

**Chapter 9 of the Director of Audit's Report No. 65**  
**Support for Self-reliance Scheme**  
**Questions asked and Information requested**

**Paragraphs 1.6, 1.10, 3.6, 3.7, 5.3 and 5.5 of the Report**

- 1. For projects that have failed to attain the minimum job-securing rate specified in the Integrated Employment Assistance Programme for Self-reliance (IEAPS) contract, what are the details of the follow-up actions taken by the Social Welfare Department (SWD)?**

SWD has built in a monitoring mechanism for ongoing and systematic evaluation of the performance of the non-governmental organisations (NGOs) operating the IEAPS projects (the operators), which has included the operators being required to submit Quarterly Performance Summaries<sup>1</sup> and issued with Benchmark Reports<sup>2</sup>. These include the job-securing rates and off-Comprehensive Social Security Assistance (CSSA)-net-rates of service recipients served by individual operators. SWD will, on the basis of the service performance, require operators that fall behind the requirements to submit an action plan within one month for improvement measures to be taken to enhance the service outputs and quality. SWD will continue to closely monitor if there is any improvement in the service outputs and quality of an operator based on the Performance Summary and the Benchmark Report.

Moreover, SWD has arranged Project Managing Officers (PMOs) to examine the 41 projects under the IEAPS regularly. Apart from regular monitoring visits, relevant officers of SWD (such as Social Security Officers of various ranks) will also meet with the management personnel of the operators on a need basis.

For projects with lower job-securing rates as mentioned in paragraphs 5.6(a) and (b) of the Report, SWD had sent emails to the respective operators during the IEAPS contract period to require

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<sup>1</sup> **Performance Summary** mainly includes the number of cases under various services, the number of persons who secure employment, the number of hours of classroom training and work exposure services provided, etc.

<sup>2</sup> **Benchmark Report** mainly includes the data in the performance summary being compared with the highest, lowest and average percentage figures of the 41 employment assistance projects.

them to submit action plans for improvement measures to be taken as soon as possible to meet the contract requirements on job-securing rates. SWD has been closely monitoring the performance of these operators, and the job-securing rates of most of these projects showed improvement at the end of the contracts.

Meanwhile, we understand that the job-securing rate of able-bodied unemployed CSSA recipients is subject to factors such as the social and economic situation, labour market conditions, personal characteristics and family conditions of the recipients. SWD will continue to closely monitor the performance of the operators and implement follow-up measures.

**2. Upon expiry of the original IEAPS, why did SWD continue to commission the NGOs that had failed to achieve the objectives to operate the extended IEAPS?**

Selection criteria for commissioning NGOs to operate the IEAPS

In 2012, during the commissioning process for NGOs to operate the IEAPS from 1 January 2013 to 31 March 2015, SWD invited interested NGOs to submit project proposals detailing the services to be provided by them to meet the objectives and requirements specified in the IEAPS Service Specifications. SWD selected suitable NGOs to operate the IEAPS in accordance with a set of selection criteria, including the applicant organisations' objectives, strategies and implementation details in operating the IEAPS, experience and performance in providing previous employment assistance services, human resources and financial managements, etc. One of the selection criteria was the past performance of the NGOs in operating various employment assistance programmes of SWD (including the Integrated Employment Assistance Scheme, New Dawn Project and Special Training and Enhancement Programme).

Extended IEAPS

In the 2015 Policy Address, a provision of \$223 million was earmarked for extending the IEAPS for two years and engaging NGOs to provide employment assistance services for employable able-bodied CSSA recipients. This would enhance their employability, help and encourage them secure employment and achieve self-reliance.

Considering that the performance of the operators was found to be generally satisfactory, SWD continued to commission the original NGOs to operate the programme until March 2017. This arrangement helped ensure continuity of the service, prevented interruption to the employment assistance services provided for CSSA recipients and minimised disruption to the support for able-bodied unemployed CSSA recipients.

SWD will monitor the performance of the NGOs on an ongoing basis. In order to commission suitable NGOs to provide employment assistance services for able-bodied unemployed CSSA recipients, SWD will take full account of the past performance of the NGOs in operating various employment assistance programmes when they are invited to submit proposals for operating the IEAPS in future.

### **Paragraph 1.11 – Table 2 of the Report**

- 3. The Special Training and Enhancement Programme (My STEP) assists unemployed youths in securing employment through “motivational” or “disciplinary” training such as adventure training, wild camping, hiking, mountaineering and military training, etc. What are the number of such activities held by SWD and NGOs, the expenditure for each event and the number of participating youths? Have the cost-effectiveness and outcome of these activities been evaluated?**
  
- 4. Has there been evaluation on whether resources would be more directly and effectively utilised by helping unemployed youths look for various “on-the-job” training so that they can learn from the job and apply what they have learnt, as compared with organising the above “motivational” or “disciplinary” training of which the effectiveness is difficult to evaluate? If yes, what are the details? If no, what are the reasons?**

My STEP was a trial project targeting those unemployed youths who had been on CSSA for a certain period and failed to be motivated to work despite having participated in the employment assistance programme. Unemployed youths with low readiness for employment were motivated through disciplinary training, job placement and other employment assistance services to achieve

self-reliance. First implemented in October 2006 in Tin Shui Wai and Yuen Long on a pilot basis, My STEP was subsequently extended to other districts by SWD in view of the encouraging outcome of the trial project.

In 2007, SWD commissioned The Chinese University of Hong Kong to conduct an evaluation study on the effectiveness of My STEP. The report stated that motivational and disciplinary trainings were crucial elements throughout My STEP, which were effective in re-building youths' self-esteem and self-confidence, thus increasing their employability to achieve self-reliance.

SWD has implemented the IEAPS since January 2013. The content and services of My STEP under the IEAPS are generally the same as the one which was firstly implemented in October 2006.

SWD has fixed the contract sum for the IEAPS according to the number of service capacity provided under various services. NGOs may exercise flexibility to use the sum to provide services complying with the stipulations in the Service Specifications of the IEAPS, which include Ordinary Employment Assistance Services, Strengthened Employment Assistance Services, New Dawn Project Services and My STEP.

Regarding My STEP, SWD has set out in the Service Specifications of the IEAPS the required number of service capacity to be achieved and the hours of motivational/disciplinary training to be provided by the operators during the contract period.

The service capacity and hours of motivational/disciplinary training of My STEP set by SWD and the actual performance of the operators from January 2013 to March 2015 were as follows –

Service performance requirements		Actual performance of operators	
Number of service capacity	Hours of motivational/ disciplinary training	Number of participants	Hours of motivational/ disciplinary training
600	30 000	663	31 069

The service performance requirements of My STEP set by SWD and the actual performance of the operators from January 2013 to March 2015 were as follows –

Service performance requirements		Actual performance of operators	
Percentage of participants who have secured employment or returned to mainstream schooling for 1 month	Percentage of participants who have secured employment or returned to mainstream schooling for 3 months	Percentage of participants having secured employment or returned to mainstream schooling for 1 month	Percentage of participants having secured employment or returned to mainstream schooling for 3 months
45%	35%	56.4%	36.5%

Furthermore, apart from motivational and disciplinary training, operators provide training, job matching arrangement, job attachment, post-placement/post-education follow-up services or counseling service, etc having regard to the individual needs of participants. Suitable participants aged between 15 and 24 are also referred to the Youth Employment and Training Programme of the Labour Department so as to gain hands-on work experience through job attachment.

SWD considers it necessary to continue providing these unemployed youths with some elements of motivational and disciplinary training under My STEP project so as to assist them to secure employment or return to mainstream schooling as soon as possible.

### **Paragraph 1.12 of the Report**

- 5. It is mentioned in paragraph 1.12 of the Report that the types of occupation secured by IEAPS participants mostly included labourer, waiter/waitress, salesperson, cleaner and watchman/guard. With an amount of \$220 million earmarked to extend the IEAPS, has SWD evaluated whether it is good value to spend such a large sum of public money for training/improving employment awareness and helping CSSA recipients to seek employment/work in these trades?**

The aim of the IEAPS is to encourage and assist able-bodied employable CSSA recipients to overcome work barriers, enhance employability, seek paid employment and rejoin the workforce to become self-reliant and leave the CSSA net. We believe that if suitable employment assistance is provided to these employable CSSA recipients to help nurture their self-esteem, it will be hugely beneficial to both society and the recipients themselves. Under the IEAPS, around 38% of the participants are aged 50 to 59 and around 76% only have junior secondary education level or below. They may have some difficulties in securing other types of jobs, and may initially have to settle for some ordinary jobs in the labour market. After acquiring certain working experience, they may have other advancement opportunities.

In fact, jobs should not be categorised in terms of class, and there is good merit in the Government allocating resources to help able-bodied CSSA recipients secure employment or leave the CSSA net then. The job-securing rate and off-CSSA-net rate of the IEAPS participants from January 2013 to end-November 2015 are given in the table below:

<b>Category of services</b>	<b>No. of participants</b>	<b>No. of participants having secured employment</b>	<b>No. of participants having left CSSA net</b>
Ordinary Employment Assistance Services <sup>*</sup>	57 637 <sup>@</sup>	10 696 (18.6%)	2 103 (3.6%)
New Dawn Project Services <sup>^</sup>	4 373	1 810 (41.4%) (714 persons secured full-time employment; 1 096 persons secured part-time employment)	253 (5.8%)
Special Training and Enhancement Programme <sup>^</sup>	972	423 <sup>#</sup> (43.5%) (294 persons secured full-time employment; 129 persons returned to mainstream schooling)	82 (8.4%)
<b>Total</b>	<b>62 982</b>	<b>12 929<sup>#</sup> (20.5%)</b> <b>(11 704 persons secured full-time employment)</b>	<b>2 438 (3.9%)</b>

\* Including Strengthened Employment Assistance Services

@ The number of participants includes:

- (i) those who had joined the Integrated Employment Assistance Scheme by end-December 2012 and transferred to Ordinary Employment Assistance Services under the IEAPS since January 2013 as arranged by NGOs; and
- (ii) newly registered participants since SWD launched the IEAPS (i.e. 1 January 2013).

<sup>^</sup> Recipients who had joined New Dawn Project and Special Training and Enhancement Programme by end-December 2012 had to register afresh for New Dawn Project Services and Special Training and Enhancement Programme under the IEAPS at its launch (i.e. 1 January 2013).

<sup>#</sup> Including the number of participants having returned to mainstream schooling

- 6. As regards encouraging unemployed CSSA recipients to secure employment, has SWD considered enhancing the recipients' incentive to secure employment by adopting an approach of providing assistance on a descending scale whereby the longer a recipient receives CSSA due to unemployment, the less he will receive? If yes, what are the details? If no, what are the reasons?**

The CSSA Scheme is designed to help those who cannot support themselves financially owing to various reasons such as unemployment, low earnings, old age, disability or ill-health by bringing their income to a certain level for them to be able to meet their basic needs. As CSSA is a safety net of last resort, if a recipient is to receive less CSSA payment proportional to the duration of his or her being unemployed under CSSA, the recipient and the family may not have enough to pay for basic daily necessities and may therefore fall into hardship. SWD will continue providing unemployed CSSA recipients with appropriate employment assistance services, in addition to enhancing their self-esteem, self-confidence and employability.

**Paragraph 1.14 of the Report**

- 7. Why hasn't SWD got the statistical breakdown of the resources required for the implementation of the Support for Self-reliance (SFS) Scheme?**

There are currently 21 officers under the staffing establishment of the Support for Self-reliance (SFS) Section of SWD. Apart from the duties relevant to the implementation and coordination of the SFS Scheme and the monitoring of the service performance of the operators, the SFS Section is also responsible for the work in relation to able-bodied adults and children under the CSSA Scheme. Moreover, apart from processing the CSSA and Social Security Allowance cases, the social security staff in the 41 Social Security Field Units (SSFUs) of SWD are also responsible for assisting in the implementation of the SFS Scheme, including referring unemployed CSSA recipients to the operators for employment assistance services and following up the services provided to various CSSA recipients by the operators. As such, SWD does not have the breakdown of the administrative resources required for the implementation of the SFS

Scheme.

## **Paragraph 2.11 of the Report**

- 8. The Audit Commission has recommended that SWD should conduct regular analysis of the profile of SFS Scheme participants in a more efficient manner. SWD enhanced the database of the Scheme in April 2015 and started using the database management system in July 2015. Regarding the enhancement in April 2015 relating to data input validation, please advise the specific details of the validation process.**

Operators have been regularly collecting and collating data of participants under individual projects and submitting the data to SWD on a monthly basis. Based on relevant data, operators provide participants with suitable and targeted training programmes and employment assistance services, having regard to the participants' education background/skills.

Since the IEAPS was launched in January 2013, SWD has been using Microsoft Excel as the software for processing data of the IEAPS. In April 2015, SWD took enhancement measures with an enhanced database used to replace the previously more complicated data processing procedures. The enhancements of the database included simplifying the input pages, categorising different types of participants, enhancing data input validations, and adding drop down list, etc. In addition to ensuring easier and more accurate data input by operators, SWD can also conduct analysis of the performance of the IEAPS more effectively.

Furthermore, the database uses function designs for automatic calculation and displays the same information on different worksheets for data checking. For example, the dates on which the Category III service recipients' youngest child turns 15 years old are calculated automatically to remind operators to take appropriate follow-up actions<sup>Note</sup>. Information of the participant, such as name, CSSA case number, identity card number, type of services participated and date of participation, are also displayed automatically throughout different worksheets according to the

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<sup>Note</sup> The database automatically calculates the dates on which the Category III service recipients' youngest child turns 15 years old. The aim is to remind operators that Category III service recipients are required to participate in Category I Services if their youngest child reaches the age of 15.

inputted participant code. The above enhancements enable operators to input various types of information more effectively and accurately. The database is also equipped with data checking mechanism, such as the use of data validation, formatting and function designs available in the software to show errors or missing data entries. This can remind operators to check whether the relevant information is input correctly. Moreover, the data checking mechanism has enabled SWD to check the accuracy of data submitted by the operators in a more efficient manner.

To further enhance database management and facilitate more comprehensive data analysis, SWD has been using the database management system, Microsoft Access, since July 2015 to increase the effectiveness in integrating and analysing participants' information submitted by the operators every month. This is conducive to the preparation of different types of monthly or quarterly reports (including benchmark reports and data analysis reports), which help SWD closely monitor the service performance of the operators.

### **Paragraph 2.12 of the Report**

- 9. According to paragraph 2.12 of the report, there were a number of limitations in SWD's computer information system, rendering it difficult for SWD to conduct comprehensive data analysis regularly and efficiently. In view of the fact that SWD does not have figures relating to the resources required in the SFS Scheme and that there are limitations in the computer system, it is difficult for SWD and members of the public to monitor and evaluate the effectiveness and cost-efficiency of the \$220 million of public money spent on the IEAPS. Can SWD pledge to make improvements as soon as possible and not to increase the ensuing estimates of expenditure before the completion of such improvements? If no, what are the reasons?**

Currently, records of CSSA recipients are maintained in the Computerised Social Security System (CSSS), while records of SFS Scheme participants are maintained separately in a standalone computerised database. The matching between the data of the SFS Scheme database and the records of the CSSS is conducted on a need basis to analyse data of SFS Scheme participants.

SWD is in the process of developing a new CSSS which is expected to be rolled out in early 2018 to replace the existing one. Incorporating key records of SFS Scheme participants, the new system would facilitate regular analysis of participants' data to be conducted more effectively.

Prior to the new system being rolled out, SWD stepped up efforts to enhance the database of the SFS Scheme in April 2015 and also in July 2015 to facilitate close monitoring of the service performance of the operators. For details, please refer to the reply under Question 8. These enhancement measures are being implemented continually with no additional expenditure involved.

### **Paragraph 2.14 of the Report**

- 10. The Audit Commission has recommended that SWD should consider collecting views on the IEAPS from the participants. SWD will draw up feedback forms. What are the actual measures to be taken by SWD to ensure that the participants will complete the feedback forms?**

SWD is now drawing up feedback forms for participants. It also plans to select targeted participants randomly on a regular basis beginning from the first quarter of 2016, and will send the relevant name lists and feedback forms to respective operators for conducting survey on the participants. Operators are required to distribute the feedback forms to participants and collect the forms within a specific time frame. Operators are also required to submit the completed forms to SWD for conducting data analysis.

### **Paragraph 2.17 of the Report**

- 11. The Audit Commission has recommended that SWD should report the performance targets and indicators for the SFS Scheme. Has SWD set the performance targets and indicators for the services under the SFS Scheme since June 1999? If yes, please provide the details.**

In June 1999, SWD launched the SFS Scheme with the aims of encouraging and assisting able-bodied unemployed CSSA recipients and recipients who were not working full-time to secure full-time paid employment. SWD has implemented various employment

assistance programmes to help CSSA recipients become more self-reliant and integrated into society. These programmes include employment assistance programmes for able-bodied adults, My STEP specially designed for youth, as well as Ending Exclusion Project (EEP) / New Dawn (ND) Project to assist single parents.

The service performance targets and indicators of various programmes are provided below:

(1) Active Employment Assistance (AEA) Programme

Target : to encourage and assist able-bodied unemployed CSSA recipients and recipients who were not working full-time to secure full-time paid employment and move towards self-reliance.

AEA was implemented from June 1999 to December 2012. Since January 2001, various employment assistance programmes operated by NGOs had been launched in parallel.

<b>Implementation Period</b>	<b>Name of Programme</b>	<b>Service Indicator</b>
June 1999 to December 2012	AEA Programme [including Community Work (CW) programme]	All able-bodied unemployed CSSA recipients aged 15 to 59 are required to join the AEA and CW assigned by SWD.
January 2001 to December 2003	Special Job Attachment Programme	Provide service for at least 975 participants per year.
March 2001 to January 2005	Intensive Employment Assistance Fund	Provide intensive employment assistance service for at least 1 200 participants per year.
October 2003 to September 2008	Intensive Employment Assistance Projects (IEAPs)	Assist at least 40% service recipients to secure full-time paid employment.

<b>Implementation Period</b>	<b>Name of Programme</b>	<b>Service Indicator</b>
October 2006 to September 2008	District Employment Assistance Trial Projects	Assist at least 30% service recipients to secure full-time paid employment.
October 2008 to September 2011	Integrated Employment Assistance Scheme (IEAS)	<ul style="list-style-type: none"> <li>◆ Assist at least 20% ordinarily-assisted service recipients to secure full-time paid employment.</li> <li>◆ Assist at least 40% intensively-assisted service recipients to secure full-time paid employment.</li> </ul>
October 2011 to December 2012	Extension of the IEAS	<ul style="list-style-type: none"> <li>◆ Assist at least 20% ordinarily-assisted service recipients to secure full-time paid employment.</li> <li>◆ Assist at least 40% intensively-assisted service recipients to secure full-time paid employment.</li> </ul>

(2) EEP / ND Project

Target of EEP : to provide employment assistance services and various support services to single parents on CSSA, whose youngest child was aged under 15.

Target of ND Project : to provide employment assistance services to CSSA single parents and child carers with the youngest child aged 12 to 14.

<b>Implementation Period</b>	<b>Name of Programme</b>	<b>Service Indicator</b>
March 2002 to March 2006	EEP	This is a voluntary programme. SWD did not set any performance indicator.
April 2006 to September 2007	ND Project	Provide employment assistance services to CSSA single parents and child carers with the youngest child aged 12 to 14.
	New Dawn Intensive Employment Assistance Projects	Assist at least 40% service recipients of single parents and child carers to secure paid employment with at least 32 working hours in a month.
October 2007 to March 2010	Enhanced ND Project	<ul style="list-style-type: none"> <li>◆ Assist at least 30% ordinarily-assisted service recipients to secure paid employment with at least 32 working hours in a month.</li> <li>◆ Assist at least 40% intensively-assisted service recipients to secure paid employment with at least 32 working hours in a month.</li> </ul>
April 2010 to September 2011	The third phase of the ND Project	Assist at least 40% service recipients of single parents and child carers to secure paid employment with at least 32 working hours in a month.
October 2011 to December 2012	Extension of the ND Project	Assist at least 40% service recipients of single parents and child carers to secure paid employment with at

<b>Implementation Period</b>	<b>Name of Programme</b>	<b>Service Indicator</b>
		least 32 working hours in a month.

(3) My STEP

Target : to provide employment assistance services, including counselling and structured motivational or disciplinary training to able-bodied unemployed CSSA recipients aged between 15 and 29 to help them secure full-time employment or return to mainstream schooling.

<b>Implementation Period</b>	<b>Name of Programme</b>	<b>Service Indicator</b>
October 2006 to September 2007	The trial My STEP	Assist all the service recipients to secure full-time paid employment or return to mainstream schooling.
October 2007 to September 2009	The second phase of My STEP	Assist at least 45% of the service recipients to secure full-time paid employment or return to mainstream schooling.
October 2009 to September 2011	The third phase of My STEP	Assist at least 45% of the service recipients to secure full-time paid employment or return to mainstream schooling.
October 2011 to December 2012	Extension of My STEP	Assist at least 45% of the service recipients to secure full-time paid employment or return to mainstream schooling.

(4) IEAPS

Target : to provide able-bodied CSSA recipients with a range of one-stop integrated employment assistance services on family basis to help them overcome work barriers, enhance employability and secure paid employment.

The IEAPS has been launched since January 2013.

Category of services		Service Indicators (Note)	
		Percentage of service recipients having secured employment or returned to mainstream schooling for 1 month	Percentage of service recipients having secured employment or returned to mainstream schooling for 3 months
Category I	Ordinary Employment Assistance Services	20%	15%
Category II	Strengthened Employment Assistance Services	40%	30%
Category III	ND Project Services	40%	30%
Category IV	My STEP	45%	35%

Note: For Category I and II services, the rate represented the percentage of service recipients having secured full-time paid employment. For Category III Services, the rate represented the percentage of service recipients having secured paid employment with at least 32 working hours in a month. For Category IV Services, the rate represented the percentage of service recipients having secured full-time paid employment or returned to mainstream schooling.

### **Paragraph 3.6 of the Report**

- 12. The Audit Commission has recommended that SWD should commission NGOs to provide welfare services on a competitive basis, taking into account NGOs' past performance in the selection process. If selection of NGOs on a competitive basis would be adopted after March 2017, how long will the selection process take as estimated by SWD? Will SWD announce the scores of results or selection criteria?**

When extending the IEAPS in the future, SWD will continue inviting NGOs to submit proposals on IEAPS operation in order to commission appropriate NGOs to provide employment assistance services to unemployed able-bodied CSSA recipients. SWD will publicise in SWD's website to invite NGOs who are interested in operating the IEAPS to submit proposals and specify details of the services to be provided to meet targets and requirements as stipulated in the Service Specifications of the IEAPS. In the Service Specifications, SWD will provide the various assessment areas and their relative weighting in the marking scheme to assist NGOs in formulating their proposals. It is estimated that the whole selection process will take about four to five months and the selection results will be announced in SWD's website. However, as in other open and fair selection processes, the scores concerned would not be announced.

### **Paragraph 3.13 of the Report**

- 13. The Audit Commission has recommended that SWD should critically review the methodology for setting service capacity and put any unused capacity to gainful use. As a contract normally covers several years during which there may be changes to the labour market, will SWD consider formulating a flexible service capacity whereby the contract sum is determined by the number of service recipients?**

In the past, SWD adopted different resources allocation modes in funding the employment assistance programmes, among which was the allocation by the numbers of service recipients and recipients who had successfully secured employment. Under this mode, however, the amount of resources allocated to the operators fluctuated with the number of service recipients. As such, it was difficult for the

operators to plan ahead of service provision and recruit suitable and sufficient manpower, making it difficult also to effectively maintain the quality of services.

In view of the above, SWD has been adopting the mode of 'allocation-by-fixed amount' when implementing various employment assistance programmes since October 2011 to enable the operators to flexibly deploy resources.

In future, in addition to making reference to the previous average number of unemployment CSSA cases, SWD will also take into account the actual number of service recipients of different categories of employment assistance programmes as well as the trend of the number of unemployed persons in Hong Kong when drawing up the service capacity and determining the contract sums.

### **Paragraph 3.21 of the Report**

- 14. The Audit Commission has recommended that SWD should assess the need to provide further guidance on the qualification of caseworkers and the ratio of service recipients to caseworker. Does SWD consider a minimum ratio of service recipients to caseworker at 110 to 1 to be acceptable? If yes, what are the scientific or academic justifications?**

SWD adopts the "quality-based allocation system" for commissioning NGOs to operate the IEAPS on a competitive basis and the staffing requirements (including project manager, caseworker(s) and supporting/clerical staff) have already been set out in the Service Specifications of the IEAPS. To provide appropriate employment assistance services to able-bodied unemployed CSSA recipients, operators may exercise flexibility to utilise resources based on their actual service and operational needs in arranging the manpower (including the arrangement of the required manpower in an appropriate ratio of service recipients to caseworker) and equipment required to ensure service quality and meet the service performance requirements as specified in the Service Specifications.

## **Paragraphs 4.3 to 4.6 and 4.11 of the Report**

- 15. The Audit Commission has recommended that SWD should remind NGOs of the need to comply with the contract requirement to avoid some projects under the IEAPS not providing the number of classroom training hours and work exposure service sessions as specified in the contracts. Effective measures should also be taken in order to follow up with those NGOs who cannot meet the requirements. SWD considers that the number of unemployment cases and the social characteristics of the community and the participants affect the NGOs' arrangement of classroom training hours and work exposure services for the participants. What kinds of measures have SWD been taking to ensure that the NGOs have adequate resources to provide sufficient classroom training hours and work exposure service sessions to the participants?**
  
- 16. Under the current IEAPS, the monitoring measures being adopted by SWD to ensure that the provision of classroom training hours and work exposure service sessions be maximized to help enhance the employability of more unemployed CSSA recipients.**

### Resource arrangement for classroom training and work exposure service

Based on the number of cases in different districts, SWD has projected the service capacity and allocated the resources required, including the administration fee, for different projects so that the operators are able to meet the IEAPS-related expenses, including the expenses on classroom training and work exposure service.

### Monitoring mechanism

To monitor service performance, operators are required to submit to SWD, on a regular basis, service database and Quarterly Performance Summaries. SWD also regularly issues Benchmark Reports to the operators for reference. In case the number of classroom training hours and the work exposure service sessions provided by them are not satisfactory, SWD will require the concerned operator to provide an action plan within one month in order to find out the reasons why it is unable to meet the service requirements. The operator is also

required to propose in the action plan its remedial actions for meeting the service requirements. In addition, SWD has arranged PMOs to examine the 41 projects under the IEAPS regularly. Apart from regular monitoring visits, the respective officers of SWD (for example Social Security Officers of various ranks) will also meet with the management personnel of the operators on a need basis. (For details, please refer to the reply under Question No.1)

SWD will, based on the Benchmark Reports, continue to monitor the service performance of the operators and regularly remind them of the need to comply with all service requirements, including the stipulated classroom training hours and work exposure service sessions.

Moreover, since December 2015, SWD has been arranging meetings with those operators whose service performance is relatively poor as reflected in the first two quarters of the Benchmark Reports under the Extension of IEAPS (from 1 April 2015 to 31 March 2017 for 24 months). Through the meetings, SWD can understand more about the reasons why the service performance of the operators are lower than expected, while taking the opportunity to require the operators to take immediate improvement measures so that the service requirements, including the provision of classroom training and work exposure service, as well as the stipulated job-securing rates, can be met.

The following are the external factors which explain partly why the number of classroom training hours and work exposure service sessions are not being provided as specified in the contracts:

- (1) The number of CSSA cases, including unemployment cases, has registered a continuous decrease since September 2009, reducing the size of the pool of recipients from which the operators can select suitable participants for the classroom training and work exposure services.
- (2) The social characteristics of the community and the participants have affected the operators' arrangement of classroom training and work exposure service for the participants. For example, some districts have a significant number of participants who either have no fixed abode or move around frequently. Under such circumstances, the operators have difficulties arranging for such participants sufficient classroom training and work exposure

services that meet the service requirements.

- (3) Under the IEAPS, around 38% of the participants are aged 50 to 59, while around 76% only have junior secondary education level or below. Work exposure services that require relatively high physical input may not be suitable for such participants who may also be more reluctant to attend training activities.
- (4) In some cases, the participants may not be able to attend classroom training or work exposure service due to sickness, temporary jobs being taken up or other reasons, despite that such activities have been arranged by the operators.
- (5) Some participants may have withdrawn from the IEAPS shortly after enrollment (for example becoming ill-health, having secured full-time employment or having withdrawn from CSSA due to other reasons) so that the operators are unable to arrange classroom training or work exposure service for them.

## **Paragraphs 4.14, 4.15 and 4.17 of the Report**

- 17. Has SWD conducted risk assessment of possible abuse in connection with service recipients being exempted from attending the activities of the programme? If yes, please provide the details. If no, what are the reasons?**
- 18. Effective measures taken by SWD to ensure adequate verification of the service recipients' justifications for not attending IEAPS activities.**

### Arrangements for exemption from attending IEAPS activities

Under existing requirements, service recipients of the IEAPS have to actively seek jobs and attend all IEAPS activities (e.g. workplan interviews, classroom training and work exposure services). Service recipients may be exempted from attending the activities on special occasions, such as pregnancy (during the four-week period immediately before the expected date of confinement, and in the six-week period immediately after the date of confinement), sickness or taking up temporary jobs.

Currently, the operators are responsible for processing exemptions which last for a period of not more than three consecutive months. The SSFUs are responsible for processing exemptions involving a period of more than three consecutive months or doubtful cases.

### Guidelines on processing applications for exemption from attending the activities

It is clearly stated in the procedural guidelines that proper verification should be made if there are doubts on the supporting documents and information provided by the service recipients for exemptions from attending IEAPS activities. According to the guidelines, SWD staff should conduct in-depth investigation/verification for doubtful cases where, for example:

- (1) the salary is significantly low;
- (2) there are merely one to two working hours on each working day;  
and

(3) the reported working days always fall on the dates scheduled for programme activities.

#### Monitoring mechanism

SWD has built in a monitoring mechanism for ongoing and systematic evaluation of the performance of the NGOs operating the IEAPS projects. Arrangement has been made for PMOs to examine the 41 projects under the IEAPS regularly, including conducting monitoring visits, work exposure service site visits, training venue visits and telephone spot checks.

Should any inadequacy be found regarding the services provided by the operators or their case handling procedures, the PMOs will require the operators to take rectification and improvement immediately. Upon completing various visits or telephone spot checks, the PMOs will submit reports to the Social Security Officers for consideration.

To strengthen the monitoring of the operators, SWD has since December 2015 conducted supervisory checks through independent visits to the operators by SWD's Social Security Officers I to review on a random basis the cases that have been spot checked by PMOs.

#### Risk assessment of possible abuse and other relevant measures taken by SWD in connection with service recipients being exempted from attending IEAPS activities

SWD has been conducting risk assessment on possible abuse in connection with service recipients being exempted from attending IEAPS activities. Apart from conducting regular monitoring visits, for operators with relatively poor performance in case handling, SWD will, during monitoring visits, increase the number of cases (in which exemptions from attending IEAPS activities have been granted) to be checked. Moreover, to further strengthen monitoring, SWD will, from January 2016 onwards, conduct regular random checks on cases where the exemptions from attending IEAPS activities having been granted by the operators reach a certain number of times over the past three months, to review whether proper procedures have been taken in handling exemption of service recipients from attending IEAPS activities, and whether the service recipients have submitted sufficient supporting documents.

SWD also emailed all operators and SSFUs in early and late December 2015 respectively to remind them of the need to exercise exemptions properly.

SWD will also regularly remind the operators and the SSFUs to carefully consider and verify the circumstances of individual cases when exercising exemptions, in addition to providing training courses for the staff of the operators and the SSFUs to enhance their skills for proper handling of employment assistance service cases.

### **Paragraph 5.9 of the Report**

**19. In response to the Audit's recommendation that SWD should enhance its risk-based approach in conducting monitoring visits and conduct more visits for projects with relatively poorer performance, SWD indicated that the number of visits was affected by the high turnover of contract staff. In this connection, has SWD been assigning contract staff to conduct visits to operators? How does SWD ensure that the contract staff are familiar with the IEAPS?**

SWD has built in a monitoring mechanism for ongoing and systematic evaluation of the performance of the NGOs operating the IEAPS projects. Arrangement has been made for PMOs to examine the 41 projects under IEAPS regularly, including conducting monitoring visits, work exposure service site visits, training venue visits and telephone spot checks. For details, please refer to the replies under Questions 17 and 18.

Officers of the Social Security Officer grade and experienced PMOs are assigned to be the mentors for newly recruited PMOs who are explained the content and procedural guidelines of the IEAPS and taught the skills for monitoring visits and inspections. Refresher training and sharing sessions are also regularly organised by SWD both for PMOs to have enhanced knowledge and understanding about the IEAPS and the monitoring of the service performance of the operators, and for SWD to keep abreast of the difficulties encountered by PMOs and jointly find a feasible solution. Moreover, PMOs are given the latest information, including any amended or updated work-related materials or procedures, through internal emails or short meetings.

**20. Does the failure for some projects to meet the minimum requirements as specified in the contracts regarding the classroom training hours, work exposure service sessions and the job-securing rates constitute a breach of contractual service conditions or the contractual assurance provisions? Is SWD entitled to terminate the contract, seek compensation or seek an order from the court to direct the NGOs breaching the contracts to meet specified performance standards? If SWD has failed to take actions under the contract to safeguard interests, can it be regarded as SWD's fault? Does SWD consider there should be any room for improvement regarding the terms and conditions of the IEAPS contracts to enhance the implementation of the SFS Scheme? What are the details of the follow-up actions taken by SWD in this regard?**

### IEAPS

To integrate and enhance the various employment assistance services under the CSSA Scheme, thereby enhancing effectiveness and achieving synergy, SWD launched the consolidated IEAPS on 1 January 2013 by integrating the previous “Integrated Employment Assistance Scheme”, “Special Training and Enhancement Programme” and “New Dawn Project”. Under the integrated programme, one single operator would provide diversified and one-stop employment assistance services to employable CSSA recipients based on individual needs and on a family basis. At the same time, operators were also responsible for providing work exposure services previously run by SWD (i.e. the previous “Community Work”). To the operators, it was a kind of new service.

### Contractual Requirements of the IEAPS

Under the contractual requirements of the IEAPS, if an operator has failed to meet the service requirements or handle the cases and provide the required services in accordance with the procedural guidelines without follow-up measures taken, SWD may terminate the contract concerned as necessary, with the operator concerned being required to return the remaining service fee to SWD. SWD also takes into consideration the fact that the operators may encounter certain situations and difficulties beyond their control when operating the IEAPS. For details of the various factors contributing to the

operators' failure to meet the minimum requirements as specified in the contracts regarding the job-securing rates, the classroom training hours and work exposure service sessions to be provided, please refer to the replies under Questions 1 and 15 respectively.

#### Improvement measures

Prior to the new CSSS being rolled out, SWD stepped up efforts to enhance the database of the SFS Scheme in April and July 2015 respectively to facilitate close monitoring of the service performance of the operators. For details, please refer to the reply under Question 8.

Moreover, in future, in addition to making reference to the previous average number of unemployment CSSA cases, SWD will also take into account the actual number of service recipients of different categories of employment assistance programmes as well as the trend of the number of unemployed persons in Hong Kong when drawing up the service capacity for employment assistance services for CSSA recipients and the corresponding classroom training hours and work exposure service sessions.