

**民政事務總署**  
香港灣仔軒尼詩道一百三十號  
修頓中心二十九及三十樓



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(By e-mail only)

7 November 2017

Mr Anthony CHU  
Clerk to Public Accounts Committee  
Legislative Council  
Legislative Council Complex  
1 Legislative Council Road  
Central  
Hong Kong

Dear Mr Chu,

**Public Accounts Committee**  
**Consideration of Chapter 4 of the Director of Audit's Report No. 68**  
**Provision of district council funds for community involvement projects**

Thank you for your letter of 18.10.2017. Our response is set out in the ensuing paragraphs.

**Response to Question (a)**

Section 68 of the District Council Ordinance (“DCO”) (Cap 547) provides that District Councils (“DCs”) may make standing orders for regulating its procedures and that of its committees.

While the authority to make standing orders rests with DCs, the Home Affairs Department (“HAD”) provides a model text of DC Standing Orders (“model text”) to 18 DCs for reference. In promulgating the model text, we normally would highlight in bold the part of the model text adopted from the provisions of the DCO. We would also mark in italics those parts of text which the Administration considers necessary for inclusion in the DC standing orders. While the DCO provides that a DC may make standing

orders, we have asked for DC Secretariats' assistance in facilitating the adoption of the model text by their DCs as completely as possible.

The current arrangement has struck a balance between maintaining consistency in DCs' making of standing orders while allowing flexibility to cater for the situation of different districts. For example, as set out in PAC paper referenced R68/4/GEN3, we noted that ten DCs have adopted procedures on declaration of interest same as those of the model text and the other eight DCs have made only minor modifications to the model text.

In the case of implementation of community involvement ("CI") projects, HAD has compiled the "Manual on the Use of District Council Funds" ("HAD Manual") to provide further guidance to DCs. The HAD Manual covers different areas such as the funding coverage, vetting criteria, payment arrangements, monitoring mechanism, etc. On the basis of the Manual, each DC has devised its own detailed guidelines for implementation of CI projects and the district guidelines must comply with the principles set out in the HAD Manual.

As far as the performance management of CI projects are concerned, in addition to requiring all grantees to submit a final report to the DC Secretariat upon the completion of the projects, the HAD Manual also requires that an evaluation system should be put in place by all DCs to monitor the effectiveness of CI projects. DCs are given the flexibility to devise their own evaluation system that fits the situation of their districts. As the number of CI projects and their scales vary among the 18 DCs, it would not be feasible for HAD to standardise the shortlisting criteria for adoption by all the DCs.

At present, the HAD Manual has not set out the requirement for DCs to review the list of designated non-governmental organisations ("designated NGOs"). In the light of the Director of Audit's recommendation, we will provide DCs with suitable guidelines in this regard.

### **Response to Question (b)**

Previously, to maintain a reasonable degree of certainty and continuity in funding, a baseline allocation was calculated for each district and the baseline allocation would be maintained unless there was increase in the overall funding for DC funds. Between 2008-09 and 2016-17, there were three increases in the overall funding for DCs respectively in 2012-13, 2013-14 and 2015-16. When there was increase in the total provision of DC

**\*Note by Clerk, PAC:** *Please see Appendix 29 of this Report for R68/4/GEN3.*

funds, the allocation for the DCs in the past year would be used as baseline allocation. As for the additional provision, a portion of which would be allocated on an equal basis to the DCs and the remaining portion would be allocated according to the relevant factors (e.g. population and socio-economic factors) by using the latest data.

In view of the Audit's recommendation, HAD has duly reviewed and adopted a new allocation arrangement. Starting from 2017-18, less than half of the total funding for DCs (38.6%) would be allocated based on individual DC's allocation in the past year, and the major portion of the total provision (60.3%) would be allocated according to the latest data of the relevant factors (e.g. population and socio-economic factors). The remaining 1.1% of the total provision is kept by HAD as central reserve. This arrangement will be adopted for allocating the funding to 18 DCs at the beginning of a new DC term, or when there is further increase in the total provision in future. This would ensure that any changes to the relevant factors could be duly and timely reflected in the allocation.

### **Response to Question (c)**

To facilitate DC Members carrying out their duties, HAD will organise induction briefings for them at the start of a new DC term. For the 2016-2019 DC term, two identical induction briefings were held on 8 and 12 January 2016 respectively. In the briefings, we introduced different manuals and guidelines related to the work of DCs, such as the HAD Manual on the Use of DC Funds and the Guidelines on the Remuneration Package for Members of the District Councils of the HKSAR. In addition, the briefing covers the functions of the Home Affairs Bureau and HAD, and the Code of Conduct for DC Members as well as a presentation by a representative from the Independent Commission Against Corruption on the conduct of DC Members as public officers. All DC members were also provided with an Information Kit (區議員參考資料2016-2019) and the HAD Manual, amongst others, was contained therein.

At the induction briefings, we briefed the DC members on, amongst others, the purposes of DC funds and the scope of CI projects. As DC members are conversant with the needs of their respective districts, we have not set any targets or drawn up guidelines on the allocation of funds to different project categories. Nevertheless, in view of the Audit's recommendation, we have already provided DCs with analyses of projects by categories for 2016-2017 for Members' reference. DCs can make reference to the analyses in considering allocation of DC funds to different project categories.

### **Response to Question (d)**

HAD and the Leisure and Cultural Services Department (LCSD) have enhanced coordination at the Headquarters and district level, and agreed to adopt measures to ensure the uniformity and accuracy of the project statistics. Starting from the 2017-18 financial year, HAD and LCSD have designed a template for district staff to ensure the consistency and uniformity in data categorisation and presentation among the 18 districts. In addition, LCSD and HAD have nominated dedicated contact points at the Headquarter levels to enhance coordination.

On the basis of the above, the relevant statistics in the past years are revised as follows –

	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
No. of CI projects	33,593	34,010	34,522	34,534	33,712
No. of participants (million)	16.88	17.12	18.06	17.13	15.92

### **Response to Question (e)**

We have provided guidelines for DC Secretariats to classify CI projects into different categories (see **Appendix 1**). There are 23 categories on the list. For the purpose of conducting analyses, the Audit had discounted some items (e.g. the employment of dedicated staff to assist DC in implementing CI projects) or counted items of similar nature collectively (e.g. “District Cultural Project Grant Scheme” and “Culture and Arts” are grouped together). As for the item of “Others”, the projects concerned were re-distributed to other related categories. As a result, a total of 15 project categories were reported in the Audit Report.

### **Response to Question (f)(i) to (f)(iii)**

At the time designated funds were provided to DCs for arts and cultural activities (“designated funds”) for the first time in 2013-14, HAD has required DCs to ensure that they will spend in each of the following years an amount no less than the DCs spent on arts and cultural activities in 2012-13 (i.e. the amount spent before the designated fund was first provided in 2013-14) and that the two additional designated funds (i.e. \$20.8 million since 2013-14 and another \$20.8 million from 2015-16 to 2019-20) will be spent solely on such activities.

The reasons for a difference between the amount that should have been spent on arts and cultural activities (the designated funds) and the actual spending by DCs include the following: (i) the actual expenditure incurred by certain arts and cultural projects was less than the approved amount as set out in the application; (ii) some approved arts and cultural projects were subsequently cancelled due to inclement weather or other unforeseen circumstances; or (iii) payments had to be rolled over to the next financial year as the reimbursement process could not be completed by the end of the financial year, pending submission of supporting documents.

Separately, as a budgetary strategy, the DCs are allowed to approve over-commitments up to 25% of their respective district allocations such that the funds available can be fully utilised when there is underspending or cancellation of some CI projects. The unspent balance of individual CI projects (including those for arts and cultural projects) was seen by DCs as part and parcel of the total funds that could be used to settle payment of CI projects in general and no separate approval was required for such usage of the funds. As there could be over-commitments of the DC allocations up to 25% and any unspent balance of DC funds (including those for arts and cultural projects) could be used for settling payment of CI projects in general (not distinguishing between arts/cultural and non-arts/cultural projects), it is not feasible to specify which particular projects had used up the said unspent balance.

It is worth noting that normally there is no lack of approved CI projects with significant art and culture elements, for instance, “2015年拉闊音樂賀中秋敬老綜藝音樂嘉年華” (categorised under “Festival celebrations and district festivals”), “勁歌熱舞同樂日 2015 Live Band Show”, “懷舊金曲欣賞會”, “體育武術文化嘉年華” and ‘玉器文化藝術推廣月’ (categorised under “Recreational and sports activities”), ‘禁毒滅罪青少年潮藝發展計劃2015 - 音樂劇表演 (categorised under “Crime-fighting and corruption prevention”) etc.

### **Response to Question (f)(iv) to (f)(v)**

When DCs used the unspent fund on CI projects previously approved by them under the over-commitment mechanism, any issue of conflict of interest should have been dealt with when the DC first considered the CI projects and would not arise in the context of when the unspent balance is used. Furthermore, the unspent balance was seen by DCs as part and parcel of the funds for settling payment of approved CI projects in general, no reminders would be issued on the use of the unspent balance.

### **Response to Question (f)(vi)**

To ensure DCs can fully use the designated funds, we have asked DC Secretariats to enhance budgetary control and management of the funds, e.g. by clearly delineating the major element in a project and in turn the appropriate classification and suitably considering over-committing for such arts and culture projects, so that the funds can be spent as far as possible by the close of the financial year.

### **Response to Question (g)**

A copy of the Guidelines on “Other Declarable Interests” issued by HAD in September 2017 is at **Appendix 2**. As at early November 2017, the Guidelines have been adopted by eight DCs. As for the other ten DCs, the DCs concerned are in the process of considering the guidelines; for instance, by submitting them to DC/relevant committee for discussion and consideration.

### **Response to Question (h)**

A copy of the Good Practice on the arrangement for handling declaration of interests by DC members and Co-opted members in vetting fund applications issued by HAD for DCs’ reference in September 2017 is at **Appendix 3**. As at early November 2017, eight DCs have adopted the Good Practice in their standing orders or procedures. The other ten DCs will go through the necessary consultation process before adopting the Good Practice.

### **Response to Question (i)**

For both Cases 1 and 2, the chairmen of the meetings concerned had not been reminded to make specific rulings on the interests declared by members. For Case 1, the Secretariat further explained that it is an established practice in the DC concerned that members should not speak or vote on the items on which they have declared conflict of interests. For Case 2, the Secretariat further explained that no explicit ruling was made in respect of members’ declarations before September 2016 because all along, there was an implied consent from the Chairman and general acquiescence among members that where no direct conflict of interest was involved, those who declared interest could continue to stay at the meeting.

We acknowledge that there is room for improvement and the Secretariats concerned have already stepped up the arrangement by reminding chairmen of meetings to make specific rulings and ensure that such rulings are recorded in the minutes of meetings.

### **Response to Question (j)**

A copy of the correspondence issued by HAD to the District Officers (DOs) on reminding the chairmen of meetings to make rulings on interests declared and record the rulings in the minutes of meetings is at **Appendix 4**.

### **Response to Question (k)**

The principle of requiring DC members to declare interests as appropriate applies to Council, Committee, and Working Group meetings. Whilst the Standing Order refer to “Council” and “Committee” and “Working Group” is not explicitly mentioned, the HAD Manual has provided that DC members and co-opted members should make a declaration of interest before the relevant item is discussed. As Working Group members are either DC members or co-opted members, this would have governed the declarations of interest by members of Working Group and DC/Committees when handling CI projects. We have already reminded DC Secretariats that the stipulated procedures for handling conflicts of interest in DC/committee meeting also apply to working group meetings. Moreover, we will add the express reference to “Working Group” in the DC standing order to put the matter beyond doubt.

### **Response to Question (l)**

Except closed-door meetings, minutes of working group meetings are made available on the DC website. While the recordings of working group meetings are not required to be uploaded onto the DC website, the recordings are available upon public request. The secretariat of the working group concerned explained that the meeting minutes were prepared in accordance with Clause 43 of the Standing Order of the DC. Clause 43 follows the model text provided by HAD, which is as follows:

**“Order 43 of the model text –**

The minutes of meetings of a working group shall record the final decisions of the discussion only. They shall be uploaded to the homepage of the Council except for the closed-door sessions of meeting.”

This is a case of misinterpretation of Order 43 of the model text, which is intended to provide guidance that there is no need to record discussions of the working group in verbatim and that only the final decisions are required to be recorded. The intention is to streamline the work as there may be many working group meetings looking after many minute details of some projects. It is not the intention to allow the secretariat to leave out other essential details such as the attendance list and interests declared.

Starting from 2017, the minutes of the working group concerned have incorporated more details of the meetings, including the list of members in attendance, interests declared and rulings on interests declared.

#### **Response to Question (m)**

In June 2017, HAD reminded DC Secretariats that, for those working groups that were then endorsing CI project applications, they should (i) seek DC or the relevant DC committee’s further endorsement on the working groups recommendations; or (ii) properly constitute the working groups as committees under Section 71 of DCO as appropriate. The relevant correspondence issued is at **Appendix 4**.

#### **Response to Question (n)**

It is a common practice amongst the DCs that a portion of DC Funds would, for budgetary purposes, be earmarked for some NGOs (hereunder referred to as “designated NGOs”) to organise CI projects. These designated NGOs are still required to submit applications for formal funding approval as in the case of other applicants for DC Funds. These applications are subject to the same level of scrutiny by the respective DCs or DC committees as with those submitted by other organisations.

To ensure that only NGOs with good performance and track records are kept in the list of designated NGOs, we will require DCs to regularly review the list. We are preparing the guidelines for DCs which will set out the frequency for review and the general criteria for consideration.



**Response to Question (o)**

All the 3 DCs mentioned in paragraphs 4.13 to 4.17 concerned have used a standard evaluation form, which is basically the same as the one provided in the HAD Manual. A copy of the standard evaluation form is at **Appendix 5**. Part B of the standard evaluation form allows the evaluators to put down their comments (i.e. item (g) “Other Comments”) and around 2.7% of these forms were with evaluators’ comments.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Howard YAM', written over a horizontal line.

(Howard YAM)  
for Director of Home Affairs

c.c. (By email)

Secretary for Home Affairs

Director of Leisure and Cultural Services

Secretary for Financial Services and the Treasury

Director of Audit

## 活動性質分類

編碼	名稱	備註
01	地區節資助計劃	
02	地區文化活動資助計劃	
03	文化藝術	包括文化藝術活動及康文署推行的免費文娛活動
04	文娛康樂體育	包括興趣班、競技項目及康文署推行的康樂體育活動
06	節日慶典及區節	包括節日、回歸，以及建國慶祝活動
07	環境改善及保護	包括綠化活動及環保宣傳活動
08	健康及衛生	包括加強公共衛生、預防疾病、提倡健康生活的活動
09	防火	
10	減罪及防貪	
11	樓宇管理	
12	社會服務	包括傷健活動、探訪／照顧社會有需要人士活動、關於社會服務需要的調查及研究、建立社會資本和促進助人自助的活動
13	地區行政	包括所有提高市民對地方行政計劃的認識的活動，有關區議會的宣傳活動、宣傳品／紀念品製作、工作報告製作、網頁製作、記者會，以及清潔區議會告示板和更新通告事宜
14	教育	包括升學及就業活動
15	圖書館	包括所有在圖書館內舉行的活動、其他加強圖書館服務的項目和活動，及康文署推行的圖書館活動
16	地區保育及推廣	包括所有地區保育，介紹及推廣本區文化、文物、景點，以及在本區推動本土經濟的活動
17	公民教育	包括國民教育，推廣基本法，人權教育，以維護法治精神，促進社區共融及種族和諧等推廣活動
18	交通及道路安全	
19	聘請專責人員	只包括使用不多於當區所得撥款的 15% 聘請以全年執行區議會職務的專責人員

編碼	名稱	備註
20	區議會資本物品	只包括購買、維修及保養有助區議會及其轄下委員會／工作小組推行社區參與計劃的資本物品
21	其他(請註明)	講座、調查、研討會、展覽會、嘉年華會等均應按活動主題歸納，如主題未能納入以上活動性質，始歸納為“其他”
22	推廣地區文化藝術(專項撥款)	包括使用 2013-14 年度起和 2015-16 至 2019-20 年度期間供區議會推廣藝術文化活動的專項撥款推行的文化藝術活動
23	文化藝術(原撥款及專項撥款)	

**\*Note by Clerk, PAC: Chinese version only.**

### **Guidelines on “Other Declarable Interests”**

Other declarable interests include, but are not limited to, (i) membership (including president, chairperson, honorary president, honorary chairperson, etc.) of any organisations which may apply or have applied for funding from the District Council; and (ii) any consultant, client or other important relationship(s) with the organisations which may apply or have applied for funding from the District Council. Important relationship refers to the interest arising from such relationship which in the eyes of the objective and reasonable general public may influence the judgement of the member concerned.

#### Notes :

(a) The registering of interests is additional to, and in no way a replacement of, the requirement on Members to disclose pecuniary or other interests under Orders 48(9) and (10) which are reproduced hereunder :

If a member of the Council or its committees has any direct personal or pecuniary interest in any matter under consideration by the Council or its committees, he or she must, after he or she has become aware of it, disclose such to the Council or its committees prior to the discussion of the item (Order 48(9)).

Any member of the Council or its committees shall declare interests before dealing with matters on tender, quotation and the District Council Funds if he or she finds he or she has any pecuniary or other interests in such matters or has any links with the benefited party or potential benefited party (Order 48(10)).

(b) Members should also note that under Order 48(15), “when the Secretary of the Council or its committees finds that a member of the Council or its committees has direct pecuniary interests in a matter under consideration, the Secretary shall refer this to the Chairman of the Council or the chairman of the relevant committee who shall then decide whether relevant papers shall be sent to the member concerned. Where a member of the Council or its committees is in receipt of a paper for consideration which he or she knows presents direct conflict of interest,

he or she shall immediately inform the Secretary of the Council or the relevant committee and return the paper.”

## Arrangement for Handling Declaration of Interests by District Council Members and Co-opted Members in Vetting Fund Applications

- Order 48(11) of the model text of District Council (DC) Standing Orders provides that the Chairman of the Council shall decide whether a member of the Council who has disclosed an interest in a matter may speak or vote on that matter, may remain in the meeting as an observer, or should withdraw from the meeting<sup>1</sup>. The Home Affairs Department has formulated the following good practice for DCs' reference in handling the declaration of interests and making rulings.

### Vetting Fund Applications at Meetings

- The arrangements for handling declaration of interests are divided into three tiers in accordance with the position held by a member/co-opted member in the applicant organisation/co-organiser/assisting organiser.
  - ◆ Tier 1: a member/co-opted member associated with the applicant organisation/co-organiser/assisting organiser in **a nominal capacity** such as honorary chairperson, honorary president, advisor, etc. should declare interest prior to the discussion but can still take part in the discussion, decision-making and voting;
  - ◆ Tier 2: a member/co-opted member associated with the applicant organisation/co-organiser/assisting organiser in **an executive capacity** such as chairperson, vice-chairperson, committee member, secretary, treasurer, etc. should declare interest to the meeting and should be silent during the discussion of the application concerned, and abstain from decision-making or voting for the application concerned. The chairperson of the meeting may ask the member/co-opted member to provide supplementary information as appropriate; and
  - ◆ Tier 3: a member/co-opted member who is **an executor** of the project concerned such as the designated officer-in-charge or authorised person of the project, etc. should declare interest to the meeting and withdraw from the meeting during the discussion of the application concerned.
- Since definition of post titles varies in different organisations, members/co-opted members are to exercise their judgement and decide the tier to which they belong and make declaration as appropriate. For example, a member/co-opted member whose post title is honorary president in an

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<sup>1</sup> If the Chairman of the Council has disclosed an interest in a matter, the Vice Chairman of the Council shall decide whether the DC Chairman may speak or vote on that matter, may remain in the meeting as an observer, or should withdraw from the meeting. If both the Chairman and Vice Chairman of the Council have disclosed an interest in the same matter, all members present at the meeting (excluding the Chairman and Vice Chairman of the Council who have disclosed an interest and other members of the Council who have disclosed an interest according to Order 48(9) of the Standing Orders) shall decide whether the Chairman and Vice Chairman may speak or vote on that matter, may remain in the meeting as a an observer, or should withdraw from the meeting.

organisation but has an executive capacity in the organisation should be regarded as Tier 2.

- A member/co-opted member having **business dealings** with any party associated with the projects financed by DC Funds or being aware of any **association with the supplier/contractor** of the project should declare interest and withdraw from the meeting during the discussion of the application concerned in accordance with the Tier 3 arrangement of declaration of interests.
- A member/co-opted member having **other interest** in the project concerned should declare interest, and follow the arrangements as decided by the chairperson of the meeting, for example, be silent during the discussion or withdraw from the meeting.
- In vetting fund applications for projects led by DC or its Committees/Working Groups (C/WGs) or Committees/Working Group (C/WGs) under XX District Office, members need not declare their interest in the capacity as members of DC or such C/WGs. Nevertheless, a member having other interest in the project concerned such as association with the service provider should declare interest, and be silent or withdraw from the meeting as appropriate.

#### **Vetting Fund Applications by Circulation of Papers**

- Members/co-opted members shall declare interest in writing;
- The vote of a member/co-opted member with any declarable interest in the application concerned other than that under Tier 1 should not be counted.

Home Affairs Department  
September 2017

Urgent     Return Receipt     Sign     Encrypt     Prevent Copy

Date: 06/06/2017 11:22:02

From: Howard YAM <[REDACTED]>

To: &HAD[All\_DOs]

Cc: Janice SW TSE <[REDACTED]>, Jack JC CHAN <[REDACTED]>, Angora LY NGAI <[REDACTED]>, Belinda YY CHONG <[REDACTED]>, Eiphie CHAN <[REDACTED]>, Maggie TL KWONG <[REDACTED]>, Peter CK KWOK <[REDACTED]>, Kelly KW MAN <[REDACTED]>, Simpson CH LO <[REDACTED]>, Terrence CY HO <[REDACTED]>, Matthew CY CHUI <[REDACTED]>, Joe C CHOW <[REDACTED]>, Kwong Kin CHIU <[REDACTED]>, Herman CK SO <[REDACTED]>, Marco CH CHU <[REDACTED]>, Freda YC CHEUNG <[REDACTED]>, Gillian HT CHAN <[REDACTED]>, Rainy KW CHUNG <[REDACTED]>, Carren KY MAK <[REDACTED]>, Penny SY WONG <[REDACTED]>, Tanna TN CHONG <[REDACTED]>, Gordon TY WU <[REDACTED]>, Simon TP WONG <[REDACTED]>, Lilian NL TSE <[REDACTED]>, Iris KY LEE <[REDACTED]>, Amy WY WONG <[REDACTED]>, Syrus CF TSUI <[REDACTED]>, Steve WONG <[REDACTED]>, &HAD[All\_SEO[DC]s], Daisy PY LAI <[REDACTED]>

Bcc:

Subject: CONFIDENTIAL: Director of Audit's Report No. 68 - Provision of DC Funds for Community Involvement projects - List of follow-up actions by DOs

File

Ref:

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Dear DOs,

I refer to the recent Director of Audit's report on "Provision of DC Funds for CI projects" ( [http://www.aud.gov.hk/pdf\\_e/e68ch04.pdf](http://www.aud.gov.hk/pdf_e/e68ch04.pdf) ) and our response to the questions raised by PAC (attached below).



Letter from LegCo (consideration of Director of Audit's Report No. 68 - Chapter 4 - provision of DC funds for community inv.pdf





Reply to PAC-Appendix.docx Reply to PAC-Appendix-Chinese.docx

In connection with Audit's recommendations made in the report, please kindly take follow-up actions as set out in the attached checklist.



Checklist on follow up actions by DOs.docx

For Item 5 of the checklist on DCs' practice of handling interests declared, item 8 on DCs' practice of selecting partner NGOs, and item 15 on DCFIS, grateful for your reply by **19.6.2017 (Monday)** so that we could follow up on those items. As foreshadowed in our reply to PAC (Q7), we also aim to provide broad principles of what constitute "other declarable interests" to facilitate reporting of such interests.

Many thanks in advance.

Howard

**VFM audit – Provision of DC Funds for Community Involvement Projects**

**Checklist on follow-up actions by DOs**

	Para.	Audit's findings/comments	Audit's recommendations	DOs' Follow-up actions

5.	3.12-3.13 3.14(a)(b)	Rulings not made – For the 129 cases of interest declared, rulings had not been made for 73 cases	Rulings should be made on interests declared by members in DC/committee meetings  The rulings made and the rationale behind the rulings should be recorded in the minutes of the meetings as appropriate in accordance with the HAD Manual	Chairmen of meetings should be reminded to make explicit rulings on all interest declared. The rulings made and the rationale behind the rulings should be properly recorded in the minutes of the meetings.

7.	3.20 3.21(b)	Audit noted that 3 working groups had been delegated by their respective DCs with the authority to endorse project applications and considers such delegation arrangement may not be entirely proper	Ascertain whether DCs' practice of delegating functions to their working groups is in line with the District Councils Ordinance and take remedial action as appropriate	For those working groups that are currently endorsing CI project applications, DOs should (i) seek DC or the relevant DC committee's further endorsement on the working groups' recommendations; or (ii) properly constitute the working groups as committees under S. 71 of DC Ordinance (DCO) as appropriate.  Given the Audit's comments, DOs are reminded to take note of S.71 of DCO which has set out the requirements in setting up a DC committee.

**Evaluation Report for Project Financed by District Council (DC) Funds**

**Part A: Background Information of the Project**

(To be completed by DC secretariat and passed to the DC member/Co-opted member/staff of Home Affairs Department (HAD) before conducting the DC visit)

Project Name:

Project No.:

Date/Period of Implementation:

Venue:

Name of Grantee:

Co-organiser(s):

Approved Project Fund:

Anticipated No. of Participants:

Any Special Conditions imposed by DC:

**Part B: Evaluation of the Project during the DC Visit**

(To be completed by DC member/Co-opted member/HAD staff and returned to the DC secretariat within two weeks of the date of DC visit)

To : The Secretariat of the [ District Council  
Fax No.: [ ]

**Assessment :**

	Very Satisfactory	Satisfactory	Acceptable	Unsatisfactory
(Please refer to the application attached for details of the activity and put a “✓” in the appropriate box.)				
(a) Objectives of the activity met	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(b) Expected benefits achieved	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(c) No. of participants as compared with the estimated no. of participants	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(d) Response of the participants	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(e) Effectiveness of the use of funds	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(f) Acknowledgement given to the Council	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(g) Other comments (e.g. publicity for an individual in the activity which was in breach of the terms and conditions of grant)				

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Signature : \_\_\_\_\_ Date : \_\_\_\_\_  
(Name of DC member/co-opted member/HAD staff)

**Note :**

1. An evaluation report would be made available for inspection by the DC, its Committee, HAD or the public.
2. The evaluation of performance of the project should be carried out by a DC member / co-opted member and/or HAD staff who is/are not involved in project administration and who does/do not have an interest in the organisation under evaluation.

**Part C: Compliance Check against the Terms and Conditions of Grants of DC Funds**

(To be completed by the subject officer of DC secretariat at the rank of Executive Officer II or above upon verification of the project completion report and Income and Expenditure Statement)

		Comply	Not Comply	Not Applicable
1.	Funding approved by DC prior to expenditure incurred	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.	Project cost within approved ceiling or revised ceiling as may be approved	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.	Appropriate mode of implementation adopted	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.	Funds expended within the ambit of DC funds	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.	Change in nature of project / cashflow requirement approved prior to implementation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.	Approval obtained for inclusion of items of expenditure not covered in the original approval / other additional expenditure exceeding 5% contingency fund	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.	Verifiable project proof submitted	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8.	Name of DC stated in publicity items	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9.	Mandatory requirements fulfilled in the employment of casual/non-skilled workers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10.	At least one reimbursement made before release of further advance payment/reimbursement in the subsequent year(s) of cross-year project implementation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11.	The project should not give undue credit or publicity to an individual, a commercial firm, a political party or association	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12.	The project should not be intended for the exclusive or personal benefit of an individual	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

		Comply	Not Comply	Not Applicable
13.	The project should not involve the disbursement of cash relief	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14.	The project should not be launched primarily for profit-making or fund-raising purposes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15.	Others [DC secretariat may add more items]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Completed By:

Signature: \_\_\_\_\_  
(Name and Post of officer)

\_\_\_\_\_  
Date