

*Joint-office operation on water seepage in buildings*

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The Audit Commission ("Audit") conducted a review to examine the efficiency and effectiveness of the joint-office ("JO") operation set up by the Food and Environmental Hygiene Department ("FEHD") and the Buildings Department ("BD") in handling water-seepage cases.

2. To improve coordination between staff of FEHD and BD in the handling of water-seepage cases reported by the public, shorten the investigation time and improve the success rate of identifying the seepage source of these cases, JO operation comprising staff of FEHD and BD was set up in July 2006 in offices of 19 FEHD districts ("DOs"). FEHD staff has the enforcement power under the Public Health and Municipal Services Ordinance (Cap. 132) ("PH&MS Ordinance"), and BD staff possesses building-survey expertise. From January 2007 to March 2016, JO operation had completed 196 926 water-seepage cases (on average about 21 000 cases a year), and out of these cases, 49% were screen-out cases without carrying out any investigation to trace seepage source, 21% were withdrawal cases or the water seepage had ceased, 9% were unsuccessful cases failing to identify seepage source after investigations, and 21% were successful cases with source of seepage identified. As at March 2016, 211 FEHD JO staff and 63 BD JO staff were involved in the JO operation. The cost of JO operation totalled \$129 million in 2014-2015.

3. The Committee noted the following findings from the Director of Audit's Report:

- success rate of identifying the source of seepage had decreased from 46% in 2007 to 36% in 2015;
- 9 710 (34%) of the 28 332 cases having actions completed from April 2015 to March 2016 had exceeded the 133-day overall reference time frame set by FEHD and BD. As of March 2016, 643 (2%) cases had taken 2.2 to 7.5 years to complete, and 15 564 cases were outstanding with 6 368 (41%) cases exceeding 133 days;
- during investigations of water-seepage cases, staff of FEHD JO and/or BD JO would carry out preliminary assessments of whether the cases might involve building defects or leaking water-supply pipes, and refer relevant cases to BD Existing Buildings Divisions and the Water Supplies Department ("WSD") respectively for follow-up actions. Audit discovered that, although FEHD guidelines required

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FEHD JO staff to maintain a list of cases referred to BD and WSD, eight DOs did not maintain such a list. Meanwhile, both FEHD and BD could not provide Audit with the number of cases that had been referred by JO operation to BD Existing Buildings Divisions from 2011 to 2015. Audit also noted discrepancies between the number of cases referred to WSD under JO operation and the number of cases received and recorded by WSD;

- FEHD required its JO staff of 19 DOs to maintain in each district a Water-seepage Case Monitoring Database and a Nuisance Notices Monitoring List. However, Audit discovered that some DOs did not have the following information, which should have been kept in databases/monitoring lists:
  - (a) dates of conducting coloured-water tests<sup>1</sup> and inspecting the test results;
  - (b) dates of issuing nuisance notices and their expiry dates;
  - (c) dates of referring a case to FEHD Prosecution Section; and
  - (d) the related follow-up actions and results;
- FEHD also maintained a Complaints Management Information System ("CMIS") to record information of all public enquiry and complaint cases received on its services and operations, including water-seepage reports. In July 2012, FEHD engaged a contractor at a cost of \$7.3 million to develop a new CMIS, and the new CMIS was rolled out by phases for implementation in 19 FEHD DOs from December 2014 to December 2015. However, FEHD JO staff did not fully adopt the new CMIS, and new functions of CMIS had not been fully implemented, which caused inefficiency for the management to monitor performance and progress of the cases;
- FEHD and BD were maintaining separate computer systems for monitoring water-seepage cases; and

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<sup>1</sup> If water seepage was suspected to have originated from defective drainage or sewage pipes, investigators would apply coloured water to drainage and sewage outlets and observe any appearance of the coloured water at the affected areas.

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- BD JO staff outsourced the Stage III investigations of water-seepage cases<sup>2</sup> to service contractors. However, the contracts did not provide incentives for contractors to achieve higher success rates. BD JO staff also did not compile and make reference to contractors' success rates of identifying the seepage source of cases assigned to them. From April 2014 to April 2015, the success rates of the nine contracts ranged from 23% to 67%. Some contractors took a long time to complete investigations. As of April 2016, of the 5 457 cases covered by the contracts from April 2014 to April 2015, 3 337 (61%) cases did not meet the 30-day target time frame for conducting tests, with 85 (2%) cases taking 1.1 to 2.1 years to complete the task. However, BD had not issued any warning letter or adverse performance report to related contractors.

4. The Committee did not hold any public hearing on this subject. Instead, it asked for written responses regarding the monitoring mechanisms for the handling of water-seepage cases by FEHD and BD and the effectiveness of JO operation. The replies from **Director of Food and Environmental Hygiene** and **Director of Buildings** are in *Appendices 40* and *41* respectively.

5. The Committee wishes to be kept informed of the progress made in implementing the various recommendations made by Audit.

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<sup>2</sup> In response to a public report on water seepage, the related FEHD JO staff would visit the affected premises to examine whether the water seepage might infringe any of the PH&MS Ordinance, the Buildings Ordinance (Cap. 123) and the Waterworks Ordinance (Cap. 102), and if the moisture content of the seepage was 35% or above (i.e. Stage I investigations). If a Stage I investigation found that the seepage might infringe the PH&MS Ordinance and that the moisture content of the seepage was 35% or above, the FEHD JO staff would carry out tests to trace the seepage source (i.e. Stage II investigations). If a Stage II investigation failed to identify the seepage source, the case would be forwarded to BD JO staff for further tests to detect the seepage source (i.e. Stage III investigations).