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Panel on Information Technology and Broadcasting

Meeting on 11 November 2019

**Updated background brief on
Capital Works Reserve Fund Head 710 Computerization Subhead A007GX
(Block Allocation) – New administrative computer systems**

Purpose

This paper provides background information on the funding proposal for a Block Allocation under the Capital Works Reserve Fund ("CWRF") Head 710 Computerization Subhead A007GX ("the Block Allocation") – New administrative computer systems. It also summarizes the major views and concerns expressed by members in previous discussions of the subject.

Background

2. Funds under CWRF Head 710 Computerization are used for acquiring administrative computer systems, engaging consultancies for feasibility studies and for carrying out systems development. Computerization projects which cost more than \$10 million are subject to the approval of the Finance Committee ("FC"). Projects that cost less than \$200,000 are approved by individual bureaux/departments ("B/Ds") and funded through their respective operational expenses subheads under the General Revenue Account.

3. Projects that cost between \$200,000 and \$10 million are funded through the Block Allocation. The Government Chief Information Officer ("GCIO") has the delegated power to approve the projects and authorize expenditure under the Block Allocation ("block vote projects"). For a given financial year, funds under the Block Allocation are used to meet the cash flow requirement of the block vote projects proposed by B/Ds as well as those approved or awaiting approval by GCIO.

4. Each year, the Office of the Government Chief Information Officer ("OGCIO") estimates the funding requirements for the Block Allocation in the following financial year, having regard to the cash flow requirements of approved block vote projects, new project proposals submitted by B/Ds and anticipated new projects for various e-Government initiatives to be submitted, as well as the spending position of the Block Allocation.

5. At its meeting on 22 February 2019, FC, upon the recommendation of the Public Works Subcommittee, approved a total allocation of \$14,981.1 million for 2019-2020 for the 26 block allocations subheads under CWRP. The allocation for the Block Allocation for 2019-2020 was \$1,120 million, which represents a 5.7% increase from the approved allocation of \$1,060 million for 2018-2019. The key expenditure items are set out at Annex 10 in Enclosure 10 to PWSC(2018-19)35 (**Appendix I**).

Previous discussions

6. The Administration consulted the Panel on Information Technology and Broadcasting ("the Panel") on the proposed allocation of \$1,120 million for the Block Allocation for 2019-2020 at the meeting on 12 November 2018. Panel members supported in principle the funding proposal. The major views and concerns expressed by members are summarized in the ensuing paragraphs.

e-Government

7. Some members have queried whether individual government departments would have to upgrade their own websites individually using funds under the Block Allocation so that the public may access the government services online when the Electronic Identity ("eID") system comes into operation. The Administration advised that OGCIO would develop an application programming interface (API) for departments to enhance their websites that would allow the public to access public services using eID.

8. Members noted that some departments planned to apply funds under the Block Allocation for developing their respective e-leave systems. Members also noted that e-leave systems might differ among B/Ds as some had adopted the five-day working week arrangement while some departments were still practising the six-day working week arrangement. Some members queried whether a centralized, civil service-wide e-leave system, which could cater for different working arrangements, should instead be developed to ensure consistency of practice among B/Ds in handling leave applications. There was

also a suggestion that the Civil Service Bureau ("CSB") should operate a cloud-based service to centralize the processing of e-leave applications so that individual departments did not have to duplicate efforts and resources to set up their own systems.

9. The Administration advised that the core e-leave system being operated in various government departments was developed by CSB but was housed in their own computer servers. Departments would need to upgrade their computer servers periodically using funds under the Block Allocation to include new functionalities to their e-leave systems.

Strengthening information security

10. Noting that several departments had included items under the Block Allocation to strengthen information security, some members asked if OGCIO had an overarching plan and policy on information security in Government, or whether individual departments were responsible for designing and implementing their own systems. Some members queried whether the amount sought for information security-related projects was sufficient in the light of the increasing number and complexity of cyber security threats.

11. The Administration responded that more than 40 projects (18% of the total) with a total commitment of more than \$140 million had been planned for the coming financial year for strengthening information technology ("IT") system security. OGCIO would play the role of ensuring that critical electronic services provided by the Central Computer Centre were up to the required IT security standards. It would be up to B/Ds to conduct security risk assessment on their systems every two years and implement new enhancements or systems.

12. Some members questioned the rationale of the Hong Kong Police Force ("the Police") for implementing eight separate projects costing a total of around \$40 million using funds under the Block Allocation, while they were all related to strengthening information security in the Police. They queried whether the Police had deliberately tried to implement smaller projects each costing less than \$10 million so as to circumvent the requirement of having to seek funding approval from FC individually.

13. The Administration explained that the information security-related projects proposed by the Police involved separate computer systems which had to be upgraded individually with different timeframes. OGCIO would examine departments' submissions to avoid projects being unnecessarily broken down into smaller items.

Level of funding approval

14. Some members pointed out that the current per item ceiling of \$10 million for projects under the Block Allocation was determined in the 1990s, and considered that there was a need to increase the ceiling to reflect the rising cost of technologies as well as to speed up upgrading of computer systems in various departments. GCIO undertook to relay members' concerns to the Financial Services and the Treasury Bureau.

Replacement of computers and network equipment for District Councils

15. Some members asked whether the item "Replacement of Computers and Network Equipment for District Councils" would include improvements to websites layouts and electronic services to facilitate public access to documents and other information of District Councils. The Administration advised that the current project mainly involved upgrading of computer hardware and software for the District Council secretariats with a view to improving operational efficiency.

Latest position

16. The Administration will seek the Panel's support for the 2020-2021 funding requirements for the implementation of computerization projects under the Block Allocation.

Relevant papers

17. A list of the relevant papers is set out in **Appendix II**.

Enclosure 10 to PWSC(2018-19)35

**Proposed Allocation in 2019-20 for the Block Allocation under
Head 710 – Computerisation**

The provision sought for the only block allocation **Subhead A007GX** under **Head 710** is \$1,120 million. This represents a 5.7% increase from the approved allocation of \$1,060 million for 2018-19.

- 2. Details on the key expenditure items are set out at **Annex 10**.

Annex 10 to PWSC(2018-19)35

**Capital Works Reserve Fund
Head 710 Subhead A007GX**

New Administrative Computer Systems

Ambit : Administrative computer systems and consultancies for feasibility studies and systems development each costing between \$200,001 and \$10 million.

Controlling Officer	Allocation for 2018-19 \$ million	Estimate for 2019-20 \$ million	Percentage change as compared with the 2018-19 allocation
Government Chief Information Officer	1,060.00	1,120.00	+ 5.66%

Part I : On-going key items

Project description	Project Estimate \$ million	Estimate 2019-20 \$ million
1. Revamp of insolvency estate funds and accounting system, Official Receiver's Office	9.97	2.95
2. IT support system for the pilot Multi-functional Smart Lampposts scheme, Office of the Government Chief Information Officer	9.89	2.94
3. Original grant patent IT system, Intellectual Property Department	9.88	4.02
4. Revamp of survey data processing system, Lands Department	9.85	3.70
5. IT system for implementation of the Caring and Sharing Scheme, Working Family and Student Financial Assistance Agency	9.66	1.95
6. Research assessment exercise administration system, University Grants Committee Secretariat	9.49	2.63
7. Upgrade of network equipment and IT security, Planning Department	9.06	3.10
8. Revamp of departmental website and enhancement of online information dissemination service, Hong Kong Observatory	9.00	1.52

Head 710 Subhead A007GX – Continued

Project description	Project Estimate \$ million	Estimate 2019-20 \$ million
9. Enhancement of system for managing assessment of student health and provision of IT facilities in new student health service centre, Department of Health	8.66	2.78
10. Departmental information technology plan study, Radio Television Hong Kong	3.48	1.35

Part II : Proposed new items

Project description	Project Estimate \$ million	Estimate 2019-20 \$ million
1. Implementation of special rates system, Rating and Valuation Department	9.99	3.87
2. Implementation of food coding system for Centre for Food Safety, Food and Environmental Hygiene Department	9.92	2.58
3. Opening up of government expenditure data, The Treasury	9.67	2.58
4. Revamp of vehicle emission control and information system, Environmental Protection Department	9.09	1.32
5. Enhancement of eTAX system to enable instant processing of applications for duplicate copy of business registration certificates, Inland Revenue Department	7.97	2.64
6. Provision of IT network system for new Kowloon East Regional Headquarters Complex and Ngau Tau Kok Police Services Centre, Hong Kong Police Force	6.20	3.01
7. Revamp of site tracking information system, Development Bureau	6.18	1.06
8. Mobile solution for inspection of new plumbing works, Water Supplies Department	4.75	1.92

Head 710 Subhead A007GX – Continued

Project description	Project Estimate \$ million	Estimate 2019-20 \$ million
9. Online course registration system for Occupational Safety and Health Centre, Labour Department	4.25	0.92
10. Feasibility study on postal clearance system, Customs and Excise Department	3.96	2.00

Part III : Others

	Estimate 2019-20 \$ million
About 810 other on-going and new items with expected expenditure in 2019-20	1,071.16

Total of Parts I to III : 1,120.00

List of relevant papers

Meeting	Date of meeting	Papers
Panel on Information Technology and Broadcasting	12 November 2018	<p>Administration's paper on Capital Works Reserve Fund Head 710 Computerization Subhead A007GX (Block Allocation) – New Administrative Computer Systems LC Paper No. CB(4)162/18-19(03)</p> <p>Updated background brief on Capital Works Reserve Fund Head 710 Computerization Subhead A007GX (Block Allocation) – New administrative computer systems LC Paper No. CB(4)162/18-19(04)</p> <p>Minutes of meeting LC Paper No. CB(1)882/18-19</p>