArchSD, in collaboration with FEHD, is conducting an analysis on repair requests relating to public toilets and aqua privies reported in the Audit Report. The findings will be available in the second quarter of 2020. In the light of such findings, FEHD and ArchSD will consider suitable measures to reduce the problems on repair and maintenance of public toilets. In the longer term, we will make use of mobile devices and mobile applications in the handling of repair works to collect information and statistics needed for improving the design features, installations and other provisions in public toilets.

106. To enhance the results of the maintenance and repairs of public toilets and aqua privies, in the coming new maintenance term contracts, ArchSD will require the contractors to set up a dedicated team to manage and monitor the repair and maintenance works for public toilets and aqua privies, with a view to strengthening the monitoring and quality of works. The first batch of the new maintenance term contracts with such requirement has commenced in April 2020, while the tender documents of the remaining new maintenance contracts are under preparation and are anticipated to be awarded in April 2021.

107. For public toilet attendant rooms, ArchSD will continue to work closely with FEHD, and will provide necessary technical support and assistance to FEHD to improve existing facilities as far as practicable. When selecting sites for the provision of public toilets in the future, ArchSD will be mindful of whether the selected site can accommodate attendant rooms and provide technical advice to FEHD.

108. To collect views from the users on public toilets, FEHD has put on trial the visitor feedback system at a public toilet in November 2019. It aims to collect the rating in terms of the level of satisfaction on the overall cleanliness and maintenance of toilet facilities from the toilet users. FEHD is planning to extend the trial of visitor feedback system with an enhanced version to other public toilets as appropriate to collect users' views on public toilet services with regard to cost-effectiveness and the result of the trial on Smart Toilet System, etc. Furthermore, we are positive towards the idea of gathering public views through surveys and aim to come up with a specific plan in 2020 to take forward the survey.

109. In addition to enhancing the facilities and management of public toilets, FEHD will endeavour to enhance the cleanliness of public toilets, and will continue to strengthen its efforts in public education, reminding the public to be civic-minded when using public toilets and properly use the facilities to avoid causing damage and dirtiness.

110. Taking into account PAC's and Audit's comments, FEHD and ArchSD have implemented a series of improvement measures. A summary of the progress of implementing PAC's and Audit's recommendation is set out at the Enclosure 22.

Chapter 2 – Provision of consultancy, research and development and training services by the Hong Kong Productivity Council

111. The Government and the Hong Kong Productivity Council (HKPC) accept the findings and recommendations made by the Audit and the PAC on HKPC's provision of consultancy, research and development and training services. The Innovation and Technology Commission (ITC) and HKPC have immediately taken appropriate follow-up actions to implement the recommendations. The progress made is set out below.

Provision of Consultancy and Manufacturing Support Services

112. Regarding the issue of HKPC's revision of the definition of the Key Performance Indicator (KPI) of "Number of Consultancy Projects Accepted" without informing the Council and ITC, HKPC has already made a relevant report to the Council in January 2020. In addition, ITC and HKPC have completed the review on the "Memorandum of Administrative Arrangements on the Administration of the Subvention for the Hong Kong Productivity Council" (MAA), and would specify in the revised MAA that prior agreement of the Council and the Commissioner for Innovation and Technology (CIT) has to be obtained by HKPC for any proposed change of a certain KPI or its definition or target. HKPC reported the proposed revisions to the MAA to the Council at its meeting on 25 March 2020, and the revised MAA, which was subsequently issued by HKPC to the Council for review on 8 May 2020, will be signed by ITC and HKPC after Council's endorsement.

113. Meanwhile, ITC and HKPC have, in response to Audit's and PAC's recommendations, completed a comprehensive review on HKPC's KPIs, and formulated 19 KPIs to measure and monitor HKPC's performance in various aspects more effectively. The Council endorsed the new KPIs and the corresponding targets for 2020-21 at its meeting on 25 March 2020, which were subsequently approved by CIT. The new KPIs have been implemented from 2020-21.

114. On the other hand, HKPC has taken actions to follow up on the issue of the failure of some consultancy projects to achieve full cost recovery, including adjusting the "contingency budget" as appropriate when preparing the project budget to cater for unforeseen additional costs (for example those arising from technical difficulties); strengthening project management and reminding staff to closely monitor the costs of consultancy projects to ensure that they can be completed with full costs recovered in accordance with HKPC's Standard Practice; and recording justifications for accepting projects that are expected to fall short of full-cost recovery. At the same time, in response to PAC's recommendation, ITC has reviewed whether the full cost recovery principle should be applicable to all

HKPC's activities. Taking into account HKPC's public mission, ITC considered that when HKPC accepts Government consultancy projects involving public interests, it could deviate from the principle of full cost recovery provided that specified conditions are met, in order to allow HKPC to better serve the community. For this purpose, HKPC has formulated guiding principles for accepting such Government projects, which were subsequently endorsed by the Council at its meeting in March 2020. The arrangement has been set out in HKPC's Standard Practice for staff's compliance.

115. On ensuring the timely completion of consultancy projects, HKPC introduced a new mechanism in July 2018, under which when potential delay of a project is foreseen, the project manager is required to report and explain to the management on a weekly basis. Project extension requests require full justifications and approval by the Executive Director. HKPC's management would monitor the status and instruct experts in other divisions of HKPC to provide suggestions to resolve the technical difficulties, with a view to expediting project completion.

116. Regarding the risk management of consultancy projects, HKPC has implemented various improvement measures to protect HKPC's interests having regard to Audit's and PAC's recommendations, including strengthening the review on the risk assessment of consultancy projects and inviting an external consultant to provide recommendations to improve the scoring mechanism adopted for project risk assessment; engaging an external legal consultant to conduct a comprehensive review on the provisions contained in the standard consultancy project proposal and the standard agreement signed with clients so as to revise inconsistent provisions and plug possible loopholes; clearly setting out the mutually agreed technical specifications and deliverables in the consultancy project proposal and the agreement; and seeking external legal advice on project termination arrangements (including whether there are sufficient justifications to demand reimbursement of full costs incurred from the client) for individual cases if needed.

117. On improving the operation and procedures of the provision of consultancy and manufacturing support services, HKPC has already obtained the agreement of the Independent Commission Against Corruption (ICAC) to provide trainings in 2020-21 to HKPC's staff, covering clauses in the Prevention of Bribery Ordinance applicable to public bodies, misconduct in public office, roles of staff in corruption prevention and corruption reporting channels. In addition, ICAC will conduct a review on HKPC's corporate governance in early 2021 at the invitation of HKPC.

118. As HKPC has implemented the relevant recommendations or the relevant follow-up actions will be implemented on an on-going basis, we recommend that this part be deleted from the next progress report.

Research and Development Services

119. HKPC has, in response to the recommendations by Audit and PAC, implemented various measures to strengthen the management of research and development (R&D) projects and to ensure that projects are completed and reports are submitted on schedule. In addition, in reviewing the KPIs, HKPC also took into account Audit's and PAC's recommendations, and formulated new KPIs for patents/licences/royalties and HKPC's commercialisation work, removed the KPI of "Number of on-going R&D projects", and set realistic and challenging targets for the KPIs to better reflect and improve HKPC's performance in relevant areas. The Council endorsed the new KPIs and the corresponding targets for 2020-21 at its meeting in March 2020, which were subsequently approved by CIT. The new KPIs have been implemented from 2020-21.

120. As HKPC has implemented the relevant recommendations or the relevant follow-up actions will be implemented on an on-going basis, we recommend that this part be deleted from the next progress report.

Provision of Training Programmes

121. HKPC has implemented measures to strengthen the provision of training programmes that suit the needs of the industry, to increase the income from public training programmes and to improve the performance of training programmes. For example, HKPC has revamped its marketing strategies of training services, conducted regular reviews on the performance of training programmes, stepped up the promotion of public training programmes and improved the website of the HKPC Academy. With the implementation of the measures above, the training income for 2019-20 has increased by 31% as compared with that of 2018-19.

122. Regarding the deviation of the numbers of training programmes organised from the estimates set out in the Annual Programme and Estimates, HKPC will organise training programmes according to the estimated numbers for each programme area as set out in the Annual Programme and Estimates as far as practicable, and will review and monitor the actual activities on a quarterly basis. If the numbers of training programmes deviate from the estimates, HKPC will submit full justifications to the Council and CIT for approval.

123. As HKPC has implemented the relevant recommendations or the relevant follow-up actions will be implemented on an on-going basis, we recommend that this part be deleted from the next progress report.

Way Forward of HKPC

124. In response to PAC's recommendation, HKPC is planning to conduct a review on its mode of operation, future business direction and subvention mode. The Innovation and Technology Bureau (ITB) and ITC will participate in the review and provide views.

125. ITB and ITC will maintain communication with HKPC, and continue to offer views on HKPC's development strategies through participation in the Council meetings of HKPC to ensure that HKPC's work is in line with its mission and functions and supports Government policies.

Overall Progress

126. The progress of follow-up actions taken by the Government and HKPC to implement the recommendations of Audit and PAC is set out in Enclosure 23.

Encl. 23

Chapter 3 – Governance and administrative issues of the Hong Kong Productivity Council

127. The Government and the HKPC accept the findings and recommendations made by the Audit and the PAC on HKPC's governance and administrative issues. The ITC and HKPC have immediately taken follow-up actions to implement the recommendations. The progress made is set out below.

Corporate Governance and Performance Reporting

128. ITC and HKPC have completed the review of HKPC's service focus in the MAA, by making reference to the latest Three-year Strategic Plan of HKPC (2020-21 to 2022-23) and the strategic themes thereunder as endorsed by the Council, the 2020-21 Programme and Estimates, as well as the views provided by the Audit and PAC during the audit exercise and public hearings. The updated service focus in the MAA will better align with the latest strategic plan and service focus of HKPC.

129. At the same time, HKPC and ITC have set up a formal mechanism for HKPC to report the performance of the KPIs each year to enhance HKPC's management, governance and accountability. From 2020 onwards, HKPC will submit a formal written report to ITC in June every year, in which HKPC will set out in detail its performance with respect to each KPI in the preceding financial year, and provide explanations and planned follow-up actions in respect of those KPIs not meeting the targets. CIT will review the report and respond in writing. The above arrangement will be included in the revised MAA.

130. HKPC has reported the proposed revisions to the MAA to the Council at its meeting on 25 March 2020, and the revised MAA, which was subsequently issued by HKPC to the Council for review on 8 May 2020, will be signed by ITC and HKPC after Council's endorsement.

131. In addition, HKPC will conduct a comprehensive review on the disclosure of the KPIs in its Annual Report, including making reference to the practice of other similar public bodies, and will submit the draft Annual Report to the Council for endorsement before issue in September 2020.

Human Resource Management

132. HKPC has, with regard to the recommendations of the Audit, adopted measures to improve staff turnover and to address the significant staff shortfall for some staff grades, including expanding recruitment channels, offering market-competitive remuneration packages and enhancing staff communication with senior management. In addition, HKPC obtained the ICAC's agreement in January 2020 to conduct a review on HKPC's recruitment procedures tentatively in early 2021.

133. As HKPC has implemented the relevant recommendations or the relevant follow-up actions will be implemented on an on-going basis, we recommend that this part be deleted from the next progress report.

Procurement and Other Administrative Issues

134. HKPC has, with regard to the recommendations of the Audit, adopted measures to strengthen the management of procurement and other administrative issues, including providing reports on inactive suppliers by the computer system from March 2020; increasing the number and types of fixed asset items selected for quarterly surprise stocktaking since October 2019; stepping up the promotion of its testing and laboratory services to boost equipment utilisation; updating the relevant Standard Practice to require staff to provide full justifications and seek approval from the designated authorities when submitting claims for entertainment expenses if the number of staff exceeds the number of guests; and reminding the staff to obtain prior approval for official travels outside Hong Kong before departure.

135. As HKPC has implemented the relevant recommendations or the relevant follow-up actions will be implemented on an on-going basis, we recommend that this part be deleted from the next progress report.

Overall Progress

136. The progress of follow-up actions taken by the Government and HKPC to implement the recommendations of the Audit and PAC is set out in Enclosure 24.

Chapter 4 – Control of wild and stray animal nuisances

137. The Government accepts the recommendations made by the Audit on control of wild and stray animal nuisances by the AFCD. AFCD has taken actions to follow up on the recommendations. The progress made is set out in the following paragraphs.

Control of wild animal nuisances

138. AFCD has reviewed and updated the operation manual for complaints about wild animal nuisances and briefed staff on the amendments and updates.

139. AFCD has reminded staff to document the reasons for not conducting on-site visits upon receiving complaints on wild animal nuisance and to record sufficient information in the register of wild animal nuisance. AFCD has also reminded staff of the importance to respond to complaints in a timely manner. Supervisors will regularly check the register to ensure that the cases have been handled properly.

140. AFCD has reminded staff to follow the guidelines on sterilising monkeys causing nuisance to the neighbourhood, and to document the reasons for not sterilising any captured ones. Supervisors will regularly check the records. Meanwhile, AFCD is planning to extend, from 2020 onwards, the sterilisation programme to monkeys causing nuisance which are captured outside the scheduled trapping programme of the original contraception period between September and March.

141. The monkey contraceptive programme is operated on an adaptive basis, aiming at controlling monkey nuisances in the long run without affecting the sustainability of the populations. AFCD has reviewed the existing contraceptive programme and will give the contractors flexibility to adjust the actual sterilisation target based on population status, rate of sterilisation, monkey occurrence, etc. AFCD will also introduce suitable performance indicators for the contraceptive programme for better assessment of the contractor's performance.

142. As the bulk of the monkey populations have already been sterilised to different extents, AFCD has extended the scope of the contraceptive programme to cover those causing nuisance to the residential areas near country parks since 2018. Cage traps have been deployed in monkey nuisance blackspots. The strategy is proven effective in minimising the nuisance of monkeys. AFCD is also exploring alternative strategies and equipment with a view to improving trapping success rate.

143. AFCD has laid down the criteria for selecting sites for the operations under the Capture and Contraception/Relocation Programme (CCRP) for wild pigs in the Operation Manual, to ensure that the operations will be arranged for all blackspots as far as practicable. From 2020-21, AFCD will increase the frequency of CCRP with a view to collecting adequate samples for evaluating the effectiveness of immuno-contraceptive vaccine on wild pigs.

144. AFCD has completed a pilot study on surveying the wild pig populations for population estimation. In 2020, AFCD will extend the field surveys to cover additional sites and seasons for better estimation of wild pig populations in Hong Kong.

145. AFCD established an advisory group comprising experts from various fields in October 2019 to advise on the management of wild pigs. It is expected that preliminary proposals will be available by the end of 2020. AFCD will then take the experts' views into account in assessing the feasibility of extending the feeding ban area.

Control of stray animal nuisances

146. Regarding the complaint recording system, AFCD has reminded staff to input necessary data (including the dates of replies issued) into the system at all times and comply with the guidelines on handling of stray animals.

147. AFCD will introduce regular visit arrangement to rehoming partners. Visits originally scheduled for February and March 2020 were cancelled due to the Coronavirus Disease 2019 (COVID-19) situation in Hong Kong. AFCD will resume the visits when situation permits. Besides, rehoming partners have been reminded to submit timely rehoming and sterilisation records to AFCD. In addition, AFCD will continue to pay visits to "Trap-Neuter-Return" sites periodically and review the monthly reports submitted by the programme coordinators. AFCD will continue to monitor the situation at the sites.

148. AFCD briefed the Animal Welfare Advisory Group Management of Animal Population Subgroup (Subgroup) consisting of representatives of relevant Animal Welfare Organisations and veterinarians on the stray cattle management plan and the Subgroup supported the plan. AFCD is now implementing the sterilisation plan accordingly. Furthermore, AFCD has engaged a consultant to continue to periodically review the measures in controlling the movement of cattle. AFCD will continue to explore suitable measures taking into account the advice and recommendations of the consultant.

149. The territory-wide pigeon population survey conducted by AFCD is in progress and expected to be completed by June 2020. The survey data collected will be analysed so that follow-up actions can be taken by the Government, with a view to mitigating feral pigeon nuisances.

Publicity, prosecution and other administrative issues

150. AFCD continues to step up efforts in provision of school talks and public seminars as resources permit and display banners educating the public on responsible pet ownership as well as proper control of dogs in public places, and not to feed feral pigeons at animal nuisance blackspots and pigeon congregation spots, and not to feed wild animals in feeding ban areas and wild animal nuisance hotspots. AFCD also produced new leaflets and posters on “Be Neighbour with Wild Birds” in January 2020. The materials will be distributed to the public and are also available in AFCD’s website. In addition, AFCD has shared the lists of pigeon congregation spots as well as monkey and wild pig feeding blackspots with the FEHD and Leisure and Cultural Services Department to facilitate their better monitoring and prosecution of environmental hygiene offences arising from feeding activities.

151. AFCD has reminded staff to take timely actions to instigate prosecution of offences relating to wild animals at the court and to record the reasons for any prolonged actions in taking forward prosecution cases for supervisory review. To this end, AFCD launched a new enforcement case record system under the Wild Animals Protection Ordinance (Cap. 170) to facilitate record keeping and progress monitoring in May 2019. Supervisors will regularly check the record system to ensure that the cases are being handled properly.

152. With a view to strengthening the surveillance of African Swine Fever (ASF) on wild pigs, AFCD has been working with FEHD on a pilot surveillance scheme starting from November 2019 for the testing of ASF in wild pig carcass found and reported by FEHD. The programme, initially covered area in the north of Sheung Shui, has now been extended to western and northeastern New Territories covering the vicinity of most pig farms. Cases with a large number of wild pig carcasses with abnormal death are also included. AFCD may adjust the programme after conducting further review by the end of April 2020, including whether the scope of surveillance would be extended to cover the entire New Territories.

153. Detailed progress of AFCD’s implementation of the recommendations of Audit is provided at the Enclosure 25.

Chapter 5 – Special education

154. The Government accepts the views and recommendations put forward by the Audit and the PAC on special education. Appropriate actions have been taken to follow up on the recommendations made and the progress is reported as follows.

Provision and Management of School Places and Boarding Places

155. Since the number of children with more severe or multiple disabilities to be placed in different types of special schools is relatively small and the location of their residence is scattered and random in nature, planning of special schools by locality is not pragmatic. As such, planning and provision of special schools are premised upon territory-wide rather than district-based requirements, while the location of new schools would be as widespread as possible to cater for students with various types of disabilities. The new school for children with intellectual disability (ID) in Tung Chung provides education services for children with mild ID, moderate ID and severe ID. Facilities provided for students with severe ID in the new school are similar to those needed by students with physical disability (PD). Therefore, if assessed to be suitable and with parental consent, students with PD who reside in the Outlying Islands region could also be admitted to this new school. As for students with severe ID who live in the Sha Tin and Sai Kung region, they could be placed in the schools for children with severe ID located in Tai Po and Tseung Kwan O respectively for day placement with which school bus services are provided. Should these students require boarding service, they could be placed in schools for children with severe ID that have a boarding section and are located in other districts.

156. The EDB anticipates a rising demand for places in schools for children with ID in the next few years. In this connection, the EDB has explored with schools for social development (SSDs) the feasibility of their conversion to schools for children with ID. In view of the significant differences between the two types of schools in various aspects, such as school operation, curriculum, expertise of teachers, service targets, facilities, etc., the sector considers such conversion scarcely feasible.

157. In order to make optimal use of the professional expertise of teachers in SSDs and the resources of these schools, the EDB has launched a two-year pilot scheme on special units in SSDs since the 2019/20 school year. It caters for ordinary school students with autism spectrum disorders (ASD) who display very severe adjustment problems through provision of intensive enhanced support by special units. The EDB has rolled out the pilot scheme smoothly. Educational psychologists (EPs) of the EDB are equipping the school personnel with more

evidence-based intervention strategies to support students with ASD through the arrangement of consultations, case discussions, workshops, and school network activities. The EPs also collaborate with the school personnel to design and refine the support plans for the students concerned. The EDB will evaluate the effectiveness of the pilot scheme and collect the views of major stakeholders before considering the appropriateness to expand the scale of this service in SSDs in the 2021/22 school year.

158. SSDs provide intensive support for students with moderate to severe emotional and behavioural difficulties to help them overcome transient adaptation problems in the course of development and to enhance their learning motivation and life skills, so that they can resume education in ordinary schools as soon as possible. The turnover of students in SSDs is thus higher than other types of special schools. The sector considers it incomprehensive to judge the utilisation rate of SSDs by the student enrolment at different cut-off dates within a school year. Having discussed with SSDs, the EDB is of the view that calculating the total number of students served by SSDs within different periods of a school year could reflect more fully and accurately the utilisation rate of SSDs.

159. Regarding the short-term and non-short-term adjustment programmes provided by SSDs, the EDB had collected from SSDs statistics on the duration of stay of their students and the time other students needed to complete a non-short-term programme in the last three school years. Subsequent discussions were held with the principals of SSDs on whether it was necessary to adjust the current deadlines for discharge of students and alter the calculation method for cases of prolonged stay in SSDs.

160. Some special schools have a boarding section, which is usually adjacent to the school section so that it is convenient for boarders to attend school. In principle, schooling and boarding services are provided by the same special school. In view of the keen demand for seven-day boarding places, the EDB has been communicating with the schools for children with ID that have a boarding section, in particular those offering solely five-day boarding service, to identify plausible ways to increase the provision of boarding places. The EDB will engage the schools concerned in further discussions and encourage them to actively explore the feasibility of providing seven-day boarding service in their boarding sections. The Chief Executive announced in her Policy Address 2019 that resources for special schools with seven-day boarding service would be enhanced, including the increase in the boarding sections' staffing for Saturdays and Sundays. This would increase the willingness of the schools concerned to offer more seven-day boarding places. Moreover, to address students' pressing need for seven-day boarding service, the EDB has discussed with the Hong Kong Special Schools Council (HKSSC) and the schools concerned the feasibility to accommodate students with severe ID who are awaiting seven-day boarding service with vacant five-day

boarding places temporarily upon parental consent. Yet, such an arrangement would increase the frequency of changes in students' learning and boarding environment which would be disadvantageous to students' growth and development. In addition, it would also cause parents of students who need five-day boarding service to query the priority of allocation. Therefore, the EDB would need to discuss further with the sector about the feasibility of the above suggestion.

161. All along, the EDB requires special schools with a boarding section to review the boarding needs of their boarders regularly to ensure that boarding services are provided for students with a genuine need. The EDB also sets out the above requirement clearly in the referral letters for day and boarding placement. Besides, the EDB reminds special school principals to observe this requirement at regular meetings. All special schools are well informed of the requirement and will conduct regular reviews of the boarding needs and status of their boarders in accordance with their school-based guidelines. Upon consulting the HKSSC, the EDB will draw up a practical guide to enable special schools to adopt consistent practices in reviewing the boarding needs of their boarders. The guidelines will be issued in the 2020/21 school year for implementation.

162. SWD in coordination with EDB will continue to keep in view the utilisation of boarding places at SSDs and take measures to make good use of the vacant boarding places where appropriate. With the measures taken to make good use of the vacant boarding places, the utilisation of boarding places for girls increased from 43% in school year 2018/19 to 61% in the fourth quarter of 2019. Moreover, the corresponding figure for the overall boarding places for boys and girls increased from 68% in school year 2018/19 to 75% in the fourth quarter of 2019.

Staffing of Special Schools

163. Due to a relatively short supply of human resources, various sectors (including special schools) encounter difficulties when recruiting occupational therapists (OTs) and physiotherapists (PTs). In this connection, the EDB has all along allowed special schools to freeze some of their OT and PT vacancies in exchange for cash grants to recruit temporary staff or hire related services. On top of this, the EDB will consider other viable measures to help alleviate the difficulties encountered by special schools. In addition, the EDB will continue to relay the manpower demand for OTs and PTs of special schools to the respective policy bureau for consideration when conducting manpower planning, including the suggestion for universities to increase the training places for OTs and PTs. The EDB will also continue to encourage the self-financing post-secondary education sector to offer programmes in selected disciplines (including OTs and PTs) through the Study Subsidy Scheme for Designated Professions/Sectors to nurture talent in support of specific industries with a keen demand for human resources.

164. The EDB will continue to keep in view the vacancy situation of non-specialist staff in special schools (such as teacher assistants, cooks and workshop attendants) and will consider viable measures to help relieve the difficulties encountered by special schools.

165. The EDB closely monitors special schools' progress of meeting the training targets and will increase the number of training places of the Training Course for Special School Teachers if necessary. Moreover, in order to further enhance the professional leadership of teachers in special schools, the EDB will commission teacher education universities to organise the Leadership Development Programme for Middle Leaders of Special Schools for vice principals or senior teachers of special schools to enhance their leadership capacity for effective management in the 2020/21 school year. At the same time, the EDB will regularly require special schools to arrange teachers to attend structured training courses in a systematic manner, so that they can meet the pre-set training targets on or before the 2022/23 school year.

Grants and Support for Special Education

166. Special schools will arrange teachers and staff concerned to participate in support programmes, seminars, workshops, experience sharing sessions, etc. in light of their school-based developmental needs. In determining whether their staff should participate in specific professional development activities, special schools will take into account a number of school-based factors, such as the school developmental needs at different stages and the priority of their major concerns. Under the Tripartite Model of Support, sharing sessions under Cross-Sector Communication (CSC) and learning circles are given specific themes to deepen special schools' understanding of the development and trends of special education, or to help these schools further develop their learning and teaching strategies. Therefore, the themes may not necessarily address the present needs of every special school and some schools may choose not to join. The EDB has collected the views of special schools to identify more suitable themes for future sharing sessions under CSC and learning circle activities to boost participation.

167. From the 2017/18 school year, the provision of additional grant for students with medical complexity (MC) in special schools has been extended to cover day students. The EDB will continue to collaborate closely with the Hospital Authority in exploring the feasibility of regularising the arrangement of conducting medical assessment for day students suspected to be having MC, and keep collecting data from schools to ensure that the additional grant could cater for their actual operational needs.

168. The EDB will identify suitable measures to improve existing arrangements in such a way that special schools having acquired ceiling hoists and other relevant items on the "furniture and equipment list" of new special schools may deploy appropriate resources to defray the related recurrent expenditure.

169. As always, the EDB is very concerned about the pathways of special school leavers, and has been supporting special schools in providing students with guidance service on careers and further studies, such as life planning education and career exploration activities. Starting from the 2017/18 school year, the EDB, SWD and Vocational Training Council have been holding a joint meeting with special schools annually to discuss issues related to post-school placement for special school leavers. Through this communication platform, the latest development of various post-school services for special school leavers and relevant information are shared, and collaboration among different parties is strengthened to make more appropriate post-school arrangements for special school students.

170. The SWD will maintain close cooperation with the EDB and other stakeholders to offer greater assistance to special school students in post-school arrangements. To this end, the SWD will further increase the number of day training and vocational rehabilitation places for persons with disabilities (including special school leavers) to meet service needs.

171. In parallel, the SWD will continue to liaise with NGOs operating day training and vocational rehabilitation services on provision of attachment places for students participating in the “Attachment Programme to NGO Rehabilitation Services” organised by the EDB. The SWD will also continue to work with the EDB to strengthen support for special school students in post-school arrangements through participating in annual joint meetings/seminars held by the EDB.

Progress on Recommendations of Audit

Encl. 26 172. A summary is given at Enclosure 26 to detail the progress of implementing each specific recommendation made by the Audit.

Chapter 6 – Judiciary Administration’s work in implementing projects under Information Technology Strategy Plan

173. Audit has examined the Judiciary Administration’s work in implementing projects under Information Technology Strategy Plan (ITSP) and other related issues such as the Judiciary’s e-services. The study covered the following main areas –

- (a) progress in project implementation and problems encountered;
- (b) project governance; and
- (c) other related issues.

174. The Judiciary Administrator has noted and generally agreed with the observations and recommendations made in the Director of Audit's Report on "Judiciary Administration's work in implementing projects under ITSP". The Judiciary Administrator has also provided specific responses in the Audit report and has been taking appropriate follow-up actions to implement the recommendations as appropriate, though the prevailing public health situation has affected the implementation progress of some of the recommendations.

Progress in project implementation and problems encountered

175. Upon noting the Director of Audit's recommendations, the Judiciary Administration has begun consolidating and refining the governance structure for implementation of ITSP projects in order to meet the challenges ahead and to better monitor the implementation of the ITSP. Besides, the Judiciary Administration has been expediting actions where possible to complete the remaining projects as early as practicable.

Project governance

176. Regarding the recommendations on governance structure, the Judiciary Administration has taken steps to streamline the governance structure for implementation of the integrated court case management system and refine that for implementation of the Judiciary's Electronic Information Management System under the ITSP. The Judiciary Administration will also in the light of the experience gained during the past years and Audit's recommendations on various issues take forward the remaining parts of the ITSP project and improve the e-services of the Judiciary as appropriate.

Other related issues

177. The Audit has made a number of recommendations related to electronic services. The Judiciary Administration has taken actions to implement them as appropriate.

Progress made in implementing Audit's recommendations and way forward

178. A summary of the progress in implementing Audit's recommendations is at Enclosure 27.

Encl. 27

179. The Judiciary Administration will continue to ensure that prompt follow-up actions are taken on the recommendations made in the Audit Report.

Chapter 7 – Statistical services provided by the Census and Statistics Department

180. The Government accepts all the recommendations from the Director of Audit regarding the statistical services provided by the Census and Statistics Department (C&SD) in his Report No. 73. C&SD has taken appropriate follow-up actions to take forward Audit's recommendations. The progress made is reported below.

Statistical surveys

General Household Survey

181. Taking Audit's recommendations into consideration, C&SD has taken steps to improve the in-depth quality checks of General Household Survey starting from April 2020, including increasing the proportion of Stage 2 checking and stepping up actions in following up non-contact cases due to wrong/no telephone numbers identified in Stage 1 checking. In addition, C&SD has enhanced the checking on enumerated cases with duplicate telephone numbers but different addresses.

Sub-divided Unit (SDU) Survey

182. To bring the SDU information in the Frame of Quarters up-to-date for sample selection for the 2021 Population Census (21C), C&SD has started visiting private residential buildings aged 40 years or more in built-up areas since April 2019. As at March 2020, C&SD has updated SDU information of over half of the targeted buildings. It is expected that updating for all targeted buildings will be completed by end-2020, well before the data collection work for 21C.

Monthly Retail Price Survey

183. C&SD continues to undertake preparatory work for the upcoming 2019/20 rebasing exercise of the Consumer Price Index (CPI). In March 2020, the United Nations Statistical Commission endorsed the latest recommendation that online purchases from non-domestic retailers may be included in CPI compilation. C&SD will introduce suitable enhancements in the CPI accordingly in the upcoming rebasing exercise.

Population censuses and by-censuses

Control of salary payments to temporary field workers (TFWs)

184. To ensure full compliance with the relevant government regulations, C&SD will introduce additional measures to strengthen the control over salary payments to TFWs in 21C. While advance verification/certification of attendance records is considered necessary in light of the tight time schedule, C&SD will, in line with Audit's recommendation, require field centre supervisors to further certify that the TFWs' attendance records in the remaining period are in order before making payment.

Disposal of furniture

185. Regarding the disposal of furniture for the 21C, to reduce the number of items to be disposed after the project, C&SD will reuse available furniture as far as possible. If commercial disposal is still unavoidable after exhausting all other means, C&SD will introduce more stringent monitoring measures on the successful bidders of the surplus furniture to ensure that the Government's terms and conditions of sales are closely followed.

Implementation of information systems strategy

186. C&SD has been striving for continuous improvement in project tendering, management and implementation of information systems projects. On tendering arrangement, C&SD has been taking actions to ascertain the user requirements at an earlier stage, with a view to making more realistic pre-tender estimates and avoiding subsequent changes to tender documents as far as practicable.

187. On the End-User Computing (EUC) systems/applications, C&SD is developing two common data models to standardise the practices of managing and storing data across EUC systems/applications, one for producing statistical tables and charts on the C&SD website and the other for data processing and analysis. C&SD will cover all EUC systems/applications in future Security Risk Assessment and Audits.

Progress made in implementing Audit's recommendations

188. A summary of the progress of implementing Audit's recommendations is at Enclosure 28.

Chapter 8 – Procurement of goods and services by the Immigration Department

189. The Government accepts the recommendations made by the Audit on the procurement of goods and services by the Immigration Department (ImmD) and has taken appropriate action. The progress made is reported below.

Procurement of information and communications technology (ICT) systems

190. ImmD has implemented measures to enhance the monitoring of expenditure and completion of ICT projects. The ImmD Information Systems Co-ordination Committee (IDISCC), which is led by an Assistant Director to steer and monitor the development and implementation of ICT projects in ImmD, will closely monitor the progress of ICT projects and review their spending position on a regular basis to ensure that the project activities and project subhead closure will be timely reported to the Finance Committee (FC) as appropriate and no spending will be incurred after reporting project subhead closure. As regards the eight completed projects mentioned in the Audit report, their subheads have already been closed by August 2019. Meanwhile, to comply with the new requirements of the Financial Services and the Treasury Bureau (FSTB), for ICT projects approved/to be approved by LegCo in the 2019-20 legislative session and thereafter, ImmD will timely report any significant deviation between the accepted tender prices and the estimated provisions in the approved project estimates to FSTB so that the latter can reserve the excess administratively.

191. In respect of Audit's recommendations on the scope of ICT projects, ImmD will define clearly in the funding applications to FC the scope of the projects, including the number and locations of control points to be covered, and state clearly if any surplus funds will be used for implementing new ICT systems at new control points. ImmD will ensure that expenditure will only be incurred within the limits and scope authorised. In case of doubt, ImmD will consult FSTB accordingly. Besides, ImmD will be more prudent in estimating the realisable savings of the projects to ensure that such savings are achievable.

192. ImmD has also implemented measures to work out more realistic pre-tender estimates (PTEs) as well as to avoid over-specification and over-prescription for ICT projects. For every ICT project, a pre-tender market research will be conducted upon conclusion of the feasibility study to better understand the market conditions and to obtain a realistic PTE. Apart from the information obtained from the pre-tender market research, other relevant factors (such as the recent market and technology trend, projected wages and inflation rate, etc.) will be taken into account. The market research will also enable ImmD to better understand the technical capability of suppliers in the market so as to avoid imposing overly

stringent requirements which may deter potential suppliers from submitting bids. Moreover, as there may be a time gap between pre-tender market research conducted upon conclusion of the feasibility study and completion of tender document, ImmD will conduct another market research shortly before the issue of tender invitation with a view to updating and working out a more accurate PTE. Besides, the second market research will enable ImmD to keep in view of the latest market and technology trend to avoid over-specification/over-prescription in the tender.

193. To enhance the management of ICT projects, IDISCC will, apart from closely monitoring the project progress, review every Post Implementation Departmental Return and make a recommendation with regard to the need of conducting Post Implementation Review in future should there be any substantial delay or non-achievement of intended savings in costs/benefits.

194. Relevant guidelines have been issued for implementing the above measures.

Procurement of other goods and services

195. Taking into account Audit's recommendations on improvement in the tendering process, ImmD has incorporated relevant measures into the departmental procurement guidelines, including documenting the justifications and major decisions and changes for management review, removing the essential requirements on tenderer's experience, reviewing tender requirements in each case, and considering price negotiations in warranted cases. Besides, the need to conduct a market research for each tender, the factors to be considered for working out more accurate PTEs and the requirements on the new pro-innovation government procurement policy as laid down in Financial Circular No. 2/2019 as well as other updates in the Stores and Procurement Regulations have also been duly incorporated into the departmental guidelines.

196. To improve the competition of purchases by quotation, ImmD has incorporated requirements into the relevant guidelines that the procuring staff should conduct market research for quotations with consecutive limited responses from the market to ascertain the number of potential bidders who could meet the essential requirements with a view to ensuring sufficient competition; invite more suppliers/service providers, if available, in each quotation exercise; avoid over-specifications/imposing overly stringent requirements; consider bundling the procurement of same or similar services/items to form a longer contract period to enhance attractiveness and achieve better economy of scale; and provide reference materials (in formats such as photo, drawing, or sample etc.), where appropriate, in the bid invitation to facilitate better understanding of the quotation requirements by potential bidders.

197. For procurement of proprietary products, procuring staff have been reminded to document the justifications for specifying single product and manufacturer and to include words such as “or equivalent” if proprietary names are specified in the quotation documents.

198. The improvement measures have been implemented in the tenders and quotations issued in November 2019 and thereafter.

Progress made in implementing the Audit’s recommendation

Encl. 29 199. Detailed progress of ImmD’s implementation of Audit’s recommendations is at Enclosure 29.

Chapter 9 – Child Development Fund

200. The Government agrees with all the recommendations made by the Audit regarding the management of the Child Development Fund (CDF) and has been actively following up with a view to continuously enhancing the implementation of CDF. The progress made is reported below.

Planning the launch of projects and commissioning project operators

201. The Labour and Welfare Bureau (LWB) will continue the prevailing practice to keep the LegCo and the Steering Committee on the CDF updated on the latest information and progress of implementation of the CDF. SWD will continue to roll out new batches of projects run by NGOs regularly in accordance with the drawn up timetable. SWD will roll out the eighth batch of NGO-run projects and the seventh batch of school-based projects in September and December 2020 respectively which are expected to benefit more than 3 200 new participants. To enable more children with disadvantaged background to participate in these projects, SWD will take into account statistics from C&SD relating to children with low income background (i.e. the number of families with household income lower than 75% of relevant Median Monthly Domestic Household Incomes) in setting the district quota for inviting proposals on NGO-run projects.

Implementation of projects

202. In response to Audit’s recommendations, SWD has taken a number of enhancement measures to facilitate the implementation of projects by the operators. In December 2019 and February 2020 respectively, SWD issued to existing operators a guidebook on good practice and a set of guidelines on effective use of training provisions. SWD has also refined the existing guidelines on targeted savings (TS) by setting out clearly operators’ responsibilities regarding TS spending beyond the project period.

203. On financial monitoring, SWD has set up a mechanism to keep track of the status of the audited financial reports that are overdue. Apart from issuing reminders to the operators and/or their boards of directors, where necessary, SWD will impose more stringent follow-up measures on operators with persistent delays. Besides, to facilitate timely submission of audited financial reports by operators, SWD issued a checklist and a sample audited financial report in December 2019 to remind them of common mistakes to be avoided when preparing the reports.

204. At the same time, SWD will continue to tighten the monitoring of the submission of audited financial reports to ensure timely clawing back of surplus fund. To further expedite and streamline the clawing back of surplus fund, SWD will forward the audited financial reports to its Finance Branch for review once ready instead of by batch.

205. To strengthen the monitoring of service performance, SWD will continue to review operators' statistical returns regularly and critically. With a view to facilitating identification of and timely follow-up on any irregularities or non-compliant cases during project delivery, SWD has increased the frequency of site inspections from at least one time to at least two times during the three-year project period. Furthermore, for operators with persistent under-performance, SWD will proactively initiate contacts and/or conduct visits to look into the situation as and when necessary. SWD also reminded current project operators of Audit's recommendations and SWD's follow-up actions by email on 14 March 2020.

Governance and other administrative matters

206. In 2019, LWB continued to organise various value-added activities, including visits, experiential programmes, financial and life planning programmes for more than 1 600 participants. LWB and SWD will continue to sustain the efforts in arranging value-added activities for CDF participants. The Consultant commissioned by LWB completed the Final Report of the "Further Study on the Long Term Development of CDF Project Participants" in February 2020. LWB and SWD will implement the recommendations made by the Consultant starting from the new batches of projects to be rolled out in 2020.

Progress made in implementing Audit's recommendations

207. A summary of the latest progress made by LWB and SWD in implementing various recommendations of Audit is at Enclosure 30.

Encl. 30

**Consumer protection against unfair trade practices,
unsafe goods, and short weights and measures
Progress in implementing the Audit Commission (Audit)'s Recommendations**

Para. No.	Audit's Recommendations	Progress to Date
4.24 (a)	Audit has recommended that the Consumer Council should enhance the analytical capability of the Complaints Case Management System to facilitate the identification of serious and repeated cases of undesirable trade practices for taking follow-up actions.	The Consumer Council has, following a review, formulated a plan to establish a new case management system that will significantly enhance the analytical capability of the Council's case management. It will facilitate the identification of trends, repeated offenders and other characteristics of cases involving unfair trade practices and other related issues so that pro- active follow-up actions can be taken in a timely manner. The Council plans to secure the resources in 2021-22 to commence the establishment of the system.

Government's efforts in managing excavation works on public roads
Progress of implementing the Audit's Recommendations

Para. No.	Audit's Recommendations	Progress to Date
Part 4: Exploring the Use of Common Utility Enclosures		
4.17	<p>Audit has recommended that the Director of Highways should –</p> <p>(a) in consultation with the Secretary for Development, closely monitor the conduct of the consultancy study in 2018 and upon its completion, take timely follow-up actions on its findings and recommendations with a view to reaping the benefits of using common utility enclosures (CUEs) in new development areas as early as possible;</p>	<p>The Highways Department (HyD) has been closely monitoring the progress of the consultancy study. The consultant has completed all the tasks specified in the consultancy study and is preparing the final report targeted for completion in Q2 2020. HyD will take timely follow-up actions on the findings and recommendations of the consultancy study.</p> <p>As the recommendation has been addressed and its implementation will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>
	<p>(b) draw on the experience in conducting/planning the trial CUE schemes to improve the installation of CUEs in new development areas by establishing procedures on –</p> <p>(i) identification of suitable locations in consultation with the relevant Utility Undertakings (UUs) for constructing trial CUEs in future with a view to obtaining representative trial results;</p> <p>(ii) planning of CUEs to dovetail with the construction programme of a new development area; and</p>	<p>The experience in conducting/planning the trial CUE schemes has been reviewed in the consultancy study mentioned in (a) above. A framework for implementing CUEs in new development areas has been recommended including procedures to identify suitable locations to install CUEs through consultation with the relevant UUs at an early stage of implementation of a new development area project with due regard to its construction programme and the result of the detailed cost and benefit analysis conducted.</p> <p>As the recommendation has been addressed, we recommend deleting this part from the next progress report.</p>

Para. No.	Audit's Recommendations	Progress to Date
	(iii) conduct of detailed cost and benefit analysis; and	
	(c) maintain records of the implementation results of the trial CUEs and evaluate their effectiveness in a timely manner.	<p>The implementation results of the two trial CUEs constructed in 2006 have been reviewed in the consultancy study and recorded in the deliverables of the consultancy study mentioned in (a) above.</p> <p>As the recommendation has been addressed, we recommend deleting this part from the next progress report.</p>

Management of restored landfills
Progress in Implementing Audit's and PAC's Recommendations

Para. No.	Audit's/PAC's Recommendations	Progress to Date
<i>Delays in implementing Restored Landfill Revitalisation Funding Scheme</i>		
<p>Para. 125 (Point (f) and (g) of page 73</p> <p>and</p> <p>Point (c) of page 74) of PAC Report</p> <p>and</p> <p>Para. 4.36 of Audit Report</p>	<p>Audit has recommended that the Secretary for the Environment and the Director of Environmental Protection should make additional efforts in implementing the Restored Landfill Revitalisation Funding Scheme (Funding Scheme) with a view to achieving the objective of expediting the development of gainful use at restored landfills so that the community can benefit from them at the earliest opportunity.</p>	<p>Under Batch One of the Funding Scheme, Environmental Protection Department (EPD) is providing funding support to the Tung Wah Group of Hospitals (TWGHs) to revitalise approximately two hectares of flat area in the Tsueng Kwan O Stage I Landfill into a “camp site-cum-green education ground”. The TWGHs is carrying out pre-construction activities of the project, including site investigation, detailed design and tender documentation. On completion of the pre-construction activities, EPD will seek funding approval for the capital works project from the Legislative Council (LegCo) in accordance with the established practice. It is envisaged that the construction works would take about 14 months to complete.</p> <p>EPD is considering suitable long- term beneficial uses and developing the necessary infrastructure, as well as exploring the feasible interim uses, having regard to the surrounding environment and site constraints of restored landfills. EPD will commence a consultancy study in 2020, with a view to formulating implementation plans for the necessary infrastructure and facilities having regard to the actual circumstances of restored landfills, for more effective development of suitable beneficial uses on restored landfills in future. In the meantime, EPD continues to consider proposals from non-profit-making organisations for development of various recreational and sports facilities on restored landfills on a self- financing basis.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		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.

Sha Tin Section of Route 8
Progress in implementing the Audit's and PAC's Recommendations

Para. No.	Audit's/PAC's Recommendations	Progress to Date
Part 2: Administration of Contract A		
<p>Para. 2.25 of the Audit Report</p>	<p>Audit has recommended that, in implementing a works project in future, the Director of Highways should –</p> <p>(a) take measures to strengthen vetting of a consultant's design, including carrying out appropriate level of independent checking on the design of highway structures (e.g. construction and erection loadings of structures); and</p> <p>(b) strengthen measures in handling responses to tender queries, including reminding the HyD consultants to provide a clear and accurate response and, where warranted, seek the HyD's comments on its response before issue.</p>	<p>Further to the reminder made in December 2018, the HyD reminded its staff again in March 2020 to continue to strictly follow the guidelines stipulated in Section 2.4 of Chapter 2 of the Structures Design Manual for Highways and Railways that the consultants or contractors appointed by the Government should carry out appropriate level of independent checking on the design of different categories of new highway structures and the associated modification of existing highway structures. Reminder will be issued to staff of the HyD on the subject issue on an annual basis.</p> <p>As the follow-up actions have been taken and will continue to be implemented on an on-going basis, we suggest deleting this part from the next progress report.</p> <p>The Project Administration Handbook for Civil Engineering Works (PAH), was updated in August 2018. It requires consultants to seek comments from works departments on the responses to tender questions or requests before replying to the tenderers. Furthermore, the HyD updated the document entitled "HQ/GN/02 Guidelines for Checking Submissions of Consultants" (HQ/GN/02) in December 2018 to</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>incorporate principles for checking the responses to tender queries prepared by the consultants. Further to the reminder made in December 2018, the HyD also reminded its staff in March 2020 to strictly follow the relevant requirements and guideline in handling tender queries. Reminder will be issued to staff of the HyD on the subject issue on an annual basis.</p> <p>As the follow-up actions have been taken and will continue to be implemented on an on-going basis, we suggest deleting this part from the next progress report.</p>
Para. 2.26 of the Audit Report	Audit has recommended that the Director of Civil Engineering and Development should consider providing further guidelines for handling tender queries, including the need to provide a clear and accurate response and the need for a consultant to seek the responsible project department's comments on the response before issue.	<p>Following the updating of the PAH guidelines on the contracts administered by consultants in August 2018, the consultants are required to seek the procuring departments' comments, and when necessary, procuring departments shall consult policy bureau on the responses to tenderers' questions or requests prior to formal issuance to the tenderers.</p> <p>As the follow-up actions will continue to be implemented on an on-going basis, we suggest deleting this part from the next progress report.</p>
Para. 2.40 of the Audit Report	<p>Audit has recommended that the Director of Highways should –</p> <p>(a) strictly follow the Stores and Procurement Regulations (SPRs) requirements for contract negotiation and seek the relevant authority's prior agreement to the strategy or bottom line for the contract negotiation before entering into negotiation with contractors or consultants in future; and</p>	Further to the reminder made in December 2018, the HyD reminded its staff again in March 2020 to continue strictly following the requirements stipulated in the SPRs on contract negotiation and to seek the relevant authority's prior agreement to the strategy or bottom line for the contract negotiation before entering into negotiation with contractors or

Para. No.	Audit's/PAC's Recommendations	Progress to Date
	<p>(b) take measures to ensure the timely conduct of post-completion reviews on major consultancy agreements and major works contracts in future.</p>	<p>consultants. Reminder will be issued to staff of the HyD on the subject issue on an annual basis.</p> <p>As the follow-up actions have been taken and will continue to be implemented on an on-going basis, we suggest deleting this part from the next progress report.</p> <p>Further to the reminder made in December 2018, the HyD reminded its staff again in March 2020 to continue arranging with the consultants and contractors to timely conduct post-completion reviews on major consultancy agreements and major works contracts. Reminder will be issued to staff of the HyD on the subject issue on an annual basis.</p> <p>As the follow-up actions have been taken and will continue to be implemented on an on-going basis, we suggest deleting this part from the next progress report.</p>
Para. 97 of the PAC Report (8th bullet)	<p>The Committee strongly demands the Development Bureau (DEVB) to explore setting up a mechanism through which the Finance Committee (FC) and/or other appropriate committees of LegCo should be informed about details of any extra-contractual settlement and/or other forms of settlement agreements exceeding a certain threshold sum that have been made in respect of major public works projects in order to enhance transparency and monitoring by LegCo on the public works expenditures.</p>	<p>Under normal circumstances, details of extra-contractual settlement of claims and/or other forms of settlement agreements contain commercially sensitive information, the disclosure of which in the public domain might harm the competitive or financial positions of contractors and can result in the Government's breach of its obligation to not divulge information as provided in contracts. Such disclosure might also prejudice the Government's position in defending against similar claims in legal proceedings. The reporting of extra-contractual settlement of claims in public works contracts to the LegCo would potentially give rise to the above concerns.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>Currently, there is a check-and-balance mechanism in place for approving settlement of any contractual claims including extra-contractual ones. Works departments are required to follow and comply with the other prevailing Government guidelines/requirements, including the SPRs, and seek approval from the relevant delegated authorities in making any contractual claim settlement even if the Approved Project Estimates of the projects are not exceeded. Furthermore, approved contractual claim settlements will be copied to the Audit for information. If the situation warrants, the Audit will conduct audits and where necessary report the cases to the Public Accounts Committee of the LegCo. We consider that the present mechanism of reporting settled contractual claims including extra-contractual ones to the Audit has been working well. That said, we will continue to closely monitor the situation and where necessary carry out review to explore any room for further tightening the control on handling contractual claims.</p> <p>As the follow-up actions will continue to be implemented on an on-going basis, we suggest deleting this part from the next progress report.</p>
Part 3: Administration of Contract B and Contract C		
Para. 3.18 of the Audit Report	<p>Audit has recommended that the Director of Highways should, in preparing documents for a works contract in future –</p> <p>(a) take measures to strengthen the checking of consistency between contract clauses and contract drawings;</p>	<p>The HyD updated the HQ/GN/02 in December 2018 to enhance the checking procedures for contract clauses and drawings, including</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
	<p>(b) strengthen the vetting of tender documents regarding contract clauses for the measurement of works (e.g. for tunnelling works); and</p> <p>(c) take measures to ensure compliance with the requirements for preparation of BQ as stated in the Project.</p>	<p>requiring project team to assign the same officer to carry out checking of related sections amongst different parts of tender documents, with the aim of improving accuracy of the checking. Further to the reminder made in December 2018, the HyD reminded its staff again in March 2020 to continue strictly following the requirements as stipulated in the PAH on Bills of Quantities (BQ) preparation work, including the independent checks required to be conducted by the consultants.</p> <p>The HyD and its consultant have been adopting Building Information Modelling (BIM) technology in accordance with the requirements stipulated in DEVB Technical Circular (Works) No. 7/2017.</p> <p>Reminder will be issued to staff of the HyD on the subject issue on an annual basis.</p> <p>As the follow-up actions have been taken and will continue to be implemented on an on-going basis, we suggest deleting this part from the next progress report.</p> <p>See (a) above.</p> <p>See (a) above.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
Para. 3.25 of the Audit Report	<p>Audit has recommended that the Director of Highways should consider conducting more thorough preliminary site investigations for works at critical locations with a view to incorporating more accurate information on site conditions for design and tender purposes as far as practicable.</p>	<p>Further to the reminder made in December 2018, the HyD reminded its staff again in March 2020 to continue following the guidance given in the Geoguide 2 – “Guide to Site Investigation” published by the Geotechnical Engineering Office under the Civil Engineering and Development Department (CEDD) and the requirements stipulated in the Environmental, Transport and Works Bureau Technical Circular (Works) No. 29/2002 and DEVB Technical Circular (Works) No. 3/2018 to conduct thorough site investigations as far as practicable with a view to incorporating comprehensive and adequate information for design and tender purposes.</p> <p>The HyD will also consider carrying out more horizontal directional coring in projects involving tunneling works with a view to providing more ground information for the design of the projects.</p> <p>Reminder will be issued to staff of the HyD on the subject issue on an annual basis.</p> <p>As the follow-up actions have been taken and will continue to be implemented on an on-going basis, we suggest deleting this part from the next progress report.</p>
Para. 3.38 of the Audit Report	<p>Audit has recommended that the Director of Civil Engineering and Development should –</p> <p>(a) in preparing documents for a works contract in future, take measures to ensure that contract clauses for time programmes (e.g. for facilitation works) are</p>	<p>Following the updating of the PAH guidelines on preparation of tender documents for works contracts involving interfacing works with other contracts in August 2018, the</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
	carefully checked to ensure their accuracy and consistency; and	<p>consultants/procuring departments are required to (i) carefully check that the time programmes for interfacing works in all contracts concerned are consistent; and (ii) seek the procuring departments' comments prior to incorporation of the time programmes into the tender documents (applicable only to contracts administered by consultants).</p> <p>As the follow-up actions will continue to be implemented on an on-going basis, we suggest deleting this part from the next progress report.</p>
	(b) consider including a requirement in the PAH that, for multi-contract projects, the time programmes for interface works in all contracts concerned should be carefully checked to ensure consistency.	See (a) above.
Para. 3.39 of the Audit Report	Audit has recommended that, in preparing documents for a works contract involving interface with other contracts (e.g. facilitation works) in future, the Director of Civil Engineering and Development and the Director of Highways should take measures to ensure that the time programmes for interface works in all contracts concerned are carefully checked to ensure consistency.	Following the updating of the PAH guidelines on preparation of tender documents for works contracts involving interfacing works with other contracts in August 2018, the consultants/procuring departments are required to (i) carefully check that the time programmes for interfacing works in all contracts concerned are consistent; and (ii) seek the procuring departments' comments prior to incorporation of the time programmes into the tender documents (for contracts administered by consultants). Further to the reminder made in December 2018, the HyD also reminded its staff in March 2020 to strictly follow the above requirements in preparing tender documents relating to interfacing works. Reminder will be issued to staff of the HyD on the subject issue on an annual basis.

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		As the follow-up actions will continue to be implemented on an on-going basis, we suggest deleting this part from the next progress report.
Para. 97 of the PAC Report (6th bullet)	The Committee strongly demands the works departments, in particular the HyD, to review the existing mechanism in vetting the tender documents and consultants' outputs, including but not limited to the designs, accuracy of the tender documents and contract clauses, drawings and responses to tender queries, so that any discrepancies, omissions and irregularities could be identified in time. Consideration should also be given to exploring the use of latest and advanced information technology to assist the relevant staff and consultants in conducting the preparation, vetting and checking processes in the tendering exercises for public works projects.	<p>Civil engineering construction contract is a very complex legal document containing several inter-related documents each of which plays an important role in defining the obligations and responsibilities of the parties concerned or in providing information on the works to be constructed. In recognition of its importance, the Administration highlights in the synopsis of Chapter 5 of the PAH to remind project offices that it is essential to (i) prepare the documents of each contract with great care and by an experienced professional who has thorough knowledge of the works to be constructed, and (ii) scrutinize the contract documents for comprehensive coverage, accuracy and consistency with one another before tenders are invited. Sections 1.3 to 1.5 of Chapter 5 also require project offices to exercise care to avoid any ambiguities or discrepancies in tender documents, seek advice from contract advisers on tender documents when genuine doubts arise and submit tender documents for contracts estimated to exceed \$500M in value to the Legal Advisory Division (Works) of the DEVB for legal vetting prior to calling for tenders.</p> <p>As far as the guidance on preparation of BQ is concerned, the Administration has also updated Section 7.2 of Chapter 5 to specify the need of minimising omitted items as far as practicable and the BQ should undergo a checking process to ensure the completeness and accuracy of the BQ</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>and elimination of major errors. To enhance the accuracy of the BQ prepared by the consultants, the Administration highlights in Section 3.12 of Chapter 6 of the PAH and DEVB Technical Circular (Works) No. 18/2018 requesting project offices and consultants to conduct a pre-tender cross-checking procedure in the preparation of BQ and use BIM technology during project design stages to enhance the design, construction and management of the project. Also, the Administration keeps reminding project offices to duly reflect consultants' performance in their performance reports in accordance with Appendices A and B of DEVB Technical Circular (Works) No. 3/2016 if deficiencies in the quality of tender documents prepared by them are identified. Copies of relevant part of the guidelines are at Appendix A.</p> <p>As the follow-up actions will continue to be implemented on an on-going basis, we suggest deleting this part from the next progress report.</p>
Part 4: Usage and management of Sha Tin Section		
Para. 4.8 of the Audit Report	<p>Audit has recommended that the Commissioner for Transport should –</p> <p>(a) explore measures to make better use of the spare capacity of Eagle's Nest Tunnel and Sha Tin Heights Tunnel of Sha Tin Section (e.g. whether enhancement of the connecting roads to the two tunnels is needed) to alleviate the traffic congestion at the existing road links between Kowloon and Sha Tin, in particular Lion Rock Tunnel and Tate's Cairn Tunnel;</p>	<p>In view of the bottleneck at the approach roads to Route 8, the Government, apart from completion of an additional lane at the approach road from Tai Po Road (Sha Tin Section) southbound leading to Route 8 near Scenery Court in 2015, commenced the works to widen Tai Po Road (Sha Tin Section) in July 2018 for anticipated completion in 2023. In addition, the Government is taking forward the strategic highway project of Trunk</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
	<p>(b) keep under review the progress of the toll rationalisation study with a view to meeting the target of finalising the proposals for the rationalisation of traffic distribution among the six tunnels, including the three land tunnels between Kowloon and Sha Tin, for briefing LegCo Panel on Transport by mid-2018; and</p> <p>(c) keep under review the bus and minibuses services passing through Sha Tin Section and the factors for introduction of new services as stated in paragraph 4.7, with a view to enhancing the services for better utilisation of this road section.</p>	<p>Road T4, for which the CEDD commenced the investigation study in June 2018 for anticipated completion by 2021 with a view to mapping out the detailed scope and ascertaining the technical feasibility.</p> <p>As the follow-up actions will continue to be implemented on an on-going basis, we suggest deleting this part from the next progress report.</p> <p>Transport Department (TD) commenced a study on "Congestion Charging" in July 2019 to examine the hierarchy and levels of tolls of all government tolled tunnels (including Route 8 (Sha Tin Section)) as well as the Tsing Ma Control Area and the Tsing Sha Control Area (TSCA). To put the concept of "Congestion Charging" and the principle of "Efficiency First" into practice, the study will also examine the scope for charging different tolls during different time periods. Given that rationalisation of traffic distribution among the tunnels as a whole will be followed up in other context, we suggest deleting this part from the next progress report.</p> <p>At present, there are 30 bus routes passing through Tsing Sha Highway. TD and the bus companies will implement six improvement items relating to bus routes via Tsing Sha Highway by phases from Q2 2020 onwards, including the introduction of new routes and enhancement of existing services. Further, to better utilise the road section, TD also proposed the introduction or re-routing of ten franchised bus routes via Tsing Sha Highway under the Bus Route Planning Programme 2020- 2021.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>Besides, the restriction on red minibuses to operate via Sha Tin Section of Tsing Sha Highway has been relaxed since 20 October 2019. The operators of red minibuses have introduced services plying between Tai Po and Tsuen Wan via this road section.</p> <p>As the recommendation has been implemented and will continue to be carried out on an on-going basis, we suggest deleting this part from the next progress report.</p>
Para. 4.36 of the Audit Report	<p>Audit has recommended that the Commissioner for Transport should –</p> <p>(a) in collaboration with the Director of Highways, the Director of Electrical and Mechanical Services and the Director of Architectural Services (DArchS), set out clearly the responsibilities of each member of the Government Monitoring Team (GMT) in monitoring the TSCA operator's performance;</p>	<p>Since March 2018, the monitoring responsibilities of the respective GMT members on maintenance issues have been stipulated in the management, operation and maintenance (MOM) contract for TSCA.</p> <p>As the recommendation has been implemented and will continue to be carried out on an on-going basis, we suggest deleting this part from the next progress report.</p>
	<p>(b) take measures to ensure that the TSCA operator complies with the manning level requirement in the MOM contract for all staff under TD's purview, including the administrative and supporting staff;</p>	<p>Since February 2018, the TD has implemented appropriate measures including updating the monitoring forms for site inspection and requiring the TSCA operator to submit necessary information on a monthly basis, for the TD to comprehensively monitor the manning level requirement of all staff under its purview.</p> <p>As the recommendation has been implemented and will continue to be carried out on an on-going basis, we suggest deleting this part from the next progress report.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
	(c) in collaboration with DArchS, take timely actions to monitor the building maintenance staff manning level of the TSCA operator;	<p>The Architectural Services Department (ArchSD) has started monitoring the TSCA operator's compliance with the manning level requirement for building maintenance staff since January 2018. If a shortfall in staff is found, the TD will collect the liquidated damage (LD) from the TSCA operator for the shortfall correspondingly.</p> <p>As the recommendation has been implemented and will continue to be carried out on an on-going basis, we suggest deleting this part from the next progress report.</p>
	(d) keep under review the TSCA operator's performance as assessed by other GMT members for overseeing the overall performance of the operator and providing reference for evaluating its future bids of government MOM contracts;	<p>The TD has been, in collaboration with other GMT members, compiling quarterly assessment reports on the TSCA operator's overall performance, which will provide reference for evaluating its future bids of government MOM contracts.</p> <p>As the recommendation has been implemented and will continue to be carried out on an on-going basis, we suggest deleting this part from the next progress report.</p>
	(e) clearly specify whether the staff manning level requirement is for mandatory compliance by operators or for reference purpose in future tender documents and MOM contracts;	<p>In response to the Audit's recommendation, the Government has clearly stipulated that the manning level requirement of on-duty staff is for mandatory compliance by the operators whereas the manning level of "leave relief" staff is for reference only in the tender documents and MOM contracts from 2019 onwards.</p> <p>As the recommendation has been implemented and will continue to be carried out on an on-going basis, we suggest deleting this part from the next progress report.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
	(f) in collaboration with the Director of Electrical and Mechanical Services, strengthen monitoring actions to ensure that the TSCA operator fully complies with the electrical and mechanical (E&M) staff manning level requirement in the MOM contract;	<p>The TD and Electrical and Mechanical Services Department (EMSD) have included relevant clauses in the new MOM contract for TSCA commencing in September 2019 in order to enhance monitoring and facilitate/encourage the TSCA operator's compliance with the manning level requirement of E&M staff. Relevant clauses will also be included in future MOM contracts for tunnels/control areas.</p> <p>As the recommendation has been implemented and will continue to be carried out on an on-going basis, we suggest deleting this part from the next progress report.</p>
	(g) In collaboration with the Director of Electrical and Mechanical Services and DArchS, take timely actions in calculating and imposing LD for the TSCA operator's shortfall of E&M staff and building maintenance staff; and	<p>The TD, in collaboration with the EMSD and ArchSD, has been taking vigorous follow-up actions on the situation.</p> <p>As at March 2020, the EMSD has already checked the attendance records of E&M staff of the TSCA operator up to December 2019, while the ArchSD has already checked the attendance records of building maintenance staff of the operator up to January 2020. The TD, the EMSD and the ArchSD will continue to check the attendance records of the relevant staff and collect LD for any staff shortfall .</p> <p>As the recommendation has been implemented and will continue to be carried out on an on-going basis, we suggest deleting this part from the next progress report.</p>
	(h) set out clearly the methodology for calculating LD for an operator's staff shortfall in future MOM contracts.	In response to the Audit's recommendation, the Government has clearly set out the methodology for calculating LD for the operator's staff

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>shortfall in the new MOM contract for TSCA with effect from September 2019, and will continue to build in appropriate LD clauses and calculation methodology in future MOM contracts for government tunnels and control areas.</p> <p>As the recommendation has been implemented and will continue to be carried out on an on-going basis, we suggest deleting this part from the next progress report.</p>
Para. 4.37 of the Audit Report	Audit has recommended that the Director of Highways and DArchS should evaluate the performance of the TSCA operator in the area of work under their departments' respective purview at least once every six months, and inform the TD of the assessment results.	<p>The HyD and the ArchSD have been conducting quarterly assessment of the TSCA operator's performance on aspects under their respective purviews since December 2017, and providing the assessment results for the TD. The HyD and ArchSD will continue to press ahead with the relevant work.</p> <p>As the recommendation has been implemented and will continue to be carried out on an on-going basis, we suggest deleting this part from the next progress report.</p>
Para. 97 of the PAC Report (11 th bullet)	<p>The Committee strongly urges the TD to –</p> <p>(a) consult the respective District Councils (DCs) and relevant stakeholders thoroughly in advance on proposed new traffic arrangements before a major transport network and infrastructure is opened in order to ensure that these new arrangements could be implemented in a timely manner to address the needs of the local population; and</p>	<p>Under the established practice, the TD and the responsible departments will duly consult the respective DCs and relevant stakeholders on any proposed new traffic arrangements before the commissioning of a major transport network and infrastructure project.</p> <p>As the recommendation has been implemented and will continue to be carried out on an on-going basis, we suggest deleting this part from the next progress report.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
	(b) regularly review the usage of any new transport network and infrastructure and update the respective DCs and the LegCo Panel on Transport of the usage figures. In case of persistent under-utilisation, more frequent consultation with the respective DCs and the LegCo Panel on Transport should be made on the need of additional improvement measures.	<p>The TD has been closely monitoring the traffic conditions of the transport network and major roads, so that improvement works and planning for new road infrastructure projects can be taken forward in a timely manner to alleviate traffic congestion and cope with new traffic demands. As for newly built roads, ample design capacity will be provided to allow for further traffic growth in the longer term. The TD noted the recommendation and will consider updating the respective DCs and the LegCo Panel on Transport on the road usage situation where necessary and on a case-by-case basis.</p> <p>As the recommendation will be followed up depending on the circumstances of the cases concerned, we suggest deleting this part from the next progress report.</p>
Para. 98 of the PAC Report (3rd bullet)	The Committee strongly urges the TD, HyD, EMSD and ArchSD to review MOM contracts and other similar contracts under their respective purview which have stipulated the manning level requirements of staff to ensure that the contractors comply with such requirements and, in cases of non-compliance, to take follow-up actions in a timely manner in order that the services will not be adversely affected.	<p><u>TD's comments –</u></p> <p>The TD has reminded relevant divisions responsible for monitoring MOM contracts and other similar contracts which have stipulated the manning level requirements of staff to take follow-up actions as appropriate.</p> <p><u>HyD's comments –</u></p> <p>The HyD has commenced monitoring the highway maintenance staff level of the operators on a monthly basis and collecting LD for staff shortfall once identified. The HyD will continue to monitor the operators to ensure that their highway maintenance works will not be adversely affected by their staff shortfall and the vacancies of their highway maintenance staff will be filled as soon as possible.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p><u>ArchSD's comments –</u></p> <p>The ArchSD has already reviewed MOM contracts and other similar contracts under ArchSD's purview. For those contracts which have stipulated manning level requirements of staff, the ArchSD has been checking and monitoring the contractor's compliance with such requirements in respect of building maintenance and, if necessary, will take appropriate actions with other GMT members against contractor's non-compliance according to contract provisions.</p> <p><u>EMSD's comments –</u></p> <p>The EMSD has reviewed relevant contracts, which have stipulated manning level requirements of E&M staff, and has been implementing monitoring measures to ensure the contractor's compliance with such requirements. If shortfall of E&M staff is found, the EMSD will take appropriate follow-up actions with relevant government department according to the contract provisions.</p> <p>As the recommended follow-up actions have been implemented and will be implemented on an on-going basis, we suggest deleting this part from the next progress report.</p>

CHAPTER 5

CONTRACT DOCUMENTS

The parts of the PAH shown in blue and bold should only be updated by Works Branch of Development Bureau.

Rev	Issue Date	Amendment Incorporated
First Issue	October 2018	NA
1	29 May 2019	Amd No. 5/2019
2	18 June 2019	Amd No. 6/2019
3	18 July 2019	Amd No. 7/2019
4	16 August 2019	Amd No. 8/2019
5	14 February 2020	Amd No. 1/2020

SYNOPSIS

This Chapter provides a handy reference to the various standard documents, forms and information that are regularly used in the preparation of contract documents for civil engineering works using the General Conditions of Contract (GCC) for Civil Engineering Works (1999 Edition). Amd No. 7/2019 In some cases, standard forms and exact wording to be included in contract documents are reproduced in the Chapter. However, where a printed version of a standard document is available or where the information is contained in a well-known document, the Chapter makes reference to such documents or source rather than reproducing them. Standard documents referred to in this Chapter should be of the latest editions of the General Conditions of Contract for Civil Engineering Works, Standard Method of Measurement for Civil Engineering Works, General Specification for Civil Engineering Works, Sub-contract Articles of Agreement and Conditions for Civil Engineering Works, Contractor Management Handbook and Construction Site Safety Manual. The information in this Chapter would also be useful in the preparation of documents for term contracts using the General Conditions of Contract for Term Contracts for Civil Engineering Works (2002 Edition). Amd No. 7/2019

To cater for the wider adoption of New Engineering Contract (NEC) form in public works projects, DEVB has promulgated the “Practice Notes for New Engineering Contract – Engineering and Construction Contract (NEC – ECC) for Public Works Projects in Hong Kong” (referred to as “the Practice Notes”) aiming to provide guidance, performance benchmarking and alignment of practices in the preparation and administration of public works projects using NEC form. The most updated version of the Practice Notes is available at DEVB’s website:

Amd No. 7/2019

https://www.devb.gov.hk/en/publications_and_press_releases/publications/standard_contract_documents/practice_notes_nec_engineering_construction_contract/index.html

Amd No. 7/2019

The guidelines provided in this Chapter were originally written for preparation of contract documents under GCC contracts. As the types of contract involved and the composition of contract documents in GCC contracts and NEC contracts are different, project officers are advised to refer to Sections A4.1 and A4.2 of the Practices Notes when they prepare the tender and contract documents for NEC contracts.

Amd No. 7/2019

Notwithstanding the above, many of the guidelines in this Chapter can still be applied to the preparation of contract documents for NEC contracts.

Amd No. 7/2019

A contract for civil engineering construction is a very complex legal document containing several inter-related documents each of which plays an important role in defining the obligations and responsibilities of the parties concerned or in providing information on the works to be constructed. It is therefore essential that the contract documents for each contract are prepared with great care and by an experienced professional who has thorough knowledge of the works to be constructed. The documents forming a contract must be scrutinized for comprehensive coverage, accuracy and consistency with one another before tenders are invited.

- (h) General Specification (GS) (see Paragraph 6.1),
- (i) Particular Specification (PS) (see Paragraph 6.2),
- (j) Standard Method of Measurement (SMM),
- (k) Particular Preambles (if any),
- (l) Bills of Quantities (BQ) (see Paragraph 7.1)
- (m) Drawings (see Paragraph 8.1), and
- (n) Any relevant pre-contract correspondence with the Contractor (e.g. tender addendum, circular letters to tenderers) (see Paragraphs 5.2, 6.14.4, 7.2.1, 7.3, 7.6 & 8.1.1 of PAH Chapter 6).

Usually, only documents (d) to (n) listed above, the letter of acceptance of the tender and the Articles of Agreement form the contract documents (see Paragraph 8.1.1 of PAH Chapter 6).

The type or edition of document used shall be the current version as promulgated by DEVB TCWs or other appropriate circular. Reference should also be made to the current corrigenda issued to the GS and the SMM (see Paragraph 5.2 of PAH Chapter 6).

1.3 CONSISTENCY AMONGST DOCUMENTS

Care should be taken to avoid any ambiguities or discrepancies in the documents which form a contract as contractual claims and disputes are often caused by inconsistencies in or between the documents. If any ambiguities or discrepancies exist, it should be noted that the provisions of the SCC prevail over those of the GCC, which in turn prevail over the PS and the Drawings, which in turn prevail over the GS. GCC Clause 5(1) and GS Clause 1.01 are relevant in this aspect.

In the drafting of SCC or PS clauses, reference should be made whenever appropriate to the GCC and the GS, using phrases such as:

- (a) “Pursuant to General Conditions of Contract Clause”, or
- (b) “GS Clause is deleted and replaced by” etc.

1.4 COMMENTS ON DOCUMENTS BY CONTRACT ADVISERS

The responsibility for ensuring that tender documents are properly prepared rests with the professional officers handling the project. They may however seek advice from Contract Advisers on tender documents when genuine doubts emerge. When seeking such advice the officer concerned shall inform the Contract Adviser of the doubts he has and the aspects of the case on which he wants advice (see Paragraph 1.5.1 of this Chapter).

1.5 LEGAL VETTING OF TENDER DOCUMENTS

1.5.1 Contracts Estimated to Exceed \$500M Amd No. 6/2019

(Ref.: SDEV's memo ref. () in DEVB(W) 510/30/01 dated 29 March 2019) Amd No. 6/2019

If a works Amd No. 6/2019 contract has an Amd No. 6/2019 estimated value Amd No. 6/2019 exceeding Amd No. 6/2019 \$500M Amd No. 6/2019, departments must send all the non-standard components of the tender documents, including bills of quantities, particular specifications, special conditions of contracts, etc. Amd No. 6/2019 through the appropriate Contract Adviser to the Legal Advisory Division (Works) of DEVB (LAD(Works)/DEVB) for legal vetting prior to calling for tenders. Before submission to LAD(Works)/DEVB, it is advisable to request the relevant Contract Adviser to comment on the documents. Comments made by the relevant Contract Adviser on the draft should be attached for LAD(Works)/DEVB's information.

The non-standard components of the Amd No. 6/2019 tender documents to be submitted shall include the following:

- (a) Special Conditions of Tender,
- (b) Form of Tender and Appendix thereto (if these have been altered from the standard version shown at Appendix 5.1),
- (c) Articles of Agreement (if these have been altered from the standard printed version),
- (d) Special Conditions of Contract,
- (e) Particular Specification, and
- (f) Bills of Quantities, including General and Particular Preambles.

A memo shall accompany the non-standard components of the Amd No. 6/2019 tender documents, drawing attention to the following:

- (a) SCT clauses and SCC clauses together with reasons for their incorporation,
- (b) alterations, if any, to the standard versions of the Articles of Agreement and the Form of Tender and Appendix thereto, and
- (c) any clause in the PS, any item in the BQ, or any other matter relating to the tender documents or to the Contract which may have significant contractual or financial implications.

LAD(Works)/DEVB will consider these documents (retaining a copy for future reference) and may recommend amendments they consider advisable to the works division/regional office concerned, who should incorporate such amendments as necessary into the documents before calling for tenders. The vetting by LAD(Works)/DEVB will take at least three weeks and provision should be made in the programme for tender preparation.

If owing to urgency, or some other reasons, the documents cannot be submitted through Contract Adviser then the reason for the same should be explained in the covering

memo to LAD(Works)/DEVB. However, action should then be taken to forward the comments made by Contract Adviser as soon as they are received.

1.5.2 Design and Build Contract

The Administrative Procedures issued under DEVB TCW No. 4/2015 should be followed as closely as possible. In particular, the procedures laid down in the “Guidance Notes on the Preparation of the Employer’s Requirements” (Appendix C of the Administrative Procedures) should be followed in order to avoid any unnecessary design changes after the contract is awarded. Prior approval of DEVB shall be obtained if the Procedures are not to be followed because of special consideration given to individual cases. The legal vetting requirement as described in Paragraph 1.5.1 applies equally to design and build contracts. The Administrative Procedures can be found on the DEVB website (under Publications and Press Releases\Publications\Standard Contract Documents\).

7. BILLS OF QUANTITIES

7.1 GENERAL

(Subsumed from WBTC No. 18/92; Ref.: 21/93, 21/93A and 21/93B)

The main functions of the BQ are:

- (a) to allow a comparison of tender prices of tenders obtained from tenderers, and
- (b) to provide a means of valuing the work executed when the Contract has been entered into.

Provided that the construction works are measured according to the Standard Method of Measurement for Civil Engineering Works 1992 Edition (SMM) and conform to the General Specification for Civil Engineering Works 2006 Edition (GS), the BQ should be prepared in accordance with the SMM and the Standard Phraseology of [Bill of Quantities] Item Descriptions (SPID) as the standardized method for composing works-contract bill of quantity items. The latest edition of the SMM and its corrigenda can be found on the CEDD website. In the interest of uniformity the SMM shall be strictly followed for the measurement of items it covers. Only where this is not practical or where the SMM does not cover the item required should any amendment or addition to the SMM be made. Amendments or additions to the SMM should be made in the form of a Particular Preamble which shall follow the General Preambles in the contract documents and shall be submitted to an officer at D1 rank or above administering the contract for approval.

It is not necessary to reproduce a copy of SMM in contract and tender documents. The incorporation of the SMM into the contract is effected by reference in the Particular Specification. Since it is a requirement of Clause 59(1) of the General Conditions of Contract for Civil Engineering Works, 1999 edition, that the Method of Measurement to be used in the contract is that which is stated on the Preamble to the Bills of Quantities, it is essential that the General Preambles detailed in Part IV of the SMM are included in every contract document.

Due attention is drawn to the amendments made to SMM regarding the use of lump sum BQ contracts in Paragraph 7.4.2 and Paragraph 10. The quantities in the lump sum BQ contract must be measured accurately and regarded as firm, not subject to remeasurement. Where quantities cannot be measured accurately, the respective items in the BQ should be marked as “provisional”.

7.2 PREPARATION OF BILLS OF QUANTITIES

The rules for preparing BQ are contained in Part III of the SMM and they should be strictly followed. In accordance with the SMM, a BQ will comprise the following:

- General and Particular Preambles
- Bill No. 1 : Preliminaries
- Bill No. 2 :) for works items,

- Bill No. :) see guidance below.
- Bill No. : Site Safety ^{*(a)})
- Bill No. : Daywork
- Bill No. : Prime Cost and Provisional Sums
- Grand Summary.

*(a) This Bill is to be provided for all appropriate tenders as required under Pay For Safety Scheme in accordance with Chapter 3 and Chapter 12 of the Construction Site Safety Manual.

Separate bills may be considered, at the discretion of the project engineer, for work items charged to different financial votes. When a lump sum form of contract is used, the provisional quantities are included in the Bills wherever it is appropriate and sensible to do so. Individual items to be remeasured can be mixed in with the “firm” items, or a whole section can be shown separately and described as provisional. The items in each bill should be grouped into the appropriate section of Part V of the SMM in the order shown. A sample for the Grand Summary is given at Appendix 5.5.

Copies of the SMM have been issued to all the approved contractors on the DEVB Lists and it needs not be reproduced in contract and tender documents.

Specimen BQ items provided in DEVB TCWs for various subjects such as site cleanliness and tidiness, preservation and protection of preserved trees, Professional Indemnity Insurance for the Works, etc. should be adopted where applicable.

All works items should be included in the BQ and omitted items should be minimized as far as practicable. The BQ should undergo a checking process to ensure the completeness and accuracy of the BQ and elimination of major errors. This would facilitate competitive tendering, reduce resources for valuation of omitted items and minimize the disputes arising from the valuation of omitted items. (Audit Report No. 53 Ch. 3 - http://www.aud.gov.hk/pdf_e/e53ch03.pdf)

7.3 PREAMBLES TO THE BQ

A set of standard clauses for the “General Preambles to the Bills of Quantities” is contained in Part IV of the SMM. Any amendments or alterations to the SMM to be adopted in the preparation of the BQ shall have the prior approval of an officer at D1 rank or above administering the Contract and shall be included as Particular Preambles to the Bills of Quantities.

The Preambles should also contain any other information which is considered to be necessary for the pricing of the BQ but is not included elsewhere in the contract documents.

Standard Particular Preambles for various subjects set out in DEVB TCWs, SDEV’s memos and Construction Site Safety Manual should be adopted where applicable.

CHAPTER 6

TENDER PROCEDURE

The parts of the PAH shown in blue and bold should only be updated by Works Branch of Development Bureau.

Rev	Issue Date	Amendment Incorporated
First Issue	October 2018	NA
1	30 January 2019	Amd No. 1/2019
2	23 April 2019	Amd No. 3/2019
3	18 June 2019	Amd No. 6/2019
4	18 July 2019	Amd No. 7/2019
5	3 October 2019	Amd No. 10/2019
6	14 February 2020	Amd No. 1/2020

which are covered by the provisions of the WTO GPA. For contracts not covered by the WTO GPA, departments may decide whether or not to allow joint ventures to tender.

3.8 LANGUAGES TO BE USED FOR TENDER SUBMISSIONS

Article 9 of the Basic Law stipulates that “in addition to the Chinese language, English may also be used as an official language by the executive authorities, legislature, and judiciary of the Hong Kong Special Administrative Region”. It is therefore inappropriate to state in the tender notices and tender documents that tenders should be submitted in English.

3.9 MINIMUM WAGE REQUIREMENTS

The former S for Tsy in his memo ref. (6) in FT 53/88/2 dated 28.2.2000 announces that departments should not stipulate minimum wage requirements in their tender exercises. If departments would like to secure quality services, more effective means should be used, e.g. by specifying in detail the qualifications, experience, training and skills required of the personnel concerned; requesting tenderers to provide references from their previous clients; or using a marking scheme for tender evaluation. Nevertheless, if a department really considers it essential to stipulate minimum wage requirements in a particular tender exercise, it should make a submission with full justifications to the Central Tender Board for prior approval (i.e. before tendering). This will prevent the need to cancel the tender exercise if the Board is not satisfied with the justifications provided.

3.10 NOT USED

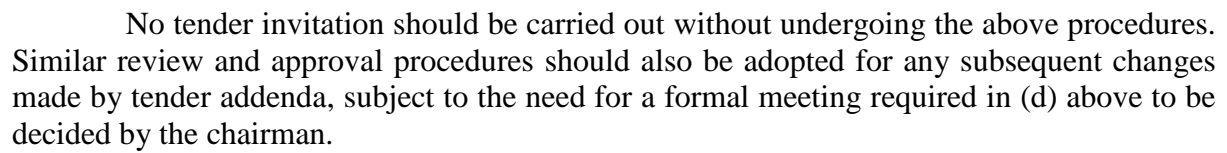
3.11 MAXIMUM NUMBER OF CONTRACTS TO BE UNDERTAKEN BY THE SAME CONTRACTOR

There are occasions when procuring bureaux/departments invite tenders for more than one contract in a tender exercise and impose a restriction on the maximum number of contracts each tenderer may secure. Some procuring bureaux/departments have also imposed a restriction on the maximum number of a particular type of contracts (which may be tendered out at one go in the same tender exercise or separately in different tender exercises) that a contractor can undertake simultaneously. SFST in his memo ref. FT 53/88 Pt. 3 dated 18.11.2004 required Controlling Officers to revisit the need and justification for setting such a restriction. In particular, for tendering of contracts covered by WTO GPA, the procuring bureaux/departments should ensure that such restriction is legally in order and seek legal advice when necessary if they wish to impose such a restriction.

3.12 CONTROL OF OMITTED ITEMS AND SUBSTANTIAL CHANGES IN QUANTITIES

To avoid the occurrence of omitted items and substantial changes in quantities during construction, the following quality assurance procedures should be adopted:-

- (a) In general, the Standard Method of Measurement (SMM) should be followed in the preparation of the BQ. If it is necessary to amend the method of measurement, a Particular Preamble (PP) to that effect should be prepared and included in the BQ in accordance with Rule 10 in Part III of the SMM. Prior approval for the incorporation of the PP (for any method of measurement which deviates from the SMM), as well as any drawings clarifying or defining the method of measurement, should be obtained from an officer at D1 rank or above administering the contract according to Section 7.1 of Chapter 5. Such request and approval must be properly minuted and documented in the project file for future reference. Besides, the project officer should confirm such modified method of measurement in writing with the officers responsible for the preparation of the BQ, in case the PP and the BQ are prepared by different officers. Close liaison between the design team and the taking-off team should be maintained to ensure mutual understanding of the documents and any changes made to the SMM.
- (b) A pre-tender cross-checking procedure should be introduced in the preparation of BQ. An officer in the rank of engineer, quantity surveyor, senior engineer, senior quantity surveyor or other equivalent professional ranks, not being the officer who actually prepared the quantities, should make a bulk checking on the quantities of the cost-significant items (items which carry significant implication on contract expenditure) in the BQ against the tender drawings/specifications, or against the quantity of other related items (i.e. items with quantities comparable to or bearing a well recognized ratio to the quantities of the items being checked) to identify possible omitted items and problems arising out of substantial changes in quantities. Examples of 'bulk checking' are (i) volume of excavation against volume of soil disposal and deposition; (ii) area of formwork wall against area of wall tiles; and (iii) number of moving of piling rig against the total number of piles shown in the drawings, etc. When drawing up a list of the cost-significant items, the concerned officer should take into consideration the nature and size of the works, the value of the items and the likelihood of future changes to the relevant items. Sufficient time should be allowed to conduct the bulk checking. Any mistake/problem identified in the checking process should be rectified before the issue of tender documents.
- (c) The above procedures have been prepared mainly for those projects administered by in-house project team. For those projects administered by Consultants, the Consultants shall be required to adopt similar procedures to ensure the quality of BQ and PP and submit their proposed procedures to the Director's Representative for agreement. Besides, if resources permit, project office should conduct spot-checking on the quantities of some selected cost significant items after the BQ has been prepared by the Consultants. Such spot-checking conducted by the project office should be properly documented.
- (d) Apart from the above, an officer of the project office at a rank not lower than D1 should chair a meeting to vet the BQ and PP prepared and to ensure all the checking and cross-checking procedures have been duly completed and documented. For those projects administered by the Consultants, the Consultants shall assign one of their senior managers to attend the meeting.



No tender invitation should be carried out without undergoing the above procedures. Similar review and approval procedures should also be adopted for any subsequent changes made by tender addenda, subject to the need for a formal meeting required in (d) above to be decided by the chairman.

香港特別行政區政府
The Government of the Hong Kong Special Administrative Region

政府總部
發展局
工務科

香港添馬添美道 2 號
政府總部西翼 18 樓



Works Branch
Development Bureau
Government Secretariat

18/F, West Wing,
Central Government Offices,
2 Tim Mei Avenue, Tamar,
Hong Kong

Ref : DEVB(W) 430/80/01
Group : 2, 5, 6

27 December 2018

Development Bureau
Technical Circular (Works) No. 18/2018

**Adoption of Building Information Modelling
for Capital Works Projects in Hong Kong**

Scope

This Circular sets out the policy and requirements on the adoption of Building Information Modelling (BIM) technology.

2. This Circular applies to works either by government staff, consultants or contractors.

Effective Date

3. This Circular takes effect on **1 January 2019**.

Effect on Existing Circulars and Circular Memoranda

4. This Circular supersedes DEVB TC(W) No. 7/2017.

Background

5. In its meeting in April 2013, Works Policies Coordination Committee (WPCC) endorsed the proposal to adopt an incremental strategy in using BIM technology in public works projects. Pilot projects with relatively complex building and/or structural works, and of different nature (such as water/sewage treatment plant, various building projects, etc.) were selected for trial with a view to obtaining more information on the performance of the technology in public works projects in various aspects.

6. In 2014, WPCC endorsed the proposal to promote wider use of BIM technology in different stages of public works projects of any nature, scale or complexity and explore the use of BIM technology for asset management so as to enable staff of Works Departments (WDs) from senior management to frontline staff to appreciate the benefits of the technology and acquire the hands-on experience.

7. Under the endorsed proposal, WDs should continue to provide training to their staff from introductory level to advanced level for smooth delivery of pilot projects and to establish a pool of colleagues capable of building up and administering BIM models.

8. The Government is firmly committed to the promotion and adoption of BIM technology in capital works projects with a view to enhancing the design, construction, project management, asset management and improving the overall productivity of the construction industry. The 2017 Policy Address has stated that Government will actively seek to require consultants and contractors to use this modelling technology when undertaking design of major government capital works projects from 2018 onwards. DEVB TC(W) No. 7/2017 was issued to set out the details of this Policy Address initiative.

9. Superseding DEVB TC(W) No. 7/2017, this Circular enhances the implementation requirements for BIM adoption in response to WDs' feedback and revises the scope of mandatory BIM uses so as to further foster adoption of BIM technology in public works projects.

Policy

10. Capital works projects with project estimates more than **\$30 Million**¹ shall use BIM technology. The policy is applicable for projects in the investigation, feasibility, planning, design or construction stages in the Capital Works Programme irrespective of the modes of delivery as detailed in the ensuing paragraphs. For entrustment works, sub-vented capital works projects and works that are undertaken by private parties but will be handed back to the Government for maintenance, the BIM adoption policy is covered in paragraph 16.

BIM Adoption for Government Projects

Investigation, Feasibility and Planning Stage

11. Sometimes a detail information model may not be required at the early stage of a project or has little reference value at subsequent stages. Thus, the use of BIM technology is **optional** for projects in the investigation, feasibility and planning stage. However, WDs should critically review the project technical and information requirements, and if there is benefit of using BIM technology at this stage, it can be so used.

Design Stage

12. The use of BIM technology is **mandatory** for all projects to be designed under Design and Construction consultancy agreements (DC) or Investigation, Design and Construction consultancy agreements (IDC) and all in-house projects.

Construction Stage

13. All tenders for construction works contracts are required to use BIM technology. For contracts that do not adopt BIM technology in the design, the use of BIM technology shall at least cover the requirement for an as built BIM model.

¹ Project estimate data recorded in the FSTB Capital Works Expenditure database.

14. For the avoidance of doubt, this requirement applies also to Design-Build and Design-Build-Operate projects.

Asset Management

15. In addition to enhance productivity and reduce risks and costs of our capital works projects, BIM technology can also optimize operation and maintenance. The development of this branch of the technology is fast and handover of information models for operation and maintenance should become standard practice. WDs should critically review their departmental asset management strategy in order to leverage the technology to enter into the digital built environment.

BIM Adoption for Entrustment Projects, Sub-vented Projects and Private Projects to be Handed Over to Government

16. This BIM adoption policy is also applicable to entrusted project within Government departments. For projects entrusted to organizations outside Government (Airport Authority, MTR Corporation Limited, private developer etc.), sub-vented projects and private projects to be handed over to the Government, the scope of BIM implementation should be aligned with the BIM adoption/implementation policy of the organisations. However, WDs shall encourage these organizations to use BIM technology as far as practicable.

Mandatory BIM Uses

17. A number of mature BIM uses have been identified and a list of mandatory and optional BIM uses in **Annex 1** should be implemented in capital works projects. To keep up with the fast BIM technology development, the BIM uses in works projects will be reviewed and updated from time to time.

Exemption

18. On exceptional grounds such as serious contractual implications, substantial impact on project delivery or projects of little technical content², the Heads of WDs may exempt the adoption of BIM technology or part of mandatory BIM uses as required under this Circular. WDs shall appropriately keep records on and inform the DEVB of the approvals for exemptions with detailed justifications.

BIM Software

19. Specific brand names and models of BIM software shall not be stated in tender specifications of consultancy studies and works tenders. Notwithstanding considerations on compatibility, product makes and models should not be specified. WDs shall ensure that tender specifications must be performance and function based.

Production of Two-Dimensional Drawings

20. The industry used to adopt two-dimensional (2D) Computer Aided Drafting (CAD) drawings and WDs have been following the “CAD Standard for Works Projects (CSWP)” for 2D CAD drawings. For BIM projects, 2D drawings shall be generated from the 3D BIM model. WDs and their engaged consultants/contractors shall cease producing 2D drawings by other platforms if those drawings can be generated from the 3D BIM model. 2D drawings which are generated from the 3D BIM model need not follow CSWP.

² Project’s main scope of work has little technical content such as operation of public fill banks, paving and painting works, slope maintenance works, greening works, maintenance works under term contracts and procurement of vehicles.

Contractual Requirements

21. Contractual provisions adopted in pilot projects may continue to be used until advised otherwise. To cater for cases where small consultant or contractor firms may not be very well equipped with BIM expertise, provisions will be stipulated in the agreement or contract allowing the consultant or contractor to engage BIM sub-consultant or sub-contractor to assist them. The agreement or contract shall also contain terms requiring the consultant or contractor to train up a number of staff of the employer/their staff and their sub-consultant/sub-contractor staff. The Construction Industry Council (CIC) will suitably organise free BIM training places for WDs to allocate to their consultants/contractors successfully awarded the Agreements/Contracts. Sample provisions for the training requirements are enclosed in **Annex 2** for reference.

Construction Innovation and Technology Fund (CITF)

22. The Government has launched the CITF in October 2018, which among other things, provides financial assistance to the local construction industry on BIM training and procurement of BIM software and hardware for experiential use and project adoption of BIM technology. WDs should encourage their engaged consultants/contractors and sub-consultants/sub-contractors to apply for the CITF.

Enquiries

23. Enquiries on this Circular should be addressed to Chief Assistant Secretary (Works) 4.

(LAM Sai-hung)
Permanent Secretary for Development (Works)

BIM Uses

1. Works Departments shall adopt the stipulated mandatory BIM uses in respective stages of a project. Works Departments may adopt the optional BIM uses when necessary.

	BIM Use	Investigation, Feasibility and Planning	Design	Construction
1	Design Authoring	O	M	M
2	Design Reviews	O	M	M
3	Existing Conditions Modelling	O	<u>M</u>	M
4	Site Analysis	O	M	
5	3D Coordination		M	M
6	Cost Estimation	O	<u>M^a</u>	<u>M^b</u>
7	Engineering Analysis		O	O
8	Facility Energy Analysis		O	O
9	Sustainability Evaluation	O	O	O
10	Space Programming	O	<u>M^c</u>	
11	Phase Planning (4D Modelling)		<u>M^d</u>	M
12	Digital Fabrication		O	<u>M^e</u>
13	Site Utilization Planning			<u>M^f</u>
14	3D Control and Planning			O
15	As-Built Modelling			M
16	Project Systems Analysis			O
17	Maintenance Scheduling			<u>M^g</u>
18	Space Management and Tracking			O
19	Asset Management			O
20	Drawing Generation (Drawing Production)		M	M

Legend:

M – Mandatory BIM Use for the mentioned stage, including that carried forward from previous stage.

O – Optional BIM Use

Notes:

- a. Mandatory for project cost budgeting, project cost control and cost evaluation on design options, etc. at design stage as far as practicable.
- b. Mandatory for project cost control, cost evaluation on variation of works, cash flow/spending analysis, etc. at construction stage as far as practicable.
- c. Mandatory for checking client spatial requirements such as compliance with the approved schedule of accommodations, reference plot ratio for building projects and site coverage of greenery for building projects, or other spatial requirements relevant to building/civil projects as considered appropriate.
- d. Mandatory for the construction activities with very high to extreme risk level identified from the Systematic Risk Management (SRM) according to ETWB TC(W) No. 6/2005 or other activities as considered appropriate at design stage.
- e. Mandatory for digitalizing the construction details in the BIM model for mass customized components such as metal cladding, acoustic panels, building façade panels, ceiling panels, acoustic barriers, metal structural members, etc. which are of large quantities and variety in dimensions, shapes, geometries, etc.
- f. Mandatory for the construction activities with very high to extreme risk level identified from the SRM according to ETWB TC(W) No. 6/2005 or other activities as considered appropriate at construction stage.
- g. Mandatory for providing maintenance attributes for facility structures, fabrics and equipment in the as-built models as considered appropriate.

2. Explanations of each of the above BIM use shall be referred to the latest version of the BIM Standard(s) of the Construction Industry Council.

3. The additional mandatory BIM uses as underlined in the above table shall be adopted for all T&F proposals or construction works tenders to be invited on or after 1 January 2019.

Organization, Training and Sub-contracting Requirements

BIM Team Structure

The Consultant/Contractor* shall propose and establish a BIM team that are appropriate for the scale and complexity of the Assignment/Contract*, highlighting key roles and responsibilities of each position, within [14][#] calendar days after commencement of Assignment/Contract*. The team shall be led by a BIM Team Leader who holds a key position in the Consultant/Contractor's* project team structure. The BIM team shall include sufficient and technically competent resources in order to complete all BIM tasks and deliverables specified in the Assignment/Contract*. Notwithstanding, the BIM team shall comprise at least [3][#] personnel well trained in relevant disciplines. These personnel shall have qualifications as follows:

(a) BIM Team Leader

- (i) shall either have corporate membership of an appropriate professional institution or shall have a minimum of five years relevant post-qualification experience plus university degree or equivalent in an appropriate engineering or construction-related discipline; and
- (ii) shall have a minimum of three years of practical experience in management of BIM projects.

(b) BIM Coordinator

- (i) shall have a minimum of three years related construction project experience; and
- (ii) shall have a minimum of one year practical experience in BIM projects..

The BIM Team Leader shall be responsible for the overall BIM managements and process controls. The BIM Team Leader shall delegate BIM Coordinator(s) for handling BIM tasks such as BIM modelling, collaborate information exchange amongst related stakeholders and maintain a

drawing/information register to record the information to be incorporated in the model(s).

For any proposed staff movement or change in the BIM team, the Consultant/Contractor* shall provide a CV of the replacement personnel together with evidence of equivalent BIM competency to the Director/Engineer/Supervising Officer* within [7][#] calendar days for approval.

BIM Sub-Consultant/Sub-Contractor*

If the Consultant/Contractor* does not have the necessary expertise, the Consultant/Contractor* shall engage a sub-consultant/sub-contractor* with suitable expertise for the performance of BIM related tasks. If the Consultant/Contractor* intends to or is required to sub-contract the BIM works to a BIM sub-consultant/sub-contractor*, the Consultant/Contractor* shall obtain approval from the Director/Engineer/Supervising Officer* before formal engagement and shall indicate this clearly in the project team structure. The positions of the staff members from the BIM sub-consultant/sub-contractor* shall also be indicated clearly in the BIM team organisation structure.

BIM Training Requirements for Courses Offered or Recommended by the Construction Industry Council

The Consultant/Contractor* is required to nominate his staff or sub-consultant/sub-contractor*'s staff to attend, within [6][#] months from the commencement of the Assignment/Contract*, training courses organised by the Construction Industry Council as follows:

- [4][#] staff members to attend and successfully complete the Building Information Modelling Basic Modelling Courses and
- [4][#] staff members to attend and successfully complete the Building Information Modelling discipline-specific Advanced Modelling Courses.

In case there are sub-contractor(s)/sub-consultant(s)* in the Assignment/Contract*, the Consultant/Contractor* should ensure that the appropriate number of staff member from the sub-consultant(s)/sub-contractor(s)* should attend the BIM training.

The Consultant/Contractor* shall liaise with the Construction Industry Council for the schedule of the above courses and shall obtain necessary approval of the nomination from the Director/Engineer/Supervising Officer* before the commencement of the training courses.

In case the nominated staff members fail to complete the course, the Consultant/Contractor/Sub-consultant/Sub-contractor* shall arrange additional BIM training courses to its staff members to fulfil the contract requirements at its own cost.

* Delete as appropriate

The number is for reference only and should be suitably determined by the WD according to the nature, scale, complexity, mode of project delivery, number of consultant/contractor/sub-consultant/sub-contractor involved, etc. of the project.

(This may not be the latest version as in the CNPIS which is updated from time to time)

CONSULTANTS PERFORMANCE REPORT												
Part II - Detailed Assessment of Performance												
Item	Aspects of Performance	VG	G	S	P	VP	NA	Max. Score	Applicable Max. Score	Consultant's Score	Weighted Score	
A.	Stage Assessment											
1	Feasibility / Investigation Stage (EACSB) or Workstage 1/2 (AACSB)											
1.1	Recommendations											
(a)	Quality of recommendation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	8	0	0		
(b)	Technical consideration	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	7	0	0		
(c)	Consideration of environmental friendliness, energy efficiency, health & safety, and life cycle costs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	5	0	0		
(d)	Consideration of alternatives and innovative ideas	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	7	0	0		
1.2	Consultation and public engagement	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	4	0	0		
1.3	Cost estimates & quality of reports	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	9	0	0		
	Stage period : <input type="text"/> month(s)							40	0	0	0	
2	Design and Contract Stage (EACSB) or Workstage 3/4 (AACSB)											
2.1	Design solutions											
(a)	Quality of design	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	8	0	0		
(b)	Technical consideration	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	6	0	0		
(c)	Consideration of environmental friendliness, energy efficiency, health & safety, and life cycle costs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	5	0	0		
(d)	Consideration of alternatives and innovative ideas	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	3	0	0		
2.2	Consultation and public engagement	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	3	0	0		
2.3	Cost estimates & quality of tender documents/drawings (Note 5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	10	0	0		
2.4	Tender assessment	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	5	0	0		
	Stage period : <input type="text"/> month(s)							40	0	0	0	
3	Construction Stage (EACSB) or Workstage 5/6 (AACSB)											
3.1	Supervision of contractors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	10	0	0		
3.2	Administration of contracts	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	6	0	0		
3.3	Recruitment, supervision and administration of site staff	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	6	0	0		
3.4	Financial control of contracts	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	5	0	0		
3.5	Certification of interim payments/final accounts	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	5	0	0		
3.6	Handling of contractor's claims	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	4	0	0		
3.7	Provision of record drawings/manuals/other records	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	4	0	0		
	Stage period : <input type="text"/> month(s)							40	0	0	0	

Consultation materials	Consultation materials including presentation materials, models, animation, drawings, plans and figures which are legible, appealing to the readers, allowing the readers to visualize conceptual schemes proposed and in layman's terms which are also suitable for the general public
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The assessment should be based on the consultants' performance in the process of consultation and public engagement, i.e. whether the consultant has diligently considered all stakeholders' views and come up with balanced recommendations/design solutions. The assessment on consultants' performance should not be based only on the end results.

(c) Cost estimates & quality of tender documents/drawings (*)¹

Criteria	Description
Cost estimates	Comprehensive, realistic, up-to-date and accurate (excluding factors outside consultants' control) with sufficient details to support the recommendations & deliverables including any cost reduction and expenditure levelling
Contract arrangements	Select the most suitable contract packaging arrangements and types of contract for the works
Consultation	Consult and incorporate as appropriate comments from authorities, government departments and stakeholders
Quality	Contract documents and drawings which are complete, adequate and comprehensive for the works
Timeliness	Submit contract documents in time to meet the construction programme

(*)¹ Become a critical assessment item for Quantity Surveying consultancies.

(d) Tender assessment

Criteria	Description
Compliance	Comply with statutory requirements, tender assessment procedures, etc.
Technical support	Adequate technical support in facilitating a thorough tender assessment
Evaluation and recommendations	Thorough evaluation and sound recommendations with due regard to all relevant factors and considerations

**Monitoring of charitable fund-raising activities
Progress on follow-up actions of the recommendations of
the Audit and the Public Accounts Committee (PAC)**

Para. No.	Audit's/PAC's Recommendations	Progress to Date
Part 6: The Way Forward		
Para. 6.11 of the Audit Report	<p>Audit has recommended that Secretary for Home Affairs should –</p> <p>(a) expedite the consultation with relevant bureaux/departments (B/Ds) with a view to formulating a response to all the recommendations of the Law Reform Commission (LRC) Report; and</p> <p>(b) take into account the areas for improvement identified in this Audit Report (such as enhancing the transparency and accountability of charitable fund-raising activities, and improving the co-ordination of the licensing departments in their licensing and monitoring of these activities), in co-ordinating inputs from relevant B/Ds for formulating a response to the LRC's recommendations for the Government's consideration.</p>	<p>HAB has been assigned to co-ordinate inputs from relevant B/Ds for formulating a response to LRC's recommendations for the Government's overall consideration.</p> <p>Following the coordination by HAB and with reference to the recommendations in the LRC Report, the Audit Report and the PAC Report, the Government has introduced a series of administrative measures relating to charitable fund-raising activities in phases with effect from 1 August 2018 and 1 April 2019.</p>
Page 42 of the PAC Report No.68	<p>PAC urged Home Affairs Bureau (HAB) to –</p> <p>(a) expedite the consultation with relevant B/Ds with a view to formulating a substantive response to all recommendations in the LRC Report; and</p> <p>(b) take into account the areas for improvement identified in the PAC Report and the Audit Report in co-ordinating inputs</p>	

Para. No.	Audit's/PAC's Recommendations	Progress to Date
	from relevant B/Ds for formulating a substantive response to the LRC's recommendations with a concrete timetable for action.	

**Management of squatter and licensed structures
Progress of implementing Audit's Recommendations**

Para. No.	Audit's Recommendations	Progress to Date
Part 2: Monitoring of Squatter and Licensed Structures		
2.42	<p>Audit has recommended that, in monitoring squatter structures, the Director of Lands should –</p> <p>(a) take appropriate enforcement actions on surveyed Squatter Structures (SS structures) A1, A2, B1, B2, C2, D, E, F1, F2, G, H and I as well as the 48 SS structures located along the seafront in Kowloon in a timely manner; and</p> <p>(e) expedite actions to inspect the 77 SS structures located along the seafront at which SS Structures G, H and I situate.</p>	<p>The Lands Department (LandsD) has taken the following measures –</p> <p>(a) and (e)</p> <p>LandsD has completed inspection of all SS structures (about 136 in number) currently occupied for commercial purposes along the concerned seafront in Kowloon. It is now devising a pilot scheme for regularization of warranted cases taking into account the overall enforcement priorities under the squatter control policy, difficulties encountered by the occupants and local sentiments, as well as special policy considerations relevant to businesses operating in that particular area for consultation with relevant B/Ds.</p>
Part 3: Rates, Government Rent and Licence Fees on Squatter and Licensed Structures		
3.25	<p>Audit has recommended that the Director of Lands should –</p> <p>(a) expedite actions on conducting a review of the Government Land Licence (GLL) fee levels.</p>	<p>LandsD is conducting an overall review of the license fee charging mechanism for GLLs, taking into account the uses covered by some 15 000 GLLs and their history. The review seeks to, amongst others, identify obsolete uses, hence obsolete fee items, and consider arrangements for revising the fees in respect of the remaining items. To facilitate the review process, LandsD has conducted a digitisation of the hitherto paper-based GLL records which has been completed in end 2019.</p>

Para. No.	Audit's Recommendations	Progress to Date
		LandsD is analyzing the digitalised records with a view to identifying a way forward for the fee items and fee levels.

Government's support and monitoring of charities
Progress on follow-up actions of the Audit's and PAC's Recommendations

Para. No.	Audit's/PAC's Recommendations	Progress to Date
Part 2: Administration of tax exemption of charities and tax-deductible donations		
Page 71 of the PAC Report	PAC strongly urged the Administration to review which B/Ds should be more appropriate to be responsible for the overall regulation and monitoring of the operation of charities, such as making sure the charities comply with their governing instruments, bearing in mind that Inland Revenue Department's main duty is to administer tax-related matters.	HAB has been tasked to co-ordinate inputs from relevant B/Ds for formulating a response to the LRC's Report. HAB has been actively following up the co-ordination. Recommendations in the Audit Report and the PAC Reports will be taken into account in this process.
Part 3: Administration of land granted to charities for operating welfare/social services		
Para. 3.25 of the Audit Report	<p>Audit has recommended that the Director of Lands should –</p> <p>(a) for leases with clauses governing the use or operation of the hostels/dormitories, seek confirmation from the relevant B/Ds on whether the current use or operation of the hostels/dormitories is in line with their policy intent and to their satisfaction, and take necessary follow-up actions in case of any breach of the lease conditions.</p>	<p>Among the eight cases named in the Audit report in which the leases specifically permitted the running of hostels/dormitories (i.e. Leases F, G, H, I, J, L, M and N), relevant B/Ds confirmed that they are satisfied with the current use or operation of hostels/dormitories under Leases F, G, H, I, J, M and N. As regards Lease L, the grantee has submitted audited accounts for the years 2015 to 2018. LandsD has been closely following up with the grantee for early submission of further information and documents for verification of the use of surplus income from the grantee. LandsD would continue to closely follow up on the case in collaboration with relevant B/Ds to examine whether the use or operation of the non-profit making hostel under Lease L is considered as satisfactory.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
Part 5: Regulation of Chinese temples		
Para. 5.15 of the Audit Report	<p>Audit has recommended that the Secretary for Home Affairs, as the Chairman of the Chinese Temples Committee (CTC), should –</p> <p>(a) for the two temples with expired delegation agreements (see para. 5.7 of the Audit Report), expedite action to resolve the long-outstanding issues with the two delegated organisations concerned with a view to renewing the delegation agreements as soon as practicable.</p>	In respect of the renewal of the expired delegation agreement of the remaining one delegated temple, the CTC Secretariat has been actively discussing with the delegated organisation concerned with a view to re-entering into an agreement as soon as possible.
Part 6: Way Forward		
Para. 6.6 of the Audit Report	Audit has recommended that the Secretary for Home Affairs should take into account the areas for improvement identified in the Audit Report (see para. 6.4 of the Audit Report) in coordinating inputs from relevant B/Ds for formulating a response to the LRC's recommendations for the Government's consideration.	HAB has been assigned to co-ordinate inputs from relevant B/Ds for formulating a response to LRC's recommendations. HAB has been actively following up the co-ordination in formulating a response to LRC's recommendations and has made reference to the recommendations in the Audit Report as well as in the PAC Reports.
Page 69 of the PAC Report	<p>PAC strongly urged HAB to –</p> <p>(a) expedite the consultation with the relevant B/Ds to formulate a substantive response to all LRC's recommendations, taking into account the areas for improvement identified in the PAC Report and the Audit Report; and</p>	In this regard, HAB has co-ordinated with the relevant departments, and the Government has introduced a series of administrative measures with effect from 1 August 2018 and 1 April 2019 respectively after making reference to the recommendations in the LRC Report, the Audit Report and the PAC Reports. The measures aim to enhance the transparency of charitable fundraising activities, safeguard the interests of donors and facilitate the conduct of fund-raising activities.

Para. No.	Audit's/PAC's Recommendations	Progress to Date
	(b) explore administrative measures to improve the transparency and accountability of charities with a view to providing better safeguards to the public.	

Fresh food wholesale markets
Updated progress of implementing Audit's Recommendations

Para. No.	Audit's Recommendations	Progress to Date
Part 4: Reprovisioning of private and public fresh food wholesale markets		
<i>Public fresh food wholesale markets on temporary sites</i>		
4.47	<p>Audit has recommended that the Director of Agriculture, Fisheries and Conservation should –</p> <p>(g) keep in view the development of the Government's policy on the live poultry trade, with a view to reprovisioning the Cheung Sha Wan Temporary Poultry Market and/or releasing its site at the earliest possible time.</p>	<p>Having thoroughly considered the Consultant's findings and recommendations on the way forward of the live poultry trade in Hong Kong, as well as the views collected during the public consultation period, the Government has agreed with the broad direction that the status quo for the live poultry trade should be maintained.</p> <p>Regarding the future arrangement for the relocation of Cheung Sha Wan Temporary Poultry Market, the Government is now exploring Fu Tei Au and other possible sites for relocation together with some other wholesale markets under the Study commissioned by CEDD. The study is expected to be completed in Q3 2020 at the earliest.</p> <p>Depending on the study results and other considerations, Food and Health Bureau/Agriculture, Fisheries and Conservation Department (AFCD) will consult the relevant stakeholders and consider the way forward.</p>
Part 5: Way Forward		
5.11	<p>Audit has recommended that the Secretary for Food and Health and the Director of Agriculture, Fisheries and Conservation should –</p> <p>(a) critically review the roles and functions of the Fish Marketing Organisation (FMO) and the Vegetable Market Organisation</p>	<p>A holistic review on the roles and functions of the two organisations, including their SWOT, is being conducted. We will fully take into account Audit's recommendations when mapping out the way forward.</p>

Para. No.	Audit's Recommendations	Progress to Date
	<p>(VMO) in relation to those of the AFCD in operating public fresh food wholesale markets, having regard to –</p> <ul style="list-style-type: none">(i) the roles and functions of the FMO and the VMO originally intended;(ii) their strengths, weaknesses, opportunities and threats (SWOT); and(iii) the need for enhancing their roles and functions to attain synergy and eliminate any duplication of resources in the operation of public fresh food wholesale markets; and <p>(b) take measures to help the FMO, the VMO and the AFCD perform their roles and functions effectively and efficiently, including –</p> <ul style="list-style-type: none">(i) updating the legal framework under which the FMO and the VMO operate and taking effective law enforcement actions; and(ii) regularising, where necessary, new activities required to be performed by the FMO and the VMO.	

Hong Kong Academy for Performing Arts (HKAPA)
Progress on follow-up actions of the Audit's and PAC's Recommendations

Para. No.	Issues Examined	Audit's Recommendations	Progress to Date		
Part 2: Provision of Academic Programmes					
2.31	Admission of non-local students	Audit has recommended that Secretary for Home Affairs (SHA) should – (a) in consultation with the Secretary for Education (SED), draw up a policy on admission of non-local students for the HKAPA, making reference to the principles of the policy applicable to University Grants Committee (UGC)-funded institutions; and (b) in consultation with SED, pursue further with the HKAPA on setting a tuition fee level for non-local students to recover all additional direct costs.	HKAPA has put in place a mechanism to review the tuition fee level for non-local students with a view to recovering all additional direct costs. Under the mechanism, the tuition fee for non-local students has been increased gradually since academic year 2017/18. The current tuition fee levels for local and non-local students are set out below.		
				Local	Non-local
			Degree Programmes	HK\$42,100 p.a.	HK\$52,000 p.a.
			Sub-degree Programmes	HK\$31,575 p.a.	HK\$39,000 p.a.
			HKAPA is now reviewing the tuition fee for the academic year 2020/21, which is expected to be announced in June this year. HAB will continue to monitor the setting of tuition fee level for the non-local students by HKAPA. HAB has continued to follow up with HKAPA regarding policies on admission of non-local students, taking into account the need to sustain a satisfactory international mix of student population and other relevant factors.		

Para. No.	Issues Examined	Audit's Recommendations	Progress to Date
2.38	Student unit cost	Audit has recommended that the HKAPA and SHA should closely monitor the student unit cost and take effective measures to contain the increasing trend, making reference to student unit costs of UGC-funded institutions.	<p>The student unit cost of HKAPA is calculated by the following formula –</p> $\text{Student unit cost of HKAPA} = \frac{\text{Government recurrent subvention}}{\text{Number of full-time equivalent students of all the subvented programmes}}$ <p>Given the impact of student enrolment on student unit cost, HKAPA has continued to implement measures to improve student enrolment with a view to containing student unit cost.</p> <p>The improvement measures include (a) the launch of the new one-year Diploma in Foundation Studies in the academic year 2019/20 which provides an alternative entry pathway to the degree programmes for local applicants; (b) the launch of the online application system (Phase 1) in September 2019 which provides an online platform to collect and update student application data/status, including their performing arts competency in digital format such as video, which facilitates online checking of applicants' eligibility for initial screening. With the online application, HKAPA is able to take proactive measures to encourage applications from potential students; and (c) the estimated launch of Phase 2 of the online application system around Q4 2020, which will further enhance the application, offer and acceptance process.</p>

Para. No.	Issues Examined	Audit's Recommendations	Progress to Date			
			Student unit cost data of the recent five academic years are set out in the table below. Despite the above measures, there has still been an increase in student unit costs which was mainly due to the impact of staff salary adjustment following the civil service pay adjustment as well as additional resources provided to HKAPA to support its academic development.			
				Enrol-ment No.	Student unit cost (HK\$)	Change (for student unit cost)
			2016/17	917	324,860	-1.0%
			2017/18	919	329,803	+1.5%
			2018/19	934	353,980	+7.3%
			2019/20 (Revised estimate)	992	363,680	+2.7%
			2020/21 (Draft estimate)	1000	367,965	+1.2%
			HAB will continue to monitor the student unit cost of HKAPA.			
Part 3: Governance and Government Monitoring						
3.40	Government monitoring	Audit has recommended that SHA should – (a) update the Memorandum of Administrative Arrangements (the Memorandum) with the Government's prevailing subvention guidelines;	HKAPA has improved the presentation of the audited financial statements by separately presenting the income and expenditure of the subvented activities under the footnote of the audited accounts. HAB will continue follow up with HKAPA to further enhance the content of the audited financial report to address Audit's concern on compliance of subvention requirements.			

Para. No.	Issues Examined	Audit's Recommendations	Progress to Date
			On updating of the Memorandum, HAB will, in consultation with HKAPA, revise the Memorandum and incorporate clause(s) that are mutually agreed and in line with the prevailing Government subvention guidelines, including clauses on Government Reserve and submission of audited account.
Part 5: Campus Improvement and Expansion			
5.16	Wanchai Campus expansion project	<p>Audit has recommended that the HKAPA should –</p> <p>(a) endeavour to complete the on-campus expansion (OCE) project within budget by December 2017;</p> <p>(b) for future government-subsidised capital works projects, implement the project in strict accordance with the scope of the project as approved by the FC of LegCo, and avoid making changes to the design and specifications of the project that would increase the approved project estimate (APE) after funding approval; and</p> <p>(c) make necessary arrangements to deal with the impact of the delay and reduction in scope of the OCE project on delivering its academic programmes and other services.</p>	<p>The moving-in to the new Annex of the Wan Chai campus was completed in September 2019.</p> <p>HKAPA is now working on the final account of the OCE project. HAB will continue to monitor HKAPA's progress in finalising the project account on the OCE.</p>

Para. No.	Issues Examined	Audit's Recommendations	Progress to Date
5.17	Wanchai Campus expansion project (cont'd)	<p>Audit has recommended that SHA should –</p> <p>(a) monitor closely the progress of the OCE project to ensure that the HKAPA completes it within budget by December 2017;</p> <p>(b) in performing the role of vote controller of subvented capital works projects, provide timely guidance to subvented organisations to remind them to implement subvented projects in strict accordance with the approved scope of the projects, and complete the projects on time and within budget; and</p> <p>(c) report the progress of the OCE project to LegCo with a detailed account of the delay and reduction in project scope.</p>	<p>Please refer to the update in Audit Report paragraph 5.16 above regarding the progress of the OCE.</p> <p>In March 2016, HAB reported to LegCo Panel on Home Affairs the progress of the project; and provided a detailed account of the delay and reduction in project scope. HKAPA has been reminded of the need to follow the relevant guidelines in implementing the OCE project, and complete it on time and within budget.</p>

Management of water supply and demand
Progress of implementing the outstanding items

Para. No.	Audit's Recommendations	Progress to Date
Part 2: Water Supply Management		
2.33	<p>Audit has recommended that the Director of Water Supplies should –</p> <p><i>Use of reclaimed water</i></p> <p>(a) expedite actions to implement the project for supplying reclaimed water for flushing in Northeast New Territories.</p>	<p>As for the remaining infrastructure works for supply of reclaimed water, including water reclamation facilities, a pumping system and the second stage of the local distribution mains in Sheung Shui and Fanling, subject to the funding approval of FC of the LegCo, the construction works are targeted to commence in the fourth quarter of 2020. We plan to commence supply of reclaimed water for flushing to the above areas from 2022 onwards in stages.</p> <p>The preparatory work for the legislation for the supply of recycled water (including reclaimed water) is in progress. We plan to brief Members of the LegCo Panel on Development on the legislative proposal in the next legislative session.</p>

Planning, construction and redevelopment of public rental housing flats
Progress of implementing PAC's recommendations

Para. No.	PAC's Recommendations	Progress to Date
Para. 27 of PAC Report Part 5	<p>PAC was informed that –</p> <p><u>Public Housing Construction Programme 2019-2020 to 2023- 2024</u></p> <ul style="list-style-type: none"> - according to Hong Kong Housing Authority's (HKHA) Public Housing Construction Programme as at September 2019, the estimated total public housing production of HKHA and the Hong Kong Housing Society (HKHS) in the five-year period from 2019-2020 to 2023- 2024 would be 100 700 units. The Administration had identified land for the construction of about 248 000 public housing units for the ten- year period from 2019-2020 to 2028-2029, assuming that all sites identified could be delivered on time for housing construction. To further expedite the supply of public housing, the Administration had already implemented the following policies and measures in 2018 – (a) allowed a further increase of domestic plot ratio for public housing sites in selected Density Zones of the Main Urban Areas and New Towns by 10% (i.e. up to maximum 30% increase in total) where technically feasible, with a view to optimizing land resources and maximizing public housing supply in the short and medium terms; 	<p>According to the latest long term housing demand projection under the LTHS, the Government has adopted 430 000 units as the total housing supply target for the ten-year period from 2020-21 to 2029-30. According to the public/private split of new housing supply of 70:30, the public housing supply target for the above ten- year period is 301 000 units (comprising 210 000 PRH/GSH units and 91 000 other subsidised sale flats).</p> <p>As at December 2019, the estimated total public housing production by HKHA and HKHS in the five-year period from 2019-20 to 2023-24 is about 100 400 flats, comprising about 74 400 PRH/GSH units and about 26 000 other subsidised sale flats.</p> <p>The Government has been making public at regular intervals –</p> <ul style="list-style-type: none"> (i) the housing supply target and the progress of public housing construction, which includes announcing the rolling ten-year housing supply target and the progress of land supply preparation in the LTHS Annual Progress Report; and (ii) the estimated production number of public housing in the next five years on website of Transport and Housing Bureau and LegCo submission.

Para. No.	PAC's Recommendations	Progress to Date
	<p>(b) re-allocated nine private housing sites for public housing development. These sites were expected to provide some 11 000 units; and</p> <p>(c) revised the land premium arrangement for subsidized housing projects of the HKHS, which would enable the HKHS to continue to provide rental units and subsidized sale flats and implement the re- development programme of aged rental estates on a financially sustainable basis;</p> <p><u>Long Term Housing Strategy</u> <u>Annual Progress Report 2019</u></p> <p>- in a press conference held on 18 December 2019, Secretary for Transport and Housing announced the Long Term Housing Strategy (LTHS) Annual Progress Report 2019, which included the following salient points –</p> <p>(a) according to the latest long term housing demand projection under the LTHS, the public housing target for the ten-year period from 2020-2021 to 2029- 2030 was 301 000 units (comprising 210 000 public rental housing (PRH)/Green Form Subsidised Home Ownership Scheme (GSH) units and 91 000 other subsidized sale flats); and</p>	<p>As the above work will be carried out on an on-going basis, we recommend deleting this part from the next progress report.</p>

Para. No.	PAC's Recommendations	Progress to Date
	<p>(b) the Administration had identified land for the construction of about 272 000 public housing units for the same period, assuming that all sites identified could be delivered on time for housing production. The gap between the amount of land identified and the public housing supply target was 29 000 units; and</p> <p>- The Administration submitted the LTHS Annual Progress Report 2019 to the LegCo Panel on Housing at the meeting held on 6 January 2020.</p>	

Management of roadside skips
Updated progress of implementing Audit's Recommendations

Para. No.	Audit's Recommendations	Progress to Date
<p>5.6(c)</p> <p>5.6(d)</p>	<p>Audit has recommended that the Secretary for Development, the Secretary for the Environment and the Secretary for Transport and Housing should jointly, based on the results of para. 5.6(a) and (b) of the Audit Report –</p> <p>(i) formulate strategies and action plans for regulating and facilitating skip operations; and</p> <p>(ii) assign a government department to take up the responsibility for regulating and facilitating skip operations.</p> <p>conduct a review to re-assess whether the current situation justifies Government actions to introduce a regulatory system to regulate and facilitate skip operations.</p>	<p>The Joint Working Group on Management of Roadside Skips (JWG) continues to enhance the management and control of roadside skips by putting in place relevant measures.</p> <p>The Government has provided two sites, one adjacent to Tseung Kwan O Area 137 Fill Bank and one at Siu Lang Shui in Tuen Mun, through short-term tenancies, for use by the skip trade to store idling skips. It has also continued to engage a dedicated term service contractor to assist enforcement departments in speeding up the removal of skips found to be posing serious obstruction to traffic and/or imminent danger to the public, thereby enhancing enforcement efficiency and the deterrent effect.</p> <p>In addition, from 2017 to 2019, the JWG has conducted a total of 65 joint enforcement operations to tackle the malpractice of indiscriminate placement of idling skips at a number of black spots, including Tseung Kwan O, Sai Kung, Kowloon Bay, Kai Tak and Chai Wan areas. The JWG will continue to duly organise joint enforcement operations as necessary at black spots in various districts. It is also preparing for a trial to install surveillance camera systems at the black spots along Shing Tai Road, Chai Wan and Muk On Street, Kai Tak, aiming for stepping up enforcement and deterrence against the malpractice of indiscriminate placement of skips at roadside.</p>

Para. No.	Audit's Recommendations	Progress to Date
		<p>As regards the further work to enhance the management and facilitation of skip operations, the JWG has engaged a consultant to work with skip operator trade and other stakeholders (such as construction trade associations, property management companies and insurance trade association) to explore the setting up of a voluntary skips management system and draw up the proposals concerned. The study was completed in the third quarter of 2019. The consultant of the JWG, after consulting skip operator trade and other stakeholders, has suggested that the “Certification Scheme for Skips” (Certification Scheme), “Registration Scheme for Skip Operators” (Registration Scheme) and “Charter for Skip Users” (Charter Scheme) should be implemented under the voluntary management system to address public and trade concerns.</p> <p>The JWG engaged a consultant in late 2019 to assist skip operator trade in commencing the preparatory work for the voluntary skips management system. Preparation is underway for implementing the management system. It is expected that the first phase of the Certification Scheme will be launched in the second half of 2020, while the Registration Scheme and the Charter Scheme will be rolled out progressively in line with the amount of certified skips in the market.</p> <p>To assist skip operator trade in expediting the implementation of the Certification Scheme so as to increase the amount of certified skips in the market, the JWG is conducting a trial for the trade to retrofit about 30 in-use skips with fixtures to meet the warning and appearance requirements for road</p>

Para. No.	Audit's Recommendations	Progress to Date
		<p>safety as set by the TD and to prevent environmental nuisance. Such fixtures can help avoid the skips from posing safety threats to other road users or causing nuisance to the public. The trial is expected to be completed in the second quarter of 2020. The findings and experience gained will provide important information including the design and materials of the road safety fixtures, operation guidelines, the retrofitting cost and time required to facilitate the carrying out of suitable retrofitting works for all in-use skips across the territory by the trade.</p> <p>The JWG will continue to explore options for enhancing the standards of skip operations. Taking into account the progress of and the experience gained in implementing the voluntary management system, the JWG will consider whether there is a need to introduce a new regulatory system in the long run.</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>

Regulation of non-franchised bus and school private light bus services
Progress of implementing Audit's recommendations

Para. No.	Audit's Recommendations	Progress to Date
PART 2: Administration of Licensing Requirements		
2.15(c)	Audit has recommended that the Commissioner for Transport should consider tightening the requirements on service contracts provided for each service endorsement to justify the number of vehicles required.	<p>TD has communicated and reached a consensus with the trade on the tightened requirement on the number of vehicles. Upon the renewal of individual service endorsement of a Passenger Service Licence (PSL), the trade has to provide service contract(s) to justify the number of vehicles applying for service endorsement. Specifically, the number of vehicles stipulated in the service contract(s) submitted should be at least 50% of the number of vehicles applying for service endorsement. The relevant measure was implemented in the fourth quarter of 2019.</p> <p>As the recommendation has been implemented, we suggest deleting this part from the next progress report.</p>
2.29	<p>Audit has recommended that the Commissioner for Transport should –</p> <p>(d) consider streamlining the licensing requirements of Passenger Service Licence Certificates (PSLCs), such as examining the feasibility of –</p> <p>(i) merging the two types of PSLC for public non- franchised buses (NFBs); and</p> <p>(ii) aligning the validity periods of PSLCs and related PSLs.</p>	<p>TD plans to merge the PSLCs for scheduled services and non-scheduled services of public NFBs from mid-2020 onwards.</p> <p>Meanwhile, TD is considering the proposal of aligning the validity periods of PSLCs and related PSLs, and the legislative timetable.</p>

Para. No.	Audit's Recommendations	Progress to Date
Part 3: Regulatory Controls over Unauthorised Operations		
3.35	<p>Audit has recommended that the Commissioner for Transport should strengthen enforcement actions against unauthorised NFB operations. In particular, the Commissioner for Transport should –</p> <p><i>Enforcement actions against unauthorised operations</i></p> <p>(d) improve the efficiency and effectiveness of the enforcement actions, including –</p> <p>(ii) exploring feasible measures to plug the loophole in the existing inquiry mechanism whereby an offending PSL holder can avoid sanctions by transfer of ownership of vehicles; and</p>	<p>TD is consulting the Department of Justice (DOJ) on the proposal to enhance the existing regulatory framework to prevent PSL holders from avoiding sanctions.</p>
	<p>(iii) exploring additional enforcement tools for tackling common breaches of PSL conditions.</p>	<p>In consultation with DoJ and the Hong Kong Police Force, TD has completed a review on the applicability and effectiveness of additional enforcement tools, including the issue of fixed penalty ticket or summons to PSL holders who have breached the PSL conditions.</p> <p>The review revealed that the issue of fixed penalty ticket would still require investigation, evidence gathering and information verification work by the enforcement agents on the spot, and hence it is considered ineffective and impracticable in handling most of the PSL breach cases such as operating service types without proper service</p>

Para. No.	Audit's Recommendations	Progress to Date
		<p>endorsements or non-adherence to the schedules of services.</p> <p>On the other hand, as the use of summons as an enforcement tool for tackling cases of breaches of PSL conditions would involve legal proceedings where the cases would be handled by the court on relevant convictions, this would require a higher standard of investigation and proof by the enforcement agent than that for an inquiry. The time required would also be longer.</p> <p>Furthermore, the current practice to hold an inquiry and to suspend, vary and cancel a PSL as the penalty for breach of PSL conditions imposes more deterrent effect than other enforcement tools.</p> <p>In view of the above, TD recommends maintaining the current practice to hold inquiries and has already adopted various measures to expedite the process for initiating and completing investigations, and conducting inquiries for determination of appropriate penalties.</p> <p>As the recommendation has been addressed, we suggest deleting part (d)(iii) from the next progress report.</p>

**Operation of the Land Registry
Progress in Implementing Audit's Recommendations**

Para. No.	Audit's Recommendations	Progress to Date
Part 2: Provision of Services		
2.22(a)	The Land Registrar should update the Land Registry (LR)'s target completion date for the tidying up exercise of the land registers and endeavour to meet the target date.	LR has completed checking and updated the concerned memorial entries in December 2019 as scheduled. As follow-up actions on this recommendation have been completed, we recommend this section be deleted from the next progress report.
2.38(b)	The Land Registrar should in collaboration with the Director of Home Affairs, explore the feasibility of computerising the owners' corporation records.	<p>LR submitted a proposal on computerisation of owners' corporation records to the Home Affairs Department (HAD) in May 2018. After further discussion amongst LR, HAD and the Office of the Government Chief Information Officer (OGCIO), LR submitted a revised proposal to HAD in December 2018 in light of HAD's comments. After rounds of discussion, the revised proposal has been finalised.</p> <p>HAD has made a funding application to OGCIO in respect of the revised proposal. LR and HAD will implement the proposal after the funding is obtained.</p>
Part 3: Implementation of Land Title Registration System		
3.31(a)	The Secretary for Development and the Land Registrar should fully assess the complexity of the issues and the work involved in taking forward the implementation of the Land Title Registration System (LTRS).	The LTRS is inherently complicated as it involves complex legal issues and carries significant implications. The Government has never underestimated the complexity of the issues and the work involved in implementing the Land Titles Ordinance (LTO) and the LTRS, and is committed to bridging different expectations of pertinent stakeholders on the LTRS. The Government has all along been keeping members of the LTOSC informed of the progress of the LTO review.
3.31(b)	The Secretary for Development and the Land Registrar should set a target LTRS implementation date and devise an action plan with timetable for	

Para. No.	Audit's Recommendations	Progress to Date
	implementing the LTRS as soon as practicable, having regard to the assessment of the complexity of the issues and the work involved, views of stakeholders and the experience gained in the past years.	The Government is now actively pursuing the implementation of the LTRS on newly granted land first (i.e. "new land first" proposal) in order to enable early implementation of the LTRS in Hong Kong. The Government is seeking consensus with the key stakeholders on the main issues for implementing the "new land first" proposal, including the scope of indemnity, verification of applications for registration, and the caution mechanism. We have conducted five LTO Review Committee (LTORC) meetings in 2019 to consult Members on these issues and an LTOSC meeting was held in December 2019 to report progress of the LTO review and discuss the LTORC's recommendations.
3.31(c)	The Secretary for Development and the Land Registrar should report the target LTRS implementation date and submit the action plan to the Land Titles Ordinance Steering Committee (LTOSC) for consideration.	<p>The Government continues to engage stakeholders in discussions on the main issues. As the issues to be addressed are relatively complicated, if things go as planned, the Government expects that consensus would be reached with the stakeholders on the main issues concerning the "new land first" proposal by the third quarter of 2020 and plans to consult the LTOSC on the proposed major amendments to the LTO in the fourth quarter of 2020. We will refine the Land Titles (Amendment) Bill according to the comments of LTOSC and work out a more concrete implementation timetable.</p>

**Provision of government office accommodation and utilisation of government sites
Progress of implementing Audit's Recommendations**

Para. No.	Audit's Recommendations	Progress to Date
Part 2: Provision of Government-owned Office Accommodation		
Para. 2.9	Audit has recommended that the Government Property Administrator should take measures, including planning for more joint-user general office buildings (JUBs), to meet the additional office accommodation needs of B/Ds.	<p>The Government Property Agency (GPA) will continue to consider "Government, Institution and Community" sites recommended by Planning Department (PlanD) in its site search for planning new JUBs, with a view to meeting additional office accommodation needs on a long-term basis. The GPA is examining suitability of the sites recommended by PlanD recently and will continue to seek PlanD's assistance to identify more sites for planning of new JUBs.</p> <p>As the recommendation is implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>
Para. 2.25	Audit has recommended that the Secretary for Financial Services and the Treasury, in collaboration with the Government Property Administrator and DArchS, should closely monitor the implementation of the nine replacement building projects for the relocation of the Wan Chai Government Offices Compound (WCGOC) to ensure their timely completion.	<p>Relevant B/Ds are actively taking forward the implementation of the nine replacement building projects under the WCGOC relocation exercise.</p> <p>The construction works of the West Kowloon Government Offices (WKGO) and the move-in of user B/Ds to WKGO have been completed. Construction works for the Government Information Technology Building (GITB), the Inland Revenue Tower (IRT), the Treasury Building (TB) and Immigration Headquarters (ImmHQ) have commenced. The GITB is expected to be completed in 2021, IRT and TB are scheduled to be completed in 2022, while ImmHQ is expected to be complete in 2023.</p> <p>The preparation of the remaining four building projects is in progress. The relevant B/Ds consulted the LegCo</p>

Para. No.	Audit's Recommendations	Progress to Date
		<p>Panel on Development on the Drainage Services Department Office Building, and Water Supplies Department Headquarters with Hong Kong and Islands Regional Office and Correctional Services Department Headquarters Building projects in December 2019; and the LegCo Panel on Financial Affairs on the Tseung Kwan O Joint-user Building project in January 2020. They plan to submit funding applications of the three projects to the Public Works Sub-committee and the FC within the 2019- 2020 legislative session.</p> <p>It is the Government's target to complete the construction of all the replacement building projects under the WCGOC relocation exercise by 2026.</p> <p>The Financial Services and the Treasury Bureau (FSTB) will continue to monitor the implementation of the WCGOC relocation exercise closely in collaboration with the GPA and the ArchSD.</p> <p>As the recommendation is implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>
Part 4: Utilisation of Government Sites		
Para. 4.17	<p>Audit has recommended that the Government Property Administrator should –</p> <p>(d) take measures to ensure that information recorded in the Government Property Information System (GPIS) is accurate and up-to-date.</p>	<p>The GPA is keeping site particulars in GPIS up-to-date with reference to the relevant information from ArchSD's completed projects under the established mechanism. This updating mechanism is running smoothly and subject to periodic reviews. All system</p>

Para. No.	Audit's Recommendations	Progress to Date
		<p>enhancements to the GPIS to perform more automatic cross-checking of various processes to prevent data omissions/discrepancies have been put in place and further system enhancements would be examined when necessary.</p> <p>As the recommendation has been implemented, we recommend deleting this part from the next progress report.</p>
Para. 4.18	<p>Audit has recommended that –</p> <p>(a) the Secretary for Transport and Housing should task the Commissioner for Transport to review whether there is still a need to implement the Kwai Chung Circumferential Road project and if not, release the site for other uses as soon as possible.</p>	<p>In view of the proposed public housing development at Shek Pai Street in Kwai Chung, the TD had requested the CEDD to conduct a traffic impact assessment under the feasibility study for the "Site Formation and Infrastructure Works for the Development at Shek Pai Street, Kwai Chung" to review the traffic impact on the adjoining road network and propose traffic improvement measures, if necessary. The concerned traffic impact assessment was largely completed. TD, together with CEDD is studying the aforementioned traffic impact assessment and relevant supplementary information to review the need for the Kwai Chung Circumferential Road project.</p>

**Administration of lump sum grants by the Social Welfare Department
Progress in implementing the Audit's and PAC's Recommendations**

Para. No.	Audit's/PAC's Recommendations	Progress to Date
Part 2: Financial Monitoring		
Para. 2.41 of the Audit Report	Audit has recommended that the Director of Social Welfare should –	
	(a) request the three non-governmental organisations (NGOs) (i.e. NGOs I, J and K — see para. 2.39 of the Audit Report), which have not apportioned the head office overheads between Funding and Service Agreement (FSA) activities and non-FSA activities, to apportion such overheads;	<p>The Social Welfare Department (SWD) has ongoing discussion with NGOs I, J and K on the details of appropriate cost apportionment basis for head office overheads between FSA and non-FSA services. SWD has requested the NGOs concerned to provide more concrete apportionment plans for assessment.</p> <p>SWD is giving advice to NGO K to facilitate it to work out a clear and consistent cost apportionment basis. Discussion on the calculation details is in progress.</p> <p>Regarding the cost apportionment arrangement, SWD will continue to study the matter through the Task Force for Review on Enhancement of Lump Sum Grant Subvention System (the Task Force), and draw up a set of cost apportionment guidelines on the use of the Lump Sum Grant subvention, including the apportionment arrangement for costs between FSA and non-FSA activities, for NGOs' reference.</p>
	(c) request the two NGOs that have anomalies in apportioning the overheads between FSA activities and non-FSA activities (i.e. NGOs H and G — see Cases 1 and 2 in para. 2.40 of the Audit Report) to review their bases of apportionment and properly apportion the costs.	Upon SWD's advice, NGO H has worked out a revised calculation basis for apportioning the overheads between FSA services and non-FSA services. SWD considered the revision appropriate and it has taken effect from 2018-19 onwards. The NGO will review the basis of apportionment regularly. Since the recommendation for NGO H has been implemented and

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>will be carried out on an ongoing basis, we recommend deleting the reference to NGO H from the next progress report.</p> <p>NGO G had proposed to SWD a revised cost apportionment plan. Its revised cost apportionment plan on part of the expenses has been accepted by SWD. It still has to submit concrete calculation basis for cost apportionment for the remaining expenses.</p>
Part 4: Monitoring of Service Delivery by Social Welfare Department		
Para. 4.24 of the Audit Report	Audit has recommended that the Director of Social Welfare should –	
	(a) ascertain the reasons for the significant underperformance in the provision of the Home Care Service for Persons with Severe Disabilities (HCS) and the Integrated Support Service for Persons with Severe Physical Disabilities (ISS) and determine the way forward for the two services;	<p>SWD continues to collaborate with the operators of HCS and ISS to review and identify improvement measures for the underperformance of the services. Apart from the meetings held on 24 November 2017, 22 February 2018 and 18 December 2018 with all service operators concerned to look into the reasons for the underperformance and improvement measures, SWD conducted working group meetings with the frontline staff of all service units on 10 July 2018, 14 June 2019 and 5 July 2019 to review the existing Outcome Standards, service demand and supply and deliberate improvement measures.</p> <p>A number of reasons were identified for the underperformance, including (1) extra time and efforts required by service operators for conducting publicity work and inviting referrals to accumulate caseload and achieve the required service output due to a lack of central referral systems for the two services; (2) difficulty in recruitment of certain grades of staff; (3) unstable</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>health condition and hospitalisation of the service users that created uncertainty in service provision; and (4) the definition and calculation method of service outputs cannot cover some direct and indirect service hours, resulting in inadequate reflection of the actual service output of service operators.</p> <p>On (1) and (3) above, SWD has reached a consensus with the respective service operators and planned to extend the scope of service users to include persons with disabilities of a moderate impairment level, so as to widen the pool of eligible service users and boost the service utilisation rate to improve their service performance. SWD revised the related service assessment tools with the service operators in September 2019 to extend the service users to persons with disabilities of a moderate impairment level. The measure has been put into effect since March 2020. SWD will continue to review the implementation of the measure.</p> <p>On (2) above, SWD has reflected the manpower demand on allied health and nursing professions through the established mechanism and joined hands with universities and the Hospital Authority (HA) to provide training courses on the two professions to increase the manpower supply for the subvented services concerned.</p> <p>On (4) above, SWD has reflected the recognised service hours in the quarterly statistics report of the service operators concerned in July 2019.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		As the recommendation has been implemented and will be carried out on an ongoing basis, we recommend that this part be deleted from the next progress report.
	(f) with a view to optimising the use of public money, explore the feasibility of fine-tuning the existing arrangements for calculating subventions to the Agreement Service Units (ASUs) providing the HCS and the ISS.	<p>SWD reached an agreement with the service operators in September 2019 to calculate the subventions for both services by shortening the review on the number of cases served from every year to every six months. The measure would be put into effect in 2020-21.</p> <p>As the recommendation will be implemented soon and carried out on an ongoing basis, we recommend that this part be deleted from the next progress report.</p>
Para. 95 of the PAC Report (Page 63) (Monitoring of service delivery by SWD) (2nd bullet – item (b))	<p>PAC strongly urges SWD to –</p> <p>(b) review underperformance of HCS and ISS services and improve their service delivery, especially on the provision of support services and the procedures on discharging patients;</p>	As progress to date is the same as those for paragraph 4.24 (a) and (f) of the Audit Report above, we recommend that this part can be deleted from the next progress report.
Para. 4.32 of the Audit Report	<p>Audit has recommended that the Director of Social Welfare should –</p> <p>(a) determine whether the activities provided by Agreement Service Unit J (ASU J) to children under six and retired men are FSA-related activities and instigate remedial action where necessary;</p>	The target participants of the programmes provided for children aged under six are not the target service users (aged 6-24) or affiliated family members of the Children and Youth Centre. As such, those programmes are not regarded as FSA-related activities. Nonetheless, some LegCo Members advised during the public hearing of the Audit Report that SWD should exercise more flexibility after considering the purpose and rationality of the services

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		provided by ASU J. Since ASU J is providing early intervention to needy children in response to community needs, and the Task Force is reviewing the principle to elucidate cost apportionment guidelines between FSA services (inclusive of FSA-related activities) and non-FSA services, SWD is considering the issue, including whether there would be discretion to handle ASU J's case for providing activities for children aged under six.

**Centre for Food Safety: Management of food safety
Progress in implementing the Audit's and PAC's Recommendations**

Para. No.	Audit's/PAC's Recommendations	Progress to Date
Part 2: Assessment of Food Safety Risks		
<p>Para. 2.12(a) of the Audit Report</p> <p>Page 97 of the PAC Report</p>	<p>Audit has recommended that the Director of Food and Environmental Hygiene (DFEH) should continue to closely monitor the progress of the second population-based food consumption survey (FCS) and the performance of the contractor to ensure timely completion of the FCS.</p> <p>PAC urges the Centre for Food Safety (CFS) to continue to closely monitor the progress of the second FCS currently underway and the performance of the contractor.</p>	<p>CFS continues to closely supervise the performance of the contractor and enhance efforts in following up on the progress of the FCS. As at May 2020, the contractor has interviewed more than 3 750 respondents (78% of the target respondents). Considering that the interviewing fieldwork has been severely impacted by the social events since mid-2019 and the Coronavirus Disease 2019 (COVID-19) pandemic in the recent months, and that the number of successfully enumerated respondents and the data obtained could largely serve the purpose of the FCS and meet its statistical requirements, CFS is urging the contractor to conduct data analysis and other follow-up work, with a view to completing the whole survey by mid-2021.</p>

**Management of signboards by the Buildings Department
Latest Progress of Implementing Audit's Recommendations**

Para. No.	Audit's Recommendations	Progress to Date
Part 2: Signboard Control Schemes and Surveys		
2.15	<p>Audit has recommended that the Director of Buildings (DB) should –</p> <p>(a) with a view to monitoring the operation and effectiveness of the minor works control system (MWCS) for signboards, ensure that the Buildings Department (BD) regularly compiles and analyses the following management information, including –</p> <p>(i) nature and seriousness of irregularities found;</p> <p>(ii) follow-up actions on withdrawal of submissions;</p> <p>(iii) follow-up actions on “not in order” submissions; and</p> <p>(iv) information on repeated offenders; and</p> <p>(e) take measures to ensure that audit results of desktop and site audits as related to signboards are timely, fully and accurately recorded in the BD's computer system.</p>	<p>(a) and (e)</p> <p>BD has completed the improvement and enhancement of the MWCS computer system. Following the launch of the new computer system in January 2020, BD can monitor the follow-up actions and effectiveness of MWCS for signboards more efficiently, and desktop and site audit checks for signboards can also be recorded in a more detailed and accurate manner.</p> <p>As the above computer system has been implemented and BD will monitor MWCS through the system on an on-going basis, we recommend that this section be deleted in the next progress report.</p>
2.26	<p>Audit has recommended that DB should –</p> <p>(b) take early actions to establish a database of all legal or validated signboards to facilitate control and enforcement actions.</p>	<p>BD has completed sampling for assessing the estimated manpower and time needed to extract information on legal or validated signboards from existing building records in</p>

Para. No.	Audit's Recommendations	Progress to Date
		<p>March 2020. Moreover, BD plans to engage a consultant in the first half of 2020 to test the feasibility of applying artificial intelligence (AI) in identifying and extracting relevant information of existing legal or validated signboards from approved plans in lieu of extracting the concerned information manually, with a view to expediting the progress. If it is confirmed that AI can assist in establishing the database, BD anticipates that the framework of the legal or validated signboard database can be set up in 2021. Depending on the number of existing legal or validated signboards, the information will be uploaded in phases to the database for inspection by members of the public.</p>

**Radio Television Hong Kong: Provision of programmes
Progress in Implementing the Audit's Recommendations**

Para. No.	Audit's Recommendations	Progress to Date
Part 2: Production of Programmes		
2.54	<p><u>Community Involvement Broadcasting Service (CIBS)</u></p> <p>Audit has recommended that the DB should –</p>	
	<p>(c) regularly conduct focus group studies to assess the cost-effectiveness of the projects funded by the Community Involvement Broadcasting Fund (CIBF);</p>	<p>Radio Television Hong Kong (RTHK) will conduct a focus group study on CIBS every two years. The first study was completed in November 2019, and the main views are as follows –</p> <p>(i) CIBS can provide a unique and effective platform for the participants to take part in broadcasting services and reach the community; and</p> <p>(ii) RTHK should streamline the application procedures, provide more guidelines and assistance to the participants and improve the public awareness on CIBS.</p> <p>RTHK will formulate more appropriate arrangements and strategies according to the views collected from the focus group studies.</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>

Para. No.	Audit's Recommendations	Progress to Date
2.68	<p><u>Commissioning of TV Programmes</u></p> <p>Audit has recommended that the DB should –</p>	
	<p>(b) develop a mechanism to collect audience views, e.g. through focus group studies or surveys, on the satisfaction rates of commissioned programmes and on areas for improvement; and</p>	<p>RTHK will conduct a focus group study on the commissioning of television (TV) programmes every year. The first focus group study was completed in January 2020, and the main views are as follows –</p> <ul style="list-style-type: none"> (i) the commissioning of TV programmes can bring in creativity; (ii) the commissioning of TV programmes can offer the Hong Kong audience with TV programmes of innovative themes and contents; and (iii) the commissioning of TV programmes can provide a showcase platform for independent production companies and help fostering the development of local independent TV production industry. <p>RTHK will formulate more appropriate strategies according to the views collected from the focus group studies. RTHK is also studying other areas of the commissioning of TV programmes.</p>

Para. No.	Audit's Recommendations	Progress to Date
Part 3: Broadcasting of Programmes and New Media Services		
3.19	<p><u>Content Licensing</u></p> <p>Audit has recommended that the DB should –</p>	
	<p>(d) take action to promote content licensing, for example, by posting the contents which are available for licensing on the RTHK website.</p>	<p>RTHK has implemented the following measures to promote content licensing –</p> <p>(i) exploring more diversified markets, such as promoting RTHK's programmes to more airline companies. There are already four airline companies which have become RTHK's new clients on content licensing; and</p> <p>(ii) participating in more international TV programme showcases to promote RTHK's programmes. For example, RTHK set up an exhibition booth at the Asia Television Forum which was held in Singapore in December 2019 to promote RTHK's programmes.</p> <p>RTHK will continue to evaluate the effectiveness of the above measures in a timely manner, and will further refine the marketing strategies as and when required.</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>

Para. No.	Audit's Recommendations	Progress to Date
Part 4: Evaluation of Programmes and Other Administrative Issues		
4.13	<u>Audience Surveys</u> Audit has recommended that the DB should –	
	(e) revisit the need for the mandatory requirements imposed on the service providers for the TV Appreciation Index (TVAI) Surveys and the Radio Audience Surveys and consider the feasibility of relaxing them to ensure that the requirements do not create undesirable obstacles to competition amongst the potential service providers.	RTHK has completed the review and removed the mandatory requirements imposed on the service providers regarding qualifications and experiences as well as enhanced the marking schemes to ensure that the procurement procedures are in compliance with the Government's procurement regulations (including the pro-innovation government procurement policy). RTHK plans to adopt the revised procurement procedures and marking schemes in 2020-21 for the new round of surveys.
4.33	<u>Evaluation of TV Programmes</u> Audit has recommended that the DB should –	
	(a) review the strategy for the coverage of programmes in TVAI Surveys;	RTHK has completed the review on the strategies for TVAI Surveys. The main measures are as follows –
	(b) strike a balance between the need to survey more programmes and the need to survey flagship programmes more frequently;	(i) the number of surveys to be conducted will be changed from four times every year to twice every year, so as to cope with the actual needs; (ii) individual programmes (including flagship programmes) will not be surveyed repeatedly in a year. The purpose is to include more types of programmes in the survey;

Para. No.	Audit's Recommendations	Progress to Date
		<p>(iii) the total number of locally produced programmes included in the survey will be reduced from 80 to 60. RTHK will also select 20 additional acquired programmes and commissioned programmes for inclusion in the survey;</p> <p>(iv) RTHK will select programmes for the survey according to the percentage of the different programme natures stated in the Controlling Officer's Report (COR); and</p> <p>(v) other TV broadcasters will continue to be invited to include their programmes in the survey, so as to collect information about the overall programme quality (including the programme quality of other free TV broadcasting service providers and audience preferences) to facilitate the making of more practical planning decisions for the programmes.</p> <p>RTHK plans to conduct the reviewed and revised TVAI Survey in 2020-21.</p>
	<p>(c) take measures to improve the awareness level and the appreciation index of RTHK's TV programmes;</p>	<p>RTHK has implemented and will continue to take the following measures to enhance the awareness level and the appreciation index of its TV programmes –</p> <p>(i) organise roving exhibitions on a regular basis to promote RTHK's Digital Terrestrial Television (DTT) channels;</p> <p>(ii) the meeting chaired by the Assistant Director of Broadcasting (Television and</p>

Para. No.	Audit's Recommendations	Progress to Date
		<p>Corporate Businesses) will review the programmes with low awareness level or an appreciation index lower than the average in TVAI surveys. The results of the review will be reported to the Deputy Director of Broadcasting (Programmes); and</p> <p>(iii) strengthen the promotion of TV programmes through different channels including RTHK TV 31 and 32, RTHK's website and social media.</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>
	(d) ascertain the reasons for low ratings of RTHK's programmes and take measures to enhance the popularity of its TV programmes, especially for those which are intended to be popular programmes;	RTHK commissioned a survey organisation in November 2019 to carry out the "RTHK TV Channel Penetration Survey" (the Penetration Survey) to collect information and data on the penetration/take-up patterns of the DTT channels, viewing habits and preferences of the audience with a view to ascertaining the reasons for low TV ratings. On the basis of the information and data collected, RTHK will be in a better position to work out measures to address the issue.
	(e) take measures to address the issue of lower TV ratings of RTHK TV programmes broadcast on RTHK channels than the ratings of the same programmes broadcast on a commercial channel;	In view of the epidemic, the work progress of the Penetration Survey, which is conducted in the form of household visits, will be delayed.
	(f) collect the cross-media TV ratings to obtain more comprehensive information on the viewership of RTHK's programmes;	In early 2020, RTHK has made use of a social media analytical tool to collect cross-media data (including websites and mobile devices) for live webcast and rerun programmes, so as to obtain

Para. No.	Audit's Recommendations		Progress to Date
			information on the number of viewers of RTHK's programmes in a more comprehensive manner.
	(g)	consider developing viewership indicators for RTHK's TV channels and its programmes and reporting them in the COR; and	RTHK will formulate indicators for its TV channels and programmes, and report in the COR from 2021-22 onwards.
	(h)	consider setting targets/benchmarks for RTHK's TV programmes, in terms of both programme quality (e.g. appreciation index) and the awareness level, for different categories of its programmes, in order to facilitate more meaningful evaluation of its TV programmes.	
4.44	<u>Evaluation of Radio Programmes</u> Audit has recommended that the DB should –		
	(a)	keep in view the number of listeners for each of the seven radio channels and take appropriate action to boost the number of listeners for radio channels with decreasing number of listeners;	RTHK will continue to monitor the performance of the radio channels through the Radio Audience Surveys, online performance, focus group studies, questionnaires, etc., and will review and revise its programming and promotional strategies on a regular basis, so as to enhance and improve the performance of the radio channels.
	(b)	take measures to improve the appreciation index and awareness level of RTHK's radio channels;	
	(c)	consider including the share of total listening time per channel as a performance indicator and report it in the COR;	RTHK plans to conduct the reviewed and revised Radio Audience Survey in 2020-21 to collect information on the appreciation index of radio programmes, so as to monitor the

Para. No.	Audit's Recommendations	Progress to Date
	<p>(d) monitor the appreciation index of RTHK's radio channels and report them in the COR for measuring the quality of its radio services; and</p> <p>(e) consider collecting information on the appreciation index for selected radio programmes on a sample basis to facilitate the monitoring of the quality of RTHK radio programmes.</p>	<p>quality of radio programmes. On the basis of the survey results, the share of total listening time per RTHK channel and the appreciation index will be reported in the COR from 2021-22 onwards.</p>
4.63	<p><u>Evaluation of School ETV Programmes</u></p> <p>Audit has recommended that the DB should –</p>	
4.64	<p>Audit has also recommended that the SED and the DB should –</p> <p>(b) taking into account the audit observations on small number of programmes watched by students, decreasing staff productivity and high production cost, conduct a comprehensive review on RTHK's production of school educational television (ETV) programmes to determine the way forward and the improvement measures.</p>	<p>In the reply to the Public Accounts Committee of the LegCo dated 31 October 2019 on the production of ETV programmes, the Education Bureau (EDB) stated that, ETV service would be repositioned and would go beyond the narrow mode of TV programmes to reflect its new mission in developing more diverse curriculum resources in this era of e-learning. More diverse multimedia resources in support of learning and teaching produced through the engagement of service providers in the market would be the future direction.</p> <p>As such, EDB will forge a more flexible relationship with RTHK. In future, RTHK could be one of the service providers which EDB will engage on a need basis. In this connection, with effect from the 2020-21, EDB will cease to provide annual funding to RTHK for the production of a certain number of ETV programmes.</p>

Para. No.	Audit's Recommendations		Progress to Date
			<p>Although there will be a change in the collaboration relationship between RTHK and EDB on the production of ETV programmes, under the new mode of production, RTHK will continue to make good use of resources, strictly contain the production cost and streamline production process, so as to enhance the productivity of its production staff.</p> <p>As the follow-up actions have been taken and will be carried out on an on-going basis, we recommend that this part be deleted from the next progress report.</p>

**Barrier-free access facilities at government premises
Updated progress of implementing the Audit's Recommendations**

Para. No.	Audit's Recommendations	Progress to Date
Part 2: Work of Labour and Welfare Bureau over barrier-free facilities at government premises and BD in updating Design Manual		
<i>BD's work in updating the Design Manual</i>		
2.28	<p>Audit has recommended that the DB should –</p> <p>(b) take follow-up actions as soon as practicable on the 28 items (involving proposals for improving Design Manual (DM)) that had not been discussed by the Technical Committee on Design Manual.</p>	<p>The Technical Committee on DM has discussed all 28 items. Follow-up actions are in progress. BD will continue to review and update the DM on an ongoing basis.</p> <p>As the recommendation has been implemented, we recommend that this part be deleted from the next progress report.</p>
Part 4: Management of retrofitting works for barrier-free facilities at government premises		
<i>Works for barrier-free facilities under Retrofitting Programme</i>		
4.30	<p>Audit has recommended that DArchS should –</p> <p>(c) strengthen measures for controlling the issuance of works orders and remind the ArchSD staff and consultants to make more accurate cost estimates for works orders as far as practicable.</p>	<p>ArchSD has reviewed and revised the operational procedure to enhance the control mechanism on the issuance of works orders. ArchSD has also issued a reminder to ask project officers and consultants to make more accurate cost estimates.</p> <p>As the recommendation has been implemented, we recommend that this part be deleted from the next progress report.</p>

Para. No.	Audit's Recommendations	Progress to Date
<i>Works for barrier-free facilities under other improvement programmes</i>		
4.38	Audit has recommended that DFEH should, in collaboration with the Director of Architectural Services, take measures to complete the improvement works for barrier-free facilities managed by the Food and Environmental Hygiene Department (FEHD) (e.g. the Public Toilet Refurbishment Programme) as soon as practicable.	<p>Among the 14 outstanding premises in FEHD's Public Toilet Refurbishment Programme (PTRP), refurbishment works for 12 premises have been completed.</p> <p>For the two outstanding premises, the refurbishment works for one will commence in the fourth quarter of 2021 for expected completion by the third quarter of 2022. For the remaining one, FEHD has arranged for its inclusion in a facelifting project for expected completion by the first quarter of 2021.</p> <p>ArchSD will continue to work closely with FEHD to take forward the improvement works for the two outstanding premises as soon as practicable.</p> <p>As the recommendation has been implemented, we recommend that this part be deleted from the next progress report.</p>

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

Para. No.	Audit's/PAC's Recommendations	Progress to Date
Part 2C: Control of Foods Imported by Sea		
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>Having consulted ArchSD, EMSD and the Customs and Excise Department, CFS has implemented its plan to set up cold storage facilities at the existing KCCH checkpoint for inspection of selected high-risk refrigerated food containers. The tender process for inviting works contractors to undertake the related construction works started at the end of 2019.</p> <p>As the recommendation has been implemented and follow-up work will continue to be carried out, we recommend deleting this part from the next progress report.</p>

**Planning, provision and management of public toilets
by the Food and Environmental Hygiene Department
Progress of Implementing Recommendations of the PAC and Audit**

Para. No.	Audit's/PAC's Recommendations	Progress to Date
Part 2: Planning and Provision of Public Toilets		
Para. 2.9 of Audit Report	Audit has recommended that DFEH should review the effectiveness of the infrared sensor counting technology and continue to enhance the use of technology to assess and review the utilisation rates of public toilets on a regular basis for planning and management purposes.	<p>FEHD has completed the counting exercises for 795 public toilets that are in use in February 2020 (with the remaining four public toilets under refurbishment/facelifting works). The data collected would be helpful for planning and management of public toilets, including reviewing the mode of cleansing services for individual toilets, the time for providing cleansing services, planning of male-to-female compartment ratio and timing for refurbishment etc. FEHD will continue to adopt new technology for counting number of toilet users and will review the effectiveness of the technologies and the utilisation rates of public toilets on a regular basis for more effective planning and management.</p> <p>As the above measure will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>
Para. 2.19 of Audit Report	<p>Audit has recommended that DFEH should –</p> <p>(a) subject to the review in (b) below, in consultation with DArchS, take measures to meet the male-to-female toilet compartment ratio as stated in FEHD guidelines as far as practicable; and</p> <p>(b) consider reviewing FEHD guidelines on provision of sanitary fitments (including urinals and compartments),</p>	<p>Where circumstances permit, FEHD will continue to work with ArchSD to provide male and female toilet fitments in the ratio required under the existing guidelines when the public toilets are refurbished. FEHD also conducted an exercise from February 2019 to February 2020 by using the infrared sensor counting technology to count the number of users of FEHD public toilets with a view to assessing the demand for and usage pattern of public toilets and</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
	taking into account up-to-date information on usage pattern of compartments and urinals, and male and female users of public toilets.	to reviewing the existing male- to- female compartment ratio. The review, which includes whether sanitary fitment (including urinals and compartments) can be used as the basis of calculation, is expected to be completed in 2020.
Para. 2.30 of Audit Report	<p>Audit has recommended that DFEH should –</p> <p>(a) consider providing more guidelines on the application of the criteria for assessing the need for new and reprovisioning public toilets under the management of FEHD; and</p> <p>(b) make continued efforts to address the problem of inadequate public toilets at tourist spots as far as practicable.</p>	For recommendations on planning for public toilets, FEHD will review its guidelines and criteria on construction and reprovisioning of public toilets. In reviewing the adequacy of public toilets at tourist spots, FEHD will continue to liaise with Tourism Commission to meet the needs of tourists.
Items (a) & (b) in para. 118 on page 109 of PAC Report	<p>PAC has urged FEHD to –</p> <p>(a) maintain close communication with relevant government departments and the Tourist Commission so as to map out the policies and planning for the provision of public toilets; and</p> <p>(b) regularly review its guidelines and criteria in considering the provisioning/reprovisioning of new/existing public toilets to cater for the changing public needs.</p>	
Item(c) in para. 118 on page 109 of PAC Report	PAC has urged FEHD to improve the public consultation process for future public toilet projects with a view to minimizing works delay.	FEHD will rationalise the procedures of public consultation and will continue to enhance the workflow of refurbishment works of public toilets. Once the preliminary designs of the toilets to be refurbished are available, FEHD would

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>provide details of the proposals to relevant stakeholders at an early stage to enhance communication. With additional resources and improvement measures in place under the Enhanced Public Toilet Refurbishment Programme (Enhanced PTRP), we would aim to shorten the overall timeline to complete a refurbishment project in two to three years or a facelifting project in one to 1.5 years. The above arrangements facilitate taking forward the projects in a timely manner.</p>
<p>Para. 2.42 of Audit Report</p>	<p>Audit has recommended that DFEH should –</p> <p>(a) in collaboration with DArchS, prioritise public toilets for inclusion in the Enhanced PTRP having regard to their utilisation rates and conditions, particularly those with high utilisation rates and in ageing conditions; and</p> <p>(b) consult stakeholders of tourism industry (e.g. the Tourism Commission) on a regular basis for planning the related refurbishment works.</p>	<p>(a) For recommendations on planning for refurbishment of public toilets, FEHD will collaborate with ArchSD to work out the priority list of public toilets for inclusion in the Enhanced PTRP, having regard to their utilisation rates, locations and maintenance conditions of facilities, as well as the time lapsed since they were constructed or last refurbished.</p> <p>(b) With regular communication with the Tourism Commission, FEHD continue to keep Tourism Commission informed of the progress on the refurbishment or facelifting works for public toilets at major tourist spots and receive feedback from the trade on those works and on performance of toilet services.</p> <p>As the above measures will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
Para. 2.58 of Audit Report	<p>Audit has recommended that DFEH should –</p> <ul style="list-style-type: none"> (a) in collaboration with DArchS, take measures to provide accessible unisex toilets (AUTs) (e.g. under the PTRP) as far as practicable; (b) keep under review the provision of portable toilets with a view to assessing the need for the service and for replacing them with permanent toilets; and (c) continue to explore new toilet facilities and technologies to enhance public toilet services, taking into account FEHD's and counterparts' experiences in provision and maintenance of public toilets 	<p>For recommendations on provision of public toilet facilities, FEHD will collaborate with ArchSD under the Enhanced PTRP to provide AUTs as far as practicable. FEHD has also embarked on exploring the feasibility of turning those portable toilets with long-term need into permanent toilets, with regard to the demand for public toilets at such locations, technical feasibility of construction works and effective use of resources. FEHD will enhance the service and maintenance standards of public toilets taking into account the experiences of FEHD and service contractors, and actively explore the application of up-to-date facilities and new technologies on public toilet services.</p> <p>For the 418 public toilets without AUTs mentioned in paragraph 2.49(b) of the Audit Report, 411 were found infeasible to provide AUT in PTRP and the aqua privy conversion programme due to various reasons including site constraints, local objections and complicated land issues. As for the remaining seven public toilets, two public toilets had been included in PTRP and ArchSD is expected to complete the feasibility study for the remaining five public toilets by July 2020.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>For public toilets included in the PTRP and Enhanced PTRP which are without AUT, the Working Group on Upgrading of Public Toilets will regularly review the situation of the public toilets concerned and AUT will be provided as far as possible when the relevant issues are resolved.</p>
<p>Para. 118 on page 109 of PAC Report</p>	<p>The PAC has urged FEHD and ArchSD to make reference to overseas experience and practices to explore and enhance the use of new technologies in improving public toilet services and speeding up the public toilet works projects.</p>	<p>FEHD has been actively exploring new facilities and technologies outside Hong Kong for improving public toilet facilities through various channels including the internet, reaching out to the market suppliers and service providers, as well as overseas visits.</p> <p>ArchSD is exploring the use of the innovative "Design for Manufacture and Assembly" method on PTRP projects with off-site fabrication of some toilet components such as prefabricated wall panels with urinals, so as to minimise on-site assembly works and expedite works progress, and shorten the closure period of the toilets during the works.</p> <p>When requested by FEHD, ArchSD will continue to work closely with FEHD, and will provide necessary technical support and assistance to FEHD, particularly on the use of new technologies in improving public toilet services.</p> <p>As the above measures will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
Part 3: Management of Public Toilet Works Project		
Para. 3.13 of Audit Report	<p>Audit has recommended that DArchS should –</p> <ul style="list-style-type: none"> (a) closely monitor to ensure that adequate resources are deployed by term contractors to carry out public toilet works projects; and (b) take measures to complete public toilet works projects as soon as practicable, including assessment of the latest conditions of structural brick walls of public toilets under refurbishment. 	<p>ArchSD has stepped up the measures to handle future public toilet works projects to closely monitor the works progress and ensure adequate resources are deployed by term contractors. These include –</p> <ul style="list-style-type: none"> (i) ArchSD will remind its staff and consultants to pay particular attention on whether sufficient resources are deployed by a contractor; (ii) When it is found that the progress of works is unsatisfactory, measures including issuance of warning letters, conducting high-level management interviews with the contractor and reflecting the problems in the contractor's quarterly performance reports will be taken timely; and (iii) Although it is the contractor's obligation to provide adequate resources to execute the works detailed in each works order, ArchSD will coordinate with them as far as possible, including studying the resources required, before issuance of works orders to facilitate the contractors to plan ahead and deploy the resources required so as to minimise the risk of project delay. <p>FEHD has been working closely with ArchSD to step up the monitoring efforts to ensure timely completion of PTRP. Improvement measures have been implemented to shorten the time</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>required for completion of the refurbishment projects upon review on workflow of the projects in 2016. These measures include earlier application for land allocation, rationalising public consultation procedures, expediting design vetting and tightened monitoring of performance of consultants and contractors.</p> <p>ArchSD will, when conducting feasibility studies on public toilet refurbishment projects, verify prudently the exact scope of works to be carried out before proceeding with the refurbishment works on site.</p> <p>ArchSD had drawn lessons from Case 2 in the Audit Report and will assess as early as possible the conditions of the structural brick walls, if any, after the public toilets are included in Enhanced PTRP. In this connection, ArchSD has completed a stock taking exercise to identify the existence of structural brick walls for about 850 public toilets and aqua privies. The information obtained has been made available to project officers in March 2020 for their reference.</p> <p>An experience sharing session will be held to remind ArchSD staff responsible for handling public toilet projects to implement these stepped up measures.</p>
Para. 3.14 of Audit Report	Audit has recommended that DFEH should, in collaboration with DArchS, expedite actions in opening Toilet G for public use.	FEHD has collaborated with ArchSD and the works for Toilet G were completed on 29 November 2019 and reopened for public use on 30 November 2019.

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		As the above Audit's recommendation has been completed, we recommend deleting this part from the next progress report.
Para. 3.15 of Audit Report	Audit has recommended that DFEH and DArchS should endeavour to take forward refurbishment projects under the PTRP in a timely manner.	14 out of 84 public toilets included in the PTRP between 2011-12 and 2018- 19 as mentioned in para. 3.9(b) of the Audit Report were completed and one out of 84 public toilets was withdrawn from PTRP. ArchSD will continue to collaborate with FEHD to take forward refurbishment projects as far as practicable. For proposed refurbishment works which would involve procedures with significant time implication, such as land acquisition, approval from statutory authorities on works compliance, or public consultation, ArchSD will review the works for modifying the design so as to dispense with some time-consuming processes.
Para. 3.26(a) of Audit Report	Audit has recommended that DArchS should, in implementing the conversion works of aqua privies, monitor the works progress and endeavour to complete the works as soon as practicable.	ArchSD will step up the measures to handle future aqua privies conversion projects and public toilet projects so as to complete the works as scheduled. These measures include closely monitoring the works progress and the performance of the consultants and contractors and holding additional progress meetings. When the works progress is slow, ArchSD will conduct high-level management interviews with the contractor and duly reflect the problems in the contractor's and consultant's quarterly performance reports.
Para. 118 on page 109 of PAC Report	The PAC urges ArchSD to closely monitor the works progress of public toilet projects and the performance of consultants and contractors, in particular the progress of refurbishment works, and take measures to complete the works on time so as to reduce the inconvenience caused to the community.	An experience sharing session will be held to remind ArchSD staff responsible for handling public toilet projects to implement these stepped up measures.

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>FEHD has further divided the improvement works of the public toilets into two subtypes of works. The first type is the refurbishment works with change in the prevailing layout under the Enhanced PTRP which require about two to three years to complete; the other type is the simpler facelifting works which require about one to 1.5 years to complete. The new measures allow some simpler projects to complete earlier. FEHD will make reference to the latest utilisation rates collected to prioritise the public toilets in the Enhanced PTRP, so as to ensure effective use of resources.</p>
Para. 3.26(b) of Audit Report	<p>Audit has recommended that DArchS should, in implementing public toilet works projects, take measures to enhance the planning of water main connection works and ensure that the requirements of the Waterworks Ordinance are complied with.</p>	<p>To avoid water main connection works causing delays in public toilet works projects, and to ensure the requirements of the Waterworks Ordinance are complied with, ArchSD will gather record of water mains in the vicinity of the site and carefully review the site constraints affecting the proposed water main connection routing. ArchSD will also liaise with the Water Supplies Department and other relevant department(s) (e.g. the Lands Department if land issues are involved) for planning of water main connection at early inception stage of the toilet project in case difficulty is envisaged.</p> <p>An experience sharing session will be held to remind ArchSD staff responsible for handling public toilet projects to implement these measures.</p>
Para. 3.27 of Audit Report	<p>Audit has recommended that DFEH should, in collaboration with the DArchS, expedite actions in converting aqua privies into flushing toilets as far as practicable.</p>	<p>FEHD will continue to take a positive and proactive approach and work closely with concerned departments and stakeholders to carry out as soon as possible the demolition, reprovisioning or conversion into flushing toilets of the</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>remaining 51 aqua privies, if circumstances permit.</p> <p>ArchSD will provide technical support to FEHD in expediting actions in converting the remaining aqua privies into flushing toilets as far as practicable. ArchSD's technical support may include timely offer of technical advice on the suitability of site during initial assessment, and timely proceeding with technical feasibility study and funding application to the Minor Building Works Committee once a suitable site has been identified.</p> <p>As the above measures will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>
Part 4: Management of Public Toilets		
Para. 4.31 of Audit Report	<p>Audit has recommended that DFEH should –</p> <p>(a) review FEHD guidelines on the inspection frequency of public toilets converted from aqua privies;</p>	<p>(a) FEHD will review the guidelines on the inspection frequency of public toilets, including the minimum inspection frequency of those public toilets converted from aqua privies as well as the vetting and approval arrangements. To ensure the standard of public toilet services and in the light of Audit's recommendation, we are taking stock of the situation on the ground with a view to providing some form of guidelines to responsible officers in the District Environmental Hygiene Offices (DEHOs) in exercising the discretion to determine the inspection frequency for public toilet facilities in remote areas.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
	(b) take measures to ensure that routine inspections are conducted as scheduled and inspection results are timely input to Contract Management System (CMS);	(b), (c) and (i) FEHD has devised relevant measures to step up monitoring of the inspection records of public toilets by inspection officers and remind all district staff to properly record their inspection results in accordance with relevant guidelines.
	(c) remind DEHO staff to strictly follow FEHD's requirements to input the inspection results in CMS;	Since November 2019, the revamped electronic CMS has been fully implemented to ensure that inspection officers input correct inspection information.
	(d) explore the use of information technology (IT) for keeping inspection records of cleansing services provided by in-house cleansing workmen;	(d) FEHD is exploring the use of IT for keeping inspection records of cleansing services provided by in-house cleansing workmen properly and electronically. The tentative target completion date is in the first quarter of 2021.
	(e) make use of the revamped CMS to provide regular management information to senior management on cleanliness and conditions of facilities of public toilets;	(e) and (i) The revamped CMS has added a new function for reporting public toilet management information to provide district management and management staff of the Headquarters with summary reports on outsourced services in respect of cleanliness as well as repair and maintenance of minor facilities of public toilets, so as to enhance monitoring of the outcome of management work.
	(f) in collaboration with DArchS – (i) take measures to address the issues leading to the increasing number of defects in public toilets requiring repair and maintenance; and	(f), (g) and (h) To enhance the efficiency of repair works in public toilets, including timeliness and accuracy, FEHD, ArchSD and EMSD have jointly developed a mobile application (app) since Q2 2019 to connect FEHD's computerised public toilet repair system with ArchSD's and EMSD's

Para. No.	Audit's/PAC's Recommendations	Progress to Date
	(ii) ascertain the reasons for the discrepancy of the repair and maintenance records of public toilets between FEHD and ArchSD with a view to enhancing the follow-up actions of repair and maintenance requests;	<p>computerised repair systems for data sharing. Repair requests are made to ArchSD and EMSD via the mobile app to facilitate the tracking of progress of repair works, expedite the repair process of public toilets, avoid discrepancies in repair records, and systematically collate management data for further analysis and service enhancement. FEHD has launched the trial scheme in three districts with ArchSD and EMSD since November 2019 and January 2020 respectively. We have extended the use of the mobile app to the remaining districts in March 2020.</p> <p>ArchSD, in collaboration with FEHD, is conducting an analysis on repair requests relating to public toilets and aqua privies reported in the Audit Report. ArchSD will analyse the number, trade and distribution of minor repair works at public toilets in the last two years (i.e. from 2017 to 2019) in an attempt to identify and address the issues leading to the increasing trend. The analysis will be completed in the second quarter of 2020. In the light of the findings, FEHD and ArchSD will consider suitable measures to reduce the problems on repair and maintenance of public toilets. In the longer term, we will make use of mobile devices and mobile applications in handling repair works to collect information and statistics needed for improving the design features, installations and other provisions in public toilets.</p> <p>To enhance the results of the maintenance and repairs of public toilets and aqua privies, in the coming new maintenance term contracts, ArchSD will require the contractors to set up a dedicated team to manage and</p>
	(g) explore the use of IT for maintaining repair and maintenance records of public toilets to improve efficiency;	
	(h) make continued efforts to ensure that repair and maintenance requests of public toilets are properly referred to the responsible party;	
	(i) strengthen actions to ensure that defects in public toilets are timely identified and referred to contractors and relevant maintenance agents for repair and maintenance, and closely monitor the progress and take appropriate follow-up actions;	

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>monitor the repair and maintenance works to public toilets and aqua privies, with a view to strengthening the monitoring and quality of works. The first batch of the new maintenance term contracts has commenced in April 2020, while the tender documents of the remaining new maintenance term contracts are under preparation and anticipated to be awarded in April 2021.</p>
	(j) strengthen actions to improve the hygiene conditions and cleanliness of public toilets;	<p>(j) FEHD has stepped up inspections of 94 target public toilets with very high usage rate or those at tourist spots since July 2019. Inspection reports are submitted to senior management monthly. On top of routine cleansing services, dedicated deep cleansing teams (DCTs) have been set up in districts since March 2019 to enhance deep cleansing services for public toilets with very high usage rate on a regular basis. FEHD observes that deep cleansing service is able to effectively enhance the hygiene condition of public toilets. FEHD has since started to extend the DCT services from mid-2019. We will extend the DCT services to all street cleansing services contracts (covering all public toilets) by November 2020. In addition, surprise inspections have been stepped up to monitor the contractors' performance to ensure that they meet the service standard as stipulated in the contract provisions.</p>
	(k) keep monitoring the hygiene conditions of toilet paper and liquid soap in public toilets with a view to ensuring that these toilet supplies always meet the hygiene standard; and	<p>(k) There are clear standards and requirements set for public toilet consumables, e.g. toilet paper, in FEHD's street cleansing services contracts. Contractors have to provide</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>consumables in accordance with the contract terms. FEHD will continue to regularly arrange thematic inspections to check the hygiene conditions of consumables in public toilets and enhance the toilet facilities with automatic soap dispensers and enclosed type paper dispensers.</p> <p>As items (b), (c), (d), (e), (f), (g), (h), (i), (j) and (k) will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>
	(l) if the trial result of visitor feedback system is satisfactory, implement the visitor feedback system promptly with a view to ascertaining and meeting the changing needs and expectations for public toilet services.	FEHD has put on trial the visitor feedback system at a public toilet in November 2019 to collect the rating in terms of the level of satisfaction on the overall cleanliness and maintenance of toilet facilities from the toilet users. FEHD is planning to extend the trial of visitor feedback system with an enhanced version to other public toilets as appropriate to collect users' views on public toilet services with regard to cost-effectiveness and the result of the trial on Smart Toilet System, etc. Furthermore, FEHD is positive towards gathering public views on public toilets through surveys for mapping out the policies and planning for the provision and management of public toilets. We aim to come up with a specific plan in 2020 to take forward the survey.
Item (a) in para. 118 on page 109 of PAC Report	PAC has urged FEHD to proactively conduct surveys and use reliable methods/channels to collect public views on public toilets and data on the utilisation of public toilets so as to map out the policies and planning for the provision of public toilets.	

Para. No.	Audit's/PAC's Recommendations	Progress to Date
Para. 4.42 of Audit Report	<p>Audit has recommended that DFEH should –</p> <ul style="list-style-type: none"> (a) closely monitor the implementation and effectiveness of the improvement measures in enhancing working conditions of outsourced workers performing cleansing duties in public toilets; (b) review the provision of toilet attendant services, having regard to the up-to-date utilisation rates of public toilets assessed with the use of technology and other relevant factors (e.g. hygiene condition); and (c) in collaboration with DArchS, strengthen actions to provide attendant rooms and related facilities for toilets with attendant services as far as possible. 	<p>(a) and (c)</p> <p>On public toilets where attendant services are available, FEHD and ArchSD have completed a review on the relevant facilities, and have started to take follow-up actions. FEHD has completed the provision of tables, chairs and storage facilities as far as practicable in existing toilet attendant rooms by July 2019. ArchSD will provide attendant rooms and related facilities, e.g. power sockets, oscillating fans or exhaust fans, as well as rest and changing facilities, if circumstances permit. FEHD will continue to work with ArchSD to iron out the technical problems as far as practicable. Apart from providing toilet attendant rooms in the newly-built public toilets, for existing public toilets without attendant rooms but provided with attendant services, owing to site constraints, FEHD and ArchSD will review the situation when these toilets are refurbished with a view to providing attendant rooms as far as practicable.</p> <p>For the provision of toilet attendant rooms, ArchSD will provide technical advice and assistance to FEHD. These include –</p> <ul style="list-style-type: none"> (i) When identifying suitable sites for provision of public toilet in the future, ArchSD will provide technical advice to FEHD for determining whether attendant rooms can be accommodated in the selected sites; and will provide attendant rooms as far as practicable when the toilets are refurbished or improved; and

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>(ii) ArchSD will provide technical assistance to improve the facilities at existing attendant rooms when FEHD's requests are received.</p> <p>As the above measures (a) and (c) will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p> <p>(b) FEHD is considering reviewing the basis for the provision of toilet attendants to public toilets with high usage rates.</p>
Para. 4.53 of Audit Report	<p>Audit has recommended that DFEH should –</p> <p>(a) endeavour to deal with complaints received on public toilets promptly and update Complaints Management Information System (CMIS) records timely; and</p> <p>(b) consider enhancing CMIS (e.g. adding a field for inputting the name of a public toilet) and strengthen the regular analysis of complaints received on public toilets (e.g. by individual toilet and by the nature of complaints) with a view to providing useful management information for monitoring and enhancing public toilet services.</p>	<p>FEHD has commenced the feasibility study on the recommendation of improving the CMIS to enhance the analysis of complaints about public toilets, with a view to monitoring and improving the service. FEHD has finalised the prototype of the enhanced CMIS features for testing in March 2020. Subject to the testing outcome, the enhanced features can be rolled out in the third quarter of 2020.</p>

Para. No.	Audit's/ PAC's Recommendations	Progress to Date
Para. 4.62 of Audit Report	<p>Audit has recommended that DFEH should –</p> <p>(a) continue to enhance publicity on proper use of public toilets (e.g. displaying stickers on proper use of public toilets in each toilet compartment);</p> <p>(b) enhance provision of information about public toilets on FEHD website, including closure of toilets undergoing refurbishment; and</p> <p>(c) consider the merit of providing and enhancing the directional signs for public toilets as far as practicable.</p>	<p>(a) FEHD has displayed posters and stickers of Keep Clean Ambassador Ah Tak at suitable locations of public toilets, broadcast health messages, made use of the social media as well as other publicity materials to disseminate messages on proper use of public toilets and appeal to the public for care about public toilet facilities.</p> <p>(b) FEHD has enhanced the provision of information such as toilet type, toilets closed or undergoing refurbishment, etc. on its website.</p> <p>(c) FEHD has referred to relevant departments the provision of directional signs for public toilets. We will continue to take measures to enhance the directional signs for public toilets as far as practicable.</p> <p>As the above measures will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>

**Provision of consultancy, research and development and training services
by the Hong Kong Productivity Council (HKPC)
Progress in implementing the Audit's and PAC's Recommendations**

Para. No.	Audit's/PAC's Recommendations	Progress to Date
Part 2: Provision of consultancy and manufacturing support services		
Para. 2.27 of Audit Report	<p>Audit recommended that HKPC should –</p> <p>(a) when there is a change in the definition of a performance indicator –</p> <p>(i) review the performance target to ascertain whether a corresponding revision is necessary;</p> <p>(ii) inform Technology Commission (ITC) and the Council of the change and the justifications for the change; and</p> <p>(iii) disclose the effects of the change on achievement of Key Performance Indicator (KPI) target in the annual review report submitted to the Commissioner for Innovation and Technology (CIT) and the Council.</p>	<p>As a governing body of HKPC, the Council approved by circulation the revised annual review of HKPC's activities for 2018-19 (paper P.C. 2/2020) on 3 February 2020, which set out –</p> <ul style="list-style-type: none"> - that the definition of the KPI of “Number of Consultancy Projects Accepted” had been revised to include manufacturing supporting projects with consultancy elements and the reasons; - the implication of the expanded definition of the KPI on the achievement of the KPI target set for 2018-19; and - that a review had been conducted on the need for revising the targets set for 2018-19 and 2019-20 under the revised definition for the KPI. <p>The HKPC subsequently submitted the paper on 6 March 2020 to the CIT.</p>
Pages 159-160 of PAC Report	<p>PAC urges HKPC to closely monitor and regularly review the setting of its KPIs, and its performance against them with a view to using these indicators as an effective means to enhance its management, governance and accountability. Any proposals on change(s) to the KPIs should follow the established procedure to seek prior approvals (both internal and external) from the appropriate authorities.</p>	<p>HKPC and the Innovation and ITC have completed the review on the KPI framework and formulated a new KPI framework. The Council endorsed the new KPIs and their corresponding targets for 2020-21, which were also subsequently approved by CIT. The new KPIs have been implemented from 2020-21.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>Meanwhile, the revised "Memorandum of Administrative Arrangements on the Administration of the Subvention for the Hong Kong Productivity Council" (MAA) would specify that prior agreement of the Council and CIT has to be obtained by HKPC for any proposed change of a certain KPI or its definition or target. HKPC reported the proposed revisions to the MAA to the Council at its meeting on 25 March 2020, and the revised MAA, which was subsequently issued by HKPC to the Council for review on 8 May 2020, will be signed by ITC and HKPC after Council's endorsement.</p>
<p>Para. 2.27 of Audit Report</p>	<p>Audit recommended that HKPC should –</p> <p>(b) document the justifications for failing to recover all costs incurred for consultancy projects outside Hong Kong, and take measures to ensure that the minimum rate charged for productivity related assignments elsewhere than in Hong Kong is sufficient to recover all costs incurred as stipulated by the HKPC Ordinance</p>	<p>At the seven special Division Meetings the HKPC management held with the divisions involved in project management from 28 November to 5 December 2019, all HKPC staff had been informed of details of the audit findings, and were reminded to follow the requirements of –</p> <ul style="list-style-type: none"> - ensuring that the minimum rate charged for productivity related assignments elsewhere than in Hong Kong is sufficient to recover all costs incurred as stipulated by the HKPC Ordinance; and - documenting the justifications for failing to recover all costs incurred for consultancy projects outside Hong Kong. <p>Since December 2019, General Managers will receive cost recovery monitoring reports on a bi-weekly basis listing out cost details of all on-going projects of their divisions to assist them in reviewing and monitoring the cost recovery status.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>If necessary, individual divisions will also consult experts from other divisions to help resolve technical or operational difficulties to ensure that the actual cost will not exceed the budget.</p> <p>HKPC will also consider appropriate adjustments to the "Contingency Budget" when calculating costs to cater for unforeseen circumstances resulting in additional costs, such as technical difficulties.</p> <p>As the follow-up actions of the recommendation will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>
Para. 2.27 of Audit Report	<p>Audit recommended that HKPC should –</p> <p>(c) promulgate guidelines on the basis of determining fee concession rate for each project to ensure that concessions are appropriately offered to clients on a consistent basis</p>	<p>Clause 4 and clause 5 of Standard Practice F7 "Pricing Policy" have been updated and taken effect from 10 February 2020 to provide a clear guideline on fee concession arrangement.</p> <p>As the follow-up action of the recommendation has been completed, we recommend deleting this part from the next progress report.</p>
Para. 2.27 of Audit Report	<p>Audit recommended that HKPC should –</p> <p>(d) ascertain the reasons why a considerable proportion of consultancy projects experienced delay and take appropriate measures to ensure that consultancy projects are completed in a timely manner</p>	<p>At the seven special Division Meetings the HKPC management held with the divisions involved in project management from 28 November to 5 December 2019, all HKPC staff were informed of details of the audit findings, and were reminded to ascertain the reasons for a considerable proportion of consultancy projects experiencing delay, and take appropriate measures to ensure that consultancy projects are completed in a timely manner.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>The management has introduced a new mechanism since July 2018, under which when potential delay of a project is foreseen, the project manager is required to report and explain to the management on a weekly basis. Project extension requests require full justifications and approval by the Executive Director. The HKPC management would monitor the status and instruct experts in other divisions of HKPC to provide recommendations to resolve the technical difficulties, with a view to expediting project completion. HKPC will also remind project managers to complete the relevant project documents and reports to avoid delays.</p> <p>Since September 2018, General Managers will receive a "List of Delayed Projects" on a monthly basis reporting the progress of all delayed on- going projects of the division and reasons for the delays so that General Managers can review and monitor the project implementation status with a view to completing the projects as soon as possible.</p> <p>As the follow-up actions of the recommendation will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>
Para. 2.27 of Audit Report	<p>Audit recommended that HKPC should –</p> <p>(e) take appropriate measures to ensure that consultancy projects are completed with full cost recovered in accordance with HKPC Standard Practices;</p>	<p>At the seven special Division Meetings the HKPC management held with the divisions involved in project management from 28 November to 5 December 2019, all HKPC staff were informed of details of the audit findings, and were reminded to –</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
	(f) for projects which are accepted despite the fact that full-cost recovery is not expected, ensure that they are fully justified with the justifications properly documented	<ul style="list-style-type: none"> - closely monitor the cost of consultancy projects to ensure that they are completed with full cost recovered as stated in clause 3 of Standard Practice F7 "Pricing Policy"; and
Page 160 of PAC Report	<p>PAC urges HKPC to, in consultation with ITC, work out effective measures to address the long- standing problem with full cost recovery of consultancy projects, which was already raised in the Public Accounts Committee Report No. 53 of February 2010.</p> <p>PAC recommends that ITC should, taking into account HKPC's public mission, review the application of the full cost recovery principle to HKPC's activities and, in discussing with HKPC, work out appropriate cost recovery arrangements for its services, for example, whether a certain degree of deviation from full cost recovery is allowed for activities with significant public benefits, in view of a fast-changing market and policy changes over time.</p>	<ul style="list-style-type: none"> - provide justifications upon seeking approval of acceptance of projects with the budget not achieving full-cost recovery. <p>HKPC will also strengthen project management, and consider appropriate adjustments to the "Contingency Budget" when calculating costs to cater for unforeseen circumstances resulting in additional costs, such as technical difficulties.</p> <p>Since December 2019, General Managers will receive cost recovery monitoring reports on a bi-weekly basis listing out cost details of all on-going projects of their divisions to assist them in reviewing and monitoring the cost recovery status.</p> <p>In response to the recommendation of the PAC, ITC has reviewed whether the full cost recovery principle should be applicable to all HKPC's activities. Taking into account the HKPC's public mission, ITC considered that when HKPC accepts Government consultancy projects involving public interests, it could deviate from the principle of full cost recovery provided that specified conditions are met, in order to allow HKPC to better serve the community. For this purpose, HKPC has formulated guiding principles for accepting such Government projects, which were subsequently endorsed by the Council at its meeting on</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>25 March 2020. The relevant arrangement has been set out in clause 3 of Standard Practice F7 "Pricing Policy".</p> <p>As the follow-up actions of the recommendation will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>
Para. 2.27 of Audit Report	<p>Audit recommended that HKPC should –</p> <p>(g) take measures to ensure that where appropriate, costs incurred for terminated projects are reimbursed by clients according to the project agreements</p> <p>(h) for terminated projects where the waiver of the requirement on the clients to reimburse HKPC for the costs incurred is justified, ensure that the justifications and the approval for granting the waiver are properly documented</p>	<p>At the seven special Division Meetings the HKPC management held with the divisions involved in project management from 28 November to 5 December 2019, all staff were informed of details of the audit findings, and were reminded to request clients to reimburse all costs incurred in case of project termination and seek written approval for exception as stated in clause 29 of the "Guidance Notes on Project Management" of Standard Practice F3 "Project Management".</p>
Page 160 of PAC Report	<p>PAC urges HKPC to conduct a comprehensive review on the standard provisions contained in the project agreements and the management of performance of such agreements, and make necessary enhancements to minimise the project risks and safeguard HKPC's interests, including setting out specific clauses governing variations in the client's requirements, clearly defining the project specifications agreed by both parties and specifying the consequences for being unable to achieve the agreed result(s) by HKPC in accordance with the time-frame stipulated in the agreements.</p>	<p>HKPC will strengthen the review on project risk assessments, and has invited an external consultant to review the preliminary feasibility study for proposed projects and adopted the recommended enhancements in respect of the scoring mechanism under the project risk assessment.</p> <p>HKPC has also engaged an external legal consultant to conduct a comprehensive review on the provisions contained in the standard project proposal and standard agreement to revise the inconsistent provisions and to plug loopholes, for example, adding provisions relating to change of agreement scope, project</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
	<p>PAC urges HKPC to enhance the preliminary feasibility study of a proposed project, particularly in respect of the scoring mechanism under the project risk assessment, with a view to effectively identifying valid reasons for undertaking/not proceeding with the project for consideration by the management.</p>	<p>delays, failure of the client to cooperate on project implementation within a reasonable timeframe etc., with a view to protecting the interests of HKPC. HKPC has added provisions to the standard agreement, specifying that if there is inconsistency between the project proposal and agreement, the provisions of the agreement shall prevail. In addition, HKPC will also clearly set out mutually agreed technical specifications and deliverables.</p> <p>HKPC will also strengthen project management during project implementation, including regularly reviewing projects that are lagging behind schedule and those with a cumulative cost almost reaching the budget to facilitate the management in identifying high risk projects and providing adequate support so as to avoid project termination as far as possible.</p> <p>In case HKPC could not meet agreement requirements and the project has to be terminated, HKPC will seek internal legal advice on whether HKPC may request reimbursement of costs incurred in full from the client and will consider seeking further advice from external legal counsels on the project termination arrangements (including whether seeking full cost reimbursement is justified) on a case- by-case basis.</p> <p>As the follow-up actions of the recommendation will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
Para. 2.47 of Audit Report	<p>Audit recommended that HKPC should –</p> <p>(a) review manufacturing support projects to identify services provided that were not billed, and tighten controls on services provided for manufacturing support projects to ensure that all service fees are collected</p>	<p>The whole review process involving sampling of 1 462 out of a total of 4 945 (approximately 30%) service quotations of manufacturing supporting services issued between July 2016 and October 2018 was completed in March 2020 and did not identify any services which have been provided that not been billed.</p> <p>Since December 2018, all quotations on manufacturing support services are required to be issued via a centralised computer system, with a sequential number generated to facilitate the monitoring and follow-up actions of those quotations by General Managers of divisions every month so as to ensure that all manufacturing support services provided will receive timely payment with proper records.</p>
Para. 2.48 of Audit Report	<p>Audit recommended that CIT should, in connection with the reviews of manufacturing support projects by HKPC, consider whether ITC should take appropriate follow-up actions on the sponsorship issue identified by HKPC.</p>	<p>The case is under investigation by a law enforcement authority. ITC will consider taking appropriate follow-up actions upon receiving the investigation results from the relevant law enforcement authority.</p> <p>As the follow-up actions of the recommendation have been completed, we recommend deleting this part from the next progress report.</p>
Page 163 of PAC Report	<p>PAC recommends that HKPC should invite the Independent Commission Against Corruption (ICAC) to provide advisory service to enhance its practices and procedures, organize training courses to strengthen business ethics and integrity of its staff and enhance its internal monitoring or supervision of its staff who undertake independent projects or workshops.</p>	<p>HKPC has invited ICAC to provide trainings in 2020-21 covering clauses in the Prevention of Bribery Ordinance applicable to public bodies, misconduct in public office, roles of staff in corruption prevention and corruption reporting channels. Similar training will be organised in 2021-22 and thereafter. In addition, HKPC has also invited ICAC to conduct a review on HKPC's corporate governance in early 2021.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		As the follow-up actions of the recommendation will be implemented on an on-going basis, we recommend deleting this part from the next progress report.
Para. 2.47 of Audit Report	<p>Audit recommended that HKPC should –</p> <p>(b) step up efforts to ensure the sustainable operation of Inno Space on a self-recovery basis.</p>	<p>HKPC will continue to review the operation of Inno Space with a view to increasing its income to ensure its sustainable operation. In this regard, a new scheme, Science, Technology, Engineering and Mathematics (STEM) Network has been launched in September 2019, with the aim to connecting secondary schools, universities, start-ups and the Hong Kong Science and Technology Parks Corporation, and supporting the development of STEM education in schools by offering basic to advanced courses. The annual membership fee of this programme is HK\$15,000.</p> <p>As the follow-up actions of the recommendation will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>
Para. 2.47 of Audit Report	<p>Audit recommended that HKPC should –</p> <p>(c) take measures to improve the booking system of the equipment of Inno Space.</p>	<p>HKPC has put in place additional procedures with system enhancements to record the exact booking duration of the equipment to facilitate users in booking equipment of the Inno Space.</p> <p>As the follow-up action of the recommendation has been completed, we recommend deleting this part from the next progress report.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
Para. 2.47 of Audit Report	<p>Audit recommended that HKPC should –</p> <p>(d) take measures to promote the utilisation of the equipment of Inno Space.</p>	<p>Inno Space has developed a 2020 event plan to promote the usage of its equipment via different channels.</p> <p>Since July 2019, Inno Space has held a series of promotional activities to improve the equipment utilisation of Inno Space, including –</p> <ul style="list-style-type: none"> - organising STEM educational activities to increase students' understanding of the use of laser cutting machines and 3D printing machines; - organising STEM-related public events, such as “STEM for Happier Community Day” to provide machine trainings for university students on 9 November 2019; - collaborating with tertiary institutions and universities to encourage their students to use the equipment of Inno Space. For example, HKU Space students will make use of Inno Space's laser cutting machine for completing their assignments; and - adding practical training to the brand-new STEM training courses under the STEM Network to boost the utilisation rate of the Inno Prototype zone. <p>As the follow-up actions of the recommendation will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
Part 3: Research and development projects		
Para. 3.14 of Audit Report	<p>Audit recommended that HKPC should –</p> <p>(a) issue clear guidelines on the classification of projects into consultancy projects and research and development (R&D) projects and on the counting of projects for performance measurement against targets, including making disclosures on projects counted against both the targets for consultancy projects and R&D projects.</p>	<p>In reporting the 2018-19 KPI performance (vide Council paper P.C. 2/2020), HKPC has made disclosure on the number of consultancy projects and R&D projects respectively, and the number of projects that were counted under both KPIs of consultancy projects and R&D projects.</p> <p>HKPC and ITC have reviewed the KPI framework and formulated a new KPI framework. The Council endorsed the new KPIs and their corresponding targets for 2020-21 at its meeting on 25 March 2020, which were also subsequently approved by CIT. The new KPIs have been implemented from 2020-21. Under the new KPI framework, HKPC will make disclosure on projects counted against different targets. HKPC has also published guidelines on the definitions of consultancy projects and R&D projects on HKPC's intranet.</p> <p>As the follow-up actions of the recommendation will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>
Para. 3.14 of Audit Report	<p>Audit recommended that HKPC should –</p> <p>(b) examine the suitability of using the number of on-going projects as a KPI</p>	<p>Under the new KPI framework, the KPI of “Number of on-going R&D projects” has been removed as recommended by the Audit Commission and PAC. A new KPI of “Income recognised from R&D projects” has been added to reflect HKPC's performance in R&D in a more holistic manner.</p> <p>As the follow-up actions of the recommendation have been completed, we recommend deleting this part from the next progress report.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
Para. 3.14 of Audit Report	<p>Audit recommended that HKPC should –</p> <p>(c) take measures to ensure that R&D projects are completed in a timely manner, including completion of R&D deliverables and reporting requirements</p>	<p>At the seven special Division Meetings held from 28 November to 5 December 2019, all HKPC staff were informed of details of the audit findings, and were reminded to take appropriate measures to ensure that R&D projects are completed in a timely manner.</p> <p>The management has introduced a new mechanism since July 2018, under which when potential delay of a project is foreseen, project managers are required to report and explain to the management on a weekly basis. Project extension requests require full justifications and approval by the Executive Director. The HKPC management would monitor the status and instruct experts in other divisions of HKPC to provide recommendations to resolve the technical difficulties, with a view to expediting project completion. HKPC will also remind project managers to complete the relevant project documents and reports to avoid delays.</p> <p>Since September 2018, General Managers will receive a “List of Delayed Projects” on a monthly basis reporting the progress of all delayed on-going projects of the division for them to review and monitor project implementation progress.</p> <p>As the follow-up actions of the recommendation will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
Para. 3.14 of Audit Report	<p>Audit recommended that HKPC should –</p> <p>(d) take measures to ensure that Progress Reports and Final Reports of ITF funded R&D projects are submitted to ITC in a timely manner</p>	<p>At the six special Division Meetings the HKPC management held with the divisions involved in the operation of government funded projects from 28 November to 5 December 2019, all HKPC staff were informed of details of the audit findings, and were reminded to monitor closely to ensure that progress reports and final reports of ITF funded R&D projects are submitted to ITC in a timely manner.</p> <p>Since December 2019, General Managers have reviewed the project report submission status of their divisions, and report to the Executive Director and Branch Directors on the reasons for delay in report submission and the progress.</p> <p>As the follow-up actions of the recommendation will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>
Para. 3.28 of Audit Report	<p>Audit recommended that HKPC should –</p> <p>(a) review whether the targets for commercialisation of new products or technologies are realistic and challenging for effective performance management purpose</p> <p>(b) explore the desirability of setting two separate KPIs on the number of patents awarded and the number of licence or royalty agreements entered</p> <p>(c) consider the merits of reporting the commercialisation of products or technologies</p>	<p>Having regard to the views provided by the Audit Commission and PAC during the audit exercise and public hearings, ITC and HKPC have reviewed the KPI framework and formulated a new KPI framework. The Council endorsed the new KPIs and their corresponding targets for 2020-21 at its meeting on 25 March 2020, which were also subsequently approved by CIT. The new KPIs have been implemented from 2020-21.</p> <p>The original KPIs of “Number of patents/licences/royalties” and “Number of products/technologies commercialised” will be replaced by new KPIs including “Number of patents awarded”, “Number of new</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
	<p>developed from R&D projects and other projects separately with a view to enhancing transparency.</p> <p>(d) report both the number of products/technologies commercialised and the number of clients to which products/technologies were sold during the year in the annual review report submitted to CIT and the Council</p>	<p>projects using HKPC's patents", "Number of on-going projects using HKPC's patents" and "Income generated from commercialisation of patents" in order to better reflect HKPC's performance on product/technology commercialisation.</p> <p>HKPC will set the targets under the new KPI framework having regard to the actual performance of the relevant KPI in the past and the anticipated situation of the new financial year to ensure that the targets set are realistic and challenging for effective performance management purpose.</p> <p>In addition, HKPC issued guidelines to staff on 28 February 2020 requiring them to create divisional level R&D projects to record and reflect the R&D achievement generated from divisional resources. These R&D projects will be counted against the relevant KPI targets to accurately reflect HKPC's efforts and achievements in R&D.</p> <p>As the follow-up actions of the recommendation will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>
Para. 3.28 of Audit Report	<p>Audit recommended that HKPC should –</p> <p>(e) endeavour to increase the number of licences/royalty agreements.</p>	<p>Since December 2019, HKPC has stepped up efforts to promote HKPC's patented technologies in Hong Kong and the Greater Bay Area. HKPC organised a seminar "HKPC TechDive 科技商品化系列：汽車及零部件" on 19 December 2019, which was also webcasted at HKPC's Shenzhen office. HKPC will continue to organise more seminars/webinars to promote its patented technologies</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		As the follow-up actions of the recommendation will be implemented on an on-going basis, we recommend deleting this part from the next progress report.
Part 4: Provision of Training Programmes		
Para. 4.12 of Audit Report	<p>Audit recommended that HKPC should –</p> <p>(a) step up efforts to enhance the performance of training programmes, in particular, the income from public training programmes</p>	<p>HKPC has implemented the following measures to enhance its performance in training –</p> <ul style="list-style-type: none"> - Since April 2019, HKPC has revamped the training strategies. All training courses will be centrally coordinated by HKPC Academy, and a new management team has been formed to enhance the promotion of training courses of HKPC. - Since June 2019, HKPC has implemented a two-tier review system. The head of HKPC Academy will host regular meetings with business divisions to review the performance of training courses. The head of HKPC Academy will regularly report the summary of the review meetings to the Executive Director and Branch Directors to facilitate the management's closer monitoring of the training performance. <p>HKPC has updated its HKPC Academy Guidebook for Organising Public Training Programme in March 2020 to reflect the latest arrangement of the training programme review, and the latest version was uploaded to the intranet on 6 April 2020. Through the Public Training Administration (PTA)</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>System, divisions can organise training programmes according to the standardised workflow.</p> <p>With the implementation of the above measures, training income for 2019-20 has increased by 31% as compared with that of 2018-19.</p> <p>As the follow-up actions of the recommendation will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>
Para. 4.12 of Audit Report	<p>Audit recommended that HKPC should –</p> <p>(b) organise training programmes according to the estimated number for each programme area set out in the Annual Programme and Estimates as far as practicable, and any deviations, if considered justifiable, are properly approved by CIT and the Council</p>	<p>HKPC will organise training programmes according to the estimated number for each programme area set out in the Annual Programme and Estimates as far as practicable. HKPC will also quarterly review and monitor the actual activities of training operation and if the numbers of courses deviate from the estimates, HKPC will submit full justifications to the Council and CIT for approval.</p> <p>Since December 2019, a monthly review mechanism has been in place to review if the actual training programmes held are in accordance with the estimated number under each programme area in the Annual Programme and Estimates.</p> <p>As the follow-up actions of the recommendation will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
Para. 4.26 of Audit Report	<p>Audit recommended that HKPC should –</p> <ul style="list-style-type: none"> (a) ascertain the reasons for the low enrolments of some public training programmes and step up efforts to improve their enrolment rates (b) take measures to ensure that the estimated enrolment of each proposed public training programme is prepared and included in the proposal 	<p>At the five special Division Meetings the HKPC management held with the divisions on training programmes on 29 November and 2 December 2019, all HKPC staff were informed of details of the audit findings, and were reminded to –</p> <ul style="list-style-type: none"> - include the estimated enrolment number of public training programme in every proposal for public training course; and - provide justifications for review by project approver for courses with large variance of actual versus estimated numbers of participants in accordance with clause 2.4.3 of the HKPC Academy Guidebook for Organising Public Training Programmes and Standard Practice F3 “Project Management”. <p>After reviewing the low enrolments of some programmes, HKPC found that it was partly due to insufficient promotion of training courses. Based on the results of the review, since June 2019, HKPC has stepped up the promotion of training courses through social media. Since November 2019, the enhanced website of HKPC Academy has improved user experiences in searching for and enrolling in training courses.</p> <p>HKPC has implemented a two-tier review system for training courses. Under the system, the head of HKPC Academy would host regular meetings with business divisions to review the enrolment of training courses and identify the reasons and solutions for low enrolments. The head of HKPC Academy will regularly report the</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>summary of the review meetings to the Executive Director and Branch Directors to facilitate the management's closer monitoring of the training performance.</p> <p>HKPC Academy Guidebook for Organising Public Training Programmes was updated on 11 November 2019 to include the requirement of inclusion of the estimated number of enrolment in the proposals for all public training courses in clause 2.4.3.</p> <p>As the follow-up actions of the recommendation will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>
Para. 4.26 of Audit Report	<p>Audit recommended that HKPC should –</p> <p>(c) consider their worthiness before public training programmes with very few expected participants are organised</p> <p>(d) ensure that full justifications are provided in the proposals for public training programmes with small number of expected participants</p>	<p>HKPC Academy Guidebook for Organising Public Training Programmes was updated on 11 November 2019 to include the requirement of providing justifications for launching public training courses with expected participants lower than ten in clause 2.4.3.</p> <p>At the five special Division Meetings the HKPC management held with the divisions on training programmes on 29 November and 2 December 2019, all HKPC staff were informed of details of the audit findings, and were reminded to provide justifications for launching public training courses with the expected number of participants below ten as stated in clause 2.4.3 of HKPC Academy Guidebook for Organising Public Training Programmes to facilitate consideration of their worthiness.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>Starting from 2019-20, all public training courses will be coordinated and run by HKPC Academy, and the course proposal must specify the minimum number of participants. All public training courses have to be recorded in the PTA System.</p> <p>As the follow-up actions of the recommendation will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>
Para. 4.26 of Audit Report	<p>Audit recommended that HKPC should –</p> <p>(e) ensure that the Guidebook accurately stipulates the type of new public training programmes requiring market demand assessment</p> <p>(f) take measures to ensure that market demand assessments for all new public training programmes are conducted according to the Guidebook, and the details and results of the assessments are included in the proposals</p> <p>(g) take measures to improve the market demand assessments for new public training programmes.</p>	<p>HKPC Academy Guidebook for Organising Public Training Programmes was updated on 11 November 2019 to include the requirement of conducting of market demand assessment for new programmes organised by HKPC Academy. Business divisions can continue to initiate public training courses in their subject areas without the need to conduct market demand assessment given their expertise and advanced insights in the respective areas.</p> <p>Since 11 November 2019, the form “Compliance Checklist for Opening Public Training Project (TA Type)” has been updated, which requires staff to complete market demand assessments and document key details including government policy, client enquiries, feedback from event/association, training insights etc. for all public training courses. Staff should also record the completed competitor analysis.</p> <p>At a special Division Meeting the HKPC management held with HKPC Academy on 29 November 2019, all HKPC staff were informed of details of</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>the issue, and were reminded to conduct market demand assessments for new programmes organised by HKPC Academy as stated in clause 2.1 of HKPC Academy Guidebook for Organising Public Training Programmes.</p> <p>HKPC also updated clause 2.2 of HKPC Academy Guidebook for Organising Public Training Programmes on 31 March 2020 to require programme teams to carry out competitor analysis before organising a training course to avoid competition with other existing training service providers in the market</p> <p>As the follow-up action of recommendation (e) has been completed, and the follow up actions of recommendations (f) and (g) will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>
Para. 4.37 of Audit Report	<p>Audit recommended that HKPC should –</p> <p>(a) take measures to ensure that programme-end evaluation data for public training programmes are collected and properly input into the PTA system</p>	<p>Clause 6.1 of HKPC Academy Guidebook for Organising Public Training Programmes was updated on 11 November 2019 to include the requirement of distributing and collecting course-end evaluation forms from participants during the last lesson of public training courses, and inputting data of evaluation forms of public training courses in the PTA System.</p> <p>At the five special Division Meetings the HKPC management held with the divisions on training programmes on 29 November and 2 December 2019, all HKPC staff had been informed of details of the issue, and were reminded to distribute and collect course-end evaluation forms from participants with course-end certificates during the last</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>lesson of the programme as stated in clause 6.1 of HKPC Academy Guidebook for Organising Public Training Programmes.</p> <p>Since 11 November 2019, HKPC Academy has assigned an administrative staff member to distribute and collect course-end evaluation forms completed by participants at the last session of training programmes.</p> <p>As the follow-up actions of the recommendation will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>
Para. 4.37 of Audit Report	<p>Audit recommended that HKPC should –</p> <p>(b) issue guidelines to clarify whether evaluation data of corporate training programmes should also be kept in the PTA system for the computation of the overall participants satisfaction index</p>	<p>Under the new KPI framework, “integrated learning” includes public trainings, corporate trainings, study missions and overseas trainings. Evaluation forms would be distributed to all participants of these trainings including corporate trainings who have course-end certificates.</p> <p>HKPC has issued guidelines stipulating that the data of evaluation forms of corporate trainings should be kept in the PTA System for computation of the overall participants’ satisfaction index to assess the performance of speakers and HKPC’s backend services.</p> <p>As the follow-up action of the recommendation has been completed, we recommend deleting this part from the next progress report.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
Para. 4.37 of Audit Report	<p>Audit recommended that HKPC should –</p> <p>(c) take measures to improve the response rate of end- of- programme evaluation forms</p>	<p>At the five special Division Meetings the HKPC management held with the divisions on training programmes on 29 November and 2 December 2019, all HKPC staff were informed of details of the issue, and were reminded to distribute and collect course-end evaluation forms from participants during the last session of public training courses as stated in clause 6.1 of HKPC Academy Guidebook for Organising Public Training Programmes.</p> <p>HKPC will monitor the response rate and follow-up closely on non- responding participants. Since 11 November 2019, HKPC Academy has assigned an administrative staff member to distribute and collect course-end evaluation forms from participants at the last session of training courses.</p> <p>As the follow-up actions of the recommendation will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>
Para. 4.37 of Audit Report	<p>Audit recommended that HKPC should –</p> <p>(d) take measures to ensure that annual reviews of public training programmes are conducted according to the Guidebook.</p>	<p>The original purpose of the annual review is to review if certain training programmes should be continued or not. However, as the market changes more and more rapidly, HKPC has already improved the process by reviewing whether a particular course should be continued or not on a weekly basis by the management. Instead, an annual review on the strategic areas of training in the coming year will be conducted. This will be carried out in association with all business divisions such that the focus areas of the training programmes to be put in place for the</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>coming year will be consistent with the overall strategic plan of HKPC.</p> <p>At the five special Division Meetings the HKPC management held with the divisions on training programmes on 29 November and 2 December 2019, all HKPC staff were informed of details of the issue, and were reminded to perform annual reviews on strategic areas of training.</p> <p>HKPC Academy Guidebook for Organising Public Training Programmes was updated on 11 November 2019 to include the requirement of performing annual reviews on strategic areas of training in clause 7.1.</p> <p>The last annual review was held in March 2020, where the head of Academy met with training programme managers to review the past programme enrolment numbers, specific feedback from trainers and participants, and issues on low enrolment and cancellations, to brainstorm the way forward on whether to rerun some successful programmes and develop new programmes based on demand, as well as to define a clear marketing strategy to promote upcoming programmes.</p> <p>As the follow-up actions of the recommendation will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>
Para. 4.44 of Audit Report	<p>Audit recommended that HKPC should –</p> <p>(a) step up efforts to promote the hiring of HKPC training venues by outside organisations</p>	<p>HKPC launched the online venue booking system in October 2019, and modernisation of venue facilities was completed in December 2019.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
	<p>(b) take effective measures (e.g. improving public awareness of the availability of its training venues, converting the training venues which are surplus to requirement into other gainful uses, etc.) to improve the utilisation of the training venues</p>	<p>HKPC has also implemented measures to promote the use of HKPC's training venues to external organisations, including –</p> <ul style="list-style-type: none"> - enhancing marketing work since June 2019 to improve public awareness of the availability of HKPC's training venues for rental, and revamping the website of HKPC Academy with additional photos and information on training venues; - enhancing marketing efforts to engage associations and industry networks in venue renting since June 2019; and - regularly reviewing the venue rental rates for setting competitive rates (such as giving a 50% discount on all venue fees for SMEs from 12 March 2020 until the end of September 2020). <p>Since September 2019, the subject Branch Director conducts monthly reviews on venue utilisation.</p> <p>As the follow-up actions of the recommendation will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>
Para. 4.44 of Audit Report	<p>Audit recommended that HKPC should –</p> <p>(c) upload information about venue availability and provide online booking function for the hirers on HKPC's website</p>	<p>HKPC launched an on-line venue booking system in October 2019. After review, real time information of venue availability will not be provided by the system as the booking of training venues requires compliance with Standard Practice A16 "Booking Criteria of HKPC Facilities and Review Mechanism", which sets out</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>requirements regarding the nature of events and types of users.</p> <p>As the follow-up action of the recommendation has been completed, we recommend deleting this part from the next progress report.</p>
Way Forward of HKPC		
Page 161 of PAC Report	<p>PAC urges the Innovation and Technology Bureau and ITC to –</p> <p>(a) regularly keep in view the mode of operation, future business direction and subvention mode of HKPC having regard to the changing economic development of Hong Kong.</p>	<p>HKPC is planning to conduct a review on its mode of operation, future business direction and subvention mode. ITB and ITC will participate in the review and provide views.</p>
Page 161 of PAC Report	<p>PAC urges ITB and ITC to –</p> <p>(b) better coordinate the efforts of various stakeholders in promoting the industry, particularly in respect of innovation and technology, and ensure that clear government direction is delivered to HKPC to facilitate the strategic planning for its services without departure from policy objectives.</p>	<p>ITB will continue to implement policy measures to promote the development of innovation and technology (I&T) through organisations under its purview, including HKPC, the five R&D Centres, the Hong Kong Science and Technology Parks Corporation and the Hong Kong Cyberport Management Company Limited. As Directors of the Boards of the above organisations, the Permanent Secretary for Innovation and Technology and/or CIT (or their representatives) participate in the Board meetings to discuss how these organisations could assist the Government in promoting the I&T development. Officers of ITB and/or ITC also co-ordinate and discuss the direction and objectives of these organisations in promoting I&T development through meetings with their management from time to time, including meetings between CIT and Chief Executive Officers of the relevant organisations, and other liaison activities.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>ITC tenders views on the direction of HKPC's work through housekeeping meetings held from time to time and communication at different levels. In addition, ITB and ITC, having regard to the views of other non-official members, also offer views on HKPC's development strategies through participation in the Council meetings of HKPC to ensure that HKPC's work is in line with its mission and functions and supports the Government's policies.</p> <p>As the follow-up actions of the recommendation will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>

**Governance and administrative issues of the Hong Kong Productivity Council
Progress in implementing the Audit's and PAC's Recommendations**

Para. No.	Audit's/PAC's Recommendations	Progress to Date
Part 2: Corporate Governance and Performance Reporting		
Para. 2.19 of Audit Report	<p>Audit recommended that HKPC should –</p> <p>(a) closely monitor the attendance of members at Council/Committee meetings and step up efforts to encourage members' attendance of meetings;</p>	<p>Since the special Council meeting held on 11 October 2019, HKPC has implemented the following measures to encourage Council Members to attend meetings –</p> <p>(a) to issue meeting notice one month before the meeting to Council Members so that they can reserve the timeslot early; and to send the attendance record of meetings held during the year together with the agenda and meeting papers a week before the meeting date; and remind Council Members of the importance of attending meetings and encourage their attendance;</p> <p>(b) offer the option of attendance by teleconference; and</p> <p>(c) encourage Council Members who are not able to attend the meeting to provide views/feedback on meeting papers in writing before the meeting.</p> <p>As the follow-up actions of the recommendation will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>
Para. 2.19 of Audit Report	<p>Audit recommended that HKPC should –</p> <p>(b) encourage members to provide their proposed amendments to the draft minutes of Council/Committee meetings as early as possible and issue the</p>	<p>Since the special Council meeting held on 11 October 2019, HKPC will, through issuing two reminders (the first one a week before the deadline and another on the day of deadline), encourage Council Members to provide proposed comments to the draft minutes of the Council/Committee</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
	minutes of meetings to them in a timely manner;	<p>meetings in time, so that the HKPC can issue the revised minutes in a timely manner.</p> <p>As the follow-up actions of the recommendation will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>
Para. 2.19 of Audit Report	<p>Audit recommended that HKPC should –</p> <p>(c) take measures to ensure that Council members submit declaration of interest in a timely manner; and</p>	<p>For the 2020 declaration of interest exercise, HKPC has adopted the following measures –</p> <p>(a) offered the option for Council Members to submit an electronic copy of the declaration form before sending the original signed copy;</p> <p>(b) issued a reminder seven days before the submission deadline, together with follow-up telephone calls to individual Council Members, to encourage prompt submission of the declaration form; and</p> <p>(c) sent a further reminder to Council Members on the submission deadline to ensure that the declaration of interest was returned without delay.</p> <p>All Council Members returned their declaration forms before the Council meeting held in March 2020.</p> <p>As the follow-up actions of the recommendation will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
Para. 2.19 of Audit Report	<p>Audit recommended that HKPC should –</p> <p>(d) in collaboration with ITC, review the service focus of HKPC stated in MAA and revise MAA on the service focus where necessary.</p>	<p>The Innovation and ITC and HKPC had completed the review of the MAA, including the part on service focus, by making reference to the latest Three-year Strategic Plan (2020-21 to 2022- 23) and the strategic themes endorsed by the Council, the 2020-21 Programme and Estimates, as well as the views provided by the Audit Commission and the PAC during the audit exercise and public hearings. The MAA including the part on service focus will be updated to better align with the latest strategic plan and service focus of HKPC.</p> <p>HKPC has reported the proposed revisions to the MAA to the Council at its meeting on 25 March 2020, and the revised MAA, which was subsequently issued by HKPC to the Council for review on 8 May 2020, will be signed by ITC and HKPC after Council's endorsement.</p>
Para. 2.28 of Audit Report	<p>Audit recommended that HKPC should –</p> <p>(a) ascertain the reasons for failing to achieve the agreed performance targets and provide explanations for such failures to the satisfaction of the CIT as stipulated in MAA;</p>	<p>HKPC and ITC have set up a formal mechanism for HKPC to report the performance of the KPIs each year. From 2020 onwards, HKPC will submit a formal written report to ITC in June every year, in which HKPC will set out in detail its performance with respect to each KPI in the preceding financial year, and provide explanations and planned follow-up actions in respect of those KPIs not meeting the targets. CIT will review the contents of the report and respond in writing. The above arrangement will be included in the revised MAA.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
Para. 2.28 of Audit Report	<p>Audit recommended that HKPC should –</p> <p>(b) consider disclosing more KPIs in HKPC Annual Report, particularly the “Core KPIs”; and</p> <p>(c) consider reporting actual performance against performance targets in HKPC Annual Report.</p>	<p>CIT has approved the new KPI framework. Under the new KPI framework, the KPIs are no longer categorised into “core” and “non-core” categories.</p> <p>HKPC will conduct a comprehensive review on the disclosure of the KPIs in their Annual Report, including making reference to the practice of other similar public bodies. HKPC will submit the draft Annual Report to the Council for endorsement before issue in September 2020.</p>
Part 3: Human Resource Management		
Para. 3.10 of Audit Report	<p>Audit recommended that HKPC should –</p> <p>(a) take effective measures to address the significant staff shortfalls for some staff grades (especially Consultant and Manager) and the significant staff surpluses for some other staff grades; and</p>	<p>HKPC has implemented the measures below to attract and retain staff of grades with significant shortfall and address the issue of some other grades having significant staff surpluses –</p> <p>(a) continuing to enhance the competitiveness of HKPC's remuneration package in the market, including converting two- year-contract staff of Grades 1-6 to permanent employment from July 2019 to retain talents;</p> <p>(b) promoting HKPC to the public to attract talents joining the target grades since October 2019;</p> <p>(c) posting vacancies internally to encourage applications from potential staff;</p> <p>(d) expanding the source and pool of candidates through social media platform, recruitment agencies, university recruitment talks and overseas channels from 2018; engaging recruitment agencies for Grade 5 and other critical posts to enhance reach-out to talents;</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>(e) career fairs were held in two universities in September and October 2019 and HKPC will continue to do so in 2020 according to the schedules of universities;</p> <p>(f) promoting career advancement of competent Grade 2 and 3 staff to address the issue of staff surplus in these grades; and</p> <p>(g) launching first session of GROW programme for Grade 5 staff in May 2019 and second session of SEED programme for Grade 3 and 4 staff in December 2018. The programme aims at enhancing their competencies in consulting, project management, financial management, crisis management, leadership and communication skills through development programmes to retain Grade 5 staff and nurture more talents to be promoted to Grade 5.</p> <p>As the follow-up actions of the recommendation will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>
Para. 3.10 of Audit Report	<p>Audit recommended that HKPC should –</p> <p>(b) step up efforts to reduce high staff turnover, taking into account the results of the exit surveys and the Employee Opinion Survey.</p>	<p>In addition to the measures above to attract talents, HKPC has implemented the measures below to improve staff turnover –</p> <p>(a) retaining talents by benchmarking the salary offered by other institutions and providing market competitive remuneration packages;</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>(b) improving staff fringe benefits –</p> <ul style="list-style-type: none">- new leave types have been introduced, e.g. three days of marriage leave and compassionate leave from January 2018;- extended maternity leave from ten weeks to 14 weeks and paternity leave from three days to five days for eligible staff members with effect from November 2018; and- included a new MPF service provider for staff's choice since April 2019; <p>(c) implementing suggestions gathered from exit surveys and the Employee Opinion Surveys, including –</p> <ul style="list-style-type: none">- providing team building activities by external vendors to enhance team work and communication and foster collaboration since September 2019;- holding regular communication meetings between the management and staff; and- enhancing staff communication with senior management through “skip level” meetings and regular division meetings; and <p>(d) simplifying the daily administrative procedures from 2018, and digitising such procedures from 2019 to improve work efficiency.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>As a result of these measures, the staff turnover rate has been reduced from 19.1% in 2018-19 to 15% in 2019-20.</p> <p>As the follow-up actions of the recommendation will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>
Para. 3.16 of Audit Report	<p>Audit recommended that HKPC should –</p> <p>(a) set shortlisting criteria for selecting candidates for interview;</p>	<p>Since 15 November 2019, a form “Shortlisting for Interview” has been designed for hiring managers of divisions to set out the shortlisting criteria for selecting candidates for interview.</p> <p>At the eight special Division Meetings the HKPC management held with the divisions between 29 November and 5 December 2019 on recruitment procedures, all HKPC staff were informed of details of the issue and reminded to follow the requirement of setting out shortlisting criteria in writing for selecting candidates for interview.</p> <p>HKPC has invited ICAC to review HKPC's corporate governance including the revised recruitment policy, which is targeted to be carried out in early 2021.</p> <p>As the follow-up actions of the recommendation will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
Para. 3.16 of Audit Report	<p>Audit recommended that HKPC should –</p> <p>(b) properly record all applications received upon receipt to prevent tampering of applications and document the number of applications received for each recruitment;</p>	<p>Since 15 November 2019, the Human Resources and Facility Management Division has recorded the number of applications of each recruitment in the form of a summary, and recorded the number of shortlisted and interviewed candidates in the “Interview Evaluation Form”.</p> <p>As the follow-up actions of the recommendation will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>
Para. 3.16 of Audit Report	<p>Audit recommended that HKPC should –</p> <p>(c) ensure that appropriate number of candidates are shortlisted for interview and document justifications for fewer than required number of candidates shortlisted;</p>	<p>Standard Practice P23 “Recruitment and Appointment” was updated on 15 November 2019 to include the requirement of providing justifications by hiring managers of divisions for shortlisting and/or interviewing fewer than three candidates in clause 7 of the “Guidance Note on Recruitment and Appointment”.</p> <p>At the eight special Division Meetings the HKPC management held with the divisions between 29 November and 5 December 2019 on recruitment procedures, all HKPC staff were informed of details of the issue and reminded to follow the new requirement of providing justifications for shortlisting and/or interviewing fewer than three candidates as stated in clause 7 of the “Guidance Note on Recruitment and Appointment” of Standard Practice P23 “Recruitment and Appointment”.</p> <p>As the follow-up actions of the recommendation will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
Para. 3.16 of Audit Report	<p>Audit recommended that HKPC should –</p> <p>(d) ensure that Selection Interview Forms are properly completed by all Selection Panel members;</p>	<p>At the eight special Division Meetings the HKPC management held with the divisions between 29 November and 5 December 2019 on recruitment procedures, all HKPC staff were informed of details of the issue and reminded to complete the “Interview Evaluation Form” for recruitment interviews.</p> <p>Recruiting staff will conduct a final check on the “Interview Evaluation Form” after the interview ended to ensure that all Selection Panel members have completed the form properly.</p> <p>As the follow-up actions of the recommendation will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>
Para. 3.16 of Audit Report	<p>Audit recommended that HKPC should –</p> <p>(e) ensure that the candidate appointed for a post meets the qualification requirement of the post;</p>	<p>Standard Practice P23 “Recruitment and Appointment” was updated on 15 November 2019 to include the requirement of providing justifications for selecting a candidate not meeting all the job requirements by hiring managers of divisions in clause 15 under “Guidance Note on Recruitment and Appointment”.</p> <p>Recruiting staff will continue to perform checking on the qualification requirements of the post and the candidate’s qualifications, and the Human Resources and Facility Management Division will ensure that hiring managers of divisions would provide justifications in case of selecting a candidate not meeting all the job requirements.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>At the eight special Division Meetings the HKPC management held with the divisions between 29 November and 5 December 2019 on recruitment procedures, all HKPC staff were informed of details of the issue and reminded to provide justifications for selecting candidates not meeting all the job requirements as stated in the updated "Guidance Note on Recruitment and Appointment" of Standard Practice P23 "Recruitment and Appointment".</p> <p>As the follow-up actions of the recommendation will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>
Para. 3.16 of Audit Report	<p>Audit recommended that HKPC should –</p> <p>(f) require staff involved in the selection process refrain from participating in the process as far as possible if a conflict of interest has been declared; and</p>	<p>At the eight special Division Meetings the HKPC management held with the divisions between 29 November and 5 December 2019 on recruitment procedures, all HKPC staff were informed of details of the issue and reminded to follow the new requirement on conflict of interest as stated in the updated "Guidance Note on Recruitment and Appointment" of Standard Practice P23 "Recruitment and Appointment".</p> <p>Standard Practice P23 "Recruitment and Appointment" was updated on 2 February 2020 to include the following requirement in clause 19 under the "Guidance Note on Recruitment and Appointment" –</p> <p>(a) if the staff involved in the selection process declared that he/she is the "relative/friend" of the candidate, the staff member concerned should not participate in the interview; and</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>(b) if the staff involved in the selection process declared that he/she is the “ex-colleague” of the candidate in HKPC and had direct supervisor and subordinate relationship, General Manager or staff member (if applicable) from the same or other division/unit should be invited to join the interview together.</p> <p>As the follow-up actions of the recommendation will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>
Para. 3.16 of Audit Report	<p>Audit recommended that HKPC should –</p> <p>(g) review Case 1 regarding the appropriateness of offering a post to a person who has not applied for without going through the shortlisting and interview procedures laid down in the HKPC Standard Practices.</p>	<p>HKPC has reviewed the recruitment case and noted that the recruitment process was only partially completed with posting of job advertisement and its approval. However, the procedures of setting the shortlisting criteria, requesting the candidate to submit a new application and attending the interview for another position were omitted. Despite that the recruitment process was not properly carried out in accordance with the process stipulated in the relevant Standard Practice, the academic qualifications and work experience of the candidate in question had exceeded the job requirements, and the hiring manager had already assessed the candidate’s capabilities in the previous two rounds of interviews of the other post and confirmed that the candidate was suitable for appointment.</p> <p>Standard Practice P23 “Recruitment and Appointment” was updated on 15 November 2019 to beef up the recruitment procedures in clauses 7 and 14 under the “Guidance Note on Recruitment and Appointment”. The</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>Human Resources and Facility Management Division has also strengthened the management of recruitment procedures and will ensure that the recruitment procedures will be completed for every post.</p> <p>As the review of recommendation (g) has been completed, we recommend deleting this part from the next progress report.</p>
Part 4: Procurement and Other Administrative Issues		
Para. 4.13 of Audit Report	<p>Audit recommended that HKPC should –</p> <p>(a) take measures to ensure that selection of suppliers for quotations and declaration of conflict of interests are made in compliance with the requirements stipulated in HKPC Standard Practices;</p> <p>(b) ensure that the Standard Practices are updated in a timely manner to include all requirements relating to procurement;</p>	<p>HKPC updated Standard Practice A1/1 “Procurement Policies and Procedures” on 20 November 2019 to reflect the current practice of requiring random selection of one supplier when selecting suppliers for quotations in clause 5.1.3 instead of selection by rotation.</p> <p>Since August 2019, an e-form has been used in the procurement process and the staff involved in a procurement are required to make declaration of conflict of interest in the e-form. The procurement cannot be proceeded if such declaration is missing.</p> <p>At the nine special Division Meetings the HKPC management held with the divisions between 28 November and 5 December 2019 on procurement operations, all HKPC staff were informed of details of the issue and reminded to make declaration of conflict of interest in the e-form when conducting procurement and the consequences of not making the declaration.</p> <p>As the follow-up actions of the recommendation will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
Para. 4.13 of Audit Report	<p>Audit recommended that HKPC should –</p> <p>(c) take effective measures to ensure that purchases are not split into orders of smaller amounts so as to circumvent the requirements stipulated in HKPC Standard Practices;</p>	<p>HKPC updated clause 1.1.4 and clause 2.4 of Standard Practice A1/1 “Procurement Policies and Procedures” on 20 November 2019 and 7 February 2020 respectively to include the requirement of forbidding split orders issued to the same supplier by the same requisitioning division for the same client for similar or same products/services within 30 calendar days.</p> <p>At the nine special Division Meetings the HKPC management held with the divisions between 28 November and 5 December 2019 on procurement operations, staff were informed of details of the issue and reminded to follow the updated requirement in clause 1.1.4 and clause 2.4 of Standard Practice A1/1 “Procurement Policies and Procedures”.</p> <p>In addition, the Procurement Unit briefed staff on the updates in the Standard Practice in the November 2019 and February 2020 monthly Division Meetings.</p> <p>The Procurement Unit will also monitor closely the daily operations. Should any abnormality be found, the Procurement Unit will report to the management immediately for further actions.</p> <p>As the follow-up actions of the recommendation will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
Para. 4.13 of Audit Report	<p>Audit recommended that HKPC should –</p> <p>(d) consider enhancing the existing computer system to facilitate the identification of inactive suppliers on the Registered Suppliers List; and</p> <p>(e) take measures to ensure that inactive suppliers are removed from the Registered Suppliers List in a timely manner.</p>	<p>HKPC has enhanced the computer system and since 11 March 2020, the system can provide reports of inactive suppliers. All suppliers' responses for the past three years have been recorded in the system.</p> <p>HKPC performed an annual review to deactivate the inactive suppliers from the Registered Suppliers List in October 2019 and will continue to perform the review on annual basis to deactivate the inactive suppliers.</p> <p>As the computer system enhancement of recommendation (d) has been completed and that the follow-up actions of recommendation (e) will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>
Para. 4.42 of Audit Report	<p>Audit recommended that HKPC should –</p> <p>(a) expand the scope of surprise stocktaking in each quarterly surprise stocktaking exercise by increasing the number and the number of types of fixed asset items selected;</p>	<p>Since October 2019, the number of fixed asset items selected for every quarterly surprise stocktaking has been increased from five items to 20 items, and the types of fixed assets selected has been expanded to all fixed asset types except those fixed assets related to renovation.</p> <p>As the follow-up action of the recommendation has been completed, we recommend deleting this part from the next progress report.</p>
Para. 4.42 of Audit Report	<p>Audit recommended that HKPC should –</p> <p>(b) expedite the implementation of barcode scanner system to assist in conducting stocktaking exercises;</p>	<p>The affixing of new barcode labels on all fixed assets will be completed in May 2020 and by that time HKPC can make use of the barcode scanner system to assist in conducting stocktaking exercises.</p> <p>As the follow-up action of the recommendation has been completed, we recommend deleting this part from the next progress report.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
Para. 4.42 of Audit Report	<p>Audit recommended that HKPC should –</p> <p>(c) ensure that all equipment items are included in the lists of equipment;</p>	<p>At the seven special Division Meetings the HKPC management held with the divisions between 28 November and 5 December 2019 on equipment management, all HKPC staff were informed of details of the issue and reminded to timely include equipment items into the equipment list as per clause 4 of Standard Practice A12 “Equipment Management”.</p> <p>As the follow-up actions of the recommendation will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>
Para. 4.42 of Audit Report	<p>Audit recommended that HKPC should –</p> <p>(d) take measures to improve the utilisation rates of the equipment items which do not achieve the expected utilisation and dispose of the obsolete and non-effective equipment in a timely manner to ensure effective utilisation of HKPC's resources;</p>	<p>At the seven special Division Meetings the HKPC management held with the divisions between 28 November and 5 December 2019 on equipment management, all HKPC staff were informed of details of the issue and reminded to closely monitor the utilisation of equipment and disposal of equipment as per clauses 5, 9 and 11 of Standard Practice A12 “Equipment Management”.</p> <p>Since July 2018, the HKPC management has reviewed the equipment utilisation reports on a quarterly basis, and has disposed seven pieces of obsolete equipment between April and November 2019</p> <p>On the other hand, HKPC has actively promoted its testing and laboratory services. Through different events such as seminars for different industries and promotional events for specific customer groups, HKPC has promoted the latest testing requirements and market trends to the industry as well as the related testing services of HKPC,</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>with a view to encouraging the utilisation of relevant equipment of HKPC by the industry.</p> <p>HKPC has also frequently promoted its testing services via digital channels, and information of testing and laboratory services has also been included in different printed materials. HKPC is also actively engaged in long- term cooperation with commercial laboratories to improve equipment utilisation.</p> <p>In the future, the expected utilisation rate will be considered when compiling the annual equipment purchase budget, and the Finance and Procurement Division will ensure that the equipment to be procured has been included in the approved budget.</p> <p>As the follow-up actions of the recommendation will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>
Para. 4.42 of Audit Report	<p>Audit recommended that HKPC should –</p> <p>(e) closely monitor the rate of asset optimisation of individual divisions and take appropriate follow-up action for the divisions which have not achieved the target rate of asset optimisation;</p>	<p>At the seven special Division Meetings the HKPC management held with the divisions between 28 November and 5 December 2019 on equipment management, all HKPC staff were informed of details of the issue and reminded to closely monitor the utilisation of equipment and disposal of equipment as per clauses 5, 9 and 11 of Standard Practice A12 “Equipment Management”.</p> <p>The HKPC management will set annual equipment utilisation rate target for individual divisions and the utilisation rates will be reviewed quarterly. Follow-up actions will be taken on divisions not achieving the optimisation rates.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>As the follow-up actions of the recommendation will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>
<p>Para. 4.42 of Audit Report</p>	<p>Audit recommended that HKPC should –</p> <p>(f) closely monitor the utilisation rate of the company cars and review the cost-effectiveness of maintaining the company car with low utilisation rate;</p>	<p>Since October 2019, to facilitate car usage by staff, the HKPC staff can check the availability of the car on-loan through the electronic calendar. At the same time, the utilisation rates of company cars have been and will be reviewed by the Administration Manager of the Human Resources and Facility Management Division on a monthly basis for reporting to the management.</p> <p>At the eight special Division Meetings the HKPC management held with the divisions between 29 November and 5 December 2019 on company car issues, all HKPC staff were informed of details of the issue and availability of the booking status of the car on-loan in the electronic calendar.</p> <p>HKPC has reviewed the utilisation and maintenance fees of Car D. The battery and air conditioner of Car D malfunctioned and the vendors provided costly repair and replacement quotations. Besides, since the driving range was restricted by the capacity of the battery, there had been no loan request since 6 March 2020. In view of the high maintenance cost and low utilisation rate below 50%, Car D was disposed of on 7 April 2020.</p> <p>The utilisation rates and maintenance fees of the other three company cars will be calculated on a monthly basis and will be reviewed every six months by the Human Resources and Facility Management Division. If the</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>utilisation rate of a company car falls below 50% for most of the last six months, the management will conduct a review to decide if the company car should be disposed of or retained.</p> <p>As the follow-up actions of the recommendation will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>
Para. 4.42 of Audit Report	<p>Audit recommended that HKPC should –</p> <p>(g) ensure that the time and duration of all trips of the company cars are recorded in the car log book;</p>	<p>Since May 2019, all car on-loan applications have to be submitted for approval by e-form. From October 2019 onwards, the Administration Officer of the Human Resources and Facility Management Division will perform monthly checking of the actual usage of the car on-loan by matching the car log book against the e-form record, and the checking will be reviewed by the Administration Manager of the Human Resources and Facility Management Division.</p> <p>At the eight special Division Meetings the HKPC management held with the divisions between 29 November and 5 December 2019 on company car issues, all HKPC staff were informed of details of the issue and reminded to record information of car usage in relevant e-form and the car log book.</p> <p>Applications for use of pool cars must be submitted by email, and after car usage, the driver should complete the car usage information by completing the car log book. The car usage information would be confirmed by pool car users via e-form. The Administration Officer of the Human Resources and Facility Management Division will compare the email</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>application with the car log book completed by the driver, and perform monthly checking on the actual usage of the cars.</p> <p>As the follow-up actions of the recommendation will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>
Para. 4.42 of Audit Report	<p>Audit recommended that HKPC should –</p> <p>(h) ensure that all claims of entertainment expenses where the number of staff members involved exceeds the number of guests are well justified;</p>	<p>Standard Practice A5/2 “Official Expenses - Entertainment” was updated on 1 November 2019 to include in clause 3.6 the requirement of providing justifications and seeking approval from G7/G8/Executive Director if the number of staff members exceeds the number of guests when claiming official entertainment expenses.</p> <p>Since November 2019, staff claiming entertainment expenses have to document the number of staff and guests for each claim in the Expenses Claim System. The Finance and Procurement Division will review the cases where the number of HKPC staff is more than the number of guests and ensure that justifications have been provided and approval from G7/G8/Executive Director has been obtained.</p> <p>At the nine special Division Meetings the HKPC management held with the divisions between 28 November and 5 December 2019 on entertainment expenses, all HKPC staff were informed of details of the issue and reminded to provide justifications when claiming entertainment expenses if the number of staff members exceeds the number of guests as stated in the updated clause 3.6 of Standard Practice A5/2 “Official Expenses - Entertainment”.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>As the follow-up actions of the recommendation will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>
<p>Para. 4.42 of Audit Report</p>	<p>Audit recommended that HKPC should –</p> <p>(i) ensure that applications for official travels outside Hong Kong are submitted by staff members and approved by the appropriate approval authorities before departure; and</p>	<p>At the nine special Division Meetings the HKPC management held with the divisions between 28 November and 5 December 2019, all HKPC staff were informed of details of the issue and reminded to submit and obtain prior approval for official travels outside Hong Kong before their departures.</p> <p>Standard Practice A5/4 “Official Expenses – Travelling (Outside Hong Kong)” was updated on 1 January 2020 to specify that staff claims on expenses related to official travels outside Hong Kong will not be processed if prior approvals for these travels have not been obtained from the management before departure. Staff who have breached this requirement could be subject to disciplinary action.</p> <p>HKPC will remind staff on a regular basis to comply with the requirements under the Standard Practice to obtain prior approval for official travels outside Hong Kong.</p> <p>As the follow-up actions of the recommendation will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>
<p>Para. 4.42 of Audit Report</p>	<p>Audit recommended that HKPC should –</p> <p>(j) ensure that all staff members declare their flight awards arising from business trips to</p>	<p>Since 11 December 2019, HKPC has implemented a new control under which all HKPC staff must declare whether they have earned any flight mileage for business trips by air travel in the Expenses Claim System. The</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
	<p>facilitate planning for the possible use of the flight awards for corporate functions.</p>	<p>system mandates staff members to declare whether any mileage has been claimed from airlines for the business trips when they submit applications for claiming expenses. If no expense claims are made, HKPC will follow up with individual staff members on declaration of any mileage earned.</p> <p>At the nine special Division Meetings the HKPC management held with the divisions between 28 November and 5 December 2019 on issues regarding claiming of mileage from business trips, all HKPC staff were informed of details of the issue and reminded to declare whether they have earned any mileage for business trips in the Expenses Claim System.</p> <p>As the follow-up actions of the recommendation will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>

Control of wild and stray animal nuisances
Progress of implementing Audit's Recommendations

Para. No.	Audit's Recommendations	Progress to Date
Part 2: Control of wild animal nuisances		
2.19	<p>Audit has recommended that the Director of Agriculture, Fisheries and Conservation (DAFC) should –</p> <ul style="list-style-type: none"> (a) review the adequacy of guidelines on the conduct of on-site visits for complaints about wild animals nuisance; (b) ensure that the reasons for not conducting any on-site visits suggested under the guidelines are documented; (c) improve the timeliness in responding to complaints about wild animal nuisances; (d) take measures to ensure that adequate information is recorded in the register of wild animal nuisances for monitoring the handling of nuisance complaints; (e) Take measures to ensure that AFCD guidelines on sterilising nuisance monkeys are followed; and (f) document the reasons for not sterilising any nuisance monkeys captured in the future. 	<ul style="list-style-type: none"> (a) AFCD has reviewed and updated the operation manual for complaints about wild animal nuisances and briefed staff on the amendments and updates. (b) to (d) AFCD has reminded staff to document the reasons for not conducting on-site visits upon receiving complaints on wild animal nuisance and to record sufficient information in the register of wild animal nuisance. AFCD has also reminded staff of the importance to respond to complaints in a timely manner. Supervisors will regularly check the register to ensure that the cases have been handled properly. (e) and (f) AFCD has reminded staff to follow the guidelines on sterilising monkeys causing nuisance to the neighbourhood, and to document the reasons for not sterilising any captured ones. Supervisors will regularly check the records. Meanwhile, AFCD is planning to extend, from 2020 onwards, the sterilisation programme to monkeys causing nuisance which are captured outside the scheduled trapping programme of the original contraception period between September and March.

Para. No.	Audit's Recommendations	Progress to Date
2.45	<p>Audit has recommended that the DAFC should –</p> <ul style="list-style-type: none"> (a) review the sterilisation targets under the monkey contraceptive programme and reconsider the need for specifying a target range/optimum number of monkeys to be sterilised; (b) consider setting suitable performance indicators under the monkey contraceptive programme with a view to better measuring the contractor's performance; (c) look into any difficulties in locating the capturing monkeys under the contraceptive programme, and keep in view the need for enhancing the monkey trapping strategy; (d) lay down the criteria for selecting sites for conducting Capture and Contraception/Relocation Programme (CCRP) operations; (e) having regard to the laid-down criteria (see (d) above), take measures to ensure that nuisance blackspots for wild pigs are adequately covered by CCRP operations; (f) ensure that effective and timely measures are taken to secure adequate samples for evaluating the effectiveness of the immune- contraceptive vaccine on wild pigs; and 	<p>(a) and (b)</p> <p>The monkey contraceptive programme is operated on an adaptive basis, aiming at controlling monkey nuisances in the long run without affecting the sustainability of the populations. AFCD has reviewed the existing contraceptive programme and will give the contractors flexibility to adjust the actual sterilisation target based on population status, rate of sterilisation, monkey occurrence, etc. AFCD will also introduce suitable performance indicators for the contraceptive programme for better assessment of the contractor's performance.</p> <p>(c) As the bulk of the monkey populations have already been sterilised to different extents, AFCD has extended the scope of the contraceptive programme to cover those causing nuisance to the residential areas near country parks since 2018. Cage traps have been deployed in monkey nuisance blackspots. The strategy is proven effective in minimising the nuisance of monkeys. AFCD is also exploring alternative strategies and equipment with a view to improving trapping success rate.</p> <p>(d) to (f)</p> <p>AFCD has laid down the criteria for selecting sites for the operations under the CCRP for wild pigs in the Operation Manual, to ensure that the operations will be arranged for all blackspots as far as practicable. From 2020-21, AFCD will increase the frequency of CCRP with a view to collecting adequate samples for</p>

Para. No.	Audit's Recommendations	Progress to Date
	(g) expedite conducting population surveys of wild pigs.	<p>evaluating the effectiveness of immuno-contraceptive vaccine on wild pigs.</p> <p>(g) AFCD has completed a pilot study on surveying the wild pig populations for population estimation. In 2020, AFCD will extend the field surveys to cover additional sites and seasons for better estimation of wild pig populations in Hong Kong.</p>
2.52	Audit has recommended that the DAFC should keep in view the need to extend Feeding Ban Area under the Wild Animals Protection Ordinance to cover nuisance blackspots for wild pigs, taking into account the need for better addressing wild pig nuisances over the territory.	AFCD established an advisory group comprising experts from various fields in October 2019 to advise on the management of wild pigs. It is expected that preliminary proposals will be available by the end of 2020. AFCD will then take the experts' views into account in assessing the feasibility of extending the feeding ban area.
Part 3: Control of stray animal nuisances		
3.7	Audit has recommended that the DAFC should take measures to improve the complaint recording system for stray animal nuisances to ensure that adequate management information is available for monitoring the timeliness of replies to complainants	<p>With a view to documenting and monitoring complaints on stray animals, a computerised complaint recording system was launched in 2018 and system enhancements will be introduced in order to improve data management capacity whenever necessary. AFCD staff have been reminded to input necessary data (including the dates of replies issued) into the system at all times.</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. No.	Audit's Recommendations	Progress to Date
3.19	<p>Audit has recommended that the DAFC should –</p> <ul style="list-style-type: none"> (a) ensure that adequate guidelines are provided on handling stray dogs and cats; (b) ensure that the guidelines on handling stray dogs and cats are complied with, and the reasons for any non-compliance are documented; and (c) consider visiting rehoming partners regularly and ensure that they submit rehoming records as required. 	<p>(a) and (b) AFCD has reminded staff to comply with the guidelines on handling of stray animals.</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>(c) AFCD will introduce regular visit arrangement to rehoming partners. Visits originally scheduled for February and March 2020 were cancelled due to the COVID-19 situation in Hong Kong. AFCD will resume the visits when situation permits. AFCD has also remind rehoming partners to submit their rehoming records periodically.</p>
3.35	<p>Audit has recommended that the DAFC should –</p> <ul style="list-style-type: none"> (a) look into the reasons for the low percentage of rehomed dogs and cats sterilised at AFCD-engaged veterinary clinics; (b) take measures to ensure that rehoming partners follow the requirement of sterilising rehomed dogs and cats; (c) keep in view the implementation of the Trap-Neuter-Return (TNR) trial programme, and take timely actions to rectify the situation where necessary; and (d) take prompt actions to brief relevant Animal Welfare Organisations (AWOs) and stakeholders on the stray cattle management plan, with a view to 	<p>(a) AFCD had looked into the issue. The main reason was due to veterinary clinics engaged with certain AWOs not succeeding in getting the contract tender to provide desexing service for AFCD rehomed animals. The AWOs continued to use their engaged veterinary clinics rather than AFCD's contract veterinary clinics. Nevertheless, AFCD has suggested that AWOs use the services from AFCD's contract veterinary clinics as far as possible.</p> <p>(b) Rehoming partners have been reminded to submit timely rehoming and sterilisation records. However, having taken into account the health or other conditions of the rehomed pets, sterilisation may not be immediately performed by the rehoming partners.</p>

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	implementing the plan as soon as possible.	<p>(c) AFCD requires the TNR programme coordinators to submit monthly reports on the implementation of the TNR programme and AFCD will continue to visit TNR sites periodically to monitor the situation at the sites.</p> <p>(d) AFCD briefed the Animal Welfare Advisory Group Management of Animal Population Subgroup (Subgroup) consisting of representatives of relevant AWOs and veterinarians on stray cattle management plan and the Subgroup supported the implementation of the plan. AFCD will implement the plan accordingly.</p> <p>As the recommendations (a) to (d) 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>
3.41	<p>Audit has recommended that the DAFC should –</p> <p>(a) explore the use of other measures for controlling cattle movement, taking into account the consultant's advice; and</p> <p>(b) closely monitor the conduct of the territory-wide pigeon population survey, with a view to devising effective measures to control the pigeon population in a timely manner.</p>	<p>(a) AFCD has engaged a consultant to continue to periodically review the measures in controlling the movement of cattle. AFCD will continue to explore suitable measures taking into account the advice and recommendations of the consultant.</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>(b) The territory-wide pigeon population survey is in progress and expected to be completed by June 2020. The survey data</p>

Para. No.	Audit's Recommendations	Progress to Date
		collected will be analysed, so that follow up actions can be taken by the Government, with a view to mitigating feral pigeon nuisance.
Part 4: Publicity, prosecution and other administrative issues		
4.17	<p>Audit has recommended that the DAFC should –</p> <ul style="list-style-type: none"> (a) take appropriate measures to step up AFCD's effort in the provision of school talks and public seminars; (b) ensure that banners are displayed at animal nuisance blackspots and animal congregation spots in a timely manner to publicise information about control of animal nuisances; and (c) enhance AFCD's publicity and educational programmes to better meet the demand for information on wild birds. 	<ul style="list-style-type: none"> (a) AFCD continues to step up efforts in provision of school talks and public seminars. For example, invitation letters for school talks have been extended to cover kindergartens. A series of animation is currently under production for school talks, estate seminars, internet media platform and AFCD's thematic website to promote animal welfare and responsible pet ownership. A public education programme has been implemented to offer education activities in the wild animal feeding ban areas and wild animal nuisance sites. (b) Currently, there are 166 feral pigeon congregation spots. To educate the public not to feed feral pigeons, banners have been displayed at 132 spots. AFCD continues to display banners at feral pigeon congregation spots and animal/wild animal nuisance blackspots after obtaining permission from the relevant authorities. (c) AFCD produced new leaflets and posters on "Be Neighbour with Wild Birds" in January 2020. The materials will be distributed to the public and are also available in AFCD's website (https://www.afcd.gov.hk/english/conservation/con_fau/con_fau_bird/con_fau_bird_bhk/con_fau_bird_bhk.html).

Para. No.	Audit's Recommendations	Progress to Date
		As the recommendations (a) to (c) will be carried out on an on-going basis, we recommend deleting this part from the next progress report.
4.22	<p>Audit has recommended that the DAFC should –</p> <p>(a) ensure that timely actions are taken to instigate prosecutions of offences relating to the control of animal nuisances at the court; and</p> <p>(b) require AFCD staff to adequately record the reasons for any prolonged actions in taking forward prosecution cases for supervisory review.</p>	<p>(a) and (b)</p> <p>AFCD has reminded staff to take timely actions to instigate prosecution of offences relating to wild animals at the court and to record the reasons for any prolonged actions in taking forward prosecution cases for supervisory review. To this end, AFCD launched a new enforcement case record system under the Wild Animals Protection Ordinance to facilitate record keeping and progress monitoring in May 2019. Supervisors will regularly check the record system to ensure that the cases are being handled properly.</p>
4.32	<p>Audit has recommended that the DAFC should –</p> <p>(a) share the lists of monkey and wild pig feeding blackspots and pigeon congregation spots with other responsible departments to facilitate their monitoring and prosecutions of improper animal feeding activities;</p> <p>(b) strengthen liaison with FEHD, with a view to implementing the pilot programme for enhancing surveillance of African Swine Fever (ASF) in local wild pigs as intended; and</p> <p>(c) keep under review the implementation of the pilot programme for enhancing</p>	<p>(a) AFCD has been closely working with FEHD and Leisure and Cultural Services Department (LCSD) on pigeon congregation spots, as well as monkey and wild pig feeding blackspots. Should there be any environmental hygiene problem observed during site inspections at nuisance spots, AFCD will refer the case to FEHD and LCSD for follow-up actions. To facilitate their better monitoring and prosecution of environmental hygiene offences arising from feeding activities, AFCD has shared with the two departments the lists of feral pigeon congregation spots as well as monkey and wild pig feeding blackspots.</p>

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	<p>surveillance of ASF in local wild pigs, and ensure that the surveillance programme for ASF in local wild pigs is updated with enhancements in a timely manner where appropriate.</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> <p>(b) and (c)</p> <p>With a view to strengthening the surveillance of ASF on wild pigs, AFCD has been working with FEHD on a pilot surveillance scheme starting from November 2019 for the testing of ASF in wild pig carcass found and reported by FEHD. The programme, initially covered area in the north of Sheung Shui, has been extended to western and northeastern New Territories (including Plover Cove Country Park, west of Shing Mun River and west of Tai Po Road (Sha Tin Heights section)) covering the vicinity of most pig farms. Cases with a large number of wild pig carcasses with abnormal death are also included. As at end March 2020, two wild pig carcasses were tested and the results were negative. AFCD may adjust the programme after conducting further review by the end of April 2020, including whether the scope of surveillance would be extended to cover the entire New Territories.</p>

Special Education
Progress of Implementing Audit's Recommendations

Para. No.	Audit's Recommendations	Progress to Date
Part 2: Provision and Management of School Places and Boarding Places		
Para. 2.14 (a) of the Audit Report	Audit has recommended that the SED should closely monitor the development of the new school for children with intellectual disability (ID) in Tung Chung and ensure that it can commence operation in accordance with the planned timetable.	<p>The new school for children with ID in Tung Chung was handed over to the school sponsoring body in November 2019 for preparation for commencement of operation. Owing to the school suspension arising from the COVID-19 epidemic, this new school is yet to operate for the time being. Subject to the formal class resumption date, this school will formally operate in the second term of this school year or the 2020/21 school year.</p> <p>As the recommendation has been implemented, we recommend that this part be deleted from the next progress report.</p>
Para. 2.14 (b) of the Audit Report	Audit has recommended that the SED should consider expanding the scope of target students of special schools as far as practicable so that children with physical disability (PD) in the Outlying Islands region and children with severe ID in the Sha Tin and Sai Kung region can be better catered for in their own regions.	<p>Facilities provided for students with severe ID in the new ID school in Tung Chung are similar to those needed by students with PD. Depending on the actual circumstances, the EDB would arrange students with PD who reside in the Outlying Islands region for admission to this school.</p> <p>Most of the students with severe ID have a need for boarding, thus the location of schools does not make an influence on these students. Students with severe ID living in the Sha Tin and Sai Kung regions could be placed in schools for children with severe ID located in Tai Po and Tseung Kwan O regions respectively for day placement with which school bus services are provided.</p>

Para. No.	Audit's Recommendations	Progress to Date
		<p>The EDB will continue to study the recommendations regarding the feasibility of expanding the scope of target students of special schools in the respective regions.</p> <p>As the recommendation will be carried out on an on-going basis, we recommend that this part be deleted from the next progress report.</p>
Para. 2.14 (c) of the Audit Report	<p>Audit has recommended that the SED should ascertain the reasons for the low enrolment of students in schools for social development (SSDs) and take measures to address the issue, for example, by expanding the scope of services provided by SSDs, where appropriate.</p>	<p>The EDB met with the Hong Kong Special Schools Council (HKSSC) and the principals of the SSDs in January and March 2020 respectively to discuss the reasons for the low enrolment of SSDs and the appropriate measures to address the issue.</p> <p>The sector recognised that the EDB has been providing additional resources and professional support for ordinary schools with the implementation of integrated education e.g. establishing an additional teaching post of Special Educational Needs Coordinator in the staff establishment, covering all schools with school-based educational psychology service, and providing them with additional school social workers. In addition, an increasing number of teachers from ordinary schools has received special education training (SET). The competency of ordinary schools to cater for students with special educational needs and students with emotional and behavioural difficulties is thus gradually enhanced. All these might account for fewer referrals being made by ordinary schools to the SSDs.</p> <p>Besides, the enrolment rates mentioned in the Audit Report are based on the number of students in the SSDs as at 15 September of the respective school</p>

Para. No.	Audit's Recommendations	Progress to Date
		<p>years. Therefore, the enrolment rates only reflect the enrolment situation on the cut-off date. Since SSD students (especially those who attend the short-term adjustment programme) who display marked improvement after having received support will be reintegrated into ordinary schools as soon as possible to continue their study, the total number of students being supported by SSDs is actually higher than the number of students counted on the cut-off date in each school year. The EDB and the SSDs had reached an agreement on how to calculate the total number of students served by SSDs in each respective school year. From now on, besides submitting the enrolment situation on a specific cutoff date, SSDs will also present the numbers of students in different periods of time in the school year so that the total number of students being supported by SSDs can be more comprehensively and accurately calculated. In fact, if the EDB use the aforementioned calculation, there is an increase of 23% in the total number of students being served by SSDs in the 2018/19 school year when compared with the number of students solely counted on 15 September.</p> <p>In order to make good use of the professional expertise of teachers and resources of SSDs, the EDB has launched a two-year “pilot scheme on special units” in the SSDs since the 2019/20 school year to render intensive enhanced support to students with autism spectrum disorders (ASD) in ordinary schools who have severe adjustment problems. The EDB has been implementing the scheme according to the planned schedules,</p>

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		<p>assisting SSDs to deploy evidence- based intervention strategies to provide support for the concerned students with ASD. The EDB will evaluate the effectiveness of the pilot scheme and collect the views of the major stakeholders before considering the appropriateness to implement this scheme in the 2021/22 school year in all SSDs so as to expand their service scope.</p> <p>Moreover, the EDB will also continue to explore with the SSDs the feasibility of further expanding their service scope by taking in other types of students attending ordinary schools with adjustment difficulties.</p> <p>In sum, the EDB will persistently note and review the enrolment situation of SSD in tandem with the effectiveness of the pilot scheme for students with ASD with a view to continuously exploring with SSDs the direction of expanding their clientele and service modes.</p> <p>As the recommendation will be carried out on an on-going basis, we recommend that this part be deleted from the next progress report.</p>
Para. 2.14 (d) of the Audit Report	Audit has recommended that the SED should consider adopting more flexibility in the placement arrangements for school-age students with ID and students with PD.	The EDB encourage children with ID and children with PD to study in a special school of appropriate type and close to their residential location so as to give them convenience to travel between home and school. At present, parents of pre-school children with ID not only can apply for a special school of the corresponding category for their children close to their residence, but also choose any ID schools of the relevant type for their children in the territory. For those pre-school children

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		<p>with PD, school-aged children with ID and school-aged children with PD, their parents are recommended to choose a school in its vicinity so that parents could take care of their children conveniently and the number of children to be admitted by special schools in different districts could be maintained in a balance of even distribution. However, individual parents could make a request to the EDB upon their specific reasons, flexible arrangements would be considered depending on the actual circumstances.</p> <p>The EDB has discussed the Audit's recommendations with the HKSSC, and the EDB proposed allowing every pre-school and school-age ID student and PD child, following the same practice, to choose any special schools of the relevant type they preferred. The HKSSC was considering such proposal and would revert to the EDB in due course.</p> <p>We will report the progress in the next progress report.</p>
Para. 2.14 (e) of the Audit Report	Audit has recommended that the SED should review the reasons why more than 40% of students, on average, stayed in SSDs beyond the expected timeframe and take appropriate improvement measures.	<p>SSDs are established to provide intensive support for the needy students with a view to helping them to overcome their emotional and behavioural difficulties so that they can reintegrate into ordinary schools as soon as possible.</p> <p>Research evidence on the efficacy of various intervention programmes for students with moderate emotional and behavioural difficulties suggests that there are three-to-six month programmes that can produce marked and long-lasting positive results whilst there are two-year general programmes</p>

Para. No.	Audit's Recommendations	Progress to Date
		<p>for students with severe emotional and behavioural difficulties with proven results. Making reference to these findings and based on the principle of integrated education, the EDB has set the discharge target with the SWD and SSDs/Residential Homes for the students attending short-term adjustment programmes to be discharged within three to 12 months, whereas a discharge target of within two years is set for those attending non- short-term adjustment programmes, thus providing an indicator for the SSDs to work towards in the provision of services.</p> <p>The EDB had discussed with the principals of the SSDs about the progress of students attending the short-term and non-short-term adjustment programmes, as well as reviewed the statistics on the time required for students to complete the short-term and non-short-term adjustment programmes in the last three school years. In sum, an average of about 67% of students who attended the short-term adjustment programmes left SSD after making marked improvement from three to 12 months. About 61% of the students who attended the non-short-term adjustment programmes showed significant improvement within 24 months. As shown in the statistics, the time frame set for the discharge of students is appropriate. It also aligns with the objective of the SSDs which is to help students with moderate to severe emotional and behavioural difficulties to overcome the transient adjustment problems that arise during their developmental stage and to reintegrate them into ordinary schools as soon as possible.</p>

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		<p>Nonetheless, a substantial number of students came from broken families or families in turmoil. Although the students have made improvement in their emotions and behavior, their parents might not be able to timely arrange them to return home. As a consequence, the students concerned had to continuously study in SSDs for a relatively long period. Furthermore, some students had to complete their studies in a learning stage e.g. the senior secondary curriculum. In order not to affect their learning and opportunity for further studies, it is not advisable for them to leave the SSD even though they have made improvement in their behavior and emotions. Concerning students who have justifiable reasons to stay for a relatively long period of time in SSD, the EDB has requested the SSDs to clearly record the individual reason for each student's prolonged stay for review. Considering the education principle as well as the determining impact the senior secondary years has on students' future development, it is clearly stated at the policy level that – senior secondary students should be provided with a stable learning environment during this stage of growth. Thus, in future, students pursuing the senior secondary curriculum should be excluded from the calculation of the length of stay.</p> <p>Besides, the EDB will further set out the roles and responsibilities of ordinary schools in the guidelines on referral to the short-term adjustment programmes in SSDs to ensure that ordinary schools will make suitable accommodation for their students when they resume ordinary schooling after making improvements, with a view to</p>

Para. No.	Audit's Recommendations	Progress to Date
		<p>adhering to the principle of early reintegration of students into ordinary schools.</p> <p>Since the EDB and the sector have reached a consensus upon the implementation of this recommendation, and the recommendation will be carried out on an on-going basis, we recommend this part be deleted from the next progress report.</p>
Para. 2.14 (f) of the Audit Report	<p>Audit has recommended that the SED should ascertain whether more guidance and advice should be given to referrers of SSDs so that they can better identify students suitable for the short-term adjustment programme, which can better meet their needs.</p>	<p>The EDB will update the relevant guidelines in respect of the consensus reached with the sector on the recommendations made by Audit about the services provided by SSD, and continue to organise talks regularly to let referrers acquire the latest information of SSDs and help referrers and students to make an appropriate decision including the suitability of receiving the short-term adjustment programme while making a choice of SSDs. The EDB will issue the guidelines in the 2020/21 school year.</p> <p>As the recommendation will be carried out on an on-going basis, we recommend that this part be deleted from the next progress report.</p>
Para. 2.33 (a) of the Audit Report	<p>Audit has recommended that the SED should explore the feasibility of implementing measures with a view to making more efficient use of the boarding places and shortening the waiting time for seven-day boarding places in schools for children with severe ID, such as –</p> <p>(i) converting some vacant five-day boarding places to seven-day boarding places; and</p>	<p>In view of the keen demand for seven-day boarding places, in recent years, the EDB has been actively encouraging ID schools that offer solely five-day boarding service to provide seven-day boarding service as well. From the 2020/21 school year, the EDB will further improve the staff establishment and resources of the boarding sections of special schools, including the increase in the boarding sections' staffing for Saturdays and Sundays. This measure would enhance</p>

Para. No.	Audit's Recommendations	Progress to Date
	(ii) allowing students with severe ID waiting for seven-day boarding places to use vacant five-day boarding places temporarily before seven-day boarding places are available.	<p>the willingness of special schools to offer more seven-day boarding places. Currently, the EDB is discussing with two schools for children with severe ID offering solely five-day boarding service to concurrently offer seven-day boarding service from the 2020/21 school year.</p> <p>Moreover, the EDB has discussed with HKSSC about the feasibility for allowing the students with severe ID on the waiting list of seven-day boarding service, under parental consent, to be temporarily accommodated with vacant five-day boarding places. However, there are certain practical difficulties when implementing the above proposal, including the possible disputes about sequence of admission for five-day boarders and seven-day boarders, and a series of adaptation problems to be experienced by students originally applying for seven-day boarding services but temporary admitted as five-day boarders in one school and subsequently re-admitting as seven-day boarders in another school. The feasibility of such proposal has to be discussed with the stakeholders concerned.</p> <p>We will report the progress in the next progress report.</p>
Para. 2.33 (b) of the Audit Report	Audit has recommended that the SED should step up the EDB's efforts in exploring effective measures to increase the supply of new boarding places with a view to shortening the waiting time of students with moderate ID for boarding services.	The EDB has been making effort to increase the supply of boarding places in special schools. Apart from an ID school in Tung Chung completed in November 2019 rendering 60 boarding places for children with moderate and severe ID, there are four other projects providing a total of over 200 boarding places for children with moderate ID, expected to be completed in the next few years.

Para. No.	Audit's Recommendations	Progress to Date
		<p>The EDB will continue to study other feasible measures, including optimising the current boarding sections to provide more boarding places, to meet the demand.</p> <p>As the recommendation will be carried out on an on-going basis, we recommend that this part be deleted from the next progress report.</p>
Para. 2.33 (c) of the Audit Report	<p>Audit has recommended that with a view to ensuring that boarding services are provided to students with the most genuine needs, the SED should provide assistance to special schools in reviewing the boarding needs of existing boarders, such as issuing guidelines to schools on how to conduct regular reviews of the boarding needs of existing boarders.</p>	<p>All along, the EDB requires special schools with boarding section to review the boarding needs of their boarders regularly to ensure that boarding services are provided for those students with genuine needs. The EDB also sets out this requirement in the EDB's referral letters for day and boarding placement. Besides, the EDB reiterates the requirements as stated above in the annual meetings with special school principals, and invites them to share good practices accordingly. All special schools are well informed of the requirements and they will conduct regular reviews of the boarding needs and status of their boarders with reference to their school- based guidelines.</p> <p>Upon consultation with HKSSC, the EDB will draw up a practice guide for special schools to conduct annual review on the boarding needs of their boarders in a consistent manner. The EDB will discuss the above arrangements with special schools in the annual meetings about issuance of the guide in the 2020/21 school year for implementation.</p> <p>As the recommendation will be carried out on an on-going basis, we recommend that this part be deleted from the next progress report.</p>

Para. No.	Audit's Recommendations	Progress to Date
Para. 2.33 (d) of the Audit Report	Audit has recommended that the SED should consider adopting more flexibility in the placement arrangements of seven-day boarding service for students with severe ID and students with PD.	<p>Since almost all students with ID and students with PD have constraints on mobility, the EDB will refer these students to a severe ID or PD school with boarding services near to their residence so as to give convenience to the parents for visiting and picking up their children. Such arrangement could result in an even distribution of student enrolment of severe ID and PD schools in different regions, meanwhile avoiding too long or too short queues for individual schools arising from the preference of the students' parents.</p> <p>The EDB has discussed with the HKSSC about the feasibility of allowing the parents of severe ID children and PD children to apply for a seven-day boarding place of special school out of their residential area, without largely violation of the principle of vicinity in referral of students to special schools. The EDB will further discuss with the HKSSC and special schools for reaching a consensus on the proposed arrangement for implementation.</p> <p>We will report the progress in the next progress report.</p>
Para. 2.33 (e) of the Audit Report	Audit has recommended that the SED should take measures to enhance transparency on the information of boarding places provided by special schools.	<p>Under the current practice, the EDB would explain the arrangements in detail to parents who apply for boarding services through individual interviews and provide relevant information to the parents as reference for school choices.</p> <p>To enhance transparency, the EDB would compile relevant figures in chart format showing the capacity and relevant information of boarding sections of special schools for the parents to fully understand the supply and demand of boarding service of</p>

Para. No.	Audit's Recommendations	Progress to Date
		<p>schools when making their school choices.</p> <p>As the recommendation will be carried out on an on-going basis, we recommend that this part be deleted from the next progress report.</p>
Para. 2.34 of the Audit Report	<p>Audit has recommended that the Director of Social Welfare should keep in view the utilisation of boarding places in residential homes of SSDs and continue to take measures to make good use of the vacant boarding places where appropriate.</p>	<p>While the utilisation rate of boarding places in residential homes of SSDs for boys has increased from the 2014/15 school year to the 2018/19 school year, the utilisation rate of boarding places for girls has dropped mainly due to a decrease in recent years in the number of girls assessed as having the need for this service. To improve the utilisation rates of these boarding places, the SWD and the service operators, in consultation with the EDB, have put forth the following measures –</p> <ul style="list-style-type: none"> - admitting girls from a wider range of age and educational level; and - setting aside 32 places at one of the residential homes to serve girls studying in the community or working, in addition to girls studying at the adjoining SSD. <p>The utilisation rate of boarding places for girls has since risen to 61% in the fourth quarter of 2019 (from 43% in the 2018/19 school year), and the overall utilisation rate of boarding places for boys and girls increased from 68% in the 2018/19 school year to 75% in the fourth quarter of 2019.</p> <p>The SWD in coordination with the EDB will continue to keep in view the utilisation rate of boarding places at SSDs and take measures to make good use of the vacant boarding places where appropriate.</p>

Para. No.	Audit's Recommendations	Progress to Date
		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.
Part 3: Staffing of Special Schools		
Para. 3.5 of the Audit Report	Audit has recommended that the SED should keep in view the wastage rate of special school teachers and, where necessary, explore appropriate measures to address the relatively higher wastage rate of special school teachers.	<p>The ratio of graduate teacher posts in special schools has been increased to 100% so as to attract more talents to join the special school teaching force and provide quality education for students. Besides, the EDB has all along been providing additional resources and manpower for special schools to strengthen the effectiveness of teaching and learning, and to help teachers develop their competency and enhance their professional capacity.</p> <p>Although the wastage rate of teachers in special schools once increased to 8.5% in the 2018/19 school year, the latest information shows that the wastage rate is reduced to 7.1% in the 2019/20 school year, which is comparable to the figures of the previous two school years.</p> <p>The EDB will keep in view the wastage rate of teachers in special schools and introduce relevant measures as appropriate.</p> <p>As the recommendation will be carried out on an on-going basis, we recommend that this part be deleted from the next progress report.</p>
Para. 3.14 (a) of the Audit Report	Audit has recommended that the SED should take measures to address the difficulties faced by special schools in filling occupational therapist (OT) and physiotherapist (PT) posts.	Due to a relatively short supply of human resources, various sectors (including special schools) encounter difficulties when recruiting OTs and PTs. In this connection, the EDB has all along allowed special schools to

Para. No.	Audit's Recommendations	Progress to Date
		<p>freeze some of their OT and PT vacancies in exchange for cash grants to recruit temporary staff or hire related services.</p> <p>The EDB held meetings with the HKSSC in January and March 2020 to collect special schools' views on filling the vacant posts of specialists. The EDB will take heed of the respective situation and consider viable measures to help alleviate the respective difficulties.</p> <p>Besides, the EDB will continue to relay the manpower demand for OTs and PTs of special schools to the respective policy bureau for consideration when conducting manpower planning, including the suggestion for universities to increase the training places for OTs and PTs. The EDB will also continue to encourage the self- financing post-secondary education sector to offer programmes in selected disciplines (including OTs and PTs) through the Study Subsidy Scheme for Designated Professions/Sectors to nurture talent in support of specific industries with a keen demand for human resources.</p> <p>We will report the progress in the next progress report.</p>
Para. 3.14 (b) of the Audit Report	Audit has recommended that the SED should monitor the vacancy situation of non-specialist staff in special schools and take measures to reduce the vacancy rate where necessary.	The EDB conducted meetings with the HKSSC in January and March 2020 to collect the sector's views on filling the vacant posts of non-specialists. The EDB will continue to keep in view the vacancy situation of non-specialist staff in special schools (such as teacher assistants, cooks and workshop attendants) and will consider viable measures to help relieve the respective difficulties.

Para. No.	Audit's Recommendations	Progress to Date
		We will report the progress in the next progress report.
<p>Para. 3.25 (a) to (e) of the Audit Report</p>	<p>Audit has recommended that the SED should –</p> <ul style="list-style-type: none"> (a) promulgate the recognition criteria of training courses that are equivalent to Training Course for Special School Teachers (TCSST) to facilitate special schools to take measures to achieve the teacher training target set by the EDB; (b) regularly ascertain the percentage of teachers who have completed SET in each special school and monitor the progress of the special schools in attaining the target of 85% to 100% by 2022/23; (c) keep in view the adequacy of training places of TCSST for special school teachers and increase the number of training places where necessary; (d) take measures to increase the percentage of special school teachers with SET qualification; and (e) promulgate the criteria for recognising training programmes as SET qualification and use the criteria as the basis in the performance measurement and reporting in the EDB's COR as appropriate. 	<p>Special Education Division of the EDB has been compiling statistics on the number of special school teachers with SET qualification according to a set of established recognition criteria. Basically, only the teachers who have completed structured training courses will be included. The EDB will promulgate the recognition criteria of SET courses for special schools' reference to assist them in arranging teachers for training in order to achieve the stated training target. As for the training situation of special school teachers provided in the COR, it is mainly calculated based on the information reported by schools to the EDB. The teacher training courses covered in such figures are relatively broad. The EDB will consider how to show the training situation of special school teachers and the number of teachers with SET qualifications in the COR.</p> <p>The EDB will closely monitor special schools' progress of meeting the training targets and increase the number of training places of TCSST if necessary. Moreover, in order to further enhance the professional leadership of teachers in special schools, the EDB will commission teacher education universities to organise the Leadership Development Programme for Middle Leaders of Special Schools for vice principals or senior teachers of special schools to enhance their leadership capacity for effective management. At the same time, the EDB will regularly require special schools to arrange teachers to attend structured training courses in a</p>

Para. No.	Audit's Recommendations	Progress to Date
		<p>systematic manner, so that they can meet the pre-set training targets of 85% to 100% by the 2022/23 school year.</p> <p>As the recommendation will be carried out on an on-going basis, we recommend that this part be deleted from the next progress report.</p>
Part 4: Grants and Support for Special Education		
Para. 4.6 (a) of the Audit Report	Audit has recommended that the SED should take appropriate measures to encourage special schools' participation in sharing sessions under Cross-Sector Communication (CSC) of Tripartite Model of Support (TMS).	<p>All along, different sections and divisions of the EDB organise various professional development activities for special schools every school year. Special schools will arrange the teachers and staff concerned to participate in support programmes, seminars, workshops, experience sharing sessions, etc. in light of their school-based developmental needs. The sharing sessions under CSC of TMS have been given specific themes to deepen special schools' understanding of the development and trends in different areas of special education. Since the themes may not necessarily address the present needs of every special school, some schools may choose not to join the sharing sessions. In fact, it was not the intention of the EDB that all special schools should join the sharing sessions. Nevertheless, the EDB has collected the views of the special schools in order to identify more suitable themes for future sharing sessions under CSC of TMS to boost participation and enhance their professional development.</p> <p>As the recommendation will be carried out on an on-going basis, we recommend that this part be deleted from the next progress report.</p>

Para. No.	Audit's Recommendations	Progress to Date
Para. 4.6 (b) of the Audit Report	Audit has recommended that the SED should enhance the attractiveness of the learning circles under Network Enhancement of TMS by adopting different themes for the learning circles, taking into account special schools' needs so as to better meet their needs and to facilitate their professional development.	<p>The themes of the learning circles under TMS were specifically designed for those special schools, which needed to pursue further development on learning and teaching strategies under specific topics. In the 2019/20 school year, the EDB has conducted a questionnaire survey to collect opinions from special schools on their preferred themes of the learning circles under TMS. The EDB will set the themes of learning circles in the future with reference to schools' suggestions, so as to encourage more schools' participation in the learning circles and further enhance their professional capacity.</p> <p>As the recommendation will be carried out on an on-going basis, we recommend that this part be deleted from the next progress report.</p>
Para. 4.15 of the Audit Report	Audit has recommended that the SED should, in collaboration with the Chief Executive of HA, take measures to ensure that special schools are provided with Day Medical Complexity (MC) Grant that can adequately meet their needs.	<p>The provision of additional support grant for students with MC in special schools has been extended to cover day students from the 2017/18 school year. The EDB at once discussed with the HA about the medical assessment arrangement for day students. The EDB will continue to collaborate closely with the HA in exploring the feasibility of regularising the arrangement of conducting medical assessment for day students of special schools and keep collecting data from schools to ensure that the additional grant could cater for their actual operational needs.</p> <p>As the recommendation will be carried out on an on-going basis, we recommend that this part be deleted from the next progress report.</p>

Para. No.	Audit's Recommendations	Progress to Date
Para. 4.21 (a) and (b) of the Audit Report	<p>Audit has recommended that the SED should –</p> <p>(a) consider measures to provide funding support to existing special schools to cover the recurrent cost of ceiling hoists as in the new special school in Tung Chung; and</p> <p>(b) consider ways to support special schools which had acquired furniture and equipment (F&E) items through their own funding sources that were not in the schools' F&E list but were subsequently included in the F&E list of new special schools.</p>	<p>The EDB held a meeting with the HKSSC in January 2020. Among others, we listened to special schools' views on acquiring through their own fund the F&E not on the previous F&E list but subsequently included in the F&E list for new special schools. The EDB will identify suitable measures to improve existing arrangements in such a way that special schools having acquired ceiling hoists and other relevant items on the F&E list of new special schools may deploy appropriate resources to defray the related recurrent expenditure.</p> <p>As the recommendation will be carried out on an on-going basis, we recommend that this part be deleted from the next progress report.</p>
Para. 4.28 of the Audit Report	<p>Audit has recommended that the SED and the Director of Social Welfare should, in collaboration with other stakeholders, provide more assistance to special school students in their school leaving arrangements.</p>	<p>Taking into consideration the requirements of different post-school services, special schools would help students submit applications for post-school placement at the age of 15 the earliest in accordance with their interests, capabilities and needs, after obtaining parental consent.</p> <p>Currently, the school for children with hearing impairment, schools for children with PD, schools for children with mild ID and schools for children with moderate ID would refer their prospective school leavers to Vocational Training Council (VTC) for assessment to determine which types of post-school institutions or rehabilitation services are more suitable for them. It is an established practice that the EDB provides the projected number of special school leavers to VTC for planning purpose annually. The EDB had discussions with SWD that the relevant figures would also be</p>

	<p>provided to them annually for their reference and planning for the provision of various services for special school leavers, such as supported employment service, integrated vocational rehabilitation services centres, etc.</p> <p>From the 2017/18 school year onwards, the EDB, SWD, VTC and special schools have been holding a joint meeting annually to discuss issues related to post-school placement for special school leavers. The latest development of various post-school services for special school leavers and relevant information would be shared at the communication platform. The collaboration among different stakeholders is strengthened to make more appropriate post-school arrangements for special school students. Besides, the EDB will continue to work closely with different stakeholders and invite them to participate in the annual joint meeting. For example, in the 2019/20 school year, representatives from the HA and Labour Department were invited respectively to introduce the infirmary and rehabilitation services for adults with severe and profound ID, and employment services for persons with disabilities who are fit for open employment, in the 4th joint meeting held in January 2020.</p> <p>The SWD will continue to closely collaborate with the EDB and other stakeholders to provide more assistance to special school students in their school leaving arrangements, including –</p> <ul style="list-style-type: none">- to provide about 1 900 additional day training and vocational rehabilitation service places from
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Para. No.	Audit's Recommendations	Progress to Date
		<p>2019-20 to 2023-24 for persons with disabilities (including special school leavers), of which 528 service places (including 62 service places in Day Activity Centres and 466 service places in Integrated Vocational Rehabilitation Services Centres) were provided in end- January 2020;</p> <ul style="list-style-type: none"> - to continue to liaise with NGOs operating day training and vocational rehabilitation services to offer attachment places for students participating in the “Attachment Programme to NGO Rehabilitation Services” (the Programme) organised by the EDB. The next round of the Programme was implemented in April 2020; and - to continue to attend the yearly joint meetings/seminars^{Note} convened by the EDB for strengthening support for students on school leaving arrangements. <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>

^{Note} Including the annual Seminar on Exit Pathway for Special School Leavers (the last held on 17 September 2019); the annual meeting on Task Force on Provision of Education in Special Schools (the last held on 9 December 2019); and the annual joint meeting with stakeholders (the last held on 17 January 2020).

**Judiciary Administration's work in implementing projects under
Information Technology Strategy Plan
Progress in implementing Audit and PAC's Recommendations**

Para. No.	Audit's Recommendations	Progress to Date
Part 2: Progress in project implementation and problems encountered		
2.25(a)	Step up monitoring of the implementation of all projects under Information Technology Strategy Plan (ITSP) Phase I and expedite actions where possible to complete the outstanding projects as early as practicable	<p>The Judiciary Administration (JA) has completed a review on the governance structure for implementation of ITSP Phase I projects. Part 3 below sets out the details. The enhanced governance structure should enable JA to better monitor the implementation of projects under ITSP.</p> <p>Where possible and subject to the work impact on the Judiciary due to the general public health situation, the Judiciary has been taking steps to expedite actions to complete the outstanding projects as early as practicable as detailed in the items below.</p>
2.25(b)	<p>Taking into account lessons drawn from the problems encountered during project implementation, enhance the planning and implementation of future IT projects, including –</p> <p>(i) improving the planning on hiring outsourcing contractors to shorten the lengthy hiring process</p>	<p>On improving the planning on hiring outsourcing contractors, JA will continue to adopt the measures stipulated in the updated guidelines/circular memoranda issued by OGCIO and FSTB in planning and arranging future procurement exercises so as to shorten the related tendering process.</p> <p>Since follow-up actions have been taken and will continue on an ongoing basis, we propose removing this part from the next progress report.</p>
	(ii) exploring ways to address manpower shortage issues, including shortage of manpower at the rank of Analyst/Programmer and high turnover rate of T-contract staff (e.g. considering	With a view to strengthening the IT support required for implementation of the ITSP and effective and efficient operation of the new IT systems introduced by the Judiciary, JA has been exploring various options as appropriate including engaging NCSC

Para. No.	Audit's Recommendations	Progress to Date
	engaging non-civil service contract (NCSC) staff to supplement the required resources and expertise);	staff and bidding resources to create civil service IT posts as appropriate.
	(iii) improving the planning of tendering work involving other B/Ds in undertaking similar procurement activities in future, especially for those remaining projects under ITSP Phase 1 and planned projects under Phase 2; and	<p>On improving the planning of tendering work involving other B/Ds, JA will continue to adopt the measures stipulated in the updated guidelines/circular memoranda issued by OGCIO and FSTB in planning and arranging future procurement exercises so as to shorten the related tendering process.</p> <p>Since follow-up actions have been taken and will continue on an ongoing basis, we propose removing this part from the next progress report.</p>
	(iv) reviewing and improving the process of making key requirement changes during user acceptance tests (UATs)	We have completed action for this recommendation. Having reviewed possible ways of improving the process of making key requirement changes during UATs, JA promulgated the relevant guidelines in April 2020. The guidelines advise end users to make clearer, detailed and comprehensive user requirements during the preparation of user requirements document. If end users raise key requirement changes during UATs which have to be implemented before system rollout, they should provide full justifications and seek senior management's endorsement.
2.25(c)	Improve the engagement work with the prosecuting departments and agencies in preparing for the rollout of an Integrated Court Case Management System (iCMS), including –	JA has been keeping proper and complete meeting records as far as practicable upon noting Audit's recommendation. JA also organised briefings for about 40 prosecuting departments and agencies on the design and usage of web portal in January 2020. JA has continued to

Para. No.	Audit's Recommendations	Progress to Date
	<p>(i) keeping proper and complete meeting records as far as practicable;</p> <p>(ii) organising briefings to all prosecuting departments and agencies on the design and usage of web portal as soon as practicable; and</p> <p>(iii) closely liaising with the prosecuting departments and agencies and taking appropriate actions in response to any unresolved issues among them over the system interface with iCMS</p>	<p>explore and take various appropriate actions with the relevant prosecuting departments and agencies with a view to resolving the outstanding issues.</p> <p>Since follow-up actions have been taken and will continue on an ongoing basis, we propose removing this part from the next progress report.</p>
Part 3: Project governance		
3.19(a)	Consider reviewing the current governance structure of ITSP and ensure that any revisions to the governance structure of ITSP are properly endorsed by the appropriate authority where appropriate	<p>We have completed action for this recommendation. JA has completed a review on the governance structure for implementation of iCMS. The streamlined governance structure, as endorsed by the CIT, came into effect on 1 February 2020. Accordingly, JA has formed a new Policy Group to take a more strategic and overall look at the policy issues arising from the implementation of the new iCMS which may cut across various levels of courts. Moreover, new dedicated sub- groups have been formed to oversee the implementation in various levels of courts.</p> <p>The ITSP Steering Committee endorsed the new governance structure for the implementation of the Electronic Information Management System (EIMS) under the ITSP at its meeting in January 2020. Under the new structure, a newly formed steering group on EIM Implementation</p>

Para. No.	Audit's Recommendations	Progress to Date
		<p>(EIM SG), chaired by a senior management staff and tasked to provide steer on policy issues arising from the implementation of EIMS in the Judiciary, replaces the Project Steering Committee-cum-Project Assurance Team formerly established for the project. Three working groups, each focusing on the requirements and progress geared to individual modules, have been set up under EIM SG to provide better monitoring, operational advice, coordination and support to each of the EIM initiatives.</p>
3.19(b)	<p>Take measures to improve the project governance under ITSP, including –</p> <p>(i) convening timely meetings for the Steering Committee to discuss and resolve project issues at a strategic level, and to make project decisions in accordance with the Programme Management Plan;</p>	<p>We have completed action for this recommendation. The ITSP Steering Committee held meetings in November 2019 and January 2020 to discuss strategic issues, including the initial timeline of the key milestones of the overall Stage 2 implementation. The Steering Committee will continue to meet to discuss and resolve project issues in a timely manner. Besides meetings, circulation of papers has also been arranged as necessary and appropriate to seek Members' views on other issues relating to the implementation of the ITSP.</p>
	<p>(ii) providing more timely project progress updates to the CIT;</p>	<p>JA has arranged to circulate papers to keep Members of CIT abreast of the progress of the ITSP implementation and will continue to do so in future.</p> <p>Since follow-up actions have been taken and will continue on an ongoing basis, we propose removing this part from the next progress report.</p>

Para. No.	Audit's Recommendations	Progress to Date
	(iii) improving the timeliness of submission and quality of the monthly highlight reports to facilitate the effective monitoring of the project progress by the Steering Committee and ITSP Delivery and Assurance Team; and	<p>Starting from October 2019, JA has circulated and will continue to circulate monthly highlight reports to Members of the ITSP Steering Committee around two weeks after the end of each month.</p> <p>Since follow-up actions have been taken and will continue on an ongoing basis, we propose removing this part from the next progress report.</p>
	(iv) maintaining proper records on approving revisions of completion dates of project activities by the Steering Committee	<p>JA has been documenting the ITSP Steering Committee's approval of revisions of the target completion dates of project activities, if any, more explicitly and will continue to do so in future.</p> <p>Since follow-up actions have been taken and will continue on an ongoing basis, we propose removing this part from the next progress report.</p>
3.19(c)	<p>Improve the reporting of ITSP project progress with a view to enhancing the monitoring, transparency and accountability of ITSP project implementation, including –</p> <p>(i) reporting the progress and scheduled/revised completion dates of the projects under ITSP by stages in future annual progress reports submitted to FC;</p> <p>(ii) ensuring that any revisions to the completion dates are timely updated in the annual progress reports submitted to FC; and</p> <p>(iii) ensuring the timely and accurate reporting of revised/actual completion dates of project activities with proper documentation of</p>	<p>JA has enhanced the annual progress report to FC accordingly since the submission dated October 2019.</p> <p>Since follow-up actions have been taken and will continue on an ongoing basis, we propose removing this part from the next progress report.</p>

Para. No.	Audit's Recommendations	Progress to Date
	explanations on project slippages and approvals of revised completion dates in the periodic progress reports submitted by JA to OGCIO	
Part 4: Other related issues		
4.13(a)	Consider improving the dissemination of court hearing information through the Judiciary's website, taking into account areas for improvement mentioned in paragraph 4.6	We have completed action for this recommendation. JA has placed the Daily Cause Lists and the e-hearing date enquiry services under the same header on the Judiciary's website since January 2020.
4.13(b)	Explore possible enhancements to the online Legal Reference System by making reference to similar websites in Hong Kong and other jurisdictions as appropriate	We have completed action for this recommendation. Having explored possible enhancements to the online Legal Reference System by making reference to similar websites in Hong Kong and other jurisdictions, JA drew up the necessary requirements to enhance the Legal Reference System in March 2020. The enhancement measures will be implemented by the second quarter of 2020.
4.13(c)	Refine the internal guidelines to remind JA's staff to ensure the accuracy and consistency of information before uploading onto the Judiciary's website	We have completed action for this recommendation. JA refined the internal guidelines in January 2020 to remind staff to ensure the accuracy and consistency of information before uploading onto the Judiciary's website.
4.13(d)	Consider ways to monitor the updating of information and regularly assess the overall effectiveness of the Judiciary's website with reference to OGCIO's guidelines	A regular exercise to review the contents of the Judiciary's website started in January 2020. Since follow-up actions have been taken and will continue on an ongoing basis, we propose removing this part from the next progress report.
4.13(e)	Consider the need to review the use of online evaluation questionnaires on voluntary mediation	JA is reviewing together with relevant Judges and Judicial Officers the use of online evaluation questionnaires on

Para. No.	Audit's Recommendations	Progress to Date
		voluntary mediation. Subject to the outcome of the review, the target is to implement any proposed changes within 2020.
4.13(f)	Enhance the e-services mentioned in paragraph 4.12 by adopting a "mobile-friendly design" to facilitate public access through mobile devices as soon as practicable	The enhancements are in progress for targeted completion by the third quarter of 2020.
4.24(a)	Take measures to ensure that enhanced/up-to-date audio-visual (AV) presentation systems and required display facilities for viewing e- bundles are provided in courtrooms to support court proceedings	Arrangements for upgrading of AV facilities in the District Court are in progress and targeted for completion in 2021.
4.24(b)	Improve the existing mechanism for keeping utilisation records of the e- presentation systems and monitor their utilisation, with a view to collecting statistics for management review and future planning and provision of such facilities for court use	JA has redesigned the mechanism to record the usage. The development of a software function for the purpose is in progress and targeted for use in 2020.
4.34(a)	Expedite actions to complete the legislative amendments for using the electronic mode of handling court- related documents and consider the best ways to accumulate the necessary experience in the use of electronic bundles in portable document format (EBPDF)	JA has worked out a proposed plan to accumulate necessary experience in the wider use of EBPDF in hearings. We aim to finalise the plan by the end of 2020.
4.34(b)	In consultation with the relevant external stakeholders (such as the legal professional bodies), consider whether and, if so, how best to promote the wider use of EBPDF at various court levels in the long run	Subject to the progress of the initiative under item 15 above, JA will consult relevant external stakeholders (including the legal professional bodies) on the subject when ready.

**Statistical services provided by the Census and Statistics Department
Progress of Implementing Audit's Recommendations**

Para. No.	Audit's Recommendations	Progress to Date
Part 2: Statistical Surveys		
<i>General household survey (GHS)</i>		
2.17	<p>Audit has recommended that the Commissioner for Census and Statistics should –</p> <p>(a) take measures to improve in-depth quality checks of GHS, including –</p> <p>(i) reviewing the proportion of Stage 1 and Stage 2 checking, and considering conducting more Stage 2 checking; and</p> <p>(ii) stepping up actions in following up non-contact (NC) cases in Stage 1 and Stage 2 checking due to wrong/no telephone numbers, and in checking enumerated cases with duplicate telephone numbers;</p> <p>(b) keep proper documentation on the monitoring and coaching of Assistant Census and Statistics Officers (ACSOs) on the Monitoring List; and</p> <p>(c) continue to closely monitor the rate of proxy reporting in cases completed by field officers and reinforce training for field officers in handling proxy reporting.</p>	<p>(a) Starting from April 2020, the Census and Statistics Department (C&SD) has –</p> <p>(i) increased the proportion of Stage 2 checking from 7.5% to 8.5%, while maintaining the proportion of Stage 1 checking at 7.5%;</p> <p>(ii) introduced 10% random checking on NC cases due to wrong/no telephone numbers identified in Stage 1 checking for field verification, while maintaining the established target of selecting 20-30% of such NC cases identified in Stage 2 checking for field verification; and</p> <p>(iii) checked all enumerated cases with duplicate telephone numbers but different addresses and arranged field verification for the dubious cases.</p> <p>(b) C&SD issued guidelines in April 2020 requiring field supervisors to keep proper documentation on the day-to-day monitoring and coaching work on ACSOs on the Monitoring List.</p> <p>(c) C&SD reminded ACSOs of the proper procedures of handling proxy reporting in GHS in the annual refresher training in</p>

Para. No.	Audit's Recommendations	Progress to Date
		<p>January 2020. The Departmental Committee on Quality Assurance of GHS (DCQA-GHS) will continuously monitor the rate of proxy reporting.</p> <p>As follow-up actions have been taken and will continue on an ongoing basis, we propose to delete this part from the next progress report.</p>
<i>Sub-divided Unit Survey (SDU)</i>		
2.36	<p>Audit has recommended that the Commissioner for Census and Statistics should –</p> <p>(a) closely monitor the progress of the sampling frame (i.e. Frame of Quarters (FoQ)) updating exercise on SDUs and take appropriate actions to bring the SDU data in the sampling frame up-to-date to facilitate sample selection in the coming 2021 Population Census (21C); and</p> <p>(b) take measures to improve the success rate of SDU enumeration under population censuses/by-censuses as far as practicable.</p>	<p>(a) C&SD has already started visiting private residential buildings aged 40 years or more in built-up areas (covering 22 000 buildings) to update the SDU information in the FoQ since April 2019. As at March 2020, C&SD has updated the SDU information of over half of the targeted buildings. C&SD expects to complete the updating by end 2020, well before the data collection work for 21C.</p> <p>(b) C&SD will introduce further measures to improve the success rate of SDU enumeration in 21C. These measures include stepping up publicity efforts to enhance awareness and cooperation of households living in SDUs, engaging organisations providing services to households living in SDUs to help promote 21C among their clients, enhancing enumerators' training on data collection related to SDUs, and deploying more manpower resources on enumeration of SDUs. C&SD will consolidate the experience in 21C to further enhance the SDU enumeration in future population censuses/by-censuses.</p>

Para. No.	Audit's Recommendations	Progress to Date
		As follow-up actions have been taken and will continue on an ongoing basis, we propose to delete this part from the next progress report.
Monthly Retail Price Survey		
2.45	<p>Audit has recommended that the Commissioner for Census and Statistics should –</p> <p>(a) continue to keep in view the latest international developments on whether to include online purchases from non-domestic retailers in Consumer Price Index (CPI) compilation; and</p> <p>(b) continue with the existing CPI rebasing mechanism to take into account the changes in expenditure patterns and popularity of goods and services, including the changes mentioned in paragraph 2.43 in the upcoming 2019/20 CPI rebasing exercise.</p>	<p>C&SD continues to undertake preparatory work for the upcoming 2019/20 CPI rebasing exercise.</p> <p>(a) In March 2020, the United Nations Statistical Commission endorsed the latest recommendation that online purchases from non-domestic retailers may be included in CPI compilation. C&SD will introduce suitable enhancements in the CPI accordingly in the upcoming 2019/20 rebasing exercise.</p> <p>(b) C&SD launched the 2019/20 Household Expenditure Survey in October 2019 to collect the latest household expenditure patterns and popularity of goods and services for reviewing the CPI items to be included in the 2019/20 CPI basket.</p> <p>As follow-up actions have been taken and will continue on an ongoing basis, we propose to delete this part from the next progress report.</p>
Implementation of a department-wide computerised time-log system		
2.50	<p>Audit has recommended that the Commissioner for Census and Statistics should –</p> <p>(a) draw up a strategy in implementing a department-wide computerised time-log system for monitoring</p>	<p>C&SD is seeking resources for conducting a feasibility study on the use of mobile device in fieldwork management, targeted to start in 2020/21. The study aims to, among others, formulate a strategy in developing a department-wide computerised time-log system. C&SD</p>

Para. No.	Audit's Recommendations	Progress to Date
	<p>and supervising the fieldwork carried out by C&SD field officers, taking into account the result of the feasibility study and the views of field officers; and</p> <p>(b) remind C&SD staff to regularly report to DCQA-GHS the progress of the implementation of the department-wide computerised time-log system.</p>	<p>staff will regularly report the implementation progress to DCQA- GHS for monitoring.</p>
Part 3: Population Censuses and By-censuses		
<i>Control of salary payments to temporary field workers</i>		
3.6	<p>Audit has recommended that the Commissioner for Census and Statistics should –</p> <p>(a) strengthen the control over salary payments to temporary field workers (TFWs) for implementation in 21C; and</p> <p>(b) require field centre supervisors to further certify that the TFWs' attendance records in the remaining wage period are in order, if advance verification/certification of attendance records before the end of the wage period is considered necessary.</p>	<p>Given the tight time schedule (complete payment within seven days after the end of the wage period) and the enormous number of TFWs involved (about 17 000) in 21C, C&SD considers it necessary to arrange advance verification/certification of attendance records before the end of the wage period. In line with Audit's recommendation, C&SD will require field centre supervisors to further certify that the TFWs' attendance records in the remaining period are in order before making payment.</p> <p>As the recommendations in this part will be followed up and implemented on an ongoing basis, we propose to delete this part from the next progress report.</p>
<i>Provision of office accommodation and disposal of furniture</i>		
3.16	<p>Audit has recommended that the Commissioner for Census and Statistics should –</p> <p>(a) in consultation with the GPA, continue to liaise with the Registration and Electoral</p>	<p>(a) C&SD met with REO in September 2019 to analyse the two departments' periodic accommodation requirements in the coming 20 years (up to 2039) in terms of project timeframes and space requirements. Given the</p>

Para. No.	Audit's Recommendations	Progress to Date
	<p>Office (REO) with a view to exploring the feasibility of developing a joint-user specialist and departmental building (SDB) to cater for the periodic accommodation requirements of REO and C&SD; and</p> <p>(b) be vigilant in ensuring that the furniture disposal process after completion of a population census/by-census is properly carried out.</p>	<p>asynchronous project cycles as well as large disparity in space requirement, the two departments' assessment was that the accommodation requirements of REO and C&SD do not complement each other. Having consulted GPA on accommodation issues, REO and C&SD have concluded that the development of a joint-user SDB between the two departments is not feasible.</p> <p>(b) To reduce the number of furniture items of the 21C to be disposed after the project, C&SD will reuse available furniture within C&SD or left by the previous occupants of offices as far as possible. If commercial disposal is still unavoidable after exhausting all other possible means (e.g. reuse within the Government and donate to non-government organisations), C&SD will introduce more stringent monitoring measures on the successful bidders of the surplus furniture to ensure the Government's terms and conditions of sales are closely followed, including reminding them not to take photographs of furniture items with the name of the Government and C&SD, and requiring collection of goods by the agreed time by designated persons or specified removal company.</p> <p>As follow-up actions have been taken, we propose to delete this part from the next progress report.</p>

Para. No.	Audit's Recommendations	Progress to Date
<i>Use of mobile tablets and power banks</i>		
3.28	<p>Audit has recommended that the Commissioner for Census and Statistics should –</p> <ul style="list-style-type: none"> (a) ensure proper implementation of the additional security measures planned for 21C to protect personal data stored in the mobile tablets; (b) issue safety guidelines on proper use of power banks with a view to enhancing field officers' /TFWs' safety awareness of using power banks; and (c) work closely with relevant Government B/Ds in devising a disposal plan to ensure that serviceable mobile tablets, after completion of 21C, will be put to gainful use within the Government or donated to appropriate organisations as soon as possible. 	<ul style="list-style-type: none"> (a) C&SD will introduce additional security measures to protect personal data stored in the mobile tablets for the 21C, which includes adding a function to automatically wipe all data in the tablet when it is not logged on after a specified period of time, providing a physical strap for fastening the tablet case to the enumerator's bag and enhancing TFWs' awareness of their responsibilities for the safe custody of mobile tablets and protection of personal data. (b) C&SD has drawn up safety guidelines on the use of power banks taking into account industry experts' recommendations on best practices. C&SD will issue the guidelines for adoption in 21C, subject to further updating where necessary. (c) In consultation with EDB, C&SD has devised a disposal plan to donate the serviceable mobile tablets to public and aided primary/secondary schools after completion of 21C. <p>As follow-up actions have been taken and will continue on an ongoing basis, we propose to delete this part from the next progress report.</p>

Para. No.	Audit's Recommendations	Progress to Date
Part 4: Implementation of Information Systems Strategy		
<i>Implementation of 2004 Information Systems Strategy</i>		
4.13	<p>Audit has recommended that the Commissioner for Census and Statistics should –</p> <ul style="list-style-type: none"> (a) in implementing future IT projects, ascertain the user requirements before seeking funding approval as far as practicable and make a more realistic pre-tender estimate (PTE) for the purpose; (b) take measures to enhance the integration between Computer- Assisted Telephone Interview (CATI) System and Online Questionnaire System (OQS), taking into consideration technical feasibility and business needs; (c) establish a common data model to standardise the practices of managing and storing data across End-User Computing (EUC) systems/applications; (d) formulate a strategy to complete the migration of EUC systems/applications running on the obsolete programming language in a more timely manner; and (e) include all EUC systems/applications in future Security Risk Assessment and Audits (SRAAs) and critically review the systems/applications to ensure that they meet the security requirements as specified in the Government's IT Security Guidelines. 	<ul style="list-style-type: none"> (a) In light of past experience, C&SD has been taking measures to collect detailed functional requirements from users before seeking funding for IT projects, with a view to making more realistic PTEs as far as practicable. (b) C&SD has enhanced the integration between the CATI System and the OQS by increasing the synchronisation frequency of data for relevant surveys from once to twice per day as from April 2020. (c) C&SD is developing two common data models to standardise the practice of managing and storing statistical data across EUC systems/applications, one for producing statistical tables and charts on the C&SD website and the other for data processing and analysis. The former model will be used across all branches/sections as from late 2020. As for the latter model, C&SD is seeking resources to start the relevant IT project in 2020/21. (d) C&SD has formulated a strategy to expedite the migration of EUC systems/applications by developing standardised and sharable EUC modules for typical statistical processes, with a view to reducing the redevelopment time and costs. C&SD has redeployed internal resources and started the development work in November 2019.

Para. No.	Audit's Recommendations	Progress to Date
		<p>(e) C&SD will cover all EUC systems/applications in future SRAAs. The next round of SRAA is planned for 2021.</p> <p>As follow-up actions have been taken and will continue on an ongoing basis, we propose to delete this part from the next progress report.</p>

**Procurement of goods and services by the Immigration Department
Progress in Implementing Audit's Recommendations**

Para. No.	Audit's Recommendations	Progress to Date
Part 2: Procurement of information and communications technology systems		
2.44	<p>Audit has recommended that the Director of Immigration should –</p> <p>(a) after completion of main contracts of an information and communications technology (ICT) project, continue to report project activities to OGCI0 until closure of the project subhead;</p> <p>(b) initiate actions to close an ICT project subhead when all the project expenditures are settled after project completion;</p>	<p>The Immigration Department (ImmD) has conducted a review and tasked the Immigration Department Information Systems Co-ordination Committee (IDISCC), which is led by an Assistant Director to steer and monitor the development and implementation of ICT projects in ImmD, to closely monitor the progress of projects and review their spending position on a regular basis to ensure that (i) actions to close an ICT project subhead will be initiated when all the project expenditures are settled after project completion; and (ii) the project activities and project subhead closure will be timely reported to OGCI0 and the FC as appropriate.</p> <p>Since the measure has been implemented on an on-going basis, we recommend this part be deleted from the next progress report.</p>
	<p>(c) strengthen control over the use of surplus project funds in ICT project subheads and inform FSTB of funds surplus to requirements under an ICT project subhead so that the surplus may be reserved in accordance with the Financial and Accounting Regulations (F&AR) 320;</p> <p>(d) report to FSTB when identifying surplus funds arising from lower-than-estimated tender</p>	<p>ImmD has issued guidelines that the IDISCC will closely monitor the progress of ICT projects and review their spending position on a regular basis to ensure that the funds surplus to requirements under an ICT project subhead will be timely reported to FSTB so that the surplus will be reserved in accordance with F&AR 320.</p> <p>Moreover, to comply with FSTB's new requirement, IDISCC has been tasked to closely review the tender progress of</p>

Para. No.	Audit's Recommendations	Progress to Date
	prices in an ICT project approved by the LegCo in future;	<p>all ICT projects approved/to be approved by LegCo in the 2019-20 legislative session and thereafter. In case any significant deviation between the accepted tender prices of the projects and the estimated provisions in the approved project estimates that exceeds the threshold specified by FSTB is identified, ImmD will timely report the deviation to FSTB accordingly for the latter to reserve the surplus administratively.</p> <p>Since the measures have been implemented on an on-going basis, we recommend this part be deleted from the next progress report.</p>
	(e) clearly define the scope of an ICT project in the funding application and state clearly in the funding paper if any surplus funds would be used for implementing new ICT systems at new control points in future;	<p>ImmD has issued guidelines that the funding applications for ICT projects to FC should clearly define the scope of the projects including the number and locations of control points to be covered; state clearly in the funding paper if any surplus funds will be used for implementing new ICT systems at new control points; ensure that expenditure is only incurred within the limit and scope authorised; and consult FSTB when in doubt.</p> <p>Since the measure has been implemented on an on-going basis, we recommend this part be deleted from the next progress report.</p>
	<p>(f) in future tender exercises of ICT projects, ImmD should –</p> <p>(i) take into account relevant factors including the market condition and economy of scale in determining PTEs;</p>	<p>ImmD has issued guidelines for working out more realistic PTEs and avoiding over-specification/over-prescription in future tender exercises of ICT projects. IDISCC will closely monitor the tendering of ICT projects on a regular basis and ensure compliance.</p>

Para. No.	Audit's Recommendations	Progress to Date
	<p>(ii) follow up with major vendors to obtain required information as far as practicable in order to work out realistic PTEs;</p> <p>(iii) where there are financial and time constraints in project implementation and there is an alternative of requiring a contractor to provide the ICT systems under an existing contract, consider setting a price ceiling equal to the contractor's reference price as a reserve price for internal reference; and</p> <p>(iv) include only essential requirements in the tender documents and avoid imposing stringent requirements which may deter suppliers to submit their bids;</p> <p>(h) in developing ICT systems in future, improve market research to ascertain the latest developments in operational requirements and information technologies;</p>	<p>For every ICT project, a pre-tender market research will be conducted upon conclusion of the feasibility study to follow up with major vendors, better understand the market conditions and to obtain a realistic PTE. Apart from the information obtained from the pre-tender market research, other relevant factors (such as the recent market and technology trend, projected wages and inflation rate, etc.) will be taken into account. The market research will also enable ImmD to have a better grasp of the technical capability of suppliers in the market so as to avoid imposing overly stringent requirements which may deter potential suppliers from submitting bids. Moreover, as there may be a time gap between pre-tender market research conducted upon conclusion of the feasibility study and completion of tender document, ImmD will conduct another market research shortly before the issue of tender invitation with a view to updating and working out a more accurate PTE. Besides, the second market research will enable ImmD to keep in view the latest market and technology trend to avoid over-specification/over-prescription in the tender.</p> <p>For tender exercise of ICT project involving existing contractor providing similar service of the tender, a price ceiling equal to the existing contractor's reference price will be set as a reserve price for the tender concerned for internal reference.</p> <p>Since the measures have been implemented on an on-going basis, we recommend this part be deleted from the next progress report.</p>

Para. No.	Audit's Recommendations	Progress to Date
	(g) in making recommendations on conducting Post Implementation Review (PIR) when preparing Post Implementation Departmental Return (PIDR) for submission to OGCIO, take due consideration of significant delays and non-achievement of savings as stated in the FC papers, where appropriate; and	<p>ImmD has issued relevant guidelines to enhance the management of ICT projects. IDISCC will, apart from closely monitor the project progress, review every PIDR and make recommendation with regard to the need of conducting PIR in future should there be any substantial delay or non-achievement of intended savings in costs/benefits.</p> <p>Since the measure has been implemented on an on-going basis, we recommend this part be deleted from the next progress report.</p>
	(i) be vigilant in estimating realisable savings from implementing ICT systems to ensure that such savings quantified in FC papers are achievable.	<p>ImmD has issued guidelines requiring project teams to be more prudent in estimating the project realisable savings to ensure that such savings as quantified in FC papers are achievable.</p> <p>Since the measure has been implemented on an on-going basis, we recommend this part be deleted from the next progress report.</p>
Part 3: Procurement of other goods and services		
<i>Procurement by Tender</i>		
3.26	<p>Audit has recommended that the Director of Immigration should –</p> <p>(a) in future tender exercises –</p> <p>(i) properly document the justifications for major decisions and changes for management review and future reference;</p> <p>(ii) conduct a cost and benefit analysis to evaluate different options for</p>	<p>ImmD has incorporated the following requirements into the relevant guidelines that all procuring staff should –</p> <p>(a) properly document the justifications and major changes for management review and future reference;</p> <p>(b) remove the essential requirements on tenderer's experience in line with the new pro-innovation government procurement policy;</p>

Para. No.	Audit's Recommendations	Progress to Date
	<p>procuring vehicle transport services with a hydraulic platform, taking into account the operational need and the low demand for such services;</p> <p>(iii) take into account Central Tender Board's comments mentioned in paragraph 3.17 of the Director of Audit's Report No. 73 (Audit Report) (e.g. removing essential requirements on experience) and incorporate the relevant principles into ImmD's procurement guidelines where appropriate;</p> <p>(iv) review tender requirements where appropriate in accordance with SPRs; and</p> <p>(v) conduct price negotiations in warranted cases;</p>	<p>(c) review tender requirements in each tender exercise, where appropriate, in accordance with SPRs; and</p> <p>(d) consider conducting price negotiations to obtain the most advantageous terms in warranted cases.</p> <p>Since the above measures have been implemented on an on-going basis since November 2019, we recommend progress regarding paragraph 3.26(a) (i), (iii), (iv) and (v) be deleted from the next progress report.</p> <p>For procuring vehicle transport services with a hydraulic platform (paragraph 3.26(a) (ii) refers), the current contract for providing the services concerned will end on 14 September 2020. ImmD is now working on the new tender and a cost and benefit analysis to evaluate different options for procuring vehicle transport services with a hydraulic platform, taking into account the operational need and the demand for such services. In addition, a pre-tender market research will be conducted to better understand the market conditions and the number of potential suppliers, and to work out a more accurate PTE with a view to improving the procurement process.</p>
	<p>(b) when suspected non-compliance with the essential requirements in a contract is revealed from other sources, take follow-up actions where appropriate to ensure that all the essential requirements are always complied with during the contract period; and</p>	<p>ImmD has incorporated into the relevant guidelines the requirement that all procuring staff should take follow-up actions where appropriate when suspected non-compliance with the essential requirements in a contract is revealed to ensure that all the essential requirements are always complied with during the contract period.</p>

Para. No.	Audit's Recommendations	Progress to Date
		As the measure has been implemented on an on-going basis, we recommend this part be deleted from the next progress report.
	(c) review and update the procurement guidelines where appropriate, taking into account the audit findings in paragraph 3.25 of the Audit Report, including incorporating into the guidelines the new requirements on the new pro-innovation government procurement policy as laid down in Financial Circular No. 2/2019.	ImmD has completed reviewing the departmental procurement guidelines. The need to conduct a market research for each tender, the factors to be considered for working out more accurate PTEs and the requirements on the new pro-innovation government procurement policy as laid down in Financial Circular No. 2/2019 as well as other updates in SPRs have been duly incorporated into the departmental guidelines as appropriate. Financial Circular No. 2/2019 as well as Chapter 8 of the Audit Report have been circulated to all divisions and sub-divisions for compliance. Their attention has been drawn particularly to the areas for improvements in procurement of goods and services and the Audit recommendations therein. Since follow-up actions have been taken, we recommend this part be deleted from the next progress report.
<i>Procurement by Quotation</i>		
3.33	<p>Audit has recommended that the Director of Immigration should –</p> <p>(a) explore measures to enhance competition in the procurement of goods and services by quotation, including enhancing attractiveness to potential bidders by avoiding over-specifications and extending contract period;</p> <p>(b) consider adopting bulk purchase of regular items as far as practicable to achieve better</p>	<p>To improve the competition of purchases by quotation, ImmD has incorporated into the relevant guidelines the requirements that all procuring staff should –</p> <p>(a) for quotations with consecutive limited response from the market, conduct market research to ascertain the number of potential bidders who could meet all the essential requirements and would be interested in participating in the procurement exercises with a view to ensuring sufficient competition;</p>

Para. No.	Audit's Recommendations	Progress to Date
	<p>economy of scale;</p> <p>(c) remind procuring staff to comply with SPR 205 requirements of consolidating requirements of stores and services of similar nature as far as possible to achieve better economy of scale; and</p> <p>(d) remind procuring staff to document the justifications for adopting proprietary products and include words such as “or equivalent” if proprietary names are specified in the quotation documents in accordance with SPR 350(b).</p>	<p>(b) invite more suppliers/service providers, if available, in each quotation exercise;</p> <p>(c) avoid over-specifications/imposing stringent requirements;</p> <p>(d) consider bundling the procurement of same or similar service/item to form a longer contract period to enhance attractiveness and achieve better economy of scale; and</p> <p>(e) where appropriate, provide reference materials (in formats such as photo, drawing, or sample etc.) in the bid invitation to facilitate better understanding of the quotation requirements by potential bidders.</p> <p>Since the measures have been implemented on an on-going basis for quotations issued since November 2019, we recommend this part be deleted from the next progress report.</p> <p>ImmD has incorporated into the relevant guidelines the requirement that all procuring staff should document the justifications for adopting proprietary products and include words such as “or equivalent” if proprietary names are specified in the quotation documents in accordance with SPR 350(b).</p> <p>Since the measure has been implemented on an on-going basis, we recommend this part be deleted from the next progress report.</p>

Child Development Fund
Progress in implementing the Audit's Recommendations

Para. No.	Audit's Recommendations	Progress to Date
Part 2: Planning the launch of projects and commissioning project operators		
2.17	<p>Audit has recommended that the Secretary for Labour and Welfare should –</p> <p>(a) keep LegCo updated on relevant information about the implementation of Child Development Fund (CDF) and about the progress of launch of projects;</p>	<p>In the submission dated 1 November 2019 to the LegCo Panel on Welfare Services concerning the welfare initiatives in the Chief Executive's 2019 Policy Address and Policy Address Supplement, the Labour and Welfare Bureau (LWB) reported to LegCo the updated information about the implementation of CDF and the progress of launch of projects. When LWB briefs the LegCo Panel on Welfare Services on its policy initiatives in the Policy Address in future, apart from continuing to provide basic information concerning CDF (e.g. the timeframe for launching projects, the latest number of children who have benefitted from CDF projects, etc.), we will also provide information on the expenditure of CDF and the operators' overall performance and compliance with project requirements, etc.</p> <p>As the recommendation has been implemented and will continue on an ongoing basis, we propose deleting this part from the next progress report.</p>
	<p>(b) keep in view any need for expediting the launch of future CDF projects, having regard to the practical experience in project implementation;</p>	<p>LWB and SWD have from time to time held sharing sessions with CDF operators to gather their views on project implementation. The current timetable has drawn reference to practical experience gained in implementing past batches of CDF projects. LWB and SWD will continue to keep in view any need for expediting the launching of future CDF projects.</p>

Para. No.	Audit's Recommendations	Progress to Date
		As the recommendation will be carried out on an ongoing basis, we propose deleting this part from the next progress report.
	(c) take measures to launch new batches of NGO-run projects regularly in accordance with the timetable drawn up; and	SWD will continue to roll out new batches of NGO-run projects regularly in accordance with the drawn up timetable according to which, LWB and SWD will sustain their efforts in attaining the annual average target of rolling out 20 new projects for 2 000 to 2 300 new participants.
	(d) sustain LWB's efforts in attaining the annual target (i.e. rolling out 20 new projects for 2 000 to 2 300 new participants on an average basis), drawing on the practical experience in project implementation.	SWD will roll out the eighth batch of NGO-run projects and the seventh batch of school-based projects in September and December 2020 respectively which are expected to benefit more than 3 200 new participants. As the recommendations have been implemented and will continue on an ongoing basis, we propose deleting these parts from the next progress report.
2.33	Audit has recommended that the Director of Social Welfare should – (a) in setting district quotas for CDF projects, adequately take into account relevant factors, with a view to better assessing the demand for CDF projects over the territory; and	Starting from the next round of proposal invitation for NGO-run projects in 2021, SWD will take into account statistics from the C&SD relating to children with low income background (i.e. the number of families with monthly household income lower than 75% of relevant Median Monthly Domestic Household Incomes) in setting the district quota for inviting proposals on NGO-run projects.

Para. No.	Audit's Recommendations	Progress to Date
	(b) in consultation with the Vetting Committee, consider setting a passing mark for the quality assessment of school-based projects.	In consultation with the Vetting Committee of the next batch of school-based projects, which is tentatively scheduled to meet in July 2020, SWD will set a passing mark for the quality assessment starting from this batch of school-based projects onwards.
Part 3: Implementation of projects		
3.22	<p>Audit has recommended that the Director of Social Welfare should –</p> <p>(a) step up efforts in ensuring project operators' compliance with requirements in the service agreements during project delivery;</p>	<p>To facilitate identification of and timely follow-up on any irregularities or non-compliant cases during project delivery, SWD has increased the frequency of site inspections from at least one time to at least two times during the three-year project period. The new measure has taken effect from the seventh batch of NGO-run projects and the fifth batch of school-based projects. SWD also reminded current project operators of Audit's recommendations and SWD's follow-up actions by email on 14 March 2020.</p> <p>As the recommendation has been implemented and will be carried out on an ongoing basis, we recommend that this part be deleted from the next progress report.</p>
	(b) consider issuing guidelines to set out the principles of using training provisions;	<p>SWD issued a set of guidelines, which sets out the general principles on effective use of training provisions, to current project operators on 12 February 2020.</p> <p>As the recommendation has been implemented and will be carried out on an ongoing basis, we recommend that this part be deleted from the next progress report.</p>

Para. No.	Audit's Recommendations	Progress to Date
	(c) sustain efforts in identifying good practices among operators on the use of targeted savings (TS), and consider disseminating the good practices for wider adoption among operators; and	<p>SWD issued a “Guidebook on Good Practice for Implementing CDF Projects”, including the monitoring of the use of TS, to current operators for reference on 31 December 2019 and will continue to identify good practice among operators for enhancing project implementation. With ongoing input and feedback from operators, SWD will update the Guidebook as necessary to sustain efforts in exchanging good practice among the operators.</p> <p>As the recommendation has been implemented and will be carried out on an ongoing basis, we recommend that this part be deleted from the next progress report.</p>
	(d) clearly lay down operators' responsibilities in relation to spending TS beyond the project period.	<p>SWD has refined three current guidelines, namely “Guidelines on the Handling of Unspent TS”, “General Guides on Drawing Up Personal Development Plan (PDP) and Use of TS in relation to the PDP” and “General Guides on Monitoring the TS”, to clearly set out operators' responsibilities in relation to spending TS beyond the project period. The revised guidelines were issued to current operators on 12 February 2020.</p> <p>As the recommendation has been implemented and will be carried out on an ongoing basis, we recommend that this part be deleted from the next progress report.</p>
3.33	<p>Audit has recommended that the Director of Social Welfare should –</p> <p>(a) closely monitor any delays in the submission of audited financial reports, and take adequate follow-up actions on delay cases; and</p>	<p>SWD has introduced a monitoring mechanism to keep track of the status of the audited financial reports that are overdue. Apart from issuance of reminders to the operators and/or their</p>

Para. No.	Audit's Recommendations	Progress to Date
		<p>boards of directors, where necessary, SWD will impose more stringent follow-up measures on those operators with persistent delays, e.g. deducting these operators' scores in vetting their applications for CDF projects in future.</p> <p>Besides, to facilitate the timely submission of audited financial reports, SWD issued a checklist and a sample audited report on 31 December 2019 to remind operators of common mistakes to be avoided when preparing the reports. SWD also reminded current project operators of Audit's recommendations and SWD's follow-up actions by email on 14 March 2020.</p> <p>As the recommendation has been implemented and will be carried out on an ongoing basis, we recommend that this part be deleted from the next progress report.</p>
	<p>(b) look into the reasons for the long time taken to claw back surplus funds from individual operators, and take measures to expedite the clawing back of surplus funds.</p>	<p>SWD has reviewed the issue and tightened the monitoring of submission of audited financial reports to ensure timely clawing back of surplus fund. To further expedite and streamline the clawing back of surplus fund, SWD will forward the audited financial reports to its Finance Branch for review once ready instead of by batch.</p> <p>As the recommendation has been implemented and will be carried out on an ongoing basis, we recommend that this part be deleted from the next progress report.</p>

Para. No.	Audit's Recommendations	Progress to Date
3.42	<p>Audit has recommended that the Director of Social Welfare should –</p> <p>(a) closely monitor the attainment of output and outcome standards of projects; and</p> <p>(b) ensure that adequate remedial actions are taken on projects which fail to meet the standards.</p>	<p>SWD will continue to strengthen the monitoring of the service performance of operators by reviewing their statistical returns regularly and critically. For operators with persistent under-performance, SWD will proactively initiate contacts and conduct visits to look into the situation and ask the operators to take adequate remedial actions as and when necessary. SWD also reminded current project operators of Audit's recommendations and SWD's follow-up actions by email on 14 March 2020.</p> <p>As the recommendations have been implemented and will be carried out on an ongoing basis, we recommend that these parts be deleted from the next progress report.</p>
Part 4: Governance and other administrative matters		
4.12	<p>Audit has recommended that the Secretary for Labour and Welfare should –</p> <p>(a) continue to take measures to keep the Steering Committee on the Child Development Fund (SCCDF) appropriately informed of the progress of CDF projects;</p>	<p>At the SCCDF meeting held on 11 December 2019, LWB and SWD briefed members on the progress of CDF projects and project performance of the fifth batch of NGO-run projects and second batch of school-based projects which were completed in 2018. LWB and SWD will continue to keep SCCDF appropriately informed of the progress of CDF projects.</p> <p>As the recommendation has been implemented and will continue on an ongoing basis, we propose deleting this part from the next progress report.</p>
	(b) record declaration of interests made by committee members in minutes of meetings; and	For future SCCDF meetings, LWB has put in place a mechanism to regularly remind the Secretary of the Committee

Para. No.	Audit's Recommendations	Progress to Date
		<p>to ensure that members' declarations made at meetings should be duly recorded in the relevant minutes of meetings.</p> <p>As the recommendation has been implemented and will continue on an ongoing basis, we propose deleting this part from the next progress report.</p>
	(c) review, having regard to the memorandum issued by the Secretary for Home Affairs in 2005, the system for declaration of interests for SCCDF as necessary.	LWB will review, in accordance with the memorandum issued by the Secretary for Home Affairs in 2005, the system for making declaration of interest for the SCCDF from time to time to ensure that the system matches the needs of SCCDF. The next review will be conducted before the end of May 2020.
4.27	<p>Audit has recommended that the Secretary for Labour and Welfare should –</p> <p>(a) in collaboration with SWD and in consultation with EDB, take measures to step up efforts in promoting CDF among NGOs and schools; and</p>	<p>It has been the established practice for LWB and SWD to organise collaboration meetings regularly to provide opportunities to schools and NGOs interested in running future batches of CDF projects to get to know each other and explore any future collaboration on CDF projects. In consultation with EDB, LWB and SWD will make use of these collaboration meetings to step up efforts in promoting CDF among NGOs and schools.</p> <p>As the recommendation will be implemented on an ongoing basis, we propose deleting this part from the next progress report.</p>

Para. No.	Audit's Recommendations	Progress to Date
	(b) take measures to sustain the efforts in arranging value-added activities for CDF participants.	<p>In 2019, LWB continued to arrange various value-added activities, including visits, experiential programmes, financial and life planning programmes, for more than 1 600 participants. LWB and SWD will continue to sustain the efforts in arranging value-added activities for CDF participants.</p> <p>As the recommendation has been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.</p>
4.35	<p>Audit has recommended that the Secretary for Labour and Welfare should keep in view the results of the Further Study on the Long Term Development of CDF Project Participants (Further Study) which is currently in progress, and consider the way forward for CDF taking into account other relevant factors, including the results of this audit review.</p>	<p>The Consultant commissioned by LWB completed the Final Report of Further Study in February 2020. The key findings of the Further Study are positive. The results have demonstrated that each of the three key components of CDF projects is highly complementary to one another, and each has its unique longer-term impacts on CDF participants. All the three key components are essential to CDF projects. The Consultant recommended that the Government could (a) encourage the operators to formulate tailor-made programmes for younger and elder participants; and promote the interactions among CDF participants in different batches; and (b) organise some mentorship workshops for CDF operators to share their good practices in organising mentorship programmes.</p> <p>SWD has incorporated (a) above in the service specifications of CDF projects to be rolled out this year. For (b), SWD will regularly organise the mentorship workshops for CDF operators.</p>
